

**Board Report**

File #: 2015-0693, **File Type:** Contract

Agenda Number: 15.

**FINANCE, BUDGET AND AUDIT COMMITTEE
JULY 15, 2015**

SUBJECT: CONTRACT FOR FISCAL YEAR 2013-2015 TRANSPORTATION DEVELOPMENT ACT (TDA) TRIENNIAL PERFORMANCE REVIEWS OF LOS ANGELES COUNTY TRANSIT OPERATORS, INCLUDING METRO OPERATIONS, AND METRO AS THE REGIONAL TRANSPORTATION PLANNING ENTITY

ACTION: AWARD CONTRACT TO MA AND ASSOCIATES

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to award a one year Firm Fixed Price Contract No. PS1544301142 to Ma and Associates to conduct the fiscal year **FY 2013-2015 independent performance review of all the Los Angeles County transit operators receiving state Transportation Development Act (TDA) Article 4**, and operators receiving Proposition A funds in lieu of TDA funds and Metro as the Regional Transportation Planning Entity (RTPE), for the fixed price of \$588,192.

ISSUE

Public Utilities Code (PUC) Section 99246 requires that Metro conduct an independent performance review of all Los Angeles County transit operators, including Metro Operations, eligible to receive state TDA Article 4 funds. The same requirement also calls for an independent performance review of the activities of Metro as the RTPE for Los Angeles County. Attachment B describes the performance review requirements.

In addition, the State gives Metro the authority to withhold allocations in excess of prior year allocations if the performance review finds that the operator has not made reasonable progress on implementing prior review recommendations. State law also stipulates that the Planning agency prior to determining the allocation to an operator for the next fiscal year, annually review and evaluate the efforts made by the operator to implement changes recommended by the performance review.

DISCUSSION

The performance reviews for Los Angeles County transit operators and for Metro as the RTPE are required every three years. All Los Angeles County transit operators who receive TDA Article 4 funds

must be audited as prescribed in the PUC. The present schedule calls for the FY13-15 Triennial Performance Review to be completed and forwarded to the State of California by the end of FY16.

State law requires that Metro hire an independent contractor to perform the review and submit the findings and recommendations for each operator including Metro to the State in a timely manner. The State's approval will ensure that disbursements of the funds for allocation to the eligible jurisdictions. Any delay in submission of the review report might delay the allocation of the TDA Article 4 funds to Metro and the local jurisdictions.

Background

As the Programming agency of TDA funds, Metro has the responsibility to conduct and transmit to the State a Triennial Performance Review of all the operators under its jurisdiction and Metro as an Operator as well as the RTPE. The scope has two categories - Review (Part A) and Compliance (Part B).

Part A1, Operator Performance Review - TDA requires that an operator receiving TDA funds be audited for efficiency, effectiveness and economy of the operation. To perform this function, the consultant reviews the performance indicators including;

- Operating cost per passenger;
- Operating cost per vehicle service hour;
- Passengers per vehicle service hour;
- Passengers per vehicle service mile; and
- Vehicle service hours per employee.

The Consultant is also required to follow-up on prior performance review recommendation and assess the progress made on the implementation of this recommendation(s). In addition, TDA requires that the following functions are reviewed:

- General Management and Organization
- Service Planning
- Scheduling, Dispatch and Operations
- Personnel Management and Training
- Administration & Budget
- Marketing and Public Information
- Maintenance

Part A2, Regional Transportation Planning Entity Performance Review - TDA also requires that the

RTPE also be reviewed for their functions performed and compliance with TDA statutes. The RTPE functions that are reviewed are:

- RTPE Administration and Management
- Transportation Planning and Regional Coordination
- Claimant Relationship and Oversight
- Marketing and Transportation Alternatives
- Grant Applications and Management

Part B, Compliance with TDA Statutes - The consultant reviews each operator and Metro as RTPE for compliance with all the relevant statutes stated in TDA law as described in Attachment C. A summary of the sample findings and progress made on implementation of some past findings is shown in Attachment D.

DETERMINATION OF SAFETY IMPACT

Approval of this project will have no impact on Safety.

FINANCIAL IMPACT

The funding of \$588,192 for this service is included in the FY16 Budget in Cost Center 4430, Project 405511, Task 001.22, Line item 50316, Professional Services. As the cost of the Triennial Performance Review is an eligible TDA expense, funds to pay for the reviews are deducted from Metro's TDA administration apportionment.

ALTERNATIVES CONSIDERED

The Board of Directors may choose not to award the contract as recommended, and may choose instead to direct us to seek another contractor. However, we do not recommend this alternative action, as we believe that the recommended contractor is qualified and capable of helping us stay on schedule for completing and forwarding the required FY13-15 Triennial Performance Reviews to the State of California by the end of fourth Quarter FY16. The State of California requires that an independent contractor conduct the Triennial Performance Reviews in a timely fashion, so that Los Angeles County, Metro and the transit operators continue to receive TDA funding.

NEXT STEPS

At the completion of the reviews, the Consultant will present the reports, including the findings and recommendations, to the Board.

ATTACHMENTS

Attachment A - Procurement Summary

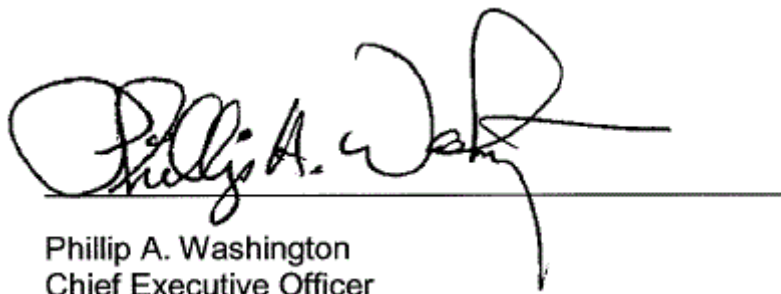
Attachment B - State Requirement to Conduct the Triennial Performance Reviews

Attachment C - Listing of Operator and RTPPE Compliance Requirements included in the Scope

Attachment D - Summary of Progress made by the Operators and Metro as the RTPPE on the Implementation of 2010-12 Triennial Review Recommendations

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Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

**TRIENNIAL PERFORMANCE REVIEWS OF LOS ANGELES COUNTY TRANSIT
OPERATORS, INCLUDING METRO OPERATIONS, AND METRO AS
THE REGIONAL TRANSPORTATION PLANNING ENTITY
PS1544301142**

| | | |
|----|--|---|
| 1. | Contract Number: PS1544301142 | |
| 2. | Recommended Vendor: Ma and Associates | |
| 3. | Type of Procurement (check one): <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order | |
| 4. | Procurement Dates: | |
| | A. Issued: 3/25/15 | |
| | B. Advertised/Publicized: 3/25/2015 | |
| | C. Pre-proposal/Pre-Bid Conference: 4/8/2015 | |
| | D. Proposals/Bids Due: 4/23/2015 | |
| | E. Pre-Qualification Completed: 5/28/15 | |
| | F. Conflict of Interest Form Submitted to Ethics: 5/14/2015 | |
| | G. Protest Period End Date: July 28, 2015 | |
| 5. | Solicitations Picked up/Downloaded: 43 | Bids/Proposals Received: 3 |
| 6. | Contract Administrator: Linda Rickert | Telephone Number: (213) 922-4186 |
| 7. | Project Manager: Armineh Saint | Telephone Number: (213) 922-2369 |

A. Procurement Background

This Board Action is for a procurement issued in support of finding a contractor for the required Triennial Review through the small business set aside program.

The RFP was issued in accordance with Metro's Acquisition Policy and the contract type is a Firm Fixed Price.

A total of three proposals were received on April 23, 2015.

B. Evaluation of Proposals/Bids

A Proposal Evaluation Team (PET) consisting of staff from local programming and from Long Beach Transit was convened and conducted a comprehensive technical evaluation of the proposals received.

The proposals were evaluated based on the following evaluation criteria and weights:

- | | |
|--|------------|
| • Qualifications of the Firm | 20 percent |
| • Experience of the Team | 20 percent |
| • Understanding of Statement of Work and Work Plan | 45 percent |
| • Price | 15 percent |

The evaluation criteria are appropriate and consistent with criteria developed for other historical reviews. Several factors were considered when developing these weights, giving the greatest importance to the Understanding of the Statement of Work and the Work Plan.

The three proposals received were determined to be within the competitive range. The three firms within the competitive range are listed below in alphabetical order:

1. BCA Watson
2. LVR International
3. Ma and Associates

The PET met twice. It was determined, based on the above explicit factors, that Ma and Associates offered the best proposal of the three firms. The PET expressed knowledge of all the proposers and staff as some had retired from other agencies. Each proposer was asked questions to clarify parts of their proposals.

Qualifications Summary of Firms Within the Competitive Range:

BCA WATSON RICE LLP

BCA Watson Rice LLP is a firm of certified public accountants that has performed audits for the LACMTA. In business since 2013, BCA Watson Rice LLP has an office in Torrance. Their team for this review includes the Franklin Hill Group, Altmayer Consulting, Inc. and SGN and Associates. The team includes the services of Dr. Cheryl Stecher, Tom Altmayer and Stephanie Negriff which are three sub-contractors with long histories of planning, design and operations support in transportation service.

LVR INTERNATIONAL

LVR has been in business since 1994 to address planning, design and operations solutions in transportation. They have provided guidance in parking to the Atlanta Airport and for robot parking in Tokyo, Japan. LVR has been the Project Manager for TDA Triennial Performance Audits in Orange County, San Francisco, San Mateo and other areas.

MA AND ASSOCIATES

Ma and Associates with Moore and Associates has performed two prior reviews. Ma and Associates has provided 20 years of certified public accounting services in transportation to cities such as Irwindale, La Habra Heights, La Puente, San Dimas and others. Moore and Associates, their sub-contractor, is a firm established in 1991 and is a public transportation specialist.

| 1 | FIRM | Average Score | Factor Weight | Weighted Average Score | Rank |
|-----------|--------------------------------|----------------------|----------------------|-------------------------------|-------------|
| 2 | BCA Watson | | | | |
| 3 | Degree of Prime's Skill | 47.50 | 20.00% | 9.50 | |
| 4 | Experience of the Team | 68.75 | 20.00% | 13.75 | |
| 5 | Understanding of Work and Plan | 68.75 | 45.00% | 30.93 | |
| 6 | Price | | 15.00% | 15.00 | |
| 7 | Total | | 100.00% | 69.18 | 2 |
| 8 | LVR International | | | | |
| 9 | Degree of Prime's Skill | 47.50 | 20.00% | 9.50 | |
| 10 | Experience of the Team | 62.50 | 20.00% | 12.50 | |
| 11 | Understanding of Work and Plan | 73.75 | 45.00% | 33.18 | |
| 12 | Price | | 15.00% | 12.78 | |
| 13 | Total | | 100.00% | 67.96 | 3 |
| 14 | Ma and Associates | | | | |
| 15 | Degree of Prime's Skill | 56.25 | 20.00% | 11.25 | |
| 16 | Experience of the Team | 90.00 | 20.00% | 18.00 | |
| 17 | Understanding of Work and Plan | 91.25 | 45.00% | 41.06 | |
| 18 | Price | | 15.00% | 13.10 | |
| 19 | Total | | 100.00% | 83.41 | 1 |

C. Cost/Price Analysis

The recommended price has been determined to be fair and reasonable based upon: price analysis, historical experience, technical evaluation and fact finding.

| | Bidder/Proposer Name | Proposal Amount | Independent Cost Estimate | Negotiated Amount |
|----|-----------------------------|------------------------|----------------------------------|--------------------------|
| 1. | Ma and Associates | \$588,192 | \$800,000 | \$588,192 |

D. Background on Recommended Contractor

The recommended firm, Ma and Associates, located in Los Angeles, has been in business for more than 20 years, and has experience in the field of public transportation. Ma and Associates is a LACMTA certified small business. Ma and Associates has worked with the City of Irwindale, City of South El Monte, City of Santa Fe Springs and other area municipalities.

Teamed with Moore and Associates (office in Valencia), the two firms offer more than 50 years total experience of staff in transportation issues and reviews. Moore and Associates has worked with the Sacramento Area Council of Governments, Kern Council of Governments, the Transportation Agency for Monterey County and others.

Together, the team has performed the last two performance reviews for the LACMTA.

E. Small Business Participation

Effective June 2, 2014, per Metro’s Board-approved policy, competitive acquisitions with three or more Small Business Enterprise (SBE) certified firms within the specified North American Industry Classification System (NAICS) as identified for the project scope shall constitute a Small Business Set-Aside procurement. Accordingly, the Contract Administrator advanced the solicitation, including posting the solicitation on Metro’s website, advertising, and notifying certified small businesses as identified by NAICS code(s) that this solicitation was open to SBE Certified Small Businesses Only.

Ma and Associates is an SBE Prime that is performing 35% of the work with its own workforce.

SMALL BUSINESS SET-ASIDE

| | SBE Prime Contractor | SBE % Committed |
|----|-----------------------------|------------------------|
| 1. | Ma and Associates (Prime) | 35% |
| | Total | 35% |

ATTACHMENT B

**State Law Requirement to Conduct the Triennial
Performance Review**

| State Law Provisions | Description |
|-----------------------------|--|
| State Law - PUC 99246 | <p>State Law requires that Metro conduct an independent performance review of the Los Angeles County operators including Metro as an operator as well as Metro as the Regional Transportation Planning Entity (RTPE). In addition to meeting the legal requirements, a performance audit also provides an opportunity for an independent, objective and comprehensive review of the efficiency and effectiveness of the entity being reviewed. The review has other benefits, including:</p> <ul style="list-style-type: none">• Provides management with useful information to assess past activities and provides insight for future planning efforts;• Provides management with a review and evaluation of an agency's organization and operations;• Presents an opportunity to utilize consultant expertise which can supplement staff work; and• Assures accountability for the use of public funds. |
| State Law - PUC 99248 | <p>This code states that no operator is eligible to receive an allocation of TDA funds for any fiscal year until the transmittal of its performance review report to the State and Metro as the RTPE for Los Angeles County.</p> |
| State Law – PUC 99244 | <p>Each transportation planning agency shall annually identify, analyze and recommend potential productivity improvements. Prior to determining the allocation to an operator for the next fiscal year, the responsible entity shall review and evaluate the efforts made by the operator to implement such recommended improvements.</p> |

OPERATOR COMPLIANCE REQUIREMENTS

| OPERATOR COMPLIANCE REQUIREMENTS | REFERENCE |
|--|---|
| 1. The transit operator submitted annual reports to the RTPE based upon the Uniform System of Accounts and Records established by the State Controller. | Public Utilities Code, Section 99243 |
| 2. The operator has submitted annual fiscal and compliance audits to its RTPE and to the State Controller within 180 days following the end of the fiscal year, or has received the 90 day extension allowed by law. | Public Utilities Code, Section 99245 |
| 3. The CHP has, within 13 months prior to each TDA claim submitted by an operator certified the operator's compliance with Vehicle Code Section 1808.1 following CHP inspection of the operator's terminal. | Public Utilities Code, Section 99251 B |
| 4. The operator's claim for TDA funds is submitted in compliance with rules and regulations adopted by the RTPE for such claims. | Public Utilities Code, Section 99261 |
| 5. If an operator serves urbanized and non-urbanized areas, it has maintained a ratio of fare revenues to operating costs at least equal to the ratio determined by the rules and regulations adopted by the RTPA. | Public Utilities Code, Section 99270.1 |
| 6. The operator's operating budget has not increased by more than 15% over the preceding year, nor is there a substantial increase or decrease in the scope of operations or capital budget provisions for major new fixed facilities unless the operator has reasonably supported and substantiated the changes(s) | Public Utilities Code, Section 99266 |
| 7. The operator's definitions of performance measures are consistent with Public Utilities Code Section 99247, including (a) operating cost, (b) operating cost per passenger, (c) operating cost per vehicle service hour, (d) passenger per vehicle service hour, (h) vehicle service mile, (f) total passengers, (g) transit vehicle, (h) vehicle service hours, (i) vehicle service miles, and (j) vehicle service per employee. | Public Utilities Code, Section 99247 |
| 8. If the operator serves an urbanized area, it has maintained a ratio of fare revenue to operating cost at least equal to one-fifth (20 percent), unless it is in a county with a population of less than 500,000, in which case it must maintain a ratio of fare revenue to operating cost at least three-twentieths (15 percent), if so determined by the RTPE. | Public Utilities Code, Section 99268.2, 99268.3 & 99268.1 |
| 9. If the operator serves a rural area, it has maintained a ratio of fare revenues to operating costs at least equal to one-tenth (10 percent). | Public Utilities Code, Section 99268.2, 99268.4 & 99268.5 |
| 10. The current cost of operator's retirement system is fully funded with respect to the officers and employees of its public transportation system, or the operator is implementing a plan approved by the RTPE, which will fully fund the retirement system for 40 years. | Public Utilities Code, Section 99271 |
| 11. If the operator receives state transit assistance funds, the operator makes full use of funds if available to it under the Urban Mass Transportation Act of 1964 before TDA claims are granted. | California Code of Regulations, Section 6754 (a) (3) |

RTPE COMPLIANCE REQUIREMENTS

| RTPE COMPLIANCE REQUIREMENTS | REFERENCES |
|---|---|
| <p>1. All transportation operators and city or county governments which have responsibility for serving a given area, in total, claim no more than those Local Transportation Fund monies apportioned to that area.</p> | <p>Public Utilities Code, Section 99231</p> |
| <p>2. The RTPE has adopted rules and regulations delineating procedures for the submission of claims for facilities provided for the exclusive use of pedestrians and bicycles.</p> | <p>Public Utilities Code, Section 99233 and 99234</p> |
| <p>3. The RTPE has established a social services transportation advisory council. The RTPE must ensure that there is a citizen participation process that includes at least an annual public hearing.</p> | <p>Public Utilities Code, Section 99238 and 99238.5</p> |
| <p>4. The RTPE has annually identified, analyzed and recommended potential productivity improvements which could lower operating cost of those operators, which operate at least 50 percent of their vehicle service miles within the RTPE’s jurisdiction. Recommendations include, but are not being limited to, those made in the performance audit.</p> <ul style="list-style-type: none"> • A committee for the purpose of providing advice on productivity improvements may be formed. • The operator has made a reasonable effort to implement improvements recommended by the RTPE, as determined by the RTPE, or else the operator has not received an allocation that exceeds its prior year allocation. | <p>Public Utilities Code, Section 99244</p> |
| <p>5. The RTPE has ensured that all claimants to whom it allocated TDA funds submit to it and to the state controller an annual certified fiscal and compliance audit within 180 days after the end of the fiscal year.</p> | <p>Public Utilities Code, Section 99245</p> |
| <p>6. The RTPE has designated an independent entity to conduct a performance audit of operators and itself (for the current and previous triennia). For operators, the audit was made and calculated the required performance indicators, and the audit report was transmitted to the entity that allocates the operator’s TDA money and to the RTPE within 12 months after the end of the triennium. If an operator’s audit was not transmitted by the start of the second fiscal year following the last fiscal year of the triennium, TDA funds were not allocated to that operator for that or subsequent fiscal years until the audit was transmitted.</p> | <p>Public Utilities Code, Section 99246, and 99248</p> |

**Implementation Plan for the FY 2010-2012 Triennial Review
Of the Los Angeles County Transit Operators**

ANTELOPE VALLEY TRANSIT AUTHORITY

| Ref No. | Audit Recommendation | Responsibility Lead/Support | Plan for Progress Implementation Instruments | Implementation Date |
|----------------|---|------------------------------------|--|----------------------------|
| 1 | Submit all Transit Operator Financial Transaction Reports to the State Controller within the PUC-established timeframe. | Rong Fitzgibbons / Colby Konisek | We have submitted all State Controllers Reports by the PUC-established timeframe for the past 3 fiscal years. | FY 2011 |
| 2 | Submit all financial audits within the PUC-established timeframe. | Colby Konisek | We have submitted all audits by the PUC-established timeframe for the past 3 fiscal years. | FY 2011 |
| 3 | Calculate the Full-Time Equivalents metric according to PUC definition (labor hours divided by 2,000) for reporting on Transit Operators Financial Transaction Report fillings to the State Controller. | Rong Fitzgibbons / Colby Konisek | In FY 2010, we incorrectly used the federal definition of 2,080 labor hours for reporting, however, the last 2 fiscal years we have used the state law definition of 2,000 for reporting on Transit Operators Financial Transaction Report fillings to the State Controller. | FY 2012 |

Arcadia Transit

| Ref No. | Audit Recommendation | Responsibility Lead/Support | Plan for Progress Implementation Instruments | Implementation Date |
|----------------|--|------------------------------------|--|----------------------------|
| 1 | Redesign the City's service delivery model as a traditional two-tiered (fixed route and demand-response) transit system. | City of Arcadia | Conduct Needs Assessment and Restructuring Plan (RFP in process) Implement recommended service delivery modes | 9/30/15 7/1/16 |
| 2 | Develop and implement a formal marketing program to support the new service delivery model. | City of Arcadia | Develop and implement marketing program as part of the Restructuring Plan | 4/1/16 |
| 3 | Enhance security measures at operations contractor's counting room. | Contractor | The Fare Counting Room is a locked room with very limited access only by the fare counting personnel and the Vice President/COO. The | May 2013 |

| | | | | |
|---|---|--------------------------------|---|----------|
| | | | room is also equipped with a money counter and has a continuously recording camera to observe all activities taking place inside the room. | |
| 4 | Develop a formal customer feedback/complaint process. | City of Arcadia/ Contractor | A complaint form and a formal process have long been established. The City and the contractor continue to follow the procedure for complaints that are significant. | On-going |
| 5 | Work with the operations contractor to ensure inspections and vehicle maintenance of its fleet are systematically conducted at regular intervals and vehicle records are signed and include necessary vehicle information | Contractor/City of Arcadia | This program has been implemented as of July 1, 2014 with the award of our new contract. | 7/1/14 |

CLAREMONT DIAL-A-RIDE

| Ref No. | Audit Recommendation | Responsibility Lead/Support | Plan for Progress Implementation Instruments | Implementation Date |
|----------------|---|------------------------------------|--|----------------------------|
| 1 | Develop and implement a formal marketing program. | George Sparks/Cari Sneed | The City reviewed the impact of the fare increase on DAR. Staff will be evaluating the development of recommendations for a targeted marketing effort to increase productivity and utilization of the Group service. | Fall 2014 |
| 2 | Hire an outside consultant to conduct performance assessments. | George Sparks/Cari Sneed | Claremont will hire a consultant to prepare an overall service assessment that will be incorporated into the FY2016 SRTP. | Fall 2015 |
| 3 | Secure cash-handling facility when counting group-ride fares. | George Sparks/Cari Sneed | This recommendation was satisfied with the relocation of the DAR operations facility. The new facility provides a safe cash-handling facility. | Completed January 2014 |
| 4 | Invest in data management software to compile all performance data reported within Transit Performance Measurement, National Transit Database, and Transit Operators Financial Transaction Reports. | George Sparks/Cari Sneed | The consultant that will assist with the preparation of the 2016 SRTP will also provide recommendations to satisfy this recommendation. | Fall 2015 |

commerce municipal bus lines

| Ref No. | Audit Recommendation | Responsibility Lead/Support | Plan for Progress Implementation Instruments | Implementation Date |
|----------------|---|--|---|---|
| 1 | Submit fiscal audits in a timely manner. | Loan Le & Josh Brooks | Recommendations were implemented to ensure timely reporting. | July 2012 Achieved |
| 2 | Properly calculate FTE for inclusion in the Transit Operators Financial Transaction Report. | Loan Le & Josh Brooks | Steps are being taken to implement the recommended FTE calculation method for State Controller reporting purposes. | July 2013 Achieved |
| 3 | Enhance program promotion through development of a strategic marketing plan with a five-year horizon. | Claude McFerguson | The City is currently installing a brand new ITS System, which the capabilities of "real time" arrival times, bus routing information and interactive website to help better market system. | The ITS RFP is currently posted with a bid deadline of 7/29/2015. Contract award to proceed immediately |
| 4 | Identify sustainable program with a five-year horizon. | Claude McFerguson | The City is currently implementing its five year horizon plan. Completion date approximately December 2014. | December 2014 Achieved |
| 5 | Improve the consistency of data reported to each external entity. | Claude McFerguson, Loan Le & Josh Brooks | Recommendations were implemented to ensure timely reporting. | July 2012 |

CULVER CITY MUNICIPAL BUS LINES

| Ref No. | Audit Recommendation | Responsibility Lead/Support | Plan for Progress Implementation Instruments | Implementation Date |
|----------------|---|------------------------------------|---|----------------------------|
| 1 | Properly calculate FTE for inclusion in the Transit Operators Financial Transaction Report. | D. Chang and J. Leonard | Report FTE by calculating employee hours divided by 2,000, rather than using actual person count. | FY12-13 |

FOOTHILL TRANSIT

| Ref No. | Audit Recommendation | Responsibility Lead/Support | Plan for Progress Implementation Instruments | Implementation Date |
|----------------|-----------------------------|------------------------------------|--|----------------------------|
| 1 | Improve the consistency of | | The financial information contained in the TPM is in | April 2013 |

| | | | | |
|--|---|--------------------------------|--|--|
| | performance data reported within the National Transit Database (NTD), Transit Performance Measurement (TPM), and Transit Operators Financial Transaction (TOR) Reports. | Michelle Caldwell/Gil Victorio | agreement with the annual financial audit (AKA General Ledger/State Controller's report). This will ensure Foothill Transit achieves consistency in reporting. | |
|--|---|--------------------------------|--|--|

GARDENA MUNICIPAL BUS LINES

| Ref No. | Audit Recommendation | Responsibility Lead/Support | Plan for Progress Implementation Instruments | Implementation Date |
|----------------|--|------------------------------------|---|--|
| 1 | Work with auditor so that CAFRs are submitted within the PUC-established timeframe. | Raphael Guillen | Submittals have been prepared on-time and within PUC-established timeframe | Completed |
| 2 | Maintain documentation regarding requests for extensions when CAFRs must be submitted late. | Raphael Guillen | Submittals have been prepared on-time; CAFR has been submitted on time per reporting requirements and extensions are no longer being requested | Completed |
| | The City should strive to improve its fixed-route farebox recovery to the point where auxiliary revenue is not necessary to meet the TDA minimum standard. | Raphael Guillen | In an effort to increase the farebox recovery rate, a fare increase is being considered by GMBL for possible FY 2016 implementation. A comprehensive marketing campaign was implemented in January 2015 including a full system rebrand with a goal of 5% ridership increase by year end 2016. GMBL continues to strive to reduce operating costs including overhead, overtime, spread time, etc. | 2015 |
| | Improve the consistency of data reported to each external entity. | Raphael Guillen | GMBL is exploring the acquisition of a statistical software application to assist with data collection and reporting requirements | Winter 2014 |
| | Develop and implement marketing plan to reverse declining ridership trend. | Raphael Guillen | A marketing plan has been developed to celebrate the 75th anniversary of GMBL; implementation started in Fall 2014 and will carry into 2015 | Marketing plan completed. Implementation strategies underway; Full launch in January 2015; soft launch starts Fall 2014. |

LA MIRADA TRANSIT

| Ref No. | Audit Recommendation | Responsibility Lead/Support | Plan for Progress Implementation Instruments | Implementation Date |
|----------------|---|------------------------------------|--|----------------------------|
| 1 | Include accurate FTE data within Transit Operators Financial Transaction Reports. | Tony Moreno | The City will submit Full Time Equivalent (FTE) data based on 2,000 hours equaling 1 FTE staff in the Transit Operators Financial Transaction Report for FY 2013/14. FTE calculations for TPM reports in 2012/13 will include contractor hours in the FTE calculation. | October 2014 |
| 2 | Improve the accuracy of data included within the Transit Operations Financial Transaction Reports. | Judy Quinonez | <p>The Transit Operations Final Transaction report is now reviewed jointly by the Transit administration and finance staff prior to submission to the State Controller's Office to ensure the correct data is accurate. Additionally, previous inconsistencies in reporting have been corrected and submitted to the State Controller's office.</p> <p>Inconsistencies specific to Vehicle Service Hours were correctly entered in the FY 12/13 Transit Operations Financial Transaction Report. Vehicle Service Miles and Full-Time Equivalent consistent indicators will be included in the FY 13/14 Transit Operations Financial Transaction Report consistent with PUC guidelines.</p> | October 2014 |
| 3 | Implement a fare increase | Tony Moreno | Staff is hiring a consultant to analyze the impacts of a fare increase. Staff plans to bring a recommendation to City Council in late 2015 for a fare increase. | To Be Determined |
| 4 | Develop and implement an 18-to 24- month marketing plan to support increase in ridership and fare revenue | Tony Moreno | Staff is hiring a consultant to review the effectiveness and make recommendations on implementation of a marketing plan. | February 2015 |
| 5 | Install fareboxes and revise fare collection policies. | Tony Moreno | Farebox quotes have been obtained. Staff plans to purchase diamond fare boxes in the near future. | November 2014 |

LONG BEACH TRANSIT

| Ref No. | Audit Recommendation | Responsibility Lead/Support | Plan for Progress Implementation Instruments | Implementation Date |
|----------------|-----------------------------|------------------------------------|---|----------------------------|
| 1 | No findings | | | |

ladot

| Ref No. | Audit Recommendation | Responsibility Lead/Support | Plan for Progress Implementation Instruments | Implementation Date |
|----------------|--|------------------------------------|--|----------------------------|
| 1 | Submit all Transit Operator Financial Transaction Reports to the State Controller within the PUC-established timeframe. | LADOT | State Controller reports (inclusive of correct FTE data) should be filed prior to the submittal deadline stipulated by the PUC. FTE data, calculated correctly, should be included. | FY 12/13 |
| 2 | Submit all financial audits within the PUC-established timeframe. | LADOT | Submit all compliance audits (CAFRS) to the State Controller within the PUC-established time frame. (180 days after end of fiscal year) PFP is to work with independent auditor to ensure they are aware of the (differing) TDA deadline. If deadline cannot be met, LADOT will request 90-day extensions and document whether the request was granted so that we can be found in compliance in the next review. | FY 12/13 |
| 3 | Ensure data reported to external entities are accurately calculated and reported, as well as includes all required performance—related data. | LADOT | The PFP is to keep track of when various reports are filed, to submit them on time (with unaudited or incomplete data) and amend them as necessary once the data is finalized. Both original State Controller filings as well as revised data pages should be provided in entirety, including all pages and data not usually reported to Metro. | FY 12/13 |

METRo

| Ref No. | Audit Recommendation | Responsibility Lead/Support | Plan for Progress Implementation Instruments | Implementation Date |
|----------------|--|------------------------------------|--|----------------------------|
| 1 | Properly calculate FTE data for inclusion in the Transit Operators Financial Transaction Report. | Alex Perez | All subsequent reports will include the purchase transportation data. | 7/1/14 |
| 2 | Include representation from metro's Accounting staff in | Alex Perez | An Accounting staff representative will be available for future Triennial Performance Reviews. | 7/1/14 |

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| | subsequent Triennial Performance Review | | | |
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montebello bus lines

| Ref No. | Audit Recommendation | Responsibility Lead/Support | Plan for Progress Implementation Instruments | Implementation Date |
|----------------|--|------------------------------------|---|---|
| 1 | Submit all Transit Fund financial audit reports prior to the deadline established by PUC guidelines. | David Kim | Montebello Bus Lines will continue to submit the Transit Financial Audit Report and the State Controller's Report to the appropriate agencies within the established timeframe. Should there be any delays in reporting, a prior extension or approval will be requested from the agency. | Effective FY 2012/2013 reporting period |
| 2 | Include contractor hours when reporting FTE employee data to the State Controller. | Robert Portillo | The city will continue to calculate the Full-Time Equivalent using all employee hours when reporting to State Controller. | Effective FY 2012/2013 reporting period |
| | Utilize a single database for the collection of data and cross-check reports to all three entities (LACMA,NTD, and the State Controller) to ensure they are consistently reported. | Robert Portillo | Montebello Bus Lines will verify and ensure all future data reporting are consistent with the three reporting entities. Furthermore, we will improve our process by consistently verifying our data in our current database, TransTrack. | Effective FY 2012/2013 reporting period |

norwalk transit

| Ref No. | Audit Recommendation | Responsibility Lead/Support | Plan for Progress Implementation Instruments | Implementation Date |
|----------------|--|------------------------------------|--|---|
| 1 | Include contractor hours when calculating FTE employee data | Theresa Clark | Established a separate spreadsheet to track contractor hours which is linked to the Master FTE File used for populating data for TPM, NTD, etc. | July 1, 2012 |
| 2 | Develop and implement a five-year marketing plan focused on expanding the traditional transit rider customer base as part of an effort to increase ridership and fare revenue. | Theresa Clark/Graham Ridley | Developing student customer focus strategies with local Community Colleges including on-going Go Rio Student Pass MOU with Rio Hondo College and implementation of FY2015 Student Pass Program with Cerritos Community College. NTS utilizes the Comprehensive Operational Analysis on a triennial basis to evaluate its performance. Recommendations from the 2012 COA | November 20, 2011 and September 9, 2012 and November 17, 2013 and ongoing |

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| | | | <p>were implemented to restore mid-day service on segment(s) for Route 3 allowing the service to be more utilized by dependent riders.</p> <p>Additionally, NTS is developing an Intelligent Transportation System to improve customer service, overall bus efficiency and identify potential unmet rider needs. The system will include: Automatic Vehicle Location; Automated Passenger Count with real-time reporting; GPS based Computer Automated Dispatch system; Automated Vehicle Annunciator System and Automated Travel Information System. Lastly, NTS developed a new fare structure for its Fixed-Route and Dial-A-Ride services. The new fare structure was implemented in (2) phases; effective 11/20/2011, and 11/17/2013.</p> | |
| | Improve the accuracy of performance data reported within the Transit Operators Financial Transaction Reports (TOR). | Theresa Clark/Sudesh Paul | Adherence to consistent cut-off dates for financial reporting and cross-reference reconciliation performed through use of spreadsheets. | July 1, 2013 |
| | Track trip denials for Norwalk Transit System's Dial-A-Ride service. | Theresa Clark/Maria Corona | Trip denials are recorded by Contractor utilizing Computer Aided Dispatch. Also, Customer Service Representatives (Lobby Staff) receives calls from patrons that were unable to receive DAR service for specific pick-up time and are entered into database (Access) for tracking, then a customer comment report is generated and followed up for appropriate action and/or resolution by Staff/Management | July 1, 2013 |
| | Streamline the definition of "senior" so the same metric applies to both fixed-route and demand-response services. | Graham Ridley | <p>The "senior" age requirement for demand-response was formerly consistent with Fixed Route at 62 yrs of age. However, local policy administered by the City reduced the "senior" age requirement to 60 yrs of age in support of Senior Center/Social Services Programs; thus NTS' demand-response service (age requirement) is compatible with the eligibility age requirements for various Senior Community Services Programs.</p> <p>NTS' next COA is scheduled for September 2015. At which time, the scope of services will cover a cost analysis to determine potential impacts to fare revenue if "senior" age for fixed route is reduced to 60 yrs of age.</p> | FY 2014/15 |

city of redondo beach

| Ref No. | Audit Recommendation | Responsibility Lead/Support | Plan for Progress Implementation Instruments | Implementation Date |
|---------|---|-----------------------------|---|---|
| 1 | Implement the Beach Cities Transit marketing plan developed in November 2011 | Joyce Rooney/Diane Amaya | Hired a transit consultant to assist with Transit Marketing. Implementing new brochures, and new transit signage. Other items are in the planning phase. | In progress |
| 2 | File a separate Transit Operators Financial Transaction Report (TOR) for the City's Specialized Service (demand-response taxi program). | Joyce Rooney/Diane Amaya | The separate FY13 TOR demand response dial a ride service report was submitted in October 2013. Separate reports will be submitted in the future. | Completed TOR is due to the State in October 2015. |
| 3 | Report data consistently on all filings with reporting entities. | Joyce Rooney/Diane Amaya | Staff reviews all reporting statistics for consistency. | On-going |
| 4 | Improve security at the City's transit maintenance and storage facility. | Joyce Rooney | <p>The facility driveway gate is locked by closing supervisor leaving the premises after everyone leaves. The lead mechanic unlocks the gate in the morning. The gate is left open during the day due to the number of vehicles entering and exiting the yard.</p> <p>The office door is locked after hours, and only 7 personnel have keys. The maintenance doors are locked when there is no mechanic on duty. The gate between the office and shop is also locked during these times.</p> <p>There is one camera outside the front office door that captures anyone entering the office, driver's area and maintenance / supervisor and securement area. There are three cameras inside the office area, and one in the Dispatch office to monitor the counting of the fare revenue is counted.</p> <p>Blinds were installed in the Dispatch area and are these closed during the money counting process. All blinds are closed and doors and windows are secured during this process.</p> | Completed |

santa clarita transit

| Ref No. | Audit Recommendation | Responsibility Lead/Support | Plan for Progress Implementation Instruments | Implementation Date |
|----------------|---|------------------------------------|---|----------------------------|
| 1 | Submit all Transit Operator Financial Transaction Reports to the State Controller within the PUC-established timeframe. | Susan Lipman and Brittany Houston | The final report indicated that no further action was required as the City continues to submit all SCO Reports on time. | On-going |
| | Submit all financial audits within the PUC-established timeframe. | Susan Lipman and Brittany Houston | City staff continues to work with annual audit team to complete the Transit portion of the audit in a timely manner. | On-going |
| | Ensure data is reported accurately and consistently to all reporting entities. | Susan Lipman | Staff continues to work with city financial staff and annual auditors to help make sure that data is 100% accurate and not subject to change when staff prepares and submits reports due with different deadlines. Staff will continue to review reports for consistency and if changes are made staff will work more diligently to submit revised reports. | On-going |

SANTA MONICA'S big blue bus

| Ref No. | Audit Recommendation | Responsibility Lead/Support | Plan for Progress Implementation Instruments | Implementation Date |
|----------------|---|------------------------------------|---|----------------------------|
| 1 | Ensure FTE reporting complies with PUC 99247(j) | Enny Chung | Policy created to ensure FTE reporting complies with PUC 99247(j) | 7/1/2013 |

torrance transIt

| Ref No. | Audit Recommendation | Responsibility Lead/Support | Plan for Progress Implementation Instruments | Implementation Date |
|----------------|--|------------------------------------|---|----------------------------|
| 1 | The City should strive to improve its fixed-route farebox recovery to the point where auxiliary revenue is not necessary to meet the TDA | Jim Mills | The City will strive to improve its fixed route farebox recovery with the following strategies: 1) Reduce its operating cost as much as possible | 07/01/14 |

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| | minimum standard. | | 2) Increase its marketing efforts to increase ridership 3) Consider a fare increase. | |
| | Improve the consistency of performance data reported within the National Transit Database (NTD), Transit Performance Measurement (TPM), and Transit Operators Financial Transaction (TOR) Reports. | Jim Mills | All data has been incorporated into a central file (spreadsheet). Data is compared and reviewed by relevant section to ensure accuracy and consistency. | 07/01/13 |

FY 2010-2012 Triennial Review Implementation Plan for Los Angeles County Metropolitan Authority (LACMTA) as Regional Transportation Planning Entity (RTPE)

| Ref No. | Audit Recommendation | Responsibility Lead/Support | Plan for Progress Implementation Instruments | Implementation Date |
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| 1 | Monitor operators to ensure future fiscal audits are submitted by the stipulated deadline. | MASD | MASD monitors and work with Project Manager and SCO to ensure timely submittal of fiscal audits. | 2014 |
| 2 | Provide a higher level of administrative support for operators regarding annual and required reporting. | Local Programming | Annually, Metro submits a consolidated NTD report to Federal Transit Administration (FTA) on behalf of Los Angeles county transit operators. This report is coordinated with approximately 48 jurisdictions. Throughout the year, NTD training workshops are conducted to train new reporters/staff and provide updates on reporting requirements to existing reporters and prepare the reporters for their annual audit. At the end of fiscal year each jurisdictions' annual NTD reports is collected which include their ridership, financial, fuel consumption and inventory data to ensure and validate the consistency of the reported data with NTD reporting requirements. | On-going |
| 3 | Provide a higher level of support for operators in advance of the next Triennial Performance Review cycle. | Local Programming | To be implemented during the 2013-2015 Triennial Review cycle | July/Sept 2015 |
| 4 | Enhance coordination between the Office of Management and Budget (OMB) and Planning departments. | Regional Transit Planning | Regional Transit Planning is currently working with the municipal operators and a consultant team on the development of a Regional Short Range Transit Plan (RSRTP). As part of this effort, one of the findings and/or recommendations is looking at streamlining the annual individual Short Range Transit Plan submittal process. As part of this, Metro would supply the operators with improved templates/guidelines for developing their SRTPS in order to improve on the consistency and quality of the contents. It is also being recommended that annual SRTTP training be provided for newer staff at the various agencies. | To be determined based on discussions and approval by BOS. It most likely would not be implemented until late 2016. |