



U.S. Department  
of Transportation  
Federal Transit  
Administration



REGION IX  
Arizona, California,  
Hawaii, Nevada, Guam  
252770 NOV 15 93

211 Main Street  
Room 1160  
San Francisco, California 94105

November 8, 1993

Mr. Franklin White  
Chief Executive Officer  
Los Angeles County Metropolitan  
Transportation Authority  
818 West Seventh Street  
Los Angeles, Ca. 90017



Dear Mr. White:

Enclosed is the fiscal year 1993 Draft Triennial Review for the Los Angeles County Metropolitan Transportation Authority. Our consultant has requested your comments on the draft report by December 1, 1993. You may provide your comments by calling Mr. Subhash Mundle, Mundle and Associates, Inc. at 215-731-9354, or by writing to him. His address is

Mr. Subhash Mundle  
Mundle and Associates, Inc.  
1520 Locust Street, Suite 801  
Philadelphia, PA 19102

If you have any questions regarding Triennial Reviews in general, or regarding any issue reported in the draft report, you may contact me at 415-744-3118.

Sincerely,

John M. Hunt  
Triennial Review Coordinator

Enclosure

**MTA LIBRARY**

*Juan*

29816804

**D R A F T   R E P O R T**  
**FY1993 TRIENNIAL REVIEW**

of the

**LOS ANGELES COUNTY**  
**METROPOLITAN TRANSPORTATION AUTHORITY**  
**Los Angeles, California**

**Desk Review: June 15 to 17, 1993**  
**Site Review: September 7 to 10, 1993**

RECEIVED IN TRO-9  
93 NOV -8 PM 12:54

prepared for the  
**Federal Transit Administration**  
**Region IX**  
**San Francisco, CA**

by

**Mundle & Associates, Inc.**

and

**Battelle**

November 1993

**MTA LIBRARY**

## TABLE OF CONTENTS

	<u>Page</u>
I. TRIENNIAL REVIEW BACKGROUND	1
II. DESCRIPTION OF THE GRANTEE	2
III. RESULTS OF REVIEW	3
A. General Condition of the Grantee	4
B. Items Found in Non-Compliance	4
4. Satisfactory Continuing Control	4
6. Elderly and Persons with Disabilities/ Medicare Half Fare	5
7. Competitive Procurement	7
9. Program of Projects	10
19. Integrity	11
21. Restrictions on Lobbying	12
C. Items Requiring Follow-Up Action	13
2. Financial Capacity	13
3. Technical Capacity	15
5. Maintenance	16
11. Transportation Services for ADA	17
12. Public Comment on Fare/Service Changes	18
16. Civil Rights	19
17. Drug-Free Workplace and Anti-Drug Program	19
D. Other Items Reviewed and in Compliance	20
1. Legal Capacity	20
8. Buy America Requirements	21
10. Planning	22
13. Charter Bus Protections	23
14. School Bus Protections	23
15. Section 15 Data Reporting	24
18. Safety and Security	24
20. Private Enterprise Participation	25
IV. TRIENNIAL REVIEW SUMMARY TABLE	... following 26
APPENDIX: List of Participants	

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY  
Los Angeles, California

D R A F T  
TRIENNIAL REVIEW REPORT

I. TRIENNIAL REVIEW BACKGROUND

The Federal Transit Act, as amended, ("Act") requires the Federal Transit Administration (FTA) to perform reviews and evaluations of Section 9 grant activities at least every three years. This requirement is contained in Section 9(g)(2) and 9(g)(3) of the Act.

"(2) In addition to the review and audits described in paragraph (1), the Secretary shall, not less than once every three years, perform a full review and evaluation of the performance of a recipient in carrying out the recipient's program, with specific reference to compliance with statutory and administrative requirements, and consistency of actual program activities with the proposed program of projects required under subsection (e)(2) of the section and the planning process required under Section 8."

"(3) The Secretary may make appropriate adjustments in the amount of annual grants in accordance with the Secretary's findings under this subsection and may reduce or withdraw such assistance or take other action as appropriate in accordance with the Secretary's review, evaluation, and audits under this subsection."

This report presents the findings from the Triennial Review of the Los Angeles County Metropolitan Transportation Authority (LACMTA). The review was performed in accordance with FTA procedures (published in FTA Order 9010.1B, April 5, 1993) and included preliminary reviews of documents on file in the Region IX Office and on-site discussions and review of LACMTA's procedures, practices, and records as deemed necessary. The review concentrated primarily on procedures and practices employed during the past three years; however, coverage was extended to earlier periods as needed to assess adequately the policies in place and the management of grants. During the visit, administrative and statutory requirements were discussed, documents were reviewed, and selected bus and rail facilities toured. Specific documents reviewed in the Region IX Office and at LACMTA are referenced in this report and are available in FTA or LACMTA files.

## II. DESCRIPTION OF THE GRANTEE

By signing AB 152 into law on May 12, 1992, the Governor of California reorganized transportation services in Los Angeles County, consolidating the Los Angeles County Transportation Commission (LACTC) and the Southern California Rapid Transit District (SCRTD) to create the Los Angeles County Metropolitan Transportation Authority (LACMTA). The LACMTA was created as of February 1, 1993. LACTC and SCRTD were abolished on April 1, 1993. On that date, LACMTA became the single successor agency to any or all powers, duties, rights, obligations, liabilities, indebtedness, immunities and exemptions of the predecessor agencies.

LACMTA is responsible for planning and programming all public ground transportation in Los Angeles County, including the construction and operation of the rail system and operation of approximately 85 percent of the public bus service in the County. The LACMTA also is responsible for implementing all or portions of Los Angeles' transportation-related mandated programs.

LACMTA is governed by a 14-member Board of Directors. There are 13 voting members appointed by the Los Angeles County Board of Supervisors, the Mayor and the Council of City of Los Angeles, and all other cities in Los Angeles County. There is one non-voting member appointed by the Governor of the State of California.

LACMTA's day-to-day activities are directed by a Chief Executive Officer (CEO). There are four Executive Officers reporting to the CEO, each responsible for the following areas of the organization: Planning & Programming; Operations; Administration/Security & Finance; and Construction.

LACMTA operates extensive 24-hour a day, seven days a week bus service in Los Angeles County. At the time of the site visit, it had 2,292 active buses and a peak requirement of 1,802 buses. In Fiscal Year 1992, 6.8 million revenue hours of bus service were operated, which carried 402.9 million unlinked passenger trips.

LACMTA has an aggressive program to plan, design and construct rail lines in corridors throughout the County. In July 1990, LACMTA opened the newly constructed Blue Line to passenger service between Los Angeles and Long Beach. The Blue Line is 22 miles long, has 22 stations, and is operated with light rail vehicles. Additional segments of the Blue Line are under design. In January 1993, LACMTA opened the first segment the Red Line for passenger service. The 4.4 mile segment has five stations and is operated with heavy rail vehicles. Additional segments are in the design and construction phase. When completed in 2001, the entire Red Line will be 18 miles long. Also under construction is the Green Line, a 20-mile light rail line with 14 stations from Norwalk to El Segundo. This line is expected to open in 1994.

LACMTA did not receive any federal funds for the construction of the Blue Line nor does it use federal funds for its operation. Nor are federal funds being used in the construction of the Green Line. LACMTA used and is using federal funds for the construction and operation of the Red Line. As such, the Red Line is the only portion of LACMTA's rail system included in this review.

Since December 1990, the basic fare for a local trip on LACMTA buses has been \$1.10. The same fare is in effect on the Blue Line. At that time, the reduced fare for seniors and disabled persons was raised to 55¢. Later, when LACMTA introduced the 90¢ discount token, it lowered the reduced cash fare for seniors and disabled passengers was lowered to 45¢. At the time of the site visit, a special introductory fare of 25¢ was in effect on the Red Line, with a 10¢ reduced fare. The fares for freeway express bus service are distance-based; adult cash fares range from \$1.50 to \$3.10. LACMTA charges 25¢ for each use of a transfer (10¢ for seniors and disabled passengers). There are a number of prepaid fares. The local monthly pass is priced at \$42.

LACMTA has been designated the Consolidated Transportation Services Agency (CTSA) for Los Angeles County. A CTSA is responsible for meeting the state mandates to coordinate and consolidate paratransit services. LACMTA established a separate subsidiary to carry out these responsibilities. It added the responsibility of ensuring compliance with the Americans with Disabilities Act. Many paratransit trips in Los Angeles County are provided by local services. CTSA will provide service for long-distance and inter-regional trips that can not be made through the local operators.

### III. RESULTS OF REVIEW

The desk review for LACMTA was conducted at FTA's Region IX office in San Francisco on June 15 through 17, 1993. The site visit to LACMTA was made from September 7 through 10, 1993. A list of the individuals who participated in the triennial review site visit is appended to this report.

At the entrance conference, the purpose of the Triennial Review and the review process were discussed. During the site visit, Section 9 administrative and statutory requirements were discussed and documents were reviewed. The following bus and rail facilities were visited to provide an overview of activities related to FTA-funded projects:

- . Bus
  - Central Maintenance Facility
  - Divisions 1, 12 and 15
- . Rail
  - Central Control Facility
  - Division 20 (Red Line)



A sample of the FTA-funded buses and rail cars also were inspected during the site visit. On completion of the review, an exit conference was held with LACMTA staff to discuss preliminary findings as well as corrective actions and schedules.

As part of the transition to the new agency, staff prepared a comprehensive matrix of FTA policy and administrative requirements for grants. This included a schedule for completing all of the required activities. The initial schedule was aggressive, given the complexity of merging the two agencies, developing consolidated procedures, and obtaining the necessary reviews and approvals of these procedures.

Though a number of consolidation activities had been completed by the time of the site visit, LACMTA staff indicated that others still were underway. A revised schedule was provided, showing completion dates for activities related to federal grant compliance requirements. A key date is June 30, 1994. This report accepts the schedule agreed upon between the FTA and LACMTA. For review areas impacted by the merger, LACMTA is found to be in compliance with the assumption that the required activities will be completed as scheduled. If the activities are not completed, LACMTA then will be considered not in compliance with the requirements.

#### A. General Condition of the Grantee

The LACMTA was found to be compliant in 15 of the 21 areas reviewed. However, follow-up actions are required in seven of these areas: Financial Capacity, Technical Capacity, Maintenance, Transportation Services for ADA, Public Comment on Fare/Service Changes, Civil Rights, and Drug-Free Workplace and Anti-Drug Program. The LACMTA was not in compliance in six areas: Satisfactory Continuing Control, Elderly and Persons with Disabilities/Medicare Half Fare Program, Competitive Procurement, Program of Projects, Integrity, and Restrictions on Lobbying.

#### B. Items Found in Non-Compliance

##### 4. Satisfactory Continuing Control

Basic Requirement: The grantee must maintain control over facilities and equipment and ensure that they are used in transit service.

Description: LACMTA keeps track of its equipment and facilities through two systems, the fixed asset detail ledger and the property tracking inventory report. The fixed asset management system includes financial data; the property tracking system provides information on location and condition of the asset. LACMTA conducts a perpetual inventory on a two year cycle. The

most recent physical inventory was completed by LACMTA on July 31, 1993. However, no information was made available at the site visit to determine whether the physical inventory was reconciled with the information in the fixed asset management system. Therefore, LACMTA is not in compliance with the satisfactory continuing control requirements.

LACMTA has procedures to ensure that all federal disposition requirements on removal of property from service are met. The LACMTA is self-insured for its equipment and facilities. To limit its exposure, it also carries a vendor provided all-risk policy.

At the time of the site visit, LACMTA's active bus fleet consisted of 2,292 vehicles. It required 1,802 buses for peak service. This resulted in 27.2 percent spare reserve for the bus fleet, which is significantly over the FTA guideline of 20 percent. In addition to the active fleet, LACMTA had 67 buses in a reserve fleet and another 130 buses awaiting disposition. LACMTA had requested authorization from the FTA Regional Office to establish a reserve fleet in September 1992 but it had not prepared and submitted the required contingency fleet plan.

LACMTA has a total fleet of 30 railcars for the Red Line. At the time of the site visit, it needed 13 railcars for peak service. While this appears to be an excessive number of railcars, the fleet size should be sufficient to operate the next segment of the Red Line, which is currently under construction.

Corrective Actions and Schedule: Within 90 days from the issuance of this report, LACMTA must:

- 1) Complete the reconciliation of the biennial inventory and provide a copy to the FTA Regional IX to indicate completion; and provide a written assurance that it will carry out all required inventory activities in the future.
- 2) Develop and submit a written plan to reduce its bus fleet size to comply with the FTA's 20 percent spare ratio guideline. Thereafter, LACMTA must report its implementation progress on a quarterly basis until it is in compliance.
- 3) Develop and submit a written contingency plan if LACMTA plans to maintain a contingency bus fleet.

6. Elderly and Persons with Disabilities/Medicare Half-Fare

Basic Requirement: Fares charged elderly and disabled persons during non-peak hours must not exceed one-half the rates generally applicable to other persons at peak hours.



The grantee must have a fare policy that entitles any person presenting a Medicare card (duly issued to that person pursuant to Title II or XVII of the Social Security Act) to the fare required by Section 5(m) of the Federal Transit Act, as amended. The non-peak fare for such persons needs to be no more than one-half the fare generally applicable to peak hour service.

Description: The LACMTA uses the December 1990 "RTD Fares" brochure, which describes all aspects of the fare structure. It notes the availability of the cash half-fare for the elderly and disabled and the availability of monthly passes to persons issued Medicare cards at less than one-half the full price. However, no specific reference is made in this brochure to the availability of cash fares at one-half the full cash fare for persons presenting valid Medicare cards.

Similarly, while the opportunity for the elderly and disabled to pay one-half the full cash fare is included with fare information on fareboxes and ticket vending machines, no specific mention is made regarding the availability of half- or reduced fare to persons presenting valid Medicare cards.

There is no fare information included on LACMTA service schedules for individual routes. A July 1991 brochure for reduced fares for the disabled acknowledges that a Medicare card can be shown to the operator when boarding, if accompanied by a photo identification card.

The base LACMTA cash full fare is \$1.10 on fixed route services. The reduced fare is 45¢. This was lowered from 55¢ when LACMTA reintroduced the full fare token at 90¢. However, many of the materials offered for review at the site visit were outdated and listed the half fare at 55¢. A special 25¢ fare is in effect on the Metro Red Line rail service (with a reduced fare of 10¢). A number of discount passes and tickets are sold for full fare and reduced fare riders.

Persons 65 years of age and older may ride for the reduced fare throughout the service day, as may persons between the ages of 62 and 65 who are not employed full time. A number of identification cards are accepted as proof of eligibility for the reduced fare including a LACMTA Senior Citizen ID Card, a Medicare card with a photo identification, proof of receiving Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI), a California Department of Motor Vehicle (DMV) Placard or Senior Identification Card, and a Los Angeles County Transportation Operators Association (LACTOA) Reduced Fare Identification Card. A Medicare card can be used to obtain an LACMTA or LACTOA card.

Internally, fare structure information is presented to operators through new employee training and fare change information is disseminated to operators through each operating division.

Corrective Actions and Schedule: Within a year, LACMTA will amend its fare information to indicate that persons with valid Medicare cards are entitled to pay one-half the base fare, or less according to LACMTA policy. Such amended fare information will include all published information distributed to the public, as well as fare information at fareboxes and ticket vending machines. LACMTA will provide documentation to FTA of the dissemination of the amended fare information.

## 7. Competitive Procurement

Basic Requirement: FTA grantees will use their own procurement procedures that reflect applicable State and local laws and regulations, provided that the process ensures competitive procurement and that the procurements conform to applicable Federal law including 49 CFR Part 18, specifically Section 18.36, and FTA Circular 4220.1B, "Third Party Contracting Guidelines." Grantees will maintain a contract administration system that ensures that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

Description: Both SCRFD and LACTC had been self-certified grantees. A third-party procurement review had been initiated by the FTA of LACTC prior to the merger. The final report from that review was issued September 9, 1993 and made an affirmative determination upon implementation of the recommendations in the final report. Twelve different findings were offered in the Executive Summary to this report.

At the time of the triennial review site visit, LACMTA was in the process of developing procurement procedures by combining elements of the two prior systems. Both the SCRFD and LACTC had automated much of their procurement systems. The systems had not been integrated at the time of this review and two separate procurement systems were still being operated. SCRFD had a procurement system using a mainframe, and LACTC relied primarily on a PC-based system. As of September 1, 1993, procurement teams had been assigned to operations, planning, administration, and support services and were reviewing procurement practices and assisting each department.

Draft procedures for certain areas of procurement were available at the site visit. These procedures were not to be implemented until a thorough review had been made by senior management and the Board. The self-certification for the LACMTA is to be filed with FTA no later than June 30, 1994.

In the interim, certain actions relative to specific procurement practices can and need to be taken by LACMTA. These actions do not require Board approval and can bring the existing procurement practices of the LACMTA into compliance with Federal require-

ments. The findings identified in this report relate to practices of both LACTC and SCRTD that have been carried forward on an interim basis to the LACMTA.

In addition to reviewing the LACTC and SCRTD procedures being used by the LACMTA, specific procurements were examined including: Contract Number 5859 for design services for removal and replacement of underground tanks; a sole source contract for cash boxes; a sole source procurement of an Eastman Kodak photocopier; solicitation No. CA-90-X416-C for 202 methanol powered, 40-foot buses; procurement CA-90-X416-I for an engine dynamometer; and purchase orders 91020 and 91022 for bus replacement work. In addition, a procurement in progress for accessible paratransit services was reviewed. While this latter procurement being handled under the LACTC procedures may not involve Federal funds, LACMTA indicated that the same procurement procedures are followed for both Federally funded and locally funded procurements. Therefore, this procurement was reviewed as an example of the procurement process used for Federal procurements.

The review showed that not all Federal clauses were included in LACMTA procurements. As discussed later, an incorrect integrity certification was being used. Additionally, no environmental, energy conservation, or ADA clauses were found in certain procurements. The Eastman Kodak procurement of a copier did not contain lobbying or integrity certifications. The procurements for cash boxes and the engine dynamometer also lacked many Federal clauses. The LACMTA needs to take steps immediately to ensure that all procurements incorporate required Federal clauses.

The review included examination of sole source and single bid awards. Documentation showed that price or cost analysis had been conducted for such awards. While the lease and maintenance contract for the Eastman Kodak photocopiers was a sole source award that did not contain supporting documentation in the files, preparing written justification appeared to be the standard procedure, since it was included in other files. At the desk review, a verbal explanation was provided that the type of copier provided by Eastman Kodak had been identified as the only one that could handle the anticipated volumes of photocopying. This verbal explanation showed that the LACMTA staff had explored the issue and researched the procurement before deciding to make a sole source decision. Having incorporated documentation in other files, LACMTA was reminded that such documentation should be in all files and be part of the final procurement procedures. No further action is required at this time.

A review of LACMTA/LACTC procedures showed that sole source procurements can be authorized by the Executive Director. The procedure indicates that at his own discretion the Executive Director can make a sole source award. This procedure is not in keeping with FTA requirements for sole source justification.

LACMTA staff indicated that interagency agreements have been used and are planned for more frequent use in the future. LACMTA is working to establish intergovernmental relationships through purchasing agents of various bus systems or cities within the service area. A review showed that intergovernmental relationships where the LACMTA or predecessor organizations had not been the lead agency did not always include all Federally required clauses. The use of intergovernmental agreements is encouraged by the FTA, and LACMTA has the responsibility to ensure that Federal clauses are included in such procurements whether it or another entity is the lead agency. Not including Federal clauses in intergovernmental agreements is not in compliance with Federal requirements.

The SCRTD had written procurement procedures that it followed for most procurements. During the review, it was indicated that while certain legal services have been competitively procured, other legal services procured by the former SCRTD had not followed Federal or SCRTD procedures. This practice had been carried forward to the LACMTA. LACMTA needs to take steps to ensure that all contracted legal services are procured in accordance with Federal requirements.

As indicated, the LACMTA had under development written procurement procedures. To assist in the development of the written procedures, a list of FTA-required clauses was discussed during the triennial review. The draft procedures and the procedures of the predecessor organizations address ethical conduct and protest procedures. The procedures followed by the LACMTA also provide for a review of procurements to avoid duplicative or unnecessary purchases. This review involves a multi-tiered process where the initiator of a procurement has the request reviewed by a department head, a procurement panel, and/or an individual buyer.

A review of procurements did not show that the LACMTA or its predecessor organization had used clauses that unduly restricted competition. In fact, a memorandum in the methanol bus procurement file specifically discussed the issue that local preferences could not be inserted in the evaluation criteria. LACMTA has followed acceptable bonding requirements in its facility contracts.

LACMTA has used option clauses in its procurements. It indicated that it has not requested quantity options that exceed more than half of the base quantities or time options that exceed five years unless FTA approval has been requested. A procurement of rail fasteners did involve options greater than 50 percent. FTA had reviewed this procurement. LACMTA has had service contracts in which the base and option years have exceeded five years. Specifically, the Engineering and Construction Management consultants that are overseeing rail construction have a contract that exceeds five years, given the duration of the project. FTA is aware and concurs in this contract term. No other service contract was identified or reported to exceed five years.



LACMTA staff indicated that options are evaluated at the time of the initial bid and discussed the procedures they use in employing options and how options are evaluated. LACMTA is aware of FTA procedures and appears to be in compliance.

The SCRTD had used liquidated damage clauses, especially in the procurement of revenue vehicles. LACMTA staff indicated that the SCRTD had conducted an evaluation and determined that \$300 per day per vehicle was an appropriate liquidated damage. Manufacturers objected to this amount and SCRTD reduced it to \$100. This is the amount that LACMTA will be using in vehicle procurements.

LACMTA staff indicated that neither extended warranties nor ineligible agreements have been funded with capital grant funds.

Corrective Actions and Schedule: Within 30 days of the issuance of this report, LACMTA will provide FTA Region IX:

- 1) Documentation that all Federal clauses will be included in its normal procurement "boilerplates". With its submission of its self-certification, LACMTA will also indicate that all Federal clauses are being used.
- 2) An assurance that Federal clauses will be used in intergovernmental agreements. LACMTA also will provide documentation with its self-certification that it has incorporated all Federal requirements in intergovernmental agreements.
- 3) An assurance that the procedure has been changed and the Executive Director cannot authorize sole source procurement at his discretion. With the submission of its self-certification, the LACMTA will document that this procedure is not incorporated in the formally approved LACMTA procedures.
- 4) An assurance that it understands that legal services must be competitively procured in accordance with FTA C. 4220.1B. Again, with its submission of its self-certification, the LACMTA will provide documentation that all legal services have been procured appropriately.

9. Program of Projects (POP)

Basic Requirement: Each recipient is required to develop, publish, afford an opportunity for a public hearing on, and submit for approval a Program of Projects (POP). Each recipient also is required to assure coordination with other Federally assisted transportation services.



Description: LACMTA submits its proposed POP through the Regional Transportation Improvement Program (RTIP) to the Southern California Council of Governments (SCAG). SCAG is the designated recipient of FTA funds and submits the POP for the entire six-county region. In November 1992, SCAG published proper notice of the proposed POP in the Los Angeles/Long Beach urbanized area and scheduled a public hearing. No comments were received and the POP was adopted by the SCAG Executive Committee.

Subsequent amendments to the 1992 POP added projects following a public hearing at 1993 SCAG Executive Committee meetings. The amendments were subject to proper review and hearing procedures; no comments were reported. However, there is no evidence that SCAG made the final POP was made available to the public.

LACMTA is responsible for developing the POP for inclusion in the Los Angeles County RTIP. LACMTA has adopted a multi-year "call for projects" that solicits applications from transportation providers and other transportation-related organizations for funding of transportation-related projects. Applications are reviewed by the Technical Advisory Committee (TAC), which is comprised of 33 members representing a wide variety of transportation interests. The TAC evaluates all applications and prioritizes the submitted projects. After presentation of the prioritized projects by the TAC, an LACMTA Ad Hoc Committee, LACMTA staff and the TAC develop a recommended POP for LACMTA approval. This process also provides for coordination of Federal funding. LACMTA has signed an assurance of coordination of transit services.

Corrective Actions and Schedule: With the submission of the next POP to FTA, LACMTA will document that the final POP was made available to the public.

## 19. Integrity

Basic Requirement: To prevent fraud, waste, and abuse in Federal transactions, persons or entities which, by defined events or behavior potentially threaten the integrity of Federally administered non-procurement programs, are excluded from participation in FTA-assisted programs. FTA grantees not only are required to certify that they are not excluded from Federally assisted transactions, but also are required to ensure that none of the grantee's "principals" (as defined in the governing regulation 49 CFR Part 29), subrecipients, and third-party contractors and subcontractors are debarred, suspended, ineligible or voluntarily excluded from participation in Federally assisted transactions.

Description: The LACMTA has filed a Certificate of Debarment and Suspension dated March 24, 1993. It has taken no exception to the statements in its certification, nor have circumstances changed since its filing. However, a review of procurement files showed

that the LACMTA had not incorporated the proper integrity certifications and clauses in its procurements exceeding \$25,000. The LACMTA needs to revise its procurement procedures to comply with Federal requirements.

Corrective Actions and Schedule: Within 30 days of the issuance of this report, LACMTA will provide FTA Region IX documentation that it has changed its procurement procedures to incorporate integrity certifications in procurements over \$25,000, especially noting that a primary debarment certification is required in all Federally funded operating or capital procurements over \$100,000. With the submission of its self-certification, the LACMTA also will submit documentation that it has implemented the integrity requirements fully.

## 21. Restrictions on Lobbying

Basic Requirement: Recipients of Federal grants and contracts exceeding \$100,000 must certify compliance with P.L. 101-121, Section 319, Restrictions on Lobbying, before they can receive their funds. In addition, grantees are required to impose the lobbying restriction provisions on their contractors.

Description: The LACMTA has on file with the FTA a Lobbying Certification dated March 24, 1993. A review of recent procurements showed that the lobbying certification had been included in some but not all procurements exceeding \$100,000. The LACMTA needs to ensure that the lobbying requirements are applied to all operating or capital procurements that are Federally funded.

LACMTA staff indicated that the LACMTA employs lobbyists. This triennial review did not find in any documentation at FTA or LACMTA that Standard Form LLL had been filed with the FTA indicating the lobbying activities that had occurred. The LACMTA needs to report its lobbying activities in accordance with P.L. 101-121, Section 319, Restrictions on Lobbying.

Corrective Actions and Schedule: Within 30 days of the issuance of this report:

- 1) LACMTA will provide FTA documentation that it has changed its procurement procedures to include the lobbying requirements. With the submission of its self-certification, the LACMTA also will document that it has fully implemented the Restrictions on Lobbying requirements.
- 2) LACMTA either will submit FTA Standard Form LLL documenting its lobbying activities or submit an explanation that the form does not need to be submitted. The LACMTA also will document that it has implemented procedures to file this Standard Form LLL as required.

C. Items Requiring Follow-Up Action

2. Financial Capacity

Basic Requirement: The grantee must demonstrate the ability to match and manage FTA grant funds, to cover cost overruns, to cover operating deficits through long-term stable and reliable sources of revenue, to maintain and operate Federally funded facilities and equipment, and to conduct an annual independent organization-wide audit in accordance with the provisions of OMB Circular A-128.

Description: In Calendar Year 1992, LACMTA's transit operating expenses (related to SCRTD's bus and rail services), less reconciling items, were \$638.9 million. Of these, \$202.2 million (31.6 percent of its operating expenses) were recovered from passenger fares. Auxiliary and non-transportation revenues generated \$10.0 million, or 1.6 percent of the operating expenses. The rest of the operating expenses were made up from local, state and federal subsidies as follows:

<u>S o u r c e</u>	<u>Amount</u> <u>(in millions)</u>	<u>Percent of</u> <u>Total Subsidy</u>
Local		
- Grants	\$324.1	81.6
- Fare Assistance	7.4	1.9
State	18.4	4.6
Federal (FTA)	47.1	11.9
<b>TOTAL</b>	<b>\$397.0</b>	<b>100.0</b>

The LACMTA has various local and state sources of funds for operating and capital expenses. At the local level, Propositions A and C provide the majority of the revenue. Proposition A revenues are generated from a half-cent sales tax approved by County voters in November 1980. An additional half-cent sales tax was approved in November 1990 under Proposition C. At the state level, State Transportation Development Act (TDA), and State Transit Assistance Fund (STA) provide the majority of the revenues. The TDA revenues are derived from 1/4 cent of the state sales tax. Revenues are returned to each county according to the amount of tax collected in that county. STA funds are derived from the sales tax on gasoline and diesel fuel. These funds are allocated to each county based on population and transit operator revenues.

In April 1992, the LACMTA adopted the 30-Year Integrated Transportation Plan (30-Year Plan). The adopted plan presented a blueprint of multi-modal investment strategy to improve mobility in Los Angeles County. However, the continuing recession has reduced passenger fare revenues and sales tax revenues below the levels forecasted in the 30-Year Plan.

LACMTA recently adopted a balanced budget for FY1993-94. The adopted budget calls for total expenses of \$3,299.4 million. Almost one third of the budget, or \$1,059.0 million, is programmed as local transportation subsidies to other operators in the County.

LACMTA does not have a current, balanced three-to-five year financial plan indicating sufficient capability to fund the desired operating and capital program. LACMTA has forecasted a shortfall of \$140 million for FY1994-95 and has established a Task Force to develop and evaluate alternatives to mitigate revenue shortfalls. While the LACMTA has an on-going source of local funds, the forecasted shortfall impacts planning and the potential use of Federal funds. LACMTA needs to provide information to the FTA on how it will deal with the shortfall.

LACMTA continues to drawdown funds for open grants that were awarded to LACTC and SCRFD using the predecessor organizations' respective electronic transfer accounts. Since FTA's accounting system does not allow an open grant to be transferred from one grantee to another, LACMTA will continue to drawdown funds under the LACTC and SCRFD accounts until the activities in these grants are completed. LACMTA has established a new electronic transfer account for its own grants, awarded since the merger.

LACMTA has not requested a temporary waiver of local share requirements. It has deferred local share spending under grants for Segments 2 and 3 of the Metro Rail Red Line. For Segment 2, a Joint Statement of Understanding was executed on August 14, 1992. For Segment 3, the approval is contained in the Full Funding Grant Agreement executed on May 14, 1993. LACMTA is in an overmatch situation with FTA funded capital and operating grants.

LACMTA submits its quarterly Financial Status Reports (FSRs) to the FTA in a timely manner. The reports contain explanations of grant expenditures.

The U. S. Department of Transportation's Office of Inspector General (OIG) completed financial and compliance audits of the LACMTA for Fiscal Years 1991 and 1992 to determine whether the audits were prepared in accordance with the requirements of OMB A-128. At the time of the site visit, LACMTA was preparing a response to describe the actions taken to correct the deficiencies in the FY1992 audit report regarding the Davis-Bacon Act.

Corrective Actions and Schedule: The LACMTA needs to provide FTA Region IX with written quarterly status reports on steps being taken to address the funding shortfall in its operating and capital budgets.



### 3. Technical Capacity

Basic Requirement: The grantee must be able to implement the Section 9 Program of Projects in accordance with the grant application, grant agreement, and all applicable laws and regulations using sound management practices. (Section 102, Part II of the grant agreement.)

Description: At the LACMTA, the primary responsibility for the administration of the grant funded capital projects rests with the Capital Planning Department, which is part of the Planning & Programming Executive Office. The Department Director reports to an Executive Officer, who in turn reports to the Chief Executive Officer of the LACMTA. The day-to-day management of bus related projects is carried out in the Operations Executive Office. The day-to-day management of rail projects is carried out in the Construction Executive Office.

The predecessor agency had an approved cost allocation plan to support indirect administrative costs related to grant programs. During the site visit, staff indicated that an updated cost allocation plan for LACMTA was under preparation. A review of the grant files indicated that the LACMTA had submitted program implementation and drawdown schedules for the Section 9 grants.

LACMTA has submitted QPRs for all federally funded projects to the FTA Regional Office on-time. However, it has not included all of the required information in these reports.

LACMTA has developed Project Management Plans and Quality Assurance Programs for all major construction projects. LACMTA also has retained Engineering and Construction Management consultants, who monitor scope, budget, schedule and quality of all projects. LACMTA's Red Line construction project is being monitored by FTA's Project Management Oversight (PMO) contractor. Quarterly progress meetings are held.

LACMTA has completed numerous FTA-funded capital projects over the past three years. Though LACMTA has experienced some delays in completing bus-related projects, the Division 3 Tank Replacement for example, its overall performance has been acceptable.

#### Corrective Actions and Schedule:

- 1) Within 90 days from issuance of this report, LACMTA must submit an updated cost allocation plan to the FTA Regional Office for approval.
- 2) LACMTA must include all the required information in its QPRs, beginning with the next submission. This includes a discussion of budget or schedule changes, a comparison of scheduled activities and budgeted expenditures with



actual accomplishments, reasons why implementation schedules have been changed, a list of outstanding claims exceeding \$100,000 and all claims settled during the quarter, and a description of force account activities.

## 5. Maintenance

Basic Requirement: The grantee must keep Federally funded equipment and facilities in good operating order.

Description: LACMTA's Equipment Maintenance Departments have the primary responsibilities for maintaining buses and railcars. The bus fleet is maintained at 13 operating divisions. One Central Maintenance Facility supports the heavy repair, overhaul, component rebuild and painting needs of the bus fleet. There is one yard for the Red Line fleet and another for the Blue Line fleet. This review did not include the Blue Line since it is not federally funded.

LACMTA has written preventive maintenance procedures for its bus fleet but it does not have a written maintenance plan. Preventive maintenance inspections are carried out at 6,000 mile intervals. LACMTA has not developed written procedures for maintaining the Red Line cars yet. Since these railcars are under warranty, it is utilizing the forms and schedules provided by the manufacturer. Railcar inspections are being carried out at the intervals recommended by the manufacturer.

A one percent sample of LACMTA's bus fleet, or 25 buses, was selected at three divisions (Divisions 1-Alameda, 12-Long Beach and 15-Sun Valley) during site visit. A sample of three Red Line cars at Division 20 also was selected. Inspection records for sample buses and railcars were reviewed at each location and indicated that the LACMTA was following the established practices for scheduling and conducting bus and railcar inspections. However, some deficiencies were noted at one division with the inspections for the air conditioning systems. LACMTA management present at the site visit addressed these matters subsequent to the site visit.

Walk-through inspections of bus and rail facilities performed during the site visit revealed clean facilities and a working environment maintained in an organized and orderly manner.

Corrective Actions and Schedule: Within 90 days from the issuance of this report, LACMTA must develop a written maintenance plan for bus and rail services. This document, at a minimum, needs to cover the Federally-funded revenue vehicles, machinery and facilities. In accordance with FTA Circular 9030.1A, "Such a plan would, at a minimum, specify the goals and objectives of the maintenance program in terms of an acceptable level of vehicle life, frequency of road service, failure rate, ratio of maintenance

labor to other labor, and other factors". LACMTA will provide a copy of this plan to the FTA Regional Office to indicate that this corrective action has been completed.

11. Transportation Services for Americans with Disabilities (ADA)

Basic Requirement: Title II and III of the Americans with Disabilities Act of 1990 provide that no entity shall discriminate against an individual with a disability in connection with the provision of transportation service. The law sets forth specific requirements for vehicle and facility accessibility and the provision of complementary paratransit service.

Description: LACMTA has complied with most ADA regulations. The LACMTA policy regarding service animals, however, requires clarification. While new and retrained operators are instructed that all service animals are permitted on the vehicles, the Operator Rule book identifies only dogs as service animals permitted on board revenue service vehicles.

Lack of compliance with ADA rail platform warning strip standards also was noted during a tour of LACMTA's new Metro Red Line rapid rail system. The tactile strips at the edge of the platform do not conform to ADA specifications. The LACMTA key station plan, approved by FTA, identifies this deficiency and the milestone to attain compliance by July 1993. Staff indicated that this would be corrected by the fall of 1993.

LACMTA meets the ADA requirements for other fixed-route service provisions. These were discussed in detail during the site visit. The bus operating divisions maintain special bulletin boards for notices regarding compliance with ADA regulations. These bulletin boards contain new notices as well as general ADA information for operators. In addition to training on all ADA requirements, new LACMTA operators are provided training on the special needs of the disabled through a lesson plan (#22) developed by Customer Relations, which is augmented by a lesson plan developed by the Braille Institute. Remedial training provided to veteran operators includes this training.

All rolling stock purchased by LACMTA since 1974 have been accessible to persons in wheelchairs. All bus routes, except one "park and ride" route, receive service by accessible buses. Elderly and disabled patrons not using wheelchairs are permitted to use the wheelchair lift, upon request, on the "FLEX METRO" buses. The wheelchair lifts on other LACMTA buses were not equipped with the hand rails that comply with Part 38 of the ADA regulations. LACMTA has a pilot project in a limited portion of the service area to test the use of bus route cards by disabled persons to identify to the bus operator the route the patron desires.

The joint plan and subsequent update covering LACMTA's conformance to ADA complementary paratransit requirements have been approved by FTA. "Metro Access" is the program by which LACMTA will ensure that complementary paratransit service is provided to persons unable to utilize existing LACMTA fixed route service.

LACMTA facilities are accessible to persons with disabilities. The Red Line rail system, which opened in 1993, is accessible to the disabled. No LACMTA facilities were altered during the review period, although some minor construction activities such as curb cuts for wheelchair ramps, were undertaken during the period.

Corrective Action: Within 60 days from the issuance of this report, LACMTA will provide FTA Region IX with documentation that the following have been completed:

- 1) All LACMTA operators have been instructed to permit all service animals aiding the disabled on board.
- 2) Compliance with the platform tactile strip requirements has been achieved, or the reason for the delay and the anticipated date of compliance.

#### 12. Public Comment on Fare/Service Changes

Basic Requirement: Grantees must develop a local process to solicit and consider public comment prior to a fare increase or major service reduction.

Description: Written guidelines detailing how public comments will be solicited and considered for major service changes and fare adjustments were developed by SCRTD in July 1987. These guidelines contain the thresholds for "major" service changes, which are defined as those involving more than 25 percent of the revenue miles, more than 25 percent of the route miles, or a new route.

LACMTA staff provided information on all fare and service changes considered during the past three years. There was no change in the bus fares in the past three years. There were several service changes; many were related to the opening of the Red Line. Public hearings were held to receive comments on service changes. Following hearings, a report is prepared and presented to the Board describing the comments received.

Corrective Actions and Schedule: Within 90 days from the issuance of this report LACMTA needs to update the public hearing guidelines developed in July 1987. The update must incorporate the rail services which have been instituted since then. The updated guidelines need to be submitted to the FTA Regional Office to indicate completion of this corrective action.

## 16. Civil Rights

Basic Requirement: The grantee must ensure that no person in the United States shall on the grounds of race, color, creed, national origin, sex, or age be excluded from participating in, or denied the benefits of, or be subject to discrimination under any project, program, or activity funded in whole or in part through financial assistance under the Federal Transit Act as amended. The provisions of this section apply to service delivery, employment, and business opportunities and are considered to be in addition to and not in lieu of the provisions of Title VI of the Civil Rights Act of 1964.

Description: LACMTA's Equal Opportunity Department is responsible for administering the federal Civil Rights Program and submitting Title VI, EEO and DBE programs. The Department Director reports to the Executive Officer of Administration/Security & Finance, who reports to the Chief Executive Officer (CEO). This organizational arrangement is not consistent with the Federal requirement to have a direct reporting relationship between the CEO and the Manager/Director of EEO and DBE programs.

LACMTA's previous Title VI program was effective until September 1993. At the site visit, staff indicated the Title VI program assurance was being sent to FTA that week. LACMTA submitted an EEO program to FTA on March 29, 1993. This EEO program received conditional approval on September 1, 1993. LACMTA has an FTA-approved DBE program and goals for the current fiscal year. It has been timely in the submission of quarterly reports.

LACMTA has a written EEO complaint system with procedures and timetables. These procedures have been published and made available throughout the system. Currently there are 42 formal and informal complaints pending review by LACMTA. LACMTA maintains an up-to-date work force utilization analysis, which is being reviewed in light of the merger activities.

Corrective Actions and Schedule: LACMTA needs to establish a reporting relationship that permits direct communication between the Director of the Office of Equal Opportunity and the Chief Executive Officer on EEO- and DBE-related matters. Within 30 days from the issuance of this report, LACMTA will inform the FTA Regional Office in writing of the steps it has taken to implement this corrective action.

## 17. Drug-Free Workplace and Anti-Drug Program

Basic Requirement: FTA grantees are required to maintain a drug-free workplace for all employees and to have an anti-drug policy and training program.



Description: LACTC and SCRTD each had developed a drug-free workplace policy and ensured that the policy was distributed to all employees. Although a LACMTA drug-free workplace certification, dated March 24, 1993, was provided to FTA, a single drug-free workplace policy had not been developed at the time of the review. Staff acknowledged the need to develop a single LACMTA policy that satisfies the requirements of the Drug Free Workplace Act.

LACTC issued a revised Human Resources Employee Handbook to all employees on September 2, 1992. LACTC employees were required to acknowledge receipt of the revised Handbook, which included a summary of the LACTC "Alcohol and Drug Abuse" policy. The policy and summary each contained the information to employees required under the Drug Free Workplace Act. Although staff noted that an employee assistance program (EAP) was available to LACTC staff, no evidence of the LACTC on-going drug free awareness program was provided during the review.

The SCRTD "Comprehensive Drug and Alcohol Policy" (revised 12-21-89) contains the elements required by the Drug Free Workplace Act. Staff noted that all SCRTD employees signed receipts for the revised policy and that all new hires since that date have been given copies of the policy, for which they have signed receipts. SCRTD developed and implemented an ongoing drug-free awareness program for employees that included posters and paycheck inserts, as well as drug abuse information and stories of recovery from drug/alcohol abuse in the SCRTD employee newsletter. SCRTD also developed and implemented a strict anti-drug and alcohol testing program in FY1985 in an effort to ensure a drug-free workplace.

No employees of LACTC or SCRTD have reported a conviction of a drug statute violation occurring in the workplace. Staff noted that SCRTD developed a mechanism for reporting such convictions.

Corrective Actions and Schedule: By June 30, 1994, LACMTA will document its compliance with the Drug Free Workplace Act to FTA, to include 1) the drug free workplace policy and 2) the ongoing drug free awareness program.

#### D. Other Items Reviewed and in Compliance

##### 1. Legal Capacity

Basic Requirement: The grantee must be eligible and authorized under State and local law to request, receive, and dispense FTA funds and to execute and administer FTA-funded projects. The authority to take all necessary action and responsibility on behalf of the grantee must be properly delegated and executed.

Description: LACMTA came into being on February 1, 1993 by State of California law, Statutes of 1992, Chapter 60 (AB 152).



The same law abolished the Los Angeles County Transportation Commission (LACTC) and the Southern California Rapid Transit District (SCRTD) as of April 1, 1993. On that date, LACMTA became the single successor agency to any or all of the powers, duties, rights, obligations, liabilities, indebtedness, immunities and exemptions of the predecessor agencies.

LACMTA is governed by a 14-member Board of Directors. There are 13 voting members appointed by the Los Angeles County Board of Supervisors, the Mayor and the Council of City of Los Angeles, and all other cities in Los Angeles County. There is one non-voting member appointed by the Governor of the State of California.

The Southern California Association of Governments (SCAG) is the designated recipient for federal Section 9 funds for the Los Angeles urbanized area. A supplemental agreement between SCAG and SCRTD was executed in the past.

On March 24, 1993 the LACMTA Board of Directors passed two pertinent resolutions. The first adopted policies for managing and administering activities financed with federal assistance. The second authorized the Chief Executive Officer or his designee to request, receive and dispense federal funds. In accordance with the first resolution, LACMTA has made a commitment to develop and adopt agency-wide policies and procedures to comply with federal requirements. Until such policies and procedures are adopted, LACMTA has resolved to follow applicable LACTC or SCRTD policies and procedures.

LACMTA submitted an Opinion of Counsel dated March 24, 1993 to the FTA Regional Office. There is no pending or threatened litigation that would have an adverse affect on LACMTA's legal capacity or its ability to comply with the terms of grant contracts. The LACMTA is legally capable of administering the FTA Section 9 program.

#### 8. Buy America

Basic Requirement: Per "Buy America" law, Federal funds may not be obligated unless steel, iron, and manufactured products used in FTA-funded projects are produced in the United States, unless a waiver has been granted by the FTA or the product is subject to a general waiver. General waivers are listed in Appendix A to 49 CFR 661.7 and include final assembly in the United States for 15 passenger vans and 15 passenger wagons produced by Chrysler Corporation and microcomputer equipment, including software. Rolling stock must be manufactured in the United States and have a 60 percent domestic content.

Grantees are also required to conduct pre-award and post-delivery audits to confirm "Buy America" compliance for all revenue

service rolling stock procurements of more than ten vehicles and of all rail rolling stock procurements when such procurements are using funds obligated after October 24, 1991. The grantee must file a certification with the FTA that it will comply with these requirements and must keep supporting documentation showing how it has complied when purchasing revenue service rolling stock.

Description: A review of procurement files showed that the LACMTA had included Buy America requirements in all major procurements. SCRTD did not incorporate Buy America requirements in all of its operating procurements. When LACMTA was created, it revised the purchase order process of its predecessor organizations and reportedly, has included Buy America requirements in its operating procurements. The change in procedures reported at the site visit means that LACMTA is in compliance with the requirements of applying Buy America to all Federally funded purchases.

LACMTA has requested Buy America waivers. At the time of the site visit, it was awaiting a response on a bus brake part manufactured in Canada.

LACMTA has filed a certification with the FTA that it will conduct pre-award and post-delivery audits. It included the procedures in its procurement of methanol buses and has established procedures for pre-award and post-delivery audits in future bus procurements. In-plant inspectors have been used in the process.

The LACMTA is found to be in compliance with the basic requirement.

#### 10. Planning

Basic Requirement: The grantee must participate in the transportation planning process in compliance with Section 8 and the transportation planning regulations, as revised.

Description: SCAG is the metropolitan planning organization for six Southern California counties, including Los Angeles County. LACMTA's involvement in the metropolitan transportation planning process is extensive. SCAG's long-range transportation planning document, known as the Regional Mobility Element of the Regional Comprehensive Plan, is updated through each county transportation commission's participation in the development of the Regional Mobility Element Update. LACMTA is a participant in SCAG's Regional Strategic Group for the development of this Update.

California legislation under AB 1246 mandates that representatives from five southern California county transportation commissions meet at least twice each year with SCAG officials to discuss inter-county issues and review the Regional Mobility Plan and the RTIP. In practice, an LACMTA board member meets with SCAG

executive staff generally on a monthly basis. LACMTA chairs the SCAG Regional Modeling Task Force and is an active participant in the update of SCAG's regional model. LACMTA has assisted SCAG in addressing air quality issues through numerous efforts. No deficiencies have been identified in SCAG's planning certification, nor have any conditions been placed upon LACMTA by SCAG through that certification process.

LACMTA, in addition to being an operator of service in the county, has the responsibility of serving as the Los Angeles County multimodal planning and programming entity. In this latter role, LACMTA is responsible for administering local, state, and federal multimodal funds to cities, transit operators, and local agencies within the County. LACMTA must prepare three- to five-year programs of projects for the county, presented as the RTIP, for approval by SCAG, FHWA, and FTA. LACMTA's RTIP, incorporated into the SCAG RTIP, must conform to SCAG long-range plans. Plans supporting LACMTA's RTIP include the LACMTA 30-year transportation plan, the congestion management program, and the congested corridor progress report. These documents also support the LACMTA's Regional Mobility Element, which establishes the County's broad transportation goals and objectives, which are considered in the SCAG long-range transportation plan.

LACMTA's participation in the area's transportation planning process meet the requirements.

### 13. Charter Bus Protections

Basic Requirement: FTA grantees are prohibited from using Federally funded equipment and facilities to provide charter service except on an incidental basis and then only when one or more of the seven exceptions set forth in the charter service regulation at 40 CFR Section 604.9(b) applies. (Note: Two of the seven exceptions apply only to non-urbanized areas.)

Description: LACMTA's signed Charter Bus Agreement, dated March 24, 1993, was on file in the FTA Regional Office. LACMTA does not operate charter bus service on a day-to-day basis. It operated charter bus service on January 31, 1993 in response to a request from the Super Bowl XXVII Host Committee. It advertised for and held a public hearing to identify willing and able private operator and receive comments on the proposed charter rates. No comments were made at the hearing; nor were any received by mail. The LACMTA is in compliance with the basic requirements.

### 14. School Bus Protections

Basic Requirement: FTA grantees are prohibited from providing exclusive school bus service unless it qualifies under specified

exceptions. In no case can Federally funded equipment or facilities be used.

Description: LACMTA's signed School Bus Agreement, dated March 24, 1993, was on file in the Regional Office. LACMTA does not operate any exclusive school bus service. It operates supplemental bus service on regular routes, or tripper service, on school days. All supplemental services are open to the general public. LACMTA is in compliance with the school bus requirements.

#### 15. Section 15 Data Reporting

Basic Requirement: The grantee must collect, record, and report Section 15 data in accordance with the Uniform System of Accounts and Records.

Description: LACMTA submits its Section 15 Report to the FTA annually in a timely manner. There are no known deficiencies or problems with the accuracy of the information submitted. LACMTA's procedures for collecting and reporting Section 15 data are described in the manual prepared by the Ridership Analysis Section. The procedures were updated last year to incorporate the Blue Line service. LACMTA is in compliance with the Section 15 requirements.

#### 18. Safety and Security

Basic Requirement: Any recipient of Section 9 funds must annually certify that it is spending 1 percent of such funds for transit security projects or that such expenditures for security systems are not necessary. In addition, under Section 22 of the Federal Transit Act, the Secretary has the authority to investigate the operations of the grantee for any conditions that appear to create a serious hazard of death or injury, especially to patrons of the transit service.

Description: LACMTA has certified to FTA that 1 percent of Section 9 funds will be spent for security purposes. During FY1991, FY1992, and FY1993, LACMTA Transit Police Department operating expenses were 19.6 percent, 25.5 percent and 32 percent, respectively, of the Section 9 funds received during those years.

LACMTA's safety program encompasses employee, environmental, facility and equipment, traffic, and public safety. An Illness and Injury Prevention Program was developed by SCRTD in October 1991 in response to state requirements. This safety program contains a policy statement that asserts the need to promote safe working conditions for all employees. Environmental safety issues examined by LACMTA include route and schedule safety and bus stop safety. Facility and equipment safety concerns have extended to a LACMTA project, funded by the Transit Cooperative Research Program, to design an operator's compartment in a revenue service vehicle.

A Rail System Safety Program was developed by SCRTD to address formally the safety needs of the rail transit system, in addition a rail emergency response plan and standard operating procedures for each rail line. The rail system is subject to periodic emergency drills, in concert with outside agencies. Staff cited numerous drills required for certification by the California Public Utilities Commission before each rail segment may be opened for public use. Construction site safety policies were developed by LACTC in 1992. A master system safety plan for LACMTA bus and rail operations is in development.

A formal operator safety training program is managed by the Transportation Department. New vehicle operators must participate in a formal six-week safety training program, which includes a defensive driving program. Veteran operators are provided additional training as needed, including eight-hour remedial defensive driving training. Safety meetings are held monthly at each operating division. Monthly meetings are held between Transportation and Risk Management to review safety concerns.

Traffic accident statistics indicate a steady decline in traffic accidents, passenger accidents, station accidents, and non-collision accidents during the review period. Property damage and liability claims similarly decreased during the same period.

Staff cited employee back injuries as a key safety issue needing attention. Rates of employee injury have not declined as have other accident types. Employee safety is incorporated into operator safety training; all maintenance employees participate in a general eight-hour training program, in addition to task-specific training. Annual safety awards through the National Safety Council are made annually to bus operators who have achieved 5, 10, and 15 years of accident-free driving.

LACMTA satisfies the security and safety requirement.

## 20. Private Enterprise Participation

Basic Requirement: Any recipient of funds under Section 9 of the Federal Transit Act, as amended, must comply with the FTA Private Enterprise Participation policy statement dated October 22, 1984, and FTA Circular 7005.1 "Documentation of Private Enterprise Participation Required Sections 3 and 9 Programs," dated December 5, 1986. The grantee must have a process for evaluating "new or restructured service" and also for evaluating all routes every 3 years for possible privatization opportunities.

Description: LACMTA has developed a policy for private sector involvement in the provision of transit services in the County. The policy addresses consultation process, cost comparison methodology, and complaint procedures. LACMTA also established the Private Sector Forum to review and assess compliance with the



policy. The forum prepares an annual assessment, which is presented in the Short Range Transit Plan/Transportation Improvement Program. LACMTA conducts a route-by-route analysis at least every three years. LACMTA maintains an up-to-date directory of private operators in the County. LACMTA is in compliance with the private enterprise participation requirements.

IV. TRIENNIAL REVIEW SUMMARY TABLE

Grantee: LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

Review Item	DESK REVIEW		ON-SITE REVIEW		Results	Corrective Actions and Schedule
	Date of Review: June 15-17, 1993	Sources Reviewed	Date of Review: September 7-10, 1993	Sources Reviewed		
1. Legal Capacity	<ul style="list-style-type: none"> <li>- Federal Grants Program Certifications, Assurances, and One-Time Submissions, 3/25/93</li> <li>- Opinion of Counsel, 3/24/93</li> <li>- Adopting Resolution, 3/24/93</li> <li>- Authorizing Resolution, 3/24/93</li> <li>- Supplemental Agreement, 3/31/93</li> </ul>	<ul style="list-style-type: none"> <li>- Public Utilities Code: 130050.2</li> <li>- Letter to FTA regarding 13(c) obligations, 4/6/93</li> <li>- Delegation of Signature Authority by CEO, 5/21/93</li> </ul>	C-0			
2. Financial Capacity	<ul style="list-style-type: none"> <li>- Full Funding Grant Agreement, 4/23/93</li> <li>- Update of R.O.W. Acquisition, 8/19/92</li> <li>- Response to auditors' recommendations, 3/31/92</li> <li>- OIG Audit Reports, FYs 91 and 92</li> </ul>	<ul style="list-style-type: none"> <li>- 30-Year Plan, April 1992</li> <li>- Budget, FY93-94</li> <li>- Sample ECHO documentation</li> <li>- Section 15 Report, FY92</li> </ul>	C-1	<ul style="list-style-type: none"> <li>- Report implementation progress on steps to eliminate projected deficit quarterly</li> </ul>		
3. Technical Capacity	<ul style="list-style-type: none"> <li>- Statement of Continued Validity, CA-03-0392 and CA-90-X534</li> <li>- Transportation System Description</li> <li>- Policy and Requirements for Grants</li> <li>- Monthly Progress Report 10, 10/17/90</li> <li>- Monthly Progress Report 13, 1/24/91</li> <li>- Grant Status Reports</li> </ul>	<ul style="list-style-type: none"> <li>- Organization charts</li> <li>- PMPs, Red Line MOS-2 and 3</li> <li>- Grant Administration Policy, April 1980</li> <li>- Force account list</li> <li>- Past cost allocation plans</li> </ul>	C-1,6	<ul style="list-style-type: none"> <li>- Submit updated cost allocation plan for approval (90 days)</li> <li>- Incorporate all required information in QPRs</li> </ul>		
4. Satisfactory Continuing Control	<ul style="list-style-type: none"> <li>- Reserve fleet request, 9/11/92</li> <li>- Disposition requests</li> </ul>	<ul style="list-style-type: none"> <li>- Bus and Railcar Inventory</li> <li>- Real estate report, MOS-1 grant closeout</li> <li>- Procedures for equipment disposition</li> <li>- Memorandum on all vehicle insurance, 4/20/93</li> </ul>	N-1,6	<ul style="list-style-type: none"> <li>- Reconcile inventory(90 days)</li> <li>- Prepare and submit plan to reduce spare ratio to 20% (90 days)</li> <li>- Prepare and submit contingency fleet plan (90 days)</li> </ul>		

IV. TRIENNIAL REVIEW SUMMARY TABLE  
continued

Grantee: LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

	DESK REVIEW	ON-SITE REVIEW	Results	Corrective Actions and Schedule
	Date of Review: June 15-17, 1993	Date of Review: September 7-10, 1993		
Review Item	Sources Reviewed	Sources Reviewed		
5. Maintenance		<ul style="list-style-type: none"> <li>- Sample PM logs for buses and railcars</li> <li>- PM procedures for buses and Red Line cars</li> <li>- Breda warranty flow chart</li> <li>- Fluid Analysis Lab Information Guide</li> </ul>	C-2	<ul style="list-style-type: none"> <li>- Develop maintenance plans (90 days)</li> </ul>
6. Elderly & Persons with Disabilities/ Medicare Half Fare		<ul style="list-style-type: none"> <li>- Fare brochures</li> <li>- LACTOA Reduced Fare Program Application</li> </ul>	N-1	<ul style="list-style-type: none"> <li>- Amend all fare information to include reference to the use of Medicare cards, incl. fareboxes and TVMs (1 year)</li> </ul>
7. Competitive Procurement	<ul style="list-style-type: none"> <li>- Self-Certification (LACTC)</li> <li>- Self-Certification (S CRTD)</li> <li>- Draft Procurement System Review of LACTC and RCC</li> </ul>	<ul style="list-style-type: none"> <li>- Procurement files</li> <li>- LACMTA response to procurement system review</li> <li>- Draft LACMTA Procurement Policies</li> </ul>	N-1, 8	<ul style="list-style-type: none"> <li>- Include Federal required clauses in all procurements and intergovernmental agreements (30 days)</li> <li>- Procure legal services in accordance with FTA C. 4220.1B (30 days)</li> <li>- Change sole source procurement procedures (30 days)</li> </ul>
8. Buy America	<ul style="list-style-type: none"> <li>- Pre-Award, Post-Delivery Audit Certifications, 3/2/93</li> </ul>	<ul style="list-style-type: none"> <li>- Procurement files</li> </ul>	C-0	
9. Program of Projects	<ul style="list-style-type: none"> <li>- Coordination of Transit Service Assurance, 3/24/93</li> </ul>	<ul style="list-style-type: none"> <li>- Published notices and correspondence</li> <li>- TAC membership mailing list</li> </ul>	N-1	<ul style="list-style-type: none"> <li>- Document availability of the final POP (next submittal)</li> </ul>

Grantee: LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

IV. TRIENNIAL REVIEW SUMMARY TABLE  
continued

	DESK REVIEW	ON-SITE REVIEW		
Review Item	Date of Review: June 15-17, 1993 Sources Reviewed	Date of Review: September 7-10, 1993 Sources Reviewed	Results	Corrective Actions and Schedule
10. Planning	<ul style="list-style-type: none"> <li>- SRTP and TIP FYs 1993-95, 6/24/92</li> <li>- Overall Work Program 1993-94, 6/93</li> </ul>	<ul style="list-style-type: none"> <li>- RTIP, FY93-95</li> <li>- SCRTP SRTP, FY93-97</li> </ul>	C-0	
11. Transportation Services for ADA	<ul style="list-style-type: none"> <li>- Letter to FTA regarding Paratransit Service, 5/18/93</li> </ul>	<ul style="list-style-type: none"> <li>- LACMTA/SCRTPD notices</li> <li>- Customer service lesson plans</li> <li>- Key Station Plan</li> <li>- LACMTA training materials</li> </ul>	C-1	<ul style="list-style-type: none"> <li>- Update service animals policy</li> <li>- Report on compliance with rail tactile strips</li> </ul>
12. Public Comment on Fare/Service Change		<ul style="list-style-type: none"> <li>- Public Hearing Guidelines, July 1987</li> <li>- Staff reports</li> </ul>	C-2	<ul style="list-style-type: none"> <li>- Update guidelines (90 days)</li> </ul>
13. Charter Bus Protections	<ul style="list-style-type: none"> <li>- Charter Bus Agreement, 3/24/93</li> </ul>	<ul style="list-style-type: none"> <li>- Public hearing records, correspondence for Super Bowl charter service</li> </ul>	C-0	
14. School Bus	<ul style="list-style-type: none"> <li>- School Bus Agreement, 3/24/93</li> </ul>	<ul style="list-style-type: none"> <li>- Route maps and schedules</li> </ul>	C-0	
15. Section 15 Data Reporting		<ul style="list-style-type: none"> <li>- Section 15 Reports, FYs 91 and 92</li> <li>- Detailed review letter, July 1993</li> <li>- Reporting Manual, FY92</li> </ul>	C-0	
16. Civil Rights	<ul style="list-style-type: none"> <li>- Title VI Assurance, 3/24/93</li> <li>- Civil Rights Hearing Notification, 6/5/93</li> </ul>	<ul style="list-style-type: none"> <li>- EEO/AAP Statement of Policy</li> <li>- DBE Program, FY93 Goals and Policy</li> <li>- DBE approval letter, 4/21/93</li> <li>- EEO/AAP Plan and complaints</li> <li>- EEO Program Conditional Approval letter, 9/1/93</li> </ul>	C-8	<ul style="list-style-type: none"> <li>- Establish a direct reporting relationship to CEO</li> <li>- Inform FTA in writing of steps taken (30 days)</li> </ul>

IV. TRIENNIAL REVIEW SUMMARY TABLE  
continued

Grantee: LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

	DESK REVIEW	ON-SITE REVIEW		
	Date of Review: June 15-17, 1993	Date of Review: September 7-10, 1993		
Review Item	Sources Reviewed	Sources Reviewed	Results	Corrective Actions and Schedule
17. Drug-Free Workplace and Anti-Drug Program	<ul style="list-style-type: none"> <li>- Drug-Free Workplace Certification, 3/24/93</li> </ul>	<ul style="list-style-type: none"> <li>- LACTC Alcohol &amp; Drug Abuse Policy</li> <li>- LACTC Internal memorandum</li> <li>- SCRTD Drug &amp; Alcohol Policy</li> <li>- SCRTD Internal notices, newsletters</li> <li>- SCRTD Operator's Rule Book</li> <li>- SCRTD Maintenance Guidebook</li> </ul>	C-1	<ul style="list-style-type: none"> <li>- Document LACMTA policy and on-going awareness program</li> </ul>
18. Security/Safety	<ul style="list-style-type: none"> <li>- Security Projects Certification, 3/24/93</li> </ul>	<ul style="list-style-type: none"> <li>- Accident and risk mgmt. statistics</li> <li>- Construction Site Safety &amp; Security Policy</li> <li>- Rail System Safety Program</li> <li>- Injury &amp; Illness Prevention Program</li> <li>- Emergency Preparedness Manual</li> </ul>	C-0	
19. Integrity	<ul style="list-style-type: none"> <li>- Certificate of Debarment, Suspension, and Other Responsibility Matters, 3/24/93</li> </ul>	<ul style="list-style-type: none"> <li>- Procurement files</li> </ul>	N-1,3	<ul style="list-style-type: none"> <li>- Include proper certifications in Federally funded procurements (30 days)</li> </ul>
20. Private Enterprise	<ul style="list-style-type: none"> <li>- Private Sector Involvement Process, 11/27/91</li> </ul>	<ul style="list-style-type: none"> <li>- Private Sector Forum Directory</li> <li>- SRTPTIP, FYs93-95</li> </ul>	C-0	
21. Restrictions on Lobbying	<ul style="list-style-type: none"> <li>- Restrictions on Lobbying, 3/24/93</li> </ul>	<ul style="list-style-type: none"> <li>- Procurement files</li> </ul>	N-4,5	<ul style="list-style-type: none"> <li>- Include certification in Federally funded procurements (30 days)</li> <li>- File Standard Form LLL as required (30 days)</li> </ul>



Attendance List  
Tuesday, September 7, 1993

Telephone No.

Title

Name

FVP - REC

Rodney Desser

244 6887

Exec Officer Adm

Hean Ess

244-7433

Exec Office - Planning  
- Program

Frank Cousin

244 6576

Dir. of Capital Planning

Minda Dellinger

244-6802

FTA - Investment Review Manager (202)361-1816

Ray Luongo

244-6463

MTA

Dennis Newjehai

244-7476

MTA-ops

Michael Courte

213-244-7434

FTA - Office of Chief Counsel - Hdqts 202-3661936

A.T. Leahy

(15) 744-3133

FTA-REGION IX TRI. REVIEW COORDINATOR 415-944-3118

Arthur Lopez

244-2431

MTA

Robert Markel

614 422-3556

Middle Associates

Suzanne Gifford

(213) 972-4330

MTA - Planner

Paul L. Come

(213) 972-5150

MTA - Real Estate

Gary S. Spivack

(213) 244-7937

Middle Associates: 215-731-9350

Deanne M. Smith

(213) 244-7803

Grants Administration - 213 244-6811

Ann Kury

(213) 244-6779

MTA - Grants

Wayne Moore

(213, 244-6757

Asst. Director, Capital Planning

Nancy Weldon

244-6326

Office of Inspection General (213) 244-7439

Service Priorities

(213) 244-6522

Managed At Risk County Council (Legal) (213) 244-6522

Waver Wadkin

Jeery MATSOMOTO

213 244 - 6229

FRANKLIN White  
Franklin White  
Franklin White  
Franklin White

MTA Grants Mgmt  
MTA Grants Mgmt  
MTA Grants Mgmt  
MTA Grants Mgmt

244-6801  
213-8385

ATTENDANCE LIST

MEETING WEDNESDAY, SEPTEMBER 8 1993

GROUP 1

NAME	TITLE/DEPARTMENT	TELEPHONE
Madys Loue	Grants Adminstr/MTA	213-244-6811
Don Hillmer	Manager - Operations Planning Schd. & Ops. Plns Dept.	213-972-6972
Stephen Pary	Director, Scheduler & Operations Planning	(213) 972-6900
Dana Woodbury	Deputy Executive Officer Planning & Programming	(213) 244-7440
Jerry Spivack	Deputy Executive Officer Facilities & Procurement	(213) 244-7437
Alma Muehler	Director of Real Estate Facilities & Procurement	(913) 244-6555
JEFF CHRISTIANSEN	Vice President, PROGRAM MANAGEMENT	(213) 244-6587
Keith Kilough	Director of Community Planning	(213) 972-4811
Yank Flores	Manager, Grants Management	(213) 244-6501
John Mack	Director BEO	(213) 244-6780

1993 FTA TRIENNIAL REVIEW

ATTENDANCE LIST

THURSDAY, SEPTEMBER 9, 1993

LOCATION: CME

NAME

TITLE/DEPT/UNIT

TELEPHONE

Jalaly, Louis

Daron King

Ray Luongo

Danet Kraus

Dianne Smith

Frank Barbagallo

Ken Miller

Dennis Newjarko

ARTHUR A. LOPEZ

FTA/office of  
Chief Counsel

202 ~~977450~~  
3661936

David Norstrom

Subash Munde

Battelle

Munde & Associates

HP CHAVINA

LACMTA

MTA Operating  
General

(213) 972 438  
(213) 972-5023

(614) 424-3998

(215) 731-9350

Capital Planning

244-6463

EQUIP. MAINT.

219-972-5800

MTA

213-972-5826

Battelle

614-424-7803

Munde & Associates

215/731-9350

FTA/Grants Management

(202) 366-1646

Grants Admin.

(213) 244-6779

Grants Adm.

213 244-6811

1993 ETA TRIENNIAL REVIEW

ATTENDANCE LIST

THURSDAY, SEPTEMBER 9, 1993

LOCATION: CME

NAME

TITLE/DEPT/UNIT

TELEPHONE

Don Biereny

Frank Cecere

Jack Eich

Paul Cimo

Richard Bachman

Paul Desnicki

3201  
T.O.S. Instructor

T.O.S. Inst. 3203

M.T.A CME

972-5719

872-6401  
972-6403

9400

972-5051

9400

972-5044

Inventory Control

FTA TRIENNIAL REVIEW  
 SEPTEMBER 10, 1993  
 MONTECITO HEIGHTS ROOM

ATTENDANCE LIST

Name	Title/Unit	Telephone
Caron Kung	Program Mgr./Capital Planning	(213) 244-6779
John Marks	BSO	(213) 244-6700
Samuel G. Ramirez	CAO	244-7448
Alan Bell	EOA	244-7433
Gray Wilson	Exec Office Planning/Programing	244-6576
Dennis Newjahn	MTA/Capital	244-6463
Art Leebey	MTA	244-7437
Frank Stone	MTA Grants Mgmt.	244-6201
with a copy -	FTA/Office of Chief Counsel	202 3661936
Raydunso	FTA - Grants Management	202-366-164
Subhal Maudli	Muelle & Associates	(213) 721-9322
Janet Krieger	Muelle & Associates	215-731-9352
Chira Bergman	MTA - Director of Capital Planning	813 244 680
for whom	FTA - Triennial Review	415-744-3118
W. K. Wilson	Coordinator Review IX	
Jeff (CHRISTIANSTAN)	MTA/RCE	(213) 244-444