

**Metro**

Metropolitan Transportation Authority

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metro.net**FINANCE, BUDGET AND AUDIT COMMITTEE
SEPTEMBER 19, 2012**

SUBJECT: CONTRACT FOR FISCAL YEAR 2010 - 2012 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 THE FIRM OF MOORE AND ASSOCIATES, INC.

RECOMMENDATION

Authorize the Chief Executive Officer to award a one year Firm Fixed Price Contract No. PS4430-2886 to Moore & Associate, Inc. to conduct the fiscal year (FY) 2010 – 2012 independent performance review of all 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 \$531,906. Summary of procurement information is shown in Attachment A.

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).

In addition, 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. A report on progress made on these recommendations is sent to the Board every year.

DISCUSSION

The required performance reviews for Los Angeles County transit operators and for Metro as the RTPE are required every three years. The present schedule calls for the FY10-12 Triennial Performance Review to be completed and forwarded to the State of California by the second Quarter of FY13.

Background

As the Programming agency of TDA funds, Metro has the responsibility to conduct and transmit to State a Triennial Performance Review of all the operators under its jurisdiction and Metro as an operator as well as the Regional Transportation Planning Entity (RTPE).

The scope has two categories, Review (Part A) and Compliance (Part B);

Part A1 - Operator Performance Review:

The 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 transit operator functions are reviewed, these functions are as follows;

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

(Note: Additionally we will request that the consultant review the accident data)

Part A2 - Regional Transportation Planning Entity Performance Review:

The TDA also requires that the Regional Transportation Planning Entity (RTPE) also be reviewed for their functions performed and compliance with TDA statutes. The RTPE functions that are reviewed are as follows;

- RTPE Administration and Management;
- Transportation Planning and Regional Coordination;
- Claimant Relationships and Oversight;
- Marketing and Transportation Alternatives; and
- Grant Applications and Management.

Part B - Compliance with TDA Statues:

State Law requires that the consultant reviews to ensure that the operators and Metro as the RTPE is complying with all the relevant statutes stated in the TDA law as shown 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 \$531,906 for this service is included in the FY13 Budget in Cost Center 4430, Project 405510, Task 01.03, Line Item 50316, Professional Services.

As this contract will continue into the next fiscal year, the cost center manager, and Executive Officer, Office of Management and Budget will be accountable for budgeting the cost in FY14.

Impact to Budget

As the cost of the Triennial Performance Reviews 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

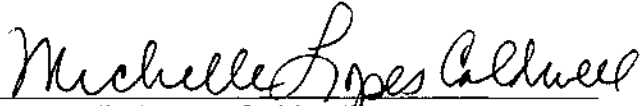
and forwarding the required FY10-12 Triennial Performance Reviews to the State of California by the second Quarter of FY13. Metro must complete the legally required Triennial Performance Reviews in a timely fashion, so that Los Angeles County, Metro and the transit operators continue to receive TDA funding.

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ATTACHMENTS

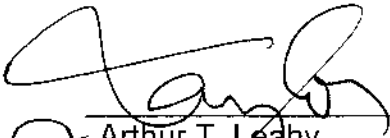
- A. Procurement Summary
- B. State Requirements to Conduct the Triennial Performance Review
- C. Operator Compliance Requirements
- D. Progress on Implementation Plan of 2004-06 and 2007-09 Triennial Review Recommendations



Michelle Lopes Caldwell
Chief Administrative Services Officer



 Paul C. Taylor
Deputy Chief Executive Officer



 Arthur T. Leahy
Chief Executive Officer

PROCUREMENT SUMMARY

FY2010-2012 TDA TRIENNIAL PERFORMANCE REVIEW

1.	Contract Number: PS4430-2886	
2.	Recommended Vendor: MOORE & ASSOCIATES, INC.	
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: February 21, 2012	
	B. Advertised/Publicized: February 21, 2012	
	C. Pre-proposal/Pre-Bid Conference: March 1, 2012	
	D. Proposals/Bids Due: March 30, 2012	
	E. Pre-Qualification Completed: June 20, 2012	
	F. Conflict of Interest Form Submitted to Ethics: June 20, 2012	
	G. Protest Period End Date: July 13, 2012	
5.	Solicitations Picked up/Downloaded: 25	Bids/Proposals Received: 5
6.	Contract Administrator: Barbara A. Gatewood	Telephone Number: (213) 922-7317
7.	Project Manager: Armineh Saint	Telephone Number: (213) 922-2384

A. Procurement Background

This Request for Proposal (RFP), is in support of the FY2010 thru FY2012 Triennial Performance Review, Contract No. PS4430-2886, is a competitive negotiated procurement with standard terms and conditions. Public Utilities Code (PUC) Section 99346 outlines the relationship between performance reviews and Transportation Development Act (TDA) Article 4 Funds.

The RFP was issued in accordance with Metro's Acquisition Policy, and based on the minimal risks in performance and a thorough understanding of the technical and performance requirements. This contract is being awarded as a Firm Fixed Price (FFP).

This RFP was released on February 21, 2012. A total of five proposals were received on March 30, 2012. All firms who submitted a proposal attended the pre-proposal meeting, and no questions were submitted. No amendments were issued during the solicitation phase of this RFP.

B. Evaluation of Proposals/Bids

A total of five proposers responded to this solicitation. A Selection Committee consisting of staff from Metro's Local Programming, Transit Operations, and two individuals from Torrance Transit and Big Blue Bus was convened and conducted a comprehensive technical evaluation of the proposals received.

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

- | | |
|--|------------|
| • Degree of Prime's Skill and Experience | 20 percent |
| • Experience and Capabilities of Firms on the Contractor's Team | 20 percent |
| • Understanding of Work and Appropriateness of Approach for Implementation | 45 percent |
| • Cost/Price | 15 percent |

The evaluation criteria are appropriate and consistent with criteria developed for other similar fixed price competitive procurements. Several factors were considered when developing these weights, giving the greatest importance to the prime contractor's understanding and implementation approach of the work.

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

1. Majic Consulting Group
2. Moore and Associates, Inc.
3. Thompson, Cobb, Bazilio & Associates

Each member of the Source Selection team presented their individual evaluations of the proposals and discussed the strengths and issues presented by each firm, based on the criterion as stipulated in the RFP. The criterion required that the firms provided evidence of its experience in performing triennial reviews for other transit agencies, in addition to summarizing their approach to the performance of the work, their staffing and work plans, and their ability to report their findings to management. Each category was given a weighted score for which all proposers received a rating as shown in the table below.

Qualifications Summary of Firms within the Competitive Range:

Majic Consulting Group, located at 27936 Lost Canyon Road, Suite 102, Santa Clarita, CA 91387, is recognized nationally for performing triennial audits for other transportation agencies. The firm has been in business for over 30 years in the transportation field.

Moore & Associates, Inc., located at 28159 Avenue Stanford, Suite 110, Valencia, CA 91355, are recognized nationally for performing triennial audits for numerous transportation agencies. Moore & Associates was awarded the previous Metro's triennial contract for FY2007-2009 and completed a satisfactory work. This firm has previous experience in working with both private and public agencies.

Thompson, Cobb, Bazilio and Associates, located at 21250 Hawthorne, Boulevard, Suite 150, Torrance, CA 90503, has offices around the United States and is known for its ability to perform financial audits, and special projects. Thompson, Cobb, Bazilio and Associates has performed numerous special projects for Metro and has also been a firm on the CPA and Audit bench contracts.

Based on the evaluation criteria stipulated within the RFP that consisted of the degree of prime's skill and experience; experience and capabilities of firms on the contractor's team; understanding of work and appropriateness of approach for implementation; and cost proposal, the Source Selection Committee ranked Moore & Associates, Inc.'s proposal as being the most technically qualified, responsive and responsible for this procurement. Moore & Associates, Inc., demonstrated above average and clear understanding of the scope of work; its technical approach; and extensive experience in conducting performance reviews for other transit properties.

1	FIRM	Average Score	Factor Weight	Weighted Average Score	Rank
2	Majic Consulting Group				
3	Degree of the Prime's Skills and Experience	77.00	20.00%	15.40	
4	Experience and Capabilities of the Firms on the Contractor's Team	71.00	20.00%	14.20	
5	Understanding of Work and Appropriateness of Approach for Implementation	84.44	45.00%	38.00	
6	Price	90.66	15.00%	13.60	
7	Total		100.00%	81.20	3
8	Moore & Associates, Inc.				
9	Degree of the Prime's Skills and Experience	98.00	20.00%	19.60	
10	Experience and Capabilities of the Firms on the Contractor's Team	92.00	20.00%	18.40	
11	Understanding of Work and Appropriateness of Approach for Implementation	91.56	45.00%	41.20	

12	FIRM	Average Score	Factor Weight	Weighted Average Score	Rank
13	Price	100.00	15.00%	15.00	
14	Total		100.00%	94.20	1
15	Thompson, Cobb, Bazilio and Associates				
16	Degree of the Prime's Skills and Experience	77.00	20.00%	15.40	
17	Experience and Capabilities of the Firms on the Contractor's Team	89.00	20.00%	17.80	
18	Understanding of Work and Appropriateness of Approach for Implementation	88.89	45.00%	40.00	
19	Price	87.70	15.00%	13.15	
20	Total		100.00%	86.35	2

C. Cost/Price Analysis

The recommended price has been determined to be fair and reasonable based upon price analysis. The price analysis is based on the technical evaluation, fact finding, and negotiations.

	Bidder/Proposer Name	Initial Proposal Amount	Negotiated Amount (BAFO)
1	Majic Consulting Group	\$651,467	N/A
2	Moore and Associates, Inc.	\$590,603	\$531,906
3	Thompson, Cobb, Bazilio and Associates	\$673,400	N/A

D. Background on Recommended Contractor

The recommended firm, Moore & Associates, Inc. is located in Valencia, CA. The firm has been in business for over 20 years as one of the leaders in the areas of management audits performance, service evaluation and design, and marketing exclusively to public transportation organizations throughout the United States. Moore & Associates, Inc., has established a proven track record of successfully assisting agencies with Triennial Performance Reviews that are in compliance with TDA guidelines. The firm also presents innovative recommendations specifically tailored to the needs and realities of each organization, whether Regional Transportation Planning Agency (RTPA) or

transit operators. Their work covers all public transportation modes ranging from large commuter rail to rural demand-response programs, and has earned a reputation for integrity, innovation, and insight.

Moore and Associates, Inc., received the contract award of the FY2007-2009 TDA Triennial Performance Review, and performed the work successfully.

E. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) established a 10% Small Business Enterprise (SBE) goal for this solicitation. Moore & Associates, Inc. made a 12.57% SBE commitment.

SMALL BUSINESS GOAL	SBE -10.00%	SMALL BUSINESS COMMITMENT	SBE – 12.57%
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	DBE/SBE Subcontractors	% Committed
1.	Ma and Associates, CPA	12.57
	Total Commitment	12.57

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).</p> <p>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>

**PROGRESS ON IMPLEMENTATION PLAN FOR THE FY 2004-2006 & 2007-2009
TRIENNIAL REVIEW RECOMMENDATIONS
LOS ANGELES COUNTY TRANSIT OPERATORS**

ARCADIA TRANSIT

Ref No.	Audit Recommendation FY 2004-2006	Responsibility Lead/Support	Plan for Progress Implementation Instruments	Implementation Date
1	Evaluate opportunities for service revisions to reduce costs and improve service efficiencies.	Arcadia Transit	Arcadia Transit cancelled morning school services to reduce the cost as well as eliminated monthly pass for general public to reduce the fare subsidies. In addition, efforts are underway to initiate an analysis of a modified fixed route service.	Partially completed
Ref No.	Audit Recommendation FY 2007-2009	Responsibility Lead/Support	Plan for Progress Implementation Instruments	Implementation Date
1	Accurately calculate Full-Time Equivalents according to PUC guidelines.	Arcadia Transit	FY 2010-11 reports will reflect FTE calculation according to PUC guidelines	Completed

CLAREMONT DIAL-A-RIDE

Ref No.	Audit Recommendation FY 2007-2009	Responsibility Lead/Support	Plan for Progress Implementation Instruments	Implementation Date
1	Implement a fare adjustment for the individual-ride service.	City of Claremont/ PVTA	As of Sept 2011, we introduced a new ridership tracking mechanism that will reveal accurate ridership trends and help determine whether a fare increase is appropriate, or whether a program alteration is necessary. The City will provide an effective solution once the live data has had a 9-month cycle for trend analysis and forecasting.	June 2012

FOOTHILL TRANSIT

Ref No.	Audit Recommendation FY 2004-2006	Responsibility Lead/Support	Plan for Progress Implementation Instruments	Implementation Date
1	Review procedures for calculating & reporting FTE. If it is not possible to get meaningful & usable data, agencies should obtain a waiver from State Controller's office.	Foothill Transit	Foothill Transit was granted waiver in reporting requirement for FTE by State Controller's office.	Waiver granted April 10, 2008

GARDENA MUNICIPAL BUS LINES

Ref No.	Audit Recommendation FY 2004-2006	Responsibility Lead/Support	Plan for Progress Implementation Instruments	Implementation Date
1	GMBL should calculate the impact of fare adjustments, both with and without a change in the FAP calculation. This analysis should be sensitive to possible changes in ridership due to a fare increase, and could use the	Gardena Municipal Bus Lines	The Gardena City Council approved a system fare increase in November 2007 which was implemented on January 1, 2008. In the last six months of FY 2008, GMBL's fare revenue increased by 37.2% over the first six months of the fiscal year.	June 30, 2009

	experience of nearby agencies that have recently adjusted their fares			
2	Consider implementing a computerized maintenance management system, which could coincide with the new facility but should precede any increase in fleet size.	Gardena Municipal Bus Lines	A computerized maintenance management system is planned as part of the new facility.	June 30, 2009

LA MIRADA TRANSIT

Ref No.	Audit Recommendation FY 2004-2006	Responsibility Lead/Support	Plan for Progress Implementation Instruments	Implementation Date
1	Establish performance goals based on reasonable, achievable standards	La Mirada Transit	Staff prepares a monthly performance report that captures YTD trends in several key areas of performance, in addition to the monthly statistics that are tracked as well.	Implemented
2	Introduce service standards in future service contracts	La Mirada Transit	In the current service contract, staff included service standards that reflect program objectives focusing to customer service, service reliability and efficiency.	Completed
3	Assess opportunities to procure an off-the-shelf scheduling and dispatch system that can better minimize travel distance between pick-up and drop-off locations	La Mirada Transit	The automated dispatch system, Trapeze went live on Jan. 2009. Staff is utilizing the system to evaluate ridership trends, increase the number of passengers per vehicle service hour and minimize travel distances between pick-up and drop-off locations.	Implemented

LADOT

Ref No.	Audit Recommendation FY 2007-2009	Responsibility Lead/Support	Plan for Progress Implementation Instruments	Implementation Date
1	LADOT should consider streamlining its procurement process.	LADOT	Completed. LADOT recently streamlined its RFP process by consolidating multiple service contracts and modes into a new transit operating RFP (aka Mega RFP) which was released on 11/1/10.	FY 2010-11

METRO

Ref No.	Audit Recommendation FY 2004-2006	Responsibility Lead/Support	Plan for Progress Implementation Instruments	Implementation Date
1	Develop and implement a contingency plan to address a possible shortage of train operators.	METRO	In order to ensure that a sufficient number of bus operators are qualified to operate trains, the LACMTA has developed and implemented a contingency plan to train and qualify bus operators to operate trains.	Ongoing
Ref No.	Audit Recommendation FY 2007-2009	Responsibility Lead/Support	Plan for Progress Implementation Instruments	Implementation Date
1	Conduct an independent review of the methodology by which Metro's operators "overhead" cost metric is calculated.	METRO	LACMTA has a cost allocation plan (CAP) reviewed & prepared by an independent contractor on an annual basis. The CAP plan is submitted to the FTA for approval.	This is an ongoing annual process.

2	Develop a mechanism for evaluating the efficacy of the LACMTA (Operator) marketing efforts.	METRO	Metro concurs, we actively track dozens of indicators that specifically receive and benefit from marketing efforts mounted by the Communications Dept. These include sales revenue from TAP cards, revenue generated through Employer Pass Sales, direct mail response rates, advertising value generated through cross-promotions and usage of the Nextrip bus arrival system.	Completed
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MONTEBELLO BUS LINES

Ref No.	Audit Recommendation FY 2004-2006	Responsibility Lead/Support	Plan for Progress Implementation Instruments	Implementation Date
1	Review the process for operator recruitment.	Montebello Bus Lines	MBL has experienced difficulties in both recruiting high caliber bus operator candidates and retaining those who pass the training course. MBL plans on working closely with the City and examining the following areas before any changes can be made: 1) Review the recruitment processes and identify ways to streamline recruitment. 2) Consider implementation of a bus operator incentive program to encourage retention. 3) Review policies pertaining to promotion from part-time to full-time positions.	On-going
Ref No.	Audit Recommendation FY 2007-2009	Responsibility Lead/Support	Plan for Progress Implementation Instruments	Implementation Date
1	Develop and implement a strategic marketing program to reverse the recent trend of ridership erosion.	Montebello Bus Lines	Although our ridership has experienced an increase in the last half of FY2011, MBL is in the process of finalizing its marketing plan and a line by line analysis which contains a marketing survey component. The results of the surveys will be incorporated into the final marketing plan.	Completion date: Dec. 31, 2011

NORWALK TRANSIT

Ref No.	Audit Recommendation FY 2004-2006	Responsibility Lead/Support	Plan for Progress Implementation Instruments	Implementation Date
1	Take steps to improve system-wide farebox recovery.	Norwalk Transit	Controlled growth in spending, fare increase implementations along with major service changes has/will contribute to an improved farebox recovery.	Completed.

CITY OF REDONDO BEACH

Ref No.	Audit Recommendation FY 2007-2009	Responsibility Lead/Support	Plan for Progress Implementation Instruments	Implementation Date
1	Hire a qualified full-time Transit Manager.	Transit Manager	Recruited and hired Transit Manager. Joyce Rooney started 4/18/10	Completed.

SANTA CLARITA TRANSIT

Ref No.	Audit Recommendation FY 2007-2009	Responsibility Lead/Support	Plan for Progress Implementation Instruments	Implementation Date
1	SCT should consider working with the City of Santa Clarita to secure local subsidies to ensure state subsidies are not lost as a result of not meeting TDA Farebox Recovery Requirements	Santa Clarita Transit	The cost to provide service has increased as all maintenance and operations are contracted out as well as the cost increase incurred when moving into the new Maintenance Facility. The City will be undertaking a fare study to determine if a fare increase is necessary. On the other hand, with the amount of local subsidy kicked into the transit system the overall farebox recovery ratio is higher.	On-going

SANTA MONICA'S BIG BLUE BUS

Ref No.	Audit Recommendation FY 2004-2006	Responsibility Lead/Support	Plan for Progress Implementation Instruments	Implementation Date
1	Reduce the revenue vehicle spare ratio to 20 percent	Santa Monica Big Blue Bus	Per BBB's FY 2008 Triennial Review Report, BBB is now in compliance.	Completed

**PROGRESS ON IMPLEMENTATION PLAN FOR
THE FY 2004-2006 & 2007-2009 TRIENNIAL REVIEW
RECOMMENDATIONS OF LACMTA AS
THE REGIONAL TRANSPORTATION PLANNING ENTITY**

Ref. No.	Audit Recommendation 2004-2006	Responsibility Lead/Support	Plan for Progress Implementation Instruments	Implementation Date
1	Implement additional administrative actions to further strengthen and improve compliance	Carol Inge	The guidelines for TDA Article 4 transit fund claims were updated. Updated guidelines/procedures, audit requirements have all led to improved compliance.	Completed, On-going
2	Assess and evaluate the effectiveness of the TPM and FAP programs and recent changes to them	Carol Inge	FAP was revised by a motion approved by METRO Board at their meeting on June 28, 2007. Since then, FAP has been further revised to include Two-Year Lag Policy.	Completed
3	Establish a countywide transportation performance reporting program	Carol Inge	We are continuing to implement Metro's highway and transit monitoring program as an element of the Congestion Management Program. Additionally, a series of performance measures were developed for the LRTP process. Performance measures will continue to be assessed to incorporate changes in State and Federal planning requirements.	On-going
4	Evaluate staff resources and opportunities that would help CP & D keep pace with changing needs and workloads	Carol Inge	Over the past two years CP & D has filled twenty-seven vacancies with external candidates and promoted twenty individuals within the department. As part of the FY10 budget process, Planning has re-evaluated its staffing needs and has budgeted accordingly.	Completed

Ref. No.	Audit Recommendation 2007-2009	Responsibility Lead/Support	Plan for Progress Implementation Instruments	Implementation Date
1	Improve the regional short-range transit planning process to complete implementation of recommendations included within the prior Triennial Performance Review.	McAllester/ Butler	Training was conducted for BOS members on the Short Range Transit Plan (SRTP) in Oct 2010. They were also provided with a template to serve as a guide to them on the development of their SRTP. In addition, in 2012, Metro's Planning Dept. intends to retain a consultant to help work with the Muni's in developing their SRTPs	Training was completed in Oct 2010. The work with the Muni's on developing consistent SRTPs would be completed by 2013.
2	Clarify the LACMTA's role as the RTPA for Los Angeles County.	Welbourne/ McAllester	We will be looking at LACMTA's role as the RTPA for LA County through the LACMTA FY 12 Budget development process.	Jun-12
3	Prepare and adopt clear criteria governing the inclusion of new/future operators within the FAP program.	Ahuja	Guidelines to include new operators in the FAP exist. In addition, the inclusion of an operator to the FAP program is subject to MTA Board approval. The Board reserves the right to waive or add conditions and stipulations to the guidelines when considering the addition of an operator or operators to the FAP.	In Place
4	Conduct a thorough, independent review of the TAP program.	Raymond	An independent review was conducted by KPMG. Program recommendations were implemented. The region adopted business rules, clearing and settling procedures. The scope was expanded to include rail gating.	Completed
5	Create guidelines governing transit operator representatives to the LACMTA's Bus Operations Subcommittee.	McAllester/ Butler	BOS does recognize the need for their members to have some level of expertise and knowledge. As such, BOS has conducted several training sessions including TPM Report, the FAP, Prop A Funding Guidelines, Prop A Incentive and Local Return. The BOS wants to retain some flexibility and not have strict guidelines due to the fact that they recognize that some agencies are small and have very limited staffing.	Ongoing