



Paratransit Program Assessment

Governance & Audit Report No. 2022-9

Issued on February 1, 2023

EXECUTIVE SUMMARY

Background

The Internal Audit Work Plan approved by the Governance and Audit Committee included a Paratransit Program assessment.

The IndyGo Access paratransit program provides demand-response transportation services to eligible individuals with disabilities. IndyGo contracts with a paratransit provider and an eligibility assessment provider. FY 2022 purchased transportation expenditures exceeded \$10.1 million. IndyGo provided over 170,000 paratransit trips to over 2,100 active clients in FY 2022. The paratransit fare is \$3.50. The total cost per trip was \$61.10, according to IndyGo’s 2021 National Transit Database report.

Our assessments are performed in accordance with the professional practice standards of the Institute of Internal Auditors. This report was prepared for use by IndyGo’s Board of Directors, Governance and Audit Committee, and management.

Objective and Scope

- Obtain an understanding of IndyGo’s paratransit program operations.
- Review key areas and processes:
 - Paratransit service comparable to fixed route.
 - Eligibility and recertification process
 - Origin-to-destination service
 - Service criteria, area served, response time, and trips.
 - Subscription service
 - Policies for riders missing scheduled trips.
 - Complaints and resolution
 - Nondiscrimination
 - Training requirements
 - Private provider contract service and compliance
 - Operators pay, background checks, driver’s licenses, and training.
- Assess the effectiveness of the design and operation of internal controls.
- Identify opportunities for process and control improvements or revenue enhancement.

Overall Report Rating & Observations

(See Appendix A for definitions)

	Report Rating	Number of Observations by Rating		
		High	Medium	Low
Paratransit Program	Medium	1	1	3

Overall Summary and Review Highlights

The Federal Transit Administration (FTA) requires transit agencies that operate fixed route services to provide complementary paratransit service for persons who are unable to use the fixed route system, because of their disability, as defined under the Americans with Disabilities Act (ADA).

The FTA has established several regulations and service criteria that must be met by IndyGo’s Access paratransit program. IndyGo contracts out its paratransit ride, reservation, dispatch, vehicle maintenance and other functions to a firm with national experience.

Our review of the IndyGo Access paratransit program, operations and contracted services identified five observations, related to the following areas:

- Contracted Paratransit Provider Performance
- Eligibility Assessments
- Operator and Mechanic Files
- IndyGo Access Rider Guidelines
- Customer Care Center

The observations and management’s responses are presented in our accompanying report. Our overall report rating for this Paratransit Program review is “Medium” risk.

We would like to thank IndyGo staff and all those involved in assisting us in connection with the review.

Questions should be addressed to the IndyGo Department of Governance and Audit at batkinson@indygo.net.

1. Contracted Paratransit Provider Performance

Observation:

IndyGo’s contracted paratransit provider has not met several FTA or contractual performance standards since their selection in September 2021.

Recommendation:

Revise metrics to minimally acceptable levels and limit the waiver of liquidated damages.

Observation Rating: High

IndyGo contracts out its Access paratransit program operations. The current paratransit provider was selected based on a competitive procurement and began providing paratransit operations and services on September 1, 2021.

Performance Summary - The paratransit provider’s contract contains 26 comprehensive performance measures that reflect FTA regulations, ADA requirements and IndyGo policies. IndyGo has a comprehensive monitoring process and communicates regularly with its contracted provider.

Due to 32% staffing shortages, the paratransit provider has not been able to meet several of the Access program’s performance goals since the inception of the contract 16 months ago.

IndyGo’s required metrics and the contracted provider’s actual performance are summarized below, for selected key metrics:

Metric / Category	Performance Requirement	Actual Result (1)
On Time Performance	94%	60% average
Trip Length	1.5 hours	2.0 hours
Missed Trips	none	246 / month avg
Excessively Late Trips	.1%	11.6% average
Driver and Service Availability	Enough for service	30% vacancy

(1) Actual based on reported operational statistics and/or provider invoices. Average is for the six months from April through September 2022.

IndyGo had experienced declining paratransit performance prior to 2019. The Board commissioned an external consulting study to identify challenges and make recommendations to improve the service. The comprehensive study’s report was issued in June 2020.

IndyGo then issued a Request for Proposal for paratransit services in May 2021. The RFP emphasized that “Customer service is an essential part of this service”.

While management and the current paratransit provider have worked collaboratively for more than a year to improve performance, there has been a sustained decline in rider service. We recommend that IndyGo management continue to collaborate with its provider to explore ways to alleviate the root causes of the performance issues.

We also recognize that among the root causes thus far identified is the challenge in hiring enough operators and Care Center agents. The operator labor shortage is a national issue that transcends the transit industry, and one which IndyGo itself is struggling with, with respect to its fixed route service.

To help improve passenger service, IndyGo may consider a combination of shorter-term and longer-term:

- Research and obtain data from IndyGo's Access paratransit program to identify individuals willing or interested in a travel training program. This training program is a short-term, intensive, individualized course of instruction

Management Action Plans:

The current IndyGo Access service area is approximately 400 square miles and includes all of Marion County, Indiana. In some cases (where fixed route borders the county line), pick-up/drop-off locations may be just over the county line of a contiguous county. In 2020 the IPTC Board of Directors approved the Beyond ADA. Effective January 1, 2023, Beyond the ADA service profile will apply to any trip where the origin or destination is more than ¼-mile from a fixed route bus service, as revised from time to time. Clients residing and traveling within the ¼-mile ADA area will continue to receive the ADA-mandated service level once this new service profile becomes effective. By providing the mandated ADA area and the Beyond the ADA service area, IndyGo, and its contractor can focus on providing services to the mandated ADA area and provide services in the non-ADA area with service hours restrictions and premium fares. RATP Dev will continue to use the Transportation Network Companies (TNCs) in the Non-ADA area while utilizing the IndyGo Access vehicles in the ADA service area. Customers will begin to see service improvements with the zone changes. RATP Dev is currently working on additional DBE providers to assist with the transportation needs of our customers.

As IndyGo and RATP Dev work collaboratively, RATP Dev understands the importance of providing excellent customer service. As a result, RATP Dev is working on acquiring

Waiver of Liquidated Damages - The paratransit provider’s contract contains performance standards, liquidated damages, and potential incentive payments for each operational performance category.

IndyGo has waived various penalties each month since contract inception. Some amounts have been waived by contract provision, and additional amounts have been waived by mutual agreement on a monthly basis. The performance standards have also been adjusted downward for several metrics.

The liquidated damages calculated based upon actual performance assessed have exceeded \$121,000 per month recently. The net liquidated damages paid by the contracted provider, after the waived amounts, have averaged \$11,500 per month.

Had IndyGo not waived the liquidated damages as they have since contract inception, the grand total would by now have exceeded the actual contract value, rendering it untenable. This further highlights the need for IndyGo and their provider to work together to revise the liquidated damages stipulations so that they more closely reflect the current ecosystem challenges.

Capacity Constraint - FTA regulations require that transit agencies not limit the availability of paratransit service. One factor that may indicate “capacity constraints” is “any operational patterns or practices that significantly limit availability of service to ADA paratransit eligible people. Examples of such operational patterns or practices include insufficient capacity to take reservations, long telephone hold times, and untimely drop-offs for appointments”.

IndyGo does not deny trips or restrict the number of trips an individual may be provided. Also, the most recent FTA Triennial Review report, issued in August 2021 did not disclose any paratransit deficiencies.

designed to promote independent travel using IndyGo’s fixed route system.

- Revising certain metrics to more reasonably acceptable levels. For example, a performance requirement of zero missed trips is realistically unattainable.
- Reviewing the contractual liquidated damages provisions to better correlate with revisions to the performance metrics. This will help ensure mutual fairness and equity for both IndyGo and its provider, while also providing sufficient ongoing incentive for the provider to actively pursue performance improvement opportunities.
- Analyzing existing missed trip data and consider if it would be valuable to shift the scheduled pickup window to improve on time performance.
- Continue existing efforts to fully utilize the effectiveness of the new Ecolane paratransit management system.
- Increasing coordination with social service agencies to identify alternative transportation options offered to Paratransit riders by those agencies.
- Continue existing processes that provide insurance of accurate eligibility determinations and timely eligibility updates. This review did not find any instances of inaccurate eligibility determinations. An eligible determination focuses solely on the applicant’s functional ability to independently use IndyGo’s fixed route system.
- IndyGo should continue to work with the City of Indianapolis to improve street/sidewalk infrastructure allowing assessments to determine trip by trip eligibility. This should allow for more reliability on the fixed route system and decrease capacity demands on the paratransit

additional Transportation Network companies and minority-owned transportation provider participation to assist with the shortage of employees. RATP Dev and TNC providers are also experiencing a shortage of Operators and return passenger trips to IndyGo Access, as we do not deny customer trips.

RATP Dev employs 56.5 FTE and 11 PTE operators and has weekly training classes. Since COVID 2020, staffing for the service industry continues to be a barrier for IndyGo’s fixed route and IndyGo Access. There has been a decline in OTP since COVID 2020. In 2019, we provided 282,281 passenger trips. In 2020 we provided 122,372 passenger trips with a reduction of 56.6% YTD, and in 2021 we provided 134,731, which is approximately a 10% increase. In 2022, we provided 136,731 passenger trips (through November 2022, December numbers are not ready). We estimate that we will see an increase in passenger trips for 2022 of 15%-18% over 2021. As our customers return to IndyGo Access, we are not seeing the same growth in hiring operators and other employees. On-time performance (OTP) in 2019 was 90.27%, OTP in 2020 was 88.22%, OTP in 2021 was 67%, and the estimated OTP for 2022 was 60%. There is a correlation between the past few years' ridership and OTP post-COVID 2020. In 2020 and 2021, strong OTP was maintained due to a decline in ridership due to all taking place post-COVID.

At this time, any waivers mutually agreed upon by IndyGo, and RATP Dev has expired; IndyGo processed a modification/amendment of the contract that stated, so long as RATP Dev continuously makes good-faith efforts to improve, IPTC will waive through September 30, 2022, the following performance metrics, including liquidated damages, and incentives: On time performance, Drop off on

Due to continuing challenges with maintaining needed staffing levels, there is a risk that the IndyGo Access program could be characterized as having capacity constraints. The FTA could impose time-bound performance improvement mandates or may go so far as to potentially assess penalties if the perceived constraints are not alleviated.

Beginning January 2023, IndyGo is recognizing two service areas for paratransit. Currently IndyGo operates ADA-level service countywide which is beyond what is federally mandated. With the roll out of the new changes, there will be one service area that includes the ADA-mandated area (3/4 of a mile on either side of existing bus routes) and the new area known as IndyGo Access Premium (countywide service area). With two service areas, IndyGo should realize improved performance in the ADA-mandated zone by shortening the trips of these riders due to the difference in coverage area.

Invoice Submission - The paratransit provider's contract requires invoices to be submitted to IndyGo within 7 business days after month-end for fixed costs, and 15 calendar days after year-end for variable costs. Invoice drafts are typically discussed between the contracted provider and IndyGo before submission.

We noted that 9 of 24 invoices reviewed were submitted late. The average was over 4 days late.

system.

- Continue to explore feasible partnerships with FTA approved Transportation Network Companies (TNCs) along with minority-owned resources which have the capacity and are in Indianapolis.
- Continue to use data from the paratransit management system to improve service reliability in further planning and improvements to IndyGo Access within the two new ADA and Non-ADA service areas. This data along with customer service survey results will allow budgeting assumptions and zone creation based on ridership needs within the two areas.

Invoices – If late invoices become a contract management issue for IndyGo Mobility Solutions or Finance, follow-up with the contracted provider to receive invoices on a timely basis. IndyGo does not realize a financial difficulty from a late submitted invoice as payment terms are 30 days from invoice receipt and approval.

By continuing its ongoing efforts to drive improvement into its Paratransit system, IndyGo can help support a sustainable solution for its Paratransit community for years to come.

time performance, Excessively late trips, Missed trips, driver availability and on-board time. In addition, as outlined, all other performance guarantees became effective on April 1, 2022, and will be assessed per the Services Agreement. Internal meetings will continue to transpire to discuss revising the metrics to acceptable levels and reducing liquidated damage values.

Responsible Parties:

Mike Roth, Senior Director of Mobility Services

Due Dates:

On Going

2. Eligibility Assessments

Observation:

The eligibility assessment process includes manual processes, and we observed minor errors. Also, the assessment process is conducted on public streets or in IndyGo’s operating bus facility.

Recommendation:

More fully utilize the existing Ecolane system for paratransit eligibility documentation and reporting. Complete the build-out of the planned assessment center in the new paratransit facility.

Observation Rating: Low

Eligibility for IndyGo’s Access paratransit program is based on an individual’s functional ability and capacity to use the fixed route bus system independently. IndyGo contracts with an eligibility assessment company to evaluate applicants’ disability and mobility needs, conduct in-person interviews and review medical records.

We observed that the contracted eligibility provider utilizes paper-based applications and Excel spreadsheets to receive, track and report eligibility data. This information is summarized for monthly Board reports. This information is then re-entered manually into IndyGo’s paratransit scheduling and reporting application (Ecolane).

Ecolane’s reporting module has not been fully developed or integrated by IndyGo to facilitate ease of eligibility reporting. The resulting manual processes currently used are more susceptible to errors. Our testing of 15 eligibility files disclosed one individual whose eligibility determination date was incorrectly entered, and another applicant whose record was not included in the monthly summary report.

In-person eligibility assessment interviews are conducted on-site for new applicants as well as re-certification purposes. This is a best practice. However, IndyGo currently assesses applicants on the public streets or inside IndyGo’s operating bus facilities, which while less than optimal are the only options available. IndyGo has planned for a dedicated assessment center in the new Paratransit office location, which will enhance the safety of its riders and allow for more varied boarding scenario testing.

The contracted eligibility assessment provider has worked with IndyGo for over 13 years. The current contracted paratransit provider and IndyGo’s paratransit scheduling and reporting application have been in place for less than two years.

Since the installation of the Ecolane system, IndyGo has focused efforts on determining functionality and ways to reduce manual processes. Additional user training and familiarization maybe helpful with contract staff if deemed necessary.

Management Action Plans:

The Mobility Solutions department will continue to have conversations with Ecolane to assist with enhancing the software to encompass and reduce manual redundancy. Every month, monthly reports provided by Hawkeye Health are reviewed and compared to an Ecolane report. The Assessment and Eligibility center is expected to open in late 2023. Hawkeye Health is currently doing assessments at 2425 W. Michigan. By performing the assessments at our new location, our customers are informed that a new Assessment and Eligibility center is coming soon.

Responsible Parties:

Mike Roth, Senior Director of Mobility Services

Due Dates:

Evaluations and working with Assessment Provider – On Going

Assessment Eligibility Center – January, 2024

IndyGo's Special Program Manager does travel planning for groups of individuals to encourage independence through travel using IndyGo's fixed route system, including Bus Rapid Transit routes.

IndyGo intends to develop communications plans, to notify riders of the new facility's opening, as well as the in-person eligibility interview location (when ready). These plans could also describe the benefits of the new location, and how its use will positively impact the riders' overall paratransit experience.

3. Operator and Mechanic Files

Observation:

Paratransit operators and mechanics had a high vacancy rate and various file deficiencies.

Recommendation:

Enhance the focus on hiring drivers. Document the approval of any employees hired under the Second Chance program.

Observation Rating: Medium

The contracted paratransit provider hires, trains and supervises the vehicle operators and mechanics. Our review of operator and mechanic oversight and files disclosed:

- A 32% vacancy rate for operators. 24 of the 74 budgeted full-time positions have not been filled. The lack of available operators is a significant impediment to providing timely service. The driver shortage also has a cascading impact on various performance metrics, such as on-time performance and untimely drop off and pick-ups.
- The four mechanics have not received the required annual refresher training or obtained ASE (Automotive Service Excellence) re-certification.
- Two employee files reflected felony criminal convictions. IndyGo’s paratransit RFP states that “IPTC must approve conviction of any felony criminal offense. Offenses such as violent crime against others, etc., are disqualifiers”. There was no documented waiver of this provision or approval under the Second Chance program for one currently employed individual with such background.
- Training documentation was not available for two incumbent operators (hired by the previous paratransit provider).

Addressing these risks will improve the safety of vehicles and paratransit riders.

Operator Shortage - The contracted provider has offered signing bonuses and implemented a hiring plan. However, a long-term shortage of operators continues to exist.

IndyGo and its contracted paratransit provider should enhance their collective focus on hiring and retaining drivers. Options may include:

- Increase the use of FTA approved Transportation Network Companies (TNCs) and minority-owned resources if available and have the capacity.
- Increasing minority-owned transportation company participation

Training and Documentation – IndyGo should require the paratransit provider to provide the contractually-required training and maintain any required documentation in the files.

Second Chance Program - IndyGo should:

- Work with the People and Security Departments to clarify the applicability of the Second Chance hiring initiative for contracted services.
- Resolve the apparent conflict with the stated RFP provisions regarding the hiring of individuals with violent crime felony convictions.
- Ensure that a proper review process is in place such that all instances of paratransit employment applications which may be subject to these provisions are reviewed appropriately and timely.
- Document the conclusion reached by Mobility Services, Human Resources and/or Legal staff.

Management Action Plans:

RATP Dev is working on acquiring additional Transportation Network companies and minority-owned transportation provider participation to assist with the shortage of employees. As a part of compliance, the Mobility Solutions team will perform employee file reviews, including Drug and Alcohol audits. As for the mechanics that have not been ASE certified, RATP Dev is working on completing contract adherence. ASE certification courses are offered two times a year. RATP Dev follows IndyGo's second chance program.

Responsible Parties:

Mike Roth, Senior Director of Mobility Services

Due Dates:

Additional Transportation Network Companies – On Going

Recruitment and Training – On Going

ASE Certifications – On Going

4. IndyGo Access Rider Guidelines

<p>Observation: The <i>Rider Guidelines</i> contain valuable information for current or prospective paratransit riders. However, the Guidelines were not available on the IndyGo Access website.</p>	<p>Recommendation: The <i>Rider Guidelines</i> should be posted to the Access program site, for ready access.</p>	
<p>Observation Rating: Low</p>		
<p>The <i>IndyGo Access Rider Guidelines</i> publication summarizes the ADA requirements and provides valuable information for current or prospective paratransit riders.</p> <p>The <i>Rider Guidelines</i> were updated effective June 1, 2022, to reflect the program’s name change (from “Open Door”), and provide guidance for rider eligibility, the program service area, reservation process and more. They are produced in English and Spanish.</p> <p>We noted that the <i>Rider Guidelines</i> were not available on the IndyGo primary website or the Access program page.</p> <p>In addition, there are certain eligibility-related areas that could be updated to reflect the program rules or aid rider understanding. The <i>Rider Guidelines</i> do not include:</p> <ul style="list-style-type: none"> • The FTA requirement that applicants be considered presumptively eligible if a determination has not been made within 21 days of submission of an application. • The FTA requirement that there is appeals process for individuals who are denied eligibility. • IndyGo’s policy that paratransit riders’ eligibility must be recertified at periodic intervals. 	<p>The <i>IndyGo Access Rider Guidelines</i> should be posted to the Access program webpage, for easier availability. Hard copies should be made available to those that request them.</p> <p>The <i>Rider Guidelines</i> should also be updated an at appropriate time, for the eligibility-related areas noted, to better inform riders of their rights and responsibilities.</p> <p>The <i>Rider Guidelines</i> should also be updated to reflect the new paratransit fare structure that will go into effect on January 1, 2023. These policy changes are already described on the Access webpages. They include:</p> <ul style="list-style-type: none"> • IndyGo Access Premium – for rides beyond the ADA-mandated service area, but still within IndyGo’s county-wide service borders. • Fixed Route travel for paratransit riders – fares will be 50% of the general fixed route fare, instead of being free. 	<p>Management Action Plans: The rider guidelines have been posted and will be updated to reflect eligibility-related requirements and enhance the language in the rider guidelines regarding Beyond ADA. The rider guidelines are currently posted on the IndyGo Access webpage.</p> <p>Responsible Parties: Mike Roth, Senior Director of Mobility Services</p> <p>Due Dates: <i>IndyGo Access Rider Guidelines</i> – Completed January 2023 and Continuously Monitored</p>

5. Customer Care Center

Observation:

The paratransit provider has a 30% vacancy rate for Customer Care Center staff. Call service level statistics are low. Costs for paratransit and overall IndyGo staff are comingled.

Recommendation:

Staff vacancies should be address through contractor transfers, IndyGo loans of staff, or temp firms. Purchased transportation and other operating costs should be segregated.

Observation Rating: Low

The contracted paratransit company provides staffing for the paratransit reservations center, as well as IndyGo’s overall Customer Care Center lines for fixed route questions, ticket information, route delays, and complaints. Our review noted:

- **Staff Vacancies** – 30% of the budgeted Care Center positions are vacant (6 of 20). These are positions for both paratransit and fixed route support. This has been a long-standing issue.
- **Call Service Levels and Abandonment Times** – Statistics from a selected month (October 2022) showed a low 49% service level. This means that 51% of inbound calls were abandoned by the customer or terminated by the call center. Calls were abandoned by the customer after an average wait time of 3 minutes and 16 seconds.

Therefore, IndyGo paratransit riders and fixed route riders both appear to have difficulty reaching the call center. However, the call center statistics are not broken out between paratransit and fixed route calls, in in the monthly paratransit Board reports.

- **Cost Reporting** – The invoices from the contracted paratransit provider do not break out or differentiate the cost of the overall IndyGo Customer Care staff vs. paratransit reservations staff. The total costs are reported as “purchased transportation”. This practice overstates the paratransit cost reported in the general ledger and the National Transit Database (NTD) reports, and the average cost of a ride on the internal paratransit operations reports.

Staff Vacancies and Call Center Service Levels – Due to the national employment trends, staff vacancies impact both paratransit and fixed route riders. IndyGo should consider:

- Continue to support the contracted paratransit provider in efforts to improve recruitment, hiring, and retention.
- Temporarily filling positions from internal resources, or temp staffing if availability exists and is union approved.

Cost Reporting – IndyGo should consider requiring the contracted paratransit provider to break out the paratransit staffing costs vs. overall Care Center costs. At a minimum, estimates should be made to state more accurately the “purchased transportation” costs on the general ledger, in NTD reports, and on the internal operations report.

Management Action Plans:

The Mobility Solutions department will continue to work with the RATP Dev contractor, IndyGo Finance, and IndyGo Procurement to develop a better format for estimating the direct costs for fixed route calls and paratransit calls. We are reviewing our current phone reporting abilities to report both types of calls to establish a percentage of calls per service mode. RATP Dev is currently working on acquiring additional Care Center support from existing divisions that RATP Dev manages and researching minority-owned staffing agencies for other staffing participation to assist with the shortage of employees. RATP Dev and TNC providers are also experiencing a shortage of Operators and return passenger trips to IndyGo Access, as we do not deny customer trips.

Responsible Parties:

Mike Roth, Senior Director of Mobility Services

Due Dates:

Monthly

Continuous monitoring of the contract to ensure performance guarantees.

APPENDIX A – RATINGS DEFINITIONS

Observation Rating Definitions		Report Rating Definitions	
Rating	Definition	Rating	Explanation
Low	Process improvements exist but are not an immediate priority for IndyGo. Taking advantage of these opportunities would be considered best practice for IndyGo.	Low	Adequate internal controls are in place and operating effectively. Few, if any, improvements in the internal control structure are required. Observation should be limited to only low risk observations identified or moderate observations which are not pervasive in nature.
Medium	Process improvement opportunities exist to help IndyGo meet or improve its goals, meet or improve its internal control structure, and further protect its brand or public perception. This opportunity should be considered in the near term.	Medium	Certain internal controls are either: <ul style="list-style-type: none"> • Not in place or are not operating effectively, which in the aggregate, represent a significant lack of control in one or more of the areas within the scope of the review. • Several moderate control weaknesses in one process, or a combination of high and moderate weaknesses which collectively are not pervasive.
High	Significant process improvement opportunities exist to help IndyGo meet or improve its goals, meet or improve its internal control structure, and further protect its brand or public perception presents. This opportunity should be addressed immediately.	High	Fundamental internal controls are not in place or operating effectively for substantial areas within the scope of the review. Systemic business risks exist which have the potential to create situations that could significantly impact the control environment. <ul style="list-style-type: none"> • Significant/several control weaknesses (breakdown) in the overall control environment in part of the business or the process being reviewed. • Significant non-compliance with laws and regulations. • Observations which are pervasive in nature.
Not Rated	Observation identified is not considered a control or process improvement opportunity but should be considered by management or the board, as appropriate.	Not Rated	Adequate internal controls are in place and operating effectively. No reportable observations were identified during the review.