

FACT CHECK



Consultant Opinion:

The software license between Outreach and scheduling system provider (Trapeze Software) allowed third parties to “take possession” of the scheduling system production database upon request.

FALSE

Fact:

Non-Disclosure Agreement (NDA) was required by the scheduling system provider (Trapeze Software) from VTA before Outreach could voluntarily provide the production database.

Related Report Opinion: 1.1

FACT CHECK



Consultant Opinion:

Outreach should not “refuse” to transfer or give VTA the software license for the scheduling system.

FALSE

Fact:

Both Trapeze Software and Outreach declined to transfer the scheduling system software license as such action was not allowed under the license agreement. VTA was not a party to the license agreement.

VTA used Outreach’s license for over 20 years with little to no risk.

VTA purchased its own software license in 2016.

Outreach needed its license to continue serving seniors and persons with disabilities.

Related Report Opinion: 1.1

FACT CHECK



Consultant Opinion:

VTA's Agreement with Outreach provided for direct access to ADA database on Outreach's production server.

FALSE

Fact:

VTA did not have a requirement in the Contract for direct access in over 20 years and VTA never amended the agreement to enable this request.

Outreach had concerns about providing access before steps were taken to make sure the confidentiality of non-paratransit Outreach customers like seniors or CalWORKs participants was respected.

Outreach voluntarily provided on-site work-station with access 7 days a week in February 2016 for VTA.

Outreach voluntarily provided remote access to scheduling system database and eligibility database in June 2016.

Related Report Opinion: 1.1

FACT CHECK



Consultant Opinion:

ADA Data provided in Excel format is acceptable to management consultants.

FALSE

Fact:

VTA had approved, developed, and required Outreach to use Excel for over 20 years for routine reporting and special report requests.

Trapeze Report Tool provides extracted data in Excel and extractions were observed and no modifications occurred. Written queries to extract data provided.

Outreach worked with Trapeze Software on the development of system generated customized reports in formats other than Excel during the paratransit operational assessment.

Related Report Opinion: 1.1

FACT CHECK



Consultant Opinion:

Shorter “Working File” means two sets of reports raising issues about total count of passengers in the database.

FALSE

FACT:

All passenger data is in the FY 14/15 database.

Total passenger count did not change from when service was provided and reported to VTA during FY 14/15.

Related Report Opinion: 1.1

FACT CHECK



Consultant Opinion:

There was inconsistent ADA trip count in the database compared to the invoiced trip count and the difference is nutrition trips.

FALSE

Fact:

The trip count is not inconsistent if one is aware of the coordination efforts and associated funding and how these are tracked and invoiced. All funding passed through the pre-approved by VTA paratransit program for the nutrition program. OUTREACH Paratransit Scope of Work with VTA allowed vehicle & cost sharing and additional funds.

Programs: City of San Jose coordinated nutrition transportation service provided service to 66 unique clients, both frail elderly and disabled. VTA expenses for the portion of trips taken by ADA riders on the coordinated service shows a reduced cost per trip (\$10 range). Outreach operated FTA 5310 vehicles and not paratransit vehicles to deliver the service.

County of Santa Clara subsidies for riders contributed an additional \$2.25 per trip reducing VTA expenses. County funds subsidized only paratransit riders so they did not have to pay a fare.

Coordination reduced the cost of service to all funders, reduced the number of vehicles and miles driven to the same centers in their neighborhoods.

Related Report Opinion: 2.1

FACT CHECK



Consultant Opinion: Approximately 60,000 trips (for the period of December 1, 2014 through June 30, 2015) were modified between the dates of January 26, 2016 through February 7, 2016. These modifications occurred around time management consultants called in January 2016 to discuss trip data.

FALSE

Fact:

The call from the consultants in 2016 did not cause trip modifications. Consultants were informed that report readiness activities were historical targeting December 2014 - June 2015 (facility move and major software upgrade deployment period).

Report readiness activities (modifications) would not impact or change any prior billings or invoicing or reporting as FY 2014/2015 was already closed and audited.

Report readiness activities would enable the production database to have existing data (not new data) re-organized so that system generated Trapeze reports could be produced in formats other than Excel as being requested by consultants.

1) Move existing trip data stored in a custom field to a standard booking activity field in order to run standard and customized Trapeze reports (under testing and development since September 2015); and 2) Prepare for remote ADA data extraction by Trapeze (under work order scheduled for February 2016) and this data was retrieved by VTA from Trapeze.

Related Report Opinion: 2.2

FACT CHECK



Consultant Opinion:

Trapeze data includes 119,000 trips where the actual pickup and drop-off time is noted as “-1”. This could be a code or it could indicate that there was no actual pickup. Per discussion with VTA, “-1” is typically used to identify an incomplete booking. Standard procedure is to remove incomplete booking records when creating an invoice. Approximately 38% of the trip records include a “-1” value in the actual pickup time field.

FALSE

Fact:

38% of unique trips were not incomplete bookings invoiced. This unsubstantiated claim led to erroneous conclusions that \$7 million dollars in trip billings were for client trips not performed.

The number of unique client trips with -1 placeholder code on them was 83,153 which is 16.2% of the completed 510,840 client trips performed.

100% of these trips were investigated and found to be performed and properly billed.

Hypothetical Discussion: If they had not been confirmed, the impact would have been \$1.8 million and not \$7 million. It appears that parties took the entire planned paratransit budget of \$20.8 million and applied 38% to get the over \$7 million value. Outreach’s actual budget at end of FY 14/15 came in at \$17.6 million, \$3.2 million under budget. Of the \$17.6 million, \$11.3 million was spent on variable client trips expense for entire year. This is equivalent to \$22.10 per

FACT CHECK



client trip.

All incomplete bookings were removed before invoicing which follows a rigorous post day of process to certify the number of trips performed with vendors.

The “-1” is an automatic placeholder in the scheduling software when there is a separate non-integrated AVL/GPS system and arrival and performed data must be manually entered by vendor dispatchers. Consultants failed to mention the existing AVL/GPS system and that vendor dispatchers (MV Transportation was the largest vendor and the majority of trips with -1s on them were assigned to them) in the live operational center were compensated to input the arrival times over any -1 placeholder.

The management consultant’s report did not mention Outreach’s technology transition taking place during FY 14/15 when the operational center was moved in December 2014; new upgrades in the Trapeze scheduling system occurred; and during the second half of FY 14/15 the vehicles were equipped with the new in-vehicle tablets and Trapeze *DriverMate* software (mobile application for communication and vehicle location and tracking) that went live in July 2015 and mitigates the -1 occurrence. With integrated and compatible Trapeze products (scheduling system and in-vehicle system) the -1 occurrences would be addressed.

Independent auditor firm (October 2016) tested trips and procedures from December 2014 to June 2015 and test sample included “-1” occurrences. Final report stated no deficiencies in procedures and billings.

Related Report Opinion: 2.3

FACT CHECK



Consultant Opinion:

Abnormally high booking activity for user name “Activate”.

FALSE

Fact:

“Activate” is the Trapeze System’s automated subscription function of making a ride on a subscription active.

Related Report Opinion: 2.4

FACT CHECK



Consultant Opinion:

A separate user name created 32,000 records which is abnormally high

FALSE

Fact:

At least 2 users were in the 32,000 record range as their jobs are to efficiently book trips from emailed and faxed lists of weekly riders to centers and other programs. This is normal user name action.

Claim lacks familiarity with operations and software function for “normal” user names.

Related Report Opinion: 2.4

FACT CHECK



Consultant Opinion:

Two user names modified 176,000 to 208,000 records and this is abnormal usage.

FALSE

Fact:

Batch Optimization: On a daily basis professional staff analysts batch optimize thousands of trips simultaneously. The software stamps their user names on each trip batched daily. Over the year hundreds of thousands of trips are batched optimized and have the associated user names stamped. Batch optimization is a best practice and the user name activity associated with this practice is normal.

Claim lacks familiarity with operations and how software functions in terms of “normal” user names.

Related Report Opinion: 2.4

FACT CHECK



Consultant Opinion:

Abnormally high levels of booking and modification activities on specific user names.

FALSE

Fact:

Claim lacks familiarity with specific operational and software functions associated with user names. User names for booking and modification activities are typical of what one would observe when:

Relocation and Software Migration: Facility relocation included upgraded version of scheduling system software and migration of thousands of trip bookings without disruption to customers in December 2014.

Creation Dates for Trips: Review of trip creation data (permanent date and time stamped in software) documents that trips were created before the date of service with very rare exceptions (stranded client at night is transported and booking created next morning). Therefore, no material abnormal pattern for bookings.

Related Report Opinion: 2.4

FACT CHECK



Consultant Opinion:

Significant number of missing booking in the sequence of ADA booking IDs is atypical. The sequence in ADA Trip booking ID numbers should have no gaps or deletions.

FALSE

Fact:

Claim lacks familiarity with operational para-services (different programs) and software functionality on assignment of booking IDs.

Gaps in unique booking ID numbers occur naturally in the software when:

A) Subscription orders are cancelled and the software automatically discards (deletes) the unique booking ID to avert duplications; and/or,

B) When there are other “para-services”/programs besides paratransit within the production and the software assigns the unique booking ID to the next reservation in the order received for all programs. Outreach offers senior transportation, CalWORKs transportation, and other services in para-services.

Related Report Opinion: 2.5

FACT CHECK



Consultant Opinion:

Trapeze database shows abnormal “tracker actions” on some trips.

FALSE

Fact:

All “tracker actions” have been reviewed and deemed normal. Tracker Actions are an automated record by the system each time a trip is accessed.

Due to physically moving to new system the software systems were updated and migrated, single tracker action reflects data migration.

Due to upgrading the Trapeze system to more current version, a higher number of tracker actions represents more robust functionality.

Due to moving data from custom to standard field during report customization project, Tracker Action temporary suspended to avert server slow-down.

Related Report Opinion: 2.6

FACT CHECK



Consultant Opinion:

Trip numbers reported to the National Transit Database (NTD) may not be correct.

FALSE

Fact:

NTD reporting was within the 2% variance allowed by NTD in FY 14/15.

Related Report Opinion: 2.7

FACT CHECK



Consultant Opinion:

There may be double billing for nutrition trips.

FALSE

Fact:

Independent auditor firm reviewed issued letter that no double billing occurred. All revenues were run through the paratransit budget were pre-approved by VTA as part of the budget process.

Each funding source confirmed in writing to independent audit firm the funding amount provided to Outreach to compensate for services performed. No double billing.

Outreach has been involved in meal service transportation since 1978 and has been audited for more than 30 years and revisited the model in conjunction with the National Center for Senior Transportation to add mobility management features. There has been no double billing in 30 years.

Related Report Opinion: 2.8

FACT CHECK



Consultant Opinion:

Outreach's invoicing process is overly complex and the possibility of errors.

FALSE

Fact:

The complexity of the invoicing process was determined, step-by-step, in the invoicing section of the contract between VTA and Outreach.

VTA has designed and approved these invoicing procedures for over 20 years and restated them as recently as 2013.

All billings reconciled by end of each program year and to ensure accuracy. Invoices independently audited each year.

Related Report Opinion: Inventory of Recommendations issued by Auditor General As of 8/17/16 pg. 24

FACT CHECK



Consultant Opinion:

OUTREACH was provided copies of the paratransit operational assessment reports prior to their public release.

FALSE

Fact:

No.

Outreach was never provided a copy of the paratransit operational assessment before it was released to the public. Outreach was never provided any opportunity to comment or clarify facts in the reports prior to the publishing of reports.

Consultants and VTA did not consult OUTREACH about any matters specific to the production database but made speculative statements indicative of an acute lack of familiarity with both the database and OUTREACH operations.

Related Report Opinion: N/A

VTA's Consultant's Opinions

Paratransit Operations Assessment Auditor General Report Phase II Final Report: June 24, 2016

Lack of ADA System Source Data

1.1

VTA's contract with Outreach states that VTA owns all ADA data. As previously noted in our Phase I report, VTA does not have access to or a copy provided of any ADA source data (from Outreach's Trapeze PASS and OTR systems). For Phase II, we made multiple requests for the native or source data files from Outreach to independently confirm the authenticity of client trips.

Outreach initially provided Excel spreadsheets, then subsequently cited the need to protect their business model and non-ADA clients. After VTA signed a Non-Disclosure Agreement (NDA), we ultimately were provided copies of the Trapeze PASS databases for fiscal years 2014 and 2015.

We have also been given inconsistent data. For example, one data set received during the Phase I audit reported 46,410 Personal Care Attendant (PCA) and 10,193 companion trips. A second data set received in January 2016 reported 112,441 PCA and 94,384 companion trips. Upon inquiry, the Outreach CEO indicated that the initial PCA and companion dataset was a "working copy." This raises more questions about why there are two sets of reports and concerns about the reporting processes.

2.1 Inconsistent Trapeze Trip and Total Record Count

The paratransit provider (Outreach) provided Trapeze files which included 513,810 total trips invoiced to VTA between July 2014 and June 2015. The Trapeze backup production database included 502,662 total ADA labeled trips between July 2014 and June 2015.

The difference is 11,148 trips. The difference in trip totals approximates the number of the County's Senior Nutrition Program trip totals (11,200) noted in the Trapeze backup production database

2.2 Trapeze Trip / Record Modification

Approximately 60,000 trips (for the period of December 1, 2014 through June 30, 2015) were modified between the dates of January 26, 2016 through February 7, 2016.

These modifications by Outreach occurred within one day of when the AG requested a better understanding of trip data discrepancy from the paratransit provider.

2.3 Incomplete Trapeze Trip/Record Data

Trapeze data includes 119,000 trips where the actual pickup and drop-off time is noted as "-1". This could be a code or it could indicate that there was no actual pickup tie. Per discussion with VTA, "-1" is typically used to identify and incomplete booking.

Standard procedure is to remove incomplete booking records when creating an invoice. Approximately 38% of the trip records include a "-a" value in the actual pickup time field.

2.4 Abnormal Username Distribution for Trapeze Trip Creation and Modification

Approximately 560,000 client trip/records were created in Trapeze by a total of 69 Outreach usernames.

Outreach employee(s) with the Username of "Active" inputted approximately 90,000 records (client trips). The records/trips input by "Active" may be a system generated procedure that loads subscription based customer trips on a periodic basis.

A separate Username created approximately 32,000 records. That is 128 records per day. That is one record every 3.75 minutes (8 hour day).

Further, Username JESSEV modified approximately 208,000 records and Username TRANH modified approximately 176,000 records. They each modified more than one trip every minute.

2.5 Missing Trapeze Records

Trapeze PASS creates a unique, sequentially numbered booking ID when trip information is entered into the application. Similar to a check register, there should not be gaps in the booking ID sequence. After reviewing the database extract, we identified a significant number of missing booking ID's.

There are 117,462 gaps with a total of 294,706 records that are missing/deleted. In a typical transit agency and industry best practice, standard operating procedure would prohibit deleting trip/records from the application

2.6 Trips with Abnormal Trapeze Applications Actions

Trapeze PASS application records actions taken to schedule and administer trips. Actions would include scheduling, recording pick-ups and drop-offs, ride adjustments for unscheduled PCA or companion pick-ups, etc. Trip records should typically have 7 to 12 actions noted in the "NumLogActions" field.

We noted that approximately 16,000 trips (dated in December 2014) had zero actions and approximately 35,000 trips (from dates year round) had one action.

Trips records with zero actions could indicate that the trip was uploaded directly into the database and was not recorded through the normal Trapeze interface. Trip records with one action could indicate that the trip was added to Trapeze but never physically taken because there are no actions to record pick-up or drop-off.

2.7 Misreported Trip/Record Count

The trip count reported to the National Transit Database (NTD) is inconsistent with the trip count in the Trapeze production database extract.

Trip totals reported to NTD are greater than trip totals in the Trapeze production database extract. Client trip totals are over-reported by approximately 11,148 trips. Outreach, and by extension VTA, is over reporting client trips, and therefore passenger trips, to the Federal government

2.8 Impact of County Contracts with Outreach

Outreach is a state-designated consolidated transportation services agency (CTSA), and also manages multiple Santa Clara County programs focused on providing health and human services transportation. Santa Clara County has a "STARS" contract with Outreach that provides payment for transportation services for ADA eligible participants in the Senior Nutrition Program (SNP). Outreach certifies that the SNP participants require an ADA paratransit ride and bills the County. The County reimburses Outreach with a "subsidy" of \$6.25 for each one-way ADA ride. It appears that some of these trips were also billed to VTA.