

Triennial Performance Audit

of the

Eastern Contra Costa Transit Authority (ECCTA, or Tri Delta Transit)

Fiscal Years 2020/21, 2021/22 and 2022/23

FINAL AUDIT REPORT

prepared for the



by



June 2024

NOTE:

*All exhibits in this report are presented at the end of the
associated discussion in each section.*

EXECUTIVE SUMMARY

This executive summary highlights the findings from the performance audit of the Eastern Contra Costa Transit Authority (ECCTA, or Tri Delta Transit). In California, a performance audit must be conducted every three years of any transit operator receiving Transportation Development Act (TDA) Article 4 funds, to determine whether the operator is in compliance with certain statutory and regulatory requirements, and to assess the efficiency and effectiveness of the operator's services. The two service modes operated by Tri Delta Transit, bus and paratransit, are the prime focus of this performance audit. The audit period is Fiscal Years 2021 through 2023 (from July 1, 2020 through June 30, 2023).

Performance Audit and Report Organization

The performance audit was conducted for MTC in accordance with its established procedures for performance audits. The final audit report consists of these sections:

- An assessment of data collection and reporting procedures;
- A review of performance trends in TDA-mandated indicators and component costs;
- A review of compliance with selected PUC requirements;
- An evaluation of Tri Delta Transit's actions to implement the recommendations from the last performance audit;
- An evaluation of functional performance indicator trends; and
- Findings, conclusions, and recommendations to further improve Tri Delta Transit's performance based on the results of the previous sections.

Comments received from Tri Delta Transit and MTC staff regarding the draft report have been incorporated into this final report. Highlights of the key activities are presented in this executive summary.

Results and Conclusions

Review of TDA Data Collection and Reporting Methods - The purpose of this review is to determine if Tri Delta Transit is in compliance with the TDA requirements for data collection and reporting. The review is limited to the five data items needed to calculate the TDA-mandated performance indicators. This review has determined that Tri Delta Transit is in compliance with the data collection and reporting requirements for all five TDA statistics. In addition, the statistics collected over the period appear to be consistent with the TDA definitions and indicate general consistency in terms of the direction and magnitude of the year-to-year changes across the statistics.

Performance Indicators and Trends – Tri Delta Transit’s performance trends for the five TDA-mandated indicators were analyzed by mode. A six-year analysis period was used for all the indicators. In addition, component operating costs were analyzed.

- Bus Service – The following is a summary of the TDA performance trend highlights over the six-year period of FY2018 through FY2023:
 - There was an average annual increase in the operating cost per hour of 6.7 percent, which amounted to a 3.8 percent increase in inflation adjusted dollars.
 - The cost per passenger increased on average by 27 percent per year, resulting in an average annual increase of 23.6 percent in constant FY2018 dollars.
 - Passenger productivity decreased, with passengers per vehicle service hour decreasing by 16 percent per year overall, and passengers per vehicle service mile decreasing by 14.6 percent annually. Most of the

decrease for these two indicators was due to the effects of the COVID pandemic on ridership in FY2020 and FY2021.

The following is a summary of the component operating costs trend highlights for the bus service between FY2018 through FY2023:

- Purchased transportation costs increased an average seven percent per year and was the largest component cost area at between 53 and 58 percent of total costs in each year. Purchased transportation costs experienced the largest increase of 20.5 percent in FY2023, attributed to an increase in the operating agreement with First Transit that year in an attempt to attract and retain qualified operators.
- In-house labor and fringe benefit costs increased by 9.6 percent and 11.9 percent, respectively, with both of these categories combined comprising about 22 percent of operating costs during the review period.
- Service costs increased by 5.9 percent on average per year and comprised about 4 percent of operating costs during the review period.
- Materials/supplies costs increased an average of 13 percent per year and comprised between 12 and 16 percent of total operating costs during the review period.
- There was about a one percent decrease per year in casualty/liability costs, and a 2.7 percent decrease in other expenses, which combined comprised about five percent of total costs for the review period.

- Paratransit – The following is a brief summary of the TDA performance trend highlights over the six-year period of FY2018 through FY2023:
 - Cost efficiency showed a decrease, with operating cost per hour increasing an average of 5.2 percent per year, or a 2.4 percent annual increase when expressed as normalized FY2018 dollars. The operating cost per hour increased every year except FY2019.
 - Cost effectiveness also decreased, with an average annual increase in the operating cost per passenger of five percent. This amounted to an average annual increase of 2.2 percent in inflation adjusted dollars. Cost per passenger was highest during the COVID pandemic years of FY2020 and FY2021 but have eased in the last two years of the analysis period, as ridership has begun to recover.
 - Passenger productivity remained almost unchanged overall during the six-year period. Passengers per hour increased 0.2 percent per year on average, with passengers per service mile increasing 0.5 percent annually.

The following is a brief summary of the component operating costs trend highlights for paratransit between FY2018 through FY2023:

- Even with the COVID pandemic occurring in the middle of the six-year analysis period, overall total operating costs increased an average of 17.4 percent annually. The largest annual increase, 52.6 percent, occurred in FY2023 as Tri Delta’s service levels were continuing to recover from the pandemic years.
- Purchased transportation costs represented the largest portion of total paratransit operating costs, at just over 70 percent throughout the review period, and increased by 20.1 percent per year on average, replicating similar increases in service miles and hours during the period.
- Annual average increases were seen in the labor (7.0 percent), fringe benefits (9.1 percent), and services (15.7 percent) categories, however, these three categories combined account for only about 15 percent of the total paratransit costs.

- Average annual cost increases of about 14 percent occurred in the materials/supplies category during the review period. This category comprised about 12 percent of paratransit component costs within the review period.
- Increases were also seen in the casualty/liability (19.2 percent) category and the other expenses category (15 percent), but both areas combined comprise less than three percent of total expenses.

Compliance with Statutory Requirements – Tri Delta Transit is in compliance with each of the seven sections of the state PUC that were reviewed as part of this performance audit. These sections included requirements concerning CHP terminal safety inspections, labor contracts, reduced fares, Welfare-to-Work, revenue sharing, and evaluating passenger needs.

Status of Prior Audit Recommendations – There were no recommendations suggested in Tri Delta Transit’s prior performance audit.

Functional Performance Indicator Trends - To further assess Tri Delta Transit’s performance over the past three years, a detailed set of systemwide and modal functional area performance indicators was defined and reviewed.

- Systemwide (All Modes) – The following is a summary of the systemwide functional trend highlights between FY2021 and FY2023:
 - Administrative spending decreased overall, as administrative cost as a percentage of total operating costs and administrative cost per vehicle service hour both decreased about 13 percent during the audit period.
 - Marketing costs also decreased as a percentage of administrative costs by almost 38 percent, while marketing costs per unlinked passenger trip decreased more than 45 percent between FY2021 and FY2023.

- The systemwide farebox recovery ratio increased over 60 percent between FY2021 and FY2023, from 3.1 percent to five percent.
- Bus Service – The following is a brief summary of the bus service functional trend highlights between FY2021 and FY2023:
 - Service Planning results showed operating costs per passenger mile decreasing by about 14 percent overall. Vehicle miles in service and vehicle hours in service showed small improvements of about 2 percent over the audit period as a percentage of total miles and hours. Passengers per vehicle service mile was unchanged overall, while passengers per vehicle service hour saw a slight decrease of just over one percent for the period.
 - In Operations, overall vehicle operations costs increased slightly as a percentage of total operating costs, by 2.4 percent overall. Cost per service hour also increased by two percent during the period.
 - Farebox recovery increased from 1.5 percent to 3.9 percent between FY2021 and FY2023, and the TDA recovery ratio also increased by almost 57 percent, from 20.2 percent in FY2021 to 31.7 percent in FY2023.
 - The percentage of on time decreased by 7.9 percent over the three-year period, and the percentage of missed trips declined by 27 percent overall. The number of complaints declined by 13 percent overall during the audit period.
 - Maintenance costs increased moderately overall relative to total operating costs and also increased on a service mile basis, by approximately 15 percent. The vehicle spare ratio decreased from 19.4 percent to 16.1 percent during the audit period. Mean distance between both major mechanical failures and all mechanical failures improved by 87 percent and 132 percent respectively during the three-year period.
 - Safety results demonstrated fluctuations in the rate of preventable accidents per 100,000 vehicle miles, but remained low overall, ranging from between 1.1 to 1.3 during the audit period.

- Paratransit – The following is a brief summary of the paratransit functional trend highlights between FY2021 and FY2023:
 - The cost per passenger mile decreased by 22 percent overall between FY2021 and FY2023. The percentage of vehicle miles and vehicle hours in service increased to more than 86 percent for both overall during the audit period. Passengers per vehicle service mile and vehicle service hour both improved, increasing by 24.9 percent and 27.3 percent, respectively.
 - Operations results included an increase of 7.3 percent in vehicle operations costs as a portion of total operating costs and a 20.3 percent increase in vehicle operations cost per service hour. Farebox recovery decreased by about 15 over the audit period.
 - The percentage of on-time trips remained steady around 97 percent during the audit period, complaints increased by 17.4 percent, and missed trips were below 0.01 as a percent of total trips over the three-year period.
 - There were zero ADA trip denials during the audit period, data for total trip cancelations was unavailable, no-show trips decreased over 50 percent, and late cancelations as a percentage of ADA trips increased from 0.9 percent in FY2021 to 1.1 percent in FY2023.
 - Maintenance results showed both vehicle maintenance costs as a percentage of total operating costs and vehicle maintenance costs per service mile decreasing more than 40 percent overall. The spare ratio decreased by 37 percent during the audit period.
 - The rate of mechanical failures for major failures and all failures both decreased significantly, with miles between major failures increasing over 350 percent, and miles between all failures increasing over 250 percent between FY2021 and FY2023.
 - Safety results saw a minor increase in the number of preventable accidents per 100,000 miles over the audit period, from 0.3 in FY2021 and FY2022 to 0.9 in FY2023.

Recommendations

No recommendations are suggested for Tri Delta Transit based on the results of this triennial performance audit.

It is noted here that many cost efficiency, cost effectiveness, and functional indicators in this report fluctuated by wide margins compared to their past trends. For example, operating cost per passenger for motorbus increased an average of 27 percent per year from \$7.56 in FY2018 to \$25.01 in FY2023. Other examples are the 16 percent and 14.6 percent average decreases per year in passengers per vehicle service hour and vehicle service mile between FY2018 and FY2023. In prior TDA audits, such increases or decreases in efficiency, effectiveness, and functional indicators most likely resulted in one or more recommendations for follow-up investigations and development of corrective actions.

It is recognized here that during this audit period, policy, planning, and operational decisions were made under the unusual conditions of a local, regional, and national health pandemic. Tri Delta Transit, like other transit agencies in the Bay Area, faced issues related to employee availability and retention; deployment of vehicles based on declining demand due to remote working; and forced reduction in acceptable vehicle occupancy due to social distancing guidelines. For these reasons, no recommendations are made to reexamine the past performance. The results in FY2023 performance indicators and functional indicators indicates that ridership, service levels and functional performance are improving. These trends will be examined again in the future TDA Audits.

Table of Contents

Page No.

Executive Summary	i
Performance Audit and Report Organization	i
Results and Conclusions	ii
Recommendations.....	viii
I. Introduction	1
Performance Audit and Report Organization	2
II. Review of TDA Data Collection and Reporting Methods	8
Compliance with Requirements	8
Consistency of the Reported Statistics.....	9
III. TDA Performance Indicators and Trends	15
Bus Service Performance Trends.....	16
Bus Service Component Costs.....	23
Paratransit Performance Trends	27
Paratransit Component Costs	34
IV. Compliance with PUC Requirements	38
V. Status of Prior Audit Recommendations.....	41
VI. Functional Performance Indicator Trends	42
Systemwide (All Modes)	43
Bus Service	46
Paratransit	51
VII. Conclusions And Recommendations.....	56
Recommendations.....	62
Appendix A: Input Statistics for Functional Performance Measures	A-1
Functional Performance Inputs - Systemwide (All Modes)	A-2
Functional Performance Inputs – Bus Service.....	A-3
Functional Performance Inputs – Paratransit.....	A-4

List of Exhibits

Page No.

Exhibit 1: System Overview	3
Exhibit 2.1: Organization Chart – FY2021-22	6
Exhibit 2.2: Organization Chart – FY2023	7
Exhibit 3.1: Compliance with TDA Data Collection and Reporting Requirements.....	10
Exhibit 3.2: TDA Statistics – Bus Service.....	13
Exhibit 3.3: TDA Statistics – Paratransit.....	14
Exhibit 4: TDA Indicator Performance - Bus Service	19
Exhibit 4.1: Operating Cost per Vehicle Service Hour - Bus Service	20
Exhibit 4.2: Passengers per Hour and per Mile – Bus Service	21
Exhibit 4.3: Operating Cost per Passenger – Bus Service	22
Exhibit 4.5: Component Cost Trends – Bus Service	25
Exhibit 4.6: Distribution of Component Costs – Bus Service	26
Exhibit 5: TDA Indicator Performance – Paratransit	30
Exhibit 5.1: Operating Cost per Vehicle Service Hour – Paratransit	31
Exhibit 5.2: Passengers per Hour and per Mile – Paratransit	32
Exhibit 5.3: Operating Cost per Passenger – Paratransit	33
Exhibit 5.5: Component Costs Trends – Paratransit.....	36
Exhibit 5.6: Distribution of Component Costs – Paratransit	37
Exhibit 6: Compliance with State PUC Requirements	39
Exhibit 7: Functional Performance Trends – Systemwide (All Modes).....	45
Exhibit 8: Functional Performance Trends – Bus Service.....	49
Exhibit 9: Functional Performance Trends – Paratransit.....	54

I. INTRODUCTION

Public Utilities Code (PUC) Section 99246 requires that a performance audit be conducted every three years of each public transit operator in California. The audit requirement pertains to recipients of Transportation Development Act (TDA) funds and is intended to assure that the funds are being used efficiently. The substance and process of the performance audit is defined by the Regional Transportation Planning Agency (RTPA).

In the San Francisco Bay Area, the Metropolitan Transportation Commission (MTC) has been designated the RTPA and has this responsibility. By statute, the audit must be conducted in accordance with the U.S. Comptroller General's "Standards for Audit of Governmental Organizations, Programs, Activities, and Functions" (the "yellow book"). The performance audit is a systematic review to determine the extent to which a transit operator has complied with pertinent laws and regulations and conducted operations in an efficient and economical manner. Relative to system compliance testing, all findings are reported regardless of materiality.

This report has been prepared as part of the performance audit of the Eastern Contra Costa Transit Authority (ECCTA), also known as Tri Delta Transit. The two modes operated by Tri Delta Transit, bus and paratransit, are the focus of this performance audit. The audit period Fiscal Years 2021 through 2023 (from July 1, 2020 through June 30, 2023).

An overview of Tri Delta Transit is provided in Exhibit 1. This is followed by a recent organization chart in Exhibit 2, which reflects the basic organizational structure during the audit period and beyond.

Performance Audit and Report Organization

This performance audit of Tri Delta Transit was conducted for MTC in accordance with its established procedures for performance audits. The audit consisted of two discrete steps:

1. Compliance Audit - Activities in this phase include:
 - An overview of data collection and reporting procedures for the five TDA performance indicators;
 - Analysis of the TDA indicators; and
 - A review of compliance with selected state Public Utilities Code (PUC) requirements.

2. Functional Review - Activities in this phase include:
 - A review of actions to implement the recommendations from the prior performance audit;
 - Calculation and evaluation of functional performance indicator trends; and
 - Findings, conclusions, and the formulation of recommendations.

This report presents the findings from both phases.

Exhibit 1: System Overview

Locations	Headquarters: 801 Wilbur Avenue, Antioch, CA 94509
Establishment	The Eastern Contra Costa Transit Authority (ECCTA), commonly known as Tri Delta Transit, was formed in 1977 as a joint powers agency for the purpose of providing local bus service within eastern Contra Costa County and feeder service to BART Express bus routes, and later, directly to BART rail stations. Fixed-route bus service began in June 1977, operating under an agreement with AC Transit. Paratransit service was begun in January 1979 under contract with Community Transit Services (CTS). In 1984, Tri Delta Transit consolidated its fixed-route and paratransit services under a single contract with CTS. The current contractor, First Transit, Inc., has operated Tri Delta Transit since July 1986. The maintenance function is performed in-house by ECCTA employees in ECCTA facilities.
Board	Tri Delta Transit is governed by an 11-member Board of Directors, consisting of two representatives from each of the four incorporated cities (Antioch, Brentwood, Pittsburg, and Oakley), two representatives from the County, and one at-large member appointed by the other members of the Board. Day-to-day operations are the responsibility of the Chief Executive Officer.
Facilities	<p>Maintenance, operations and administration functions are all centrally located at the Wilbur Avenue facility in Antioch. It houses both agency staff and the PT contractor's employees.</p> <p>In September 2022 Tri Delta Transit completed construction of the Oakley Park and Ride lot. The Oakley Park and Ride is a multimodal facility on a 2.4-acre lot that has 164 parking stalls and EV charging stations. It is located at 4300 Main Street near the intersection of Cypress Road.</p>
Service Data	<p>Tri Delta Transit provides fixed-route, paratransit, and on-demand microtransit service within a 225 square mile area in eastern Contra Costa County. The fixed-route system consists of 16 weekday routes and six weekend routes. Fifteen routes serve the Antioch BART station, eleven routes serve the Pittsburg/Bay Point BART station, five routes serve the Pittsburg Center station, and one route serves the Concord BART station. Four of the weekday routes are express routes. Service operates between approximately 3:00 a.m. and 1:00 a.m. on weekdays. Weekend service runs approximately from 6:00 a.m. to 1:00 a.m. Saturdays and 7:00 a.m. to 1:00 a.m. Sundays.</p> <p>Current local cash fares are \$2.00 for passengers ages 6 through 64, and \$0.85 for passengers with disabilities and seniors ages 65 or over. Children</p>

aged 5 and under ride free with a paying customer. BART transfers, as well as various discounted day passes, multi-day passes, and multi-ride punch-passes are also available. Some are valid on connecting services for regional trips. Express one-way fares are \$2.50; \$1.25 for passengers with disabilities and seniors.

Tri Delta Transit's paratransit service is a door-to-door service for both ADA eligible and non-ADA eligible seniors. ADA Paratransit service operates during the same hours as the regular fixed-route service. Non-ADA Paratransit service operates Monday through Friday from 6:30 a.m. to 5:30 p.m. and Saturday from 10:00 a.m. to 5:30 p.m. There is no non-ADA service available on Sundays. Paratransit fares are \$2.75 anywhere in the regular service area for ADA service and start at \$5.50 for non-ADA/regional trips. Personal care attendants ride free.

Tri Delta Transit also offers Mobility on Demand, a flexible same-day, on-demand service that uses Transportation Network Companies such as Lyft, Uber, and a local taxi company. This service is an alternative for registered ADA and Senior passengers for a premium fare.

Tri Delta Transit participates in the One Seat Ride Program which makes it easier and safer for paratransit passengers to travel between multiple transit service areas. The program aims to streamline current regional ride practices by eliminating required transfers for trips that cross multiple transit service areas.

Tri MyRide is an on-demand microtransit service operated by Tri Delta Transit. It provides service in two distinct service areas connecting transit users with first and last-mile connections to Pittsburg-Bay Point and Antioch BART stations. The Antioch-Oakley zone consists of 16.9 square miles, encompassing medical centers, schools, logistic employment centers, and retail shopping. The Pittsburg-Bay Point zone consists of 6.4 square miles, encompassing schools, retail, and serves a primarily Disadvantaged Community.

The current fixed-route operating fleet consists of a total of 62 buses including 58 Gillig 40' buses manufactured between 2009 and 2018, two BYD battery electric buses, and two Proterra battery electric buses. All fixed-route buses are equipped with wheelchair ramps and bike racks. The paratransit fleet consists of 28 Ford cut-away vans and six specialized med-vans. Tri MyRide has a fleet of 8 Ford cut-away vans distinguishable from the paratransit vans.

Recent Changes

In FY2021 Tri Delta transit cut about 30% of service in response to significant decreases in ridership as a result of the COVID-19 pandemic.

During this time, a system redesign was taking place and implementation was planned to coincide with the completion of the Oakley Park and Ride. As a result, Tri Delta Transit ramped up service to match pre-pandemic service levels when the Oakley Park and Ride was opened in September 2022. While ridership did not return as anticipated for fixed-route bus service, demand response modes such as paratransit and Tri MyRide has since seen ridership return to normal levels.

Tri Delta Transit released an updated Short Range Transit Plan (SRTP) in November 2022. The plan updated the previous version from 2020 and it included an addendum with a shortened 5-year scope that addresses various scenarios in a post-pandemic transit landscape.

Planned Changes

In order to address the current transit landscape and lack of ridership, Tri Delta Transit is once again conducting a comprehensive operational analysis to re-evaluate the needs of the residents of Eastern Contra Costa County. The pandemic has changed the way people travel and Tri Delta Transit must rethink how to best utilize its resources to provide the most effective and efficient service to the community. The resulting system redesign is planned for implementation in late summer 2025.

To accommodate the zero-emission bus infrastructure needed to meet CARBs ICT Regulation, Tri Delta Transit is looking to purchase a parcel of land adjacent to the current facility. The new land will be developed to house the battery electric bus charging infrastructure while the existing facility will house the planned hydrogen fueling station.

Staff

ECCTA directly employs 40 personnel in areas including administrative, maintenance, finance, marketing, customer service, contract management and transit planning. ECCTA also contracts with First Transit, a private for-profit company, for the services of 180 bus operators, supervisors, and operations management personnel to provide DR and MB service for Tri Delta Transit.

Exhibit 2.1: Organization Chart – FY2021-22

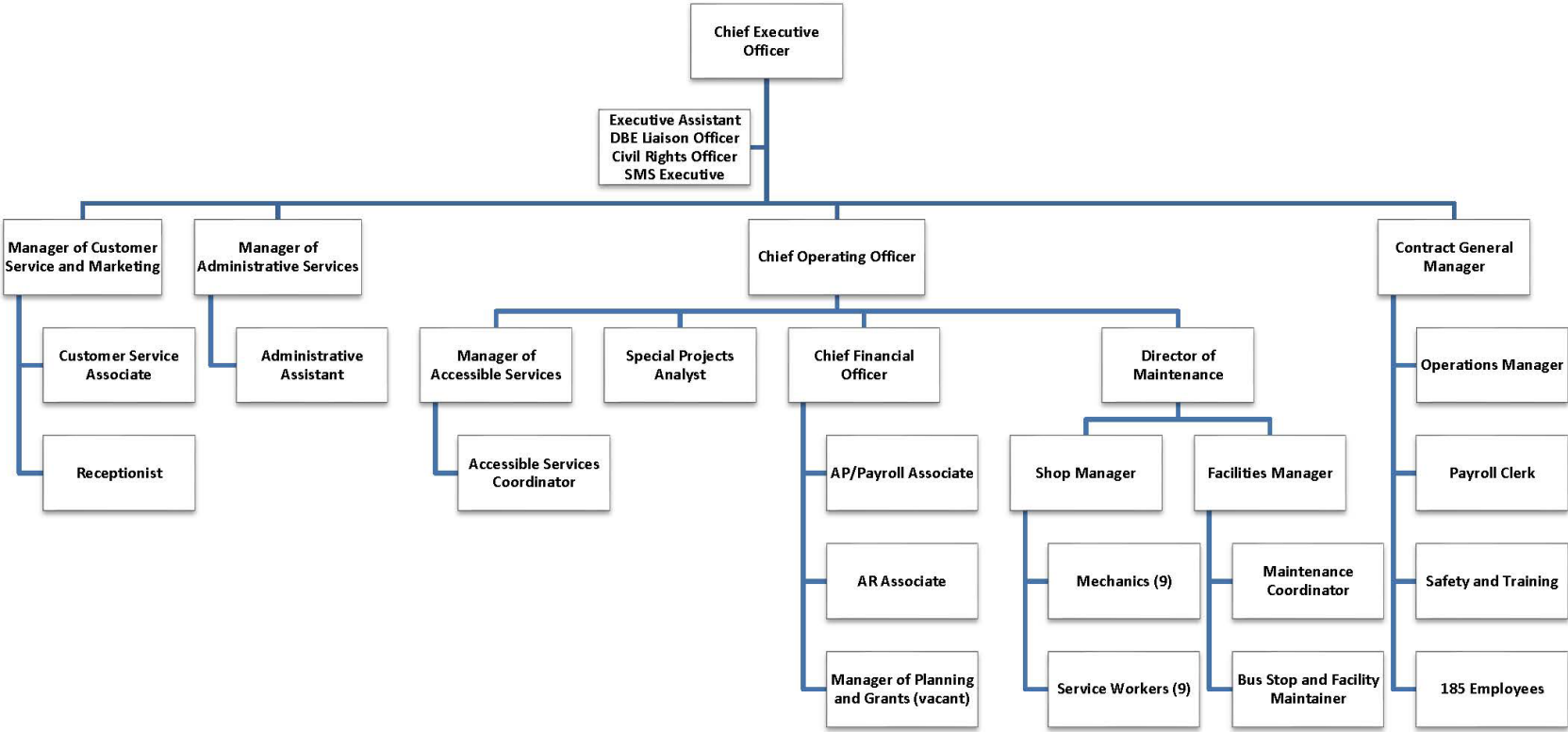
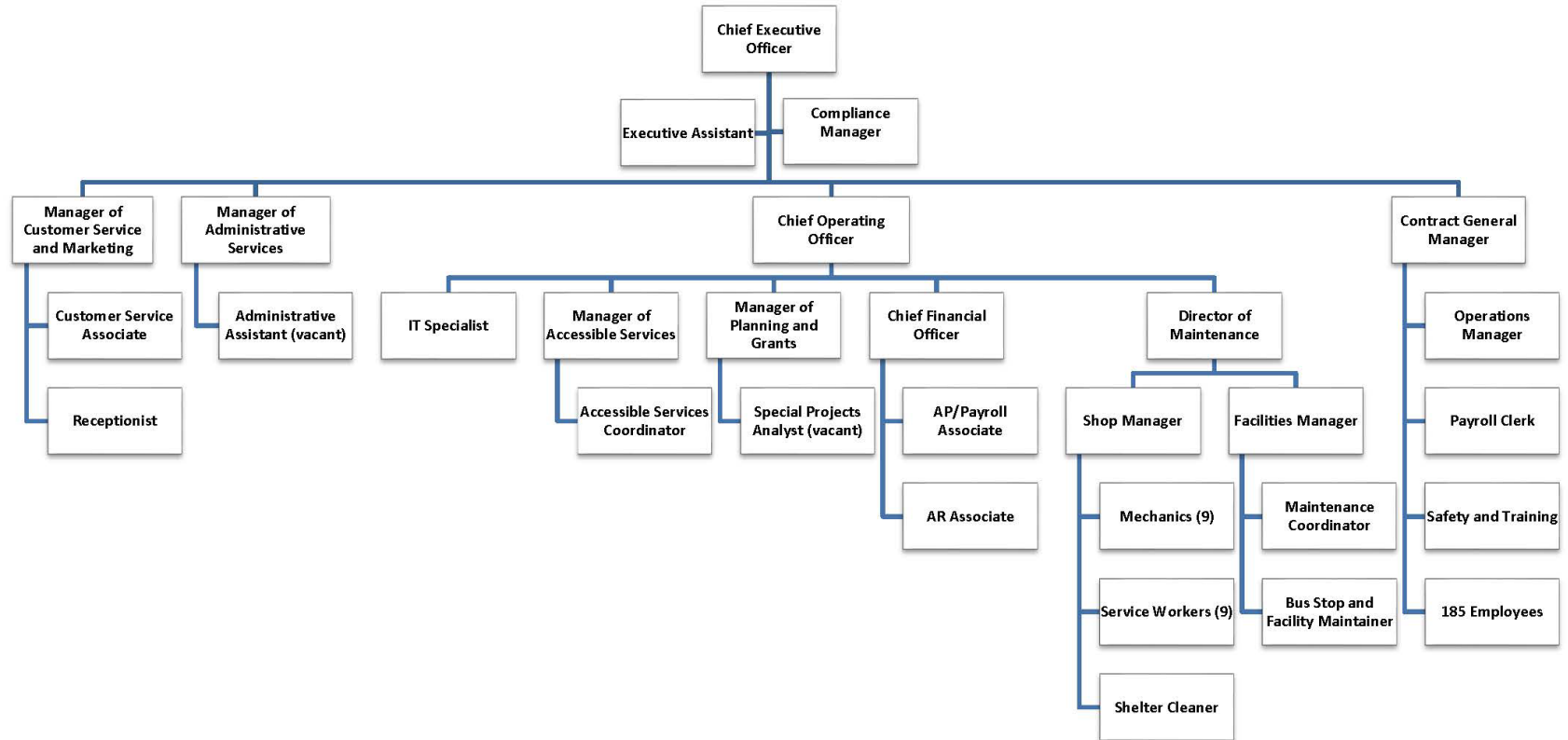


Exhibit 2.2: Organization Chart – FY2023



II. Review of TDA Data Collection and Reporting Methods

This section focuses on the five performance indicators required by TDA law. These indicators have been defined by the state PUC to evaluate the transit operator's efficiency, effectiveness, and economy. The purpose of this review is to determine if Tri Delta Transit is in compliance with the data collection and reporting requirements necessary to calculate the TDA performance indicators. The review is limited to the data items needed to calculate the indicators:

- Operating costs
- Vehicle service hours
- Vehicle service miles
- Unlinked passengers
- Employees (full-time equivalents)

The TDA indicator analysis is based on these operating and financial statistics in the National Transit Database (NTD) reports submitted annually to the Federal Transit Administration (FTA). The information reported by Tri Delta Transit covering the audit period has been reviewed. Tri Delta Transit's NTD reports include its bus and paratransit services. However, consistent with FTA reporting requirements, Tri Delta Transit does not submit employee hour information for purchased transportation service to the NTD.

Compliance with Requirements

To support this review, Tri Delta Transit staff confirmed that the data collection and reporting procedures remain unchanged from those described in the prior performance audit. Based on the information provided, as shown in Exhibit 3.1, Tri Delta

Transit is in compliance with the data collection and reporting requirements for all five TDA statistics.

Consistency of the Reported Statistics

The resulting TDA statistics for Tri Delta Transit's bus and paratransit services are shown in Exhibits 3.2 and 3.3, respectively. Included are statistics covering each fiscal year of the three-year audit period, plus the immediately preceding three fiscal years, resulting in a six-year trend. The statistics collected over the period appear to be consistent with the TDA definitions. Further, they indicate general consistency in terms of the direction and magnitude of the year-to-year changes across the statistics. For example, increases or decreases in annual operating costs are relatively proportional to increases or decreases in annual vehicle service hours and miles.

One exception was noted on the paratransit service side. In FY2020, paratransit vehicle service hours increased by 10 percent from the prior year, while vehicle service miles decreased by 2.2 percent. Tri Delta indicated there were several factors for this anomaly: first, there was a 25 percent reduction in trip length for the Tri Delta Mobility on Demand service; next, FY2020 was the first year that the Tri MyRide microtransit service was reported in the NTD, which has a shorter average trip length than regular demand response service; and finally, the COVID pandemic reduced overall demand for transit services beginning in FY2020.

Exhibit 3.1: Compliance with TDA Data Collection and Reporting Requirements

TDA Statistic	TDA Definition	Compliance Finding	Verification Information
Operating Cost	<p>“Operating cost” means all costs in the operating expense object classes exclusive of the costs in the depreciation and amortization expense object class of the uniform system of accounts and records adopted by the Controller pursuant to Section 99243. Also excluded are all subsidies for commuter rail services operated on railroad lines under the jurisdiction of the Federal Railroad Administration, all direct costs for providing charter services, all vehicle lease costs, and principal and interest payments on capital projects funded with certificates of participation.</p>	In Compliance	<ul style="list-style-type: none"> • Operating costs are fully allocated costs of the entity. They are reported monthly via the monthly accounting close process. • Costs are directly allocated to the service modes when they can be and allocated via an FTA approved split formula that takes into account a bevy of service factors. • The “splits” are determined monthly in advance based on the prior month’s activity
Vehicle Service Hours	<p>“Vehicle service hours” means the total number of hours that each transit vehicle is in revenue service, including layover time.</p>	In Compliance	<ul style="list-style-type: none"> • These come from the monthly operations report provided by the operator. The reports are monitored/edited and finalized by the finance department (the Manager of Planning and Grants and the CFO). • Bill hours are based on NTD service hours which are defined as “gate to gate.” This includes all service, deadhead, and layover time. • Vehicles Service Hours equal the scheduled hours per route per day, multiplied by the number of days in operation during the month combined with scheduled deadhead hours. For reporting purposes, the scheduled FR revenue hours are adjusted for missed trips based on AVL measurements to arrive at actual service hours

TDA Statistic	TDA Definition	Compliance Finding	Verification Information
Vehicle Service Miles	“Vehicle service miles” means the total number of miles that each transit vehicle is in revenue service.	In Compliance	<ul style="list-style-type: none"> • These come from the monthly operations report provided by the operator. The reports are monitored/edited and finalized by the finance department (the Manager of Planning and Grants and the CFO). • Vehicle Service Miles equal the scheduled miles per route per day, multiplied by the number of days in operation during the month combined with scheduled deadhead miles. For reporting purposes, the scheduled FR revenue miles are adjusted for missed trips based on AVL measurements to arrive at actual service miles.
Unlinked Passengers	“Unlinked passengers” means the number of boarding passengers, whether revenue producing or not, carried by the public transportation system.	In Compliance	<ul style="list-style-type: none"> • All passenger boardings are considered unlinked passenger trips because the system cannot differentiate between linked and unlinked trips. • Unlinked passenger trips on MB service are counted with automatic passenger counters that have been installed as part of the ITS system. The counts have been independently verified to NTD standards. They are accumulated into daily ridership by passenger by day reports. At month end, Tri Delta Transit administrative staff adds up the daily riders by type and route. These totals become the basis of all ridership reports. • DR passengers, passenger trips, passenger miles, and all hours are determined from an ITS system that tracks these elements in conjunction with scheduling software and operator input on Mobile Data Terminals in each vehicle.

TDA Statistic	TDA Definition	Compliance Finding	Verification Information
Employee Full-Time Equivalents	2,000 person-hours of work in one year constitute one employee.	In Compliance	<ul style="list-style-type: none"> • FTEs are included in the monthly operations report. The CFO inserts the administrative and maintenance data based on the actual number of employees in that month. The contractor reports its administrative employees based on actual head count, and operating FTEs are determined by dividing the billing hours for each mode by 2,000 FTE hours per year. • FTEs are allocated between modes the same way that operating costs are: directly to the mode where possible (operations); allocating using the FTA approved formula for those areas that are not (administration and maintenance).

Exhibit 3.2: TDA Statistics – Bus Service

TDA Statistic	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Operating Cost (Actual \$)	\$16,876,269	\$17,896,874	\$18,598,255	\$18,656,553	\$20,835,098	\$24,823,944
<i>Annual Change</i>	- -	6.0%	3.9%	0.3%	11.7%	19.1%
Vehicle Service Hours	151,949	151,788	147,004	120,801	141,250	161,342
<i>Annual Change</i>	- -	-0.1%	-3.2%	-17.8%	16.9%	14.2%
Vehicle Service Miles	2,061,111	1,937,713	1,876,938	1,534,545	1,778,037	2,020,307
<i>Annual Change</i>	- -	-6.0%	-3.1%	-18.2%	15.9%	13.6%
Unlinked Passengers	2,232,469	1,825,574	1,377,886	752,676	889,091	992,717
<i>Annual Change</i>	- -	-18.2%	-24.5%	-45.4%	18.1%	11.7%
Employee Full-Time Equivalent	(a)	(a)	(a)	(a)	(a)	(a)
<i>Annual Change</i>	- -	- -	- -	- -	- -	- -

(a) Not applicable, Tri Delta services provided by private contractor

Sources: FY2018 through FY2020 - Prior Performance Audit Report

FY2021 through FY2023 - NTD Reports; FY2023 draft version

Exhibit 3.3: TDA Statistics – Paratransit

TDA Statistic	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Operating Cost (Actual \$)	\$3,726,633	\$3,711,760	\$4,856,309	\$4,554,187	\$5,451,857	\$8,321,778
<i>Annual Change</i>	- -	-0.4%	30.8%	-6.2%	19.7%	52.6%
Vehicle Service Hours	46,390	53,872	59,255	49,224	58,462	80,264
<i>Annual Change</i>	- -	16.1%	10.0%	-16.9%	18.8%	37.3%
Vehicle Service Miles	692,759	927,412	907,130	709,560	849,376	1,179,981
<i>Annual Change</i>	- -	33.9%	-2.2%	-21.8%	19.7%	38.9%
Unlinked Passengers	125,558	160,346	157,293	105,559	137,701	219,166
<i>Annual Change</i>	- -	27.7%	-1.9%	-32.9%	30.4%	59.2%
Employee Full-Time Equivalent	(a)	(a)	(a)	(a)	(a)	(a)
<i>Annual Change</i>	- -	- -	- -	- -	- -	- -

(a) Not applicable, Tri Delta services provided by private contractor

Sources: FY2018 through FY2020 - Prior Performance Audit Report

FY2021 through FY2023 - NTD Reports; FY2023 draft version

III. TDA PERFORMANCE INDICATORS AND TRENDS

The performance trends for Tri Delta Transit's bus and paratransit service modes are presented in this section. Performance is discussed for each of the five TDA-mandated performance indicators:

- operating cost per vehicle service hour
- passengers per vehicle service hour
- passengers per vehicle service mile
- operating cost per passenger
- vehicle service hours per full-time equivalent employee (FTE)

The performance results in these indicators were primarily developed from the information in the NTD reports filed with the FTA for the three years of the audit period. Tri Delta Transit's NTD reports were the source of all operating and financial statistics except for contractor FTEs. Contractor employee FTE data was provided by Tri Delta Transit staff from the contractor's monthly operating statistics.

In addition to presenting performance for the three years of the audit period (FY2021 through FY2023), this analysis features two enhancements:

- Six-Year Time Period – While the performance audit focuses on the three fiscal years of the audit period, six-year trend lines have been constructed for Tri Delta Transit's service to provide a longer perspective on performance and to clearly present the direction and magnitude of the performance trends. In this analysis, the FY2021 to FY2023 trend lines have been combined with those from the prior audit period (FY2018 through FY2020) to define a six-year period of performance.

- Normalized Cost Indicators for Inflation – Two financial performance indicators (cost per hour and cost per passenger) are presented in both constant and current dollars to illustrate the impact of inflation in the Bay Area. The inflation adjustment relies on the All-Urban Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the San Francisco Metropolitan Area. The average CPI-W percent change for each fiscal year has been calculated based on the bi-monthly results reported on the U.S. Department of Labor – Bureau of Labor Statistics website. The CPI-W is used since labor is the largest component of operating cost in transit. Since labor costs are typically controlled through labor contracts, changes in normalized costs largely reflect those factors that are within the day-to-day control of the transit system.

The following discussion is organized to present an overview of Tri Delta Transit’s performance trends in each of the five TDA performance indicators. The discussion is organized by service mode -- bus service is discussed first, followed by paratransit. The analysis is also expanded to include a breakdown of the various component costs that contributed to the total and hourly operating costs during the last six years.

Bus Service Performance Trends

This section provides an overview of the performance of Tri Delta Transit’s bus service over the past six years. The trends in the TDA indicators and input statistics are presented in Exhibit 4. The six-year trends are illustrated in Exhibits 4.1 through 4.4.

Operating Cost Per Vehicle Service Hour (Exhibit 4.1)

- A key indicator of cost efficiency, the cost per hour of bus service increased an average of 6.7 percent annually during the six-year review period.
- From FY2018 through FY2021 the cost per hour ranged from a low of \$111.07 to a high of \$154.44, before ending at \$153.86 in FY2023. There were increases in every year except FY2022. The largest increase (22.1

percent) occurred in FY2021, at the height of the COVID pandemic, when service levels decreased about 18 percent from the prior year, while operating costs remained steady.

- In FY2018 constant dollars, there was an average annual increase of 3.8 percent in this indicator.

Passengers per Vehicle Service Hour (Exhibit 4.2)

- A key indicator of passenger productivity, passengers per hour decreased by an average of 16 percent annually during the six-year period.
- This reflects the overall decrease in unlinked passengers over the six-year period (15 percent annually), combined with a 1.2 percent average increase in service hours over the same period.
- Passengers per hour decreased overall from 14.7 in FY2018 to 6.2 in FY2023.

Passengers per Vehicle Service Mile (Exhibit 4.2)

- Similar to passengers per hour, passengers per mile also decreased overall, but by a slightly lower 14.6 percent annually on average.
- Performance in passengers per mile was similar to that of passengers per hour, with decreases during the first four years of the analysis period, before stabilizing in FY2022 and FY2023.
- Passengers per mile decreased overall from 1.08 passengers per mile in FY2018 to 0.49 passengers per mile in FY2023.

Operating Cost per Passenger (Exhibit 4.3)

- A key measure of cost effectiveness, the cost per passenger increased from \$7.56 in FY2018 to \$25.01 in FY2023.
- The cost per passenger increased in every year of the review period except FY2022, largely due to operating costs increasing at an average

of eight percent per year while ridership decreased and average 15 percent per year.

- Overall, cost per passenger increased an average of 27 percent annually. With the impact of inflation removed from the cost side (normalization), cost per passenger exhibited an average annual increase of 23.6 percent per year.

* * * * *

The following is a summary of the bus service TDA performance trend highlights over the six-year period of FY2018 through FY2023:

- There was an average annual increase in the operating cost per hour of 6.7 percent, which amounted to a 3.8 percent increase in inflation adjusted dollars.
- The cost per passenger increased on average by 27 percent per year, resulting in an average annual increase of 23.6 percent in constant FY2018 dollars.
- Passenger productivity decreased, with passengers per vehicle service hour decreasing by 16 percent per year overall, and passengers per vehicle service mile decreasing by 14.6 percent annually. Most of the decrease for these two indicators was due to the effects of the COVID pandemic on ridership in FY2020 and FY2021.

Exhibit 4: TDA Indicator Performance - Bus Service

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	Av. Ann. Chg.
Performance Indicators							
Op. Cost per Vehicle Svc. Hour (Actual \$)	\$111.07	\$117.91	\$126.52	\$154.44	\$147.51	\$153.86	- -
<i>Annual Change</i>	- -	6.2%	7.3%	22.1%	-4.5%	4.3%	6.7%
Op. Cost per Vehicle Svc. Hour (Constant \$)	\$111.07	\$115.07	\$119.58	\$140.40	\$130.21	\$134.03	- -
<i>Annual Change</i>	- -	3.6%	3.9%	17.4%	-7.3%	2.9%	3.8%
Passengers per Vehicle Service Hour	14.7	12.0	9.4	6.2	6.3	6.2	- -
<i>Annual Change</i>	- -	-18.1%	-22.1%	-33.5%	1.0%	-2.2%	-16.0%
Passengers per Vehicle Service Mile	1.08	0.94	0.73	0.49	0.50	0.49	- -
<i>Annual Change</i>	- -	-13.0%	-22.1%	-33.2%	1.9%	-1.7%	-14.6%
Op. Cost per Passenger (Actual \$)	\$7.56	\$9.80	\$13.50	\$24.79	\$23.43	\$25.01	- -
<i>Annual Change</i>	- -	29.7%	37.7%	83.6%	-5.5%	6.7%	27.0%
Op. Cost per Passenger (Constant \$)	\$7.56	\$9.57	\$12.76	\$22.53	\$20.69	\$21.78	- -
<i>Annual Change</i>	- -	26.6%	33.3%	76.6%	-8.2%	5.3%	23.6%
Vehicle Service Hours per FTE	(a)	(a)	(a)	(a)	(a)	(a)	- -
<i>Annual Change</i>	- -	- -	- -	- -	- -	- -	- -
Input Data							
Operating Cost (Actual \$)	\$16,876,269	\$17,896,874	\$18,598,255	\$18,656,553	\$20,835,098	\$24,823,944	- -
<i>Annual Change</i>	- -	6.0%	3.9%	0.3%	11.7%	19.1%	8.0%
Operating Cost (Constant \$)	\$16,876,269	\$17,466,211	\$17,578,866	\$16,959,934	\$18,391,542	\$21,624,896	- -
<i>Annual Change</i>	- -	3.5%	0.6%	-3.5%	8.4%	17.6%	5.1%
Vehicle Service Hours	151,949	151,788	147,004	120,801	141,250	161,342	- -
<i>Annual Change</i>	- -	-0.1%	-3.2%	-17.8%	16.9%	14.2%	1.2%
Vehicle Service Miles	2,061,111	1,937,713	1,876,938	1,534,545	1,778,037	2,020,307	- -
<i>Annual Change</i>	- -	-6.0%	-3.1%	-18.2%	15.9%	13.6%	-0.4%
Unlinked Passengers	2,232,469	1,825,574	1,377,886	752,676	889,091	992,717	- -
<i>Annual Change</i>	- -	-18.2%	-24.5%	-45.4%	18.1%	11.7%	-15.0%
Employee Full-Time Equivalents	(a)	(a)	(a)	(a)	(a)	(a)	- -
<i>Annual Change</i>	- -	- -	- -	- -	- -	- -	- -
Bay Area CPI - Annual Change	- -	2.5%	3.3%	4.0%	3.0%	1.3%	- -
- Cumulative Change	- -	2.5%	5.8%	10.0%	13.3%	14.8%	3.7%

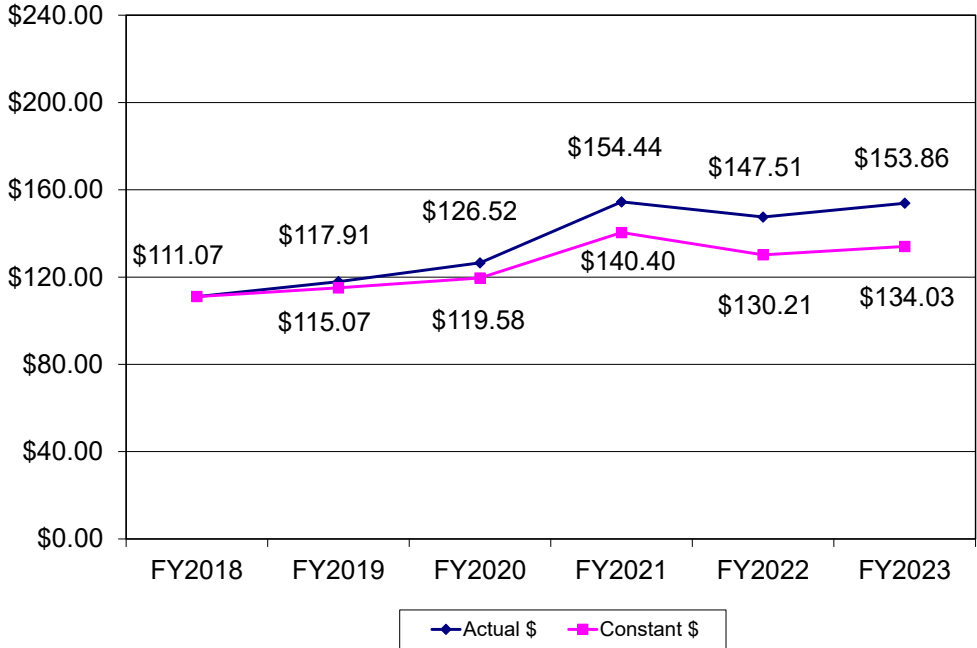
(a) Not applicable; contracted services

Sources: FY2018 through FY2020 - Prior Performance Audit Report

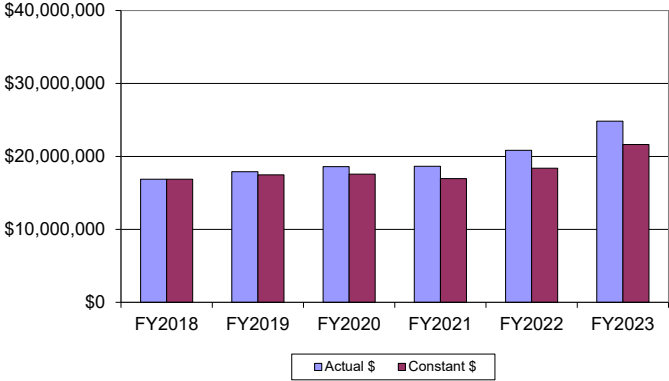
FY2021 through FY2023 - NTD Reports; FY2023 draft version

CPI Data - U.S. Department of Labor, Bureau of Labor Statistics

Exhibit 4.1: Operating Cost per Vehicle Service Hour - Bus Service



Operating Cost



Vehicle Service Hours

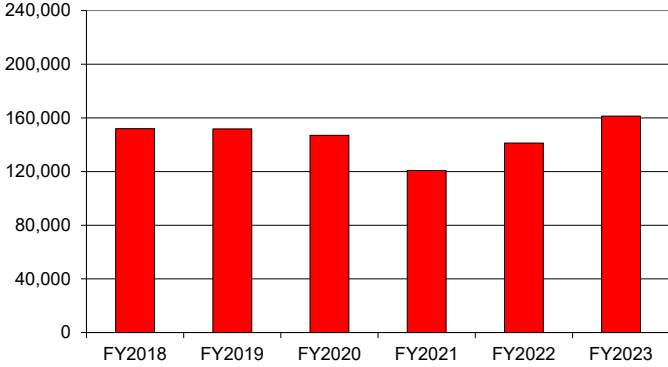
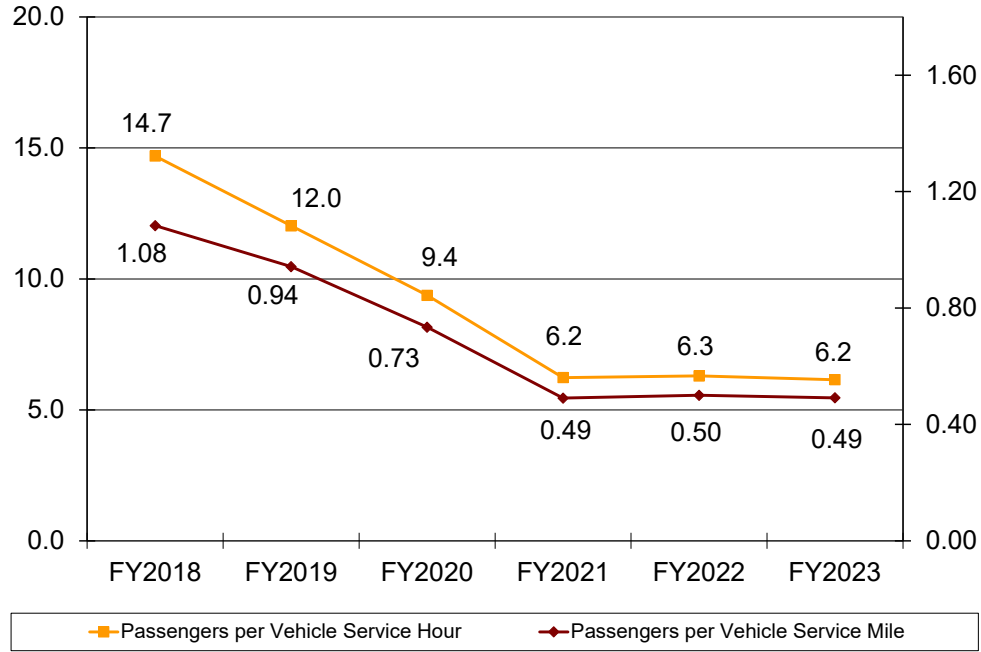
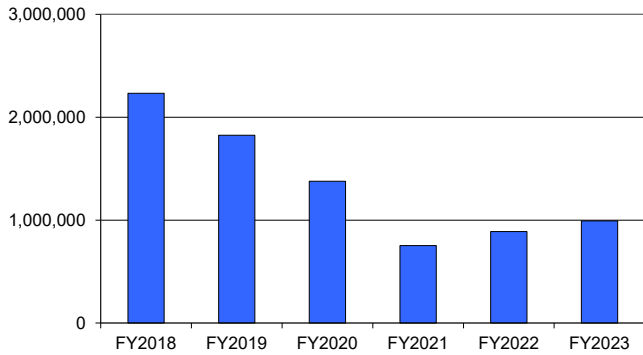


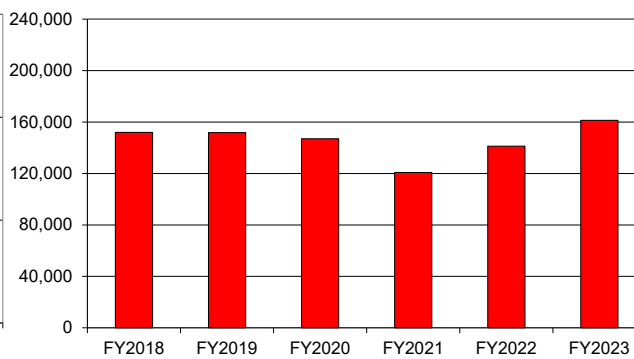
Exhibit 4.2: Passengers per Hour and per Mile – Bus Service



Unlinked Passengers



Vehicle Service Hours



Vehicle Service Miles

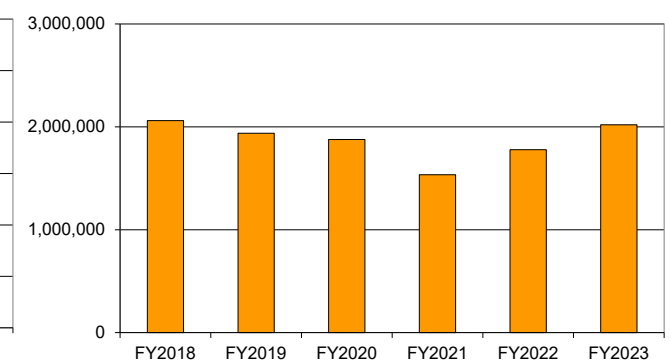
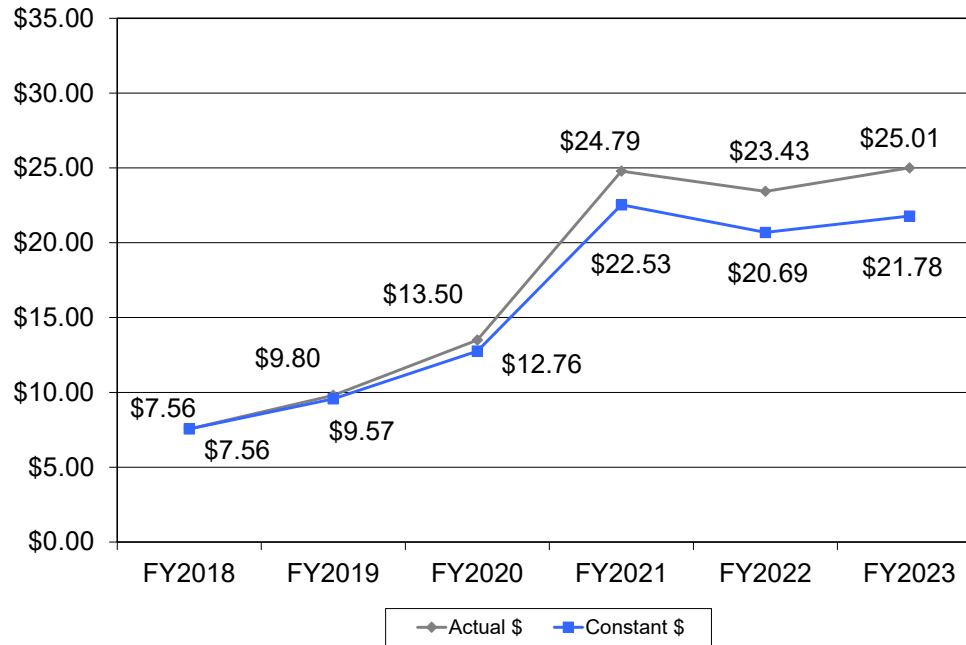
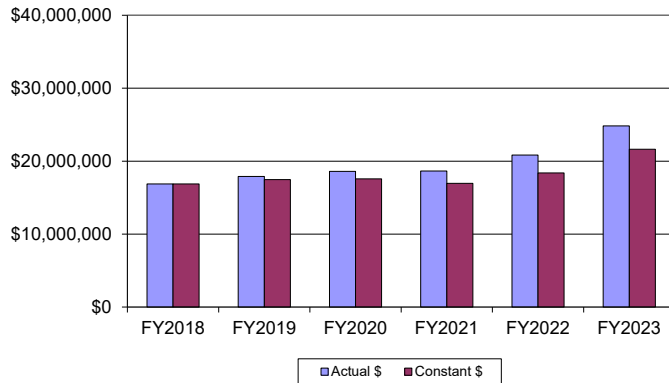


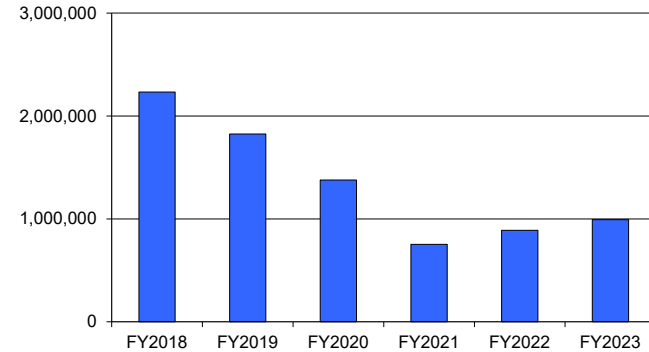
Exhibit 4.3: Operating Cost per Passenger – Bus Service



Operating Cost



Unlinked Passengers



Bus Service Component Costs

Year-to-year changes in selected operating cost categories over the past six years are presented in Exhibit 4.5. Examining components of operating costs (e.g., labor, fringes, fuel, and casualty/liability) may determine what particular components had the most significant impacts on the operating costs. Exhibit 4.5 also shows the concurrent changes in vehicle service hours and Exhibit 4.6 illustrates the portion of the cost per bus service hour that can be attributed to each included cost component.

- In-house labor costs increased by an annual average of 9.6 percent over the six-year period. This is largely attributed to double digit percentage increases in FY2019, FY2022, and FY2023.
- Fringe benefits costs increased an annual average of 11.9 percent over the review period. The largest increase in fringe benefits, a 28.3 percent annual change, occurred in FY2023.
- Services costs increased by 5.9 percent on average per year. Annual changes in service costs varied throughout the review period with a 14.6 percent increase in FY2018 and a 15 percent decrease in FY2019.
- Purchased transportation costs increased by an annual average of seven percent per year. Purchased transportation costs increased in every year of the review period, with the largest increase being 20.5 percent in FY2023. The FY2023 increase is due to a one-time increase in the operating agreement between Tri Delta and First Transit in an attempt to attract and retain bus operators due to a labor shortage and inflationary pressures.
- Casualty/liability costs decreased an average of 1.1 percent per year, while miscellaneous other expenses decreased an average of 2.7 percent annually.

* * * * *

The following is a summary of the bus service component operating costs trend highlights between FY2018 and FY2023:

- Purchased transportation costs increased an average seven percent per year and was the largest component cost area at between 53 and 58 percent of total costs in each year. Purchased transportation costs experienced the largest increase of 20.5 percent in FY2023, attributed to an increase in the operating agreement with First Transit that year in an attempt to attract and retain qualified operators.
- In-house labor and fringe benefit costs increased by 9.6 percent and 11.9 percent, respectively, with both categories combined comprising about 22 percent of operating costs during the review period.
- Service costs increased by 5.9 percent on average per year and comprised about 4 percent of operating costs during the review period.
- Materials/supplies costs increased an average of 13 percent per year and comprised between 12 and 16 percent of total operating costs during the review period.
- There was about a one percent decrease per year in casualty/liability costs, and a 2.7 percent decrease in other expenses, which combined comprised about five percent of total costs for the review period.

Exhibit 4.5: Component Cost Trends – Bus Service

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	Av. Ann. Chg.
COST CATEGORIES							
Labor - (Salaries, Wages)	\$1,856,701	\$2,148,739	\$2,194,175	\$2,206,314	\$2,481,701	\$2,931,628	--
<i>Annual Change</i>	--	15.7%	2.1%	0.6%	12.5%	18.1%	9.6%
Fringe Benefits (a)	\$1,552,389	\$1,757,330	\$1,825,282	\$1,994,996	\$2,120,325	\$2,721,360	--
<i>Annual Change</i>	--	13.2%	3.9%	9.3%	6.3%	28.3%	11.9%
Services	\$695,053	\$590,676	\$729,616	\$758,692	\$836,914	\$927,376	--
<i>Annual Change</i>	--	-15.0%	23.5%	4.0%	10.3%	10.8%	5.9%
Purchased Transportation	\$9,376,671	\$9,769,492	\$10,071,189	\$10,862,390	\$10,894,437	\$13,124,855	--
<i>Annual Change</i>	--	4.2%	3.1%	7.9%	0.3%	20.5%	7.0%
Materials/Supplies (b)	\$2,174,406	\$2,414,131	\$2,739,565	\$1,989,457	\$3,467,573	\$4,012,987	--
<i>Annual Change</i>	--	11.0%	13.5%	-27.4%	74.3%	15.7%	13.0%
Casualty/Liability	\$554,842	\$521,710	\$515,110	\$492,599	\$542,354	\$525,479	--
<i>Annual Change</i>	--	-6.0%	-1.3%	-4.4%	10.1%	-3.1%	-1.1%
Other Expenses (b)	\$666,207	\$694,796	\$523,318	\$352,105	\$491,794	\$580,259	--
<i>Annual Change</i>	--	4.3%	-24.7%	-32.7%	39.7%	18.0%	-2.7%
Total	\$16,876,269	\$17,896,874	\$18,598,255	\$18,656,553	\$20,835,098	\$24,823,944	--
<i>Annual Change</i>	--	6.0%	3.9%	0.3%	11.7%	19.1%	8.0%
OPERATING STATISTICS							
Vehicle Service Hours	151,949	151,788	147,004	120,801	141,250	161,342	--
<i>Annual Change</i>	--	-0.1%	-3.2%	-17.8%	16.9%	14.2%	1.2%

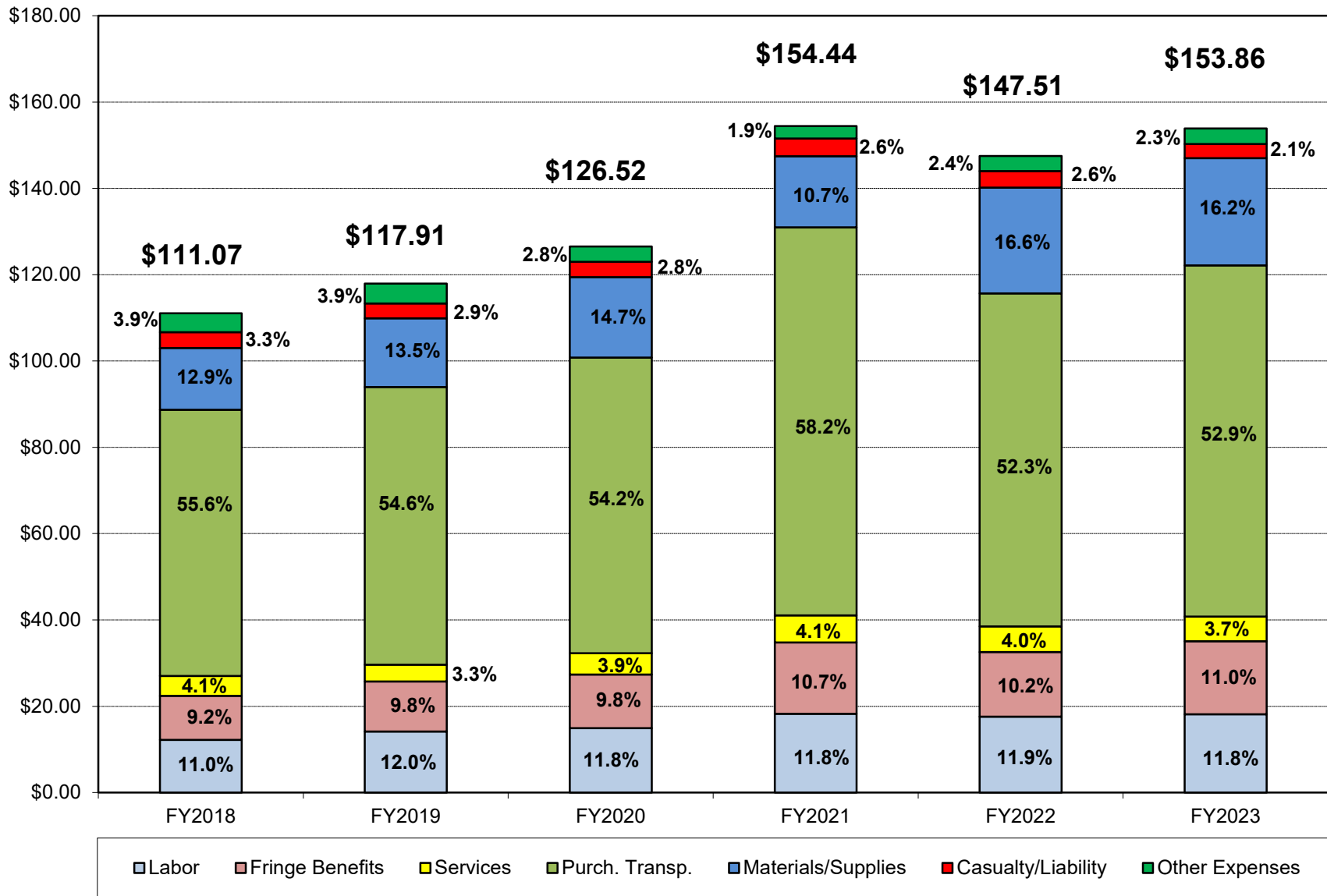
Sources: FY2018 through FY2020 - Prior Performance Audit Report; FY2021 through FY2023 - NTD Reports; FY2023 Draft version □

(a) includes paid absences

(b) Includes fuels/lubricants, tires/tubes, and other materials/expenses

(c) Includes utilities, taxes, and miscellaneous expenses

Exhibit 4.6: Distribution of Component Costs – Bus Service
Operating Cost per Vehicle Service Hour



Paratransit Performance Trends

This section provides an overview of the performance of Tri Delta Transit's paratransit service over the six-year analysis period. The trends in the TDA indicators and input data are presented in Exhibit 5. The six-year trends are illustrated in Exhibits 5.1 through 5.3.

Operating Cost per Vehicle Service Hour (Exhibit 5.1)

- Tri Delta Transit's paratransit cost per hour increased an average 5.2 percent per year from \$80.33 in FY2018 to \$103.68 in FY2023.
- The increase was the result of an average increase in operating costs of 17.4 percent combined with an average increase in vehicle service hours of 11.6 percent during the analysis period.
- With the effects of inflation removed, cost per hour exhibited an average annual increase of 2.4 percent.

Passengers per Vehicle Service Hour (Exhibit 5.2)

- Passengers per vehicle service hour remained steady overall, beginning and ending the analysis period at 2.7 passengers per hour. There were fluctuations in the intervening years, from a high of 3.0 passengers per hour in 2019 to a low of 2.1 in FY2021.
- This was due to the trends in vehicle service hours and unlinked passengers both increasing at an average of about 11.5 percent per year, resulting in an average annual increase of 0.2 percent from FY2018 through FY2023.

Passengers per Vehicle Service Mile (Exhibit 5.2)

- Performance in passengers per vehicle service mile was similar to passengers per hour, with an average increase of 0.5 percent over the six-year period, due to the same average increases in service miles.
- Tri Delta Transit’s paratransit service carried 0.18 passengers per mile in FY2018 and ended at a high of 0.19 passengers per mile in FY2023. The lowest performance was 0.15 in FY2021, at the height of the pandemic.

Operating Cost per Passenger (Exhibit 5.3)

- The cost per passenger increased by 5.0 percent per year on average during the review period, from \$29.68 in FY2018 to \$37.97 in FY2023.
- Paratransit operating costs increased at a higher rate (average 17.4 percent) per year than the increase in passengers (average 11.8 percent) for the analysis period, resulting in decreasing cost effectiveness.
- With the impact of inflation removed, there was an average annual decrease in the cost per passenger of 2.2 percent.

* * * * *

The following is a summary of the paratransit TDA performance trend highlights over the six-year period of FY2018 through FY2023:

- Cost efficiency showed a decrease, with operating cost per hour increasing an average of 5.2 percent per year, or a 2.4 percent annual increase when expressed as normalized FY2018 dollars. The operating cost per hour increased every year except FY2019.
- Cost effectiveness also decreased, with an average annual increase in the operating cost per passenger of five percent. This amounted to an average annual increase of 2.2 percent in inflation adjusted dollars. Cost per passenger was highest during the COVID pandemic years of FY2020 and

FY2021 but have eased in the last two years of the analysis period, as ridership has begun to recover.

- Passenger productivity remained almost unchanged overall during the six-year period. Passengers per hour increased 0.2 percent per year on average, with passengers per service mile increasing 0.5 percent annually.

Exhibit 5: TDA Indicator Performance – Paratransit

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	Av. Ann. Chg.
Performance Indicators							
Op. Cost per Vehicle Svc. Hour (Actual \$)	\$80.33	\$68.90	\$81.96	\$92.52	\$93.25	\$103.68	- -
<i>Annual Change</i>	- -	-14.2%	19.0%	12.9%	0.8%	11.2%	5.2%
Op. Cost per Vehicle Svc. Hour (Constant \$)	\$80.33	\$67.24	\$77.46	\$84.11	\$82.32	\$90.32	- -
<i>Annual Change</i>	- -	-16.3%	15.2%	8.6%	-2.1%	9.7%	2.4%
Passengers per Vehicle Service Hour	2.7	3.0	2.7	2.1	2.4	2.7	- -
<i>Annual Change</i>	- -	10.0%	-10.8%	-19.2%	9.8%	15.9%	0.2%
Passengers per Vehicle Service Mile	0.18	0.17	0.17	0.15	0.16	0.19	- -
<i>Annual Change</i>	- -	-4.6%	0.3%	-14.2%	9.0%	14.6%	0.5%
Op. Cost per Passenger (Actual \$)	\$29.68	\$23.15	\$30.87	\$43.14	\$39.59	\$37.97	- -
<i>Annual Change</i>	- -	-22.0%	33.4%	39.7%	-8.2%	-4.1%	5.0%
Op. Cost per Passenger (Constant \$)	\$29.68	\$22.59	\$29.18	\$39.22	\$34.95	\$33.08	- -
<i>Annual Change</i>	- -	-23.9%	29.2%	34.4%	-10.9%	-5.4%	2.2%
Vehicle Service Hours per FTE	(a)	(a)	(a)	(a)	(a)	(a)	- -
<i>Annual Change</i>	- -	- -	- -	- -	- -	- -	- -
Input Data							
Operating Cost (Actual \$)	\$3,726,633	\$3,711,760	\$4,856,309	\$4,554,187	\$5,451,857	\$8,321,778	- -
<i>Annual Change</i>	- -	-0.4%	30.8%	-6.2%	19.7%	52.6%	17.4%
Operating Cost (Constant \$)	\$3,726,633	\$3,622,442	\$4,590,130	\$4,140,031	\$4,812,459	\$7,249,355	- -
<i>Annual Change</i>	- -	-2.8%	26.7%	-9.8%	16.2%	50.6%	14.2%
Vehicle Service Hours	46,390	53,872	59,255	49,224	58,462	80,264	- -
<i>Annual Change</i>	- -	16.1%	10.0%	-16.9%	18.8%	37.3%	11.6%
Vehicle Service Miles	692,759	927,412	907,130	709,560	849,376	1,179,981	- -
<i>Annual Change</i>	- -	33.9%	-2.2%	-21.8%	19.7%	38.9%	11.2%
Unlinked Passengers	125,558	160,346	157,293	105,559	137,701	219,166	- -
<i>Annual Change</i>	- -	27.7%	-1.9%	-32.9%	30.4%	59.2%	11.8%
Employee Full-Time Equivalents	(a)	(a)	(a)	(a)	(a)	(a)	- -
<i>Annual Change</i>	- -	- -	- -	- -	- -	- -	- -
Bay Area CPI - Annual Change	- -	2.5%	3.3%	4.0%	3.0%	1.3%	- -
- Cumulative Change	- -	2.5%	5.8%	10.0%	13.3%	14.8%	3.7%

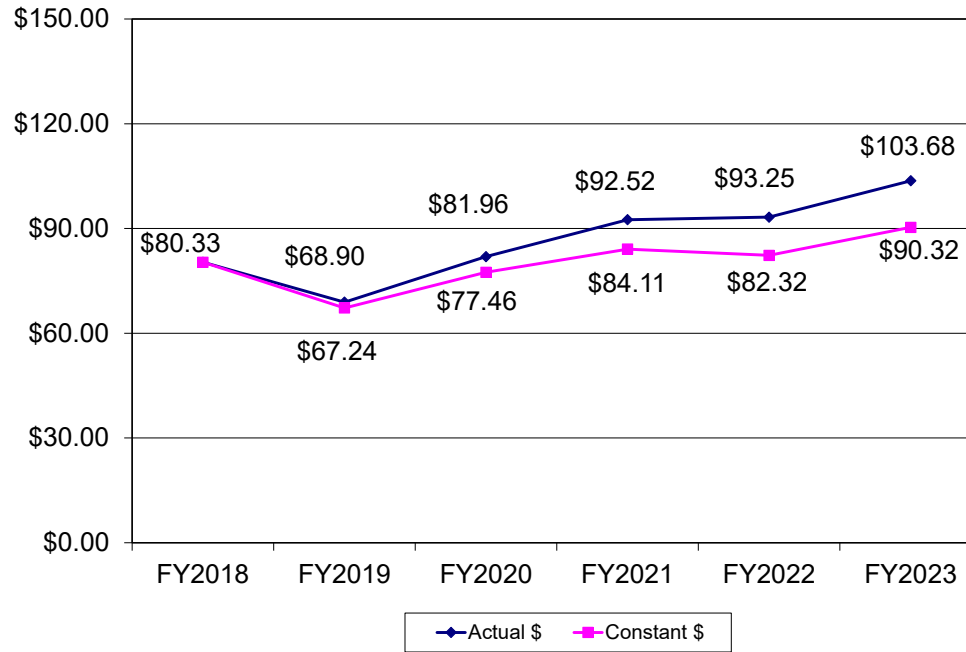
(a) Not applicable; contracted services

Sources: FY2018 through FY2020 - Prior Performance Audit Report

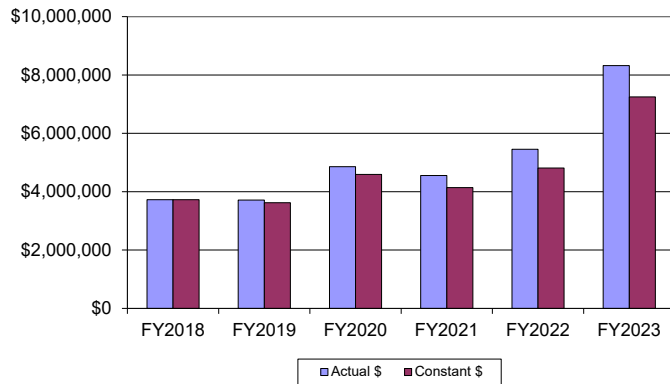
FY2021 through FY2023 - NTD Reports; FY2023 draft version

CPI Data - U.S. Department of Labor, Bureau of Labor Statistics

Exhibit 5.1: Operating Cost per Vehicle Service Hour – Paratransit



Operating Cost



Vehicle Service Hours

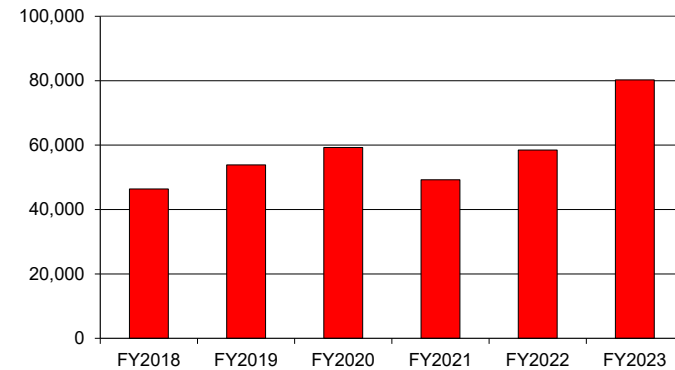
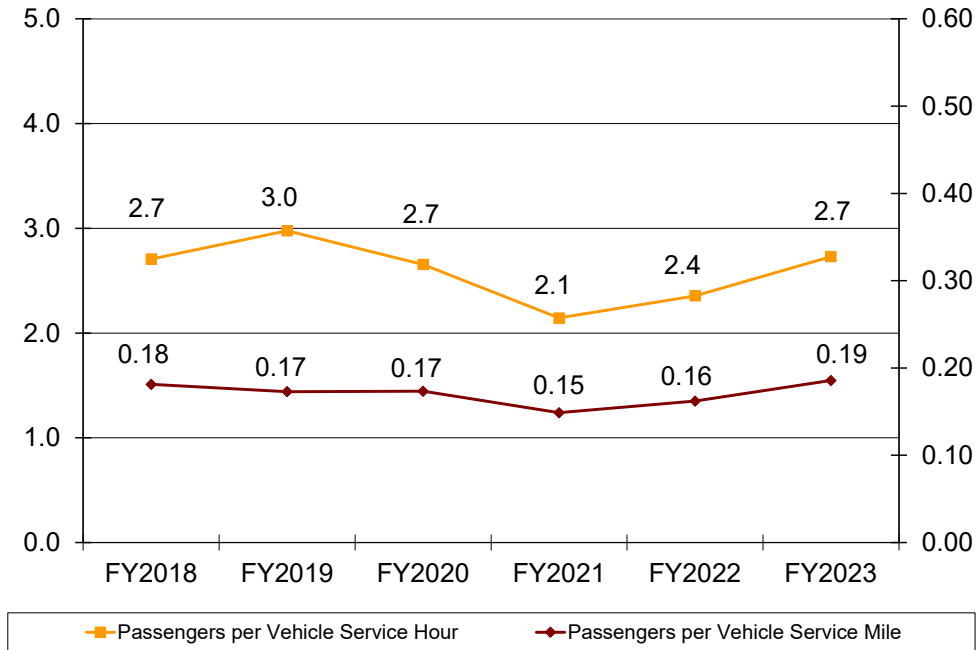
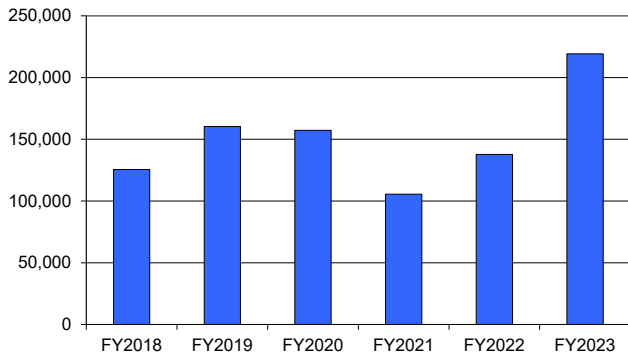


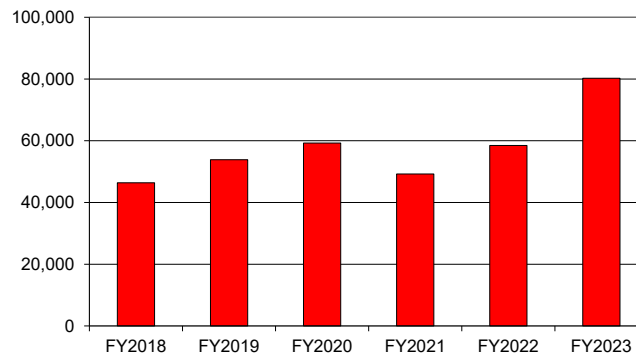
Exhibit 5.2: Passengers per Hour and per Mile – Paratransit



Unlinked Passengers



Vehicle Service Hours



Vehicle Service Miles

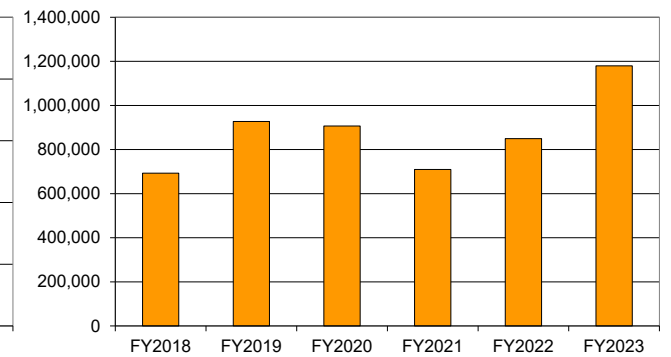
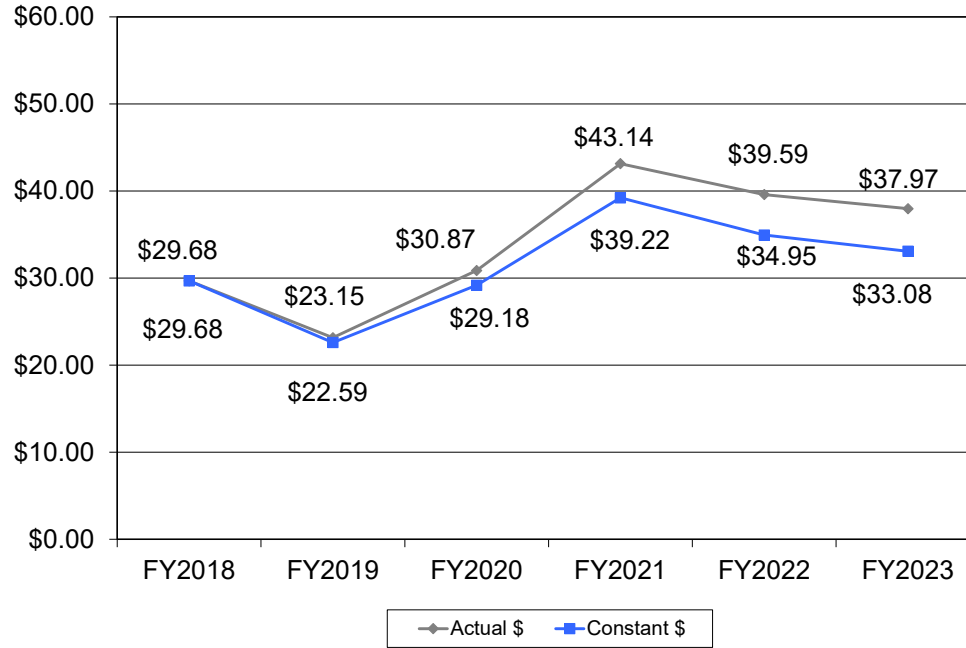
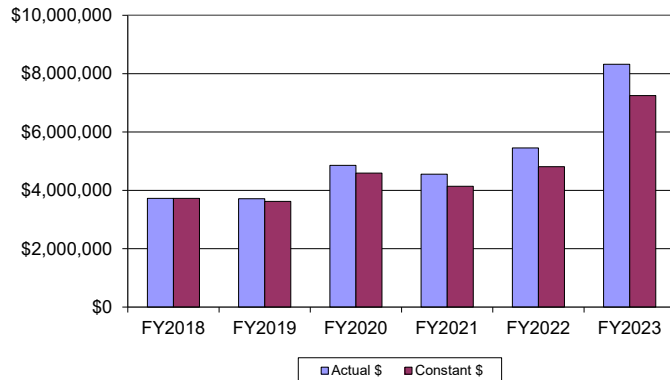


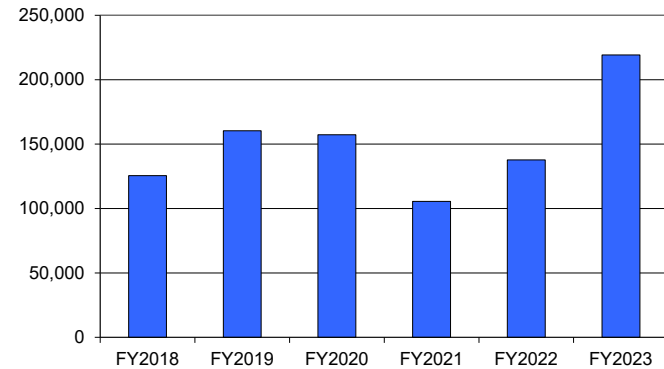
Exhibit 5.3: Operating Cost per Passenger – Paratransit



Operating Cost



Unlinked Passengers



Paratransit Component Costs

The year-to-year changes in selected operating cost categories are presented in Exhibit 5.5, along with the concurrent changes in vehicle service hours. The portions of the cost per vehicle service hour that can be attributed to each included cost component are shown in Exhibit 5.6.

- In-house labor costs increased an annual average of seven percent over the six-year period, while fringe benefits costs increased an annual average of 9.1 percent. Labor and fringe benefits costs comprise between 10 and 12 percent of total operating costs for paratransit.
- Purchased transportation costs increased 20.1 percent per year on average. Purchased transportation costs, which comprise over 70.0 percent of total operating costs, increased every year except FY2021, coinciding with increases in service levels during that same period.
- Average annual costs for both services and materials/supplies increased by 15.7 percent and 13.6 percent, respectively. Services comprise about four percent of total operating costs while materials/supplies comprise about 12 percent of costs.
- There were also increases in the casualty/liability costs (19.2 percent per year on average) and the other expenses category (15 percent average annual change). These two cost categories combine to comprise about three percent of total operating costs.

* * * * *

The following is a summary of the paratransit component operating costs trend highlights between FY2018 and FY2023:

- Even with the COVID pandemic occurring in the middle of the six-year analysis period, overall total operating costs increased an average of 17.4

percent annually. The largest annual increase, 52.6 percent, occurred in FY2023 as Tri Delta's service levels were continuing to recover from the pandemic years.

- Purchased transportation costs represented the largest portion of total paratransit operating costs, at just over 70 percent throughout the review period, and increased by 20.1 percent per year on average, replicating similar increases in service miles and hours during the period.
- Annual average increases were seen in the labor (7.0 percent), fringe benefits (9.1 percent), and services (15.7 percent) categories, however, these three categories combined account for only about 15 percent of the total paratransit costs.
- Average annual cost increases of about 14 percent occurred in the materials/supplies category during the review period. This category comprised about 12 percent of paratransit component costs within the review period.
- Increases were also seen in the casualty/liability (19.2 percent) category and the other expenses category (15 percent), but both areas combined comprise less than three percent of total expenses.

Exhibit 5.5: Component Costs Trends – Paratransit

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	Av. Ann. Chg.
COST CATEGORIES							
Labor - (Salaries, Wages)	\$313,154	\$177,854	\$273,416	\$306,982	\$264,727	\$438,213	--
<i>Annual Change</i>	--	-43.2%	53.7%	12.3%	-13.8%	65.5%	7.0%
Fringe Benefits (a)	\$250,787	\$141,676	\$223,678	\$279,348	\$219,971	\$388,261	--
<i>Annual Change</i>	--	-43.5%	57.9%	24.9%	-89.0%	76.5%	9.1%
Services	\$155,934	\$118,623	\$197,404	\$180,537	\$217,563	\$322,994	--
<i>Annual Change</i>	--	-23.9%	66.4%	-8.5%	20.5%	48.5%	15.7%
Purchased Transportation	\$2,411,083	\$2,747,015	\$3,508,777	\$3,180,924	\$3,953,120	\$6,018,314	--
<i>Annual Change</i>	--	13.9%	27.7%	-9.3%	24.3%	52.2%	20.1%
Materials/Supplies (b)	\$499,574	\$421,849	\$521,700	\$500,048	\$652,106	\$945,316	--
<i>Annual Change</i>	--	-15.6%	23.7%	-4.2%	30.4%	45.0%	13.6%
Casualty/Liability	\$39,240	\$46,510	\$55,648	\$54,166	\$71,113	\$94,325	--
<i>Annual Change</i>	--	18.5%	19.6%	-2.7%	31.3%	32.6%	19.2%
Other Expenses (c)	\$56,861	\$58,233	\$75,686	\$52,183	\$73,257	\$114,355	--
<i>Annual Change</i>	--	2.4%	30.0%	-31.1%	40.4%	56.1%	15.0%
Total	\$3,726,633	\$3,711,760	\$4,856,309	\$4,554,188	\$5,451,857	\$8,321,778	--
<i>Annual Change</i>	--	-0.4%	30.8%	-6.2%	19.7%	52.6%	17.4%
OPERATING STATISTICS							
Vehicle Service Hours	46,390	53,872	59,255	49,224	58,462	80,264	--
<i>Annual Change</i>	--	16.1%	10.0%	-16.9%	18.8%	37.3%	11.6%

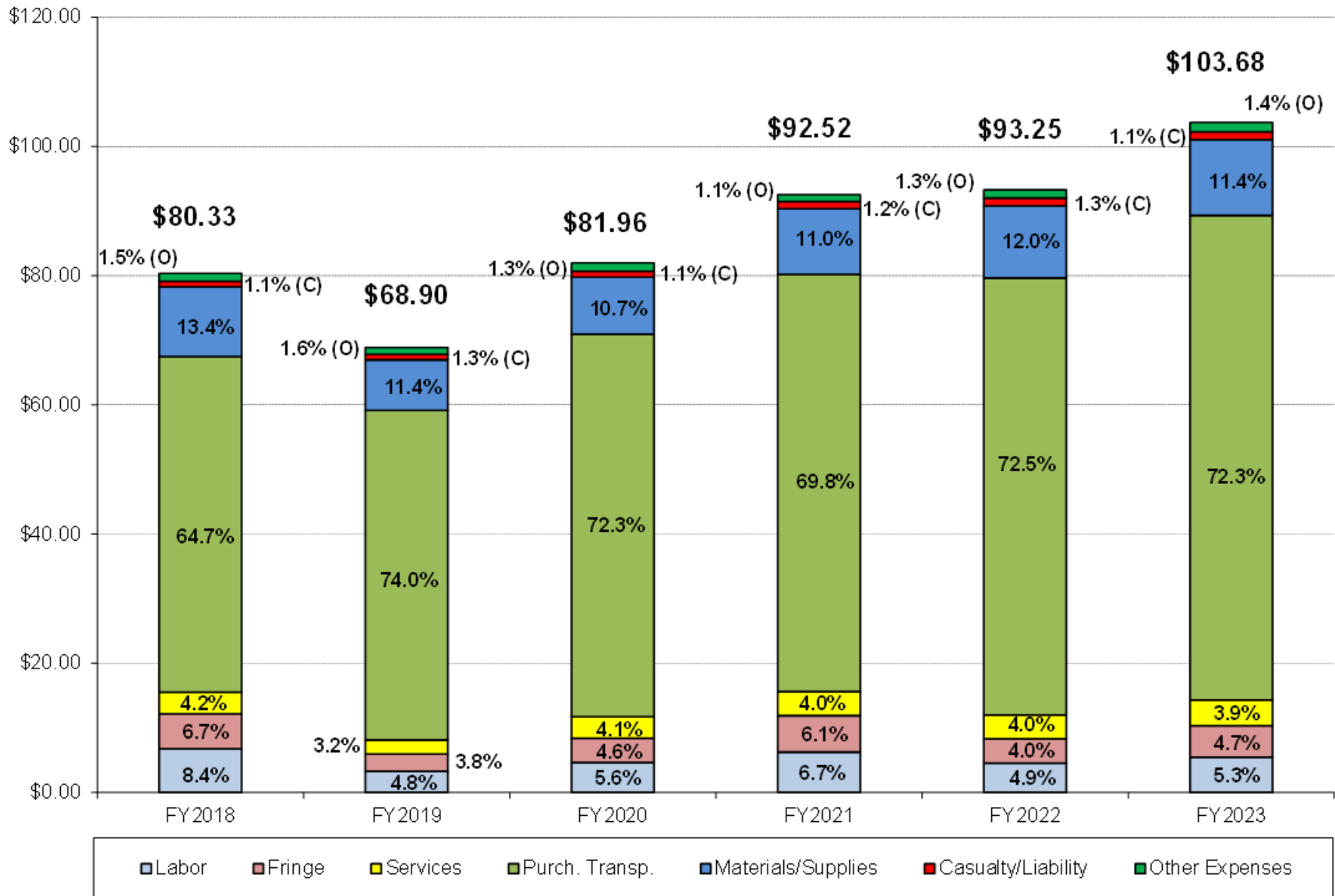
Sources: FY2018 through FY2020 - Prior Performance Audit Report; FY2021 through FY2023 - NTD Reports; FY2023 Draft version

(a) includes paid absences

(b) Includes fuels/lubricants, tires/tubes, and other materials/expenses

(c) Includes utilities, taxes, and miscellaneous expenses

Exhibit 5.6: Distribution of Component Costs – Paratransit
Operating Cost per Vehicle Service Hour



IV. COMPLIANCE WITH PUC REQUIREMENTS

An assessment of Tri Delta Transit's compliance with selected sections of the state Public Utilities Code (PUC) has been performed. The compliance areas included in this review are those that MTC has identified for inclusion in the triennial performance audit. Other statutory and regulatory compliance requirements are reviewed by MTC in conjunction with its annual review of Tri Delta Transit's TDA-STA claim application.

The results from this review are detailed by individual requirement in Exhibit 6. Tri Delta Transit is in compliance with each of the seven sections of the state PUC that were reviewed as part of this performance audit. These sections included requirements concerning CHP terminal safety inspections, labor contracts, reduced fares, Welfare-to-Work, revenue sharing, and evaluating passenger needs.

Exhibit 6: Compliance with State PUC Requirements

Code Reference	Operator Compliance Requirements	Compliance Finding	Verification Information
PUC99251	<u>CHP Certification</u> - The CHP has, within the 13 months prior to each TDA claim submitted by an operator, certified the operator's compliance with Vehicle Code Section 1808 following a CHP inspection of the operator's terminal	In Compliance	Satisfactory Inspections: <ul style="list-style-type: none"> • 2021: 12/22/2020 • 2022: 12/21/2021 • 2023: 12/22/2022
PUC99264	<u>Operator-to-Vehicle Staffing</u> - The operator does not routinely staff with two or more persons public transportation vehicles designed to be operated by one person	In Compliance	<ul style="list-style-type: none"> • No provision for excess vehicle staffing in Transit Services Agreement between ECCTA and First Transit, Inc. (July 1, 2016 – June 30, 2020, amended 6/29/2020 and 6/8/2022).
PUC99314.5 (e)(1)(2)	<u>Part Time Drivers and Contracting</u> - Operators receiving STA funds are not precluded by contract from employing part-time drivers or from contracting with common carriers	In Compliance	<ul style="list-style-type: none"> • <u>Part Time Drivers</u> – No prohibition of part-time drivers in Transit Services Agreement between ECCTA and First Transit, Inc. (July 1, 2016 – June 30, 2020, amended 6/29/2020 and 6/8/2022). • <u>Contracting</u> - ECCTA contracts with First Transit, Inc. to provide its fixed-route and paratransit services.
PUC99155	<u>Reduced Fare Eligibility</u> - For any operator who received TDA Article 4 funds, if the operator offers reduced fares to senior citizens and disabled persons, applicant will honor the federal Medicare identification card, the California Department of Motor Vehicles disability ID card, the Regional Transit Connection Discount Card, or any other current identification card issued by another transit operator that is valid for the type of transportation service or discount requested; and if the operator offers reduced fares to senior citizens, it also offers the same reduced fare to disabled patrons	In Compliance	Fare information in public information materials: <ul style="list-style-type: none"> • ECCTA website - https://trideltatransit.com/fares.aspx?nav=2011_side_nav_fares

Code Reference	Operator Compliance Requirements	Compliance Finding	Verification Information
PUC99155.1 (a)(1)(2)	<u>Welfare to Work Coordination</u> - Operators must coordinate with county welfare departments in order to ensure that transportation monies available for purposes of assisting recipients of aid are expended efficiently for the benefit of that population; if a recipient of CalWORKs program funds by the county, the operator shall give priority to the enhancement of public transportation services for welfare-to-work purposes and to the enhancement of transportation alternatives, such as, but not limited to, subsidies or vouchers, van pools, and contract paratransit operations, in order to promote welfare-to-work purposes	In Compliance	<ul style="list-style-type: none"> Member, Contra Costa Transportation Authority Paratransit Coordinating Council (PCC) PCC participates in the regional MTC Coordinated Human Service Transportation plan. Services provided by ECCTA are included in the plan's inventory (update due FY2024).
PUC99314.7, Govt Code 66516, MTC Res. Nos. 3837, 4073	<u>Joint Revenue Sharing Agreement</u> - The operator has current joint fare revenue sharing agreements in place with transit operators in the MTC region with which its service connects, and submitted copies of agreements to MTC	In Compliance	<ul style="list-style-type: none"> Signatory participant in Amended and Restated Clipper® Memorandum of Understanding (October 2022). Agreement also includes MTC and the other transit operators participating in the Clipper® program. Valid revenue sharing agreement with Capital Corridor JPA
PUC99246(d)	<u>Process for Evaluation of Passenger Needs</u> - The operator has an established process in place for evaluating the needs and types of passengers being served	In Compliance	<ul style="list-style-type: none"> 2021-23 and FY2024 Title VI Program and Update submitted. On-Board Surveys: passenger surveys provide ridership data and feedback on customer perceptions of the effectiveness of services provided. Survey conducted in 2019 (included in Title VI Program). Public Outreach and Forums: FY2022 Public Outreach Summary provided.

V. STATUS OF PRIOR AUDIT RECOMMENDATIONS

Tri Delta Transit's prior performance audit was completed in May 2018. Generally, MTC has used the audit recommendations as the basis for developing the Productivity Improvement Program (PIP) projects the operator is required to complete. MTC tracks PIP project implementation as part of its annual review of the operator's TDA-STA claim application. This section provides an assessment of actions taken by TDA-STA recipients toward implementing the recommendations advanced in the prior audit. This assessment provides continuity between the current and prior audits, which allows MTC to fulfill its obligations where the recommendations were advanced as PIP projects.

There were no recommendations made in the prior audit of Tri Delta Transit.

VI. FUNCTIONAL PERFORMANCE INDICATOR TRENDS

To further assess Tri Delta Transit's performance over the past three years, a detailed set of functional area performance indicators was defined. This assessment consists of a three-year trend analysis of the functions in each of the following areas:

- Management, Administration and Marketing
- Service Planning
- Operations
- Maintenance
- Safety

The indicators selected for this analysis were primarily those that were tracked regularly by Tri Delta Transit, or for which input data were maintained by Tri Delta Transit on an on-going basis, such as performance reports, contractor reports, and NTD reports. As such, there may be some overlap with the TDA indicators examined earlier in the audit process, but most indicators will be different. Some indicators were selected from the California Department of Transportation's Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities as being appropriate for this evaluation. The input statistics for the indicators, along with their sources, are contained in Appendix A at the end of this report.

The trends in performance are presented over the three-year audit period to give an indication of which direction performance is moving for these indicators. The remainder of this section presents the findings from this review. The discussion presents

the highlights of performance by mode (Systemwide, Bus Service and Paratransit), each followed by an exhibit illustrating the indicators by function as applicable.

Systemwide (All Modes)

For the purposes of this review, Tri Delta Transit's functional indicators relating to Management, Administration and Marketing have been included on a systemwide basis. Systemwide audit period performance is discussed below and presented in Exhibit 7.

- Administrative costs as a percentage of total operating costs decreased from 26.6 percent to 23.1 percent over the audit period.
- Administrative cost per vehicle service hour also decreased from \$36.35 to \$31.63 per hour over the three-year period.
- Marketing costs as a percentage of administrative costs decreased from 1.6 percent in FY2021 to one percent in FY2023. Marketing costs per unlinked passenger trip decreased from \$0.11 in FY2021 to \$0.06 in FY2023.
- The systemwide farebox recovery ratio increased from 3.1 percent in FY2021 to 5.3 percent in FY2022, before ending the audit period at five percent, an improvement of over 61 percent overall.

* * * * *

The following is a summary of the systemwide functional trend highlights between FY2021 and FY2023:

- Administrative spending decreased overall, as administrative cost as a percentage of total operating costs and administrative cost per vehicle service hour both decreased about 13 percent during the audit period.

- Marketing costs also decreased as a percentage of administrative costs by almost 38 percent, while marketing costs per unlinked passenger trip decreased more than 45 percent between FY2021 and FY2023.
- The systemwide farebox recovery ratio increased over 60 percent between FY2021 and FY2023, from 3.1 percent to five percent.

Exhibit 7: Functional Performance Trends – Systemwide (All Modes)

FUNCTION/Indicator	Actual Performance		
	FY2021	FY2022	FY2023
MANAGEMENT, ADMINISTRATION & MARKETING			
Administrative Cost/Total Operating Cost	26.6%	24.7%	23.1%
<i>Annual Percent Change</i>	--	-7.4%	-6.5%
<i>Three Year Percent Change</i>	--	--	-13.4%
Administrative Cost/Vehicle Service Hour	\$36.35	\$32.47	\$31.63
<i>Annual Percent Change</i>	--	-10.7%	-2.6%
<i>Three Year Percent Change</i>	--	--	-13.0%
Marketing Cost/Total Administrative Cost	1.6%	1.5%	1.0%
<i>Annual Percent Change</i>	--	-8.5%	-31.9%
<i>Three Year Percent Change</i>	--	--	-37.6%
Marketing Cost/Unlinked Passenger Trip	\$0.11	\$0.09	\$0.06
<i>Annual Percent Change</i>	--	-19.8%	-32.0%
<i>Three Year Percent Change</i>	--	--	-45.4%
Farebox Revenue/Operating Cost	3.1%	5.3%	5.0%
<i>Annual Percent Change</i>	--	69.8%	-5.0%
<i>Three Year Percent Change</i>	--	--	61.4%

Bus Service

Tri Delta Transit's bus service functional area trends represent areas of cost efficiency, safety, productivity, and service reliability. Audit period performance is discussed below and presented in Exhibit 8.

- Service Planning
 - Operating costs per passenger mile decreased from \$5.48 in FY2021 to \$4.72 in FY2023 (63.3 percent).
 - Approximately 87 percent of all vehicle miles and 89 percent of all vehicle hours traveled were in service in all three years of the audit period.
 - Both passengers per vehicle service mile and passengers per vehicle service hour remained almost unchanged during the audit period, with approximately 0.5 passengers per mile and 6.2 passengers per hour carried in each year.

- Operations
 - Vehicle operations costs remained mostly unchanged, increasing from 52.7 percent in FY2021 to 54 percent in FY2023.
 - Vehicle operations costs per service hour increased slightly overall, from \$81.43 in FY2021 to \$83.05 in FY2023.
 - The bus service farebox recovery ratio improved from 1.5 percent in FY2021 to 3.9 percent in FY2023.
 - The TDA recovery ratio increased from 20.2 percent in FY2021 to 31.7 percent in FY2023.
 - The percentage of trips that were on time decreased from 89.0 percent in FY2021 to 82.0 percent in FY2023, which is closer to Tri Delta's pre-COVID average on-time percentage.

- The number of complaints per 100,000 vehicle service miles passenger trips decreased from 17.9 in FY2021 to 15.5 in FY2023.
 - Missed trips as a percentage of total trips also declined during the audit period from 1.86 percent in FY2021 to 1.36 percent in FY2023.
- Maintenance
 - Total maintenance costs (vehicle plus non-vehicle) increased slightly from 17.8 percent of total operating costs in FY2021 to 20.3 percent in FY2023.
 - Vehicle maintenance costs per service mile increased from \$2.02 in FY2021 to \$2.33 in FY2023.
 - The vehicle spare ratio decreased from 19.4 percent to 16.1 percent during the audit period.
 - Mean distance between major failures increased from 39,413 miles in FY2021 to 73,730 miles in FY2023 and mean distance between all failures increased from 28,152 miles in FY2021 to 65,303 miles in FY2023.
 - Safety
 - The rate of preventable accidents per 100,000 vehicle miles fluctuated over the period from 1.1 in FY2021 to 1.0 in FY2022 before seeing a slight increase to 1.3 in FY2023.

* * * * *

The following is a summary of the bus service functional trend highlights between FY2021 and FY2023:

- Service Planning results showed operating costs per passenger mile decreasing by about 14 percent overall. Vehicle miles in service and vehicle

hours in service showed small improvements of about 2 percent over the audit period as a percentage of total miles and hours. Passengers per vehicle service mile was unchanged overall, while passengers per vehicle service hour saw a slight decrease of just over one percent for the period.

- In Operations, overall vehicle operations costs increased slightly as a percentage of total operating costs, by 2.4 percent overall. Cost per service hour also increased by two percent during the period.
- Farebox recovery increased from 1.5 percent to 3.9 percent between FY2021 and FY2023, and the TDA recovery ratio also increased by almost 57 percent, from 20.2 percent in FY2021 to 31.7 percent in FY2023.
- The percentage of on time trips decreased by 7.9 percent over the three-year period, and the percentage of missed trips declined by 27 percent overall. The number of complaints declined by 13 percent overall during the audit period.
- Maintenance costs increased moderately overall relative to total operating costs and also increased on a service mile basis, by approximately 15 percent. The vehicle spare ratio decreased from 19.4 percent to 16.1 percent during the audit period. Mean distance between both major mechanical failures and all mechanical failures improved by 87 percent and 132 percent respectively during the three-year period.
- Safety results demonstrated fluctuations in the rate of preventable accidents per 100,000 vehicle miles, but remained low overall, ranging from between 1.1 to 1.3 during the audit period.

Exhibit 8: Functional Performance Trends – Bus Service

FUNCTION/Indicator	Actual Performance		
	FY2021	FY2022	FY2023
SERVICE PLANNING			
Total Operating Cost/Passenger Mile	\$5.48	\$4.84	\$4.72
<i>Annual Percent Change</i>	--	-11.8%	-2.3%
<i>Three Year Percent Change</i>	--	--	-13.8%
Vehicle Service Miles/Total Miles	86.5%	87.2%	88.4%
<i>Annual Percent Change</i>	--	0.8%	1.3%
<i>Three Year Percent Change</i>	--	--	2.2%
Vehicle Service Hours/Total Hours	88.0%	88.7%	89.7%
<i>Annual Percent Change</i>	--	0.8%	1.1%
<i>Three Year Percent Change</i>	--	--	1.9%
Passengers/Vehicle Service Mile	0.49	0.50	0.49
<i>Annual Percent Change</i>	--	1.9%	-1.7%
<i>Three Year Percent Change</i>	--	--	0.2%
Passengers/Vehicle Service Hour	6.23	6.29	6.15
<i>Annual Percent Change</i>	--	1.0%	-2.2%
<i>Three Year Percent Change</i>	--	--	-1.2%
OPERATIONS			
Vehicle Operations Cost/Total Operating Cost	52.7%	53.1%	54.0%
<i>Annual Percent Change</i>	--	0.7%	1.6%
<i>Three Year Percent Change</i>	--	--	2.4%
Vehicle Operations Cost/Vehicle Service Hour	\$81.43	\$78.33	\$83.05
<i>Annual Percent Change</i>	--	-3.8%	6.0%
<i>Three Year Percent Change</i>	--	--	2.0%
Farebox Revenue/Operating Cost	1.5%	3.8%	3.9%
<i>Annual Percent Change</i>	--	155.7%	1.9%
<i>Three Year Percent Change</i>	--	--	160.7%
TDA Recovery Ratio (a)	20.2%	35.7%	31.7%
<i>Annual Percent Change</i>	--	76.7%	-11.2%
<i>Three Year Percent Change</i>	--	--	56.9%
Percentage of Trips On-Time	89.0%	88.0%	82.0%
<i>Annual Percent Change</i>	--	-1.1%	-6.8%
<i>Three Year Percent Change</i>	--	--	-7.9%
Complaints/100,000 Vehicle Service Miles	17.9	16.1	15.5
<i>Annual Percent Change</i>	--	-9.9%	-3.4%
<i>Three Year Percent Change</i>	--	--	-13.0%
Missed Trips/Total Trips	1.86%	1.76%	1.36%
<i>Annual Percent Change</i>	--	-5.1%	-22.9%
<i>Three Year Percent Change</i>	--	--	-26.9%

FUNCTION/Indicator	Actual Performance		
	FY2021	FY2022	FY2023
MAINTENANCE			
Vehicle + Non-Veh. Maint. Cost/Total Operating Cost	17.8%	19.7%	20.3%
<i>Annual Percent Change</i>	--	11.0%	2.9%
<i>Three Year Percent Change</i>	--	--	14.3%
Vehicle Maintenance Cost/Vehicle Service Mile	\$2.02	\$2.17	\$2.33
<i>Annual Percent Change</i>	--	7.5%	7.4%
<i>Three Year Percent Change</i>	--	--	15.4%
Spare Vehicles/Total Vehicles	19.4%	16.1%	16.1%
<i>Annual Percent Change</i>	--	-16.7%	0.0%
<i>Three Year Percent Change</i>	--	--	-16.7%
Mean Distance between Major Failures (Miles)	39,413	43,368	73,730
<i>Annual Percent Change</i>	--	10.0%	70.0%
<i>Three Year Percent Change</i>	--	--	87.1%
Mean Distance between All Failures (Miles)	28,152	35,759	65,303
<i>Annual Percent Change</i>	--	27.0%	82.6%
<i>Three Year Percent Change</i>	--	--	132.0%
SAFETY			
Preventable Accidents/100,000 Vehicle Miles	1.1	1.0	1.3
<i>Annual Percent Change</i>	--	-8.4%	33.8%
<i>Three Year Percent Change</i>	--	--	22.5%

(a) Farebox Revenue plus Local Support/Operating Cost less TDA Allowable Exclusions

Paratransit

Tri Delta Transit's paratransit functional area trends represent mostly similar areas to the bus service. Audit period performance is discussed below and presented in Exhibit 9.

- Service Planning
 - Operating costs per passenger mile decreased from \$8.53 in FY2021 year to \$6.58 (22.8 percent decrease) in FY2023.
 - The portion of both vehicle miles and vehicle hours traveled that were in service increased throughout the audit period, from about 83 percent to 89 percent of miles and 83 percent to 86 percent of hours.
 - Passengers per vehicle service mile ranged from 0.15 to 0.19 during the three-year audit period while passengers per vehicle service hour ranged from 2.14 to 2.73 during the same period.

- Operations
 - Vehicle operations cost as a percentage of total operating costs rose from 72.4% in FY2021 to 77.7% in FY2020.
 - Vehicle operations costs per service hour increased from \$66.95 in FY2021 to \$80.54 in FY2023.
 - The paratransit farebox recovery ratio fluctuated from 9.6% in FY2021 to 10.6% in FY2022, before ending at 8.2 percent in FY2023.
 - Percentage of on time trips remained between 96 and 97 percent in all three years.
 - Complaints per 10,000 passenger trips also fluctuated over the period, increasing from 8.4 in FY2021 to 11 in FY2022 before declining to 9.9 in FY2023.

- Missed trips as a percentage of total trips were less than 0.01 in each year of the review period, ADA trip denials as a percentage of ADA trips were zero in each year of the three-year period.
 - Data for total trip cancellations as a percentage of ADA trips ranged was not available for this review period.
 - Late trip cancellations as a percentage of ADA trips increased slightly from 0.9 to 1.1 percent, while no shows as a percentage of ADA trips decreased from 2.5 percent in FY2021 to 1.1 percent in FY2023.
- Maintenance
 - Total maintenance costs (vehicle plus non-vehicle) decreased from 12.7 percent in FY2021 to 7.1 percent in FY2023.
 - Vehicle maintenance costs per service mile decreased by almost 45 percent from \$0.69 in FY2021 to \$0.39 in FY2023.
 - The vehicle spare ratio decreased from 24.4 percent in FY2021 to 15.4 percent in FY2023.
 - The mean distance between all failures and mean distance between major failures both improved significantly during the period.
 - Safety
 - Preventable accidents per 100,000 vehicle miles ranged from 0.3 in both FY2021 and FY2022, to 0.9 during FY2023.

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The following is a summary of the paratransit functional trend highlights between FY2021 and FY2023:

- The cost per passenger mile decreased by 22 percent overall between FY2021 and FY2023. The percentage of vehicle miles and vehicle hours in service increased to more than 86 percent for both overall during the audit period. Passengers per vehicle service mile and vehicle service hour both improved, increasing by 24.9 percent and 27.3 percent, respectively.
- Operations results included an increase of 7.3 percent in vehicle operations costs as a portion of total operating costs and a 20.3 percent increase in vehicle operations cost per service hour. Farebox recovery decreased by about 15 over the audit period.
- The percentage of on-time trips remained steady around 97 percent during the audit period, complaints increased by 17.4 percent, and missed trips were below 0.01 as a percent of total trips over the three-year period.
- There were zero ADA trip denials during the audit period, data for total trip cancelations was unavailable, no-show trips decreased over 50 percent, and late cancelations as a percentage of ADA trips increased from 0.9 percent in FY2021 to 1.1 percent in FY2023.
- Maintenance results showed both vehicle maintenance costs as a percentage of total operating costs and vehicle maintenance costs per service mile decreasing more than 40 percent overall. The spare ratio decreased by 37 percent during the audit period.
- The rate of mechanical failures for major failures and all failures both decreased significantly, with miles between major failures increasing over 350 percent, and miles between all failures increasing over 250 percent between FY2021 and FY2023.
- Safety results saw a minor increase in the number of preventable accidents per 100,000 miles over the audit period, from 0.3 in FY2021 and FY2022 to 0.9 in FY2023.

Exhibit 9: Functional Performance Trends – Paratransit

FUNCTION/Indicator	Actual Performance		
	FY2021	FY2022	FY2023
SERVICE PLANNING			
Total Operating Cost/Passenger Mile	\$8.53	\$7.36	\$6.58
<i>Annual Percent Change</i>	--	-13.7%	-10.6%
<i>Three Year Percent Change</i>	--	--	-22.8%
Vehicle Service Miles/Total Miles	83.3%	86.0%	88.8%
<i>Annual Percent Change</i>	--	3.2%	3.2%
<i>Three Year Percent Change</i>	--	--	6.5%
Vehicle Service Hours/Total Hours	82.7%	85.9%	86.0%
<i>Annual Percent Change</i>	--	3.9%	0.0%
<i>Three Year Percent Change</i>	--	--	4.0%
Passengers/Vehicle Service Mile	0.15	0.16	0.19
<i>Annual Percent Change</i>	--	9.0%	14.6%
<i>Three Year Percent Change</i>	--	--	24.9%
Passengers/Vehicle Service Hour	2.14	2.36	2.73
<i>Annual Percent Change</i>	--	9.8%	15.9%
<i>Three Year Percent Change</i>	--	--	27.3%
OPERATIONS			
Vehicle Operations Cost/Total Operating Cost	72.4%	78.1%	77.7%
<i>Annual Percent Change</i>	--	7.9%	-0.5%
<i>Three Year Percent Change</i>	--	--	7.3%
Vehicle Operations Cost/Vehicle Service Hour	\$66.95	\$72.79	\$80.54
<i>Annual Percent Change</i>	--	8.7%	10.6%
<i>Three Year Percent Change</i>	--	--	20.3%
Farebox Revenue/Operating Cost	9.6%	10.6%	8.2%
<i>Annual Percent Change</i>	--	10.6%	-23.0%
<i>Three Year Percent Change</i>	--	--	-14.8%
TDA Recovery Ratio (a)	(b)	(b)	(b)
<i>Annual Percent Change</i>	--	--	--
<i>Three Year Percent Change</i>	--	--	--
Percentage of Trips On-Time	97.0%	97.0%	96.0%
<i>Annual Percent Change</i>	--	0.0%	-1.0%
<i>Three Year Percent Change</i>	--	--	-1.0%
Complaints/10,000 Passenger Trips	8.4	11.0	9.9
<i>Annual Percent Change</i>	--	30.1%	-9.7%
<i>Three Year Percent Change</i>	--	--	17.4%
Missed Trips/Total Trips	0.00%	0.01%	0.00%
<i>Annual Percent Change</i>	--	--	--
<i>Three Year Percent Change</i>	--	--	--

FUNCTION/Indicator	Actual Performance		
	FY2021	FY2022	FY2023
OPERATIONS (Continued)			
ADA Trip Denials/Total ADA Trips	0.0%	0.0%	0.0%
<i>Annual Percent Change</i>	--	--	--
<i>Three Year Percent Change</i>	--	--	--
Trip Cancellations/Total ADA Trips	(b)	(b)	(b)
<i>Annual Percent Change</i>	--	--	--
<i>Three Year Percent Change</i>	--	--	--
Late Trip Cancellations/Total ADA Trips	0.9%	1.0%	1.1%
<i>Annual Percent Change</i>		11.3%	9.3%
<i>Three Year Percent Change</i>			21.7%
No-Shows/Total ADA Trips	2.5%	1.0%	1.1%
<i>Annual Percent Change</i>	--	-61.0%	9.3%
<i>Three Year Percent Change</i>	--	--	-57.3%
MAINTENANCE			
Vehicle + Non-Veh. Maint. Cost/Total Operating Cost	12.7%	6.8%	7.1%
<i>Annual Percent Change</i>	--	-46.8%	5.5%
<i>Three Year Percent Change</i>	--	--	-43.8%
Vehicle Maintenance Cost/Vehicle Service Mile	\$0.69	\$0.31	\$0.39
<i>Annual Percent Change</i>	--	-54.5%	22.6%
<i>Three Year Percent Change</i>	--	--	-44.3%
Spare Vehicles/Total Vehicles	24.4%	27.8%	15.4%
<i>Annual Percent Change</i>	--	13.6%	-44.6%
<i>Three Year Percent Change</i>	--	--	-37.1%
Mean Distance between Major Failures (Miles)	141,903	493,583	664,575
<i>Annual Percent Change</i>	--	247.8%	34.6%
<i>Three Year Percent Change</i>	--	--	368.3%
Mean Distance between All Failures (Miles)	121,631	493,583	443,050
<i>Annual Percent Change</i>	--	305.8%	-10.2%
<i>Three Year Percent Change</i>	--	--	264.3%
SAFETY			
Preventable Accidents/100,000 Vehicle Miles	0.2	0.2	0.8
<i>Annual Percent Change</i>	--	-13.8%	271.4%
<i>Three Year Percent Change</i>	--	--	220.3%

(a) Farebox Revenue plus Local Support/Operating Cost less TDA Allowable Exclusions

(b) Not available

VII. CONCLUSIONS AND RECOMMENDATIONS

This report has presented the findings of the compliance audit portion of the performance audit of Tri Delta Transit's transit service. The primary focus was the three-year audit period of FY2021 through FY2023 (July 1, 2020 through June 30, 2023). It has focused on TDA compliance issues including trends in TDA-mandated performance indicators and compliance with selected sections of the state Public Utilities Code (PUC). It also provides the findings from an overview of Tri Delta Transit's data collection activities to support the TDA indicators. Performance results from the previous three years have also been included as applicable to provide a longer perspective on performance.

The key findings and conclusions from the individual sections of this performance audit are summarized below:

- Data Collection – Based on the information provided, Tri Delta Transit is in compliance with the data collection and reporting requirements for all five TDA statistics. In addition, the statistics collected over the six-year review period appear to be consistent with the TDA definitions and indicate general consistency in terms of the direction and magnitude of the year-to-year changes across the statistics.
- TDA Performance Trends

Tri Delta Transit's performance trends for the five TDA-mandated indicators were analyzed by mode. A six-year analysis period was used for all the indicators. In addition, component operating costs were analyzed.

Bus Service – The following is a summary of the TDA performance trend highlights over the six-year period of FY2018 through FY2023:

- There was an average annual increase in the operating cost per hour of 6.7 percent, which amounted to a 3.8 percent increase in inflation adjusted dollars.
- The cost per passenger increased on average by 27 percent per year, resulting in an average annual increase of 23.6 percent in constant FY2018 dollars.
- Passenger productivity decreased, with passengers per vehicle service hour decreasing by 16 percent per year overall, and passengers per vehicle service mile decreasing by 14.6 percent annually. Most of the decrease for these two indicators was due to the effects of the COVID pandemic on ridership in FY2020 and FY2021.

The following is a summary of the component operating costs trend highlights for the bus service between FY2018 and FY2023:

- Purchased transportation costs increased an average seven percent per year and was the largest component cost area at between 53 and 58 percent of total costs in each year. Purchased transportation costs experienced the largest increase of 20.5 percent in FY2023, attributed to an increase in the operating agreement with First Transit that year in an attempt to attract and retain qualified operators.
- In-house labor and fringe benefit costs increased by 9.6 percent and 11.9 percent, respectively, with both categories combined comprising about 22 percent of operating costs during the review period.
- Service costs increased by 5.9 percent on average per year and comprised about 4 percent of operating costs during the review period.
- Materials/supplies costs increased an average of 13 percent per year and comprised between 12 and 16 percent of total operating costs during the review period.
- There was about a one percent decrease per year in casualty/liability costs, and a 2.7 percent decrease in other expenses, which combined comprised about five percent of total costs for the review period.

Paratransit – The following is a summary of the TDA performance trend highlights over the six-year period of FY2018 through FY2023:

- Cost efficiency showed a decrease, with operating cost per hour increasing an average of 5.2 percent per year, or a 2.4 percent annual increase when expressed as normalized FY2018 dollars. The operating cost per hour increased every year except FY2019.
- Cost effectiveness also decreased, with an average annual increase in the operating cost per passenger of five percent. This amounted to an average annual increase of 2.2 percent in inflation adjusted dollars. Cost per passenger was highest during the COVID pandemic years of FY2020 and FY2021 but have eased in the last two years of the analysis period, as ridership has begun to recover.
- Passenger productivity remained almost unchanged overall during the six-year period. Passengers per hour increased 0.2 percent per year on average, with passengers per service mile increasing 0.5 percent annually.

The following is a summary of the component operating costs trend highlights for paratransit between FY2018 and FY2023:

- Even with the COVID pandemic occurring in the middle of the six-year analysis period, overall total operating costs increased an average of 17.4 percent annually. The largest annual increase, 52.6 percent, occurred in FY2023 as Tri Delta’s service levels were continuing to recover from the pandemic years.
- Purchased transportation costs represented the largest portion of total paratransit operating costs, at just over 70 percent throughout the review period, and increased by 20.1 percent per year on average, replicating similar increases in service miles and hours during the period.
- Annual average increases were seen in the labor (7.0 percent), fringe benefits (9.1 percent), and services (15.7 percent) categories, however, these three categories combined account for only about 15 percent of the total paratransit costs.

- Average annual cost increases of about 14 percent occurred in the materials/supplies category during the review period. This category comprised about 12 percent of paratransit component costs within the review period.
 - Increases were also seen in the casualty/liability (19.2 percent) category and the other expenses category (15 percent), but both areas combined comprise less than three percent of total expenses.
- PUC Compliance – Tri Delta Transit is in compliance with each of the seven sections of the state PUC that were reviewed as part of this performance audit. These sections included requirements concerning CHP terminal safety inspections, labor contracts, reduced fares, Welfare-to-Work, revenue sharing, and evaluating passenger needs.
 - Status of Prior Audit Recommendations – There were no recommendations made in Tri Delta Transit’s prior performance audit.
 - Functional Performance Indicator Trends

To further assess Tri Delta Transit’s performance over the past three years, a detailed set of systemwide and modal functional area performance indicators was defined and reviewed.

Systemwide – The following is a summary of the systemwide functional trend highlights between FY2021 and FY2023:

- Administrative spending decreased overall, as administrative cost as a percentage of total operating costs and administrative cost per vehicle service hour both decreased about 13 percent during the audit period.
- Marketing costs also decreased as a percentage of administrative costs by almost 38 percent, while marketing costs per unlinked passenger trip decreased more than 45 percent between FY2021 and FY2023.
- The systemwide farebox recovery ratio increased over 60 percent between FY2021 and FY2023, from 3.1 percent to five percent.

Bus Service – The following is a summary of the bus service functional trend highlights between FY2021 and FY2023:

- Service Planning results showed operating costs per passenger mile decreasing by about 14 percent overall. Vehicle miles in service and vehicle hours in service showed small improvements of about 2 percent over the audit period as a percentage of total miles and hours. Passengers per vehicle service mile was unchanged overall, while passengers per vehicle service hour saw a slight decrease of just over one percent for the period.
- In Operations, overall vehicle operations costs increased slightly as a percentage of total operating costs, by 2.4 percent overall. Cost per service hour also increased by two percent during the period.
- Farebox recovery increased from 1.5 percent to 3.9 percent between FY2021 and FY2023, and the TDA recovery ratio also increased by almost 57 percent, from 20.2 percent in FY2021 to 31.7 percent in FY2023.
- The percentage of on time decreased by 7.9 percent over the three-year period, and the percentage of missed trips declined by 27 percent overall. The number of complaints declined by 13 percent overall during the audit period.
- Maintenance costs increased moderately overall relative to total operating costs and also increased on a service mile basis, by approximately 15 percent. The vehicle spare ratio decreased from 19.4 percent to 16.1 percent during the audit period. Mean distance between both major mechanical failures and all mechanical failures improved by 87 percent and 132 percent respectively during the three-year period.
- Safety results demonstrated fluctuations in the rate of preventable accidents per 100,000 vehicle miles, but remained low overall, ranging from between 1.1 to 1.3 during the audit period.

Paratransit – The following is a summary of the paratransit functional trend highlights between FY2021 and FY2023:

- The cost per passenger mile decreased by 22 percent overall between FY2021 and FY2023. The percentage of vehicle miles and vehicle hours in service increased to more than 86 percent for both overall during the audit period. Passengers per vehicle service mile and vehicle service hour both improved, increasing by 24.9 percent and 27.3 percent, respectively.
- Operations results included an increase of 7.3 percent in vehicle operations costs as a portion of total operating costs and a 20.3 percent increase in vehicle operations cost per service hour. Farebox recovery decreased by about 15 over the audit period.
- The percentage of on-time trips remained steady around 97 percent during the audit period, complaints increased by 17.4 percent, and missed trips were below 0.01 as a percent of total trips over the three-year period.
- There were zero ADA trip denials during the audit period, data for total trip cancellations was unavailable, no-show trips decreased over 50 percent, and late cancellations as a percentage of ADA trips increased from 0.9 percent in FY2021 to 1.1 percent in FY2023.
- Maintenance results showed both vehicle maintenance costs as a percentage of total operating costs and vehicle maintenance costs per service mile decreasing more than 40 percent overall. The spare ratio decreased by 37 percent during the audit period.
- The rate of mechanical failures for major failures and all failures both decreased significantly, with miles between major failures increasing over 350 percent, and miles between all failures increasing over 250 percent between FY2021 and FY2023.
- Safety results saw a minor increase in the number of preventable accidents per 100,000 miles over the audit period, from 0.3 in FY2021 and FY2022 to 0.9 in FY2023.

Recommendations

No recommendations are suggested for Tri Delta Transit based on the results of this triennial performance audit.

It is noted here that many cost efficiency, cost effectiveness, and functional indicators in this report fluctuated by wide margins compared to their past trends. For example, operating cost per passenger for motorbus increased an average of 27 percent per year from \$7.56 in FY2018 to \$25.01 in FY2023. Other examples are the 16 percent and 14.6 percent average decreases per year in passengers per vehicle service hour and vehicle service mile between FY2018 and FY2023. In prior TDA audits, such increases or decreases in efficiency, effectiveness, and functional indicators most likely resulted in one or more recommendations for follow-up investigations and development of corrective actions.

It is recognized here that during this audit period, policy, planning, and operational decisions were made under the unusual conditions of a local, regional, and national health pandemic. Tri Delta Transit, like other transit agencies in the Bay Area, faced issues related to employee availability and retention; deployment of vehicles based on declining demand due to remote working; and forced reduction in acceptable vehicle occupancy due to social distancing guidelines. For these reasons, no recommendations are made to reexamine the past performance. The results in FY2023 performance indicators and functional indicators indicates that ridership, service levels and functional performance are improving. These trends will be examined again in the future TDA Audits.

**APPENDIX A:
INPUT STATISTICS FOR
FUNCTIONAL PERFORMANCE MEASURES**

Functional Performance Inputs - Systemwide (All Modes)

Data Item	FY2021	FY2022	FY2023	Source
Total Operating Costs	\$23,210,740	\$26,286,955	\$33,145,722	NTD F-40
Administrative Costs	\$6,180,242	\$6,483,792	\$7,641,505	NTD F-40
Vehicle Service Hours	170,025	199,712	241,606	NTD S-10 MB+DR
Marketing Costs	\$98,111	\$94,186	\$75,638	Advertising/Promotion Media Expenses
Unlinked Passenger Trips	858,235	1,026,792	1,211,883	NTD S-10 MB+DR
Farebox Revenue (All Modes)	\$717,968	\$1,380,883	\$1,654,376	NTD F-10

Functional Performance Inputs – Bus Service

Data Item	FY2021	FY2022	FY2023	Source
Vehicle Service Miles	1,534,545	1,778,037	2,020,307	NTD S-10 MB
Total Vehicle Miles	1,773,569	2,038,289	2,285,621	NTD S-10 MB
Vehicle Service Hours	120,801	141,250	161,342	NTD S-10 MB
Total Vehicle Hours	137,274	159,199	179,928	NTD S-10 MB
Unlinked Passenger Trips	752,676	889,091	992,717	NTD S-10 MB
Farebox Revenue	\$280,741	\$801,775	\$973,745	NTD F-10
Total Operating Costs	\$18,656,553	\$20,835,098	\$24,823,944	NTD F-30 MB
Passenger Miles	3,404,172	4,308,890	5,254,022	NTD S-10 MB
Vehicle Operations Costs	\$9,837,001	\$11,064,319	\$13,399,894	NTD F-30 MB
Local Support (a)	\$2,713,452	\$5,223,885	\$5,552,172	NTD F-10 MB
TDA Oper. Cost Exclusions - PUC 99247 (b)	\$3,838,138	\$3,958,615	\$4,234,785	NTD F-40
TDA Oper. Cost Exclusions - PUC 99268.17 (c)	\$0	\$0	\$0	
Trips On-Time	89.0%	88.0%	82.0%	Operations Data Reports
Total Trips	97,779	118,450	138,792	Scheduled Trips MB spreadsheet
Complaints	274	286	314	Operations Data Reports Operations Data Reports, Lost Runs
Missed Trips	1818	2089	1886	Analysis
Vehicle Maintenance Costs	\$3,098,965	\$3,858,761	\$4,709,656	NTD F-30 MB
Non-Vehicle/Facility Maintenance Costs	\$219,794	\$255,723	\$336,009	NTD F-30 MB
Spare Vehicles (Total less Maximum Service)	12	10	10	NTD S-10 MB
Total Vehicles	62	62	62	NTD S-10 MB
Revenue Vehicle Mechanical System Failures - Total	63	57	35	NTD R-20
Revenue Vehicle Mechanical System Failures - Major	45	47	31	NTD R-20
Preventable Accidents (NTD Guidelines)	19	20	30	Operations Data Reports

(a) Local Support includes the following (USOA revenue class in parentheses):

- Auxiliary transportation revenue (406)
- Taxes directly levied (408)
- Local cash grants and reimbursements (409)
- Local special fare assistance (410)
- Subsidy from other sectors of operation (440)
- Other non-federal/non-state grant funds or other revenues

(b) Operating expense object classes exclusive of the following pursuant to PUC Section 99247:

- depreciation and amortization expenses
- subsidies for commuter rail services operated on railroad lines under the jurisdiction of the Federal Railroad Administration
- costs for providing charter services
- vehicle lease costs
- principal and interest payments on capital projects funded with certificates of participation

(c) Operating expense object class exclusions pursuant to PUC Section 99268.17:

- additional operating costs for federally required ADA paratransit service that exceed prior year costs (CPI adjusted)
- cost increases beyond the CPI change for: fuel; alternative fuel programs; power (including electricity); insurance premiums/liability claims payouts; state and federal mandates
- start-up costs for new services (not more than two years)

Functional Performance Inputs – Paratransit

Data Item	FY2021	FY2022	FY2023	Source
Vehicle Service Miles	709,560	849,376	1,179,981	NTD S-10 DR PT & DR TN
Total Vehicle Miles	851,416	987,166	1,329,149	NTD S-10 DR PT & DR TN
Vehicle Service Hours	49,224	58,462	80,264	NTD S-10 DR PT & DR TN
Total Vehicle Hours	59,549	68,040	93,382	NTD S-10 DR PT & DR TN
Unlinked Passenger Trips	105,559	137,701	219,166	NTD S-10 DR PT & DR TN
Farebox Revenue	\$437,227	\$579,108	\$680,631	NTD F-10 DR PT & DR TN
Total Operating Costs	\$4,554,187	\$5,451,857	\$8,321,778	NTD F-30 DR PT & DR TN
Passenger Miles	534,180	740,709	1,264,026	NTD S-10 DR PT & DR TN
Vehicle Operations Costs	\$3,295,493	\$4,255,200	\$6,464,105	NTD F-30 DR PT & DR TN
Local Support (a)	\$0	\$0	\$0	
TDA Oper. Cost Exclusions - PUC 99247 (b)	\$0	\$0	\$0	
TDA Oper. Cost Exclusions - PUC 99268.17 (c)	\$0	\$0	\$0	
Trips On-Time	97%	97%	96%	Operations Data Reports
Total Trips (Booked)	98,912	129,906	209,637	Operations Data Reports
Complaints	89	151	217	Operations Data Reports
Missed Trips	1	7	1	Operations Data Reports
Total ADA Trips (Completed)	65,320	91,967	120,309	NTD S-10 (DR-PT and DR-TN)
ADA Trip Denials	0	0	0	Operations Data Reports
Trip Cancellations				Not available
Late Trip Cancellations	569	892	1,275	Operations Data Reports
No Shows	1,623	2,020	1,761	Operations Data Reports
Vehicle Maintenance Costs	\$490,997	\$267,326	\$455,198	NTD F-30 DR PT & DR TN
Non-Vehicle/Facility Maintenance Costs	\$88,248	\$101,834	\$139,355	NTD F-30 DR PT & DR TN
Spare Vehicles (Total less Maximum Service)	11	15	8	NTD S-10 DR PT & DR TN
Total Vehicles	45	54	52	NTD S-10 DR PT & DR TN
Revenue Vehicle Mechanical System Failures - Total	7	2	3	NTD R-20 DR PT
Revenue Vehicle Mechanical System Failures - Major	6	2	2	NTD R-20 DR PT
Preventable Accidents	2	2	10	Operations Data Reports

(a) Local Support includes the following (USOA revenue class in parentheses):

- Auxiliary transportation revenue (406)
- Taxes directly levied (408)
- Local cash grants and reimbursements (409)
- Local special fare assistance (410)
- Subsidy from other sectors of operation (440)
- Other non-federal/non-state grant funds or other revenues

(b) Operating expense object classes exclusive of the following pursuant to PUC Section 99247:

- depreciation and amortization expenses
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- additional operating costs for federally required ADA paratransit service that exceed prior year costs (CPI adjusted)
- cost increases beyond the CPI change for: fuel; alternative fuel programs; power (including electricity); insurance premiums/liability claims payouts; state and federal mandates
- start-up costs for new services (not more than two years)