



METROPOLITAN  
TRANSPORTATION  
COMMISSION

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## *Memorandum*

TO: Administration Committee

DATE: January 2, 2019

FR: Deputy Executive Director, Operations

W. I. 1514

RE: Contract – Transit Performance Monitoring Program for FY 2018-19 through FY 2020-21: Pierlott & Associates, LLC (\$645,000)

Staff requests Committee approval of a contract with Pierlott & Associates, LLC for \$645,000 to:

- Conduct Transportation Development Act (TDA) performance audits of MTC and the Bay Area transit operators over a three-year period;
- Conduct Regional Measure 2 (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**

#### *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 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.

#### *RM2 Program Performance Review*

The consultant will annually conduct a performance measure analysis of transit operations projects that are identified in the RM2 Regional Traffic Relief Plan.

#### *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. Work on this project is subject to changes to the Transit Sustainability Program.

#### *Other Performance Review Professional Services*

The consultant may also be directed to provide the following types of services, including but not limited to: tasks related to the development and implementation of the MTC Regional Measure 3 (RM3) Operating Program performance review; 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; assessments and 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 October 15, 2018. The RFP was emailed to over 1200 unique firms. 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:

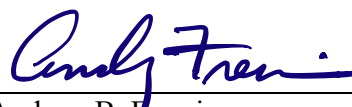
- Technical Expertise – Demonstrated knowledge and expertise with RTPA, MPO and transit operator best practices related to performance by public planning and/or transit operating organizations in the transportation field. Includes an evaluation of Proposer's national and regional expertise in major metropolitan areas. (45%)
- Project Team/Firm Evaluation – Qualifications and experience of firm and project team related to the audit of RTPA, MPO and transit operator performance in both national and regional metropolitan areas. (20%)
- Communication skills based on proposal and discussions, if held. (10%)
- Cost Effectiveness (10 %)
- Price (15%)

A panel evaluated the proposal submitted by Pierlott & Associates, LLC and awarded it 98 out of a possible 105 points. The panel determined that the Pierlott & Associates, LLC proposal provided 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 demonstrated that the team has significant experience. Pierlott & Associates is neither a disadvantaged business enterprise nor a small business enterprise and it has no subcontractors.

The proposed budget for the contract allots \$250,000 for the TDA audits; \$195,000 for the RM2 Operating Reviews (\$65,000 per year); \$75,000 for the Transit Sustainability Project; and \$125,000 for other professional review services and analyses from FY 2018-19 to FY 2020-21. Funds for work in FY 2018-19 total \$192,000 and are included in the FY 2018-19 agency budget. Funds for work in FY 2019-20 and FY 2020-21 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 \$645,000, subject to the agency's budget approval process as necessary in future fiscal years.



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Andrew B. Premier

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: Task 1: Triennial Audit of MTC and of the Transit Operators.  
Task 2: Regional Measure 2 Operating Program Performance Review.  
Task 3: Transit Sustainability Project (TSP) Review.  
Task 4: Other Performance Review Professional Services, as needed.

Project Cost Not to Exceed: \$645,000

Funding Source: TDA = \$450,000; RM2 = \$195,000

Fiscal Impact: TDA: \$87,000 for audits and \$25,000 for the TSP Review to be conducted during FY2018-19; will require budgeting \$74,000 for audits and \$25,000 for the TSP Review to be conducted in FY 2019-20; and \$89,000 for audits and \$25,000 for the TSP Review to be conducted in FY 2020-21. As needed performance review services will require \$15,000 in the FY 2018-19 budget with remaining funds to be carried over into FY 2019-20 and FY 2020-21; and as needed performance review services will require \$110,000 in the FY 2019-20 budget with remaining funds to be carried over into FY 2020-21.

RM2: \$65,000 in FY 2018-19 budget for audits to be conducted during FY 2018-19; will require budgeting \$65,000 each in FY 2019-20 and FY 2020-21 for the audits to be conducted in those fiscal years.

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 Deputy Executive Director's January 2, 2019 memorandum, and the Chief Financial Officer is directed to set aside funds for such contract in FY 2018-19 in the amount of \$192,000 and \$274,000 in FY 2019-20 and \$179,000 in FY 2020-21, subject to inclusion of such funds in each of those fiscal years' agency budgets.

Administration  
Committee:

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Federal Glover, Chair

Approved: January 9, 2019