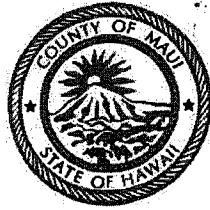


ALAN M. ARAKAWA
Mayor



DON MEDEIROS
Director
JOHN L. BUCK III
Deputy Director
(808) 270-7511

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DEPARTMENT OF TRANSPORTATION

OFFICE OF THE MAYOR

COUNTY OF MAUI
2145 Kaohu Street, Suite 102
Wailuku, Hawaii, USA 96793

July 12, 2018

Honorable Alan M. Arakawa
Mayor, County of Maui
200 South High Street
Wailuku, Hawaii 96793

APPROVED FOR TRANSMITTAL

Mayor Date 7/12/18

For Transmittal to:

Honorable Stacey Crivello
Chair, Housing, Human Services, and Transportation Committee
200 South High Street
Wailuku, Hawaii 96793

Dear Chair Crivello:

SUBJECT: AUDIT OF THE DEPARTMENT OF TRANSPORTATION (HHT-12)

The Department of Transportation (DOT) hereby transmits the following responses for your Committee's information.

Request: May I please request how billable hours are determined and defined for the following programs' transit operators and dispatchers:

- a. Fixed Route Bus Service;
- b. Paratransit Bus Service; and
- c. Human Service Transportation.

Response:

- a. Fixed Route Bus Service:

The Fixed Route Bus Service is a contract that is operated with federally funded vehicles that goes out to competitive bid once every 5 years. The new contract period started July 1, 2018. Billable hours are determined in the RFP as defined by the different fixed routes revenue service hours. The contractor bids based on each route's revenue service hours. In the RFP, pursuant to Chapter 103, Section 55, Hawaii Revised Statutes, services shall be performed by employees paid at wages and salaries not less than the wages paid to public officers and employees for similar work. The latest

Compensation Plans and Amendments can be found on the State of Hawaii Department of Human Resources Development website. The contractor shall keep up with any wage increases during the duration of the contract period. All wages are incorporated into the hourly revenue service rate. Contractors must follow all federal, state and county rules and regulations. They must follow the public transit employee protection guidelines under 49 U.S.C. 533(b) also known as Section 13(c) of the Federal Transit Act.

b. Paratransit Bus Service:

The Paratransit Bus Service is a contract that is operated with federally funded vehicles that goes out to competitive bid once every 5 years. The new contract period started July 1, 2018. Defined services and scope of work are specified in the RFP. The contractor bids a revenue service hourly rate. In the RFP, pursuant to Chapter 103, Section 55, Hawaii Revised Statutes, services shall be performed by employees paid at wages and salaries not less than the wages paid to public officers and employees for similar work. The latest Compensation Plans and Amendments can be found on the State of Hawaii Department of Human Resources Development website. The contractor shall keep up with any wage increases during the duration of the contract period. All wages are incorporated into the hourly revenue service rate. Contractors must follow all federal, state and county rules and regulations. They must follow the public transit employee protection guidelines under 49 U.S.C. 533(b) also known as Section 13(c) of the Federal Transit Act.

The National Transit Database (NTD) defines Revenue Service (Miles, Hours, and Trips): "The time when a vehicle is available to the general public and there is an expectation of carrying passengers".

c. Human Service Transportation:

The Human Services Transportation Program is a grant designed to serve the rural communities in the County of Maui. Service levels have been developed over the decades by community initiatives and requests to the Council and Administration to address targeted needs.

Costs are determined by the grantee and submitted to the County for funding consideration and vetted by the County Council during the budget process. Since this program is not federally funded, MEO determines the number of staff (operators, dispatchers, etc. and their pay ranges) required to transport the passengers during the designated hours of operation. The number of routes needed to perform the service along with the number of drivers and vehicles are based on the target goals set for the number of passenger trips performed and the number of unduplicated passengers served.

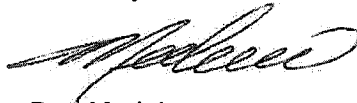
Honorable Stacy Crivello, Chair
and Members of the Maui County Council
July 12, 2018
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The funded amount of the grant also includes maintenance and repair costs, fuel, rent (if any), utilities, space cost, training, and administrative costs. Please keep in mind that this is a unique program that is rare across the nation, therefore it is difficult if not impossible to compare with other municipalities.

Section 4. Duplicative Service Analysis details the auditors work concluding with their **Observation 4.1**: "Our duplicative service analysis did not result in any specific finding or indication that duplicate services exist or are pervasive across the County's transportation programs".

Should you have any questions, please let us know.

Sincerely,



Don Medeiros
Director of Transportation

Cc: Mayor Alan M. Arakawa