



METROPOLITAN
TRANSPORTATION
COMMISSION

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Memorandum

TO: Administration Committee

DATE: October 28, 2015

FR: Executive Director

W. I. 1514

RE: Contract – Transit Performance Monitoring Program for FY 2015-16 through FY 2017-18: Pierlott & Associates, LLC (\$520,000)

Staff requests Committee approval of a contract with Pierlott & Associates, LLC for \$520,000 to:

- Conduct TDA performance audits of MTC and the Bay Area transit operators over a three-year period;
- Conduct RM2 Operating Performance Reviews of all RM2 Operating Projects over a three-year period;
- Conduct assessment of progress towards Transit Sustainability Project performance targets; and
- Perform other performance review professional services, as needed.

Background

Transportation Development Act (TDA) Triennial Audits

California Public Utilities Code Section 99246 requires that transportation planning agencies, such as MTC, designate independent entities to conduct performance audits of their activities and of the activities of each transit operator to whom they allocate funds under Article 4 of the Transportation Development Act (TDA). The purpose of the audits is to systematically evaluate the efficiency, effectiveness, and economy of the operation of the entity being audited. Over the three-year period of the contract, MTC and all operators to whom MTC allocates TDA funds will be audited.

Regional Measure 2 Program Performance and other Performance Reviews

The consultant will also conduct a performance measure analysis of transit operations projects that are identified in the Regional Traffic Relief Plan of Regional Measure 2.

Transit Sustainability Project Performance Target Assessment

The Transit Sustainability Project focuses on three project elements: financial, service performance and institutional frameworks. On May 23, 2012, the Commission approved recommendations in MTC Resolution No. 4060 that are based on project findings related to the financial, service performance, and institutional framework of the Bay Area transit system. The policies adopted require MTC to conduct periodic reviews of progress toward the performance targets.

Other Performance Review Professional Services

The consultant may also be directed to provide the following types of services, including but not limited to: peer group performance and/or cost comparison; best practice review and synthesis for transit efficiency; independent assessment of cost reform options and review of current standards, goals, and objectives; recommendations pertaining to region-wide performance metrics; or recommendations on

specific projects or progress in implementing Productivity Improvement Program Projects consistent with MTC policy.

Selection Process

A Request for Proposals (RFP) was posted on September 4, 2015. MTC received one (1) proposal from the following firm:

- Pierlott & Associates, LLC, Pennsauken, NJ

A review panel of two MTC staff and three transit agency representatives evaluated the proposal based upon the following evaluation criteria specified in the RFP:

- Understanding of the purpose and requirements of the project and approach to conducting and completing the project, including but not limited to: proposed work plans and schedules; strategy for managing resources, including subcontractors' personnel and project output; and approach to dealing with project challenges or obstacles; and resource allocation (personnel and expenditures), in terms of quality and quantity, to key tasks, including the hours and appropriateness of personnel assigned to each task (60%);
- Individual project staff and firm qualifications and experience with performance audits, particularly transportation agency audits, public transit, transportation planning, and the issues and functional area(s) to be analyzed (20%);
- Cost effectiveness (10%); and
- Writing ability (10%).

The panel determined that the proposal submitted by Pierlott & Associates, LLC provides precise work plans for each defined task, proposed an appropriate approach to administering the TDA compliance and functional audits of transit operators, Regional Measure 2 Performance reviews, and Transit Sustainability performance target assessments, and demonstrates that the team has good experience. Pierlott & Associates is neither a disadvantaged business enterprise (DBE) nor a small business enterprise (SB) and it has no subcontractors.

The proposed budget for the contract allots \$235,000 for the TDA audits; \$195,000 for the RM2 Operating Reviews (\$65,000 per year); \$50,000 for the Transit Sustainability Project; and \$40,000 for other professional review services and analyses from FY2015-16 to FY 2017-18. Funds for work in FY 2015-16 are included in the FY 2015-16 agency budget. Funds for work in FY 2016-17 and FY 2017-18 are subject to the budgeting processes of those respective fiscal years.

Recommendation

Staff recommends that this Committee authorize the Executive Director or his designee to negotiate and enter into a three-year contract with Pierlott & Associates, LLC for services related to MTC's transit performance monitoring program in an amount not to exceed \$520,000, subject to the agency's budget approval process as necessary in future fiscal years.

Steve Heminger

SH: CH

REQUEST FOR COMMITTEE APPROVAL

Summary of Proposed Consultant Contract

Work Item No.:	1514
Consultant:	Pierlott & Associates, LLC (Pennsauken, NJ)
Work Project Title:	MTC Transit Performance Monitoring Program
Purpose of Project:	Perform legally-required audits of various MTC projects and perform other performance review professional services, as needed.
Brief Scope of Work:	<p>Task 1: Triennial Audit of MTC and of the Transit Operators.</p> <p>Task 2: Regional Measure 2 Operating Program Performance Review.</p> <p>Task 3: Transit Sustainability Project (TSP) Review.</p> <p>Task 4: Other Performance Review Professional Services, as needed.</p>
Project Cost Not to Exceed:	\$520,000
Funding Source:	TDA = \$325,000; RM2 = \$195,000
Fiscal Impact:	<p>TDA: \$85,000 for audits and \$25,000 for the TSP Review to be conducted during FY2015-16; will require budgeting \$63,000 for audits and \$25,000 for the TSP Review to be conducted in in FY2016-17; and \$87,000 for audits to be conducted in FY2017-18. As needed performance review services will require \$40,000 in the FY2015-16 budget with remaining funds to be carried over into FY2016-17 and FY2017-18.</p> <p>RM2: \$65,000 in FY2015-16 budget for audits to be conducted during FY 2015-16; will require budgeting \$65,000 each in FY2016-17 and FY2017-18 for the audits to be conducted in those fiscal years.</p>
Motion by Committee:	That the Executive Director or his designee is authorized to negotiate and enter into a contract with Pierlott & Associates, LLC for the MTC Transit Performance Monitoring Program, as described above and in the Executive Director's October 28, 2015 memorandum and the Chief Financial Officer is directed to set aside funds for such contract in FY2015-16 in an amount of \$215,000 and \$153,000 in FY2016-17 and \$152,000 in FY2017-18, subject to inclusion of such funds in each of those fiscal years' agency budget.
Administration Committee:	<hr/> <p>Adrienne J. Tissier, Chair</p>
Approved:	November 4, 2015