



Agenda - Final
Capital Metropolitan
Transportation Authority
Finance, Audit and Administration
Committee

2910 East 5th Street
Austin, TX 78702

Wednesday, November 5, 2025

10:00 AM

Rosa Parks Boardroom

This meeting will be livestreamed at capmetrotx.legistar.com

I. Call to Order

II. Public Comment

III. Action Items

1. Approval of minutes from the October 8, 2025 Finance, Audit and Administration Committee meeting.
2. Approval of a resolution authorizing the President & CEO, or her designee, to finalize and execute a contract with the eConsortium Group for Cisco Smartnet network hardware and software support, for a term of three (3) years, in a total amount not to exceed \$696,990.
3. Approval of a resolution approving the Fiscal Year 2025 performance review for Terry Follmer, Chief Audit Executive.

IV. Presentations

1. FY2026 Long Range Financial Plan Update
2. Internal Audit FY2026 Audit Plan Status - November 2025
3. Internal Audit Report: Bus Parts, Inventory Controls
4. Executive Finance, Audit and Administration Update - November 2025
Update on key performance indicators, financial performance, and upcoming events.

Memo: Fiscal Year 2025 Performance Update (October 29, 2025 rev. 11/5/25)

V. Executive Session under Chapter 551 of the Texas Government Code:

1. Section 551.074 for Personnel Matters related to Chief Audit Executive's annual performance evaluation.

VI. Items for Future Discussion

VII. Adjournment

ADA Compliance

Reasonable modifications and equal access to communications are provided upon request. Please call (512) 369-6040 or email ed.easton@capmetro.org if you need more information.

Committee Members: Matt Harriss, Chair; Becki Ross, Dianne Bangle and Zo Qadri.

The Board of Directors may go into closed session under the Texas Open Meetings Act. In accordance with Texas Government Code, Section 551.071, consultation with attorney for any legal issues, under Section 551.072 for real property issues; under Section 551.074 for personnel matters, or under Section 551.076, for deliberation regarding the deployment or implementation of security personnel or devices; arising regarding any item listed on this agenda.



Capital Metropolitan Transportation Authority

2910 East 5th Street
Austin, TX 78702

Finance, Audit and Administration Committee

Item #: AI-2025-1644

Agenda Date: 11/5/2025

Approval of minutes from the October 8, 2025 Finance, Audit and Administration Committee meeting.

Minutes
Capital Metropolitan
Transportation Authority
Finance, Audit and Administration
Committee

2910 East 5th Street
Austin, TX 78702

Wednesday, October 8, 2025

10:00 AM

Rosa Parks Boardroom

I. Call to Order

10:01 a.m. Meeting Called to Order

Present	Dianne Bangle, Matt Harriss, and Zo Qadri
Absent	Becki Ross

II. Public Comment

Zenobia Joseph provided public comments following the committee vote on Action Item #2.

III. Action Items

1. Approval of minutes from the September 10, 2025 Finance, Audit and Administration Committee meeting.

A motion was made by Bangle, seconded by Qadri, that this Minutes be adopted. The motion carried by the following vote:

Aye: Bangle, Harriss, and Qadri

2. Approval of a resolution authorizing the President & CEO, or her designee, to finalize and execute a contract with Plante Moran, PLLC for external audit services, with a base term of three years and two option years, in a total amount not to exceed \$1,383,200.

A motion was made by Bangle, seconded by Qadri, that this Resolution be recommended for the consent agenda to the Board of Directors, due back on 10/20/2025. The motion carried by the following vote:

Aye: Bangle, Harriss, and Qadri

3. Approval of a resolution authorizing the President & CEO, or her designee, to finalize and execute an Interlocal Agreement with City of Austin for employee transit passes for a one (1) year base period from January 1, 2026, to December 31, 2026, and four (4) optional extension periods for a not-to-exceed amount of \$200,000 per year.

A motion was made by Bangle, seconded by Qadri, that this Resolution be recommended for the consent agenda to the Board of Directors, due back on 10/20/2025. The motion carried by the following vote:

Aye: Bangle, Harriss, and Qadri

4. Approval of a resolution authorizing the President & CEO, or her designee, to finalize and execute an Interlocal Agreement with the University of Texas at Austin to subsidize annual passes on CapMetro Bikeshare for staff and students at a reimbursement rate to CapMetro of \$45.00 per student and \$90.00 per staff member, with up to three (3) optional one-year extension periods.

A motion was made by Bangle, seconded by Qadri, that this Resolution be recommended for the consent agenda to the Board of Directors, due back on 10/20/2025. The motion carried by the following vote:

Aye: Bangle, Harriss, and Qadri

5. Approval of a resolution adopting the FY2026 Annual Internal Audit Plan.

A motion was made by Bangle, seconded by Qadri, that this Resolution be recommended for the action item agenda to the Board of Directors, due back on 10/20/2025. The motion carried by the following vote:

Aye: Bangle, Harriss, and Qadri

IV. Presentations

1. Internal Audit FY2025 Final Audit Plan Status - October 2025
2. Executive Finance, Audit and Administration Update - October 2025
Update on fiscal year-end close, Strategic Plan 2030, key performance indicators, financial performance, personnel changes, communications and public outreach.

V. Items for Future Discussion

VI. Adjournment

10:50 a.m. Meeting Adjourned

ADA Compliance

Reasonable modifications and equal access to communications are provided upon request. Please call (512) 369-6040 or email ed.easton@capmetro.org if you need more information.

Committee Members: Matt Harriss, Chair; Becki Ross, Dianne Bangle and Zo Qadri.

The Board of Directors may go into closed session under the Texas Open Meetings Act. In accordance with Texas Government Code, Section 551.071, consultation with attorney for any legal issues, under Section 551.072 for real property issues; under Section 551.074 for personnel matters, or under Section 551.076, for deliberation regarding the deployment or implementation of security personnel or devices; arising regarding any item listed on this agenda.

Finance, Audit and Administration Committee
Agenda Date: 11/5/2025

Item #: AI-2025-1653

SUBJECT:

Approval of a resolution authorizing the President & CEO, or her designee, to finalize and execute a contract with the eConsortium Group for Cisco Smartnet network hardware and software support, for a term of three (3) years, in a total amount not to exceed \$696,990.

FISCAL IMPACT:

Funding for this action is available in the FY2026 Operating Budget.

STRATEGIC PLAN:

Strategic Goal Alignment:

- | | |
|---|---|
| ☒ 1. Customer | ☐ 2. Community |
| ☐ 3. Workforce | ☒ 4. Organizational Effectiveness |

EXPLANATION OF STRATEGIC ALIGNMENT: Maintaining a robust, reliable, and secure network ensures the continuity of CapMetro's information systems. The Cisco Smartnet support agreement is a technical support service that allows eConsortium and CapMetro direct access to Cisco's Technical Assistance Center (TAC) to ensure resolution of critical network issues and a procurement vehicle to purchase Cisco network equipment in addition to providing the licensing for the products.

BUSINESS CASE: The Cisco Smartnet support agreement will provide licensing, maintenance, and professional services for CapMetro's network infrastructure. The support agreement will include the ability to directly access specialized Cisco technical services to assist staff in the management and resolution of production issues that may arise.

COMMITTEE RECOMMENDATION: The item was presented and recommended for approval by the Finance, Audit and Administration Committee on November 5, 2025.

EXECUTIVE SUMMARY: CapMetro depends on a robust, redundant, and secure network while also allowing for the expansion of the network to keep up with the service demands of CapMetro customers and departments. This Contract with eConsortium will assist CapMetro in expanding and maintaining a highly available and resilient information systems network.

Agenda Date: 11/5/2025

SBE PARTICIPATION: A 0% SBE goal was assigned to this procurement, which did not include subcontract opportunities.

PROCUREMENT: CapMetro will utilize the Texas Department of Information Resources (DIR), Contract Number DIR-CPO-5347, held by the eConsortium Group, for Cisco Branded Products and Related Services, to provide Cisco SmartNet Network Hardware and Software Support.

DIR awarded contracts are made available for use by CapMetro via Title 7, Intergovernmental Relations Chapter 791, Interlocal Cooperation Contracts and the Texas Interlocal Cooperation Act. Purchases made using DIR contracts satisfy otherwise applicable competitive bidding requirements.

Pricing for Cisco SmartNet Network Hardware and Software Support was determined to be fair & reasonable by the DIR organization during its solicitation and award process. The following is the eConsortium Group's lump sum pricing for Cisco SmartNet Network Hardware and Software Support, for a three (3) year term from notice to proceed:

Description	Lump Sum Price	
Cisco SmartNet 3-Year Network Hardware and Software Support	\$696,990.	

RESPONSIBLE DEPARTMENT: Information Technology

**RESOLUTION
OF THE
CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY
BOARD OF DIRECTORS**

**STATE OF TEXAS
COUNTY OF TRAVIS**

AI-2025-1653

WHEREAS, the Capital Metropolitan Transportation Authority Board of Directors and CapMetro Management recognize the need to provide highly available systems for internal and external customers; and

WHEREAS, the Capital Metropolitan Transportation Authority Board of Directors and CapMetro Management endeavor to provide reliable and secure networking solutions.

NOW, THEREFORE, BE IT RESOLVED by the Capital Metropolitan Transportation Authority Board of Directors that the President & CEO, or her designee, is authorized to finalize and execute a contract with the eConsortium Group for Cisco Smartnet network hardware and software support, for a term of three (3) years, in a total amount not to exceed \$696,990.

Date: _____

**Secretary of the Board
Becki Ross**

Finance, Audit and Administration Committee
Agenda Date: 11/5/2025

Item #: AI-2025-1667

SUBJECT:

Approval of a resolution approving the Fiscal Year 2025 performance review for Terry Follmer, Chief Audit Executive.

FISCAL IMPACT:

Funding for this action is available in the FY2026 Operating Budget.

STRATEGIC PLAN:

Strategic Goal Alignment:

- | | |
|---------------------------------------|---|
| ☐ 1. Customer | ☐ 2. Community |
| ☐ 3. Workforce | ☒ 4. Organizational Effectiveness |

EXPLANATION OF STRATEGIC ALIGNMENT: As a leader in the organization, the performance review is used for improving the organizational effectiveness of the Internal Audit department and the Chief Audit Executive.

BUSINESS CASE: Completion of performance reviews at least annually is important in order to provide feedback on completion of annual goals, input for improvement opportunities, and to support merit pay adjustments.

COMMITTEE RECOMMENDATION: Does not apply.

EXECUTIVE SUMMARY: By statute, Capital Metro's Chief Audit Executive reports directly to the Board of Directors. The Board has delegated development of the performance plan and the performance review process for the Chief Audit Executive to the Finance, Audit, and Administration Committee.

SBE PARTICIPATION: Does not apply.

PROCUREMENT: Does not apply.

RESPONSIBLE DEPARTMENT: People & Culture

**RESOLUTION
OF THE
CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY
BOARD OF DIRECTORS**

**STATE OF TEXAS
COUNTY OF TRAVIS**

AI-2025-1667

WHEREAS, the Chief Audit Executive reports to the Board of Directors; and

WHEREAS, the annual review of the Vice President of Internal Audit's performance has been delegated by the Board to the Finance, Audit, and Administration Committee.

NOW, THEREFORE, BE IT RESOLVED that the Fiscal Year 2025 performance review for Terry Follmer, Chief Audit Executive, has resulted in a performance rating of _____.

Date: _____

**Secretary of the Board
Becki Ross**



Capital Metropolitan Transportation Authority

2910 East 5th Street
Austin, TX 78702

Finance, Audit and Administration Committee

Item #: AI-2025-1610

Agenda Date: 11/5/2025

FY2026 Long Range Financial Plan Update



Long-Range Financial Plan

Fiscal Years 2026 to 2035

Board Committee Meetings 11/5/25

Objectives

- Board approved long-range financial plan policy in 2022
- Align financial capacity with long-term service objectives
- Identify and analyze financial challenges to fiscal stability
- Develop comprehensive long-range forecast
- Evaluate ability to fund:
 - Current and expanded needs
 - Reserve requirements
 - Debt financing

Benefits of a Long-Range Plan Model



Builds a fiscally sound agency



Awareness of options, barriers and opportunities



Improves long-term financial sustainability

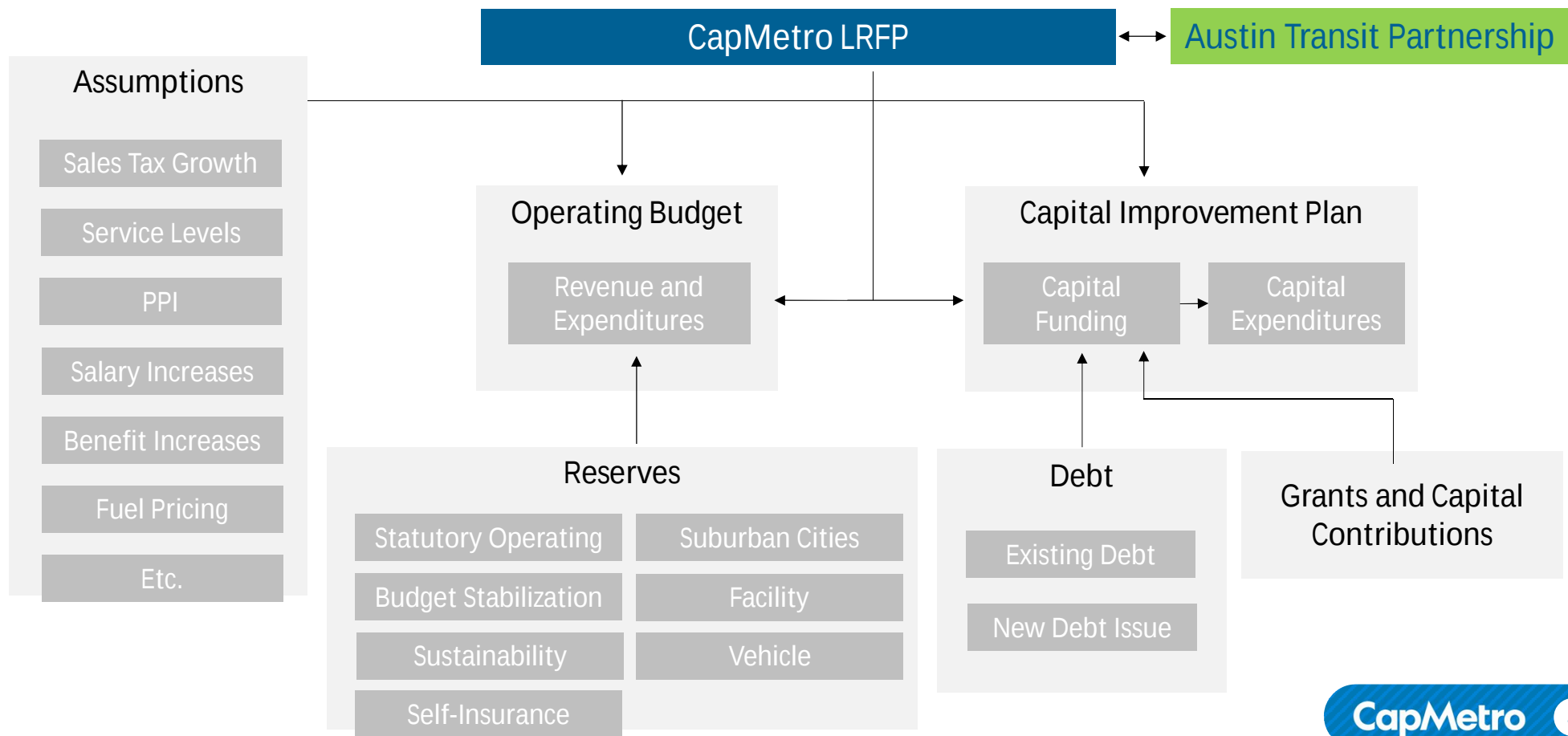


Balances competing demands



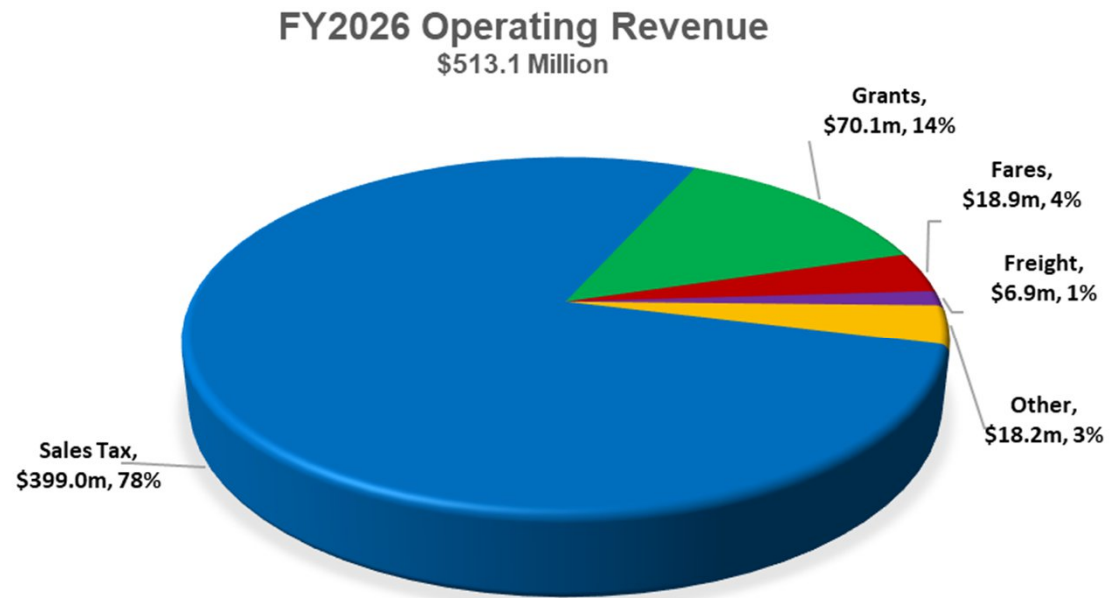
Assesses financial implications of decisions and priorities

Long-Range Financial Plan Model

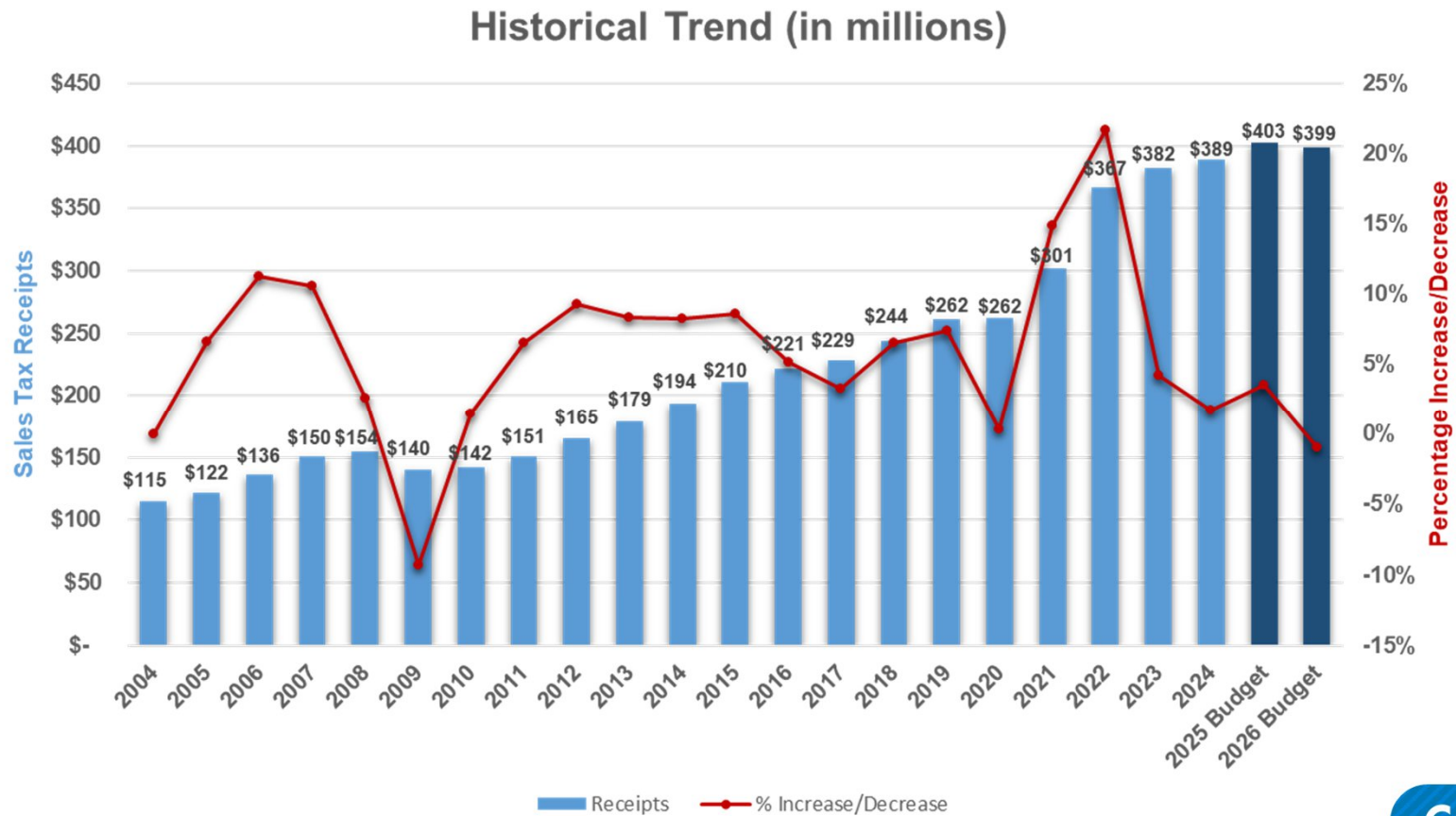


FY2026 Budgeted Operating Revenue

- Sales tax: 1% growth = \$4.0m
 - Sales tax = 78% of revenue
 - Grants and fare revenue - limited growth in the short term
- Long-term projections:
 - Sales tax growth of 3%
 - Total revenue growth of 2.8%
 - Total operating expense growth constrained to 2.8%

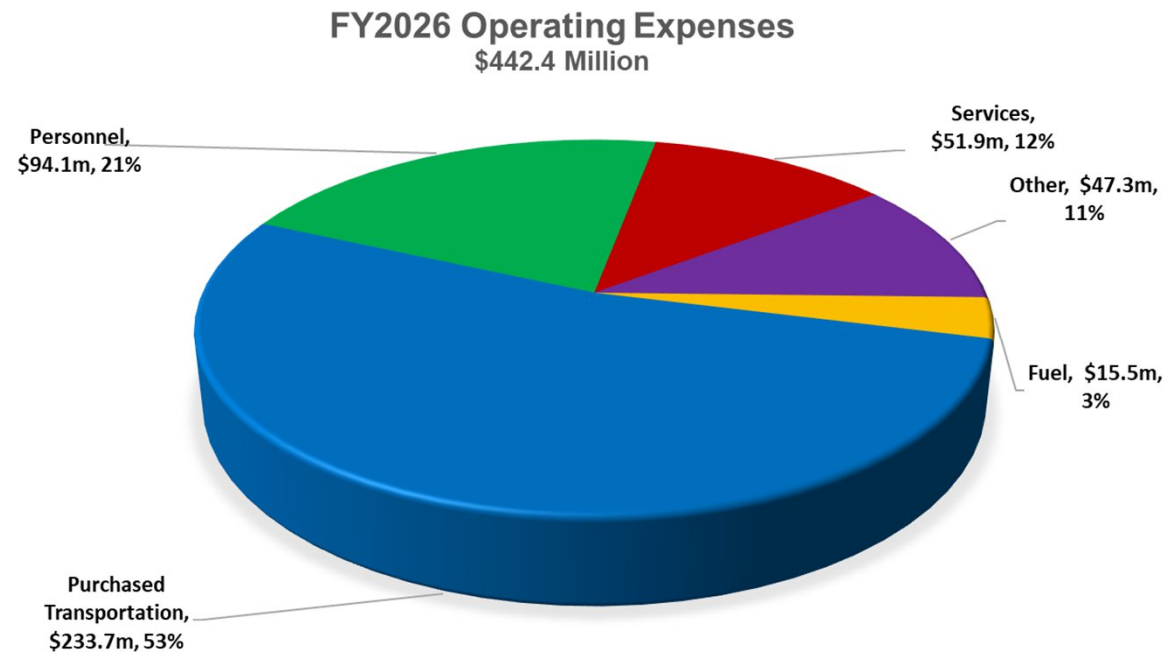


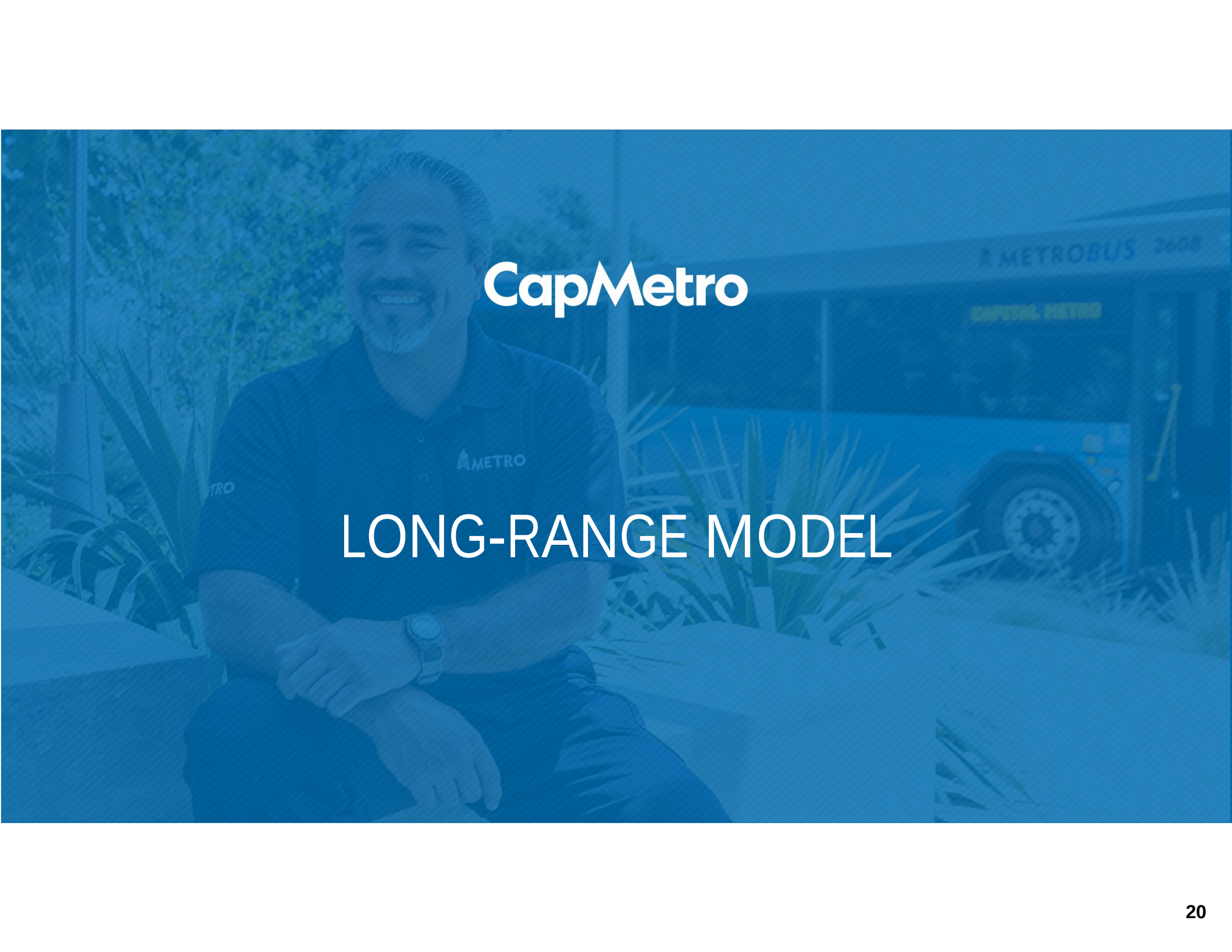
Sales Tax History



FY2026 Budgeted Operating Expenses

- Major expense categories:
 - Purchased transportation
Pass through + Fixed fee
 - Wages
FTE x Rate (increases)
 - Benefits
Health and pension increases
 - Services
Control spending



A man with a grey beard and mustache, smiling, is sitting on a concrete ledge. He is wearing a dark blue polo shirt with the CapMetro logo on the chest and a watch on his left wrist. In the background, a white bus is visible with the text "A METROBUS 2608" and "CAPITAL METRO" on its side. The entire image has a blue overlay.

CapMetro

LONG-RANGE MODEL

Long-Range Financial Plan Model Scenarios

FY2026 Budget & 5 Year CIP

Long-Range Financial Plan

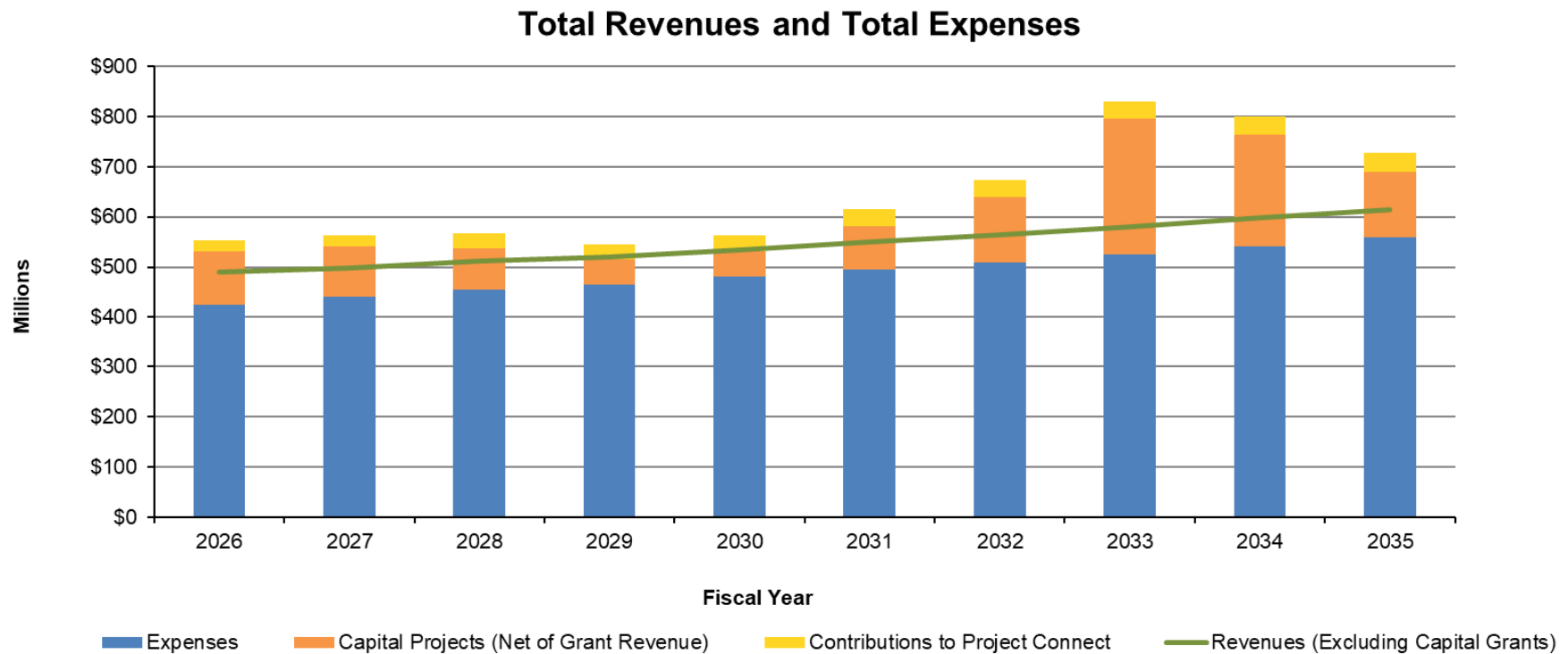
Scenario 1: Slower Sustained Sales Tax Growth

Long-Range Financial Plan Model Scenario

Assumptions	Years 1-5 FY26-30	Years 6-10 FY31-35
Revenues		
Fare growth	2%	2%
Sales tax growth	2% FY26-28, 3% FY29-30	3%
Operating grants	2%	2%
Expenses		
Service costs	3%	
Fuel rates	(5%) FY26, then 2%	
FTE growth	1%	
Wage growth	3%	
Other expenses	3%	

- 3% long-term sales tax growth
- 2% future fare growth
- Contracted rates and future assumptions
- FY2026 Operating Budget and 10-year CIP are baseline

Proposed Long-Range Financial Plan – 10 Years

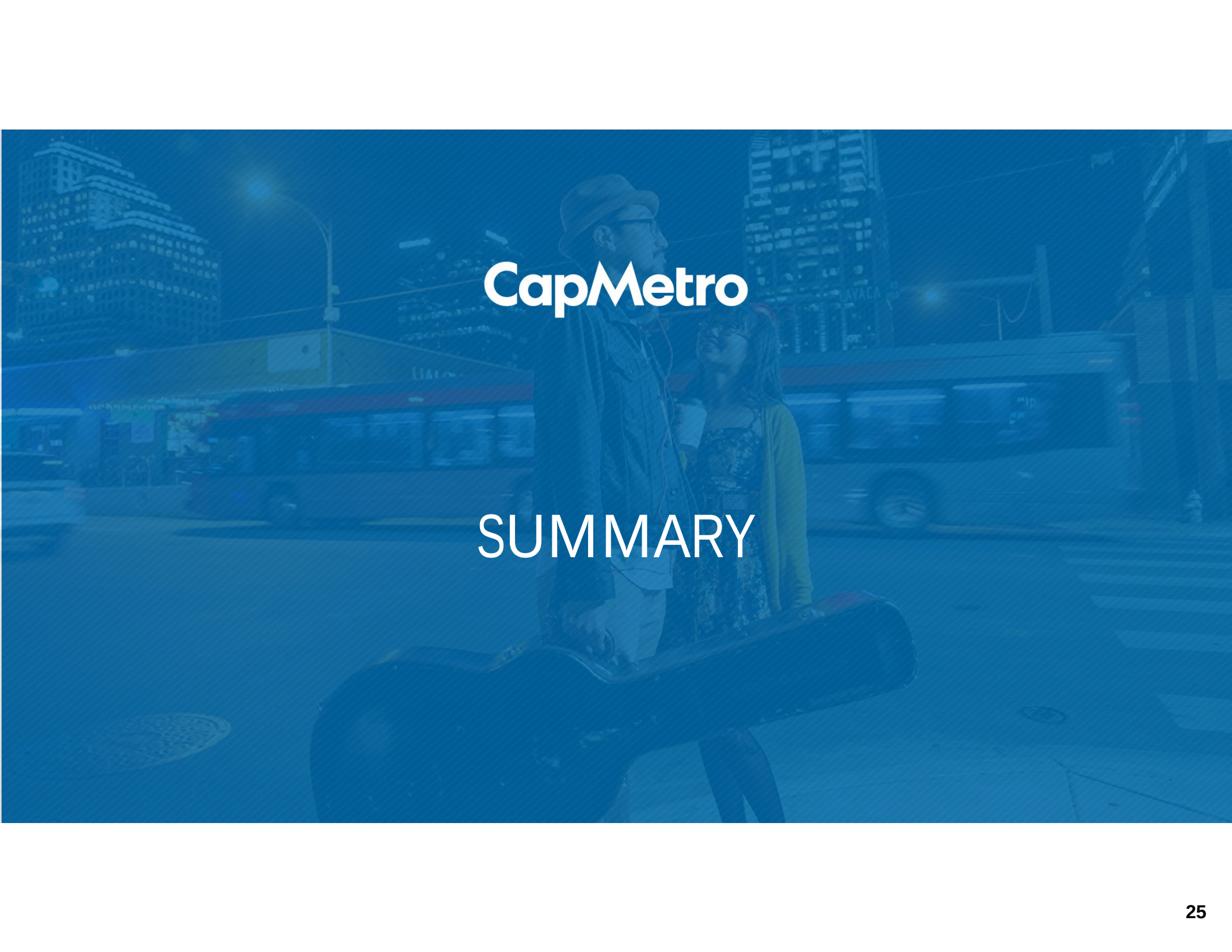


Long-Range Financial Plan - Financials

Dollars in Millions

	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035
Cash & Investments Beginning Balance	\$450	\$386	\$317	\$253	\$220	\$183	\$109	(8)	(\$267)	(\$479)
Revenues (Excluding Capital Grant Revenue)	491	493	503	512	526	541	556	572	588	604
Operating Expenses	(420)	(435)	(448)	(461)	(476)	(490)	(505)	(521)	(537)	(554)
Interlocal Agreements	(6)	(6)	(6)	(4)	(5)	(5)	(5)	(5)	(5)	(5)
Cash Flow available for CIP	65	52	49	47	46	46	46	46	46	45
Capital Projects	(155)	(128)	(102)	(62)	(58)	(226)	(156)	(318)	(364)	(246)
Capital Grant Revenue	49	28	19	13	8	139	27	48	141	115
Capital - Self funded	(106)	(99)	(83)	(49)	(50)	(87)	(129)	(270)	(223)	(131)
Contribution to Project Connect Sequence Plan	(22)	(23)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)
Annual Cash Flow	(63)	(69)	(64)	(33)	(36)	(74)	(117)	(259)	(212)	(123)
Cash & Investments Ending Balance	386	317	253	220	183	109	(8)	(267)	(479)	(602)
Commitments & Reserve Requirements	156	148	140	134	131	135	139	138	142	146
Cash Balance/(Shortage) Proposed Plan	\$230	\$169	\$112	\$86	\$52	(\$26)	(\$146)	(\$404)	(\$621)	(\$748)
Cash Balance/(Shortage) Slower Plan	\$218	\$143	\$73	\$31	(\$17)	(\$111)	(\$247)	(\$522)	(\$755)	(\$900)

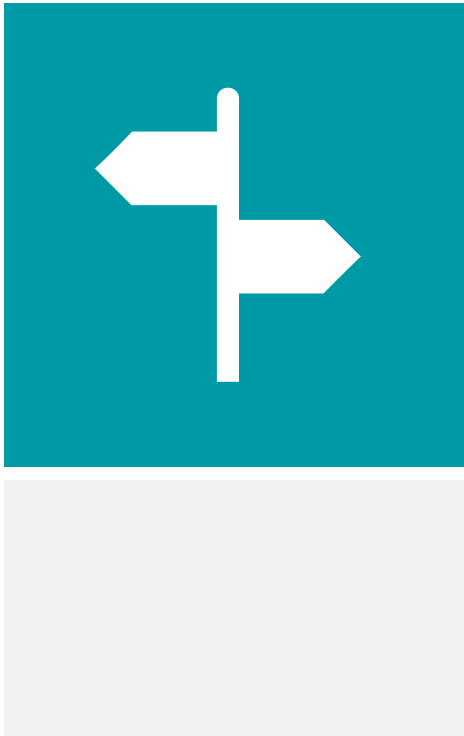
Align spending with forecasted sales tax growth
Less constraint with higher sustained sales tax growth



CapMetro

SUMMARY

Changes in Long-Range Financial Plan



- More moderate sales tax growth in FY2026 to FY2028, with a 3% future long-term growth assumption due to slowing sales tax receipts
- Significant fleet purchases over the next 10 years
- Future facility needs for north and south demand response facilities, central warehouse and administration headquarters build-out

Risks to Long-Range Financial Plan



- Slower sales tax growth than modeled
- Changes to Federal grant funding programs
- Unforeseen regulatory or capital needs
- Future contracted rates with service providers
- Significant inflation or future recession
- Compensation and benefit plan increases
- Slower ridership return than assumed
- Unforeseen technological changes

Conclusions and Recommendations



- Continue to monitor and quickly respond to economic developments
- Potential revenue uncertainty
- Align costs with revenue growth
- One-time, accumulated funding available for capital investments
 - Future capital requires funding from income
- Maintain a minimum of \$40 Million in annual cash flow for FTA-required State of Good Repair

CapMetro

Thank you!



Capital Metropolitan Transportation Authority

2910 East 5th Street
Austin, TX 78702

Finance, Audit and Administration Committee

Item #: AI-2025-1649

Agenda Date: 11/5/2025

Internal Audit FY2026 Audit Plan Status - November 2025

FY26 INTERNAL AUDIT PLAN

Department Scorecard

	Projects	Status & % Complete	Additional Details
	<u>FAA COMMITTEE & INTERNAL AUDIT CHARTER COMPLIANCE</u>		
1	Finance, Audit & Administration (FAA) Committee Meetings: 10/8; 11/5; 12/10; 1/14; 2/11; 3/11; 4/8; 5/6; 6/10; 7/15; 8/10; 9/16; 10/14; 12/2	In Process	
2	Semi-annual Implementation Status Report - November 2025	In Process	Dec/Jan
3	Semi-annual Implementation Status Report - May 2026		
4	Quarterly - Implementation Status of Miscellaneous Revenue recommendations		January
5	FY2026 Risk Assessment & development of FY27 Audit Plan		
	<u>FY25 Audit Assurance & Advisory Projects</u>		
1	Keolis Payroll Pass Through Charges - Ongoing Continuous Monitoring	Ongoing Monitoring	
2	MTM Payroll Pass Through Charges - Ongoing Continuous Monitoring	Ongoing Monitoring	
3	Oracle segregation of duties (DLT Solutions & Sikich) - build model		
4	Oracle Survey - User Satisfaction & Opportunities		
5	Capital Projects - Costs & Reporting Controls		
6	Inventory Controls - Bus Parts (Keolis)	Draft Report	November
7	Inventory Controls - Demand Response Parts (MTM)	In Process	December
8	Inventory Controls - Rail Parts (Herzog)	In Process	Dec/Jan
9	Inventory Controls - Facilities & Bus Stop Parts	In Process	Dec/Jan
10	Fuel Inventory Controls (Unleaded, Diesel, & Red Diesel)	In Process	Dec/Jan
11	Brinks Contract and Outsourced Treasury Controls		
12	Keolis - Bus Maintenance & Training	In Process	UT Interns - Analytics
13	MTM - Demand Response Maintenance & Training	In Process	UT Interns - Analytics
14	Automation of Bus Incidents/Accidents Reporting (TrackIt System)		
15	CLS System for Right of Way License Contracts (Completeness & Accuracy)	In Process	
16	Bus Charging Infrastructure & EV Program	Draft Report	
17	UMO Contract (e-Tickets) & Administrative Fees		
18	Real Estate - Life Cycle Management & Controls		
19	Safety Mgt System (SMS) - Safety Promotion via Competencies & Training		
20	NIST Cybersecurity Framework (CISA Facilitated Self Assessment) - re-assessment from 2024 baseline	On Hold	CISA Federal Funding Delay
21	Annual Cybersecurity Review (Verizon Penetration Test)	In Process	
22	CISA Tabletop Exercise (Ransomware Attack)	On Hold	CISA Federal Funding Delay

	<u>NEW PROJECTS ADDED TO FY25 AUDIT PLAN by Terry Follmer</u>		
1	Quadrennial Performance Report - Tracker until Completed		
2			



Capital Metropolitan Transportation Authority

2910 East 5th Street
Austin, TX 78702

Finance, Audit and Administration Committee

Item #: AI-2025-1657

Agenda Date: 11/5/2025

Internal Audit Report: Bus Parts, Inventory Controls



INVENTORY CONTROLS BUS PARTS (#25-16)

Terry Follmer, Chief Audit Executive

Distribution List:

Capital Metro Board of Directors
Dottie Watkins, President and CEO
Kerri Butcher, EVP, Deputy CEO
Donna Simmons, EVP of Administration, Diversity and Inclusion Officer
Sharmila Mukherjee, EVP, Strategic Planning & Development
Gardner Tabon, EVP, Chief Safety Officer
Samantha Baez, EVP, Chief Experience & Engagement Officer
Kevin Conlan, EVP, Chief Financial & Risk Officer
Andrew Skabowski, EVP & Chief Operating Officer
Dave Kubicek, EVP, Capital Construction, Engineering & Design
Art Jackson, VP, Demand Response & Innovative Mobility
Ken Cartwright, VP, Facilities Management & Capital Construction
Rafael Villarreal Jr., Senior Director, Bus Operations & Maintenance
Tanya Acevedo, Senior VP, Chief Information Officer
Nadia Nahvi, Controller
Muhammad Abdullah, VP, Chief of Procurement & Compliance Officer
Muriel Friday, VP of Rail Operations
Keith Davis, Senior Director, Bus Maintenance
Justin Lucas, Superintendent of Parts & Inventory
Rahul Nair, VP of Rolling Stock & Support Equipment
Ashley Erickson, VP of Organizational Strategy and Projects

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Executive Summary

The fiscal year 2025 Audit Plan approved by the CapMetro Board of Directors included an assurance review of the bus inventory parts to ensure adequate controls, compliance with contracts, policies, procedures and regulatory requirements. The audit results including the objective, scope and conclusion are as follows.

Background

CapMetro implemented the [Hexagon Enterprise Asset Management](#) (EAM) system in 2020 which is used to manage fixed assets (e.g., vehicles, facilities, HVAC, etc.) and spare parts inventory for vehicles and facilities related preventive and unplanned maintenance as recommended by the original equipment manufacturer. The purpose of EAM systems is to enable better, more strategic decisions that extend the asset life cycle, increase safety, and enable cost efficiencies. EAMs allow organizations to manage the life cycle of assets from cradle to grave including scheduled preventive work orders and unscheduled repairs in an organized and efficient manner

Keolis has a contract with CapMetro to manage the bus fleet which includes providing the labor to maintain the vehicles and receive, store and issue parts to maintenance Work Orders and maintain the fleet in state of good repair. Effective 1/1/2023, CapMetro took ownership of the bus parts, and took responsibility for ordering and monitoring the parts, while Keolis is responsible for the physical management of the parts. The Keolis contract requires them to perform a physical inventory of materials in stores every year and a physical inventory of all CapMetro property at least once every two years, as well as to perform cycle counts on a weekly basis and other inventory controls duties as instructed by CapMetro's SOP. Cycle count adjustments entered by Keolis into Hexagon are reviewed and approved by the Parts Manager/Parts Supervisor before posting to Hexagon EAM.

The Oracle accounting records are updated real time for procurement activity (i.e. orders and receipts) however, Oracle accounting system records are only updated once a month via manual journal entry for parts issued, cycle count monthly results and other adjustments. Additionally, the Oracle general ledger only has one asset inventory part account (EAM Parts 1030101), and one inventory part expense account (Maintenance Materials- 5049920). Due to the lack of specific accounts in Oracle for the Balance Sheet and Income Statements, the Oracle general ledger cannot produce meaningful reports that are useful to Bus Operations.

CapMetro's bus parts are stored in three primary warehouses locations and across seven storerooms, and includes approximately 14,800 Stock Keeping Units (SKUs) valued at \$8.8 million within the Hexagon asset management system, which tracks current inventory levels and historical usage as of 7/17/2025:

Type	Store	In-Service			Out-of-Service		
		SKU	Quantity	Value on Hand	SKU	Quantity	Value on Hand
Bus	2910_01	8,948	86,069	\$4,177,078	2,048	1,350	\$135,345
	9315_12	5,342	53,780	\$3,657,438	1,769	370	\$21,727
	9715_01	513	3,747	\$914,296	4	0	\$0
Total		14,803	143,596	8,748,812	3,821	1,720	157,072

CapMetro's fleet of 477 buses spans six manufacturers: Gillig (185), New Flyer (99), New Flyer Electric (58), Motor Coach (34), Nova Bus (55), and Proterra/Phoenix (46), with 26 different series, creating significant complexity in managing the approximately 14,800 SKU's in spare parts. Each brand has

unique designs and supply chains, and even within a single manufacturer, parts may often not be interchangeable across series. The fleet also includes both diesel and electric buses, requiring parallel inventories of traditional components and advanced battery systems.

Audit Objective & Scope

The objective of the bus parts audit was to evaluate bus part records and internal controls related to the completeness and accuracy of the bus part records, as well as the procure to payment controls. The scope included a review of FY2025 bus part records in the Hexagon system and related procure to pay records in the Oracle system, data analytics on the completeness and accuracy of data in Hexagon, and a review of the policies and procedures that are used to manage the lifecycle asset records updates in the Hexagon system. We obtained and tested inventory data from Hexagon as of 07/17/2025, and Oracle data from 10/01/2024 to 08/26/2025.

Opinion

In our opinion, internal controls are generally in place and functioning over CapMetro's Hexagon Enterprise Asset Management system. We identified some areas where internal controls could be further strengthened as follows:

Issues & Risk	Risk Rating	Status	Target Completion Date
1. Cycle Counts - Establish Baseline & Set Target Goals	Medium	Open	5/1/2026
2. Keolis Contract - Inventory Parts Requirements & SOPs	Medium	Open	5/1/2026
3. Purchase to Pay Cycle - Missing Three-Way Match	Medium	Open	6/1/2026
4. Oracle General Ledger & Meaningful Reporting	Medium	Open	5/1/2026

More details regarding the issues/risks and recommendations can be found below in the detailed audit report.

This audit was conducted in accordance with the US Government Accountability Office's Generally Accepted Government Auditing Standards (GAGAS) and the Institute of Internal Auditor's Global Internal Audit Standards. These standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. The audit was conducted by the following staff members in the Capital Metro Internal Audit Department:

- Mazen Shehadeh, Senior Auditor III
- Terry Follmer, CAE

Recommendations to strengthen controls and improve accountability were provided to management. Management agrees with the internal audit recommendations and has provided target completion dates which are included in the detailed audit report below. A follow-up audit is performed semi-annually (i.e., May and November) to ensure management action plans for all issued audit reports are completed in a timely manner.

We appreciate the cooperation and assistance provided to us throughout this audit.

Risk Rating Definitions

Ratings Definitions- Auditors used professional judgment and rated the audit findings identified in this report. The issue ratings identified for each finding were determined based on the degree of risk or effect of the findings in relation to the audit objective(s).

Rating	Issues identified	Action required
HIGH	Issues identified present risks or effects that if not addressed could critically affect the audited entity's ability to effectively administer the program(s)/function(s) audited.	Immediate action is required to address the noted concern(s) and reduce risks to the audited entity.
MEDIUM	Issues identified present risks or effects that if not addressed could substantially affect the audited entity's ability to effectively administer the program(s)/function(s) audited.	Prompt action is essential to address the noted concern(s) and reduce risks to the audited entity.
LOW	Issues identified present risks or effects that if not addressed could moderately affect the audited entity's ability to effectively administer the program(s)/function(s) audited.	Action is needed to address the noted concern(s) and reduce risks to a more desirable level.

Ratings methodology- In determining the ratings of audit findings, auditors considered factors such as:

1. Financial impact
2. Potential failure to meet program/function objectives
3. Noncompliance with state statute(s), rules, regulations, and other requirements or criteria
4. The inadequacy of the design and/or operating effectiveness of internal controls
5. Evidence of potential fraud, waste, or abuse
6. Significant control environment issues
7. Little to no corrective action for issues previously identified

Auditors also identified and considered other factors when appropriate.

Audit Report

Issues & Risk	Risk Rating	Recommendation	Management Action Plan																								
	MEDIUM																										
1. Cycle Counts - Establish Baseline & Set Target Goals for Keolis We benchmarked CapMetro against the other Texas transit agencies and noted they all rely on cycle counts to validate the accuracy of parts records, and only perform full physicals in special situations (e.g. installing new EAM or ERP systems). Keolis is responsible for performing the bus parts cycle counts, however, cycle count baselines and target goals have not been explicitly set for Keolis. Through data analytics of the Hexagon parts records, the Internal Audit Department was able to establish the following baseline using the cycle count records from the last 12 months:	The Superintendent of Bus Parts & Inventory should consider implementing the following cycle count enhancements using Power BI: a) <u>Establish Baseline</u> - using historical cycle count results from the last 12 months for the following areas: 67.8% of SKU’s cycle counted annually; 24.5% of cycle counts that had differences; for unit count adjustments, the 13.2% that was a negative adjustment (missing parts) versus 11.2% a positive adjustment; b) <u>Set Target Goals for Keolis</u> - measure cycle count actual performance against goals and historical baseline. c) <u>Periodic Reporting</u> - Periodic reporting (Monthly/Qtrly) to Keolis and CapMetro management showing actual cycle count results against target goals and historical baseline. d) <u>Inventory Data Analyst role</u>- Management would benefit from establishing a dedicated Inventory Data Analyst to oversee stock takes, cycle counts, and data integrity. This role would strengthen accuracy of inventory records, provide timely variance analysis, and allow parts managers to focus on operational responsibilities, supporting more effective inventory control. e) Develop a systematic solution within Hexagon to differentiate true inventory stock takes from all other stock adjustments.	Management agrees and has developed the action plan below. Target Completion Date: a) 11/1/2025 b) 1/1/2026 c) 1/1/2026 with monthly and Quarterly analysis and reporting. d) 5/1/2026 e) 1/1/2026 -looking at creating additional adjustment categories beyond “stock takes” in order to provide more insight and analysis.																									
<table><tr><th>Type</th><th>Value on Hand</th><th>Total SKUs in Listing</th><th>Counted SKUs</th><th>Percent of SKUs counted annually</th><th colspan="3">Results</th></tr><tr><td></td><td></td><td></td><td></td><td></td><th>Qty Accurate no adjustments</th><th>Qty Positive adjustments</th><th>Qty Negative adjustments</th></tr><tr><td>Bus</td><td>\$8,748,812</td><td>14,803</td><td>10,036</td><td>67.8%</td><td>75.6%</td><td>11.2%</td><td>13.2%</td></tr></table> We believe the effectiveness of the cycle count program can be better measured by establishing a formal baseline and target goals for Keolis. See Appendix A for details <u>Baseline defined</u>: a historical statistic to measure against in the future to gauge progress. In the table above some baselines to measure progress against are: 67.6% of SKU’s are cycle counted annually; 75.6% of cycle counts require no adjustment as physical quantity matches Hexagon; positive adjustments are required 11.2% of the time versus 13.2% of adjustments are negative.	Type	Value on Hand	Total SKUs in Listing	Counted SKUs	Percent of SKUs counted annually	Results								Qty Accurate no adjustments	Qty Positive adjustments	Qty Negative adjustments	Bus	\$8,748,812	14,803	10,036	67.8%	75.6%	11.2%	13.2%			
Type	Value on Hand	Total SKUs in Listing	Counted SKUs	Percent of SKUs counted annually	Results																						
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Bus	\$8,748,812	14,803	10,036	67.8%	75.6%	11.2%	13.2%																				

Issues & Risk	Risk Rating	Recommendation	Management Action Plan
	MEDIUM		
<u>2. Keolis Contract - Inventory Parts Requirements & SOPs</u> CapMetro owns the Bus Parts inventory which is valued at \$8.8 million and is composed of 14,800 SKU’s in order to maintain the bus fleet. CapMetro is responsible for ordering and monitoring parts, while Keolis provides the labor to maintain the vehicles and receive, store and issue parts to Work Orders as well as perform cycle counts. The Keolis contract (Exhibit E, 64-Section (k)(5) and (r)) requires annual physical inventories of materials in stores, reconciliation of balances, recording of adjustments, and approval of those adjustments. (See Appendix B for full contract language) We reviewed the controls related to the accuracy of parts and noted the following opportunities: • Per Keolis contract, CapMetro has the right to an annual full physical but has not enforced it. • Cycle counts are being performed but no baseline and goals have been set (see issue #1) and not all SKU’s are being counted every year. • The Finance Department has not established any inventory policies/procedures covering physical inventories, cycle counts, etc. • Manual No Automation - The two locations (North and South Bus Yards) where the parts are stored have not barcoded the bins and parts, therefore, all recordkeeping is done manually with paper and pen and then manually keyed into the Hexagon system. • The EAM system cannot distinguish real stock adjustments from input errors; requiring a justification dialog for each adjustment would separate true discrepancies from mistakes and improve accountability. • Parts Stratification - we fully support management’s plan to stratify parts and provide different cycle count frequencies (e.g. annual vs Quarterly, etc.) based upon criticality, materiality, etc... Inventory controls help ensure the accuracy of the 14,800 SKU’s and parts are available when needed for mechanical maintenance, the accuracy of the parts inventory on the Balance Sheet, and that errors and irregularities in missing parts are detected timely. Note, in order to cycle every bus part at least once per year, approximately 285 cycle counts per week (14,800 / 52 weeks) will be needed. See actual cycle counts results at Appendix A.	The Superintendent of Bus Parts & Inventory should consider implementing the following: a) Create a cross-functional working group (Operations, Finance, IT) led by the Superintendent in order to analyze balances and identify process and system improvements in an annual plan with stated goals (e.g. system enhancements; cycle count coverage; Keolis contractual physical inventory requirements; etc.). The group will also develop tools (e.g. exception reports, analysis, etc.) to identify and discuss reasons for any significant changes in inventory and expense balances. b) Bus Operations owns the policies and should create and/or update existing policies and procedures related to how/when/who will be responsible for ongoing cycle counts and any physical inventory performed. Finance should participate in changes to SOPs and include a hierarchy of notifications and approvals needed within Operations and Finance management based upon materiality level of the cycle count adjustments. c) Evaluate on a cost-benefit basis if it would make sense to bar code inventory locations (e.g. bins) and parts to help automate the cycle counts and Hexagon records. d) Add a required justification field for every stock adjustment to separate true discrepancies from input errors and improve accountability.	Management agrees and has developed the action plan below. <u>Target Completion Date:</u> a) 1/1/2026 working group will be identified and first monthly meeting will be scheduled. b) 5/1/2026 c) 5/1/2026 complete research to make a cost-benefit decision on bar coding inventory. d) 1/1/2026 In combination with recommendation 1e) above, we will create more visibility and analysis to identify and resolve discrepancies.	

Issues & Risk	Risk Rating	Recommendation	Management Action Plan
	MEDIUM		
<u>3.Purchase to Pay Cycle - Missing Three-Way Match</u> We noted the following concerns related to how the Hexagon EAM system is configured: - One way interface from Hexagon (Requisition) to Oracle (Purchase Order), but no back feed from Oracle (Invoice received) to Hexagon (receipt w/ Bill of Lading or Packing Slip). - Oracle is not setup with Application Programming Interface's (API) to communicate data real-time between CapMetro and parts vendors for part order details like shipping/delivery date and part details, invoicing, etc.. - Evidence of receipt (e.g. Bill of Lading and/or Packing Slip) is missing in Oracle for almost every Purchase Order. Due to the system design and lack of implemented functionality, the A/P Department must manually scan, send manual emails daily to Bus Operations asking to confirm receipt of parts, and then Operations must manually match Invoices to receipts (e.g. Bills of Lading and/or Packing Slips) and email back to the A/P Department which parts were received on each Invoice. Oracle has the capabilities to have API communications with vendors and an automated 3-Way Match between the PO, Invoice and Receipt (BOL or Packing Slip). The current system design and manual process is inefficient and prone to potential human errors, rework, lack of transparency on part order status, and delays in updating the Oracle system with current data.		The COO, CFO, and CIO should consider implementing the following business process improvements to the Oracle and Hexagon systems related to the Purchase to Pay process and 3-Way Match: a) Investigate opportunities to improve automation of data transmissions (EDI/API/FTP) communications in Oracle with the vendors who already have such data communication capabilities. This will allow for real-time status updates on PO's (e.g. shipping and delivery details) as well remove the need to manually scan Invoices since these documents will be received via automation. b) Develop two-way interface between Hexagon and Oracle for all order details which will then allow for an automated 3-Way Match for most transactions, and the remainder and any differences can be manually investigated and resolved. c) Until a) and b) above are implemented, Operations should send original receiving documents (Bill of Lading and/or Packing Slips) to the A/P Department who will digitize the receiving evidence and save to the respective PO in the Oracle system. This will eliminate the need for Operations to scan each receiving document and email to A/P Department.	Management agrees and has developed the action plan below. <u>Target Completion Date:</u> a) 6/1/2026 but requires further research to determine best solution to be chosen. b) 6/1/2026 but requires further research and management priorities. c) This requires further research because A/P has been working remotely, so not clear how a copy of these documents would be attached to the invoices in Oracle. Current email communications are not being saved by A/P into the Oracle.

Issues & Risk	Risk Rating	Recommendation	Management Action Plan
	MEDIUM		
<u>4.Oracle General Ledger & Meaningful Reporting</u> We reviewed CapMetro’s Oracle general ledger (G/L) listing of accounts as of 8/30/2025 and noted only one asset account for parts inventory valued at \$9.4 million (EAM Parts #1030101 for bus) and one expense account for bus parts, with expenditures totaling \$16.8 million through August 31, 2025 (Maintenance Materials #5049920-Dept 600 (Bus Operations and Maintenance)). We benchmarked against other transit agencies and noted the following concerns: - Dallas Area Rapid Transit (DART) has 22 assets and 79 of expense G/L accounts which allows deeper insights and analysis of bus operations performance. Some examples of accounts that would provide more insight are as follows: Mechanical Supplies, Electrical Supplies, Battery; Rectifier/Transformer, DC Switchgear(see Appendix C) - Houston METRO has 4 assets and 51 of expense G/L accounts. Some examples of accounts: Parts-Engine, Parts-Transmission, Parts-Farebox, Parts A/C And Heat; (see Appendix D) - Due to the way Oracle and Hexagon are currently configured (see Issue #3 on the previous page), the Oracle general ledger is only updated for consumption (parts issued) once a month at month end via manual journal entry, therefore, no real time analysis or investigation into unusual inventory fluctuations can be performed. - Both bus and demand response operations have changed from a fixed price model to a variable pass-through model with CapMetro owning the parts for both Bus and Demand Response, however, the Oracle general ledger has not been updated to support the new operational needs and analysis. The Oracle accounting system and related chart of accounts should be updated to provide more transparency and operational analysis to CapMetro management.	The COO, CFO and CIO should consider the following steps to help identify and improve the Oracle general ledger to provide more meaningful reporting and analysis: a) Perform further benchmarking of CapMetro’s Oracle system, chart of accounts and reporting against other relevant transit agencies to identify accounts and reports that will better support bus operations. b) Use the benchmarking and inputs from CapMetro management to help identify needed changes, and capital project plan with target completion dates. c) New Working Group (Operations, Finance, IT) from recommendations (2) above will develop a plan to perform the following: i) Categorize the 14,800 SKU’s within Hexagon; ii) map these new Hexagon categories to the to be determined new Oracle chart of accounts.	Management agrees and has developed the action plan below. <u>Target Completion Date:</u> 5/1/2026 - The working group will create a Plan to address these recommendations and target dates will be provided in the future.	

Appendices

Appendix A

Inventory Cycle Count Performance Baseline for the last 12 months: (filtered for In-Service parts)

Type	Value on Hand	Total SKUs in Listing	Counted SKUs	Percent of SKUs counted annually	Results		
					Qty Accurate no adjustments	Qty Positive adjustments	Qty Negative adjustments
Bus	\$8,748,812	14,803	10,036	67.8%	75.6%	11.2%	13.2%

Appendix B

Contract requirements-Keolis

[Contract 500100 - Page 40 of 45 Exhibit E - Revised-3]

CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY

(2) Determining unit price.

(i) Contractor-acquired and contractor-fabricated property. Except for items fabricated by nonprofit organizations for research and development purposes, the unit price of contractor-acquired and contractor-fabricated property shall be determined in accordance with the system established by the contractor in conformance with consistently applied sound accounting principles. Generally, separate unit prices should be applied to items of special tooling and special test equipment fabricated or acquired by the contractor. However, if the contractor's accounting system is acceptable, and if maintaining detailed cost records results in excessive accounting cost or is otherwise impracticable, group pricing may be used for special tooling, special test equipment, and work-in-process in accordance with the contractor's acceptable cost accounting system. All processed material, fabricated parts, components, and assemblies charged to the contractor's work-in-process inventory, including items in temporary storage while awaiting processing, may be considered as work-in-process for this purpose.

(ii) Capital Metro-furnished property. Capital Metro shall determine and furnish to the contractor the unit price of Capital Metro-furnished property. Transportation and installation costs shall not generally be considered as part of the unit price for this purpose. Normally, the unit price of Capital Metro-furnished property will be provided on the document covering shipment of the property to the contractor. In the event the unit price is not provided on the document, the contractor will take action to obtain the information.

(k) Records of Material

(1) General. All Capital Metro material furnished to the contractor, as well as other material to which title has passed to Capital Metro by reason of allocation from contractor-owned stores or purchase by the contractor for direct charge to a Capital Metro contract or otherwise, shall be recorded in accordance with the contractor's property control system and the requirements of this section.

(2) Consolidated stock record. When a contractor has more than one Capital Metro contract under which Capital Metro material is provided, a consolidated record for materials may be authorized by the property administrator, provided, the total quantity of any item is allocated to each contract by contract number and each requisition of material from contractor-owned stores is charged to the contract on which the material is to be used. The supporting document or issue slip shall show the contract number or equivalent code designation to which the issue is charged.

(3) Custodial records. The contractor shall maintain custodial records for tool crib items, guard force items, protective clothing, and other items issued to individuals for use in their work.

(4) Use of receipt and issue documents. The property administrator may authorize the contractor to maintain, in lieu of stock records, a file of appropriately cross-referenced documents evidencing receipt, issue, and use of Capital Metro-provided material that is issued for immediate consumption and is not entered in the inventory record as a matter of sound business practice. This method of control may be authorized for-

- (i) Material charged through overhead;
- (ii) Material under research and development contracts;
- (iii) Subcontracted or outside production items;
- (iv) Nonstock or special items;
- (v) Items that are produced for direct charge to a contract, or are acquired and issued for installation upon receipt, and involve no spoilage; and
- (vi) Items issued from contractor-owned inventory direct to production or maintenance, etc.

(5) The contractor shall take physical inventories of material in stores included in the systems (other than work-in-process) at least annually, extend and reconcile prices to the quantitative balance for each item, and record adjustments in the stock record and financial inventory control accounts. Such physical inventories and adjustments,

[Contract 500100 - Page 43 of 45 Exhibit E - Revised-3]

CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY

(iii) conspicuous. Examples of appropriate markings are bar coding, decals, and stamping. If marking will damage the property or is otherwise impractical, the contractor shall promptly notify the property administrator and ask for the item to be exempted (see paragraph (2) of this section). Markings shall be removed or obliterated when Capital Metro property is sold, scrapped, or donated.

(q) Segregation of Capital Metro Property

Capital Metro property shall be kept physically separate from contractor-owned property. However, when advantageous to Capital Metro and consistent with the contractor's authority to use such property, the property may be commingled-

(1) When Capital Metro property is special tooling, special test equipment, or plant equipment clearly identified and recorded as Capital Metro property;

(2) When-

(i) Scrap of a uniform nature is produced from both Capital Metro-owned and contractor-owned material and physical segregation is impracticable,

(ii) Scrap produced from Capital Metro-owned material is insignificant in consideration of the cost of segregation and control, or

(iii) Capital Metro contracts involved are fixed-price and provide for the retention of the scrap by the contractor; or

(3) When otherwise approved by the property administrator.

(r) Physical Inventories

The contractor shall periodically, but not less than every two (2) years, physically inventory all Capital Metro property (except materials issued from stock for manufacturing, research, design, or other services required by the contract) in its possession or control and shall cause subcontractors to do likewise. The contractor, with the approval of the property administrator, shall establish the type, frequency, and procedures. These may include electronic reading, recording and reporting or other means of reporting the existence and location of the property and reconciling the records. Type and frequency of inventory should be based on the contractor's established practices, the type and use of the Capital Metro property involved, or the amount of Capital Metro property involved and its monetary value, and the reliability of the contractor's property control system. Type and frequency of physical inventories normally will not vary between contracts being performed by the contractor but may vary with the types of property being controlled. Personnel who perform the physical inventory shall not be the same individuals who maintain the property records or have custody of the property unless the contractor's operation is too small to do otherwise.

(s) Inventories Upon Termination or Completion

(1) General. Immediately upon termination or completion of a contract, the contractor shall perform and cause each subcontractor to perform a physical inventory, adequate for disposal purposes, of all Capital Metro property applicable to the contract, unless the requirement is waived as provided in paragraph (2) of this section.

(2) Exception. The requirement for physical inventory at the completion of a contract may be waived by the property administrator when the property is authorized for use on a follow-on contract; provided, that-

(i) Experience has established the adequacy of property controls and an acceptable degree of inventory discrepancies; and

(ii) The contractor provides a statement indicating that record balances have been transferred in lieu of preparing a formal inventory list and that the contractor accepts responsibility and accountability for those balances under the terms of the follow-on contract.

(3) Listings for disposal purposes.

Appendix C

Dallas Area Rapid Transit (DART)-General Ledger chart of accounts used to track Parts Inventory on the Balance Sheet, and Part Expenses on the Income Statement:

Type	Account Number	Account Name
Balance Sheet	13100-0000	MATERIALS & SUPPLIES INVENTORY
Balance Sheet	13105-0000	MAT.&SUPPLIES - E/S
Balance Sheet	13106-0000	Mat. & Supplies-ED Overhaul
Balance Sheet	13107-0000	MAT.&SUPPLIES-NWROF WSA
Balance Sheet	13108-0000	MAT.&SUPPLIES-NWROF LRV
Balance Sheet	13110-0000	MAT.&SUPPLIES - O/C 02-10
Balance Sheet	13111-0000	MAT.& SUPPLIES-O/C 2A-10
Balance Sheet	13120-0000	MAT.&SUPPLIES - N/W
Balance Sheet	13125-0000	MAT.&SUPPLIES - E/D Main
Balance Sheet	13130-0000	MAT.&SUPPLIES - Surplus
Balance Sheet	13135-0000	MAT.&SUPPLIES - FAC/M
Balance Sheet	13140-0000	MAT. & SUPPLIES - RAIL
Balance Sheet	13155-0000	MAT.&SUPPLIES-OBSOLETE INV.
Balance Sheet	13160-0000	INV - Srvs & Inspctn Facility
Balance Sheet	13180-0000	Contract Spares
Balance Sheet	13185-0000	Insurance Inventory Items
Balance Sheet	13500-0000	Streetcar Parts
Balance Sheet	13510-0000	Streetcar Parts - Contra
Balance Sheet	13200-0000	INV - PCARD PURCHASES
Balance Sheet	13215-0000	INV - KIT CLEARING
Balance Sheet	13240-0000	INV - INV IN TRANSIT / SPEAR
Balance Sheet	13800-0000	ALLOW INV OBSOLESCENCE/SURPLUS

Appendix C-continued

Type	Account Number	Account Name	Type	Account Number	Account Name
Income Statement	54032-0000	Cleaning System	Income Statement	54131-0000	Computer Software
Income Statement	54045-0000	Conditioned Based Maintenance	Income Statement	54133-0000	Communications & Fax Equip
Income Statement	54050-0000	Radios and Communications	Income Statement	54134-0000	Office Furniture & Equipment
Income Statement	54055-0000	Corrective Based Maintenance	Income Statement	54135-0000	Training Supplies & Equipment
Income Statement	54065-0000	Fixed Scheduled Maintenance	Income Statement	54154-0000	Computer Supplies
Income Statement	54081-0000	Rebuilt Parts - Charge Backs	Income Statement	54139-0000	Non-Standard Office Supplies
Income Statement	54401-0000	Warrant Credits - Bus	Income Statement	54140-0000	Standard Office Supplies
Income Statement	54402-0000	Warrant Credits - Rail	Income Statement	54141-0000	Copy Machine Supplies
Income Statement	54406-0000	Unidentified Efficiencies	Income Statement	54142-0000	NOC Expendable Supplies
Income Statement	54414-0000	Inventory - Cycle Count	Income Statement	54143-0000	Printing Supplies
Income Statement	54415-0000	Inventory - Loss/Gain	Income Statement	54144-0000	Photographic Supplies
Income Statement	54416-0000	Inventory - Damage	Income Statement	54145-0000	Postage
Income Statement	54417-0000	Inventory - Price Discrepancy	Income Statement	54146-0000	M&S Credit Card Purchases
Income Statement	54418-0000	Inv-Obsolescence & Surplus	Income Statement	54148-0000	Food & Coffee Supplies
Income Statement	54419-0000	Inventory - Restocking Fee	Income Statement	54149-0000	Promotional Supplies
Income Statement	54424-0000	PO Variance Account	Income Statement	54150-0000	Shop Tools & Equipment
Income Statement	54425-0000	Freight/Shipping Charges	Income Statement	54151-0000	Cleaning Supplies
Income Statement	54426-0000	Discounts Taken	Income Statement	54152-0000	Safety Supplies & Equipment
Income Statement	54430-0000	Diesel Fuel	Income Statement	54155-0000	Special Events Supplies
Income Statement	54431-0000	CNG Fuel	Income Statement	54158-0000	Misc Shop Supplies
Income Statement	54432-0000	LNG Fuel	Income Statement	54215-0000	BATTERY
Income Statement	54433-0000	Engine Oil	Income Statement	54241-0000	RECTIFIER/TRANSFORMER

Income Statement	54434-0000	Transmission Fluid	Income Statement	54242-0000	DC SWITCHGEAR
Income Statement	54435-0000	Antifreeze	Income Statement	54243-0000	AUXILIARY EQUIPMENT
Income Statement	54436-0000	Gasoline	Income Statement	54245-0000	TRACK MATERIALS
Income Statement	54437-0000	NRV Fuel	Income Statement	54256-0000	CCTV
Income Statement	54438-0000	Dart Contra Fuel Hedge	Income Statement	54264-0000	LRV COMM. & RADIO
Income Statement	54440-0000	Tires and Tubes	Income Statement	54265-0000	RAIL MATERIALS & SUPPLIES
Income Statement	54441-0000	Tires and Tubes Installation	Income Statement	54267-0000	MECHANICAL SUPPLIES
Income Statement	54103-0000	Signs	Income Statement	54270-0000	Conditioned Based Rail
Income Statement	54105-0000	Parts Credit card Purchases	Income Statement	54275-0000	Corrective Based Rail
Income Statement	54110-0000	Parts - Building Repairs	Income Statement	54280-0000	Fixed Schedule-Rail
Income Statement	54111-0000	Parts Equipment Repairs	Income Statement	54300-0000	Safety Shoes
Income Statement	54112-0000	Electrical Supplies	Income Statement	54301-0000	Uniforms
Income Statement	54113-0000	Lighting Supplies	Income Statement	54303-0000	Police Equipment
Income Statement	54114-0000	HVAC Supplies	Income Statement	54305-0000	Watch Repair
Income Statement	54116-0000	Machinery Lubricants	Income Statement	54310-0000	Maint Equip Allowance
Income Statement	54125-0000	Amenities Program	Income Statement	54315-0000	NRV Maintenance Contra Acct
Income Statement	54126-0000	Wellness Program Equipment	Income Statement	54510-0000	M&S - DART Store Inv Purchases
Income Statement	54130-0000	PCs and Other Comp Equip			

Appendix D

Houston METRO-General Ledger chart of accounts used to track Parts Inventory on the Balance Sheet, and Part Expenses on the Income Statement:

Balance Sheet:
Maintenance Parts
Unit Rebuild Parts
Allowance for Obsolete Parts

Income Statement:	
Air System Parts	Parts-Overhead Contact System
Door Parts	Parts-Pantograph
Exhaust System Parts	Parts-Pasngr Info System
Gain/Loss - Inventory - Parts	Parts-Passenger Info System
Heating System Parts	Parts-Propulsion
Metrolift Parts	Parts-Radio
Non-Rev Vehicle Parts	Parts-Rail Cab Equip
Off-Rd Vehicle Parts	Parts-Rail Cab Equipment
Outside Maint-Parts	Parts-Rail Coupler
Parts A/C And Heat	Parts-Rail Trucks
Parts Chassis	Parts-Refurbish External
Parts Electrical	Parts-SCADA System
Parts Electronic	Parts-Sign Equipment
Parts-Aux Pwr Supply	Parts-Signals
Parts-Auxiliary Power Supply	Parts-Substations
Parts-Ballasted Track	Parts-Train Cntrl Net
Parts-Batteries	Parts-Train Control Net
Parts-CNG Fuel System	Parts-Transmission
Parts-Communications	Parts-Washer Maintenance
Parts-Embedded Track	Parts-Washer Maintnnc
Parts-Embedded Tracks	Parts-Wheelchair Lfts
Parts-Engine	Parts-Wheelchair Lifts
Parts-Farebox	Transfer-Parts & Gasoline Allocation
Parts-Highway Grade Crossing	Unapplied Parts & Supplies
Parts-IBIS	Wheel Parts
Parts-Interlocking Subsystems	



Bus Parts – Inventory Controls

Overview of Key Findings

11/5/2025 FAA Committee Meeting

CapMetro

Findings #1 & 2

1) Cycle Counts – Establish Baseline & Set Target Goals for Keolis

Type	Value on Hand	Total SKUs in Listing	Counted SKUs	Percent of SKUs counted annually	Results		
					Qty Accurate no adjustments	Qty Positive adjustments	Qty Negative adjustments
Bus	\$8,748,812	14,803	10,036	67.8%	75.6%	11.2%	13.2%

2) Keolis Contract – Inventory Parts Requirements & SOP's

- Superintendent of Parts will create cross functional working group (Operations, Finance and IT).
- CapMetro has the right to request Keolis to perform an annual physical inventory.
- Create and update Cycle Count and Physical policies/procedures/SOPs.
- Evaluate bar coding inventory on a cost-benefit basis.
- Create additional adjustment codes beyond “Stock Takes”.

CapMetro

Findings #3 & 4

3) Purchase to Pay Cycle – Missing 3-Way Match

- Automated data transmissions with vendors (API, EDI, FTP).
 - Evidence of Receipt not being saved to Oracle.
 - Automate 3-Way Match (PO; Receipt; Invoice).
-

4) Oracle General Ledger & Meaningful Reporting

- CapMetro has not added more detailed G/L accounts since taking ownership of parts.
- Joint working group will have to define the categories in Hexagon for the 14,800, which in turn will roll-up into the to be defined new general ledger accounts.



Capital Metropolitan Transportation Authority

2910 East 5th Street
Austin, TX 78702

Finance, Audit and Administration Committee

Item #: AI-2025-1650

Agenda Date: 11/5/2025

Executive Finance, Audit and Administration Update - November 2025

Update on key performance indicators, financial performance, and upcoming events.



Quarterly Key Performance Indicator Update

4th Quarter Update, Fiscal Year 2025

November 5, 2025



Operations

Operations – FY25 KPI Recap

	FY24	FY25	FY25 Target
On-Time Performance			
CapMetro Bus, Rapid, and Express	78.3%	78.2%	83%
CapMetro Rail	92.8%	90.9%	96%
CapMetro Access	93.7%	92.5%	92%
Pickup	86.0%	86.6%	83%

Challenges and Accomplishments in FY25

- Vehicle mechanical failures and periodic manpower shortages contributed to service reliability issues.
- Traffic, detours, and ongoing construction negatively impacted on-time performance.
- We saw a 25% reduction of service lost time, and we successfully launched PV/Expo.
- Despite significant ridership growth on Access and Pickup, the on-time performance rates were very good.

Keys to Success in FY26

- With a collaborative effort between Keolis, CapMetro Operations, and Planning, using a data driven, customer centric approach, we plan to see improvements in FY26.

Operations – FY25 KPI Recap

	FY24	FY25	FY25 Target
Mean Distance Between Failures (in miles)			
CapMetro Bus, Rapid, and Express	3,723	4,108	5,500
CapMetro Rail	7,547	4,819	15,000
CapMetro Access & Pickup	9,665	11,727	20,000

Challenges and Accomplishments in FY25

- Successfully processed 47 New Flyer Battery Electric Buses (BEBs) and conducted stress testing of the 2910 Bus Yard charging infrastructure to ensure operational readiness.
- Completed replacement of all high-voltage batteries in 38 New Flyer Battery Electric Buses, restoring full operational capacity and reducing road calls.
- There has been ongoing difficulty with obtaining and purchasing diagnostic software, specialized tools, and parts necessary to maintain the BEB fleet.
- Limited parts availability for the New Flyer diesel fleet due to vehicle age (12 years).
- With the introduce of a new service model for Access and Pickup, we saw our MBRC numbers improve.

Keys to Success in FY26

- Increase reliability and availability of the Battery Electric Bus fleet through improved diagnostics, parts inventory management, and vendor collaboration.
- Secure and maintain adequate parts supply to support the aging New Flyer diesel fleet and minimize service disruptions.



Ridership

Estimated Fiscal Year End (Actual Vs. Target)

Actuals Year-Over-Year

Category	YTD 2024	YTD 2025	Change
TOTAL SYSTEM	26,503,760	26,648,049	0.5%

Actual FY2025 to Budget (Target)

Budget 2025	Target	FY2025 Year-end	Difference
TOTAL SYSTEM	27,952,793	26,648,049	-4.7%

FY 2025 Ridership Change

Through September 2025
BUS ONLY

Category	YTD 2024	YTD 2025	Change
CapMetro Bus	20,561,422	20,104,846	-2.2%
CapMetro Express	131,203	148,850	13.5%
CapMetro Rapid	3,817,210	4,201,856	10.1%
TOTAL	24,509,835	24,455,552	-0.2%

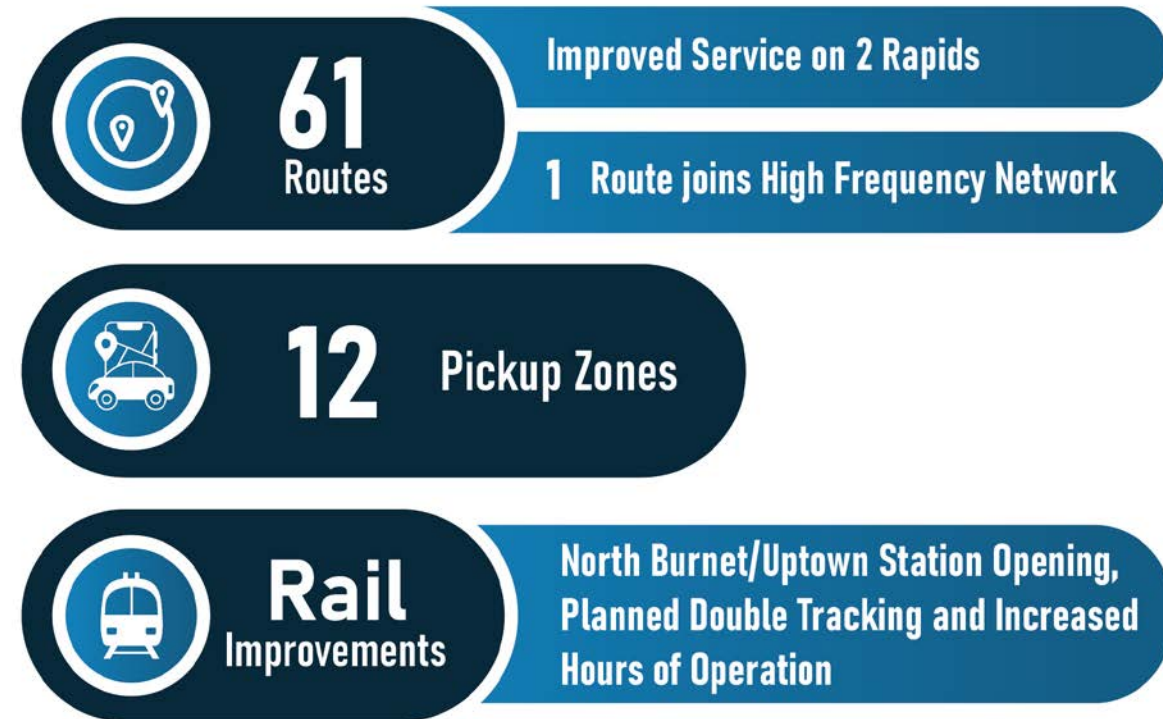
*Source – Automatic Passenger Counters (all fare categories)

TP 2035 and SP 2030– Roadmap to our Future

Focused on Growing Ridership with Fiscal Responsibility by:

- *Creating a data driven roadmap with actionable recommendations in TP 2035*
- *Organizing recommendations in phases to be implemented through service changes, allowing for public engagement and board approval*
- *Balancing with availability of resources*
- *Increasing Frequency in Areas Experiencing Steady Growth and High Transit Propensity*
- *Leading with Facilitator Projects to Build Ridership in areas that are yet to be market ready; while*
- *SP 2030 focusing on Safety, Reliability, Regionalism and Fiscal Responsibility as organizational priorities*

Outlook within 5 Years





Safety

Q4 Safety Performance Overview

Bus

- Preventable vehicle collision performance in FY2025 year over year declined for CapMetro Bus, Rapid, and Express
- Passenger injury rate was 0.32 in FY2025, 16% lower than FY2024 (0.38) and better than the FY2025 target of 0.35

Commuter Rail

- CapMetro Rail experienced a total of five reportable incidents during Fiscal Year 2025.
- Passenger injury rate remained at 0.00 in FY2025, matching FY2024 and outperforming the FY2025 target of 2.5

Demand Response

- Preventable vehicle collision performance in FY2025 improved year-over-year for CapMetro Access and Pickup,
- The passenger injury rate for FY2025 was 1.51, successfully achieving the target of 2.50

Action Plan for Safer Operations



Bus

- Comprehensive Review of Bus Operator Training Program
- Enhanced Post-Incident Review Using Onboard Technology
- Collaborative Data Reviews with Service Provider



Rail

- Enhanced Safety Monitoring & Analysis
- Targeted Mitigation Measures
- Stakeholder engagement



Demand Response

- Review training and supervisory oversight
- Enhance Safety Assurance efforts



Customer Satisfaction

Customer Satisfaction

Performance Measure	FY24 (Full Year)	FY25 (Full Year)	% to Target	YoY Change	FY25 Target
Customer Satisfaction Survey	69%	71%	84%	3%	85%



DBE and SBE

Disadvantaged Business Enterprise

DBE Goal

- Based on FY 23 to FY 25 Triennial Goal: 22.5 %

Total DBE Awards/Commitments FY24 & FY25

- FY24 Total Awards - **\$444.9M**
- FY24 Total DBE Awards/Commitments - **\$10.1M or 2.3 %**
- FY25 Total Awards - **\$255.6M**
- FY25 Total DBE Awards/Commitments - **\$5.4M or 2.1%**

Explanation

- Contracts with Keolis (FY24) and MTM (FY25) were labor only contracts, resulting in 0% DBE Goals.

Small Business Enterprise

SBE Goal

- Based on FY 23 to FY 25 Triennial Goal: 22.5 %

Total DBE Awards/Commitments FY24 & FY25

- FY24 Total Awards - **\$55.5M**
- FY24 Total SBE Awards/Commitments - **\$4.4M or 7.9 %**
- FY25 Total Awards - **\$125.1M**
- FY25 Total SBE Awards/Commitments - **\$14.2M or 11.4%**

Explanation

- Locally funded portion of contract for Demand Response, Pickup and MetroAccess Services in FY 25 of \$58.9M is a labor only contract with 0% SBE goal
- In FY 24, three large contracts did not include subcontracting opportunities and did not include a goal: Rideshare Contracted Services, Bikeshare Infrastructure and Technology and Fare System Replacement

CapMetro

Thank you!



Capital Metropolitan Transportation Authority

2910 East 5th Street
Austin, TX 78702

Board of Directors

Item #: AI-2025-1670

Agenda Date: 11/5/2025

Memo: Fiscal Year 2025 Performance Update (October 29, 2025 rev. 11/5/25)

To: CapMetro Board of Directors
From: Patricia E. Vidaurri, Director of Performance and Strategic Initiatives
Date: November 5, 2025
Subject: Fiscal Year 2025 Performance Update

The purpose of this memo is to fulfill CapMetro's commitment to providing quarterly agency performance updates to the Board of Directors as a complement to the publicly available dashboards, quarterly financial reports, and standing administrative and operational updates at monthly board and committee meetings.

This memo outlines the agency's performance through the end of the fiscal year (FY) 2025. Staff will discuss performance at both Finance, Audit and Administration and Operations Committee meetings on November 5.

Staff will continue to evaluate our reporting to ensure our performance metrics are aligned with our agency's customer, community, workforce, and organizational effectiveness strategic goals. Starting in the first quarter of FY 2026, this performance report will reflect KPIs aligned with the critical results in Strategic Plan 2030. If you have any questions regarding this memo, please feel free to contact me.

FY2025 Year-End Performance Scorecard

The Performance Scorecard reflects CapMetro's' full-year FY2025 performance results.

Performance Measure	FY2024 (Full Year)	FY2025 (Full Year)	% to Target	YoY Change	FY2025 Target
Ridership					
Total Ridership	26,135,910	26,252,205	96%	0.4%	27,459,113
CapMetro Bus, Rapid, and Express	24,509,835	24,456,652	95%	-0.2%	25,660,687
CapMetro Rail	542,081	608,525	99.7%	12%	610,327
CapMetro Access	572,274	615,828	105%	8%	588,429
Pickup	511,720	571,200	95%	12%	599,670
On-Time Performance					
CapMetro Bus, Rapid, and Express	78.3%	78.2%	94%	-0.1%	83%
CapMetro Rail	92.8%	90.9%	95%	-2%	96%
CapMetro Access	93.7%	92.5%	101%	-1%	92%
Pickup	86.0%	86.6%	104%	0.7%	83%
Mean Distance Between Failures (in miles)					
CapMetro Bus, Rapid, and Express	3,723	4,108	75%	10%	5,500
CapMetro Rail	7,547	4,819	32%	-36%	15,000
CapMetro Access & Pickup	9,665	11,727	59%	21%	20,000
Safety – Preventable Vehicle Collisions per 100,000 miles					
CapMetro Bus, Rapid, and Express	3.50	3.68	76%	5%	2.80
CapMetro Rail	0.43	1.10	95%	156%	1.04
CapMetro Access & Pickup	1.78	1.50	113%	-16%	1.70
Safety – Passenger Injuries per 100,000 passengers					
CapMetro Bus, Rapid, and Express	0.38	0.32	109%	-16%	0.35
CapMetro Rail	0.00	0.00	100%	0%	2.50
CapMetro Access & Pickup	0.59	1.51	166%	156%	2.50
Lost Time (Bus)	5.2%	3.8%	39%	-27%	1.5%
Customer Satisfaction Survey	69%	71%	84%	3%	85%
Employee Turnover (CapMetro Staff)	13.0%	11.3%	159%	-13%	18%
Financial Performance*					
Operating Expenditures as % of Budget	94.3%	97.6%	97.6%	4%	90%-100%
Capital Expenditures as % of Budget	35.2%	56.8%	56.8%	61%	80%-100%
Disadvantaged Business Enterprise (DBE) Utilization	2.3%	2.1%	9%	-9%	22.5%
Small Business Enterprise (SBE) Commitments	9.8%	11.4%	51%	16%	22.5%

*Financial Performance: Actuals are based on unaudited soft-close numbers.

FY2025 Year-End Performance Scorecard Details

Ridership

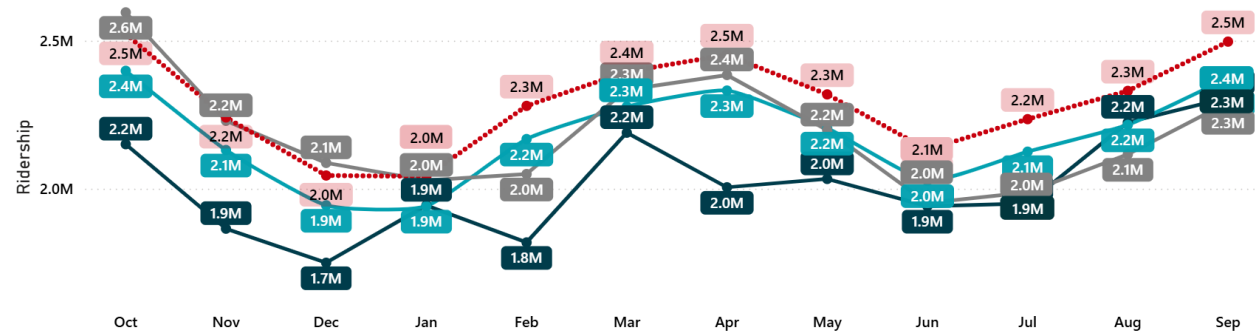
Ridership is the number of passengers utilizing transit service, measured on entrance to and exit from the vehicle. Using automatic passenger counters (APCs), passengers are counted each time they board no matter how many vehicles they use to travel from their origin to their destination.

System-wide ridership was 26.3M in FY2025. This was 0.4% higher than FY2024 (26.1M) and 96% of the FY2025 target (27.5M).

- CapMetro Bus, Rapid, and Express ridership was 24.46M in FY2025. This was 0.2% lower than FY2024 (24.51M) and 95% of the FY2025 target (25.7M).
- CapMetro Rail ridership was 608.5k in FY2025. This was 12% higher than FY2024 (542.1k) and 99.7% of the FY2025 target (610.3k).
- CapMetro Access ridership was 615.8k in FY2025. This was 8% higher than FY2024 (572.3k) and 105% of the FY2025 target (588.4k).
- CapMetro Pickup ridership was 571.2k in FY2025. This was 12% higher than FY2024 (511.7k) and 95% of the FY2025 target (599.7k).

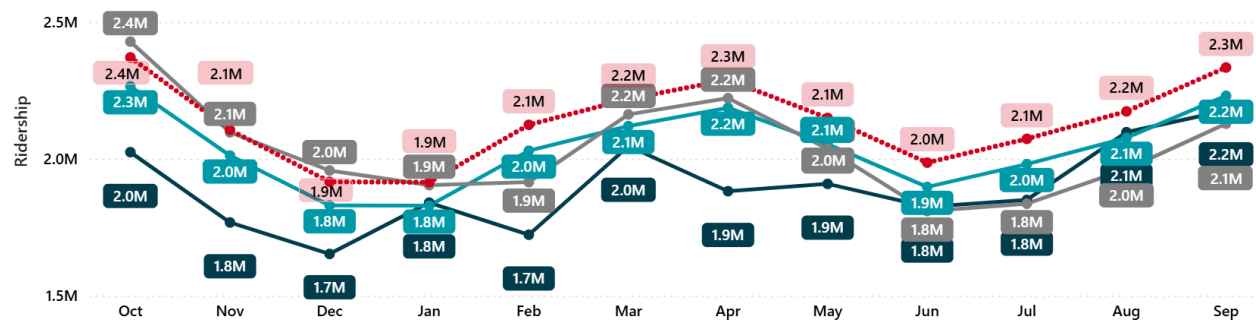
System-Wide Ridership

FISCAL YEAR ● 2023 ● 2024 ● 2025 ● FY2025 Target



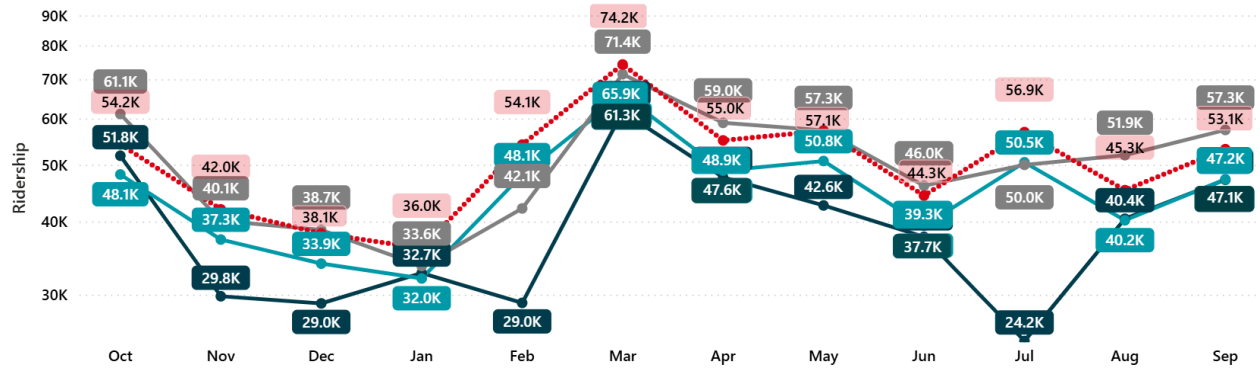
CapMetro Bus, Rapid, and Express Ridership

FISCAL YEAR ● 2023 ● 2024 ● 2025 ● FY2025 Target



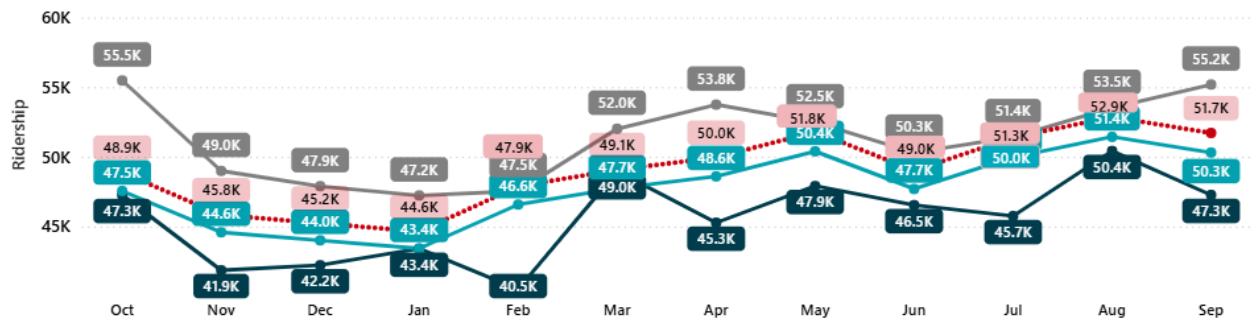
CapMetro Rail Ridership

FISCAL YEAR ● 2023 ● 2024 ● 2025 ● FY2025 Target



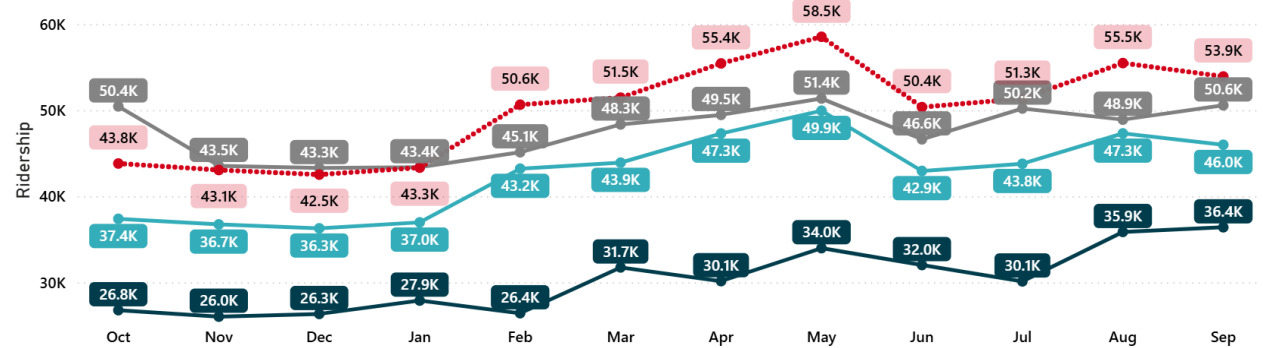
CapMetro Access Ridership

FISCAL YEAR ● 2023 ● 2024 ● 2025 ● FY2025 Target



CapMetro Pickup Ridership

FISCAL YEAR ● 2023 ● 2024 ● 2025 ● FY2025 Target



On-Time Performance

The definition of on-time performance (OTP) varies by mode. For Bus, Express, and Rail, OTP is the percentage of actual departure times that are less than six minutes late and not prior to scheduled departure times. For Rapid lines operating on a headway-based schedule, OTP is the percentage of actual departure times that are less than five minutes or 50 percent of the headway, whichever is less, than the preceding bus. For Access service, OTP is the percentage of vehicles arriving within fifteen minutes of the negotiated pick-up time.

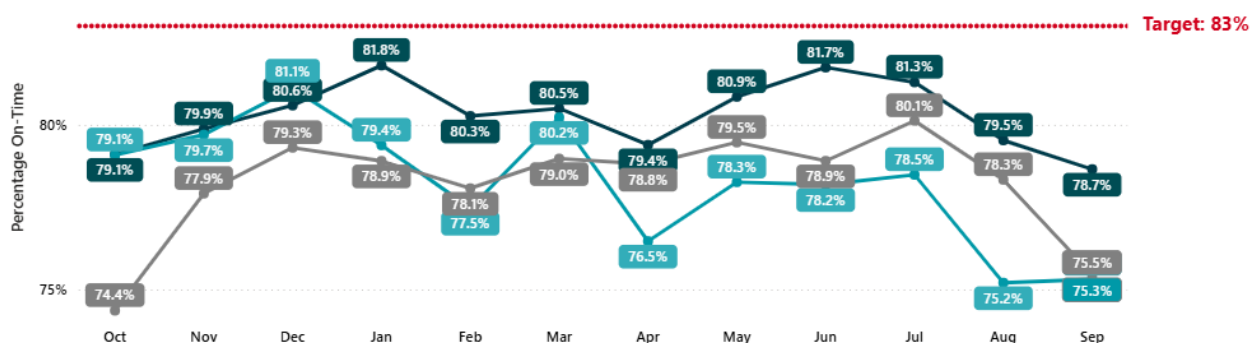
The OTP data collection methodology for Pickup service has been revised to better align with customer expectations and the real-time experience provided by the Pickup software application. It now measures how closely the vehicle's actual arriving time aligns with the initial estimated arrive time provided to the customer by the Pickup software application. The target is for vehicles to arrive within five minutes of the original estimate. The updated OTP target for Pickup is 83%, which is comparable to the OTP target for CapMetro Bus, Rapid, and Express.

OTP in FY2025 improved for CapMetro Pickup, but declined for CapMetro Bus, Rapid, and Express, CapMetro Rail, and CapMetro Access compared to FY2024. CapMetro Access and CapMetro Pickup met the FY2025 target. A higher percentage indicates better performance.

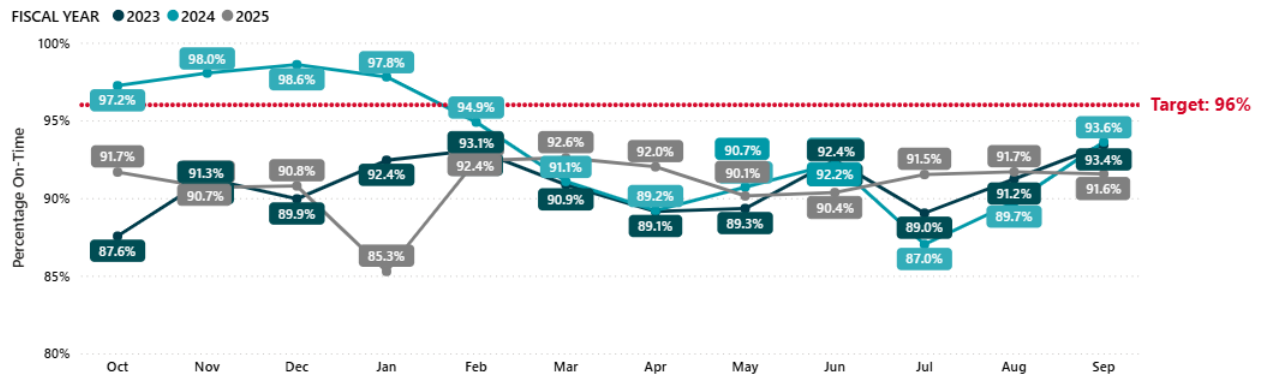
- The OTP for CapMetro Bus, Rapid, and Express was 78.2% in FY2025. This was 0.1% lower than FY2024 (78.3%) and 94% of the FY2025 target (83%).
- The OTP for CapMetro Rail was 90.9% in FY2025. This was 2% lower than FY2024 (92.8%) and 95% of the FY2025 target (96%).
- The OTP for CapMetro Access was 92.5% in FY2025. This was 1% lower than FY2024 (93.7%) and 101% of the FY2025 target (92%).
- The OTP for CapMetro Pickup was 86.6% in FY2025. This was 0.7% higher than FY2024 (86.0%) and 104% of the FY2025 target (83%).

CapMetro Bus, Rapid, and Express On-Time Performance

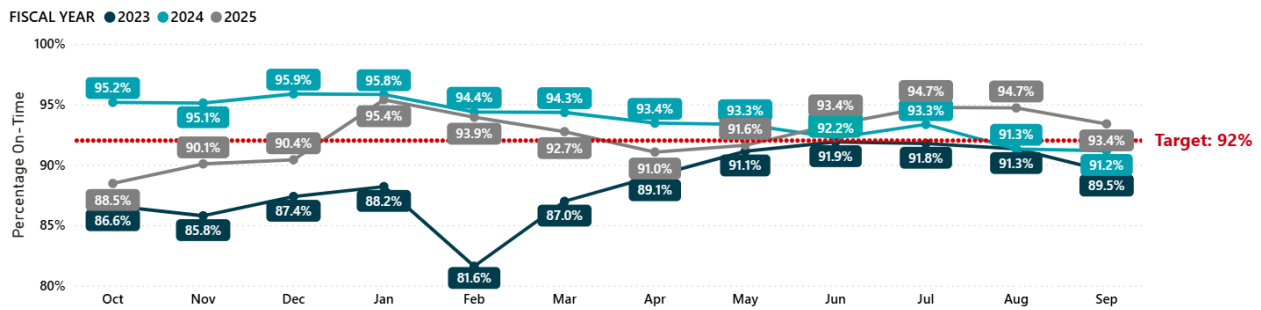
FISCAL YEAR ● 2023 ● 2024 ● 2025



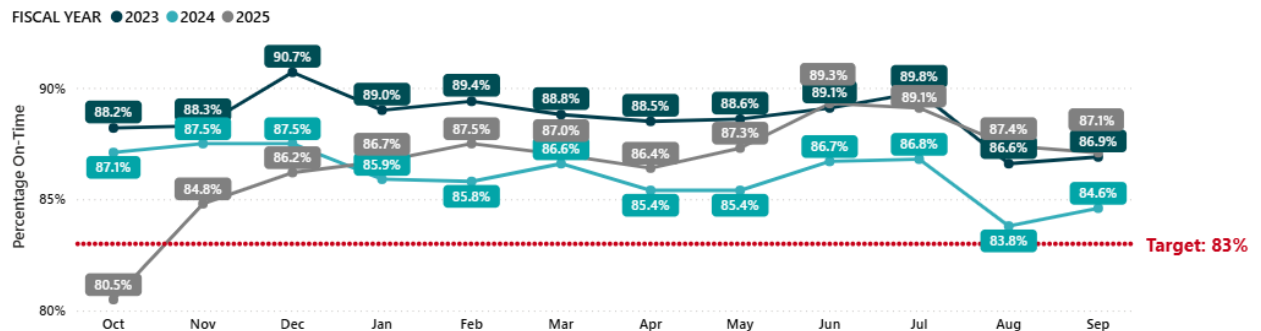
CapMetro Rail On-Time Performance



CapMetro Access On-Time Performance



CapMetro Pickup On-Time Performance



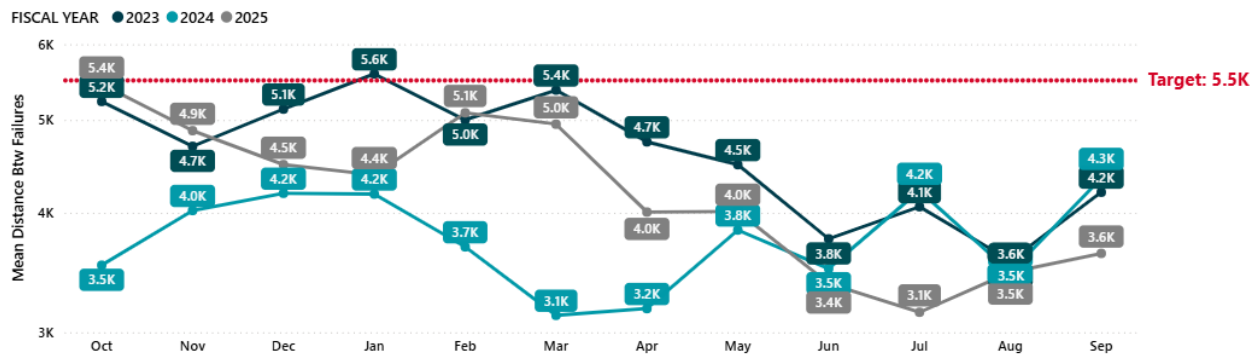
Mean Distance Between Failures

Mean Distance Between Failures (MDBF) is a reliability metric that measures the mean number of miles traveled between the failure of a mechanical element that prevents the vehicle from completing a scheduled revenue trip or starting the next scheduled revenue trip. It is calculated by dividing the total miles by the number of chargeable road calls for CapMetro Bus, Rapid, and Express, and CapMetro Access, or by the number of mechanical failures for CapMetro Rail.

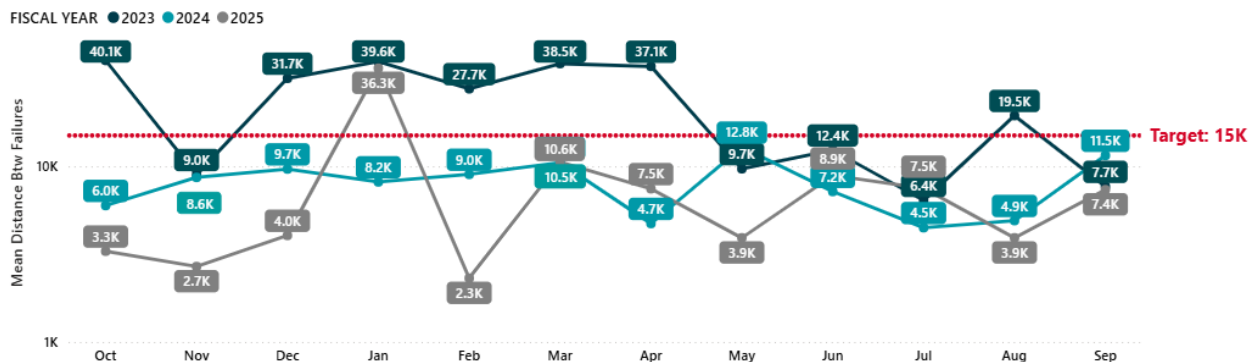
MDBF performance in FY2025 improved year-over-year for CapMetro Bus, Rapid, and Express and CapMetro Access and Pickup, but declined for CapMetro Rail compared to FY2024. None of the service modes met their FY2025 targets. A higher MDBF number indicates better performance.

- The MDBF for CapMetro Bus, Rapid, and Express was 4,108 in FY2025. This was 10% higher than FY2024 (3,723) and 75% of the FY2025 target (5,500).
- The MDBF for CapMetro Rail was 4,819 in FY2025. This was 36% lower than FY2024 (7,547) and 32% of the FY2025 target (15,000).
- The MDBF for CapMetro Access and Pickup was 11,727 in FY2025. This was 21% higher than FY2024 (9,665) and 59% of the FY2025 target (20,000).

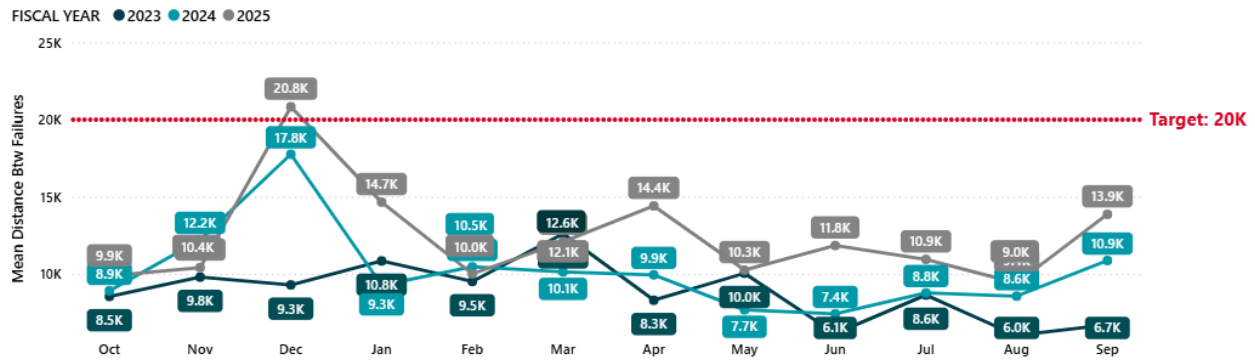
CapMetro Bus, Rapid, and Express Mean Distance Between Failures



CapMetro Rail Mean Distance Between Failures



CapMetro Access and Pickup Mean Distance Between Failures

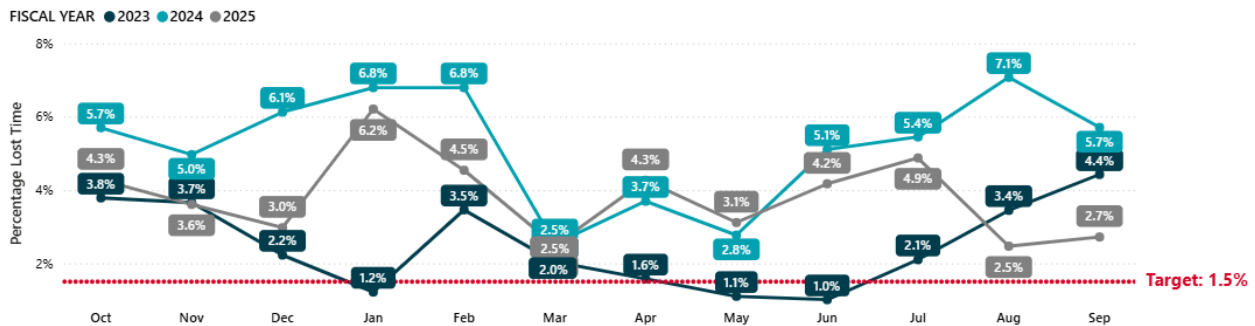


Lost Time

Lost time is the percentage of revenue service hours for CapMetro Bus, Rapid, and Express that are scheduled but not operated. It is calculated by subtracting actual bus revenue hours from scheduled bus revenue hours, then dividing the result by scheduled bus revenue hours to determine the proportion of scheduled service that was not operated.

Lost time performance in FY2025 for CapMetro Bus, Rapid, and Express improved year-over-year compared to FY2024. Lost time was 3.8% in FY2025, which was 27% lower than FY2024 (5.2%) but did not meet the target (1.5%). A lower percentage indicates better performance.

CapMetro Bus, Rapid, and Express Lost Time



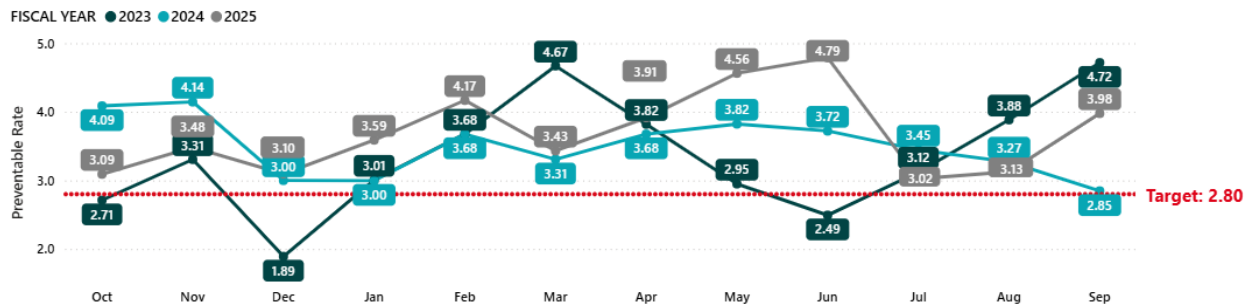
Safety – Preventable Vehicle Collisions per 100,000 Miles

The National Safety Council defines a preventable collision as a collision in which the driver failed to do everything reasonable to avoid it. It measures how often preventable collisions occur relative to miles driven. It is calculated by dividing the total number of preventable collisions by the total miles and then scaling the result to 100,000 miles for standard comparison.

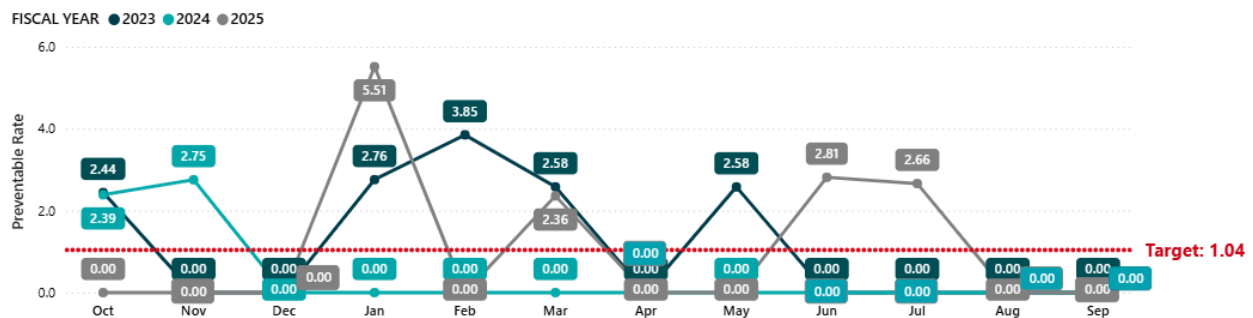
Preventable vehicle collision performance in FY2025 improved year-over-year for CapMetro Access and Pickup, but declined for CapMetro Bus, Rapid, and Express, and CapMetro Rail. CapMetro Access and Pickup met the FY2025 target. A lower rate indicates better performance.

- For CapMetro Bus, Rapid, and Express, the preventable vehicle collision rate was 3.68 in FY2025. This was 5% higher than FY2024 (3.50) and did not meet the FY2025 target (2.80).
- For CapMetro Rail, the vehicle collision rate was 1.10 in FY2025. This was 156% higher than FY2024 (0.43) and did not meet the FY2025 target (1.04).
- For CapMetro Access and Pickup, the preventable vehicle collision rate was 1.50 in FY2025. This was 16% lower than FY2024 (1.78) and met the FY2025 target (1.70).

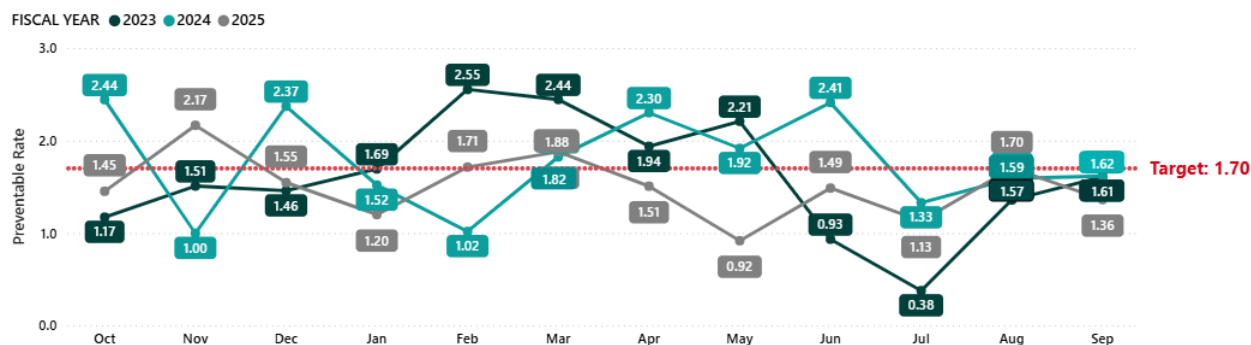
CapMetro Bus, Rapid, and Express Preventable Vehicle Collisions per 100,000 Miles



CapMetro Rail Preventable Vehicle Collisions per 100,000 Miles



CapMetro Access and Pickup Preventable Vehicle Collisions per 100,000 Miles



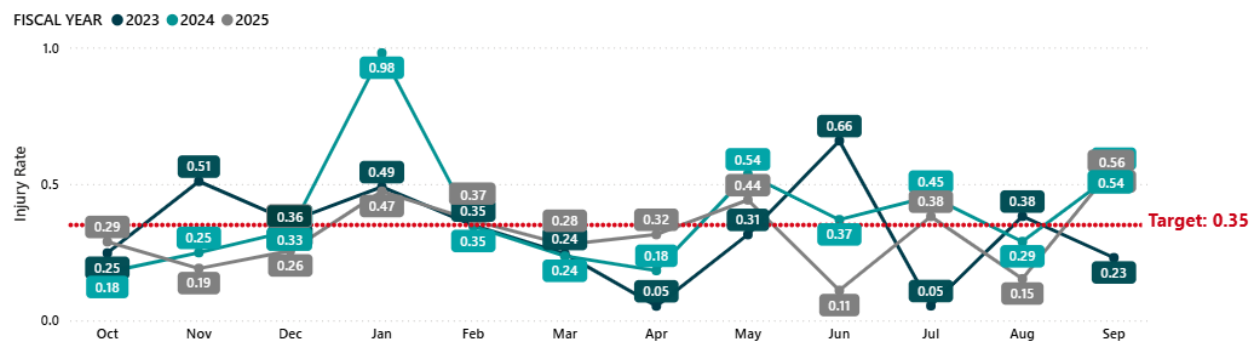
Safety – Passenger Injuries NTD Rates

The National Transit Database (NTD) defines injury as any harm to persons as a result of an event that requires immediate medical attention away from the scene. It does not include harm resulting from a drug overdose, exposure to the elements, illness, natural causes, or occupational safety events occurring in administrative buildings. It measures the rate of passenger injuries relative to total ridership. It is calculated by dividing the total number of passenger injuries by the total ridership and then scaling the result to 100,000 for standard comparison.

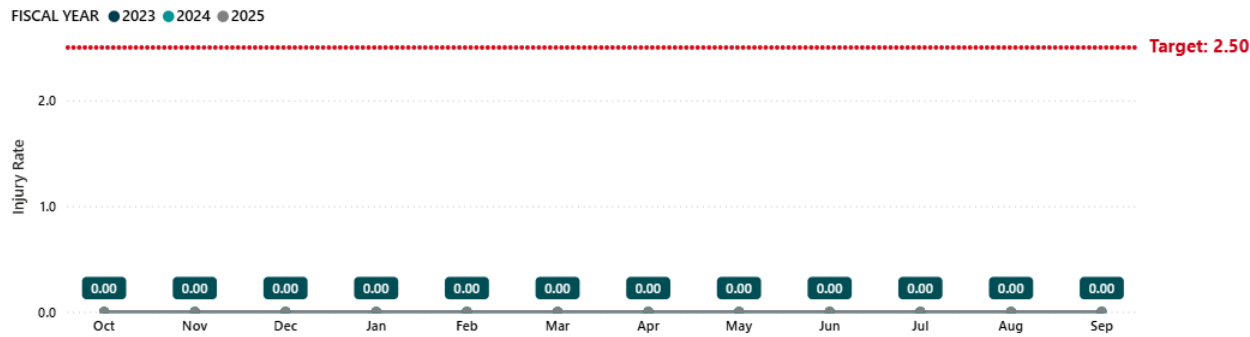
The passenger injuries performance in FY2025 improved year-over-year for CapMetro Bus, Rapid, and Express, stayed flat at zero for CapMetro Rail, and declined for CapMetro Access and Pickup. All service modes met their FY2025 targets. A lower rate indicates better performance.

- For CapMetro Bus, Rapid, and Express, the passenger injury rate was 0.32 in FY2025. This was 16% lower than FY2024 (0.38) and met the FY2025 target (0.35).
- For CapMetro Rail, the passenger injury rate remained at 0.00 in FY2025. This was consistent with FY2024 (0.00) and met the FY2025 target (2.50).
- For CapMetro Access and Pickup, the passenger injury rate was 1.51 in FY2025. This was 156% higher than FY2024 (0.59) and met the FY2025 target (2.50).

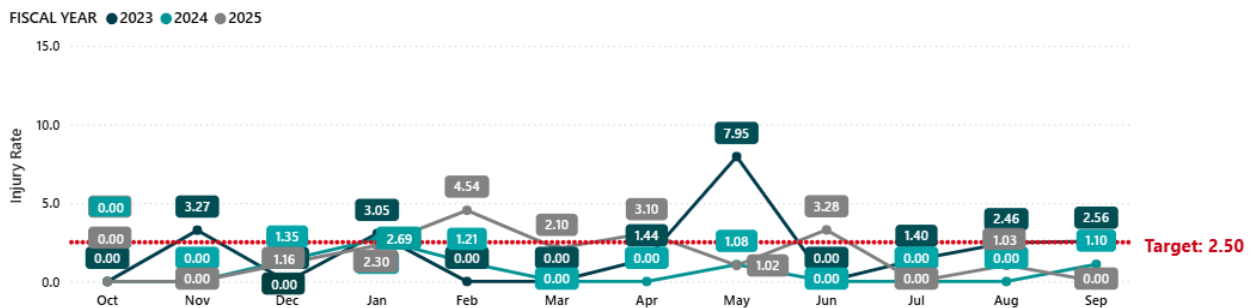
CapMetro Bus, Rapid, and Express Passenger Injuries



CapMetro Rail Passenger Injuries



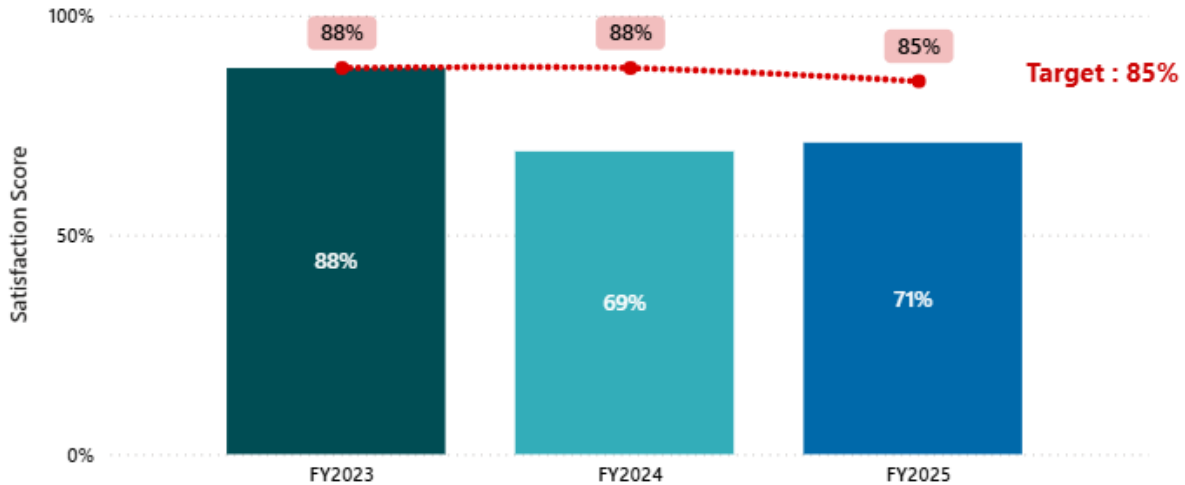
CapMetro Access and Pickup Passenger Injuries



Customer Satisfaction Survey (Annual Metric)

Customer satisfaction tracks the percentage of CapMetro riders who reported they were satisfied with the agency's services. This measure is collected annually through a customer satisfaction survey. The customer satisfaction survey is conducted annually.

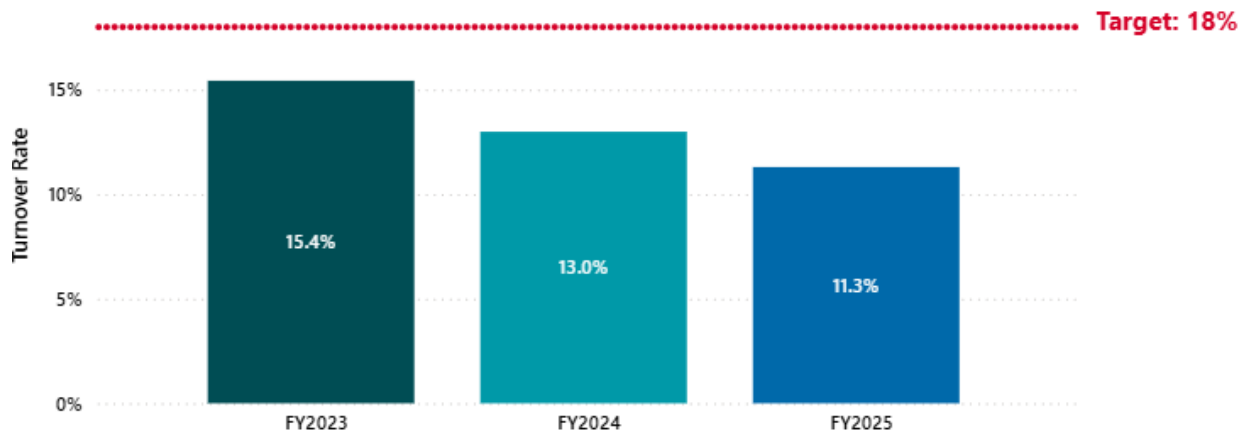
Customer satisfaction in FY2025 improved year-over-year compared to FY2024. In FY2025, the overall customer satisfaction was 71%, which was 3% higher than FY2024 (69%) but did not meet the FY2025 target (85%). A higher rate indicates better performance.



Employee Turnover (Annual Metric)

The turnover rate is the number of terminations over the average number of employees in a year. This measures turnover for CapMetro employees only. It is calculated by dividing the number of terminations by the average number of employees for the year, where the average is determined by taking the sum of the employee count at the beginning and end of the year and dividing by two.

Employee turnover in FY2025 improved year-over-year compared to FY2024. In FY2025, the turnover rate was 11.3%, which was 13% lower than FY2024 (13.0%) and met the target (18.0%). A lower rate indicates better performance.



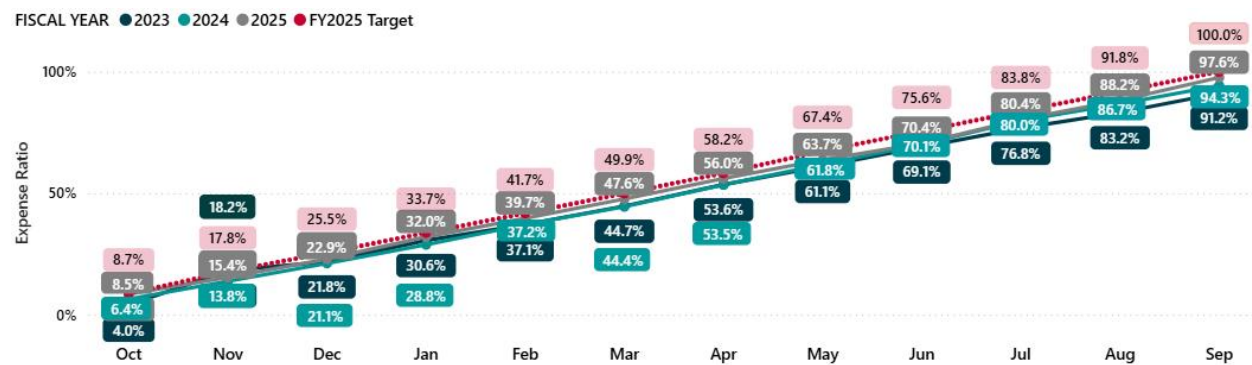
Financial Performance

The operating expenditures metric measures the percentage of budgeted operating funds that have been actually incurred over a given period. The capital expenditures metric measures the percentage of budgeted capital funds that have been actually incurred over a given period. Both metrics are calculated by dividing the actual expense by budgeted expense to derive the percentage of actual expense to budgeted expense.

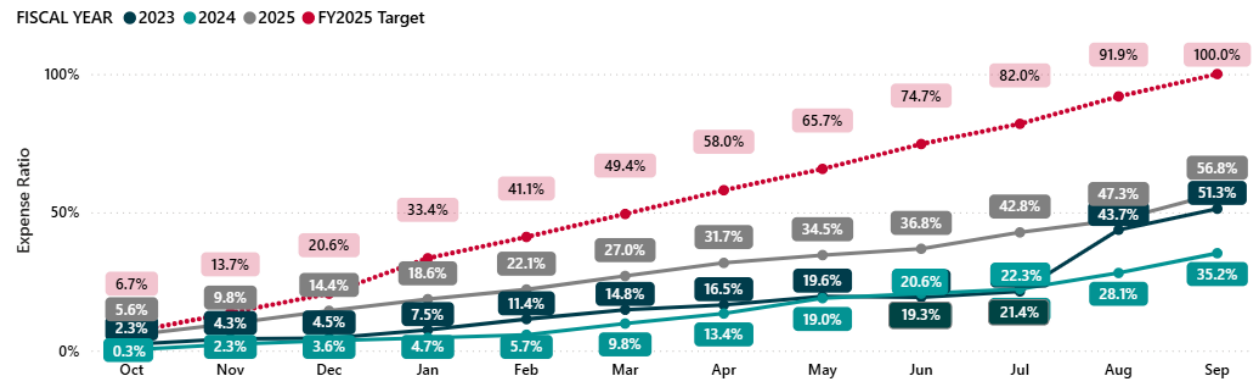
Both metrics improved year-over-year compared to FY2024. A ratio closer to the target indicates better performance, as it reflects alignment with the planned budget and effective financial management.

- In FY2025, the operating expenditure ratio was 97.6%. This was 4% higher than FY2024 (94.3%) and within the FY2025 target range (90%-100%).
- In FY2025, the capital expenditure ratio was 56.8%. This was 61% higher than FY2024 (35.2%), yet below the FY2025 target range (80%-100%).

Operating Expenditures



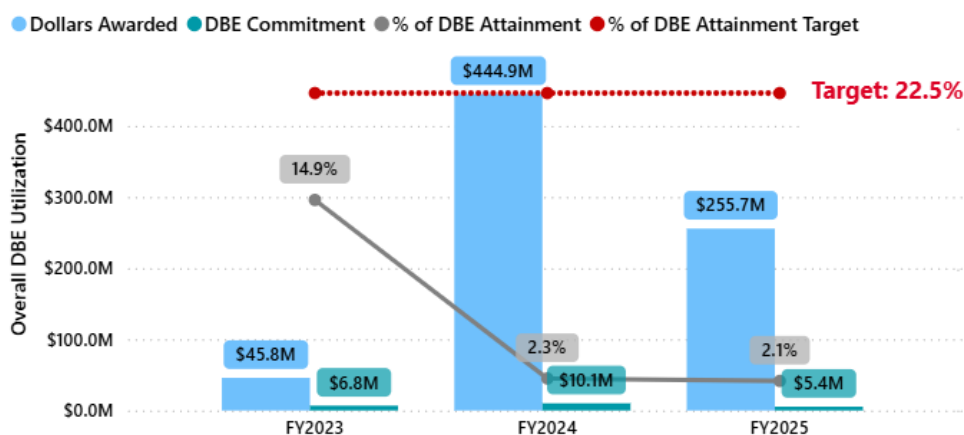
Capital Expenditures



Disadvantaged Business Enterprise (DBE) Commitments (Annual Metric)

Total commitments to Disadvantaged Business Enterprises (DBE) for goods and services on contracts with FTA funding. It is calculated by dividing the total DBE commitment by the total awarded contract values to determine the DBE utilization rate. This metric is assessed annually.

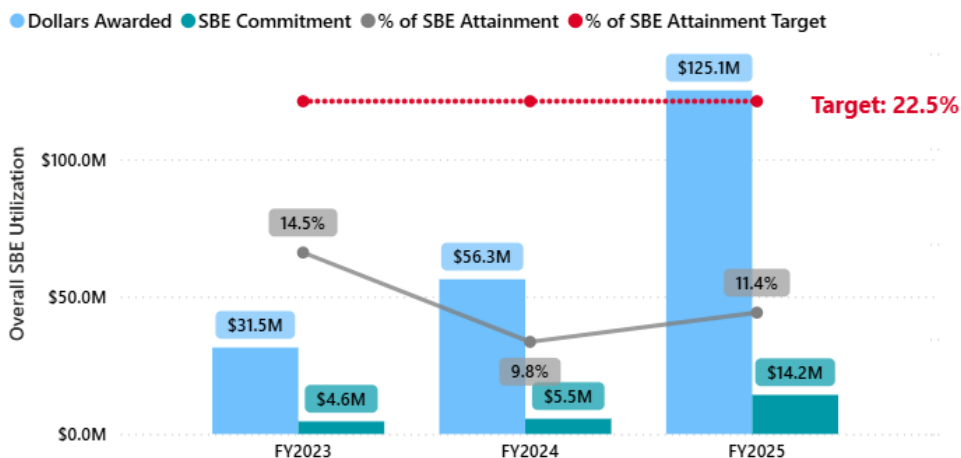
In FY2025, the DBE utilization rate was 2.1%. This was 9% lower than FY2024 (2.3%) and did not meet the target (22.5%). The total dollar amount awarded to DBEs was \$5.4 million. The FY2024 total contract dollars awarded in previous reports was understated because the reports did not reflect the award of the contract for bus operations and maintenance that was significant. As a labor only contract it did not include a DBE goal.



Small Business Enterprise (SBE) Commitments (Annual Metric)

Total commitments to Small Business Enterprises (SBE) for goods and services on contracts with FTA funding. It is calculated by dividing the total SBE commitment by the total awarded contract values to determine the SBE utilization rate. This metric is assessed annually.

In FY2025, the SBE utilization rate was 11.4%. This was 16% higher than FY2024 (9.8%) and did not meet the target (22.5%). The total dollars awarded to SBEs was \$14.2 million. The FY2024 SBE utilization rate was adjusted from previous reports to reflect additional participation captured after the end of the fiscal year.



Additional Metrics

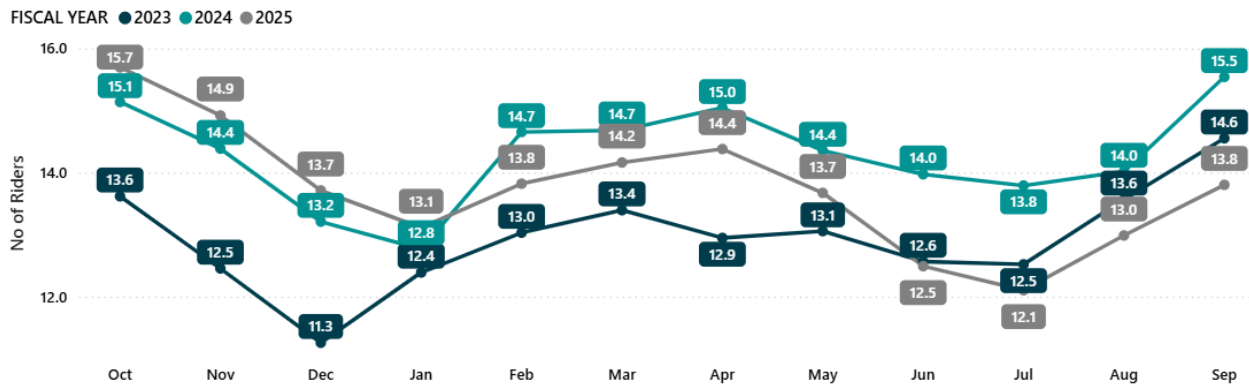
Riders per Hour

Riders per hour measures passenger capacity effectiveness. It represents the average number of riders transported for each hour of revenue service. It is calculated by dividing total ridership by total vehicle revenue hours over a given period. A higher number indicates better performance.

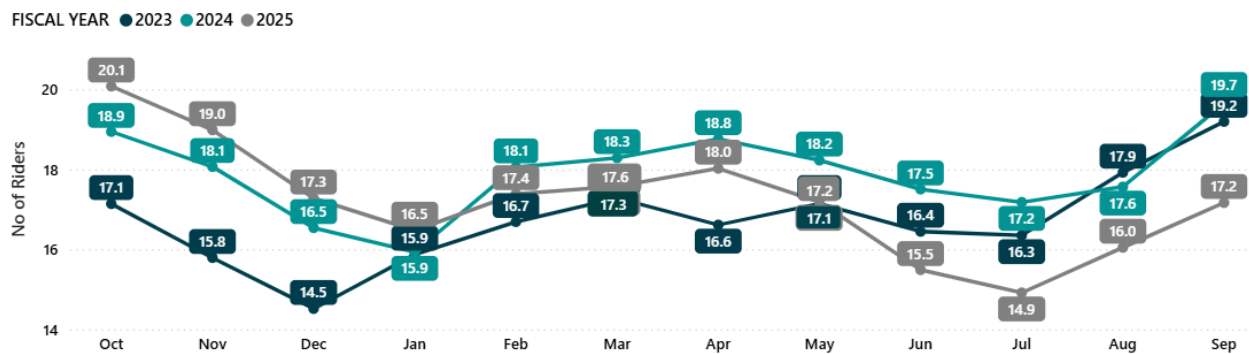
System-wide riders per hour was 13.7 in FY2025. It decreased by 4% compared to FY2024 (14.3).

- For CapMetro Bus, Rapid, and Express, the number of riders per hour was 17.2 in FY2025. This was 4% lower than FY2024 (17.9).
- For CapMetro Rail, the number of riders per hour was 40.4 in FY2025. This was 15% higher than FY2024 (35.0).
- For CapMetro Access, the number of riders per hour was 1.8 in FY2025. This was 6% higher than FY2024 (1.7).
- For CapMetro Pickup, the number of riders per hour was 4.3 in FY2025. This was 4% lower than FY2024 (4.5).

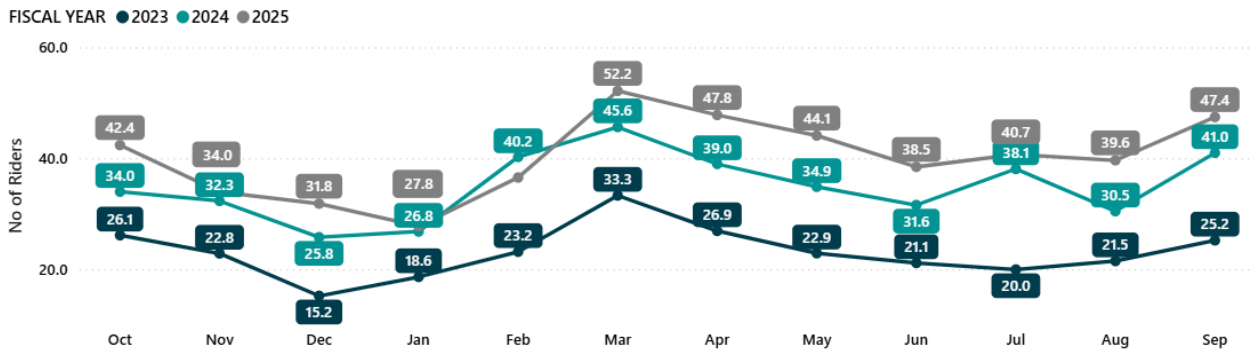
System-Wide Riders per Hour



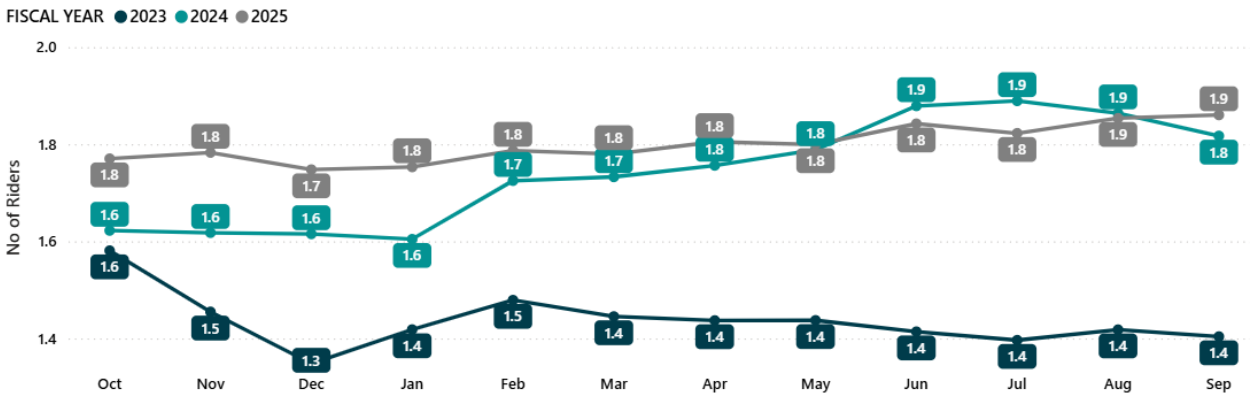
CapMetro Bus, Rapid, and Express Riders per Hour



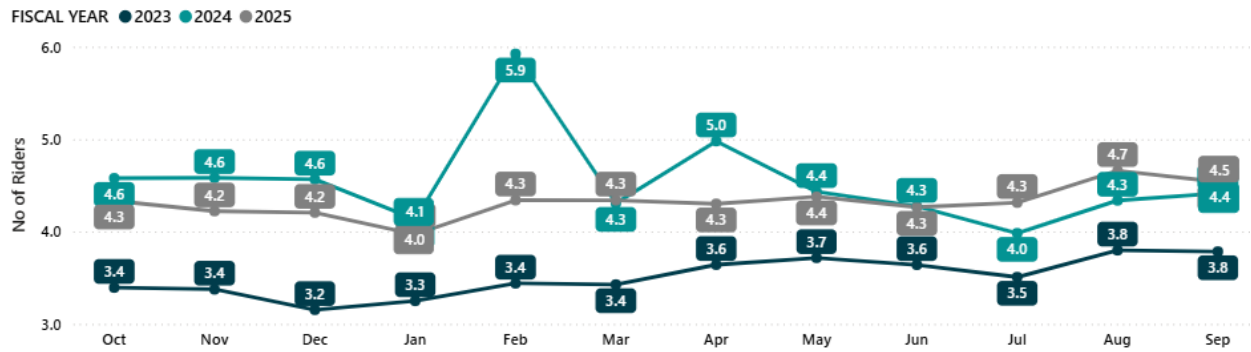
CapMetro Rail Riders per Hour



CapMetro Access Riders per Hour



CapMetro Pickup Riders per Hour



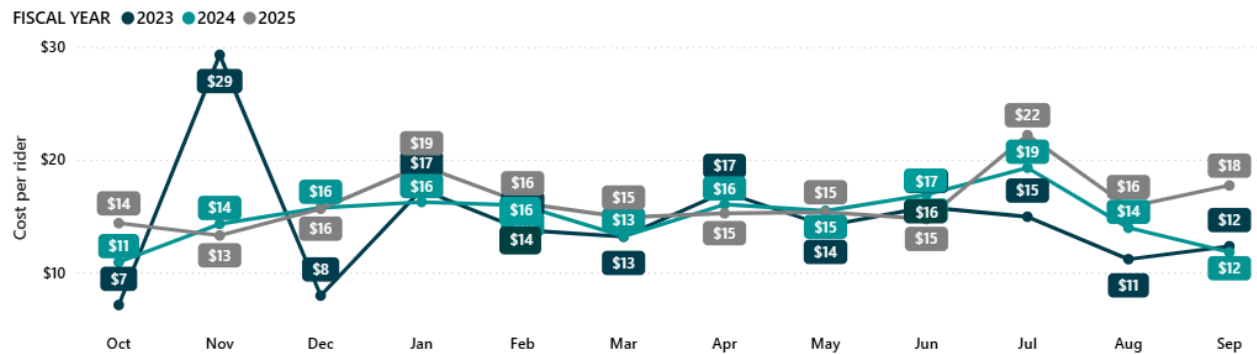
Cost per Rider

The cost per rider metric is an overall cost efficiency measure of ridership, focusing on how well the agency uses resources to deliver services. It is calculated by dividing total operating expense by system-wide ridership. This includes CapMetro Bus, Rapid, and Express, CapMetro Rail, CapMetro Access, and CapMetro Pickup. Cost per rider performance is based on unaudited soft-close financial numbers.

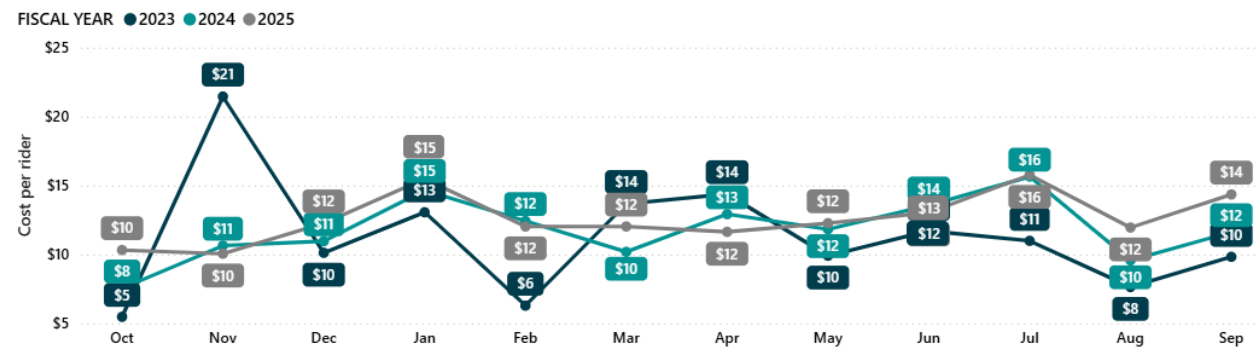
System-wide cost per rider was \$16 in FY2025. It increased by 8% compared to FY2024 (\$15).

- For CapMetro Bus, Rapid, and Express, the cost per rider was \$13 in FY2025. This was 12% higher than FY2024 (\$11).
- For CapMetro Rail, the cost per rider was \$56 in FY2025. This was 12% lower than FY2024 (\$63).
- For CapMetro Access, the cost per rider was \$122 in FY2025. This was 5% higher than FY2024 (\$115).
- For CapMetro Pickup, the cost per rider was \$27 in FY2025. This was 7% higher than FY2024 (\$25).

System-Wide Cost per Rider

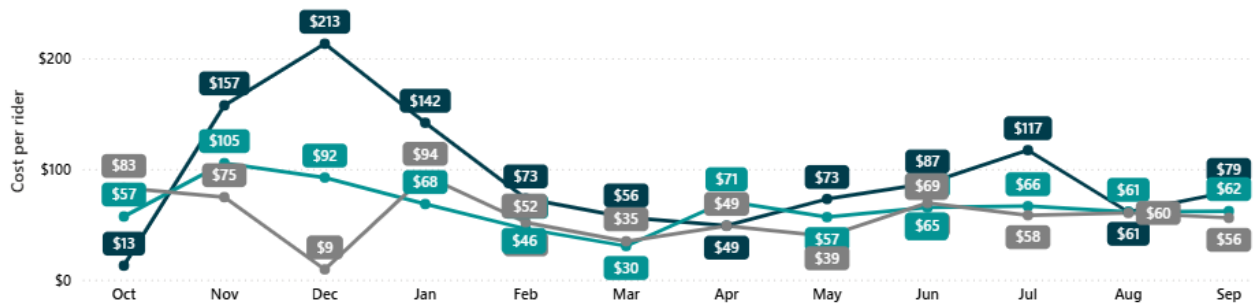


CapMetro Bus, Rapid, and Express Cost per Rider



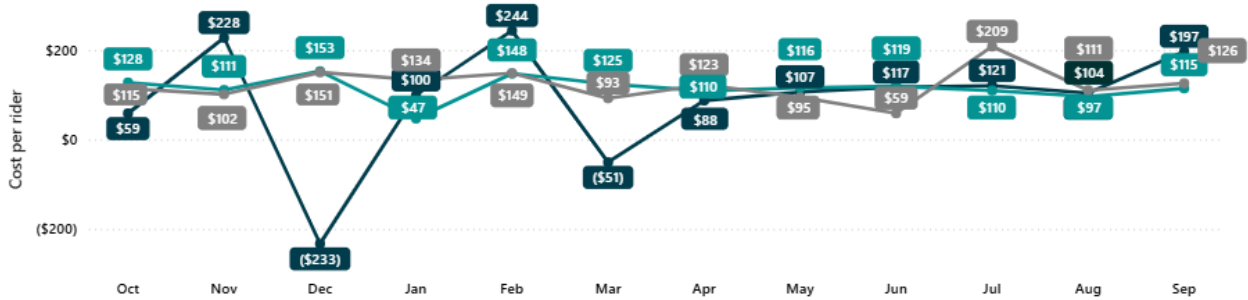
CapMetro Rail Cost per Rider

FISCAL YEAR ● 2023 ● 2024 ● 2025



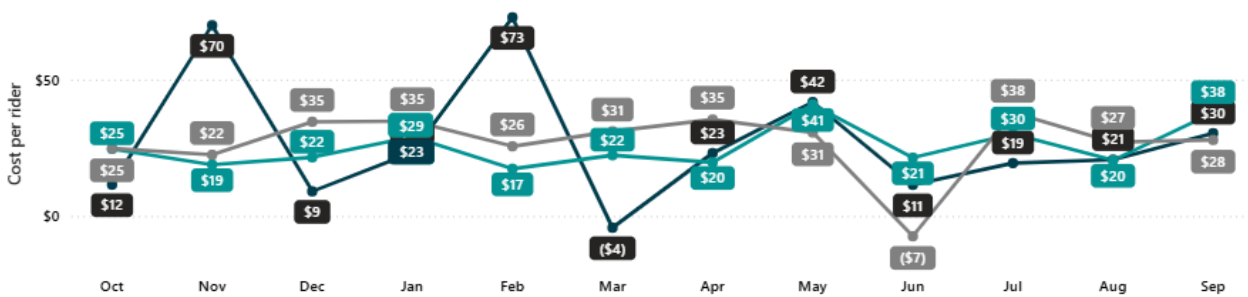
CapMetro Access Cost per Rider

FISCAL YEAR ● 2023 ● 2024 ● 2025



CapMetro Pickup Cost per Rider

FISCAL YEAR ● 2023 ● 2024 ● 2025



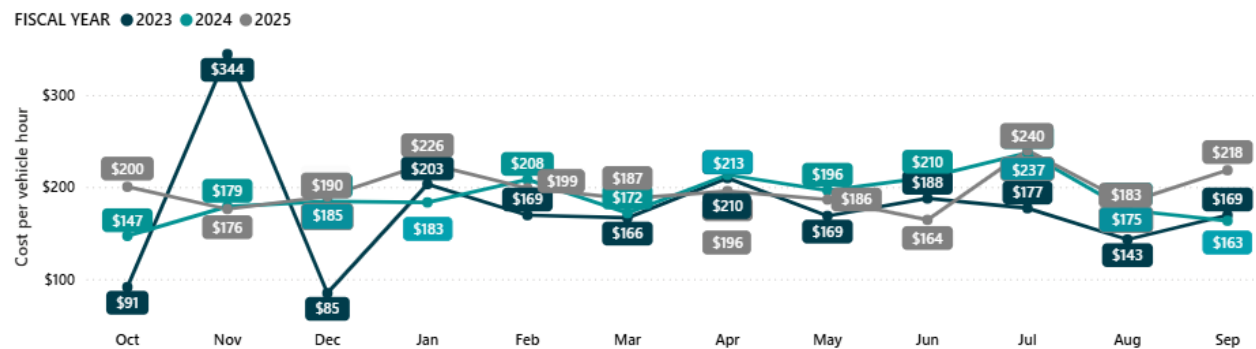
Cost per Vehicle Hour

The cost per vehicle hour metric is an hourly cost efficiency measure of on how well the agency uses resources to deliver services. It is calculated by dividing total operating expense by system-wide scheduled vehicle hours (including revenue plus deadhead hours). This includes CapMetro Bus, Rapid, and Express, CapMetro Rail, CapMetro Access, and CapMetro Pickup. Cost per hour performance is based on unaudited soft-close financial numbers.

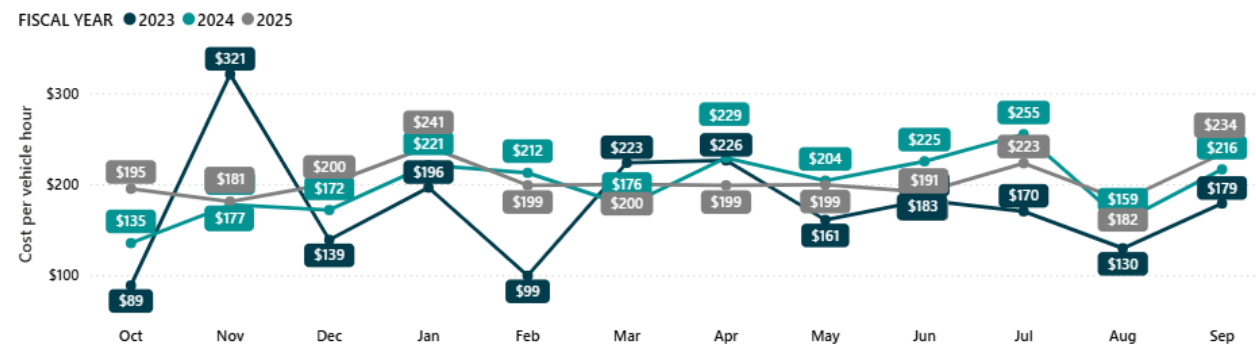
System-wide cost per vehicle hour was \$197 in FY2025. It increased by 5% compared to FY2024 (\$189).

- For CapMetro Bus, Rapid, and Express, the cost per vehicle hour was \$204 in FY2025. This was 2% higher than FY2024 (\$199).
- For CapMetro Rail, the cost per vehicle hour was \$1,561 in FY2025. This was 0.4% lower than FY2024 (\$1,567).
- For CapMetro Access, the cost per vehicle hour was \$174 in FY2025. This was 8% higher than FY2024 (\$161).
- For CapMetro Pickup, the cost per vehicle hour was \$102 in FY2025. This was 8% higher than FY2024 (\$94).

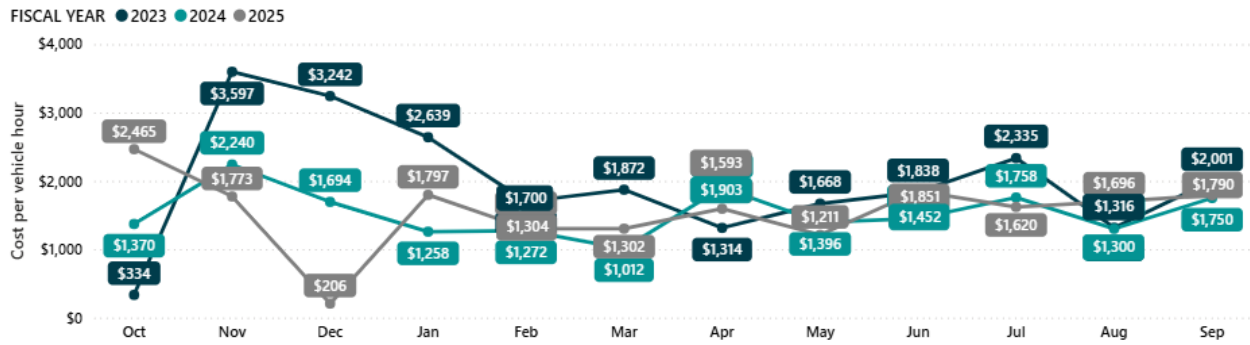
System-Wide Cost per Vehicle Hour



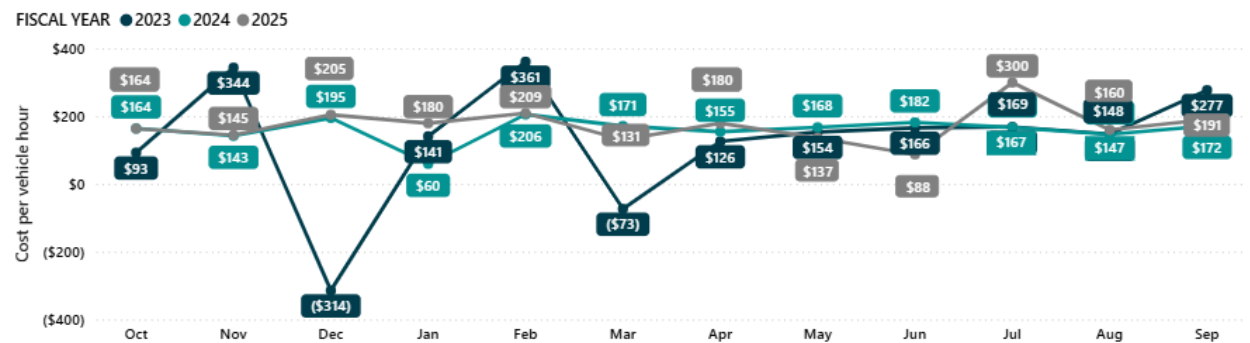
CapMetro Bus, Rapid, and Express Cost per Vehicle Hour



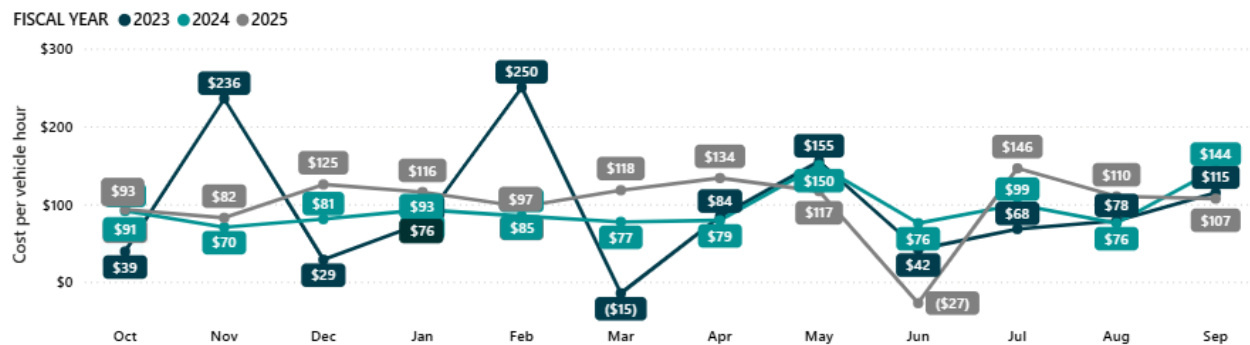
CapMetro Rail Cost per Vehicle Hour



CapMetro Access Cost per Vehicle Hour



CapMetro Pickup Cost per Vehicle Hour





Capital Metropolitan Transportation Authority

2910 East 5th Street
Austin, TX 78702

Finance, Audit and Administration Committee

Item #: AI-2025-1668

Agenda Date: 11/5/2025

Section 551.074 for Personnel Matters related to Chief Audit Executive's annual performance evaluation.