

FINAL REPORT

FY2006 TRIENNIAL REVIEW

of the

**Metropolitan Transit Authority of Harris County
(Metro)
Houston, Texas**

**Desk Review: January 17-18, 2006
Site Visit: April 24-27, 2006**

May 2006

**Prepared for the
Federal Transit Administration
Region 6
Fort Worth, Texas**

by

CDI/DCI Joint Venture

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I. TRIENNIAL REVIEW BACKGROUND

The United States Code, chapter 53 of title 49, requires the Federal Transit Administration (FTA) of the United States Department of Transportation (USDOT) to perform reviews and evaluations of Urbanized Area Formula Grant activities at least every three years. This requirement is contained in 49 U.S.C. 5307(i).

- (2) At least once every 3 years, the Secretary shall review and evaluate completely the performance of a recipient in carrying out the recipient's program, specifically referring to compliance with statutory and administrative requirements and the extent to which actual program activities are consistent with the activities proposed under subsection (d) of this section and the planning process required under sections 5303-5306 of this title.
- (3) The Secretary may take appropriate action consistent with the review, audit and evaluation under this subsection, including making an appropriate adjustment in the amount of a grant or withdrawing the grant.

The Triennial Review includes a review of the grantee's compliance in 23 different areas. The basic requirements for each of these areas are summarized below.

This report presents the findings from the Triennial Review of the Metropolitan Transit Authority of Harris County (Metro) located in Houston, Texas. 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 at the Region 6 Office in Fort Worth, and on-site discussions and review of the procedures, practices, and records of Metro 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 the policies in place and the management of grants. During the visit, administrative and statutory requirements were discussed, documents were reviewed, and facilities were toured. Specific documents examined during the Triennial Review are available in FTA's and Metro's files.

II. REVIEW PROCESS

The desk review was conducted in the Region 6 Office on January 17-18, 2006. Following the desk review, an agenda package was sent to Metro advising it of the site visit and indicating additional information that would be needed and issues that would be discussed.

The site visit to Metro occurred on April 24-27, 2006. The individuals participating in the review are listed in Section VII of this report.

At the entrance conference, the purpose of the Triennial Review and the review process were discussed. During the site visit, urbanized area formula grant program administrative and

statutory requirements were discussed and documents were reviewed. Metro's transit facilities were toured to provide an overview of activities related to FTA-funded projects. A sample of FTA-funded vehicles was inspected during the site visit.

On completion of the review, an exit conference was held with Metro staff to discuss findings as well as corrective actions and schedules. This information is summarized in the table in Section V of this report. A draft copy of this report was provided to Metro at the exit conference.

III. DESCRIPTION OF THE GRANTEE

Metro provides transit service in the communities of Houston, Bellaire, Bunker Hill Village, El Lago, Hedwig Village, Hilshire Village, Humble, Hunters Creek Village, Katy, Missouri City, Piney Point Village, Southside Place, Spring Valley, Taylor Lake Village, West University Place and certain portions of unincorporated Harris County. The population of its service area is approximately 2,796,994. Houston Metro is a metropolitan transit authority established by voter referendum in 1978 under Article 1118X of the Texas State statutes. Its enabling legislation has been recodified as Chapter 451 Texas Transportation Code. Metro began service in 1979.

Metro operates bus, rail, paratransit, and van pool services. Metro operates bus services from six operations/maintenance locations. Five of these are directly operated by Metro. One is contracted out to First Transit, Inc. Metro directly operates its light rail line, and completely contracts out its paratransit service. This service is provided by five operators. Two operators, First Transit, Inc. and Greater Houston Transportation Company (Yellow Cab), provide scheduled vehicles for the ADA complementary paratransit service (METROLift). Greater Houston Transportation Company (Yellow Cab) and three other taxi cab companies -- United Cab Company, Fiesta Cab Company and Square Deal Cab Company -- also operate on-demand paratransit service. This on-demand service can be supplemental service for the complementary service or a separate non-ADA required service that provides same day on-demand through a voucher system implemented by Metro. This voucher service is known as METROLift Subsidy Program (MSP).

Metro operates a network of 109 weekday, 80 Saturday, and 54 Sunday fixed routes. Service is provided weekdays from 3:15 a.m. to 2:50 a.m. Saturday service is operated from 3:50 a.m. to 2:50 a.m. Sunday service operates from 3:50 a.m. to 2:40 a.m. The ADA complementary paratransit service operates from 5:00 a.m. to 11:00 p.m. on weekdays, 7:00 a.m. to midnight on Saturday, and 7:00 a.m. to 11:00 p.m. on Sunday. During the hours when METROLift does not operate but the fixed route service is operating, persons with disabilities can use the MSP for ADA complementary service.

The basic adult fare for bus service is \$1.00. A reduced fare of \$0.40 is offered at all times for senior citizens, persons with disabilities, persons with a Medicare card, and students. Children from 5 years to 11 years of age pay \$0.25, and those below 5 years of age ride free. Metro offers a number of pass and token programs with bus passes for express and local services

in daily, weekly, monthly and annual options. The fare for the complementary paratransit service is \$1.15. The MSP service is jointly funded by Metro and the passenger. The passenger pays the first \$1 and the Metro pays up to the next \$8.00 of the meter fare. The passenger pays any fare amount over \$9.00.

Metro operates a fleet of 1,228 buses for fixed-route service. Its bus fleet consists of standard 29- and 40-foot transit coaches, 60-foot articulated buses, 45-foot over-the-road buses, and rubber-tired trolleys. The current peak requirement is for 1,023 vehicles. Metro also has a fleet of 135 vans that are operated by First Transit for ADA paratransit service. The Metro LRT fleet consists of 18 vehicles of which 16 are required for peak. The van pool service has approximately 350 vehicles in operation.

During this Triennial Review period, Metro completed and moved to its new administration building at 1900 Main Street in downtown Houston. Bus service operates from five operations and maintenance facilities and one mid-day storage lot, Buffalo Bayou. The Buffalo Bayou facility is also the location for the Metro Police Department. The rail service operates from the Rail Operations Center south of downtown. Other administrative and support facilities include a central stores warehouse, the Field Service Center that houses facilities maintenance and support vehicle maintenance, and the Houston TranStar location, which is a multi-agency traffic and emergency management center and the central control center for Metro transit movement. Bus service operations incorporate 20 transit centers located throughout the service area. Metro also operates 25 park-and-ride lots for bus and rail services.

Metro’s National Transit Database Report for FY2005 provided the following financial and operating statistics for its fixed-route, light rail, paratransit service, and van pool services:

	Fixed-Route Service	Light Rail	Paratransit Service	Van Pool Services
Unlinked Passengers	81,546,888	10,233,638	1,504,626	1,269,919
Revenue Hours	3,163,894	58,458	738,162	192,145
Operating Expenses	\$263,411,044	\$14,101,652	\$28,804,669	\$1,634,888

Over the past three years, noteworthy projects completed by Metro include:

- METRORail, a 7.5 mile light rail line (Red Line) from the University of Houston Downtown to the Fannin South Park & Ride lot (locally funded)
- Components of a multi-year Regional Bus Plan including: Downtown/Midtown Transit Center; Downtown/Midtown Transit Streets reconstruction; Texas Medical Center Transit Center; Westchase Park & Ride; Eastex HOV Lane Segment 2 Extension to Kingwood; 5th Ward/Denver Harbor Transit Center improvements; Magnolia Transit Center improvements; Eastwood Transit Center improvements; Gulfgate Transit Center; Hobby Transit Center; Uptown/Richmond Transit Center and Uptown Transit Amenities; Regional Computerized Traffic Signal System; Integrated Vehicle Operations

Management System; acquisition of 113 forty-foot New Flyer transit buses; acquisition of 90 forty-five foot MCI commuter buses.

- Completion of the Administration Office Building
- Acquisition of 118 METROLift paratransit vans
- Completion of Alternatives Analysis / Environmental Impact Statement work for permission to enter preliminary engineering on the North and Southeast Corridors of the METRO Solutions Transit Plan (a multi-year program focusing on improving transit services in five corridors through rail, bus rapid transit or other high capacity transit options)
- Completion of HOV slip ramps at 5 locations.

Two major projects are on-going at Metro. The METRO Solutions planning and engineering continues with preliminary engineering for the North and Southeast Corridors and ongoing Alternatives Analysis/ Environmental Impact Statement work for the University, East End, and Uptown Corridors. The second major project is extending the Regional Computerized Traffic Signal System outside of Beltway 8. Also, work has begun on a METRONet Initiative, which is a master plan for electronic communications across the Authority, including installing replacement routers; conversion of voice telecommunications to Voice over Internet Protocol (VOIP) technology; design and implementation of METRO-owned wireless “corridors” to support video surveillance and communications with traffic signal locations; and implementation of video surveillance for METRO’s 47 park & ride and transit center locations.

Projects that are planned for the next three years include continued work on the METRO Solutions Transit Plan and the METRONet projects, continued capital replacement and improvements, and increased ridership. Metro has established a goal of seven percent annual ridership increases that will be achieved with continuing evaluation of services, reassignment or realignment of routes and buses, and other actions to increase the efficiency and effectiveness of the transit services being delivered.

IV. RESULTS OF THE REVIEW

A Triennial Review normally examines compliance in 23 different areas. During the past three years FTA has conducted in-depth reviews/audits of the Procurement and Drug and Alcohol Program areas. These two areas have been excluded from this review; thus, 21 different areas have been reviewed. This section provides a discussion of the basic requirements and findings in each area. No deficiencies were found with the FTA requirements in 17 of the 21 areas. Deficiencies were found in the other four areas: Satisfactory Continuing Control, Maintenance, Half Fare, and Americans with Disabilities Act.

1. Legal

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.

Findings: During this Triennial Review of Metro, no deficiencies were found with the FTA requirements for legal.

2. Financial

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-133.

Findings: During this Triennial Review of Metro, no deficiencies were found with the FTA requirements for financial.

3. Technical

Basic Requirement: The grantee must be able to implement the Urbanized Area Formula Grant Program of Projects in accordance with the grant application, Master Agreement, and all applicable laws and regulations, using sound management practices.

Findings: During this Triennial Review of Metro, no deficiencies were found with the FTA requirements for technical.

4. Satisfactory Continuing Control

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

Findings: During this Triennial Review of Metro, deficiencies were found with the FTA requirements for satisfactory continuing control.

Metro equipment records have a use and condition field for buses. However, the use and condition of other FTA-funded equipment is not included in the equipment records. As noted below, Metro is conducting an inventory at this time, which will allow it to gather data on use and condition.

Metro's last inventory and reconciliation process of FTA-funded assets occurred in late 2002 and early 2003. With the opening of a new headquarters building and moving of offices in late 2004 and early 2005, the 2004 inventory was delayed. At the time of the site visit, the 2006 inventory was underway, but had not yet been completed. Metro officials indicated that the

physical inventory and reconciliation process was planned to be completed by June or July of 2006. The accounting reconciliation process is scheduled to be complete by the end of August 2006.

Metro notified FTA that one property in the excess property plan was scheduled to be sold and requested permission for the sale. The property closed at a faster pace than Metro originally planned, which resulted in the sale of the property prior to approval by FTA.

On the Westpark Corridor, which was federally funded, a lease was executed for a lift station without FTA prior approval. Also, along this corridor, Metro has licensing agreements for access to the property (e.g., access to driveways and utility access). These agreements were also not approved by FTA.

Corrective Action and Schedule: By August 30, 2006 Metro must complete the following actions:

- Add use and condition to its fixed asset records and submit an example of the revised record
- Complete an inventory
- Reconcile the inventory
- Report to FTA on the completion and reconciliation of the inventory
- Notify FTA of sale of excess property and certify that future sales will not be made without FTA prior approval
- Provide FTA details on incidental use of property along Westpark corridor, request permission for such use, and certify that for all future incidental uses FTA permission will be requested and received prior to such use.

5. Maintenance

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

Findings: During this Triennial Review of Metro, deficiencies were found with the FTA requirements for maintenance.

Metro divides its facilities maintenance functions. The Director of Facilities Maintenance is responsible for all facilities except the new headquarters building at 1900 Main Street, which was occupied in early 2005. The maintenance at this new building is under the OMB Facility Manager for this location and most of the equipment is still under warranty. This location is not part of the overall facilities/equipment maintenance program. Since occupation, Metro has maintained the building and equipment, has determined what software to use for managing future maintenance, and is in the process of acquiring the software and developing a comprehensive facilities plan.

Corrective Actions and Schedule: By August 30, 2006, Metro will provide FTA a completed facilities maintenance plan for 1900 Main and confirm that the plan has been implemented.

6. 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 procedures conform to applicable federal law including 49 CFR Part 18, specifically Section 18.36 and FTA C 4220.1E, "Third Party Contracting Requirements." Grantees will maintain a contract administration system that ensures that contractors perform in accordance with terms, conditions, and specifications of their contracts or purchase orders.

Findings: This area was not reviewed since Metro had a Procurement Systems Review in August 2004.

7. Disadvantaged Business Enterprise (DBE)

Basic Requirement: The grantee must comply with the policy of USDOT that DBEs, as defined in 49 CFR Part 26, are ensured nondiscrimination in the award and administration of USDOT-assisted contracts. Grantees also must create a level playing field on which DBEs can compete fairly for USDOT-assisted contracts; ensure that only firms that fully meet eligibility standards are permitted to participate as DBEs; help remove barriers to the participation of DBEs; and assist the development of firms that can compete successfully in the marketplace outside the DBE program.

Findings: During this Triennial Review of Metro, no deficiencies were found with USDOT requirements for DBE.

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 FTA has granted a waiver, or the product is subject to a general waiver. Rolling stock must have a 60 percent domestic content and final assembly must take place in the United States.

Findings: During this Triennial Review of Metro, no deficiencies were found with the FTA requirements for Buy America.

9. Suspension/Debarment

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 programs are excluded from participating in FTA-assisted programs. FTA grantees are required to certify that they are not excluded from federally assisted transactions. Grantees 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 is debarred, suspended, ineligible or voluntarily excluded from participation in federally assisted transactions.

Findings: During this Triennial Review of Metro, no deficiencies were found with the FTA requirements for suspension/debarment.

10. Lobbying

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

Findings: During this Triennial Review of Metro, no deficiencies were found with the FTA requirements for lobbying.

11. Planning/Program of Projects

Basic Requirement: The grantee must participate in the transportation planning process in accordance with FTA requirements, Metropolitan Statewide Planning Final Rule, and Management Systems Interim Final Rule (Transportation Planning Regulations [TPR]), as revised.

Findings: During this Triennial Review of Metro, no deficiencies were found with the FTA requirements for planning/POP.

12. Title VI

Basic Requirement: The grantee must ensure that no person in the United States shall, on the ground of race, color, or national origin, be excluded from participating in, or denied the benefits of, or be subject to discrimination under any program or activity receiving federal financial assistance. The grantee must ensure that federally supported transit service and related benefits are distributed in an equitable manner.

Findings: During this Triennial Review of Metro, no deficiencies were found with the FTA requirements for Title VI.

13. Public Comment Process for Fare and Service Changes

Basic Requirement: The grantee must have a locally developed process to solicit and consider public comment before raising a fare or carrying out a major reduction of transportation.

Findings: During this Triennial Review of Metro, no deficiencies were found with the FTA requirements for public comment process for fare and service changes.

14. Half Fare

Basic Requirement: Grantees must ensure that elderly persons and persons with disabilities, or an individual presenting a Medicare card, will be charged during non-peak hours for transportation using or involving a facility or equipment of a project financed under Section 5307 not more than 50 percent of the peak hour fare.

Findings: During this Triennial Review of Metro, deficiencies were found with the FTA requirements for half fare.

Route schedules, system maps, the web site and other information contain proper information on the half fare program. However, the decals that Metro has placed on its revenue vehicles only identify that half fares are available to senior citizens, “disabled,” and students. The decal does not indicate that the fare is available for persons with a Medicare card.

Corrective Action and Schedule: By August 30, 2006 Metro must notify FTA of the actions it has taken to comply with the requirement of having Medicare card information available wherever fare information is present.

15. ADA

Basic Requirement: Titles 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.

Findings: During this Triennial Review of Metro, deficiencies were found with the FTA requirements for ADA.

Reservations for the ADA complementary paratransit services provided by Metro are taken during the hours of 9:00 a.m. to 3:00 p.m. seven days per week. The ADA regulations require that reservations be taken during normal business hours. Metro’s normal business hours vary by location and function, but extend before the 9:00 a.m. time and after the 3:00 p.m. time.

At the time of the review, Metro had contracted for services to enable voice mail reservations and web-based reservations.

METROLift operates its regular service for fewer hours than the fixed-route service is available. During the hours that ADA complementary service is required to be operated, persons with disabilities can use the MSP program, but it is not clear that this service fully meets ADA requirements. The MSP program has a different fare structure. While a detailed analysis was not conducted, it appears that a passenger could pay fares in excess of twice the fixed route fare depending on the characteristics and distance of the trip. Also, the procedures for booking a trip with MSP are different from booking a trip with METROLift, and the METROLift Program Guide only indicates that it operates from 5:00 a.m. to 11:00 p.m. weekdays, 7:00 a.m. to midnight on Saturday, and 7:00 a.m. to 11:00 p.m. on Sundays.

Corrective Actions and Schedule: By August 30, 2006, Metro must:

- Change its reservation hours either through expanding its current process of manual call taking or by implementing a technology solution that allows persons to call to make a reservation during normal business hours. This change must be made in printed materials, on the web site, and through other appropriate means to notify users of the change in hours.
- Evaluate how MSP service complies with ADA requirements, and if shortcomings exist make appropriate changes to comply with hours of service and other requirements and modify public information accordingly
- Following the evaluation and implementation of the changes in the complementary paratransit reservation policy and in MSP service, Metro must notify FTA of the steps taken to comply with ADA requirements and provide examples of public information provided or revised to reflect the changes.

16. Charter Bus

Basic Requirement: Grantees are prohibited from using federally funded equipment and facilities to provide charter service except on an incidental basis and when one or more of applicable exceptions for urban areas set forth in the charter service regulation at 49 CFR 604.9 (b) applies.

Findings: During this Triennial Review of Metro, no deficiencies were found with the FTA requirements for charter bus.

17. School Bus

Basic Requirement: Grantees are prohibited from providing exclusive school bus service unless the grantee qualifies under specified exceptions. In no case can federally funded equipment or facilities be used.

Findings: During this Triennial Review of Metro, no deficiencies were found with the FTA requirements for school bus.

18. National Transit Database (NTD)

Basic Requirement: The grantee must collect, record, and report financial and non-financial data in accordance with the Uniform System of Accounts (USOA) and updated with the *National Transit Database (NTD) Reporting Manual* as required by 49 USC 5335(a).

Findings: During this Triennial Review of Metro, no deficiencies were found with the FTA requirements for National Transit Database.

19. Safety and Security

Basic Requirement: Any recipient of Urbanized Area Formula Grant Program funds must annually certify that it is spending one percent of such funds for transit security projects or that such expenditures for security systems are not necessary.

Under the safety authority provisions in the federal transit laws, 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. However, FTA has no specific requirements for transit safety. States are required to oversee the safety of rail fixed guideway systems through a designated oversight agency.

Findings: A summary of Metro's expenditures of Section 5307 funds for security projects is provided in Section VI of this report.

During this Triennial Review of Metro, no deficiencies were found with the FTA requirements for safety and security.

20. Drug-Free Workplace

Basic Requirement: Grantees are required to maintain a drug-free workplace for all employees and to have an ongoing drug-free awareness program.

Findings: During this Triennial Review of Metro, no deficiencies were found with the FTA requirements for drug-free workplace.

21. Drug and Alcohol Program

Basic Requirement: Grantees receiving FTA funds under Capital Grant, Urbanized Area Formula Grant, or Non-Urbanized Area Formula Grant Programs must have a drug and alcohol testing program in place for all safety-sensitive employees.

Findings: Metro had a Drug and Alcohol Program Audit in March 2005. This area was not reviewed during the Triennial Review.

22. Equal Employment Opportunity (EEO)

Basic Requirement: The grantee must ensure that no person in the United States shall, on the ground of race, color, creed, national origin, sex, age, or disability be excluded from participating in, denied the benefits of, or be subject to discrimination in employment under any project, program or activity receiving federal financial assistance from the federal transit laws.

Findings: During this Triennial Review of Metro, no deficiencies were found with the FTA requirements for EEO.

23. ITS Architecture

Basic Requirement: Intelligent Transportation Systems (ITS) projects funded by the Highway Trust Fund and the Mass Transit Account must conform to the National ITS Architecture, as well as to U. S. Department of Transportation (DOT) adopted ITS standards.

Findings: During this Triennial Review of Metro, no deficiencies were found with the FTA requirements for ITS architecture.

V. SUMMARY OF FINDINGS AND CORRECTIVE ACTIONS

Review Area	Finding	Deficiency	Corrective Action	Response Days/Date	Date Closed
1. Legal	ND				
2. Financial	ND				
3. Technical	ND				
4. Satisfactory Continuing Control	D-01	Violation of incidental use requirements	Provide FTA details on incidental use of property along Westpark corridor, request permission for such use, and certify that for all future incidental uses FTA permission will be requested and received prior to such use	August 30, 2006	
	D-03	Inadequate equipment records	Add use and condition to equipment records and submit example	August 30, 2006	
	D-04	No evidence of physical inventory	Complete inventory	August 30, 2006	
	D-05	Inventory results not reconciled to equipment records	Reconcile results of inventory and provide documentation of the reconciliation to FTA	August 30, 2006	
	D-07	Failure to comply with property disposal requirements	Report to FTA on sale of excess property and certify that no future sales will be made without prior FTA approval	August 30, 2006	
5. Maintenance	D-06	Facility/equipment maintenance plan lacking or inadequate	Complete, implement, and submit a facilities/equipment maintenance plan to FTA	August 30, 2006	
6. Procurement	NR				
7. Disadvantaged Business Enterprise	ND				
8. Buy America	ND				
9. Suspension/Debarment	ND				
10. Lobbying	ND				
11. Planning/POP	ND				
12. Title VI	ND				
13. Public Comment for Fare and Service Changes	ND				
14. Half Fare	D-06	Information incomplete regarding Medicare cardholders	Notify FTA of actions taken to comply with requirements of having Medicare card information available wherever fare information is present	August 30, 2006	
15. ADA	D-04	ADA Complementary Paratransit service deficiencies	Change reservation hours, operating hours of METROLift or equivalent service; evaluate MSP service and make other changes if required to comply with ADA requirements; notify users of changes; and provide FTA documentation of changes and information provided to the public	August 30, 2006	
16. Charter Bus	ND				
17. School Bus	ND				

Review Area	Finding	Deficiency	Corrective Action	Response Days/Date	Date Closed
18. National Transit Database	ND				
19. Safety and Security	ND				
20. Drug-Free Workplace	ND				
21. Drug and Alcohol Program	NR				
22. Equal Employment Opportunity	ND				
23. ITS Architecture	ND				

Findings: ND = No Deficiencies; D = Deficient; AC = Advisory Comment; NA = Not Applicable; NR = Not Reviewed

VI. TRANSIT SECURITY EXPENDITURES

Does Metro utilize the one percent expenditure of its Urbanized Area Formula Grant funds for transit security?: Yes ___ No x

If no, why does Metro consider such expenditure unnecessary (check all that apply):

- x Existing security measures meet agency needs
- ___ Level of incidents does not warrant further security expenditures
- ___ Potential security threats are minimal
- x Adequate local and federal (less than one percent) funds are spent on security projects.

Security Projects	Annual Expenditures (in Dollars \$)		
	FY 2003	FY 2004	FY 2005
Total amount 5307 expended	\$86,421,359	\$85,813,502	\$89,518,235
Amount 5307 Funds expended on security	521,178	525,310	228,045
Security percentage	0.60%	0.61%	0.25%
<i>Projects</i>			
Infrastructure/Capital Improvements			
Increased lighting			
Increased Surveillance			
Emergency Comm.	57,474	55,468	98
Other Projects (list)			
<u>IT COPS System Enhancements</u>	469,683	359,882	204,856
<u>Body Armor</u>	21	109,960	0
<u>Communications</u>	0	0	21,091
Operating/Personnel Expenditures			
In-House Security Personnel			
Contract Security Personnel			
Security Training			
Other Projects (list)			

VII. ATTENDEES

Name	Title/Organization	Phone Number	e-mail address
<i>Metro</i>			
Frank Wilson	President & CEO	(713) 739-4832	fjw@ridemetro.org
Edie Lowery	Director of Grant Programs	(713) 739-6925	el02@ridemetro.org
Francis Britton	V.P. Finance and CFO	(713) 739-6067	fb01@ridemetro.org
Becky Phillips	Grant Programs Specialist	(713) 739-6058	bp03@ridemetro.org
Debbie Sechler	Senior Director/Controller	(713) 739-4930	ds17@ridemetro.org
Bill McHale	Manager General Accounting	(713) 739-4937	wm02@ridemetro.org
Bobby Barker	Director Materials	(713) 615-6103	bb18@ridemetro.org
Rhia Miller	Manager Real Estate	(713) 739-4021	rm05@ridemetro.org
Reggie Mason	Associate V.P. System Safety	(713) 982-8226	rm01@ridemetro.org
Tim Kriner	Director Risk Management	(713) 652-7933	tk01@ridemetro.org
Gwendolyn Fedrick	Senior Director Business Development	(713) 739-4853	gf02@ridemetro.org
Paul Como	V.P. Procurement & Materials	(713) 739-4803	pc04@ridemetro.org
Tom Lambert	V.P. & Chief of Police	(713) 615-6409	tl02@ridemetro.org
Chuck Buzbee	Police Lieutenant	(713) 615-6469	cb10@ridemetro.org
Daniel Jackson	Police Sergeant	(713) 615-6434	dj05@ridemetro.org
Mary Ann Dendor	ADA Administrator	(713) 615-7171	md04@ridemetro.org
James Laughlin	Dir. Transportation Programs	(713) 615-7100	jl04@ridemetro.org
Suzie Edrington	Transportation Programs Administrator	(713) 615-7107	se01@ridemetro.org
James Arnez	Dir. Facilities Maintenance	(713) 615-6195	ja09@ridemetro.org
Gregg Robinson	Prog. Mgr. Public Facilities	(713) 615-6150	gr05@ridemetro.org
Freeman Taylor	Manager Facility Programs & Project Management	(713) 615-6248	ft02@ridemetro.org
Karen Bridges	Supervisor Budget and Contract Services	(713) 615-6143	kb01@ridemetro.org
Felix Gonzalez	Mgr. Facilities Maintenance	(713) 982-8218	fg01@ridemetro.org
Jim Archer	Manager Service Evaluation	(713) 739-6820	ja06@ridemetro.org
Jonas Radstrom	Chief Signals & Communication	(713) 982-8118	jr22@ridemetro.org
Scott Schepers	Sr. Project Manager, LRV	(713) 982-8154	ss30@ridemetro.org
Renard Alexander	Rail Warranty	(713) 982-8122	ra04@ridemetro.org
Romeo Calderon	Mgr. Rail Vehicle Maintenance	(713) 982-9910	rc11@ridemetro.org
Gary Clarnier	Chief Traction Power	(713) 982-8214	gc08@ridemetro.org
Scott Grogan	Director Rail Maintenance	(713) 982-8215	sg2@ridemetro.org
Robert Sevilla	Manager Quality Assurance	(713) 615-7259	rs04@ridemetro.org
Frank Bucalo	Manager Technical Support	(713) 615-7240	fb02@ridemetro.org
Gil Roark	Manager Warranty	(713) 615-7354	gr02@ridemetro.org
Bill Larson	Technical Services Engineer	(713) 615-7085	wl02@ridemetro.org
William Peterson	Sr. Operations Mgt. Analyst	(713) 615-7118	bp01@ridemetro.org

Dedrick Blount	Superintendent Electric Maintenance	(713) 615-7373	db03@ridemetro.org
Bruce Carrie	Technical Service Specialist	(713) 615-7004	bc01@ridemetro.org
Charles Bartulla	Director H.R. Operations	(713) 739-3802	cb32@ridemetro.org
Raymond Fischer	Director Benefits, HRIS, Personnel Services	(713) 739-4942	rf16@ridemetro.org
Karen Kauffman	Manager Organization Diversity and EEO	(713) 739-6851	kk08@ridemetro.org
Linda Tancek	Manager Wellness Programs	(713) 739-4058	lt10@ridemetro.org
Bruce Rice	Facility Manager	(713) 739-4026	br10@ridemetro.org
Tanya McWashington	Community Outreach	(713) 739-4980	tm10@ridemetro.org
Don Murphy	Senior Contract Specialist	(713) 739-4843	dm01@ridemetro.org
Erik Oistad	V.P./CIO Information Technology	(713) 652-8085	eo06@ridemetro.org
Susan Lowe	Deputy CIO Information Technology	(713) 739-4927	sl22@ridemetro.org
John M. Sedlak	Executive Vice President	(713) 739-4600	js08@ridemetro.org
Joanne Wright	Chief Of Staff	(713) 739-4969	jw24@ridemetro.org
<i>First Transit</i>			
Dave VanFossen	General Manager	(713) 290-2873	david.vanfossen@firstgroup.com
Mark Rogers	Director of Maintenance	(713) 290-2872	Mark.rogers@firstgroup.com
<i>Shaw Infrastructure, Inc.</i>			
Mark Oleson	Project Manager	(856) 482-3006	Mark.oleson@shawgrp.com
Mahesh Dixit	Task Order Project Manager	(856) 482-3071	Mahesh.dixit@shawgrp.com
<i>FTA</i>			
Sam Nassiff	Program Manager	(817) 978-0566	Sam.nassiff@dot.gov
<i>CDI/DCI Joint Venture</i>			
David Norstrom	Program Manager	(614) 846-0492	dnorstrom@ee.net



U.S. Department
of Transportation
**Federal Transit
Administration**

REGION VI
Arkansas, Louisiana,
New Mexico, Oklahoma,
Texas

819 Taylor Street
Suite 8A36
Fort Worth, Texas 76102
817-978-0550
817-978-0575 (FAX)

[Date], 2006

Mr. Frank Wilson
President and CEO
Metropolitan Transit Authority
P.O. Box 61429
Houston, TX 77208-1429

Re: FY 2006 Triennial Review

Dear Mr. Wilson:

I am enclosing the Final Report of the Federal Transit Administration (FTA) Triennial Review for the Metropolitan Transit Authority of Harris County (Metro). As required by the Federal Transit Laws, 49 U.S.C., Chapter 53 Sections 5307(i) (B) (2) and 5307(i)(B)(3) require the FTA to perform reviews and evaluations of Section 5307 grant activities at least every three years. Although less exacting than an audit, the Triennial Review is FTA's assessment of grantee compliance with Federal requirements determined by examining management practices and program implementation.

This review did not examine the Procurement and Drug and Alcohol Program, since other FTA oversight actions had examined these areas. Reflected in the enclosed Final Report are the 21 reviewed items and the finding for each. Each item has a finding of either not deficient, deficient, not reviewed, or advisory comments. A deficient finding is followed by the corrective action(s) Metro must take before the FTA can reassess the finding. Metro has eight (8) findings in four (4) areas that require corrective action. Within the time periods established by this report, please submit for FTA review, the documentation requested on each deficiency.

Please convey our appreciation to all the transit staff at Metro for the assistance and cooperation they provided to the FTA review team.

Sincerely,

Robert C. Patrick
Regional Administrator

Enclosure
cc w/enclosure: Edie Lowery