



Quadrennial Performance Audit (2025)

Public Hearing

January 27, 2025

Background

- Texas Transportation Code 451.454 – Performance Audit mandates an audit every four years
 - Purpose: evaluate and inform oversight functions by the state and local officers and provide information to the Agency to assist in making changes that improve efficiency and effectiveness
- CapMetro's Internal Auditor contracted with Weaver and Tidwell, LLP, to complete a performance Audit

Scope



Task 1:

Review state-mandated performance indicators such as fare recovery, on-time performance, number of collisions per 100,000 miles, etc.



Task 2:

Ensure compliance with applicable state law



Task 3:

Review administration and management, transit operations or system maintenance

Review Period: Fiscal Year 2020 – 2023 (October 1, 2019 – September 30, 2023)

Summary of Review

- Task 1: CapMetro met Chapter 451 requirements for performance indicators;
- Task 2: CapMetro had one potential area of non-compliance with state law;
- Task 3: CapMetro generally operated in an efficient and effective manner despite challenges related to the COVID-19 pandemic and impact of workforce changes in the transit environment.

→ 1 Finding and 8 Recommendations for Management

Task 1: Review of Performance Indicators



CapMetro appropriately calculates and reports nine key indicators required by statute.

- Performance indicators demonstrated a decline during the review period
 - CapMetro has taken steps to address each, while managing pandemic response and industry-wide impacts
 - Example:
 - Increasing wages to attract and retain operators + slow growth in ridership during review period = negative impact on cost efficiency
 - Parts are more expensive and CapMetro is storing more parts to reduce vehicle down time = negative impact on cost efficiency
 - Fare recovery decline attributable to pandemic fare waivers, fare system changes, etc. Multiple steps taken post review period to improve fare system comprehensively.

Task 1: Review of Performance Indicators



Findings				
No Findings				
Recommendations to Management				
1. Declines in Service Reliability	<ul style="list-style-type: none">Continue to assess and improve service reliabilityIntegrate safety and maintenance performance measures into current and future contractsAlign agency KPIs with NTD and state	<ul style="list-style-type: none">CapMetro will continue to work collaboratively with its various service providers to improve service reliability and cost-effectiveness.CapMetro contracts already include safety and performance measures in service provider contracts.	Ongoing	
2. Varying Cost Effectiveness	<ul style="list-style-type: none">Continue to assess cost effectivenessContinue implementation of Project Connect & other initiativesAlign agency KPIs with NTD and state	<ul style="list-style-type: none">CapMetro will continue to collaborate with industry partners to manage costsCapMetro will continue implementation of initiatives aimed at increasing ridership through improving customer experience and access	Ongoing	

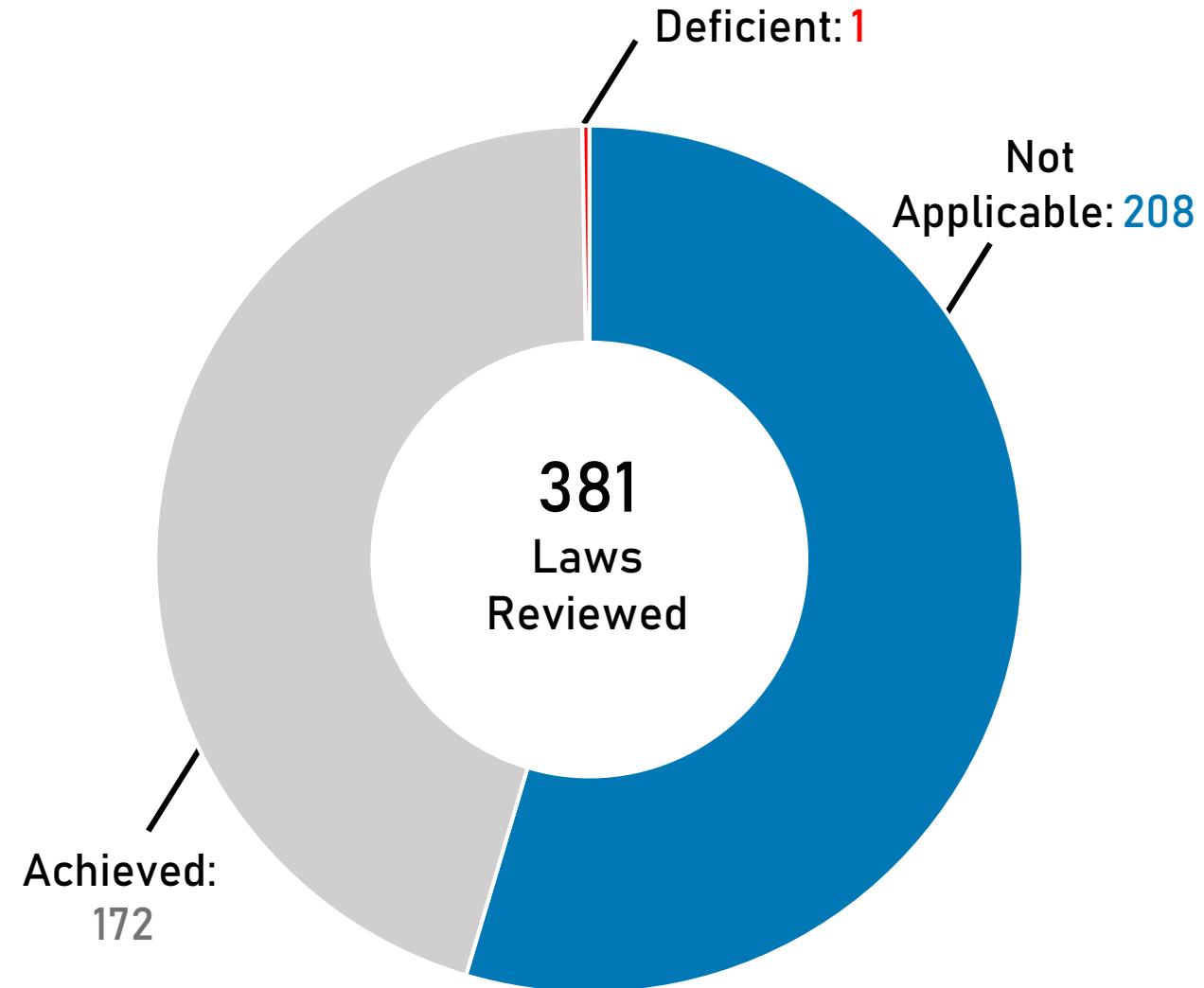
Task 2: Compliance with State Law



CapMetro complies with all applicable state law.

- Texas Transportation Code
- Texas Local Government Code
- Texas Government Code
- Texas Property Code
- Texas Health & Safety Code
- Texas Penal Code

CapMetro was unable to produce documentation demonstrating completion of all tasks related to 2022 Quadrennial Review delivery



Task 2: Compliance with State Law



Findings			
1. Quadrennial Performance Audit Report Delivery	<ul style="list-style-type: none">Failure to provide documentation evidencing the delivery of the 2020 quadrennial report as required by Texas Transportation Code	<ul style="list-style-type: none">CapMetro has implemented a centralized process and system to retain copies of all letters sent; utilize certified mail; and retain copies of certified mail receipt.	Completed
Recommendations to Management			
3. Personal Identifying Information Disclosure	<ul style="list-style-type: none">CapMetro's website and privacy statement lack certain language.	<ul style="list-style-type: none">CapMetro will update the website privacy language.	Completed
4. Right of Way Penalty Publication	<ul style="list-style-type: none">CapMetro's website does not make clear that trespassing in the right of way is illegal and punishable by a Class C Misdemeanor.	<ul style="list-style-type: none">CapMetro will update the website with a notation of the penalty.	To be completed by 1/31/2025

Task 3: Review of Administration



The review of the administration focused on the following departments

- Demand Response Oversight
- Bus Operations & Maintenance Oversight
- Paratransit Eligibility
- Demand Response Control and Call Center
- Public Facilities
- Rail Commuter Operations
- Safety
- Public Safety and Emergency Management

Generally, CapMetro maintained appropriate personnel to achieve the mission, goals and functions of each department.

Opportunities to enhance monitoring of contracted work were identified, alongside a recommended review of recent integration of certain positions.

Task 3: Review of Administration



Findings

No Findings.

Recommendations to Management

5. Authority-Wide Contract/Third Party Management	<ul style="list-style-type: none">Management should design and implement a comprehensive framework for contract management.	<ul style="list-style-type: none">CapMetro does actively monitor contractsCapMetro agrees that a refined agency-wide framework will be beneficial.	To be completed by 7/1/2025
6. Department Procedure Management	<ul style="list-style-type: none">CapMetro lacks centralized controls and guidance on departmental procedures.	<ul style="list-style-type: none">CapMetro will develop guidance for Departmental procedures.	To be completed by 12/31/2025

Task 3: Review of Administration



Findings

No Findings.

Recommendations to Management

Findings	Recommendations to Management		
No Findings.			
7. Post Integration of New Operations and FTEs	<ul style="list-style-type: none">CapMetro should compete a review of activities that integrated key operations staff, and transitioned them from contracted service providers to CapMetro	<ul style="list-style-type: none">CapMetro is in a constant state of reflection and has already integrated lessons learned into processes for new service provider contractsFurther lessons learned will be incorporated into the Rail Transit procurement process.	To be completed by 12/31/2025
8. Professional Development Opportunities	<ul style="list-style-type: none">Management should continue current initiatives around professional development (initiatives launched after the review period)	<ul style="list-style-type: none">CapMetro will continue to offer professional development and a comprehensive suite of programs for employees.	Ongoing



CapMetro leadership looks forward to the opportunity to improve outcomes and efficiencies for the community, customers and team members.

CapMetro

Public Comment