



ADA PARATRANSIT TRIENNIAL REVIEW

For the Period 2012-2014

Prepared by the RTA Audit Department



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TRIENNIAL ADA PARATRANSIT REVIEW

EXECUTIVE SUMMARY

This report summarizes the results of the RTA Audit Department's triennial audit of the ADA Paratransit Service. The operation of the ADA Paratransit Service, which provides transportation to eligible individuals who are unable to use accessible fixed-route services in the RTA region due to their disabilities, is the responsibility of Pace. The audit was conducted in order to comply with the amendment to the RTA Act in 2008 which requires the RTA to conduct triennial financial, compliance, and performance audits of ADA Paratransit services.

The audit included the verification of the financial integrity of data used by the RTA, assessment of the accuracy of data used for compliance monitoring, and determination of the accuracy of data used to evaluate performance. In certain instances, we relied upon the audit work performed by Baker Tilly Virchow Krause LLP and/or the Pace Internal Audit department. Both performed work in areas relevant to this audit within the review period and our review indicated that it was of sufficient quality to place reliance and avoid duplication.

Results of our review include:

- All financial data that was reviewed in conjunction with the audit was adequately supported with one minor exception relating to fuel. Although Fuel costs were agreed to supporting documentation, the effectiveness of one of the detail controls relating to fuel expenses should be improved to provide additional assurance that all of the fuel was actually used by Paratransit vehicles.
- ADA Service Revenue and ADA Service Expenses were supported by key data elements including ridership statistics, service hours, on-time performance and missed trips, all of which are captured in Pace's system. We reviewed the methodologies for determining Administrative Expenses and the Indirect Overhead Allocation and determined they were reasonable.
- Compliance monitoring was validated through a comparison to Pace's policies and evaluation of selected performance statistics and practices. Pace's disclosure of policies in the Customer Guide was appropriate. Statistics reviewed indicated that Pace was compliant with ADA requirements. However, improvements are needed in the timeliness of completing the complaint process. Although there are no specific

guidelines for the overall timeliness of completing the complaint process, a metric should be established based upon current levels of complaints and staffing adjusted accordingly to meet that metric.

- Key elements used to evaluate performance were identified through the National Transit Database (NTD), and then agreed to supporting documentation. No detailed testing of these elements was performed since they were already reviewed in conjunction with the annual external audit of NTD data conducted by an independent auditor. No findings were identified by the auditors that were required to be reported regarding the information included in the NTD report.

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TRIENNIAL ADA PARATRANSIT REVIEW

Introduction

Pace's ADA Paratransit Service provides origin-to-destination transportation to ADA Paratransit eligible individuals who are unable to use accessible bus and rail service due to their disabilities. Pace is responsible for the operation of all ADA complementary paratransit services in the six-county RTA region and RTA is responsible for the funding, financial review, and oversight. In 2014, Pace provided over 4 million rides to eligible customers in the program at a cost of \$142 million.

Audit Objectives

The RTA Act was amended in 2008 to require the RTA to conduct triennial financial, compliance, and performance audits of ADA paratransit services to assist in the determination of the projected annual costs of ADA paratransit services that are required to be provided pursuant to the Americans with Disabilities Act of 1990 and implementing regulations. This audit is intended to comply with the requirement that RTA conduct such audits, with the following objectives:

- Verify the financial integrity of the data used by the RTA to evaluate the costs of delivering ADA paratransit services.
- Assess the accuracy of the data used for monitoring compliance.
- Determine whether the data used to evaluate compliance with performance standards is accurate.

Scope of Review

- Determine whether the 2014 operating expenses are adequately supported. Key expenses that were reviewed include ADA service expenses (purchased transportation), fuel, and administrative expenses.
- Determine whether contractor invoices for purchased transportation are reviewed for accuracy by Pace staff and whether such invoices are supported by service hour data and fares collected.
- Verify data used for monitoring ongoing compliance with ADA Paratransit Requirements.
- Verify that semiannual desk audits are being conducted for each purchased transportation contractor.

Background

The Americans with Disabilities Act of 1990 (ADA) requires that all public entities that provide non-commuter fixed route transit service also provide complementary paratransit service for persons who are unable, because of a disability, to use the fixed route service. The ADA complementary paratransit must meet specific regulatory criteria related to service area, response time, fares, days and hours of operation, trip purposes, and capacity constraints. These regulatory criteria are designed to ensure that ADA complementary paratransit service provides a level of service that is comparable to that provided by the associated fixed route services. Entities are also required to establish a process for determining who is eligible to receive this complementary paratransit service.

ADA complementary paratransit service is required where the CTA and Pace operate non-commuter fixed route transit services. The service provided by Metra does not require complementary paratransit since it is strictly commuter service.

From 1992 through June 2006, CTA and Pace operated separate ADA paratransit services. CTA operated ADA paratransit in the City of Chicago and Pace operated ADA paratransit in the suburbs outside of the city.

On July 29, 2005, the General Assembly made changes to the RTA enabling legislation that affected the structure of paratransit service. Pace was tasked with assuming responsibility for the operation of all ADA paratransit services. The RTA was also made responsible for the funding, financial review and oversight of all ADA paratransit services provided by any of the Service Boards.

On July 1, 2006, in response to the legislative directive, Pace assumed responsibility for the operation of all ADA paratransit services throughout the region, both city and suburban services. Initially, Pace continued to operate service in Chicago based on the model that had been developed by the CTA. In 2006 and 2007, Pace analyzed the ADA paratransit services in an effort to develop a design and policies that could both improve customer service and service efficiency while ensuring that the service was operated in full compliance with ADA requirements.

Currently, 3 primary carriers operate the service in Chicago (one in each of 3 zones) with one additional carrier providing supplemental service in this market. Two primary carriers provide service to the 8 zones defined in the suburban market, with supplemental service provided by 5 taxi companies in DuPage and Kane counties.

ADA Service Providers by Responsibility

Market Coverage / Responsibility	Service Provider
Chicago – Zone 1	SCR Transportation
Chicago – Zone 2	Cook Transportation DuPage
Chicago – Zone 3	MV Transportation
Chicago	First Transit
Cook County – west	MV Transportation
Cook County – south	MV Transportation
Cook County – north	MV Transportation
DuPage County	MV Transportation
Kane County	MV Transportation
Lake County – north	First Transit Services
McHenry County	First Transit Services
Will County	First Transit Services

Amendment to the RTA Act

The amendment to the RTA Act in 2008 contained a new provision requiring the RTA to annually provide a written determination of the projected annual costs of ADA paratransit services that are required to be provided pursuant to the Americans with Disabilities Act of 1990 and the implementing regulations. The legislation also requires the RTA to “conduct triennial financial, compliance, and performance audits of ADA paratransit services to assist in this determination” (70 ILCS 3615/2.0ld).

Pursuant to the legislative mandate, the RTA initiated an initial Triennial ADA Paratransit Audit addressing the financial, compliance and performance aspects of operating the ADA Paratransit service in 2011/2012.

This is the second Triennial initiated by the RTA and covers the time since the first Triennial report was issued in 2012. The objective of the audit was to reach concurrence with the reasonableness of the costs to operate the service within the framework of compliance with Federal regulations and standards. The data reviewed was primarily for the calendar year 2014.

FINANCIAL AUDIT

Pace’s 2012-2014 Annual Financial Statements were audited by Crowe Horwath LLP, who issued an unqualified opinion regarding the basic financial statements. Pace’s ADA Paratransit Services Fund financial statements are included as exhibits within Pace’s 2012-2014 Annual Financial Reports. The ADA Paratransit financial data were subjected to the auditing procedures applied in the audit of the financial statements. Certain limited audit procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information, were employed by Crowe Horwath LLP on the ADA Paratransit Services Fund financial statement exhibits.

Since Pace’s 2014 financial statements had been audited and were available at the time of our review, they served as the basis for our testing. Operating revenue and expenses for September 2014 and full year 2014 appear below:

2014 Operating Revenue and Expenses

	September 2014	Full Year - 2014
Operating Revenue		
ADA Service Revenue	\$ 884,937	\$ 10,475,368
Other Income	<u>541,898</u>	<u>3,717,436</u>
Total Operating Revenue	\$ 1,426,835	\$ 14,192,804
Operating Expenses		
ADA Service Expenses	\$ 11,982,619	\$ 140,022,159
General centralized support	20,125	322,367
Fuel	353,132	3,717,729
Risk management expenses	16,933	263,973
Health insurance expenses	34,219	436,066
Administrative expenses	894,608	6,731,461
Indirect overhead allocation	<u>452,973</u>	<u>5,587,144</u>
Total Operating Expenses	\$ 13,754,609	\$ 157,080,899

The September 2014 *Statement of Revenue and Expenses and Changes in Net Assets* was used to select key operating revenue and operating expenses for further testing using the line items identified in the financial statements shown above. ADA service revenue, which represented 62% of the September revenue, was selected for further review. Other income represented reimbursements from the RTA for transportation provided to potential Chicago and Suburban Paratransit customers who attend certification testing.

ADA service expenses (purchased transportation), fuel, administrative expenses, and indirect overhead allocation were also selected for review. Collectively, these expense items represented 99% of the September expenses. Pace’s Accounting Department provided account detail supporting the total revenue and expenses for each category, as requested.

ADA Service Revenue

The carriers submit monthly invoices to Pace. One component of these invoices is the imputed fares collected from riders (\$3 fare rate x number of riders), which Pace uses to offset against the expenses being requested for reimbursement. Pace validates the amount of revenue reflected on the invoices through the generation of a Pace report (Hours and Ridership Report) that identifies the number of passengers. The total revenue is calculated by extending the number of passengers at the applicable rate. In 2014, Pace provided over 4 million passenger trips for which it collected \$3 from each passenger. Pace’s calculated revenue is used for determining the amount of revenue for settlement with the carriers, as opposed to the amounts reflected on the carrier’s invoices which may differ slightly from Pace’s calculation. The carriers accept Pace’s calculated revenue as correct since the data is extracted directly from Pace’s system.

A sample of carrier invoices from the account detail was selected for testing. Each invoice was reviewed to verify that the amount of revenue was correctly calculated based on the ridership and fare. Invoices selected included the following carriers/service areas:

August 2011 Carrier Invoices – Revenue

Carrier	Territory	Invoice Amount
SCR	Chicago Zone 1	\$ 199,878
First Transit	Lake County	\$ 14,195

The revenue amounts were traced to the billing reconciliation prepared by Pace. The number of passenger trips was then traced to the Pace report of passenger trips for which fares were collected and the extended amount based on the applicable fare was recalculated without exception.

Other Income

Other income includes reimbursements from the RTA for trips provided to potential ADA Paratransit customers to attend certification testing and current customers for recertification. These trips are scheduled at the request of the RTA which reimburses Pace for their cost. In 2014, the RTA reimbursed Pace \$1.8 million for 30,444 trips.

Other income recognized in 2014 also includes Medicaid reimbursements from the State of Illinois. In 2014, the reimbursements for eligible trips were \$9.5 million.

ADA Service Expenses

The carrier's monthly invoices to Pace also include sections pertaining to expenses for providing the service less liquidated damages associated with non-compliance with contract requirements. Pace validates the expenses reflected on the invoices through a Pace report (Hours and Ridership Report) that identifies the number of service hours. The total expenses are calculated by extending the number of service hours at the applicable rate. Pace's calculation is used for determining the total expenses for settlement with the carriers, as opposed to the amounts reflected on the carrier's invoices which may differ slightly from Pace's calculation. The carriers accept Pace's calculated expenses as correct since the data is extracted directly from Pace's system.

Liquidated damages represent offsets to expenses (damages) due the carriers' instances of not meeting certain contract standards. Pace generates several reports (i.e. On-time Performance Report, Missed Trip Report, Carrier Report) that are used to determine the number of instances of non-compliance. The number of instances is extended by the applicable rate to arrive at the total damages by type. Charges are imposed upon the carriers for failure to meet a variety of contract standards including:

- On-time performance goal not achieved (late pick-ups)
- On-time performance goal not achieved (late appointments)
- Missed trips
- Missed trips not reported
- Productivity goals not met
- Vehicle maintenance issues not addressed
- Reporting requirements not met
 - General monthly reporting
 - Not answering complaints
 - Accident reporting
 - Denial reporting
 - Scheduling/dispatch/reporting

The samples of invoices selected for review were for the same carriers/service areas used for the ADA service revenue testing. Each invoice was reviewed to ensure that the amount billed was correctly calculated based on the number of service hours offset by the liquidated damages.

Service hours were traced to supporting reports to ensure their accuracy. The service hour rates were traced to the appropriate rates in the carrier's contract. The hourly rates for the

carriers/service areas we tested ranged from \$47.05 to \$67.90, with the variability in rates dependent upon whether the carrier provided their own vehicles, fuel or insurance. Accordingly, individual carrier’s per trip costs vary considerably and do not serve as a valid basis of comparison to other carriers. The extended amounts were recalculated based on these elements. No exceptions were noted. Invoices selected included the following carriers/service areas:

August 2014 Carrier Invoices – Expenses (net of liquidated damages)

Carrier	Territory	# of Trips	Invoice Amount
SCR	Chicago Zone 1	123,106	\$ 3,762,143
First Transit	Lake County	8,961	\$ 180,860

Liquidated damages were also recalculated to ensure they were correctly computed. Instances of non-compliance (which result in Liquidated Damages) were traced to supporting reports. The cost of each category of liquidated damages was recalculated based on the contract terms. The total cost of each category was extended to ensure accuracy. No exceptions were noted. The amount of liquidated damages for the carrier invoices reviewed are as follows:

August 2014 Carrier Invoices – Liquidated Damages

Carrier	Territory	Invoice Amount
SCR	Chicago Zone 1	\$ 479,087
First Transit	Lake County	\$ 3,691

Fuel

Per the terms of the agreements with the suburban carriers, Pace either contracts with a vendor to deliver diesel fuel directly to the carrier’s location or provides fuel cards for the purchase of diesel fuel and gasoline through a network of service stations. Carriers that service the City of Chicago are responsible for providing their own fuel.

A sample of invoices for both diesel fuel and fuel cards was selected for review. Pace utilized two vendors during 2014 for fuel purchases, this included Petroleum Traders Corporation and Mansfield. Both vendors provided diesel fuel purchased in bulk. Mansfield also provided fuel

cards for the purchase of diesel and gasoline fuel through a network of retail service stations. Carriers/Service areas reviewed included the following:

2014 Bulk Fuel Invoices

Carrier	Territory	# of Gallons	# of Invoices	Total Amount
First Transit Services	Will County	7,754	6	\$ 22,896
First Transit Services	McHenry County	14,302	2	\$ 42,065
MV Transportation	DuPage County	9,201	3	\$ 25,786
First Transit	Cook County – North	9,785	2	\$ 29,649
	<u>Totals:</u>	<u>41,042</u>	<u>13</u>	<u>\$ 120,396</u>

2014 Fuel Card Invoices

Carrier	Territory	# of Gallons	# of Invoices	Invoice Amount
MV Transportation	Cook County – north	103,049	4	\$ 319,200
MV Transportation	Cook County - west	21,233	2	\$ 66,018
MV Transportation	Kane County	17,166	2	\$ 53,269
	<u>Totals:</u>	<u>141,448</u>	<u>8</u>	<u>\$ 438,487</u>

Each invoice was reviewed to verify that the amount billed corresponded with the entry in Pace’s account detail and that the invoice was reviewed by Pace. No exceptions were noted. However, the review determined that the use of detailed reports for fuel card usage analysis can be more effective.

For the fuel card invoices, Pace provided the detailed invoice supporting the retail fuel purchases appearing on the invoice. The detailed invoice lists each transaction and includes, by vehicle, the purchase location, date and time of purchase, odometer reading, type of fuel purchased, amount of fuel, cost per gallon and total cost. It also displays the miles per gallon based on the miles driven since the last fill-up and the amount of fuel purchased, along with monthly miles per gallon calculations.

For the fuel card invoices reviewed, there were instances where the data on the report was either missing or was obviously in error. For example, some purchases had no mileage entry, while others had the same mileage entry for several purchases in a row. In addition, there were multiple instances where there were two purchases on the same card within a short time (i.e. card sharing). The primary purpose of this control (recording the specific data for each purchase) is to identify potential instances where individuals may be using the fuel cards to obtain fuel for personal use, and for identifying potential vehicle maintenance issues. To be more effective, all of the key data needs to be entered and correct.

Pace personnel informed us that their review of the fuel card purchases report had identified these errors, but that it was often difficult to get the carriers and their drivers to consistently provide all of the data correctly. They stated that they rely on a high-level analysis of fuel usage to monitor for potential theft. However, there were no written parameters of when they would identify an item as an “issue,” and any issue identified for further review was based on the reviewer’s judgment.

Therefore, we believe closer adherence to the detailed data element entry per purchase transaction will make the use of the detailed reports more effective. An analysis should be performed to determine the level of additional staffing required to perform this function at various levels (i.e. 100% review, or sample basis). In addition, a specific tolerance level should be established wherein the Pace personnel will do an in-depth analysis of any overall increases to determine the cause (% variance from prior year, etc.) and document the results of their review.

Due to the nature of the account arrangement with Mansfield, fuel charges associated with additional services provided by the carriers, such as the Ride in Kane and Dial-a Ride programs are also included on these invoices. Adjustments are subsequently made to transfer the cost of those purchases out of the general ledger account based on purchases attributable to these programs, based on the charges associated with particular vehicles. We did not identify any issues with this process.

Administrative Expenses

Administrative expenses consist primarily of salaries (and associated benefits) for the staff who work on the ADA program, the cost of providing certification transportation, and other miscellaneous support costs including IT, rent and utilities related to the ADA staff located in the Chicago Office at 547 W. Jackson Blvd. An allocation of salaries and benefits associated with the Paratransit staff that supports both ADA and non-ADA functions is also made.

Our procedures were limited to gaining an understanding of the types of costs included within administrative expenses and the methodology for accumulating these expenses within the account. Pace's accounting system captures all costs associated with staff assigned solely to the ADA function and services directly attributable to ADA. An additional allocation of costs associated with staff assigned to the Paratransit function is made through an annual survey process whereby the revenue hours allocated to ADA and non-ADA functions is used to distribute the following year's costs. The percentage used to allocate these costs in 2014 was 58.26%, which was based on the proportion of ADA to non-ADA revenue hours from 2013.

Based on our evaluation of the process by which costs are directly charged or allocated to the administrative expenses, it appears that the methodology is reasonable and reflective of the costs incurred.

Indirect Overhead Allocation

Pace incurs overhead costs on behalf of managing and operating the ADA program. Such costs consist of a variety of overhead activities that support the functioning of the ADA program, but cannot be directly associated with ADA. These include the myriad of support functions provided at Pace headquarters by the following departments: Audit, Budget Planning, Finance, General Counsel, Government Affairs, Human Resources, Marketing & Communications, Purchasing, and Risk Management.

Our procedures included gaining an understanding of the types of costs included within the Indirect Overhead Allocation and the methodology for accumulating these expenses within the account. The allocation is based on a process whereby an annual survey is conducted of all support functions. The time attributable to supporting ADA is accumulated and used to develop a rate that is then applied to the ADA activity based on the actual ADA salary costs incurred during the current year. The percentage used to allocate these costs in 2014 was 297.94%, which was based on the survey results from 2013 (2012 costs). This methodology was developed by a third-party consultant and is reviewed annually to ensure continued applicability.

Based on our understanding of the process by which costs are allocated to Indirect Overhead, it appears that the methodology is reasonable and reflective of the costs incurred in support of the ADA function.

COMPLIANCE AUDIT

Key compliance-related topics were identified for evaluation. Each topic was initially compared to Pace's policies, which are documented in the *Pace ADA Paratransit Service Customer Guide*. Topics reviewed included:

- Service areas and hours
- Fares
- Trip purpose restrictions/priorities
- On-time pickups
- On-time drop-offs
- Trip denials
- Trip lengths
- Waiting list

As applicable, the policies pertaining to the topics were included in the Customer Guide. Disclosure was appropriate and consistent with the ADA requirements.

Support for certain selected statistics was also obtained from Pace for further review. Data from 2014 was evaluated for ADA compliance.

A. On-time pickups

Pace considers a pickup on-time if it is no more than 20 minutes after the scheduled time in Chicago and no more than 15 minutes after the scheduled time in the suburbs. Vehicle arrivals before the scheduled time are considered on-time. Pace has a goal of 95% on-time pickups in Chicago and the suburbs, which is sufficient for ADA compliance. Pace's average actual performance during 2014 was approximately 89% in Chicago and 94% in the suburbs.

Severe weather and construction are two major factors which can impact On-time pickups and are sometimes beyond the control of the carriers. Staffing (number of drivers) and Equipment Availability are two other factors which can impact On-time pickups. These two are generally under the control of the carriers.

Pace monitors all of these factors in both the monthly statistics and the on-site performance reviews to determine the causes and identify any trends. Pace will specifically meet with the carriers if it is determined that the carrier is not meeting the expected rates because of either lack of staff or lack of available equipment as those factors are under the carrier's control.

B. On-time drop-offs

While there is no specific goal for on-time drop-offs, FTA has stated that customers should be able to book their trips based on their appointment times and that drop-offs should not occur after the appointment times. There is also a requirement that on-time performance must be tracked and compared to standards for these trips. Pace's performance during 2014 was generally 84% in Chicago and 87% in the suburbs. In cases where Pace identifies several instances of the carriers only achieving monthly Appointment on-time performance below 85%, a cause analysis discussion is conducted with the carrier to improve performance. Pace has established a 90% target and incorporated it into carrier agreements.

C. Trip denials

Contractors must accommodate trip requests as required by the FTA ADA regulations. All trip denials are required to be recorded by the Contractor according to Pace guidelines and submitted to Pace in the specified format along with the monthly report accompanying the Contractor's billing for the service provided. Liquidated damages may be imposed if the Contractor exhibits a pattern of failure to record and report denials.

Pace monitors trip denials to ensure that customers are not being denied requests for service because there was not sufficient capacity (equipment and drivers). The information provided by Pace indicated that there were no trips denied during all of 2014 for Capacity reasons.

D. Trip lengths

Trip lengths are supposed to be comparable to trips with the same origin and destination in the fixed-route system, including transfers and wait times. Since Pace's

system does not have the functionality to compare performance to the fixed-route system, Pace utilizes two methods to evaluate travel time.

Once a month, Pace puts flyers on the ADA vehicles inviting riders to file a complaint if they believe their trip exceeded the fixed route travel time. The Passenger Ride Time Report Form is also accessible on Pace's website for customers who prefer to submit a complaint on-line. The results of these complaints are each reviewed to determine whether they exceeded the fixed-route travel time and whether there was a pattern or practice of trips with excessive travel times.

Pace also conducts a random sample from one day during the year for which it samples 1% of trips and compares the travel time of those trips to the fixed route travel time to determine whether there was a practice or pattern of excessive travel times.

As a result of the monitoring activities, Pace concluded there was no pattern or practice of excessive ride times on the ADA service in 2011.

E. Waiting list

FTA requirements prohibit the maintenance of a waiting list for trip requests. Pace does not maintain a waiting list, which is compliant with the FTA requirement.

F. Complaint processing time

Pace's Customer Relations (CR) staff logs all complaints into a database that is used to track the number of days until they are closed. The database tracks the number of days the complaints have been assigned to the Paratransit Quality Assurance (QA) unit for research and investigation, plus the number of days they have been in Customer Relations pending closure after the complainant has been contacted. There were over 18,000 complaints filed during 2014, averaging 1500 per month.

We selected a judgmental sample of 10 complaints filed in August 2014 to review for timeliness of closure. The sample was selected to include complaints from at least two different carriers. Only one of the complaints exceeded the five day goal for the carrier to respond, although three were returned on the fifth day. The average number of days in Paratransit QA was 8.6 days.

However, the number of days in Customer Relations (CR) averaged 29.8 for our sample. No single sample item skewed our results as the number of days in Customer Relations for six sample items had more than 33 days in Customer Relations awaiting closure. As a result, the average length of time to complete Complaint handling for our sample was 38.4 days which appeared to be excessive.

A separate analysis of the data for the entire month of August evaluated the day where the actual complaints were closed by plotting the “closed” dates for each of the August Complaints. There were a total of 1139 complaints filed in August 2014. The detailed analysis showed that 53% of the Complaints received in August were closed between September 23 and October 13. This indicates a delay in closing complaints timely.

We next analyzed the timeliness statistics for the entire 18,000 Complaints filed in 2014 to determine if our sample was reflective of the entire population for 2014. This analysis showed that for the entire year, the average amount of time a complaint was in QA was approximately 11 days, and the average amount of time the complaint was awaiting closure by Customer Relations was almost 15 days, for an overall average of almost 26 days. However, the monthly average number of days in QA and CR varied throughout the year, as shown in the chart below.

Average # of Days in: (Averages for a month)	Avg. for All Months	Monthly Low	Monthly High
ADA Quality Assurance	10.82	5.32	17.41
Pace Customer Relations	14.77	7.11	27.53

The individual monthly totals are shown in Figure 1 below. Based upon these results, it appears our sample was slightly skewed to the longer completion times, but not significantly.

Figure 1-Timeliness of Complaint Processing in 2014

Month	Monthly Total	Avg. Days in QA	% Time in QA	Avg. Days in CR	% Time in CR	Avg. # of Days Total
January	1342	10.87	60%	7.21	40%	18.08
February	1828	14.91	56%	11.89	44%	26.80
March	1964	17.41	65%	9.41	35%	26.82
April	1396	8.12	53%	7.11	47%	15.23
May	1521	8.38	47%	9.44	53%	17.82
June	1345	6.44	34%	12.40	66%	18.84
July	1218	5.32	36%	9.57	64%	14.89
August	1139	6.54	19%	27.53	81%	34.07
September	1454	8.23	29%	20.36	71%	28.59
October	1886	10.40	41%	15.06	59%	25.46
November	1486	16.75	45%	20.58	55%	37.33
December	<u>1449</u>	16.46	38%	26.66	62%	43.12
Total	18,028					
Annual Avgs.	1502	10.82	44%	14.77	56%	25.59

There is no set criteria on how timely a Complaint should be completed from intake to closure. The ADA QA unit has a goal that all complaints sent to a carrier should be returned within five days from transmittal to acceptable answer to the complaint. However, once the answer is received and input into the system, there are no standards or goals on how timely the individual who filed the complaint should be contacted in order to close the complaint. Therefore there is no overall goal for timeliness of complaint handling-only a goal for the first step in the process.

In addition, although the complaints are filed by Paratransit riders, the ADA Paratransit team has no purview over the timeliness of complaint call-backs or related staffing. The call-backs are performed by the Pace Customer Relations staff, who are organizationally separate from the ADA Paratransit staff. Although the Customer Relations staffing costs are allocated and charged to the ADA program, ADA does not have control over staffing levels.

To effectively monitor the timeliness of completion of the entire complaint process, Pace should set goals for timeliness from receipt of the complaint to final response to the person who filed the complaint. Adequate resources should then be utilized to achieve the stated goals.

G. Responses to complaints

The sample of 10 complaints from the August 2014 log of complaints closed during the month was also utilized for an analysis of the responses provided to the complaints. The Customer Assistance Form for each complaint was reviewed in order to assess the responsiveness to the complaint and determine whether the action taken and responses provided appeared appropriate.

Based on the review of these complaints and management's responses, it appears that the action taken appropriately addressed the issues that were reported. When appropriate, corrective action was noted that should reduce the likelihood of a recurrence of a similar complaint.

The sample review did identify that several of the complaints provided responses when the issue of the complaint was limited to a single service issue such as on-time pick-up. These complaints typically were inquiring as to when their pick-up would occur as the stated pick-up time had passed. In these instances, call back responses were not required, especially when the call back was not going to occur that day.

Pace could reduce the amount of customer call backs if it established better guidance on when a customer should receive a response to their complaint. Reducing the number of call-backs will also have a positive impact on the complaint processing timeliness issue discussed above.

PERFORMANCE AUDIT

National Transit Database Reporting

Data used to monitor ADA Paratransit performance is extracted from the National Transit Database. This information is entered into the database by Pace via an NTD Internet Reporting web site.

Key data elements include:

- Vehicle Revenue Miles (VRM) – Demand Response
- Vehicle Revenue Miles (VRM) – Demand Response Tax
- Vehicle Revenue Hours (VRH) – Demand Response
- Vehicle Revenue Hours (VRH) – Demand Response Tax
- Unlinked Passenger Trips (UPT) – Demand Response
- Unlinked Passenger Trips (UPT) – Demand Response Tax
- Passenger Miles Traveled (PMT) – Demand Response
- Passenger Miles Traveled (PMT) – Demand Response Tax
- Total Actual Vehicle Miles – Demand Response
- Total Actual Vehicle Hours – Demand Response

In order to assess the validity of the data entered into NTD, Pace provided supporting documentation detailing the amounts entered. This documentation consisted of worksheets that listed each carrier along their respective monthly volume. Detailed testing of these worksheets was not performed due to our reliance on alternative procedures performed by an external auditor, as noted below.

FTA requires agencies in urbanized areas with populations greater than or equal to 200,000 with 100 or more vehicles operated in annual maximum service across all modes and types of service to have an independent auditor review all NTD data used in the Urbanized Area Formula Program and the Capital Program for Fixed Guideway Modernization allocations. This is an annual requirement and must be documented via the Independent Auditor Statement for Federal Funding Allocation Data. FTA provides a suggested list of procedures to satisfy the requirements of this review.

The independent auditor is expected to perform procedures in order to attest to the following:

- Assurance that a system exists to record and gather data on a continuing basis.

- Assurance that a system exists, and is maintained, for recording data in accordance with NTD definitions. This means that the correct data are being measured and that there are no systematic errors.
- Assurance that source documents are available to support the reported data and are maintained for FTA review and audit for a minimum of three years following FTA's receipt of the NTD Annual report. The data must be fully documented and securely stored.
- Assurance that there is a system of internal controls to ensure the accuracy of the data collection process and recording system and that reported documents are not altered.
- Assurance that a supervisor reviews and signs documents as required.
- Assurance that the data collection methods are those suggested by FTA or have been approved by FTA or a qualified statistician as being equivalent in quality and precision. The collection methods must be documented and followed.
- Assurance that the deadhead miles, computed by taking the difference between the reported total actual vehicle miles data and the reported total actual VRM data, appear to be accurate.
- Documentation that reported data have undergone analytic review to ensure that they are consistent with prior reporting periods and other facts known about transit agency operations.
- Documentation of the specific documents reviewed and tests performed.
- Documentation of how purchased transportation fare revenues and contract expenditures are reported.

As required, Pace contracts annually with an external auditor to perform certain procedures that validate the accuracy of the reported NTD data. In August 2015, Crowe Horwath LLP issued a report covering the 2014 NTD data. Crowe Horwath LLP followed procedures established by FTA with regard to the data reported in the annual Regional ADA Paratransit Services Fund National Transit Database (NTD) report for the fiscal year ended December 31, 2014. These procedures were agreed to and specified by FTA and were agreed to by Pace. In performing these procedures, no findings came to the attention of Crowe Horwath LLP that they were required to report regarding the information included in the NTD report.

Monthly Carrier Performance Reviews

Pace performs monthly carrier performance reviews of each of the 12 carriers/service areas. A review is also performed of the regional call center that services DuPage County and Kane County. The purpose of these reviews is to ensure that performance-related issues are

identified timely so that corrective action can be taken. They assist in identifying performance deficiencies that could impact customer service related to transportation and call center activities. The reviews cover numerous issues, which can be categorized within the following areas:

- Staffing levels
- Vehicles
- Technology
- Operations
- Call Center
- Runs
- Other

Pace provided copies of each of the reviews from June 2014 through December 2014. Our review indicated that reviews were conducted of all 12 carriers and the call center operator.

Carrier On-site Reviews

Pace performs semi-annual carrier on-site reviews of each of the 12 carriers/service areas and the regional call center. The purpose of these reviews is to ensure proper collection and reporting of statistical data through a review of source documents; compliance with procedures concerning the use of Pace's system; professionalism in handling telephone calls; adequate documentation of drug and alcohol testing, licensing, physicals and background checks in employee files; and compliance with quality assurance procedures.

We reviewed the 2014 On-Site Review Tracking Log and selected a judgmental sample of the actual review reports. The reviews are being conducted as required. However, documentation should be better organized, and more attention should be placed on elements of the reports like current date of the on-site visit.

Observations and Recommendations

Observation #1: Fuel Usage Monitoring

A review of a sample of detailed reports on fuel card usage indicated errors regarding the data entered, or that data was missing. Discussions with the staff that monitors the fuel reports indicated that they were aware of the errors and try to resolve the issues. However, there are a large number of drivers who use the cards and getting the carriers to ensure all of the data is entered correctly is very difficult. In addition to the detailed reports, they rely on a high-level analysis of fuel usage to monitor for potential issues.

Recommendation: (Low Impact)

Increased adherence to the detailed data element entry per purchase transaction will make the use of the detailed reports more effective. An analysis should be performed to determine the level of additional staffing required to perform this function at various levels (i.e. 100% review, or sample basis).

Management's Response:

Pace will evaluate the cost effectiveness of hiring additional staff to monitor the approximately 450 fuel transactions a day, and do the necessary follow-up, on a daily basis to eliminate all data entry errors caused by drivers and/or contractors entering raw data in the field.

Observation #2: Timeliness of Customer Complaint Resolution

There were over 18,000 complaints filed during 2014, averaging 1500 per month. Pace's Customer Relations (CR) staff logs all complaints into a database that is used to track the number of days until they are closed. The database tracks the amount of time the complaint is in ADA's QA group, and in Pace's Customer Relations queue. Although the ADA QA group has a metric for how quickly a complaint should be resolved, there is not a metric for the entire process. As a result, the amount of time to complete a complaint averaged almost 26 days for 2014 which appears to be high considering this is an average wherein some complaints are handled on the same day. In a detailed analysis of the complaints for August 2014, over 50% of the complaints were closed between September 23 and October 7, over three weeks from the last day of August.

Recommendation #2:

To effectively monitor the timeliness of completion of the entire complaint process, Pace should set goals for timeliness from receipt of the complaint to final response to the person

who filed the complaint. Adequate resources should then be utilized to achieve the stated goals and better ensure complaints are being closed timely.

Management's Response:

In response to the recommendation regarding Timeliness of Customer Complaint Resolution, Pace has analyzed a recent average number of days to complete a complaint close-out. From January-September 2016, we found that timeliness has improved 27.5% and complaints are closed-out after 19 days on average.

Pace acknowledges the need to set goals for timeliness from receipt of the complaint to final response to the complainant. We will establish a working group to address the issue. By reviewing staffing levels, carrier/internal response time and reer agency practices and metrics, this group will develop suggestions to streamline the complaint process and determine realistic response time goals. Any recommendation concerning the need to acquire additional staff, technology, or capital to meet timeliness goals will be considered during the budget process. Pace will advocate for additional resources to ensure compliance with goals and reduce customer response time.



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