

**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

Prepared by: Kelly Hines, Deputy Executive Officer, Finance, (213) 922-4569
Armineh Saint, Program Manager, (213) 922-2369

Reviewed by: Nalini Ahuja, Executive Director, Finance and Budget, (213) 922-3088
Ivan Page, Interim Executive Director, Vendor/ Contract Management, (213) 922-6383



Phillip A. Washington
Chief Executive Officer