

*Transportation Development  
Act Performance Audit  
Final Report*



Tahoe Area Regional Transit



*FY 2006/07 through FY 2009/10*

*BlueGO*

*August 2012*

Submitted by







## TABLE OF CONTENTS

<b>EXECUTIVE SUMMARY .....</b>	<b>1</b>
<b>INTRODUCTION.....</b>	<b>7</b>
AUDIT SCOPE & METHODOLOGY .....	7
DESCRIPTION OF SOUTH TAHOE AREA TRANSIT AUTHORITY (BLUEGO).....	9
Ski Shuttles.....	12
Douglas County .....	13
Trolley.....	13
El Dorado County.....	14
City of South Lake Tahoe .....	14
Special.....	15
Express.....	15
Demand Response.....	15
FARE STRUCTURE.....	16
<b>COMPLIANCE REQUIREMENTS .....</b>	<b>19</b>
<b>PRIOR AUDIT RECOMMENDATIONS .....</b>	<b>23</b>
BLUEGO DATA COLLECTION RECOMMENDATION I.....	23
BLUEGO DATA COLLECTION RECOMMENDATION II.....	24
BLUEGO DATA COLLECTION RECOMMENDATION III .....	24
BLUEGO DATA COLLECTION RECOMMENDATION IV.....	25
BLUEGO DATA COLLECTION RECOMMENDATION V .....	25
BLUEGO DATA COLLECTION RECOMMENDATION VI.....	26
BLUEGO DATA COLLECTION RECOMMENDATION VII.....	27
BLUEGO DATA COLLECTION RECOMMENDATION VIII .....	27
<b>PERFORMANCE MEASURES &amp; INDICATORS .....</b>	<b>29</b>
PERFORMANCE MEASURES .....	29
Operating Costs .....	29
Vehicle Service Hours & Miles.....	30
Passenger Counts.....	30
Full-Time Equivalents.....	30
Revenues .....	30
PERFORMANCE INDICATORS.....	32
PERFORMANCE MEASURES .....	35
Operating Costs – Total .....	35
Revenues – Total .....	37
Vehicle Service Hours – Total.....	38
Vehicle Service Miles – Total.....	39
Passengers – Total .....	40



TDA REQUIRED PERFORMANCE INDICATORS.....	41
Operating Cost per Vehicle Service Hour – Total.....	41
Operating Cost per Vehicle Service Mile – Total.....	43
Operating Cost per Passenger – Total.....	45
Passengers per Vehicle Service Hour – Total.....	47
Passengers per Vehicle Service Mile – Total.....	49
Vehicle Service Hours per Full-Time Equivalent – Total.....	51
Farebox Recovery Ratio – Total.....	53
Fare per Passenger – Total.....	55
<b>FUNCTIONAL REVIEW .....</b>	<b>57</b>
GENERAL MANAGEMENT AND ORGANIZATION .....	57
Organizational Structure.....	58
Staffing and Reporting.....	58
Administrative Oversight .....	59
AREAS OF INTEREST TO MANAGEMENT AND BOARD.....	60
Service Planning.....	60
Scheduling, Dispatching & Operations.....	61
Marketing & Public Information .....	62
Contract Management.....	62
Maintenance.....	62
Fleet & Facilities .....	64
<b>FINDINGS &amp; RECOMMENDATIONS .....</b>	<b>65</b>
SUMMARY OF FINDINGS.....	65
Compliance.....	65
Prior Audit Recommendations.....	65
Performance Measures & Trends .....	65
Functional Review .....	66
RECOMMENDATIONS .....	66
Recommendation 1 .....	66
Recommendation 2 .....	67
Recommendation 3 .....	67
Recommendation 4 .....	68
Recommendation 5 .....	68
Recommendation 6 .....	69
Recommendation 7 .....	69
Recommendation 8 .....	69



## TABLE OF FIGURES

Figure 1: Total Operating Costs.....	36
Figure 2: Total Revenues .....	37
Figure 3: Total Vehicle Service Hours.....	38
Figure 4: Total Vehicle Service Miles .....	39
Figure 5: Total Passengers.....	40
Figure 6: Total Operating Cost per VSH.....	42
Figure 7: Total Operating Cost per VSM.....	44
Figure 8: Total Operating Cost per Passenger .....	46
Figure 9: Total Passengers per VSH.....	48
Figure 10: Total Passengers per VSM.....	50
Figure 11: Total VSH per FTE.....	52
Figure 12: Total Farebox Recovery Ratio .....	54
Figure 13: Total Fare per Passenger.....	56

## TABLE OF TABLES

Table 1: Summary of Recommendations.....	5
Table 2: BlueGO Story.....	10
Table 3: BlueGO Services.....	12
Table 4: BlueGO Fares .....	17
Table 5: BlueGO Compliance.....	20
Table 6: Performance Data Origins .....	33
Table 7: BlueGO Performance Data .....	34
Table 8: BlueGO Roadcalls.....	63
Table 9: Tectrans Preventative Maintenance Inspection Schedule.....	64
Table 10: Summary of Recommendations.....	70





## EXECUTIVE SUMMARY

The Triennial Performance Audit for South Tahoe Regional Area Transit, as operator for BlueGO, covers a four-year period:

- Fiscal Year 2006-07;
- Fiscal Year 2007-08;
- Fiscal Year 2008-09;
- Fiscal Year 2009-10.

In November 2010, operation of BlueGO was assumed by Tahoe Transportation District (TTD).

The California Public Utilities Code requires all public transit agencies to conduct a Triennial Performance Audit in order to be eligible for Transportation Development Act (TDA) funding. The Audit is designed to be an independent and objective evaluation of BlueGO, as the transit operator. The Audit has four objectives:

1. Assess compliance with TDA regulations;
2. Review improvements that have been implemented and progress toward goals;
3. Evaluate the efficiency and effectiveness of BlueGO operations;
4. Provide sound, constructive recommendations for improving the efficiency and functionality of the operations.

During the Audit period, South Tahoe Area Transit Authority operated BlueGO, which provides fixed route and demand-response transit services to the City of South Lake Tahoe, adjacent areas of El Dorado County and as well as adjacent areas in the State of Nevada. Many of the issues that surfaced during the Audit period for BlueGO are being addressed with the transfer of administrative and management duties to TTD.

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### COMPLIANCE

A number of exceptions to TDA compliance were noted during the Audit period, including not filing financial audits, failing to prepare and file State Controller's Reports and failing to maintain a budget within the prescribed limits.

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### PRIOR AUDIT RECOMMENDATIONS

Seven recommendations were made in the prior Audit:

1. *Ensure accuracy recording operating statistics* (Not Implemented).
2. *Fix inconsistencies in internal records and State Controller reports* (Not Implemented).
3. *Fix inconsistencies between the transit contractor's monthly management reports, the transit contractors annual profit and loss statement, and the fiscal audits* (Not Implemented).
4. *Farebox ratio needs to be tracked* (Implemented with exception).
5. *Implementation of the Memorandum of Understanding and proper organization of management* (No longer relevant).



6. *Establish competitive bidding process for procuring transit services* (Implemented).
7. *Track maintenance records* (Unable to determine).

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## PERFORMANCE MEASURES & TRENDS

**The opinion of this Audit is that data used for the performance measures and indicators are not reliable or accurate and may not be representative of the actual performance of BlueGO during the Audit period.**

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## FUNCTIONAL REVIEW

During the Audit period, management and administrative staffing was inadequate, both in experience and in head count. While the administrative personnel was dedicated, they lacked the resources to adequately manage the contractor, finances, and operations. In addition, the Board, although committed to enhancing transit in South Tahoe, did not provide sufficient oversight of the operations. Absence of experienced executive-level management was a major contributing factor.

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## RECOMMENDATIONS

The recommendations delineated below are made to help BlueGO move forward under the administration and management of TTD and are not meant to imply that the TTD are not correctly performing the tasks outlined.

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### RECOMMENDATION 1

***Verify the operations contractor is reporting performance measures, including Operating Cost, Revenues, Vehicle Service Hours, Vehicle Service Miles, Passenger Counts and Full Time Equivalents in accordance with both TDA definitions and contract specifications.***

TDA regulations are explicit as to how each of the five basic performance measures are to be calculated. TTD transit manager and transit accountant will need to work with financial auditors and the operations contractor to ensure that in the future, all the measures are calculated accurately and consistently.

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### RECOMMENDATION 2

***Monitor expenses and revenues on a monthly basis, including actual versus projections.***

The extreme situations encountered by STATA in the operation of BlueGO were due, in part, to not fully monitoring expenses and revenues. TTD transit management needs to provide monthly updates to the Board of expenses and revenues compared to budget on a monthly basis and include an updated pro forma with any expected change in budgeted revenues and/or expenses.





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### RECOMMENDATION 3

***Manage contractor performance:***

- *Annual maintenance audits;*
- *Statistical evaluation of route performance;*
- *Ongoing review of on-time data and annual schedule adherence audits;*
- *Bi-annual surveys of customer satisfaction;*
- *Tracking and monthly review of complaints, which have been categorized.*

TTD will need to maintain constant oversight of the operations to rebuild confidence in transit operations on the South Shore.

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### RECOMMENDATION 4

***Enhance rider communication, specifically during schedule changes.***

TTD transit management needs to ensure that they provide information and solicit feedback through multiple outlets.

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### RECOMMENDATION 5

***Establish a robust schedule for cleaning (including standards) for both the inside and outside of all vehicles.***

TTD Management needs to work with the contractor to establish strict guidelines for both outside and inside cleanings. Periodic inspections will provide assurance the guidelines are followed and are sufficient to maintain BlueGO's image.

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### RECOMMENDATION 6

***Ensure that State Controller's Reports are prepared in a consistent manner and the calculations used are documented with the backup retained for a minimum of four years.***

The data reported on the State Controller's Reports during the Audit period could not be validated. A number of inconsistencies were noted. TTD will need to keep all documentation including contractor reports, internal reports and calculations used in developing the SCR for a minimum of four (4) years for the next TDA Audit.



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#### RECOMMENDATION 7

***Consider rebranding BlueGO.***

By changing the brand and public look of the transit system, TTD can distance itself from the previous difficulties.

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#### RECOMMENDATION 8

***Ensure the financial and compliance audits are prepared in accordance to TDA requirements.***

Per PUC 6667, the compliance portion of the fiscal and compliance audit requires explicit tasks to be performed for transit claimants. TTD Transit Accountant will need to work with fiscal and compliance auditor to ensure TDA requirements are met.



Table 1: Summary of Recommendations

	Recommendation	Priority	Responsibility	Timeframe
1	Verify the operations contractor is reporting performance measures, including Operating Cost, Revenues, Vehicle Service Hours, Vehicle Service Miles, Passenger Counts, Full Time Equivalents in accordance with both TDA definitions and contract specifications.	High	TTD Transit Manager & Transit Accountant	FY 2011/2012
2	Monitor expenses and revenues on a monthly basis, including actual versus projections.	High	TTD Transit Accountant	FY 2011/2012
3	Manage contractor performance: <ul style="list-style-type: none"> <li>Annual maintenance audits</li> <li>Statistical evaluation of route performance;</li> <li>Ongoing review of on-time data and annual schedule adherence audits;</li> <li>Bi-annual surveys of customer satisfaction;</li> <li>Tracking and monthly review of complaints, which have been categorized.</li> </ul>	High	TTD Transit Manager	FY 2011/2012
4	Enhance rider communication, specifically during schedule changes.	Medium	TTD Transit Manager	FY 2012/2013
5	Establish a robust schedule for cleaning, (including standards) for both the inside and outside of all vehicles.	Medium	TTD Transit Manager	FY 2012/2013
6	Ensure that State Controller's Reports are prepared in a consistent manner and the calculations used are documented with the backup retained for a minimum of four years.	High	TTD Transit Accountant & Transit Manager	FY 2011/12
7	Consider rebranding BlueGO.	Medium	TTD Board & Management	FY 2012/13
8	Ensure the financial and compliance audits are prepared in accordance to TDA requirements.	High	TTD Transit Accountant	FY 2011/12





## INTRODUCTION

This report of the Triennial Performance Audit for South Tahoe Regional Area Transit, as operator for BlueGO, covers a four-year period:

- Fiscal Year 06-07;
- Fiscal Year 07-08;
- Fiscal Year 08-09;
- Fiscal Year 09-10.

In November 2010, operation of BlueGO was assumed by Tahoe Transportation District (TTD). The California Public Utilities Code requires all public transit agencies to conduct a Triennial Performance Audit (TPA) in order to be eligible for Transportation Development Act (TDA) funding.

The proposed Audit is designed to be an independent and objective evaluation of BlueGO, as the transit operator. The Audit has four objectives:

1. Assess compliance with TDA regulations;
2. Review improvements that have been implemented and progress toward goals;
3. Evaluate the efficiency and effectiveness of BlueGo operations;
4. Provide sound, constructive recommendations for improving the efficiency and functionality of the operations.

## AUDIT SCOPE & METHODOLOGY

The format and requirements for the TPA is dictated by the following regulations and guidelines:

1. **Public Utilities Code Section 99246**, subsection (b) of which states that the Performance Audit shall evaluate the efficiency, effectiveness and economy of the operation of the entity being Audited and subsection (d) which states that the Performance Audit shall included verification of the five performance indicators—
  - ♦ Operating cost per passenger;
  - ♦ Operating cost per vehicle service hour;
  - ♦ Passengers per vehicle service hour;
  - ♦ Passengers per vehicle service mile;
  - ♦ Vehicle service hours per employee.

Audits also considered the needs and types of passengers being served, employment of part-time drivers, and contracts with common carriers of persons operating under a franchise or license to provide services during peak hours.

2. ***Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*** (3rd Edition, September 2008), issued by the California Department of Transportation (Caltrans).



3. ***Standards for Audit of Governmental Organizations, Programs, Activities, and Functions*** (2007 Revision), published by the United States General Accounting Office and the U.S. Comptroller General, which provides additional directives.

The Performance Audit is a high-level review evaluating the efficiency, economy and effectiveness of the transit operations. The primary purpose of the Audit is to ensure compliance with TDA. The Audit of BlueGO operations comprised the evaluation of four elements:

1. Compliance with TDA requirements and regulations;
2. Implementation of recommendations contained in prior Performance Audits;
3. Methodology for calculating performance indicators and significant performance measures;
4. Major functions performed by STATA to support its public transportation operations, including—
  - ◆ General management and organization;
  - ◆ Service planning;
  - ◆ Scheduling, dispatching and operations;
  - ◆ Personnel management and training;
  - ◆ Administration;
  - ◆ Marketing and public information;
  - ◆ Maintenance.

The Audit presents conclusions and recommendations to address opportunities for improvement based upon analysis of the previous four elements.

The methodology for this Audit comprised interviews with key personnel from STATA, the operations contractor, site visits, verification of data sources, examinations of financial and statistical reports and reviews of relevant planning documents and reports.

The Audit Report comprises four sections:

1. **Executive Summary:** A brief summary of the key findings and recommendations developed during the Performance Audit processes.
2. **Introduction:** Methodology of the Audit and pertinent background information.
3. **Audit Results:** In-depth discussion of findings surrounding each of the major elements of the Audit:
  - ◆ Compliance with statutory and regulatory requirements;
  - ◆ Progress in implementing prior Audit recommendations;
  - ◆ Performance measures and trends;
  - ◆ Functional review.
4. **Findings and Recommendations:** A delineation of the key findings of the Performance Audit, and recommendations for improving the efficiency and effectiveness of BlueGO transit service operations and a timeline for implementing the recommendations.



## DESCRIPTION OF SOUTH TAHOE AREA TRANSIT AUTHORITY (BLUEGO)

During the Audit period, South Tahoe Area Transit Authority (STATA) operated BlueGO, the largest single public transportation provider within the Tahoe Basin. BlueGO provides fixed route, demand response (including American with Disabilities [ADA] paratransit service), ski shuttles, seasonal trolley service and commuter express routes on the South Shore of Lake Tahoe and to the Carson Valley. The service area includes parts of two states and three jurisdictions:

- City of South Lake Tahoe, California;
- El Dorado County, California;
- Douglas County, Nevada.

BlueGO Coordinated Transit System developed over a 10-year period. It grew out of a series of studies in the early 1990s that determined the patchwork of public transportation systems within the South Lake Tahoe region was inefficient and ineffective, with both duplication and gaps in services. With an incentive to earn mitigation credits for future expansions, the transportation resources of five public entities and five private entities combine to form a Coordinated Transit System. The Participation Agreement to Implement a Coordinated Transit System at South Lake Tahoe was originally signed in 1998, with the first addendum completed in 1999.



Table 2: BlueGO Story

Date	Development	Results
May 1998	Participation Agreement to Implement a Coordinated Transit System at South Lake Tahoe	Formed a public/private cooperative for the purpose of implementing a Coordinated Transit System for fixed route and demand response service in the South Lake Tahoe Region. The agreement included Heavenly Ski Resort, Harvey's lake Tahoe, Horizon Hotel and Casino, Lakeside Inn and Casino, City of South Lake Tahoe, El Dorado County, Tahoe Transportation District and Tahoe Regional Planning Agency
February 1999	First addendum to Participation Agreement	Caesar's Tahoe was added to the Board
July 2000	South Lake Tahoe Area Transit Authority (STATA) incorporated as Tahoe Coordinated Area Transit (TCAT, Inc)	Formed STATA to operate and manage the Coordinated Transit System created by the Participation Agreement
September 2003	BlueGO branded	Created a minor federation among the participants in the agreement and a branding of the Coordinated Transit System was branded as BlueGo
February 2008	BlueGO Transit Administrator hired	Put BlueGO transit services put under single management. Transit Administrator split between STATA, TRPA and TTD
August 15 & September 9, 2008	Participation Agreement Amended; Board of Directors at the August and September meetings added Ridge and ARAMARK	Rich Resorts and ARAMARK joined STATA
October 2008	First computer networked multi-system transportation system in the United States created for BlueGO	Centralized management center in charge of coordinating all vehicles and software to track location and progress.
December 13, 2008-Interim Contract August 1, 2009- 3 year contract	BlueGO consolidated under one contract	After procurement, MV was awarded the contract to operate all BlueGO services
March 2009	STATA hires a temporary accountant	
July 2009	BlueGO Transit Administrator dedicated 100% to STATA	
August 2009	Accountant position added made full time	Provided accounting support for STATA
February 2010	Board proposed Executive Director position to provide executive oversight of STATA	
March 2010	STATA hires Transit Resource Center (TRC) to provide interim transit management	Transit Administrator terminated. TRC conducts an assessment of STATA's financial and organizational assessment of BlueGO operations
June 2010	STATA terminates contract with MV Transportation	MV contends that STATA owes over \$2 million and files suit
July 2010	El Dorado County withdraws from STATA	
August 2010	STATA files for Chapter 11 bankruptcy	
November 2010	Tahoe Transportation District assumes operation of BlueGO	





In 2000, STATA formed as a public nonprofit benefit corporation to coordinate services with the intent to consolidate public transportation services within the South Lake Tahoe area. It is responsible for implementing, operating and managing the coordinated transit system, BlueGO. In September 2003, a myriad of different transportation services combined resources under STATA's management and began branding under BlueGO. However, seven different operating contracts were in effect:

- City of South Lake Tahoe (ATM);
- El Dorado County, California (ATM);
- Douglas County, California (ATM);
- STATA, summer trolley (ATM);
- STATA, casino shuttle;
- Kingsbury Express;
- Heavenly ski shuttles.

A private transportation management company, ATM originally held six of the seven contracts for transit operations in the South Lake Tahoe Region. In July of 2003, ATM's contracts were reduced to five.

In October 2008, all the operations consolidated into BlueGO under STATA. The coordinated public/private transportation system merged into the BlueGO Coordinated Transit System. With one centralized management center in charge of coordinating all vehicles and software to track location and progress, a number of different services are able to provide seamless travel options. In December 2008, STATA moved toward full and consolidated the contracts. Today BlueGO is operated under contract to a single private operations contractor. During the audit period BlueGO was operated by ATM, acquired by Moores' Transit Services (July 2006 through November 2008) and MV Transportation (November 2008 through June 2010). Although beyond the timeframe of this Audit, BlueGO Transit Management operated the system until June 2011. Techtrans (now Keolis Transit America) assumed the contract in 2011.

BlueGO has implemented a number of service changes over the Audit period. Changes were made January 13, 2010, as a result of cost containment measures. Additional changes have been made since TTD took over operations.



BlueGO is divided into seven services, some of which operate seasonally.

Table 3: BlueGO Services

Service	Season	Designation
Ski Shuttles	Winter	BlueGO 10 series
Douglas County	Year round	BlueGO 20 series
Trolley	Summer	BlueGO 30 series
El Dorado County	Year round	BlueGO 40 series
City of South Lake Tahoe	Year round	BlueGO 50 Series
Special		BlueGO 60 Series
Express	Year round	BlueGO X Series (in conjunction with number for the area)
Demand Response	Year round	BlueGO OnCall

## SKI SHUTTLES

BlueGO ski shuttle service is comprised of seven different routes. BlueGo ski shuttles make stops at most major lodging properties and all base facilities: the California Base Lodge, the base of the Gondola at Heavenly Village in California as well as Stagecoach and Boulder Lodges in Nevada. Each of the bus stops are served as frequently as road and weather conditions permit—typically every 15 to 30 minutes. Service is identified by white BlueGO bus signs. The Routes include:

- **Red Route 10:** Service from Visitor Center on US Highway 50 to Stateline Transit Center via US Highway 50, Lakeland Village on Bal Bijou Road, Park Avenue, Pine Boulevard and Harveys Bus Center.
- **Orange Route 11:** Service from Stateline Transit Center to Heavenly California Lodge via Pioneer Trail and Ski Run Boulevard. Due to cost containment measures, the stop at US Highway 50 at Heavenly Gondola was eliminated as of January 13, 2010.
- **Green Route 12:** Service from Stateline Transit Center to Stateline Casinos and Embassy Suites via US Highway 50 & Lake Parkway. Service also provided to Kingsbury Transit Center.
- **Gold Route 13:** Service from Heavenly California Lodge to Inn By The Lake via Ski Run Boulevard and US Highway 50 with service to Bavarian Village on request.
- **Purple Route 14:** Service from Heavenly Boulder Lodge to Heavenly Stagecoach Lodge via The Ridge Resorts with trips to Galaxy Lane as needed.
- **Blue Route 15:** Service from Stateline Transit Center to Heavenly Boulder and Stagecoach Lodges via US Highway 50 and State Route 207 along with Kingsbury Transit Center
- **Yellow Route 16:** Gondola Base and Stateline Transit Center to Stateline motels area has been discontinued.
- **Black Route 17X:** This service is oriented towards Heavenly employees, though it is open to all



passengers traveling from South Y Transit to Heavenly California Lodge, Heavenly Boulder Lodge and Heavenly Stagecoach Lodge via employee housing on Pioneer Trail, employee parking on Ski Run Boulevard and Stateline Transit Center. Limited stops are made on US 50, SR 207, and Pioneer Trail.

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## DOUGLAS COUNTY

- **Route 20X Stateline Transit Center to Gardnerville and Minden:** Five westbound runs depart between 5:45 a.m. and 8:45 p.m., along with one eastbound run at 8:45 a.m. In the afternoon, five eastbound runs depart between 3:40 p.m. and 6:40 p.m. and one westbound run at 2:45 p.m. There is also a 12:15 a.m. run that operates from the Stateline Transit Center to Lakeside Inn Casino, which will continue on to Gardnerville on request. Recent changes include elimination to Stephanie Way and Johnson Lane due to low ridership, as well as minor rescheduling.
- **Route 21X Stateline Transit Center to Carson City:** In the morning, four eastbound runs operate on hourly headways with runs between 5:30 a.m. and 8:30 a.m. while four westbound runs leave hourly between 6:35 p.m. and 9:35 a.m. Afternoon eastbound runs leave between 3:40 p.m. and 6:40 p.m. and westbound runs leave between 3:30 p.m. and 6:30 p.m. The route connects with the Carson City JAC bus system at Plaza Street and Washington Street in Carson City. George Whittell High School is not served on weekends. This route underwent minor rescheduling as of May 31, 2009.
- **Route 22 Stateline Transit center to Zephyr Cove/Kingsbury Elementary School via US 50 East:** This route operates daily on 60 minute headways starting at 9:30 a.m. eastbound with the last run at 2:59 p.m., and starting at 10:00 a.m. westbound with the last run at 3:48 p.m. Service was added to Zephyr Cove Resort along with minor rescheduling on May 31, 2009. Passengers may request the bus operator to deviate up to three-quarters of a mile on either side of the route, with up to three deviations per trip. Seniors (age 60 and up), persons with disabilities, Medicare card holders, and special needs passengers receive priority. Due to cost containment measures, all Saturday, Sunday and holiday services were eliminated, beginning January 13, 2010.
- **Route 23 Stateline Transit Center to The Ridge Resorts via Upper Kingsbury:** This route operates daily on hourly headways between 7:10 a.m. and 11:10 p.m., with an additional 12:10 a.m. run available on Fridays and Saturdays. As of May 31, 2009, service to the TRPA offices, Galaxy Way and Olympic Court became “on request” to improve the on-time performance of this route. Service was extended to the Stateline motels area via Lakeshore Boulevard and Park Avenue. Buses no longer stop in casino parking lots, but rather serve stops along US 50 next to the street entrances of the casinos. Passengers may request the bus operator to deviate up to three-quarters of a mile on either side of the route, with up to three deviations per trip. Seniors (age 60 and up), persons with disabilities, Medicare card holders and special needs passengers receive priority.

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## TROLLEY

- **Route 30**, also known as the Nifty Fifty Trolley, is a summer service operated along US 89 from the South Y Transit Station to the PDQ Market in Tahoma where it connects with TART, providing a connection to the North Shore. Service is operated daily from late May to early September on hourly headways, with the first trolley leaving the South Tahoe Y at 9:15 a.m. and the last departing at 5:15



p.m. TART connections are available between 10:10 a.m. and 6:10 p.m.

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#### EL DORADO COUNTY

- **Route 40 Meyers Circulator/South Y Transit Station to Meyers via Lake Tahoe Community College & Lake Tahoe Airport:** This route operates daily as a counter clockwise loop from 7:15 a.m. to 6:32 p.m. Headways are hourly. Passengers may request the bus operator to deviate up to three-quarters of a mile on either side of the route, with up to three deviations per trip. Seniors (age 60 and up), persons with disabilities, Medicare card holders, and special needs passengers receive priority. Due to cost containment measures, all Saturday, Sunday, and holiday services have been eliminated, beginning January 13, 2010.
- **Route 41X Meyers Express/Meyers/Lira's Supermarket to Kingsbury Transit Center via Pioneer Trail:** This commuter route has been discontinued due to low ridership. It previously operated as express service from Meyers to Kingsbury Transit Center via Pioneer Trail, Lake Tahoe Community College, Stateline Transit Center and Stateline casinos.

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#### CITY OF SOUTH LAKE TAHOE

There are five routes which make up the core service for the City of South lake Tahoe.

- **Route 50 South Y Transit Station to Kingsbury Transit Center via US 50 & Casinos:** This route operates along the US 50 corridor with runs departing between 5:45 a.m. and 6:45 a.m. eastbound, and between 6:18 p.m. and 7:18 p.m. eastbound. The last trip from South Y Transit Station leaves at 6:45 p.m. The last trip from Kingsbury Transit Center leaves at 7:18 p.m.
- **Route 51 South Y Community Circulator from South Y Transit Station to Lake Tahoe Airport, Barton Memorial Hospital, Tahoe Keys and Gardner Mountain:** This route has been discontinued.
- **Route 52 South Y Transit to Lake Tahoe Community College via Sierra Tract, Al Tahoe and Bijou areas:** Service starting at South Y Transit Station serving the Sierra Tract, Bijou, Al Tahoe and Pioneer Trail areas. Route 52 operates every two hours at fifteen past the hour on the even hours from South Y starting at 6:15 a.m., with the last trip at 6:15 p.m. These route changes took place due to cost containment measures and began January 13, 2010.
- **Route 53 Lake Tahoe Community College to Kingsbury Transit Center via Bijou area:** Service starting at Lake Tahoe Community College travelling via Bijou area, Ski Run Boulevard, Pioneer Trail, Stateline Transit Center to the Kingsbury Transit Center via Stateline casinos. This route operates each morning at 6:00 a.m., 7:00 a.m. and 8:00 a.m. from Lake Tahoe Community College and travels from the Kingsbury Transit Center each morning at 6:31 a.m., 7:31 a.m. and 8:31 a.m. Monday through Friday. Route 53 operates hourly from 4:00 p.m. to 7:00 p.m. from Lake Tahoe Community College and leaves the Kingsbury Transit Center at 6:31 p.m. and 7:31 p.m. The Saturday, Sunday and holidays evenings have also undergone some service changes. It now operates the 4:00 p.m., 5:00 p.m. and 6:00 p.m. trips from Lake Tahoe Community College and the 4:31 p.m., 5:31 p.m. and 6:31 p.m. from Kingsbury Transit Center. Daily, there is hourly service operated from 9:00 a.m. to 3:00 p.m. from Lake Tahoe Community College and hourly service from Kingsbury



Transit Center from 9:31 a.m. to 3:31 p.m. from Kingsbury Transit Center.

- **Route 54 South Y Transit Station to Kingsbury Transit Center via US 50 Pioneer Trail ( City Nightline)** This is a night route between Kingsbury Transit Center and South Y Transit Station via Julie Lane, Gardner Mountain, Stateline Casinos, Pioneer Trail, Bijou area and US 50. The eastbound portion of this route operates between 7:15 p.m. and 12:45 a.m. The westbound 54 operates between 7:45 p.m. and 1:15 a.m. with buses leaving hourly. Service changes became applicable on January 13, 2010 due to cost conservation measures.
- **Route 55 South Lake Tahoe City Circulator/South Y Transit Station to Kelly Ridge:** This circulator flex route serves the area from South Y Transit Station to Ski Run Boulevard. It includes service to Barton Hospital, Tahoe Keys Marina, Lake Tahoe Community College and the 56 Acres area. Route 55 operates Monday through Friday every two hours at fifteen past the hour on the odd hours from South Y starting at 7:15 a.m. with the last trip at 7:15 p.m. Saturday, Sunday and holiday service only operates as Route 55 between 10:15 a.m. and 5:13 p.m. every 60 minutes. The last trip departs South Y Transit Station at 4:15 on the weekends and holidays.

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## SPECIAL

In the summer of 2009, BlueGO operated a Camp Richardson Circulator (Route 60). This consisted of two vintage vehicles operating a taxi-like service in the Camp Richardson Resort area. This service operated from 10:00 a.m. to 7:00 p.m. on weekends only from May 23<sup>rd</sup> to September 7<sup>th</sup>.

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## EXPRESS

Please refer to the Douglas County section for an explanation of the following express routes:

- Route 20X Kingsbury Express;
- Route 21X Carson City Express;
- Route 22X Stateline Transit Center to Carson City;
- Route 24X Minden Express to Kingsbury Transit Center.

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## DEMAND RESPONSE

**BlueGo OnCall:** BlueGO provides demand response service within the city limits of South Lake Tahoe as well as to and from Christmas Valley, the Upper Truckee River neighborhoods, Meyers and other portions of El Dorado County and Douglas County within the Tahoe Basin 24 hours a day, seven days a week. All of these vehicles are wheelchair accessible and are equipped with bicycle racks. Reservations can be made from 60 minutes in advance up to 7 days in advance for general fare and special needs users, and 24 hours in advance for paratransit clients.

BlueGO offers ADA paratransit service within three-quarters of a mile of a non-commuter fixed-route. Additionally, Routes 22, 23, 40, 51, 52 and 55 will deviate up to three-quarters of a mile off route. Passengers must be qualified in order to use BlueGo and ADA paratransit services. BlueGO ADA Paratransit is typically available between 5:45 a.m. and 12:45 a.m. Sunday through Thursday and until 1:45 a.m. on Friday and Saturday. As of May 31, 2009, BlueGo limited the maximum hours of DAR service to 36 hours on weekdays



and 30 hours on weekends as a cost-saving measure. Previously, up to 42 hours of DAR service were provided daily. However, all eligible ADA requests are accommodated for.

## FARE STRUCTURE

During the Audit period, BlueGO fixed route fares have a triple-tier structure:

- Local fares for travel on local fixed routes and the BlueGO Heavenly Ski Shuttles;
- Express fare for travel to Douglas County;
- BlueGo OnCall fare for travel within South Lake Tahoe and surrounding areas.

General one-way fare for local fixed routes is one token (or \$2.00) and a discounted one-way fare for one token (or \$1.00). Discounted fares apply to youth ages 5-18, seniors ages 60 and older, persons with disabilities, Medicare card holders, ADA certified and special needs pass holders. Any route deviations cost an additional \$1.00 for all passengers. The Ski Shuttles are free to all riders with valid Mt. Tallac High School Student ID, The Ridge Resorts Employee Pass, The Ridge Resorts Guests Room Key & Owners ID Card (Route 23 only) and Lake Tahoe Community College Pass. It is also free to all BlueGO employees going to or from work.

The general one-way fare for express routes is two tokens (or \$4.00), and a discounted one-way fare for one token (or \$2.00). Discounted fares apply to youth ages 5-18, seniors ages 60 and older, persons with disabilities, Medicare card holders, ADA certified and special needs pass holders. Express Routes are free to riders with valid Mt. Tallac High School Student ID, Lake Tahoe Community College Pass. It is also free to all The Ridge Resorts employees and BlueGO employees on their way to or from work.

BlueGo OnCall general one-way fare costs \$6.00 and the discounted fare is \$2.00. Discounted fares apply to youth ages 5-18, seniors ages 60 and older, persons with disabilities, Medicare card holders, ADA certified and special needs pass holders. ADA paratransit fare is \$4.00, with personal attendants riding free. Children under age five riding with a fare-paying passenger age 16 and older also ride free. BlueGO OnCall is free to riders with valid Mt. Tallac High School Student ID, Lake Tahoe Community College Pass, and is also free to all The Ridge Resorts employees and BlueGO employees on their way to or from work.



Table 4: BlueGO Fares

Fare Type	Local Service	Express Service	BlueGO OnCall
<b>CASH</b>			
General	\$2.00	\$4.00	\$6.00
Discount	\$1.00	\$2.00	\$2.00
<b>10 TOKENS</b>			
General	\$18.00	\$30.00	---
Discount	\$8.00	---	---
<b>DAY GO PASS</b>			
General	\$5.00	\$9.00	---
Discount	\$1.00	\$6.00	---
<b>MONTH GO PASS</b>			
General	\$70.00	\$100.00	---
Discount	\$35.00	---	---

After operations were transferred to TTD, the TTD Board adopted a modified fare structure and service policies. The new fare schedule was effective September 1, 2011. Although the one-way cash fares remained the same, the 10 tokens were replaced with 10- and 20-ride GO passes good on all routes. General Public monthly passes also increased from \$70.00 to \$80.00 local and from \$100.00 to \$120.00 for regional. The discounted monthly local pass also increased from \$35.00 to \$45.00; no regional discounted pass is available.







## COMPLIANCE REQUIREMENTS

This section examines STATA/BlueGO's compliance with the Transportation Development Act and relevant sections of the California Code of Regulations. An annual certified fiscal audit confirms TDA funds were apportioned in compliance with applicable laws, rules and regulations. Although compliance verification is not a TPA responsibility, several specific requirements concern issues germane to the Performance Audit. The TPA findings and related comments are delineated in Table 5, which begins on the next page.

Compliance was determined through interviews with STATA staff and physical inspection of relevant documents, including the fiscal audits, planning documents, performance reports and other related documentation.

A number of exceptions to TDA compliance were noted during the Audit period, including not filing financial audits, failure to prepare and file State Controller's Reports and failure to maintain a budget within the prescribed limits.



Table 5: BlueGO Compliance

Reference	Requirement	Compliance	Comments
PUC 6754 (a) (3)	If the operator receives State Transit Assistance funds, the operator makes full use of funds available to it under the Urban mass Transportation Act of 1964 before TDA claims are granted.	In Compliance	STATA makes use of other available funding.
PUC 99243	The transit operator annually reports to the RTPA, based upon the Uniform System of Accounts and Records established by the State Controller, within 90 days of the end of the fiscal year.	Exception Noted	No State Controllers Report was filed for FY 09/10. State Controllers Reports for previous years were filed by the County of El Dorado and the City of South Lake Tahoe.
PUC 99245	The operator has submitted annual fiscal and compliance audits to its RTPA and to the State Controller within 180 days following the end of the fiscal year, or has received the appropriate 90-day extension allowed by law.	Exception Noted	The audits for FY 08/09 and FY 09/10 were not filed due to the financial situation at STATA.
PUC 99251	The CHP has, within the 14 months prior to each TDA claim submitted by an operator, certified the operator's compliance with Vehicle Code Section 1808.1 following a CHP inspection of the operator's terminal.	In Compliance	CHP inspections were performed.
PUC 99261	The operator's claim for TDA funds is submitted in compliance with the rules and regulations adopted by the RTPA for such claims.	In Compliance	Claims have been submitted in compliance with TRPA rules.
PUC 99264	The operator does not routinely staff with two or more persons public transportation vehicles designed to be operated by one person.	In Compliance	BlueGO staffs appropriately.
PUC 99266	The operator's operating budget has not increased by more than 15% over the preceding year, nor is there a substantial increase or decrease in the scope of operations or capital budget provisions for major new fixed facilities unless the operator has reasonable supported and substantiated the charge (s).	Exception Noted	Between FY 07/08 and FY 08/09, expenses increased from \$1.6 million to \$6.1 million. In FY 09/10, expenses dropped 19% but were still \$3.3 million over FY 07/08. The increased expenses were due to start-up costs, deferred maintenance, higher contract costs and expanded service (later reduced).



Reference	Requirement	Compliance	Comments
PUC 99268.2, 99268.4, 99268.5	If the operator's services are for the exclusive use of elderly and handicapped persons, it has maintained a fare ratio of at least one-tenth (10 percent).	Not Applicable	No services for the exclusive use of elderly and handicapped persons are in place.
PUC 99271	The current cost of the operator's retirement system is fully funded with respect to officers and employees of its public transportation system or the operator is implementing a plan approved by the RTPA which will fully fund the retirement system within 40 years.	Appears in Compliance	During the course of the Audit, three operators were interviewed and retirement programs appeared to be in compliance.
PUC 99314.5	If the operator receives State Transit Assistance funds, the operator is not precluded by contract from employing part-time drivers or from contracting with common carriers.	In Compliance	Part-time drivers are employed.





## PRIOR AUDIT RECOMMENDATIONS

The prior Triennial Performance Audit of BlueGO Transit Services for FY 03/04 - FY 05/06 was completed by LSC Transportation Consultants, Inc. Due to the management and administrative issues, the full implementation of the Audit recommendations could not be fully verified. During the course of the Audit, three (3) different operations contractors were reviewed. The contractors had varying understanding of the requirements and administrative oversight was weak. While progress in the implementation of the recommendations or the intent of the recommendations appear to have occurred, in most instances, the full implementation was not achieved. While the Tahoe Transportation District (TTD) assumed responsibility for the management and administration of BlueGO, including a new operations contractor, the conditions, which precipitated the prior audit data collection and other recommendations are being addressed. However, this occurred at the end of the Audit current Audit period.

### BLUEGO DATA COLLECTION RECOMMENDATION I

*Ensure accuracy recording operating statistics.*

#### STATUS

Not implemented

#### RATIONALE

In the past, accurately recording operating statistics separately for City and County OnCall services proved difficult. Driver logs showed that the majority of the BlueGO OnCall passengers paid the fare that represents a trip within the City of South Lake Tahoe, even though many of these passengers were being recorded as El Dorado County service passengers. El Dorado County passenger trips were reported greater than City passenger trips for the BlueGO OnCall service, according to monthly management reports and State Controller reports from the previous audit. The driver logs that designate the fare paid and origin and destination of each trip report differently. It is difficult to determine accurate operating statistics separately for the BlueGO OnCall County and City services from the available data. The co-mingling of the BlueGO operating data was observed in the previous performance audit as well.

The prior audit stated that the system would operate more smoothly and more accurate data reporting would occur if the two systems were merged into one contract.

#### DISCUSSION

Three different operators provided BlueGO Transit Services during the course of the Audit. Discrepancies were noted in the calculations of MV Vehicle Service Hours, both for reporting and invoicing purposes. The inconsistencies were brought up to both MV management and BlueGO (STATA) administration, who worked together to address the problem. However, similar inconsistencies were also noted under Transit Resources Inc., and the matter was again brought to the attention of the contractor and BlueGO



administration. During the last site visit, Tectrans was the contractor and was still in the process of developing procedures. The correct method for calculation was discussed.

Validation of operating statistics from internal reports, State Controllers Reports, and the Short Range Transit Plan was problematic. Although efforts may have been made to ensure the accuracy and consistency of data, the multiple turnovers in contract operators and staff, negated the results.

## BLUEGO DATA COLLECTION RECOMMENDATION II

*Fix inconsistencies in internal records and State Controller reports.*

### STATUS

Not Implemented

### RATIONALE

It was recommended that the BlueGO Transit Administrator should work with the City, County and transit contractor to improve reporting to the State Controller reports. The City of South Lake Tahoe Vehicle Service Miles and Hours reported to State Controller have differed greatly from internal reports, in particular FY 2003-04. Data appeared to be reported incorrectly. For example, BlueGO City OnCall services were reduced to 12 vehicle hours per day during the timeframe of the prior audit, while the State Controller report showed annual service hours of over 17,000 which is equivalent to 47 hours per day.

### DISCUSSION

The State Controllers Reports for the Audit period continued to differ as the attempts to reconcile the numbers were unsuccessful. However, with the transfer of BlueGO operations under the management of TTD, TTD will now file claims and file the State Controller Reports directly.

## BLUEGO DATA COLLECTION RECOMMENDATION III

*Fix inconsistencies between the transit contractor's monthly management reports, the transit contractors annual profit and loss statement and the fiscal audits.*

### STATUS

Not implemented

### RATIONALE

Although the average fare paid figures calculated by the auditor in the previous audit are consistent with the reported fare revenue and passenger activity figures, there were inconsistencies between the transit contractor's monthly management reports, the transit contractors annual profit and lost statement and the



fiscal audits. It was recommended that, going forward, the BlueGO Transit Administrator should review fare revenue reports closely to determine the reason for inconsistencies. Additionally, it was recommended that STATA should perform a financial audit of the entire BlueGO system.

## DISCUSSION

ATM was replaced by MV Transportation (MV) as the operations contractor. MV was later replaced by a subsidiary of Transit Resources Inc. The contractor was again replaced when TTD assumed responsibility for BlueGO. TTD now has a transit manager devoted to the oversight of BlueGO operations and the operations contractor.

## BLUEGO DATA COLLECTION RECOMMENDATION IV

*Farebox ratio needs to be tracked.*

## STATUS

Implemented with exception

## RATIONALE

The farebox ratio was not calculated by TRPA during the prior audit period. It was recommended that TRPA should begin tracking farebox recovery ratio on BlueGO services. TRPA staff stated that this will become part of the TDA claim process.

## DISCUSSION

STATA administration began tracking the farebox recovery ratio; however, when STATA encountered financial difficulties and filed for Chapter 11 and eventually Chapter 7 bankruptcy, financial data was no longer available.

## BLUEGO DATA COLLECTION RECOMMENDATION V

*Implementation of the Memorandum of Understanding and proper organization of management*

## STATUS

No longer relevant

## RATIONALE

Stakeholders should implement the Memorandum of Understanding, which allows STATA to operate one BlueGO OnCall system that serves both the City of South Lake Tahoe and El Dorado County. The arrangement should include collecting data as one service, reporting this data to the State Controller as one



service and have one budget. El Dorado County and the City of South Lake Tahoe would contribute an agreed-upon amount of funding towards transit operations, but the actual service would be managed by STATA with input from the City and County through board meetings.

The Memorandum of Understanding was developed with Tahoe Regional Planning Agency (TRPA) to provide a BlueGo Transit Administrator to oversee BlueGo transit services. This position is also shared with TRPA's Transit Planner/Administrator and with the Tahoe Transportation District. Implementing such management and organization would help to reduce the cost of reporting and auditing.

In addition, BlueGo Fixed Route services could be combined in the same performance audit, fiscal audit and State Controller report; however, operating data should be maintained separately for fixed route and demand response services. It will also be important to accurately track and report services provided within California.

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## DISCUSSION

STATA hired a full time Transit Administrator and Accountant. It was also in the process of hiring an Executive Director when the organization was dissolved. Under TTD, the intent of the recommendation is being achieved.

## BLUEGO DATA COLLECTION RECOMMENDATION VI

*Move forward with a Short Range Transit Plan for BlueGO.*

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## STATUS

Fully Implemented

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## RATIONALE

It was recommended for several Audit periods that BlueGO should move forward with plans to conduct a Short Range Transit Plan for BlueGO services. It is important to evaluate the changing needs of the South Lake Tahoe region and adjust BlueGO services accordingly. Additionally, it was recommended that BlueGO should establish a set of goals, objectives and performance measures by mode of service.

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## DISCUSSION

The Short Range Transit Plan for BlueGO was originally completed in December 2010. A revised **2010 Sustainability Service Plan** that defined the best means of modifying the current operating plan to achieve a balanced budget and generate a cash stream to fund debt repayment was presented in June 2010.





## BLUEGO DATA COLLECTION RECOMMENDATION VII

*Establish competitive bidding process for procuring transit services.*

### STATUS

Fully Implemented

### RATIONALE

According to the prior Audit, transit services in South Lake Tahoe have not gone out to competitive bid for 20 years. The Audit concluded that it would be beneficial to BlueGO to establish a competitive bidding process.

### DISCUSSION

The operations contract with MV Transportation was secured through a Request for Proposal (RFP) competitive process. The following contract with TRC was secured on an emergency basis after STATA terminated the contract with MV Transportation. The operations with Tectrans was secured through competitive bidding with a Request for Proposal (RFP).

## BLUEGO DATA COLLECTION RECOMMENDATION VIII

*Track maintenance records.*

### STATUS

Undetermined

### RATIONALE

It was recorded in the prior Audit that ATM had established an appropriate preventative maintenance schedule. However, there was little documentation of actual preventative maintenance work being performed and current maintenance staff was not present at the time of that Audit. At that time, stakeholders expressed concern about the proper execution of the preventative maintenance program during the Audit period. The BlueGO Transit Administrator should periodically track maintenance records as part of contract oversight.

### DISCUSSION

A review of maintenance records appeared to be in order for all three of the contractors reviewed during the process of the Audit. During the transition process, the accountant (STATA's only employee during the period) reviewed maintenance expenditures. An ongoing duty of the TTD Transit Manager should include a periodic review of maintenance records.





## PERFORMANCE MEASURES & INDICATORS

Performance indicators are used to quantify and review the efficiency and effectiveness of a transit operator's activities. The indicators provide insight into the current operations. The Transportation Development Act (TDA) requires recipients of TDA funding to report five performance indicators:

1. Operating Cost per Vehicle Service Hour (VSH);
2. Operating Cost per Passenger;
3. Passengers per Vehicle Service Hour (VSH);
4. Passengers per Vehicle Service Mile (VSM);
5. Vehicle Service Hours per Full-Time Equivalent Employee (FTE).

TDA also requires transit agencies to achieve a Farebox Recovery Ratio of at least 20% of Operating Costs for services in populated areas, such as Tahoe County.

To assess the validity and usefulness of the performance indicator data, the Audit team performed the following activities:

- Assessed internal controls in place for the collection of performance-related information;
- Validated collection methods for key data;
- Calculated the performance indicators;
- Evaluated the performance indicators.

## PERFORMANCE MEASURES

The procedures used to calculate the TDA required performance measures for the Audit period were reviewed. Measures reported in internal reports, Short Range Transit Plan, State Controller's Reports and fiscal audits were compared against one another for consistency, but could not be verified. In addition, the lack of documentation addressing how the measure were reported and what elements were included made verification problematic. In addition, trend calculations indicate that the data was inconsistent or inaccurate. *The opinion of this Audit is that the performance measures reported in the document may not be representative of the actual performance of BlueGO during the Audit period and not be used for that purpose.*

## OPERATING COSTS

Operating Costs were not independently calculated as part of this Audit. We examined Operating Costs from the fiscal Audit reports, as well as from State Controller's Reports. We were unable to determine if the Fiscal and Compliance Audits were consistent with TDA guidelines or accurately reflect all the costs for BlueGo's services; nor were we able to reconcile the audited reports with internal reports or State Controllers reports. When available, the reported Operating Costs were taken from the available State Controller's Reports. The State Controller's Reports appeared to exclude depreciation expenses in accordance with PUC 99247 (a), for the purposes of calculating Operating Cost indicators, such as the Farebox Recovery Ratio.



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## VEHICLE SERVICE HOURS & MILES

A review of BlueGo's Vehicle Service Hours (VSH) and Vehicle Service Miles (VSM) indicate that both measures were not consistently calculated as defined by TDA statutes. VSH and VSM include only those times/miles that the vehicle is in revenue service—i.e., only those times from the first scheduled stop to the last. Deadhead time and scheduled breaks longer than 15 minutes are excluded. The procedures for the three (3) different operation contractors were reviewed. MV Transportation, Inc (MV) incorrectly reported total VSH and VSM, which incorrectly included deadhead and non-revenue hours and miles. In addition, it did not appear contract revenue hours were correctly reported. TRC did not appear to correctly report VSH or VSM. Upon being notified, the procedures were to be modified; however, the final site visit with Tectrans was inconclusive. The correct reporting requirements were discussed with management and management indicated that the performance measures would be correctly reported. The correct reporting was also discussed with TTD transit management.

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## PASSENGER COUNTS

By definition, the total number of Passengers is equal to the total number of unlinked trips (i.e., those trips made by a Passenger that involve a single boarding and debarkation), whether revenue producing or not. BlueGo appeared to correctly account for all Passengers.

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## FULL-TIME EQUIVALENTS

Employee hours are defined as the total number of hours (regular or overtime) that all employees have worked and for which they have been paid a wage or salary. Employee hours include those individuals employed by the operator that provides the transit services. FTEs are calculated by dividing the total number of employee hours by 2,000, or the number the Federal Transit Administration denotes as one year of employee work.

In the first two years, The operations contractor provided BlueGo's Transportation Planner with the total number of contractor employee hours each month. The Transportation Planner's hours were then added to the contractor hours. The number of employee hours and Full-Time Equivalents were tracked monthly. However, FTE's were not reported for the final two years of the Audit.

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## REVENUES

BlueGo's procedures for revenue collection and cash management are consistent with the industry standards for a transit operation of its size. The following represents BlueGo's cash handling procedures:

- **Vault Distribution and Collection**
  - ◆ Each bus is equipped with a stationary farebox to collect Passengers' fare money and bus tokens. Each driver is assigned a vault from a dispatcher at the beginning of their shift.
  - ◆ Drivers receive a key from the dispatcher to insert the vault into the farebox. The same key is used to remove vaults from the farebox.
  - ◆ Each vault has a number on it to identify it. Dispatchers issue drivers their vault and record



the vault number on the Daily Dispatch Log. Drivers also write their vault number on their manifest. Manifests are papers drivers fill out for each sheet to record fares collected, passenger counts and bus mileage.

- ◆ Drivers also fill out a vault ID tag, which is a small piece of paper that they write their route number, date and name on. They drop the vault ID tag into their vault.
- ◆ Vault removal is a two person procedure that can occur in the bus yard or at a Transit Center if a bus is still on route. The driver and a witness will be present when a full vault is removed from the bus. Both driver and witness sign their initials on the driver's daily manifest to confirm the vault is locked properly upon removal and is secure for transport back to the dispatch office.
- ◆ Dispatchers take all full vaults and put them into the locked Vault Room, located in the dispatch office. If a bus comes in after 1:00 a.m., the full vault is left in the bus overnight and pulled by a dispatcher the next morning.

■ **Key Info**

- ◆ A separation of keys is used for security purposes. This means the safe must be opened using a key and combination lock. One person doesn't have both. They are separated.
- ◆ Office managers have access to a set of keys that are used for money counting. The set consists of 1) keys to open vaults, 2) keys to remove vaults from bus fareboxes, 3) a key to unlock the safe. However, there is no Vault Room door key and office managers don't have the combination to the safe.
- ◆ All Dispatches have a key to unlock the Vault Room door and the combination to the safe, but they don't have keys to open vaults to unlock the safe.
- ◆ Three spare vault removal keys are kept in the dispatch office on the key board. Spares for all other keys are kept locked in the General Manager's office.

■ **Money Counting and Auditing**

- ◆ Farebox money is counted every day. Counted money is stored in a safe located in the Vault Room. Brinks Armored Truck Service picks up the prepared deposit weekdays and delivers it to US Bank. Any money counted on Saturday and Sunday is held in the safe until Brinks picks it up on Monday.
- ◆ For security purposes, two people count money at the same time. Before the money count begins, they check the Dispatch Log to make sure all vaults have been turned in.
- ◆ Occasionally a driver will be audited for accuracy. The amount of money is his or her farebox is compared to the amount of fares recorded on the driver manifest. A spreadsheet is used to record each Audit.
- ◆ Once all vaults have been accounted for, the vaults are unlocked and emptied. Coins, tokens, transfers, half dollars and dollar coins are separated manually from the dollar bills. Dollars bills must be straightened out by hand before they are counted with a bill counting machine. Coins are counted in a coin counting machine.
- ◆ One person counts the bills and the other counts coins. Each person verifies the amount counted before it is bagged up for deposit.

■ **Bank Deposit Preparation**

- ◆ A deposit slip is written up for the coins and one for the bills. Two copies are made of the two deposit slips. The amount of tokens collected is also written on both sheets. One sheet



is given to the Office Supervisor and one sheet it kept in the Vault Room with the three money bag tags stapled to it. Every Friday there is an extra deposit, for the Y Transit sales revenue for the week. All money bag ID numbers are recorded in a Brinks Record Book. There are three money bags recorded each day: coins, bills, and a deposit slip bag.

- ♦ A weekly deposit report is sent by the Office Supervisor to TTD by e-mail.

## PERFORMANCE INDICATORS

The TDA required performance indicators were calculated and then totaled. Performance indicators for this four-year Audit period were calculated. Data for the four-year period was verified in the calculation of the TDA indicators.

All data for the six fiscal years prior to the Audit period came from the prior Triennial Performance Audits And were reviewed to ensure that performance indicators were properly accounted.

The BlueGo data presented in internal reports, State Controller's Reports, Financial Audits, and the most recent SRTP could not be reconciled. Each report/audit/plan would present different data than the other reports/audits/plans, so that there was no continuity in the data between the documents. It was tremendously difficult to determine the correct data sets for the four fiscal years of the Audit period.

When available, data was taken from the most recent SRTP, as it appeared to be the most accurate. Operating Costs and Fare Revenues were taken from the Fiscal and Compliance Audits when they were available; otherwise this data was taken from the SRTP or State Controller's Reports. For the final fiscal year of the Audit period, performance data was taken from internal reports.

The lack of consistency in the data between reports/audits/plans and the inability to document the data makes the data presented questionable. Efforts to secure the most accurate data only increased ambiguity. Therefore, no significant analysis can be preformed from fiscal year to fiscal year. In fact as performance indicators are calculated using data from different sources, even singular fiscal years' performance indicators' accuracy is problematic.

All data used for fiscal years prior to the Audit period was collected from the prior performance Audits.



Table 6: Performance Data Origins

Performance Data Origin				
	FY 06/07	FY 07/08	FY 08/09	FY 09/10
Operating Costs	SCR	SCR	FCA	FCA
Fare Revenues	SRTP	SRTP	FCA	FCA
Vehicle Service Hours	SRTP	SRTP	SRTP	IR
Vehicle Service Miles	SRTP	SRTP	SRTP	IR
Passengers	SRTP	SRTP	SRTP	IR
Full-time Equivalent Employees	SCR	SCR	N/A	N/A

<b>KEY</b>
Fiscal & Compliance Audits (FCA)
Short Range Transit Plan (SRTP)
State Controller's Reports (SCR)
Internal Reports (IR)
Not Available (N/A)

The opinion of this Audit is that the performance indicators reported in the document may not be representative of the actual performance of BlueGO during the Audit period and not be used for that purpose.



Table 7: BlueGO Performance Data

Performance Measure	FY 00/01	FY 01/02	FY 02/03	FY 03/04	FY 04/05	FY 05/06	FY 06/07	FY 07/08	FY 08/09	FY 09/10
Operating Cost (Actual \$)	\$1,468,167	\$1,722,809	\$1,893,613	\$1,844,210	\$1,918,568	\$2,012,268	\$1,679,043	\$1,662,534	\$6,107,440	\$4,974,806
Annual Change		17.3%	9.9%	-2.6%	4.0%	4.9%	-16.6%	-1.0%	267.4%	-18.5%
Operating Cost (Constant \$)	\$1,468,167	\$1,673,158	\$1,792,259	\$1,713,714	\$1,725,359	\$1,737,028	\$1,401,950	\$1,341,674	\$4,864,598	\$3,932,983
Annual Change		14.0%	7.1%	-4.4%	0.7%	0.7%	-19.3%	-4.3%	262.6%	-19.2%
Fare Revenue (Actual \$)	N/A	N/A	N/A	\$599,873	\$651,972	\$606,543	\$311,953	\$321,041	\$356,238	\$501,264
Annual Change		N/A	-	-	8.7%	-7.0%	-48.6%	2.9%	11.0%	40.7%
Vehicle Service Hours	34,537	37,133	37,660	31,341	30,215	30,201	28,002	29,678	49,289	74,765
Annual Change		7.5%	1.4%	-16.8%	-3.6%	0.0%	-7.3%	6.0%	66.1%	51.7%
Vehicle Service Miles	480,901	541,502	536,355	446,357	411,548	410,299	378,249	394,135	612,402	1,174,649
Annual Change		12.6%	-1.0%	-16.8%	-7.8%	-0.3%	-7.8%	4.2%	55.4%	91.8%
Passengers	567,905	606,860	650,429	614,362	511,539	486,307	404,931	399,847	412,557	769,246
Annual Change		6.9%	7.2%	-5.5%	-16.7%	-4.9%	-16.7%	-1.3%	3.2%	86.5%
Full-Time Equivalent Employees	27.0	28.0	28.0	24.0	28.0	28.0	22.0	34.0	-	-
Annual Change		3.7%	0.0%	-14.3%	16.7%	0.0%	-21.4%	54.5%	-100.0%	N/A
<b>Performance Indicators</b>										
Operating Cost per VSH (Actual \$)	\$42.51	\$46.40	\$50.28	\$58.84	\$63.50	\$66.63	\$59.96	\$56.02	\$123.91	\$66.54
Annual Change		9.1%	8.4%	17.0%	7.9%	4.9%	-10.0%	-6.6%	121.2%	-46.3%
Operating Cost per VSH (Constant \$)	\$42.51	\$45.06	\$47.59	\$54.68	\$57.10	\$57.52	\$50.07	\$45.21	\$98.70	\$52.60
Annual Change		6.0%	5.6%	14.9%	4.4%	0.7%	-13.0%	-9.7%	118.3%	-46.7%
Operating Cost per Passenger (Actual \$)	\$2.59	\$2.84	\$2.91	\$3.00	\$3.75	\$4.14	\$4.15	\$4.16	\$14.80	\$6.47
Annual Change		9.8%	2.6%	3.1%	24.9%	10.3%	0.2%	0.3%	256.0%	-56.3%
Operating Cost per Passenger (Constant \$)	\$2.59	\$2.76	\$2.76	\$2.79	\$3.37	\$3.57	\$3.46	\$3.36	\$11.79	\$5.11
Annual Change		6.6%	-0.1%	1.2%	20.9%	5.9%	-3.1%	-3.1%	251.4%	-56.6%
Passengers per VSH	16.44	16.34	17.27	19.60	16.93	16.10	14.46	13.47	8.37	10.29
Annual Change		-0.6%	5.7%	13.5%	-13.6%	-4.9%	-10.2%	-6.8%	-37.9%	22.9%
Passengers per VSM	1.18	1.12	1.21	1.38	1.24	1.19	1.07	1.01	0.67	0.65
Annual Change		-5.1%	8.2%	13.5%	-9.7%	-4.6%	-9.7%	-5.2%	-33.6%	-2.8%
Farebox Recovery Ratio	0.00%	0.00%	0.00%	32.53%	33.98%	30.14%	18.58%	19.31%	5.83%	10.08%
Annual Change		-	-	-	4.5%	-11.3%	-38.4%	3.9%	-69.8%	72.7%
VSH per FTE	1279	1326	1345	1306	1079	1079	1273	873	-	-
Annual Change		3.7%	1.4%	-2.9%	-17.4%	0.0%	18.0%	-31.4%	-	-
CPI Actual	178.6	183.9	188.7	192.2	198.6	206.9	213.9	221.3	224.2	225.9
% Change		3.0%	2.6%	1.9%	3.3%	4.2%	3.4%	3.5%	1.3%	0.7%
Cumulative		3.0%	5.7%	7.6%	11.2%	15.8%	19.8%	23.9%	25.5%	26.5%





## PERFORMANCE MEASURES

### OPERATING COSTS – TOTAL

Operating Costs for the total BlueGo service increased by nearly four-fold between the second year of the Audit period (FY 07/08) and the third year of the Audit period (FY 08/09). This significant increase was due to changes in the organization and structure of the service provided as well as updates to many aspects of the service that had been required for many previous years. Operating Costs dropped by 18.6% in actual dollars (19.2% in constant dollars) during the final fiscal year of the Audit period.

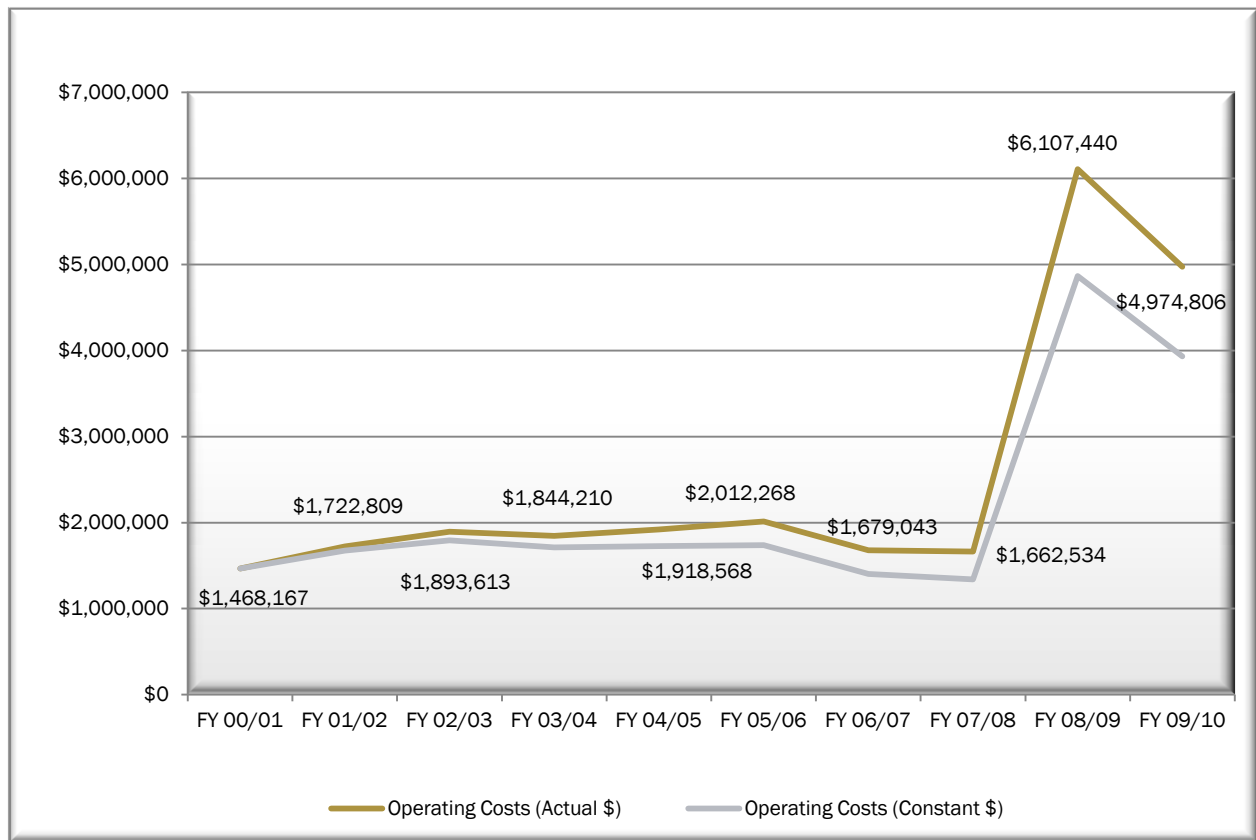
During the first year of the Audit period, Operating Costs decreased by 16.6% in actual dollars (19.3% in constant dollars) over the previous year and continued to decrease by 1% in actual dollars (4.3% in constant dollars) during the second fiscal year of the Audit period to the lowest point during the Audit period and the previous decade, in both actual and constant dollars.

During the first two years of the Audit period, FY 06/07 and FY 07/08, Operating Costs decreased overall by 17.4% in actual dollars (22.8% in constant dollars). However, during the final two years of the Audit period, FY 08/09 and FY 09/10, Operating Costs increased overall almost threefold, 199.2% in actual dollars (193.1% in constant dollars).

In addition to the system-wide updates which were responsible for the significant increase in Operating Costs, the Operating Costs in the State Controller's Reports during FY 06/07 and FY 07/08 were likely under-reported relative to the reporting in the Fiscal and Compliance Audits during FY 08/09 and FY 09/10.



Figure 1: Total Operating Costs



	FY 06/07	FY 07/08	FY 08/09	FY 09/10
Operating Costs	SCR	SCR	FCA	FCA



## REVENUES – TOTAL

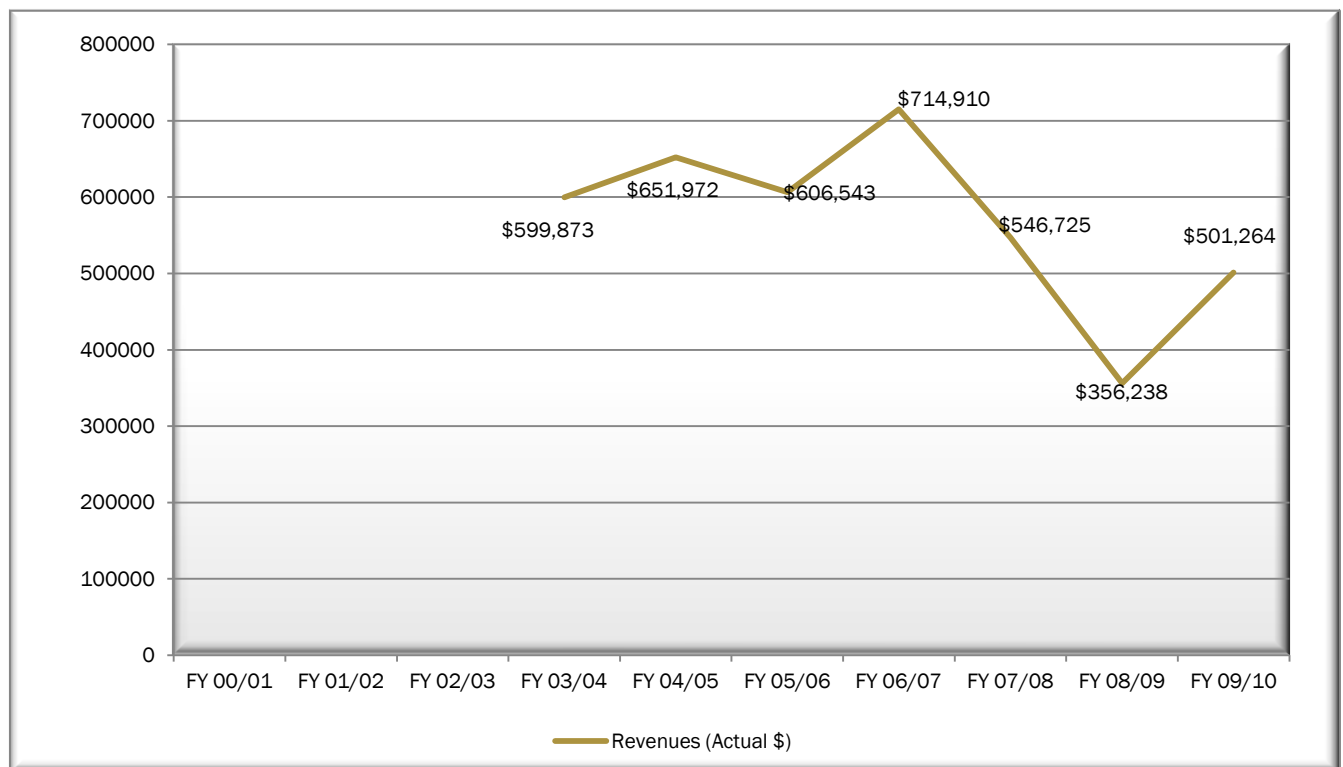
Fare Revenues for the total BlueGo service decreased in total by 17.4% during the four fiscal years of the Audit period.

During the first fiscal year of the Audit period, Fare Revenues increased by 17.9%. However, during the second and third fiscal year of the Audit period, FY 06/07 and FY 08/09, Fare Revenues decreased by more than 50% collectively, a 23.5% decrease between FY 06/07 and FY 07/08, and a 34.8% decrease between FY 07/08 and FY 08/09. FY 08/09 represented the lowest Fare Revenue for the past decade and Audit period (based on available data).

During the final fiscal year of the Audit period, FY 09/10, Fare Revenues increased by 40.7% to just shy of the level of Fare Revenues during FY 07/08.

As was done with Operating Costs, the third and fourth fiscal years of the Audit, FY 08/09 and FY 09/10, used Fare Revenue data from the Fiscal and Compliance Audits. However, the Fare Revenue data for FY 06/07 and FY 07/08 was taken from the SRTP.

Figure 2: Total Revenues



	FY 06/07	FY 07/08	FY 08/09	FY 09/10
Fare Revenues	SRTP	SRTP	FCA	FCA



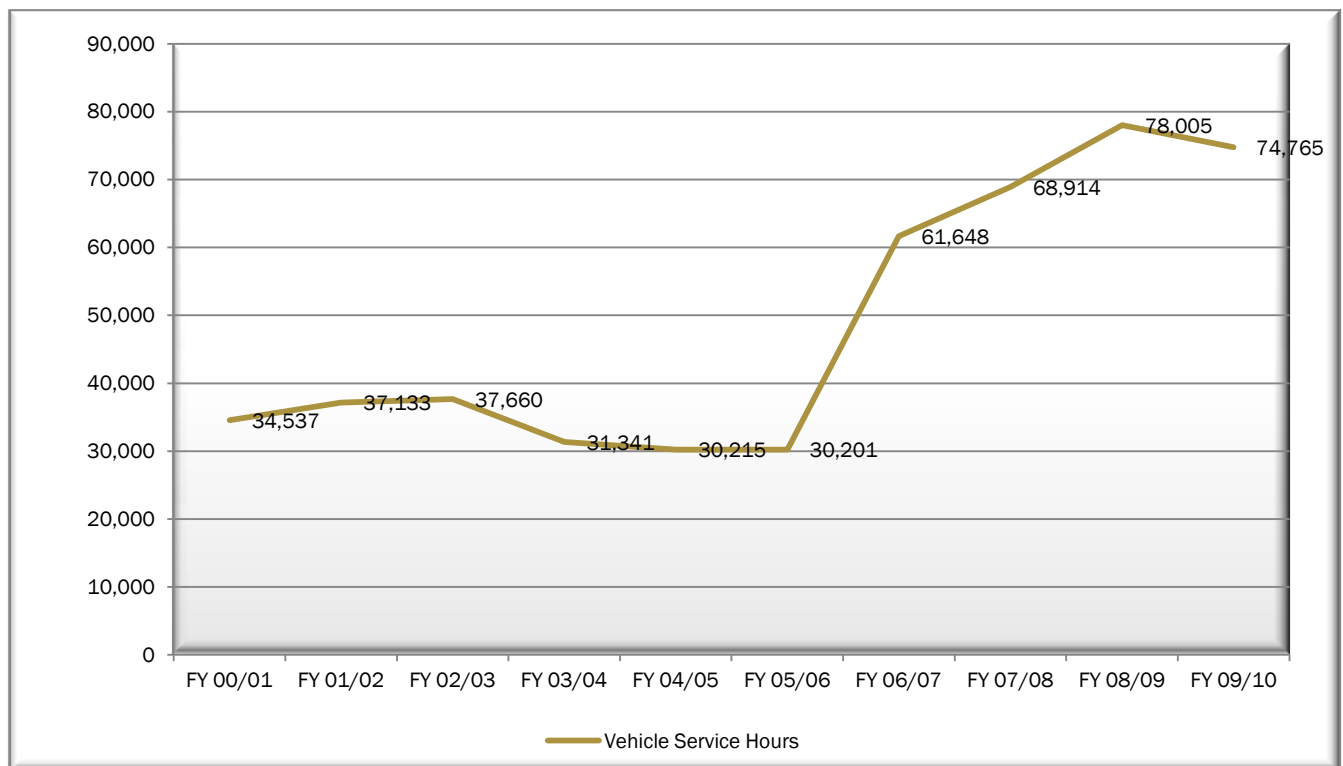
## VEHICLE SERVICE HOURS – TOTAL

During the first six fiscal years of the previous decade, BlueGo’s Vehicle Service Hours (VSH) were relatively consistent, diminishing slightly at a rate of 2.1% per year to the lowest point of the decade in FY 05/06, the final fiscal year before the Audit period. VSH increased by 147.6%, an average increase of 36.9% per fiscal year during the Audit period.

The first fiscal year of the Audit period, FY 06/07, experienced the largest increase in VSH, at more than 104%. VSH continued to increase over the next two fiscal years of the Audit period by a total of 26.5% (11.8% during FY 07/08 and 13.2% during FY 08/09).

VSH in FY 08/09 reached their highest point, both during the Audit period and the past decade, before decreasing by 4.2% in FY 09/10.

Figure 3: Total Vehicle Service Hours



	FY 06/07	FY 07/08	FY 08/09	FY 09/10
Vehicle Service Hours	S RTP	S RTP	S RTP	IR



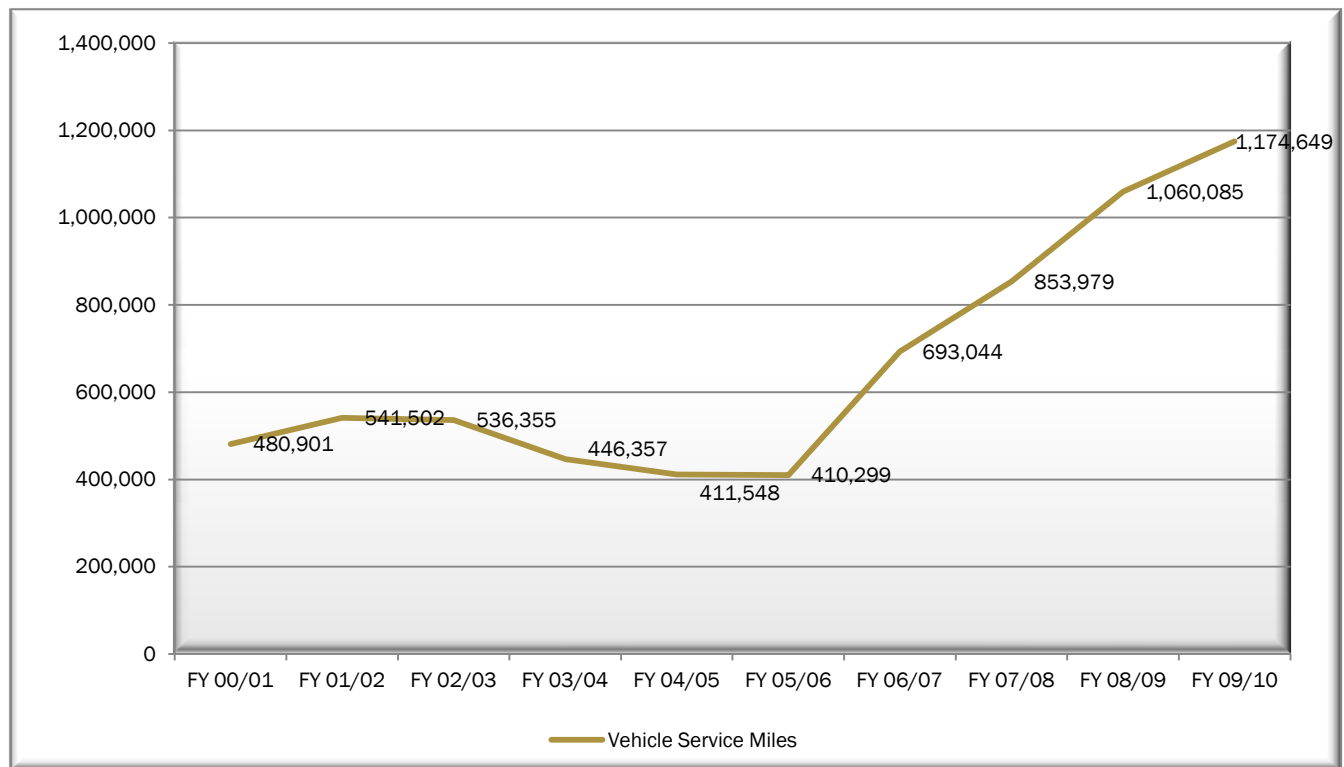
## VEHICLE SERVICE MILES – TOTAL

BlueGo's Vehicle Service Miles (VSM) have moved in a very similar fashion to its VSH. As with VSH, during the first six fiscal years of the previous decade, BlueGo's VSM were relatively consistent, diminishing slightly at a rate of 2.4% per year to the lowest point of the decade in FY 05/06, the final fiscal year before the Audit period. During the Audit period, VSMs increased by 186.3%, an average increase of 46.6% per fiscal year.

Again, as with VSH, the first fiscal year of the Audit period, FY 06/07, experienced the largest increase in VSM, a 68.9% increase. However, unlike VSH, VSM increased during all four fiscal years of the Audit period.

VSM reached their highest point in a decade during the final fiscal year of the Audit period, FY09/10, increasing by 10.8% over the previous fiscal year.

Figure 4: Total Vehicle Service Miles



	FY 06/07	FY 07/08	FY 08/09	FY 09/10
Vehicle Service Miles	SRTP	SRTP	SRTP	IR



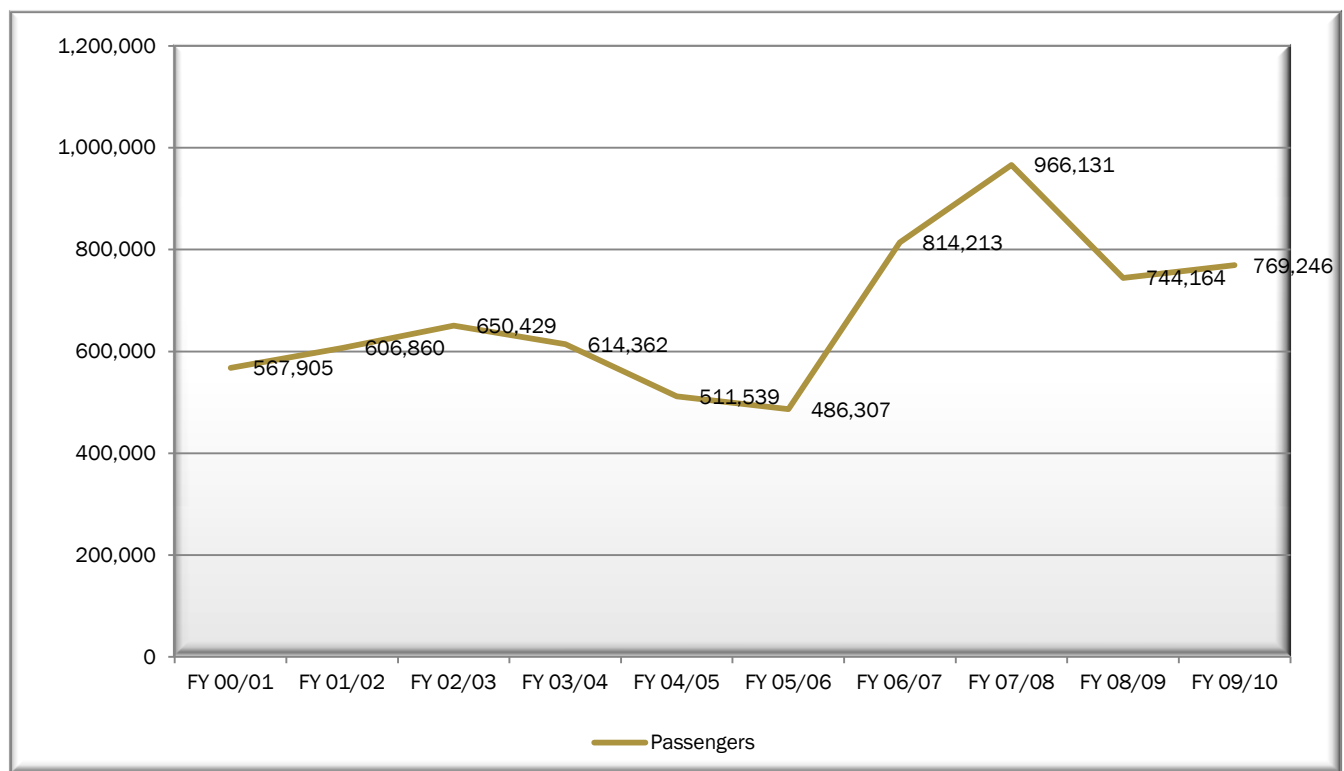
## PASSENGERS – TOTAL

Over the four years of the Audit period, the overall ridership for BlueGo increased by 58.2%. However, over the previous decade, from FY 00/01 through FY 09/10 ridership has increased by 35.5% overall.

As is the case with all data derived from the most recent SRTP, the largest increase occurs during the first fiscal year of the Audit period, FY 06/07; where Passengers increased by 67.4%. Passengers hit their highest point over the past decade and the Audit period during the second fiscal year of the Audit period, FY 07/08, an increase of 18.7% over the previous fiscal year.

Passenger numbers also experienced their largest decrease of the past decade during the third fiscal year of the Audit period, FY 08/09, where Passengers decreased by 23%. However, during the final fiscal year of the Audit period, Passengers increased again by a modest 3.4%. This was the smallest increase of the Audit period as well as the previous decade.

Figure 5: Total Passengers



	FY 06/07	FY 07/08	FY 08/09	FY 09/10
Passengers	SRTP	SRTP	SRTP	IR



## TDA REQUIRED PERFORMANCE INDICATORS

### OPERATING COST PER VEHICLE SERVICE HOUR – TOTAL

Operating Cost per Vehicle Service Hour (Operating Cost per VSH) measures cost efficiency. The lower the Operating Cost is for each VSH, the more cost-efficient the service.

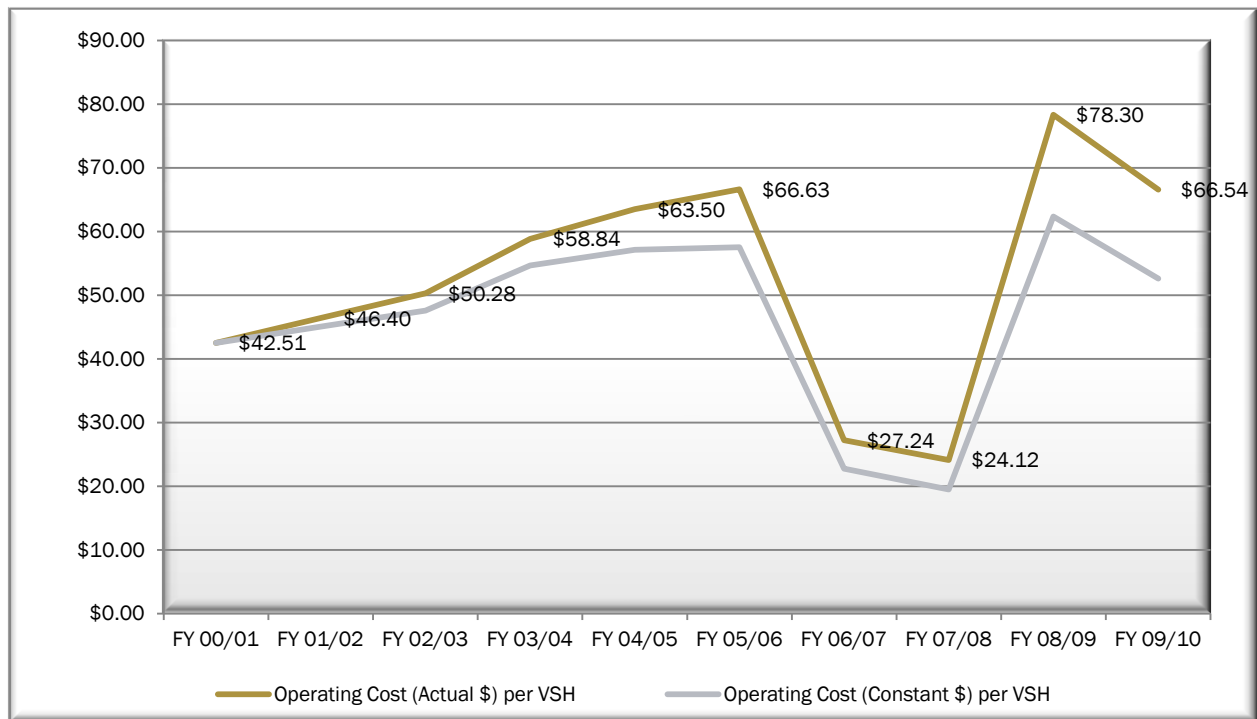
During the first six fiscal years of the decade the Operating Cost per VSH increased by 56.7% (35.3% in constant dollars), an average of 9.5% per fiscal year (5.9% in constant dollars). During the first fiscal year of the Audit period, FY 06/07, the Operating Cost per VSH decreased by the largest margin over the decade, 59.1% (60.5% in constant dollars). The Operating Cost per VSH continued to decrease the following fiscal year, FY 07/08, by 11.4% (14.4% in constant dollars), reaching its lowest point during both the Audit period and the prior decade.

The Operating Cost per VSH increased by its largest margin over the last decade during the third fiscal year of the Audit period, FY 08/09, with an increase of 224.5% (220.3% in constant dollars).

During the final fiscal year of the Audit period, the Operating Cost per VSH decreased by 15% (15.6% in constant dollars), reaching a level virtually identical to that of the Operating Cost per VSH during the fiscal year prior to the Audit period. The Operating Cost per VSH in FY 09/10 was just 0.1% lower in actual dollars than the Operating Cost per VSH in FY 05/06. However, in constant dollars, FY 09/10 Operating Cost per VSH was actually 8.5% lower.



Figure 6: Total Operating Cost per VSH



	FY 06/07	FY 07/08	FY 08/09	FY 09/10
Operating Costs	SCR	SCR	FCA	FCA
Vehicle Service Hour	S RTP	S RTP	S RTP	IR

*Note: Due to the use of four different sources of data for Operating Costs and Vehicle Service Hours, very little information can be inferred from this graph. The noticeable drop during the first year of the Audit period, FY 06/07 and FY 07/08, is due to the significantly lower Operating Costs presented in the SCR's relative to the Operating Costs presented in the Fiscal and Compliance Audits.*





## OPERATING COST PER VEHICLE SERVICE MILE – TOTAL

Although not a TDA required indicator, Operating Cost per VS (Operating Cost per VSM) provides another measure of cost efficiency. Similar to Operating Cost per VSH, the lower the performance indicator, the more cost-efficient the service.

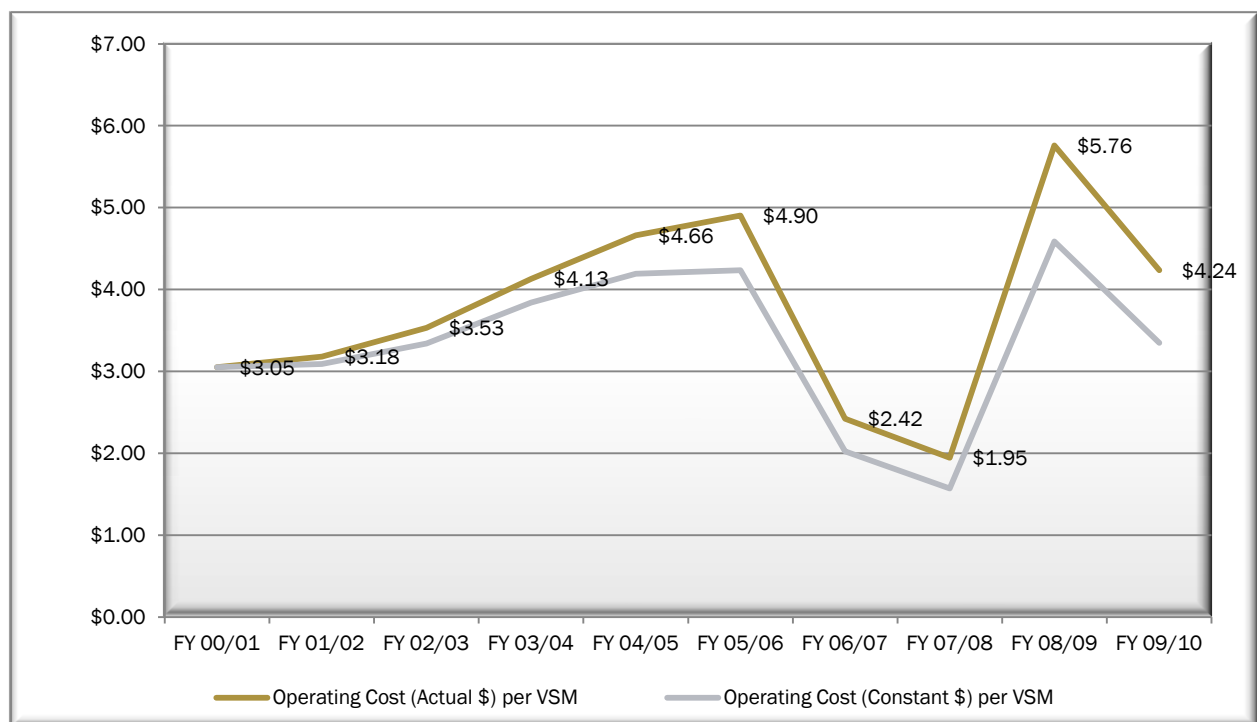
As was seen when looking at the Operating Costs per VSH, during the first six fiscal years of the decade the Operating Cost per VSM increased by 60.6% (38.7% in constant dollars), an average of 10.1% per fiscal year (6.4% in constant dollars).

Again, as with the Operating Costs per VSH, during the first fiscal year of the Audit period, FY 06/07, the Operating Cost per VSM decreased by the largest margin over the decade, 50.6% (52.2% in constant dollars). The Operating Cost per VSM continued to decrease the following fiscal year, FY 07/08, by 19.6% (22.3% in constant dollars), reaching its lowest point during both the Audit period and the prior decade.

Again, as was seen with Operating Costs per VSH, the Operating Cost per VSM increased by its largest margin over the last decade during FY 08/09 with an increase of 195.9% (192.1% in constant dollars).

During the final fiscal year of the Audit period, FY 09/10, the Operating Cost per VSM decreased by 26.5% (27.0% in constant dollars) to a point significantly lower (13.6% lower in actual dollars and 20.9% lower in constant dollars) than the Operating Cost per VSM during the 05/06 fiscal year, the fiscal year prior to the Audit period.

Figure 7: Total Operating Cost per VSM





	FY 06/07	FY 07/08	FY 08/09	FY 09/10
Operating Costs	SCR	SCR	FCA	FCA
Vehicle Service Mile	SRTP	SRTP	SRTP	IR

*Note: Due to the use of four different sources of data for Operating Costs and Vehicle Service Hours, very little information can be inferred from this graph. The noticeable drop during the first year of the Audit period, FY 06/07 and FY 07/08, is due to the significantly lower Operating Costs presented in the SCRs relative to the Operating Costs presented in the Fiscal and Compliance Audits.*



## OPERATING COST PER PASSENGER – TOTAL

Operating Cost per Passenger measures cost-effectiveness. As the Operating Cost per Passenger increases, the cost-effectiveness of the service decreases. Decreases in Operating Cost or increases in the number of Passengers favorably affect this indicator.

Operating Costs per Passenger have increased by 150.2% in actual dollars over the past decade (97.8% in constant dollars). In short, it is costing BlueGo twice as much (97.8%) now to transport a passenger than it did ten years ago, in constant dollars.

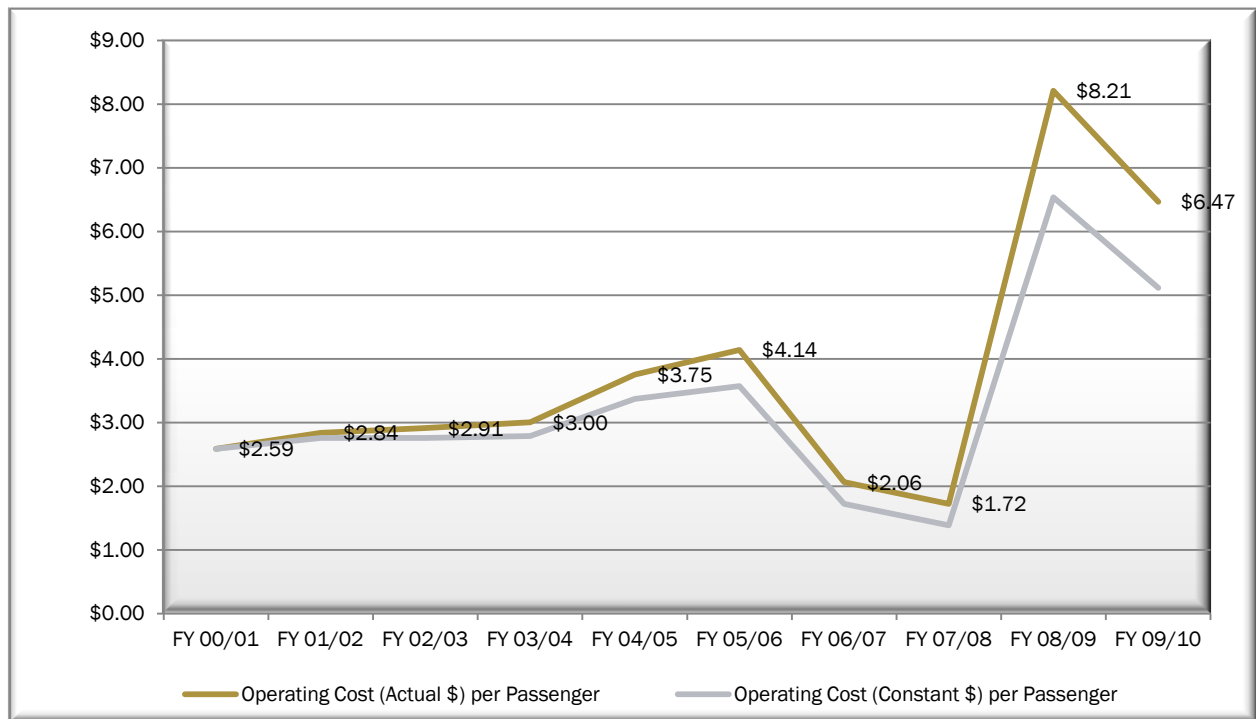
During the Audit period, the Operating Costs per Passenger increased by 56.3% (43.1% in constant dollars), an average of 14.1% (10.8% in constant dollars) per fiscal year. However, during the first fiscal year of the Audit period, the Operating Costs per Passenger actually decreased by more than 50% (51.8% in actual dollars). The Operating Costs per Passenger continued to decrease during the second fiscal year of the Audit period, reaching the lowest point during the Audit period and the prior decade with a decrease of 16.6% (19.3% in constant dollars) from the previous fiscal year.

The third fiscal year of the Audit period (FY 08/09) experienced an increase in the Operating Costs per Passenger of 376.9% (370.7% in constant dollars), the largest increase of the Audit period and the prior decade. This massive increase is attributed to both, the switch from Operating Costs being drawn from SCRs to Fiscal and Compliance Audits, as well as a limited increase in Passengers. FY 08/09 represented the highest rate of the Operating Costs per Passenger of the Audit period and the previous decade.

The final fiscal year of the Audit period (FY 09/10), experienced a decrease of 21.2% (21.8% in constant dollars) in terms of the Operating Costs per Passenger.



Figure 8: Total Operating Cost per Passenger



	FY 06/07	FY 07/08	FY 08/09	FY 09/10
Operating Costs	SCR	SCR	FCA	FCA
Passengers	S RTP	S RTP	S RTP	IR

*Note: Due to the use of four different sources of data for Operating Costs and Vehicle Service Hours, very little information can be inferred from this graph. The noticeable drop during the first year of the Audit period, FY 06/07 and FY 07/08, is due to the significantly lower Operating Costs presented in the SCR's relative to the Operating Costs presented in the Fiscal and Compliance Audits.*



## PASSENGERS PER VEHICLE SERVICE HOUR – TOTAL

Passengers per Vehicle Service Hour (Passengers per VSH) is an indicator of service effectiveness. The higher the Passengers per VSH, the more effective the service is determined to be. Even small decreases in the ridership can have a major impact for this indicator when VSH remain constant or increase.

The number of Passengers per VSH has decreased by 37.4% overall, over the previous decade. For the first three fiscal years of the decade, Passengers per VSH collective increased by 19.2% to the indicator's highest point of the decade in FY 03/04. This equated to an annual average increase of 6.4% per fiscal year for the first three fiscal years of the Audit period.

Since reaching its height in FY 03/04, Passengers per VSH have continued to decrease, with a slight increase in FY 07/08, until the final fiscal year of the Audit period, FY 09/10, where Passengers per Vehicle Service Hour increased by its second greatest rate in a decade and greatest rate for the Audit period of 7.8%. However, the prior fiscal year (FY 08/09), represented the lowest rate of Passengers per VSH over the previous decade and the largest decrease in the number of Passengers per Vehicle Service Hour over the previous decade and the Audit period, with a decrease of 32%.

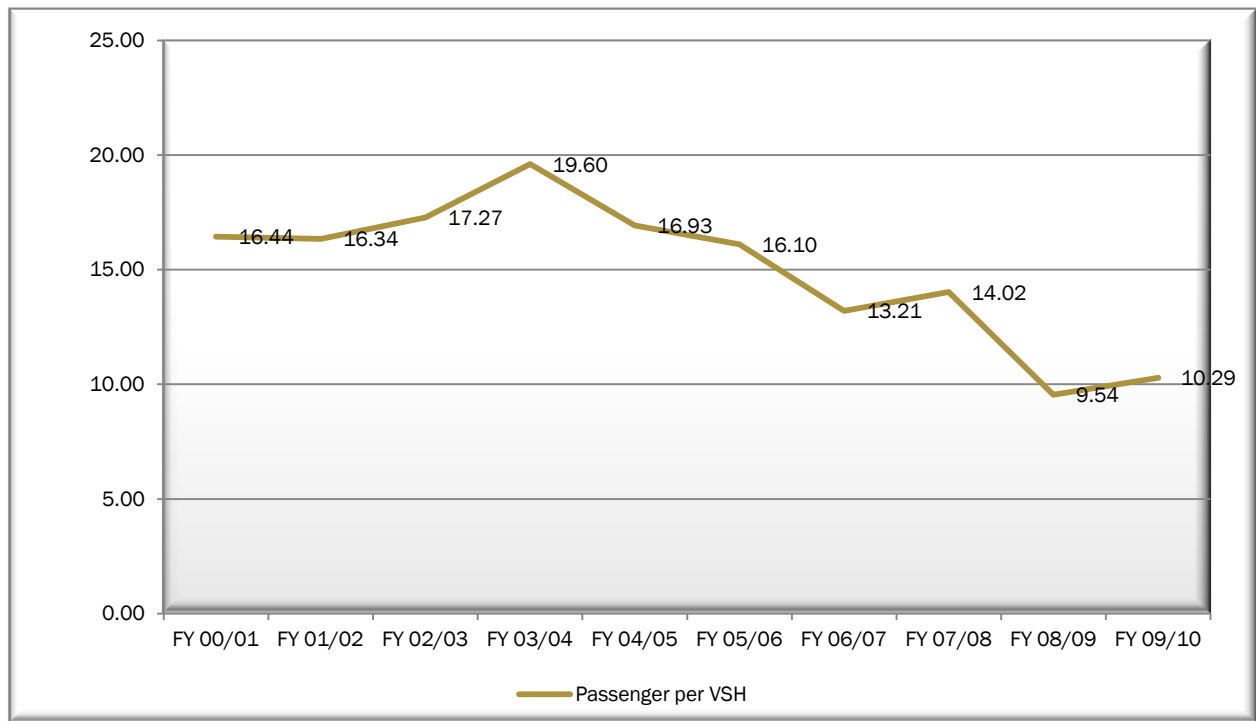
Between the 03/04 fiscal year (the highest point in the last decade for Passengers per VSH) and FY 08/09 (the lowest point in the last decade for Passengers per VSH), Passengers per VSH decreased by 44.8%, an annual average decrease of 9% per fiscal year.

During the first three fiscal years of the Audit period, Passengers per VSH decreased by an average of 40.8%, an annual average decrease of 13.6% per fiscal year. During the first fiscal year of the Audit period, Passengers per VSH dropped at a noticeable rate of 18%. However, the second year of the Audit period experienced a slight increase in terms of Passengers per VSH at 6.1%. As previously mentioned, the third fiscal year of the Audit period represented a significant decrease in Passengers per VSH, dropping by 32%.

While the final fiscal year of the Audit period experienced a modest gain in Passengers per VSH of 7.8%, this did little to offset the two fiscal years of decreases. Over the four fiscal years of the Audit period, Passengers per VSH decreased collectively by 36.1%, or an average annual decrease of 9% per fiscal year.



Figure 9: Total Passengers per VSH



	FY 06/07	FY 07/08	FY 08/09	FY 09/10
Passengers	SRTP	SRTP	SRTP	IR
Vehicle Service Hour	SRTP	SRTP	SRTP	IR



## PASSENGERS PER VEHICLE SERVICE MILE – TOTAL

Passengers per Vehicle Service Mile (Passengers per VSM) provides another measure of service effectiveness. The service is more productive the more Passengers it carries per VSM.

As has been noted, VSH and VSM moved in a similar fashion over the previous decade. Therefore, indicators calculated from them are usually quite similar. Passenger per VSM is no exception.

The number of Passengers per VSM has decreased by 44.6% overall, over the previous decade. After initially decreasing by 5.1% during the first fiscal year of the previous decade, Passengers per VSM increased over the following two fiscal years by 22.8% to its highest point of the decade in FY 03/04. In spite of the first fiscal year's decrease, an annual average increase of 5.5% per fiscal year was experienced over the first three fiscal years of the Audit period.

Since reaching its height in FY 2003/04, Passengers per VSM have decreased through the final fiscal year of the Audit period, FY 09/10. The final fiscal year of the Audit period represents the lowest rate of Passengers per VSM over the previous decade. As was seen with Passenger per VSH between FY 03/04 and FY 08/09, for Passengers per VSM between FY 03/04 (the highest point in the last decade for Passengers per VSM) and FY 09/10 (the lowest point in the last decade for Passengers per VSM), Passengers per VSM decreased by 52.4%, an annual average decrease of 8.7% per fiscal year.

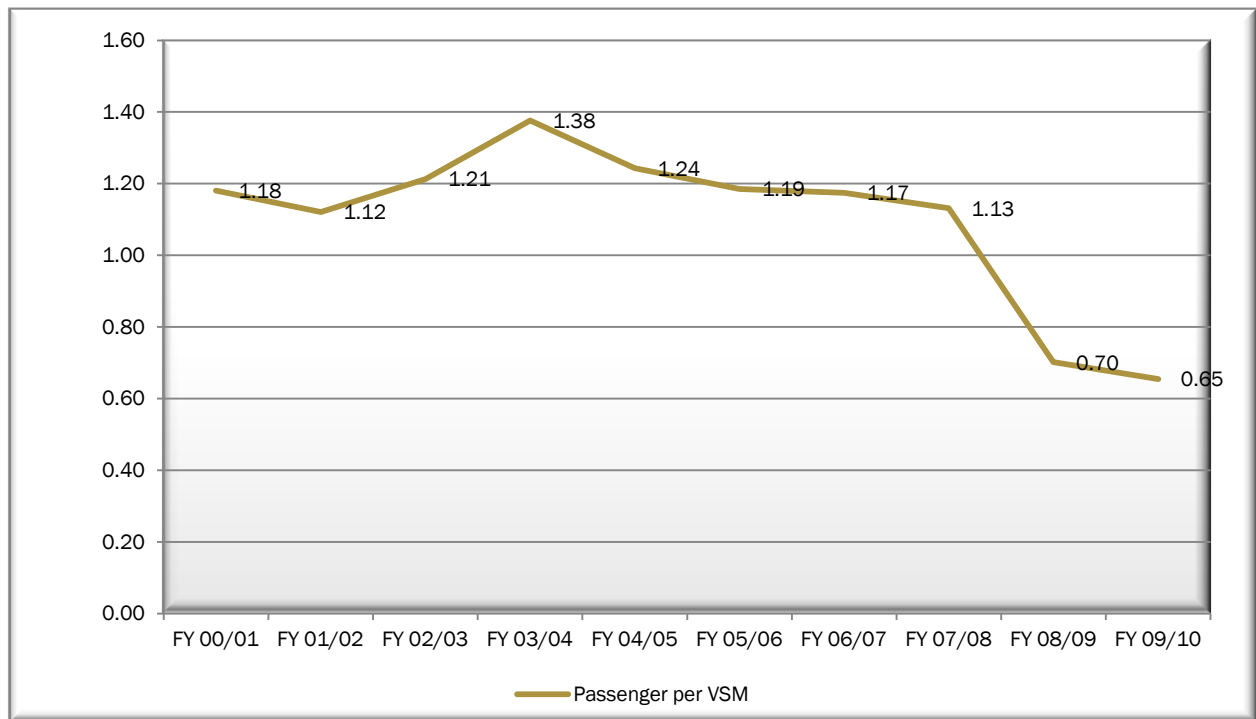
Like with Passengers per VSH, the largest decrease in Passengers per VSM both of the prior decade and the Audit period occurred in FY 08/09, where Passengers per VSM decreased by 38%. During the final fiscal year of the Audit period, Passengers per VSM continued to decrease, albeit at a relatively moderate rate of 6.7%. During the course of the Audit period, Passengers per VSM decreased by 44.8%, or an annual average of 11.2% per fiscal year.

The first and second fiscal years of the Audit period experienced very minor decreases in Passengers per VSM, with rates of 0.9% and 3.7%, respectively. As previously mentioned, the largest decrease in regard to Passengers per VSM occurred during the third fiscal year of the Audit period, FY 08/09, where Passengers per VSM decreased by 38%.

As the rate of Vehicle Service Miles increased faster than that of Passengers during the final fiscal year of the Audit period, 10.8% to 3.4%, respectively, the rate of Passengers per VSM would decrease.



Figure 10: Total Passengers per VSM



	FY 06/07	FY 07/08	FY 08/09	FY 09/10
Passengers	SRTP	SRTP	SRTP	IR
Vehicle Service Mile	SRTP	SRTP	SRTP	IR





## VEHICLE SERVICE HOURS PER FULL-TIME EQUIVALENT – TOTAL

Vehicle Service Hours per Full-Time Equivalent (VSH per FTE) is an indicator of service productivity. The higher the number of VSH per FTE (2000 employee hours equals 1 FTE), the more productive is the operation considered to be.

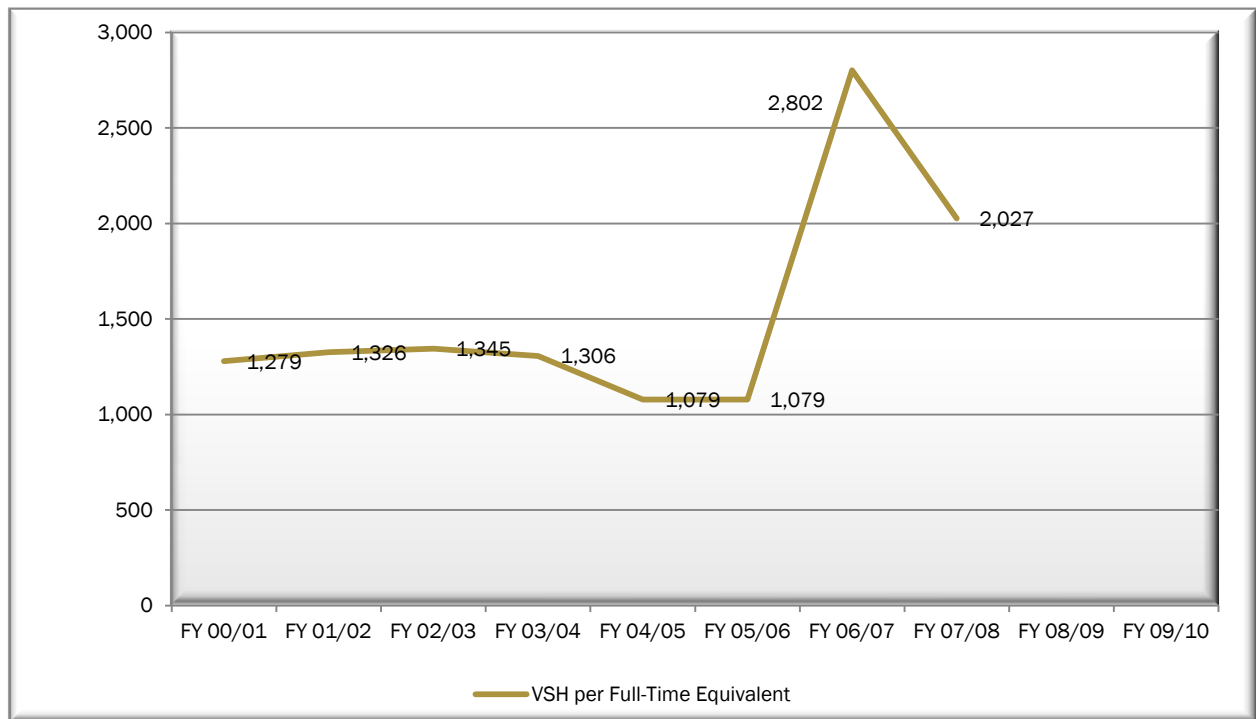
No FTE data was available for the BlueGo service during the third and fourth fiscal years of the Audit period, FY 08/09 and FY 09/10.

The following graph demonstrates how the number of VSH per FTE increased collectively during the first two fiscal years of the Audit period, reaching its highest point during the first fiscal year of the Audit period, FY 06/07. The collective increase during the first two fiscal years of the Audit period accounted for 87.9%, an average increase of 44% per fiscal year. However, during the first fiscal year of the Audit period, FY 06/07, the VSH per FTE ratio increased by 159.8% over the previous fiscal year. The following fiscal year, the VSH per FTE ratio decreased by 27.7%.

These ratios in regard to VSH per FTE for the first two fiscal years of the Audit period are assumed to be inaccurate as data is being compared from the Short Range Transit Plan and the State Controller's Reports.



Figure 11: Total VSH per FTE



	FY 06/07	FY 07/08	FY 08/09	FY 09/10
Vehicle Service Hour	SRTP	SRTP	SRTP	IR
Full-time Equivalent	SCR	SCR	N/A	N/A



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#### FAREBOX RECOVERY RATIO – TOTAL

During the Audit period, BlueGo was noted as having dropped under the 20% required Farebox Recovery Ratio for the final two fiscal years of the Audit period, FY 08/09 and FY 09/010. During these two fiscal years, the Farebox Recovery Ratio was 5.8% and 10.1%, respectively.

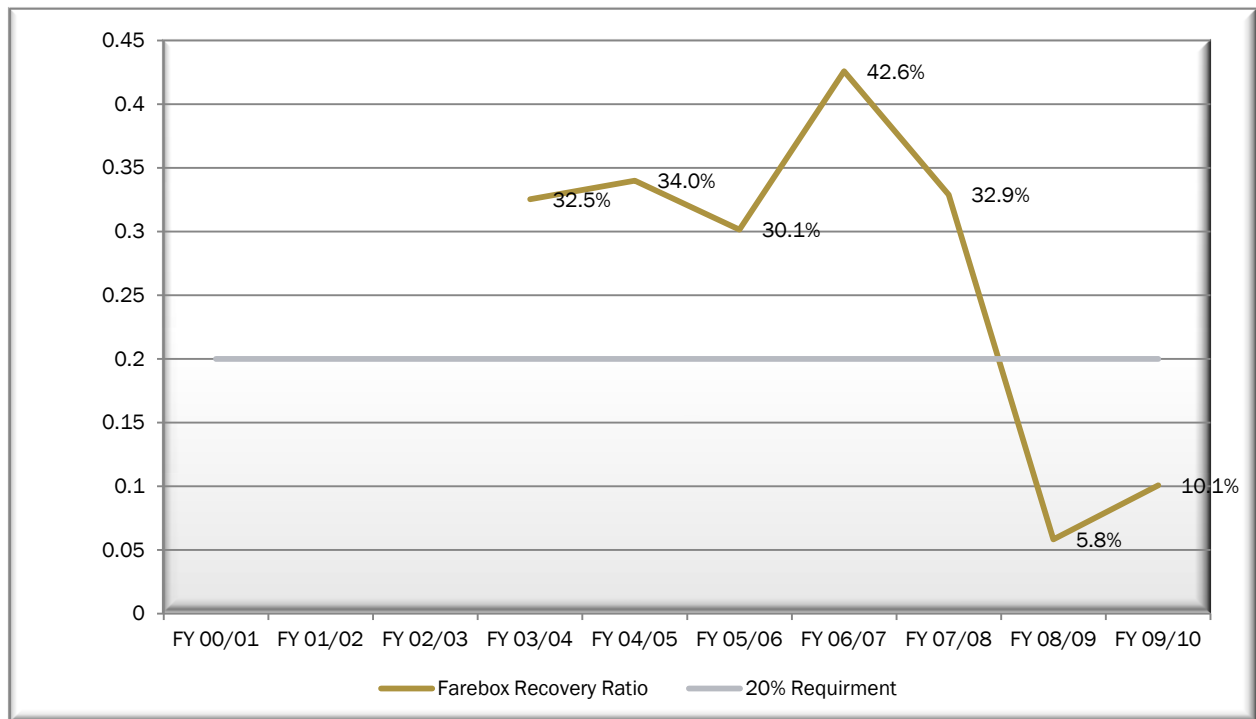
Farebox Recovery Ratio data was not available for the first three fiscal years of the decade. The Farebox Recovery Ratio hit its highest point in FY 06/07, with 42.6% Farebox Recovery Ratio. During the following fiscal year, FY 07/08, the Farebox Recovery Ratio dropped to 32.9%.

The largest drop in the Farebox Recovery Ratio occurred during the third fiscal year of the Audit period (FY 08/09), where the Farebox Recovery Ratio dropped below the TDA required 20% ratio for the first time during the decade (based on available data) to 5.8%. The third year of the Audit period represented the lowest Farebox Recovery Ratio for the Audit period as well as for the decade.

During the final fiscal year of the Audit period, the Farebox Recovery Ratio increased to 10.1%; however, still significantly under the 20% TDA requirement.



Figure 12: Total Farebox Recovery Ratio



	FY 06/07	FY 07/08	FY 08/09	FY 09/10
Fare Revenues	SRTP	SRTP	FCA	FCA
Operating Costs	SCR	SCR	FCA	FCA



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## FARE PER PASSENGER – TOTAL

The Fare per Passenger is comprised of the Passengers and Fare Revenue Performance Measures.

The average Fare per Passenger during the Audit period was \$0.64. However, during the three fiscal years before the Audit period, the average Fare per Passenger was \$1.17. This represents a decrease in the average Fare per Passenger between FY 03/04 - FY 05/06 and FY 06/07 - FY 09/10, of 44.8%.

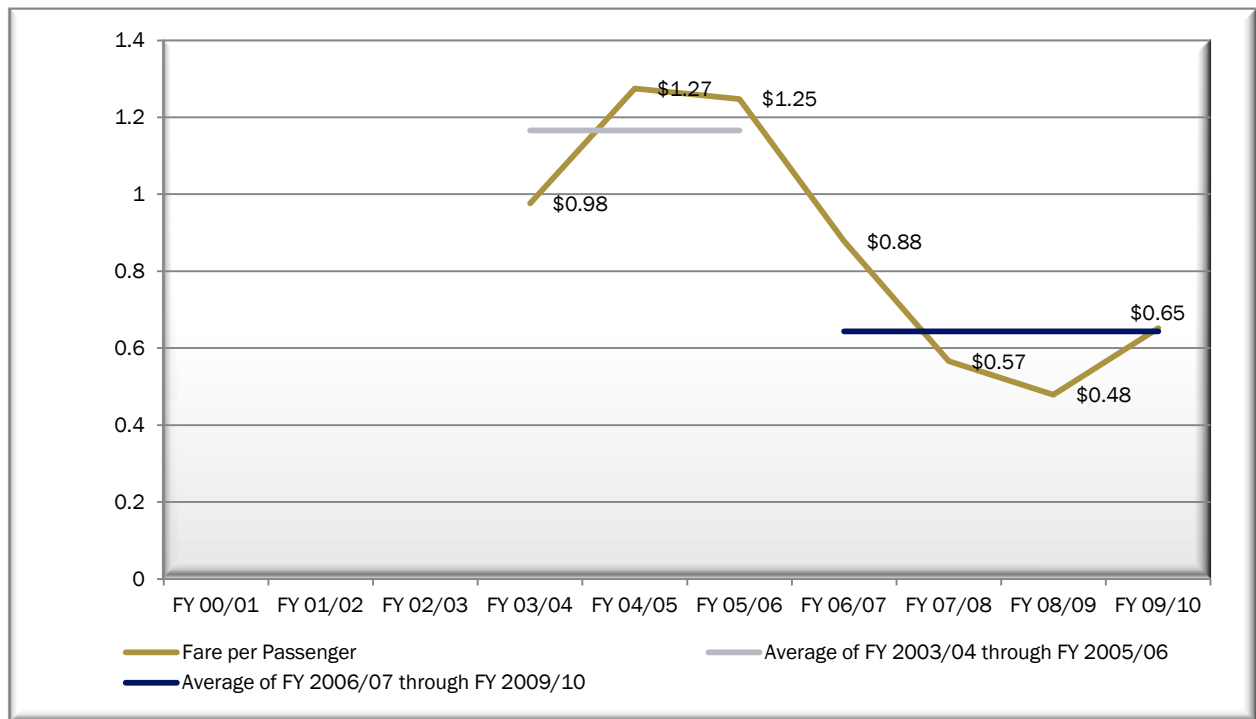
The average reduction in the Fare per Passenger is largely due to the significant decrease in the Fare per Passenger that occurred during the first and second fiscal year of the Audit period, FY 06/07 and FY 07/08, where there was a 54.6% decrease (a 29.6% decrease the first fiscal year followed by an additional 35.6% decrease the following fiscal year), the second and first largest decreases of the decade.

The Fare per Passenger climbed significantly during the final fiscal year of the Audit period, increasing by 36.1%, which was the most notable increase in terms of the Fare per Passenger. This was the largest increase in terms of the Fare per Passenger during the Audit period and the largest increase in the Fare per Passenger over the course of the decade, besting the significant increase of 30.5% experienced during FY004/05.

While Revenues have increased over the Audit period, Passengers have increased at a faster rate, making for a decreasing Fare per Passenger indicator.



Figure 13: Total Fare per Passenger



	FY 06/07	FY 07/08	FY 08/09	FY 09/10
Fare Revenues	SRTP	SRTP	FCA	FCA
Passengers	SRTP	SRTP	SRTP	IR



## FUNCTIONAL REVIEW

The functional activities performed by STATA, as operator for BlueGO, are examined in this section. The degree to which each function is performed and the level of resources committed to the function are reviewed. An appraisal of the efficiency and effectiveness of each activity is included. The following functions are included in this review:

- General Management and Organization;
- Service Planning;
- Scheduling, Dispatching, and Operations;
- Personnel management and Training;
- Marketing and Public Information;
- Contract Management;
- Maintenance.

During the course of the Audit, STATA filed for Chapter 11 bankruptcy, which was later amended to Chapter 7. The organization dissolved. During the period, BlueGO had three different operations contractors and various management and administrative structures. As a result, the Audit was put on hold several times and information and documentation has been inconsistent. Through discussion with Tahoe Regional Planning Agency (RTPA), the Regional Transportation Planning Agency (RTPA) for the Lake Tahoe area, the decision was made that a thorough and complete Triennial Performance Audit was not possible. The Audit was completed based on interviews, site visits and the available documentation. The focus is not on correcting past oversights, but on providing a foundation for future operations under the Tahoe Transportation District. The emphasis of this review was in two areas:

1. Organizational structure;
2. Recordkeeping.

## GENERAL MANAGEMENT AND ORGANIZATION

General Management and Organization encompasses the overall administration of all functions within the transit operations of BlueGO. BlueGO's management and organization determine its ability to realize its potential. The quality and appropriateness of its management practices were assessed through interviews with management, staff and board members; and review of available documentation, management directives, organization charts and general practices. The assessment includes review of the following areas:

- Organizational structure;
- Areas of interest to management and Board;
- Staffing and Reporting;
- Recent program changes and innovations;
- Administrative oversight.



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## ORGANIZATIONAL STRUCTURE

Over the course of the Audit period, the administrative oversight of public transportation in South Lake Tahoe has experienced immense changes. TTD is currently responsible for management and administration of public transit in the area.

During the Audit period, SSTATA was responsible for the management and administration of public transportation in South Lake Tahoe. It was a public/private partnership. The board comprised representatives from South Lake Tahoe, Douglas County, Heavenly Mountain Resort, Ridge Tahoe, Harveys, Harrah's, MontBleu, Lakeside Inn, Horizon and TTD.

The Participation Agreement to Implement a Coordinated Transit System at South Lake Tahoe, was signed in 1998 to consolidate transit services in the City of South Lake Tahoe (STAGE), transit services in the Tahoe portion of El Dorado County (Bus Plus), the Nifty Fifty Trolley, Heavenly skier shuttles, transit services in the Tahoe portion of Douglas County and Casino shuttles under one management company to provide convenient transit service for visitors and residents. This consolidated transit service was marketed under the name BlueGO.

STATA, which filed for bankruptcy in August 2010, was a public nonprofit benefit corporation that was formed during the audit period (November 2002). Its purpose was to implement, operate and manage the coordinated transit system, BlueGO. Policy direction for BlueGO services was provided by a board of directors, which included representatives from each of the participating entities in the Participation Agreement to Implement a Coordinated Transit System at South Lake Tahoe (1998) as subsequently amended.

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## STAFFING AND REPORTING

STATA has entered into a Memorandum of Understanding (MOU) with TRPA to provide a BlueGO Transit Administrator to administer BlueGO transit services. This position was shared with Tahoe Transportation District (TTD) and Tahoe Regional Planning Agency (TRPA). The position was transferred 100% to STATA in July 2009. A temporary accountant was added in March 2009. Prior to that time, accounting functions were supported by TRPA. The accountant position became permanent in August 2009.

In February 2010, the STATA Board determined that staffing was not appropriate for the management, administration and contract oversight and proposed to hire an Executive Director. The position was not filled. Transit Resource Center was retained by the STATA Board to conduct a financial, organization and fleet assessment of BlueGO and provide interim transit management services.

The assessment was presented to the Board in April 2010. The report stated that STATA's administrative functions were insufficient to manage STATA. It recommended a minimum of three (3) Full Time Equivalents (FTEs) to manage the transit system if administration remained in house. However, the assessment concluded that contracted management would be the best option for STATA. STATA did not go out to bid, but continued its arrangement with TRC.

TTD has staffed the BlueGO administration and management with two full time employees: a transit manager,





who oversees the operations contract and operational policies, and an accountant to manage the financial and grant aspects. In addition, staff has the support and guidance of TTD management and staff to assist.

## ADMINISTRATIVE OVERSIGHT

During the Audit period, administrative oversight of STATA was inadequate. As a result, the agency filed for bankruptcy after operating with a budget deficit and incurring substantial debt. The sequence of events that resulted in the collapse of STATA are ambiguous, but appear to be the direct result of a lack of management and financial controls. Pulling together the sequence of events that led to STATA's demise has been problematic due to the legal issue surrounding the financial collapse.

At the beginning of the Audit period, BlueGO's services were operated by Area Transit Management, Inc. (ATM), which was subsequently acquired by Moore's Transit Services. In November 2008, STATA released a Request for Proposals (RFP) for the operation and maintenance of all general public fixed-route, ski shuttles, and demand responsive service. MV Transportation was the successful bidder. Other bidders included First Transit and Silverado Stage. The contract was scheduled to go into effect July 1, 2009; however, in an emergency move, MV took over the operations on an interim basis in December 2008, and was subsequently awarded contract for three years (August 1, 2009 through June 30, 2012) in June 2009. A fleet audit showed the results of several years of inadequate maintenance.

The FY 08/09 financial audit was not completed until July 2010. The audit showed financial loss of \$1,458,089; however the Audit stated that the auditing firm had been unable to obtain written representation from STATA management and could not express an opinion on the financial statements. Expenses in the financial audit report were \$6,119,655 compared to the \$1,802,253 reported in internal reports. The discrepancy could not be reconciled. The financial audit concluded that significant delays in requesting grant funds made it impossible for management to adequately monitor STATA operations. Other control issues were cited in the Audit. STATA's responses to the findings are included in the report and reflected corrective actions taken to achieve compliance with the requirements of federal programs.

Staff reports noted that the shortfall was primarily due to the costs incurred with the change in contracted operators in December 2008 and the reduction of funding received from the State of California due to its budget situation.

According to the STATA Participation Agreement, the operating budget was the basis for funding. The partners were to pay STATA in advance, quarterly. The Agreement stated that in the event of any operating shortfalls, the participants would make additional contributions or suffer reduced services. Although service reductions were implemented, it appears that the financial liabilities escalated before the extent of the financial debt was realized and action could be taken. It appears that STATA Board did not have adequate controls to provide sufficient warnings of financial weaknesses and the necessary management staff to implement the controls was not in place.



## AREAS OF INTEREST TO MANAGEMENT AND BOARD

STATA Board members were interviewed in March and April of 2010. The Board, while apparently not fully aware of the financial dilemma the organization was facing, was in agreement that a full time Executive Director was needed to manage STATA affairs. Difficulties with grant administration had been noted. In addition, concern about the communication with the Board and public were expressed. At that time, the Board members expressed a need for an experienced transit manager with strong financial and communication skills that could provide guidance to the Board.

MV's demand for approximately \$2 million in unpaid invoices and a lawsuit derailed the Board and STATA filed for Chapter 11 bankruptcy, which was later amended to Chapter 7.

## SERVICE PLANNING

The planning of routes, schedules, and other service attributes determine if the service provided is appropriate to meet the transit needs within the operator's respective community. Planning is assessed through a review of Short Range and Long Range Service Plans, surveys and on-going evaluation tools, such as monthly and annual reports. Service planning incorporates the following:

- Strategic planning;
- Short-range planning;
- Evaluation of routes;
- Planning for special transportation needs;
- Public participation;
- Surveys of riders/non-riders.

## SERVICE CHANGES

BlueGO implemented several service changes during the Audit period. Performance data over the four years of the Audit is questionable and could not be fully reconciled. Expanded service for the BlueGO Route System was implemented in November 2008 concurrent with consolidation of services with a substantial increase in VSH. The service implementation appears to have been based on a the ***Community-Based Short-Range Transit Plan for South Shore (2008-2013)*** dated July 2007. While the Plan outlines operating hours, miles and budget, supporting analysis was not included. Per staff, route changes were implemented to provide service to un-served areas.

The 2008 service changes included a new fare structure.

Service changes were again made in December 2008, May 2009, September 2009, January 2010, June 2010, and October 2010 to address STATA's financial condition. The need for continual changes highlights the shortcomings in the planning process and were unsettling to the riders.



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## 2010 SHORT RANGE TRANSIT PLAN

During the Audit period, the *South Lake Tahoe/BlueGO 2010 Short Range Transit Plan (SRTP)* was developed. The draft was presented in November 2009. The plan was completed December 2010. An alternative *2010 Sustainable Service Plan* was prepared in June 2010 to address *the best means of modifying the current operating plan to achieve a balanced budget and generate a cash stream to fund debt repayment.*

The SRTP provided the following elements:

1. **Study Area Characteristics:** an overview of the BlueGO service area;
2. **Transportation Services:** overview of the BlueGO system and operational statistics;
3. **Transit Needs and Demand:** a review of the demographic data related to residents with a high propensity to use transit;
4. **Passenger Activity and On-Time Performance Analysis:** passenger activity by stop and schedule adherence;
5. **Service Plan:** service strategy and rider forecasts;
6. **Capital Plan:** rolling stock, passenger facilities, AVL and operation fs facility improvements;
7. **Institutional Management, and Marketing Plan:** management strategies and Performance Measurement System;
8. **Financial Plan:** Operating costs and funding sources.

The plan recommends a series of goals, objectives and performance measures for evaluating existing and proposed services. A review of the general Performance Standards outlined in the SRTP read as strategies, rather than standards. They do help move BlueGO toward its goals and should be considered in that context. The Performance Measures section outlines a number of clear measures and target standards. It was unclear if management compared performance to standards on a regular basis during the course of the Audit period.

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## SCHEDULING, DISPATCHING & OPERATIONS

During the course of the Audit, three (3) different contractor operations were reviewed. Previous to MV Transportation, the system was operated under multiple contracts by ATM, which was acquired by Moore's Transit Services.

1. MV Transportation, Inc. operated August 2008 through June 2010;
2. Transit Resource Center (BlueGO Transit Management Inc.) operated July 2010 through June 2011;
3. Techtrans (now Keolis Transit America) July 2011 through present.

A review of each operator's scheduling, dispatching and operations demonstrated similar operation policies and procedures with many of the same operations personnel remaining in place. Tectrans had just recently assumed the operation contract and had not yet submitted reporting.

ADA certifications are determined by El Dorado County and are updated monthly. Dispatching is done manually using Google maps. Cancellations and no-shows are recorded on an Excel spread sheet.



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## MARKETING & PUBLIC INFORMATION

During the difficult situation at STATA, public information and marketing was not a priority. BlueGO was branded and an exciting new look was given to public transportation in South Lake Tahoe. However, associations with the financial difficulties of STATA and difficult service changes have resulted in negative connotations related to name. BlueGO TRC assumed the name BlueGO Transit Management, Inc., for the operations contract for STATA and indications are that the contractor also had some incomplete financial dealings with local merchants, which further damaged the reputation of the name. A question also exists of who owns the name BlueGO due to the pending lawsuits.

TTD currently maintains a web page on its web site. Maps, fare information and schedules are available. However ADA and other related information was not found. In addition, past minutes of the public meetings of the TTD Board had broken links. While the TTD Facebook page was highlighted, the use of Facebook to provide transit updates and other current information about TTD does not appear to be used

It is understandable that marketing and distribution of public information has not been a priority for TTD. Hopefully as this chapter is ended, improved marketing and public information efforts will be initiated.

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## CONTRACT MANAGEMENT

Contract management throughout the Audit period was ineffective. The eventual dissolution of STATA appears to be due in part to a lack of oversight of the operations contract. When MV Transportation assumed the operations contract on an emergency basis in August 2008, the fleet was in very poor condition due to deferred maintenance. The costs incurred with start-up and bringing the fleet up to satisfactory condition was a major component of the debt incurred by STATA. STATA issued a breach of contract, and subsequently contracted with Transit Resource Center (BlueGO Transit Management) for the operations, again on an emergency basis.

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## MAINTENANCE

Maintenance has been a continuing issue for BlueGO. The condition of the fleet when the contract was transferred to MV in August 2008 was extremely poor and records were not well maintained. An assessment by TRC during the week of April 3, 2010 rated the overall condition of the buses as “fair” on a scale of excellent, good, fair, poor, failing. Seven (7) out of seventeen (17) vehicles inspected had major safety-related defects that required the bus to be grounded until repairs were made. The defects included:

- Worn and damaged tires;
- Loose exhaust pipe;
- Wheelchair defects;
- Bick rack lock defect.

Fourteen (14) out of the seventeen (17) vehicles had significant defects and all had some damage and were *dirty both inside and out*.



A review of road calls from December 2008 through November 2009 do not indicate a pattern. Approximately one quarter of the road calls were related to engine problems. The majority (61%) of the engine road call were during February and March.

Table 8: BlueGO Roadcalls

	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	TOTAL	% of Total
Accident	1	1							1			1	4	2.3%
Flat Tire	2					1			1				4	2.3%
Driver	8		2	1			2		2				15	8.6%
Engine		1	12	13	4	2	2	1		1	3	2	41	23.6%
Transmission		1	1		2	1						2	7	4.0%
Differential													0	0.0%
Brakes			6	2	4		1		1				14	8.0%
Snap/Steering	1												1	0.6%
Electrical	2	1	6	1			4		2	2	2	3	23	13.2%
Cooling	1	2		2	3	1	2	2			2	1	16	9.2%
Miscellaneous		3	12	2	3		5	1	1	2	1	8	38	21.8%
A/C/Heat	1						2						3	1.7%
Lift Assy						1	3		1	2	1		8	4.6%
<b>TOTAL</b>	<b>16</b>	<b>9</b>	<b>39</b>	<b>21</b>	<b>16</b>	<b>6</b>	<b>21</b>	<b>4</b>	<b>9</b>	<b>7</b>	<b>9</b>	<b>17</b>	<b>174</b>	

The maintenance records were reviewed for both MV and TRC (aka BlueGO Transit Management) and preventive maintenance inspections conformed to industry standards.

The CHP Terminal Inspection, dated August 26, 2010 (TRC) noted four (4) vehicle defects:

- One (1) related to tires and wheels;
- Three (3) related to equipment defects.

In addition, two (2) maintenance program violations were noted:

1. Defects noted on the drivers' daily condition reports were not being corrected;
2. Mechanic were not performing preventive maintenance inspections correctly.

The Preventive Maintenance Inspection (PMI) Program established by the current operations contractor, Tectrans, conforms to industry practice. The policy states that a PMI is scheduled at a minimum of every 3,000 miles or thirty (30) days; however the service schedule states 45 days. Odometer readings from the Operator trip sheets are entered into the software package daily, and confirmed each time the vehicle enters the shop. The software notifies both operations and maintenance staff when a PMI on a vehicle is required.



Table 9: Tectrans Preventative Maintenance Inspection Schedule

Service Type	Service Interval	Service Items
"A" Service	3,000 miles or 45 days	<ul style="list-style-type: none"> <li>♦ Lube, oil, and filter change</li> <li>♦ Under Hood/Engine compartment inspection</li> <li>♦ Interior inspection</li> <li>♦ Exterior inspection</li> <li>♦ Brake inspection</li> <li>♦ Lift inspection &amp; service</li> </ul>
"B" Service	24,000 miles	<ul style="list-style-type: none"> <li>♦ "A" Service (see above)</li> <li>♦ Transmission service—fluid &amp; filter change</li> </ul>
"C" Service	100,000 miles	<ul style="list-style-type: none"> <li>♦ "B" Service (see above)</li> <li>♦ Differential service—fluid change</li> </ul>

## FLEET & FACILITIES

The Operations and Maintenance Facility is located in South Lake Tahoe on Shop Street. The facility, which is leased from the City of South Lake Tahoe, includes administrative offices, dispatching room, secured money-counting room and driver check-in area. The facility has two (2) maintenance bays and parts storage. Parking is provided in the secured lot, but is near capacity. Security cameras have been installed.



## FINDINGS & RECOMMENDATIONS

### SUMMARY OF FINDINGS

1. During the Audit period, STATA operated BlueGO, which provides fixed route and demand-response transit services to City of South Lake Tahoe, adjacent areas of El Dorado County and adjacent areas in the State of Nevada.
2. Many of the issues which surfaced during the Audit period for BlueGO are being addressed with the transfer of administrative and management duties to Tahoe Transportation District.

### COMPLIANCE

3. A number of exceptions to TDA compliance were noted during the Audit period, including not filing financial audits, failure to prepare and file State Controller's Reports and failure to maintain a budget within the prescribed limits.

### PRIOR AUDIT RECOMMENDATIONS

4. Seven recommendations were made in the prior Audit:
  - 4.1. Three recommendations were not implemented and are valid recommendations which will be carried forward in this Audit:
    - 4.1.1. *Ensure accuracy recording operating statistics.*
    - 4.1.2. *Fix inconsistencies in internal records and State Controller reports.*
    - 4.1.3. *Fix inconsistencies between the transit contractor's monthly management reports, the transit contractors annual profit and loss statement and the fiscal audits.*
  - 4.2. One was implemented with exception due to the unavailability of financial data:
    - 4.2.1. *Farebox ratio needs to be tracked.*
  - 4.3. One is no longer relevant:
    - 4.3.1. *Implementation of the Memorandum of Understanding and proper organization of management*
  - 4.4. One was fully implemented
    - 4.4.1. *Establish competitive bidding process for procuring transit services.*
  - 4.5. One could not be determined,
    - 4.5.1. *Track maintenance records.*

### PERFORMANCE MEASURES & TRENDS

5. The opinion of this Audit is that data used for the performance measures and indicators are not reliable and may not be representative of the actual performance of BlueGO during the Audit period.





## FUNCTIONAL REVIEW

6. During the Audit period management and administrative staffing was inadequate, both in experience and in head count. While the administrative personnel was dedicated, they lacked the resources to adequately manage the contractor, finances and operations. In addition, the Board, although committed to enhancing transit in South Tahoe, did not provide sufficient oversight of the operations. Again, the absence of experienced executive level management was a major contributing factor.

## RECOMMENDATIONS

The recommendations delineated below are made to help BlueGO move forward under the administration and management of Tahoe Transportation District and are not meant to imply that TTD has not correctly performed the tasks outlined.

### RECOMMENDATION 1

***Verify the operations contractor is reporting performance measures, including Operating Cost, Revenues, Vehicle Service Hours, Vehicle Service Miles, Passenger Counts and Full Time Equivalents in accordance with both TDA definitions and contract specifications.***

TDA regulation are explicit as to how each of the five basic performance measures are to be calculated. TTD transit manager and transit accountant will need to work with financial auditors and the operations contractor to ensure that in the future all the measures are calculated accurately and consistently.

- **Operating Costs:** 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, excluding all direct costs for providing charter services and vehicle lease costs. For purposes of calculating farebox recovery ratios, depreciation and costs associated with route extensions may also be excluded.
- **Fare Revenues:** Passenger fares including revenues earned under contractual arrangements with public or private entities, either (1) for transit fare for a specified group of employees, members or clients, or (2) to guarantee a minimum revenue on a line operated especially for the benefit of the paying entity. It may also include revenues from cash donations made by individual passengers in lieu of a prescribed fare.
- **Vehicle Service Hours:** Time during which a revenue vehicle is available to carry fare-paying passengers, and which includes only those times between the time or scheduled time of the first passenger pickup and the time or scheduled time of the last passenger drop-off during a period of the vehicle's continuous availability. (A vehicle is in revenue service despite a no-show or late cancellation, if the vehicle remains available for passenger use.) For both demand responsive and fixed route, service hours will exclude hours of deadhead travel to the first scheduled pick-up, and will also exclude hours of deadhead travel from the last scheduled drop-off back to the terminal. For fixed route, a vehicle is in service from first scheduled stop to last scheduled stop, whether or not passengers board or exit at those points (excluding lunch and breaks but including scheduled





- layovers).
- **Vehicle Service Miles:** Miles traveled by revenue vehicles during the Vehicle Service Hours.
- **Passenger Counts:** Total number of unlinked trips; all boardings, whether revenue producing or not.
- **Full Time Equivalents:** Transportation system-related hours worked by persons employed in connection with the public transportation system. Both contractor hours, including management and maintenance, and administration hours need to be included. This includes management and support (accounts payable, personnel, etc.) that are charged partly to BlueGO. Such persons include contractor staff. A Full-Time Equivalent employee count can be calculated by dividing the number of person-hours worked by 2,000.

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## RECOMMENDATION 2

### *Monitor expenses and revenues on a monthly basis, including actual versus projections.*

The extreme situation encountered by STATA in the operation of BlueGO was due in part to not fully monitoring expenses and revenues. TTD transit management needs to provide the Board with monthly updates of expenses and revenues compared to the budget on a monthly basis and include an updated pro forma with any expected change in budgeted revenues and/or expenses.

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## RECOMMENDATION 3

### *Manage contractor performance:*

- *Annual maintenance audits;*
- *Statistical evaluation of route performance;*
- *Ongoing review of on-time data and annual schedule adherence audits;*
- *Bi-annual surveys of customer satisfaction;*
- *Tracking and monthly review of complaints, which have been categorized.*

Since 2006, BlueGO has had four different operations contractors with limited oversight. This has had a detrimental impact on service quality and financial stability of the operation. At a minimum, the following oversight activities should take place:

- **Annual maintenance audits:** Maintenance Audits by a qualified independent firm should include physical inspection of 25% (or greater) of BlueGO vehicles for compliance with all State and Federal regulations and a review of associated maintenance records. The review should also include an assessment of the knowledge and experience of the maintenance staff, maintenance procedures and practices and maintenance records.
- **Statistical evaluation of route performance:** Monthly contractor reports should provide correctly calculated performance measures (Vehicle Service Hours, Vehicle Service Miles, Passenger Counts and Employee Hours for the calculation of Full Time Equivalents). Key performance measures should be calculated both the month and year-to-date:
  - ♦ Operating Cost per VSH;



- ◆ Operating Cost per VSM;
  - ◆ Operating Cost per Passenger;
  - ◆ Passengers per VSH;
  - ◆ Passenger per VSM;
  - ◆ Full Time Equivalents.
- **Ongoing review of on-time data and annual schedule adherence audits:** Schedule adherence is a key factor for reliability. TTD should work with the operations contractor on the methodology for monitoring on-time performance on a continual basis and the contractor should report the numbers monthly. The methodology may include random checks at time points by road supervisors or asking dispatch to collect time data called in by the drivers at selected time points for each route. TTD transit management should monitor the on-time performance data for trends and unusual developments. The data should be validated annually by either TTD transit management or an independent auditor.
  - **Bi-annual surveys of customer satisfaction:** Customer Satisfaction surveys measure how well TTD is providing service that meets the needs and expectations of the riders. The survey should ask riders to rate key performance attributes. Surveys should be undertaken every two years at a minimum. Surveys should alternate between winter and off-season services.
  - **Tracking and monthly review of complaints, which have been categorized:** Complaints and comments need to be recorded, categorized and reported on a monthly basis. The reporting should include resolution or follow-up actions taken. TTD Transit Manager should evaluate the trends in the type and number of complaints, as well as ensure the resolution of all complaints was appropriate.

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#### RECOMMENDATION 4

##### *Enhance rider communication, specifically during schedule changes.*

Management has made attempts to ensure that the riders were informed about changes to the BlueGO system. However, due in part to the volatility in the administration and management of the system and the frequency of changes, many riders did not feel their needs were properly addressed during the changes. TTD transit management must ensure that they provide information and solicit feedback through multiple outlets. Implementing management onboard days in which TTD transit management rides the buses and personally talks to passengers about their concerns would provide a more personal touch.

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#### RECOMMENDATION 5

##### *Establish a robust schedule for cleaning (including standards) for both the inside and outside of all vehicles.*

The cleanliness of the vehicles has a major impact on the perception of the service by the riders, the public, and any visitors. An observation that the vehicle is not clean influences a potential riders' propensity to ride. During the site visits, BlueGO vehicles were dirty, both inside and outside. Due to the muddy road conditions that are often encountered during the winter and spring months, keeping vehicles clean is often difficult. Weekly cleanings are usually not sufficient. TTD management needs to work with the contractor to



establish strict guidelines for both outside and inside cleanings. Periodic inspections will provide assurance that the guidelines are followed and are sufficient to maintain BlueGO's image.

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#### RECOMMENDATION 6

***Ensure that State Controller's Reports are prepared in a consistent manner and the calculations used are documented with the backup retained for a minimum of four years.***

The data reported on the State Controller's Reports (SCR) during the Audit period could not be validated. A number of inconsistencies were noted. Because of the unique situation of BlueGO, specific routes that operate exclusively without TDA support are not reported. However, if TDA funds are used in the operation or in securing capital resources, the routes need to be reported. TTD will need to keep all documentation including contractor reports, internal reports and calculations used in developing the SCR for a minimum of four (4) years, or the next TDA Audit.

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#### RECOMMENDATION 7

***Consider rebranding BlueGO.***

During the last several years, BlueGO has undergone a very difficult period. In addition, one of the operation contractors assumed the name **BlueGO Transit Management, Inc.** thereby making it indistinguishable for the BlueGO system. According to staff, the operations contractor may have some outstanding financial obligations to local business. In addition, due to the bankruptcy and dissolution of STATA, the ownership of the BlueGO name is not clear.

By changing the brand and public look of the transit system, TTD can distance itself from the previous difficulties.

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#### RECOMMENDATION 8

**Ensure the financial and compliance audits are prepared in accordance to TDA requirements.**

Per PUC 6667, the compliance portion of the fiscal and compliance audit requires the following tasks to be performed for transit claimants:

1. Determine whether the claimant was an entity eligible to receive the funds allocated to it;
2. Determine whether the claimant is maintaining its accounts and records on an enterprise fund basis and is otherwise in compliance with the uniform system of accounts and records;
3. Determine whether the funds received by the claimant pursuant to the Act were expended in conformance with those sections of the Act specifying the qualifying purposes;
4. Determine whether the funds received by the claimant pursuant to the Act were expended in conformance with the applicable rules, regulations and procedures of the transportation planning agency and in compliance with the allocation instructions and resolutions;
5. Verify the amount of the claimant's operating cost for the fiscal year, the amount of the fare revenues required to meet the specified ratios and the amount of the sum of fare revenues and local support



required to meet the specified ratios;

6. Verify the amount of the claimant's actual fare revenues for the fiscal year;
7. Verify the maximum amount the claimant was eligible to receive under the Act during the fiscal year.

Our review of the fiscal and compliance audits could not verify that these tests were performed.

Table 10: Summary of Recommendations

	Recommendation	Priority	Responsibility	Timeframe
1	Verify the operations contractor is reporting performance measures, including Operating Cost, Revenues, Vehicle Service Hours, Vehicle Service Miles, Passenger Counts, Full Time Equivalents in accordance with both TDA definitions and contract specifications.	High	TTD Transit Manager & Transit Accountant	FY 2011/2012
2	Monitor expenses and revenues on a monthly basis, including actual versus projections.	High	TTD Transit Accountant	FY 2011/2012
3	Manage contractor performance: <ul style="list-style-type: none"> <li>Annual maintenance audits</li> <li>Statistical evaluation of route performance;</li> <li>Ongoing review of on-time data and annual schedule adherence audits;</li> <li>Bi-annual surveys of customer satisfaction;</li> <li>Tracking and monthly review of complaints, which have been categorized.</li> </ul>	High	TTD Transit Manager	FY 2011/2012
4	Enhance rider communication, specifically during schedule changes.	Medium	TTD Transit Manager	FY 2012/2013
5	Establish a robust schedule for cleaning, (including standards) for both the inside and outside of all vehicles.	Medium	TTD Transit Manager	FY 2012/2013
6	Ensure that State Controller's Reports are prepared in a consistent manner and the calculations used are documented with the backup retained for a minimum of four years.	High	TTD Transit Accountant & Transit Manager	FY 2011/12
7	Consider rebranding BlueGO.	Medium	TTD Board & Management	FY 2012/13
8	Ensure the financial and compliance audits are prepared in accordance to TDA requirements.	High	TTD Transit Accountant	FY 2011/12





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