



**MV Transportation, Inc. Audit
No. A2022-02**

Issued by the
Internal Audit Office
April 18, 2022

**City of El Paso
Internal Audit Office
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A2022-02**

EXECUTIVE SUMMARY

The Internal Audit Office has concluded its audit of the LIFT Paratransit Services Contract 2019-607R awarded to MV Transportation, Inc. The LIFT is a contracted shared-ride service for Americans with Disability Act (ADA) paratransit-eligible clients. It provides origin to destination on-demand transportation using small buses equipped with hydraulic wheelchair lifts and wheelchair securements. The LIFT contract is managed by Sun Metro Management.

Based on the results of the audit, three findings were identified. The findings are considered “Regular Findings”.

Listed below is a summary of the findings identified in this report:

1. The Quarterly Performance Averages in the Quarterly Paratransit Service Report to the Mass Transit Board for the 4th Quarter of Fiscal Year 2021 and the 1st Quarter of Fiscal Year 2022 contained reporting errors.
 - The 4th Quarter of Fiscal Year 2021, had two reporting errors,
 - Passenger Incidents per 10K
 - Customer Complaints per 10K Passengers
 - The 1st Quarter of Fiscal Year 2022, had five reporting errors,
 - Collisions per 100K
 - Passenger Incidents per 10K
 - Preventative Maintenance
 - Revenue Miles Between Road Calls
 - Call Center/Dispatch Response Times in Seconds.
2. Sun Metro has not provided 64 replacement LIFT Revenue Vehicles as required by the Paratransit Services Contract 2019-607R dated October 29, 2019.

The COVID-19 Pandemic negatively affected Sun Metro’s ability to purchase replacement LIFT Revenue Vehicles due to supply chain shortages.

3. During the 4th Quarter of Fiscal Year 2021 and the 1st Quarter of Fiscal Year 2022, the City’s LIFT Contract Manager did not make the random selection of 400 unique ADA-eligible passenger trips to survey each month. The trip survey results are used to determine the *Customer Trip Rating* Performance Standard as required by Paratransit Service Contract #2019-607R dated October 29, 2019.

The COVID-19 Pandemic has led to a decrease in the number of riders using the LIFT service. This has resulted in the City’s LIFT Contract Manager not being able to identify 400 unique ADA-eligible passenger trips to survey each month. Instead the monthly Customer Trip Rating is calculated by taking the average of all LIFT passenger trip surveys collected per month.

For a detailed explanation of the findings, please refer to the body of this report.

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BACKGROUND

The Living Independently Facilitated by Transportation (LIFT) is Sun Metro’s paratransit service for Americans with Disabilities Act (ADA) paratransit-eligible clients. It provides origin to destination (curb-to-curb), on demand transportation. It uses small buses equipped with hydraulic mobility device lifts and tie downs. It also contracts with private operators using passenger vehicles.

On October 29th, 2019 the City of El Paso awarded the LIFT Paratransit Services Contract #2019-607R to MV Transportation, Inc. commencing on December 1, 2019. The City of El Paso contracted MV Transportation, Inc., to provide all services for the LIFT, which includes drivers, dispatch, call center, scheduling and the management of the paratransit operations.

The City of El Paso through Sun Metro’s Management, maintains oversight over the LIFT Paratransit Services Contract 2019-607R. They monitor performance to ensure customer service is strengthened and service standards compliance is met.

During the course of this audit, it became apparent that the COVID-19 Pandemic affected the operations of every area reviewed and continues to be a challenge.

For example:

- Quarterly Ridership fell from an expected 78,575 for the 1st Quarter of Fiscal Year 2022 to 45,992 for the Quarter.
- Due to the low ridership, MV Transportation was forced to furlough employees affecting all areas of The LIFT operations. As ridership improved, MV has and continues to have difficulties bringing back staff and hiring replacements. The extra sanitation and Personal Protective Equipment (PPE) requirements involved with operations continues to effect On-Time performance.
- MV Transportation Performance was expected to meet or exceed the performance standards defined in their contract. For the 4th Quarter of Fiscal Year 2021 net disincentives totaling \$18,844.00 were applied to MV Transportation invoices. For the 1st Quarter of Fiscal Year 2022, net disincentives of \$22,325.00 were applied indicating not all performance expectations were met.

AUDIT OBJECTIVES

The objectives of this audit were to determine whether MV Transportation, Inc. is adhering to the terms and conditions of the Paratransit Services Contract 2019-607R with Sun Metro. Testing included, but was not limited to, determining whether MV Transportation, Inc. is providing quality Paratransit Services to Sun Metro. This included evaluating the:

- Reliability and integrity of financial and operational information,
- Customer Satisfaction,
- Safety,
- Vehicle Reliability.

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AUDIT SCOPE

4th Quarter of Fiscal Year 2021 and the 1st Quarter of Fiscal Year 2022. A review of the terms and conditions of the LIFT Paratransit Services contract #2019-607R regarding the performance measures tracked in the delivery of LIFT Paratransit Services to Sun Metro.

AUDIT METHODOLOGY

In order to achieve the audit objectives, we:

- Verified calculations to determine that the On-Time and Ride-Time data being reported is accurate.
- Determined if MV is adhering to the 30-minute operating window as the On-Time performance measure.
- Determined if MV is including subcontractor ADA eligible trips in its On-Time performance measure.
- Determined if MV is meeting the minimum Ride-Time performance measure.
- Determined if the MV Contract Manager is making a random selection of 400 trips to survey as required for Trip Ratings. Verify that the same customer is not being selected for more than one survey per month.
- Determined if MV has Policies and Procedures in place that ensure customer complaints from various types of media are all recorded in the customer complaint system.
- Determined if MV is recording customer complaints from ADA-eligible passenger trips performed by subcontractors.
- Verified that the calculations for the Complaint and Trip Rating performance measures are accurate.
- Determined if MV is recording and accurately calculating Passenger Incidents and Collisions as defined in the contract performance standards.
- Determined if MV is reporting Road Call and Service Miles for LIFT revenue vehicles as defined in the contract.
- Determined if MV is calculating Service Miles between Road Calls correctly.
- Determined if MV is submitting Action Plans to address performance issues that fall short for two or more months in succession.
- Determined if MV is regularly meeting or exceeding established performance standards.
- Determined MV has submitted in writing a request for performance exceptions due to impedance outside their control.

We conducted this audit in accordance with Generally Accepted Government Auditing Standards and the International Standards for the Professional Practice of Internal Auditing. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

**REGULAR FINDINGS, RECOMMENDATIONS,
AND MANAGEMENT'S RESPONSES**

The definition of a “Significant Finding” is one that has a material effect on the City of El Paso’s financial statements, identifies an internal control breakdown, is a violation of a City procedure, or a violation of a law and/or regulation, which the City is required to follow. Any finding not meeting these criteria will be classified as a “Regular Finding”.

Finding 1

Paratransit Service Report Errors

City of El Paso Strategic Plan:

- Goal 6.5 *Deliver services timely and effectively with focus on continual improvement.*
- Goal 6.11 *Provide efficient and effective services to taxpayers.*

Section 6 – Performance Standards

The correct calculations for all Performance Standards are described in the Performance Standards section of LIFT Paratransit Services Contract 2019-607R.

The averages reported in the Quarterly reports are an average of the 3 months in each quarter.

The Quarterly Performance Averages reported to the Mass Transit Board for the 4th Quarter of FY 2021 and the 1st Quarter of FY 2022 were not reported accurately.

- The 4th Quarter FY 2021 Paratransit Service Report had two reporting errors.
- The 1st Quarter FY 2022 Paratransit Service Report had five reporting errors.
- The 1st Quarter FY 2022 Paratransit Service Report had the expected values for *Customer Complaints per 10K Passengers* and *Passenger Incidents per 10K* transposed.

LIFT Ridership	Reported 4th Quarter FY 2021	Recalculated by Internal Audit	Expected Results
Passenger Incidents per 10K	0.6	0.42	0.6-0.9
Customer Complaints per 10K Passengers	19.0	16.1	10-12.9

LIFT Ridership	Reported 1st Quarter FY 2022	Recalculated by Internal Audit	Expected Results
Collisions per 100K	1.5	1.43	1-1.3
Passenger Incidents per 10K	0.4	0.22	0.6-0.9
Preventative Maintenance	98.0%	97.0%	99-100%
Revenue Miles Between Road Calls.	63,227	57,254	75-90K
Call Center/Dispatch Response Times in seconds.	:24	:18.4	< 2 mins

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LIFT Ridership	Reported 1st Quarter FY 2022	
	Expected Results Reported	Expected Results Reported Should Have Been
Passenger Incidents per 10K	10-12.9	0.6-0.9
Customer Complaints per 10K Passengers	0.6-0.9	10-12.9

Recommendation

Sun Metro Management should conduct a review of the Quarterly Data to ensure accuracy before publishing the Quarterly Paratransit Service Reports and presenting them to the Mass Transit Board.

Management's Response

Contract Compliance Manager will review numbers in detail each month, and make sure data is correct in the presentation to be reported each quarter to Mass Transit Board, until new Accessibility LIFT Compliance Officer is hired and resumes these duties.

Responsible Party

Accessibility LIFT Compliance Officer / Contract Compliance Manager
Assistant Director of Transit Operations

Implementation Date

Immediately

Finding 2

The LIFT Revenue Vehicle Replacement Schedule

City of El Paso Strategic Plan:

- Goal 6.5 *Deliver services timely and effectively with focus on continual improvement.*
- Goal 6.11 *Provide efficient and effective services to taxpayers.*

LIFT Paratransit Services Contract 2019-607R

Attachment B-1 City of El Paso Furnished LIFT Revenue Vehicle Replacement Schedule

- 32 LIFT Service Buses were scheduled for replacement with in-service dates of Calendar Year 2020.
- 32 LIFT Service Buses were scheduled for replacement with in-service dates of Calendar Year 2021.

Sun Metro has not replaced 64 LIFT vehicles as contractually required:

1. None of the 32 replacement LIFT vehicles scheduled for calendar year 2020 were delivered.
2. None of the 32 replacement LIFT vehicles scheduled for calendar year 2021 were delivered.
3. Due to the COVID-19 Pandemic challenges, Sun Metro Management has been working with MV Transportation, Inc. by paying for required engine and transmission repairs on LIFT Revenue Vehicles that were scheduled for replacement. These LIFT Revenue Vehicles have exceeded their useful lives and are requiring major repairs to keep them operational. Also, Sun Metro has ordered and expects 10 replacement vehicles to be delivered in June 2022.

Recommendation

Sun Metro Management and MV Transportation, Inc. should continue to work together on replacing LIFT Revenue Vehicles as they become available.

Management's Response

A new plan has been created to replace vehicles in its totality by October 2023. Plan described below:

30 Vehicles will be ordered and or delivered by the end of Fiscal Year 2022, as follows:

- 10 vehicles were received by Sun Metro May 2022 and will be delivered to MV Transportation by June 2022.
- 10 vehicles are on order and scheduled to be delivered to Sun Metro by December 2022 and to MV Transportation by January 2023.
- 10 more Vehicles will be ordered before the end of Fiscal Year 2023.

In addition to these 30 Vehicles. The Paratransit vehicles will become part of the annual fleet replacement plan at Sun Metro moving forward. Including the Vehicles on the Annual Fleet replacement plan will eliminate the need for the vehicles to be used past their extended life and will keep the cities commitment to the contractor viable.

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Responsible Party

Purchasing
Accounting
Contract Compliance
Assistant Directors of Transit Operations and Finance

Implementation Date

Already in progress.

Finding 3

Customer Satisfaction Surveys

City of El Paso Strategic Plan:

- Goal 6.5 *Deliver services timely and effectively with focus on continual improvement.*
- Goal 6.11 *Provide efficient and effective services to taxpayers.*

LIFT Paratransit Services Contract #2019-607R Section 6.0 Performance Standards

Standard 6.8 - Customer Trip Rating:

Customer trip rating shall be based on a survey of customers about the LIFT trip for 400 randomly selected ADA-eligible passenger trips by the Contractor and all subcontractors per month (approximately 15 surveys per day). The City's LIFT Contract Manager will make the random selection of trips. The same customer will not be selected for more than one survey per month. The Contractor's Call Center reservationists will survey the customers for the selected trips by telephone. The survey will include questions specified by the City and recorded by the Call Center reservationist for review by the City's LIFT Contract Manager. The Contractor may offer the opportunity for all customers to respond to the same survey by multiple media (call-in, smartphone app, LIFT website, U.S. mail, etc.); however, only 400 randomly selected ADA-eligible passenger trips will be included in the evaluation of this performance objective and standard for an incentive/disincentive payment.

LIFT Paratransit Services Contract #2019-607R Section 6.0 Performance Standards

Standard 6.3.3 – Performance Indicator Overview:

The Contractor shall be required to submit detailed Action Plans to address any performance measures that fall short of the standard for two or more months in succession. The Action Plans shall be included in the Contractors monthly LIFT Compliance Report.

For the period reviewed, the City's LIFT Contract Manager was unable to make a random selection of 400 unique ADA-eligible passenger trips to survey each month. Since the COVID-19 Pandemic began in March 2020, the number of passengers has decreased to the point that The LIFT does not receive 400 unique passengers to survey each month. Instead, the monthly Customer Trip Rating is calculated by taking the average of all LIFT passenger trip surveys collected for the month.

The same passenger was selected for a trip survey more than once each month an average of 41.95% of the time for the 4th Quarter of Fiscal Year 2021 and 39.89% of the time for the 1st Quarter of 2022. When the same passenger was selected for a survey it was for a different trip each time.

Recommendation

1. The City's LIFT Contract Manager should monitor monthly Ridership and be aware of the 400 randomly selected trip requirement.

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2. If the current procedure continues due to low ridership, please disclose this alternate survey method as required in Section 6.3.3 of the LIFT Paratransit Services Contract. #2019-607R dated October 29, 2019.

Management's Response

MV Transportation will provide ridership information to Contract Compliance Manager monthly, as stipulated in the contract.

Contract Compliance Manager will monitor monthly ridership and survey information, review with Assistant Director of Transit Operations, and provide feedback to MV Transportation, until new Accessibility LIFT Compliance Officer is hired and resumes these duties.

Responsible Party

MV Transportation

Accessibility LIFT Compliance Officer / Contract Compliance Manager

Assistant Director of Transit Operations

Implementation Date

June 1, 2022

INHERENT LIMITATIONS

Because of the inherent limitations of internal controls, errors or irregularities may occur and not be detected. Also, projections of any evaluation of the internal control structure to future periods beyond the Audit Report date are subject to the risk that procedures may become inadequate due to changes in conditions, management override of internal controls, or that the degree of compliance with the procedures may deteriorate. This was a limited scope audit, which only reviewed the areas stated in the Audit Objectives during the Audit Scope period. No representations of assurance are made to other areas or periods not covered by this audit.

CONCLUSION

We have concluded our work on the objectives of the MV Transportation Audit. The audit evidence used in the analysis is sufficient and appropriate for addressing the objectives and supporting the findings and conclusion. In accordance with Generally Accepted Government Auditing Standards, we are required to conclude whether MV Transportation and Sun Metro met the objectives of this audit. Based on our audit work, we have determined that:

1. MV Transportation, Inc. did meet the objectives of the audit in the following areas:
 - MV Transportation, Inc. did provide reliable financial and operational information that was reconcilable.
 - MV Transportation is not in violation of the terms and conditions of the Paratransit Services Contract 2019-607R with Sun Metro.

2. MV Transportation, Inc. and Sun Metro Management did not meet the objectives of the audit in the following areas:
 - MV Transportation, Inc. is not accurately reporting Performance Standard results in their Quarterly Paratransit Service Reports to the Mass Transit Board.

3. During the course of conducting this audit, it became apparent that the COVID-19 Pandemic affected the operations of the areas listed below and continues to be a challenge.
 - Sun Metro Management is not adhering to The LIFT Revenue Vehicle replacement schedule as defined in the Paratransit Services Contract #2019-607R dated October 29, 2019.
 - Sun Metro is expecting delivery of 10 replacement LIFT Revenue Vehicles in June 2022.
 - Sun Metro Management has been working with MV Transportation, Inc. by paying for required engine and transmission repairs on LIFT Revenue Vehicles that were scheduled for replacement.

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- The City’s LIFT Contract Manager is not making a random selection of 400 unique ADA-eligible passenger trips to survey each month as required by the LIFT Paratransit Services Contract.
 - Instead the monthly Customer Trip Rating is calculated by taking the average of all LIFT passenger trip surveys collected per month.

We wish to thank the MV Transportation, Inc. and Sun Metro Management staff for their assistance and numerous courtesies extended during the completion of this audit.

Signature on file
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