



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

2910 East 5th Street
Austin, TX 78702

Wednesday, October 16, 2024

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 September 11, 2024 Finance, Audit and Administration Committee meeting.
2. 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, for participation in the University's IC2 Institute Readiness Training Program (RTP) for an amount not to exceed \$120,000 for a term of two years beginning November 1, 2024, thru October 31, 2025 ("Initial Term"), with a one-year option term.
3. Approval of a resolution adopting the FY2025 Annual Internal Audit Plan.

IV. Presentations

1. Review of Internal Audit Advisory Project -- Saltillo Lease
2. Review of Miscellaneous Revenues and the 2021 Quadrennial Performance Audit Trackers
3. Internal Audit FY2024 Final Audit Plan Status - October 2024
4. Executive Finance and Administration Monthly Update - October 2024
Update on recent activities, statistical data, personnel changes, communications and public outreach

V. Items for Future Discussion

VI. 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; Leslie Pool, Becki Ross and Dianne Bangle.

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-2024-1285

Agenda Date: 10/16/2024

Approval of minutes from the September 11, 2024 Finance, Audit and Administration Committee meeting.

Minutes
Capital Metropolitan
Transportation Authority
Finance, Audit and Administration
Committee

2910 East 5th Street
Austin, TX 78702

Wednesday, September 11, 2024

10:00 AM

Rosa Parks Boardroom

I. Call to Order

10:01 a.m. Meeting Called to Order

Present	Becki Ross, Matt Harriss, and Dianne Bangle
Absent	Leslie Pool

II. Public Comment

There was no public comment this month.

III. Action Items

1. Approval of minutes from the August 12, 2024 Finance, Audit and Administration Committee meeting.

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

Aye: Ross, Harriss, and Bangle

2. Approval of a resolution adopting the Fiscal Year 2025 Operating and Capital Budget and Five-Year Capital Improvement Plan, and recommending no changes to the CapMetro Strategic Plan.

A motion was made by Bangle, seconded by Ross, that this Resolution be recommended for the action item agenda to the Board of Directors, due back on 9/23/2024. The motion carried by the following vote:

Aye: Ross, Harriss, and Bangle

3. Approval of a resolution adopting the CapMetro Investment Policy.

A motion was made by Ross, seconded by Bangle, that this Resolution be recommended for the action item agenda to the Board of Directors, due back on 9/23/2024. The motion carried by the following vote:

Aye: Ross, Harriss, and Bangle

4. Approval of a resolution authorizing the President & CEO, or her designee, to finalize and execute a contract with Weaver and Tidwell, L.L.P. for Quadrennial Performance Audit services for a period of one hundred and eighty (180) calendar days in an amount not to exceed \$195,000.

A motion was made by Ross, seconded by Bangle, that this Resolution be recommended for the consent agenda to the Board of Directors, due back on 9/23/2024. The motion carried by the following vote:

Aye: Ross, and Bangle

Recused: Harriss

5. Approval of a resolution authorizing the President & CEO, or her designee, to finalize and execute a Memorandum of Understanding with the City of Round Rock authorizing Round Rock to be a direct recipient of a portion of CapMetro's FY2025 and FY2026 Federal Section 5307 Program funds.

A motion was made by Bangle, seconded by Ross, that this Resolution be recommended for the consent agenda to the Board of Directors, due back on 9/23/2024. The motion carried by the following vote:

Aye: Ross, Harriss, and Bangle

IV. Presentations

1. Discussion regarding recommendations from the Advertising Revenue Advisory Report.
2. Internal Audit FY2024 Audit Plan Status - September 2024
3. Executive Finance and Administration Monthly Update - September 2024

V. Items for Future Discussion

VI. Adjournment

10:35 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; Leslie Pool, Becki Ross and Dianne Bangle.

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: 10/16/2024

Item #: AI-2024-1284

SUBJECT:

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, for participation in the University's IC² Institute Readiness Training Program (RTP) for an amount not to exceed \$120,000 for a term of two years beginning November 1, 2024, thru October 31, 2025 ("Initial Term"), with a one-year option term.

FISCAL IMPACT:

Funding for this action is available in the FY2025 Operating Budget.

STRATEGIC PLAN:

Strategic Goal Alignment:

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

Strategic Objectives:

- ☐ 1.1 Safe & Reliable Service ☒ 1.2 High Quality Customer Experience ☒ 1.3 Accessible System
- ☒ 2.1 Support Sustainable Regional Growth ☒ 2.2 Become a Carbon Neutral Agency
- ☐ 2.3 Responsive to Community and Customer Needs ☒ 2.4 Regional Leader in Transit Planning
- ☐ 3.1 Diversity of Staff ☐ 3.2 Employer of Choice ☐ 3.3 Expand Highly Skilled Workforce
- ☒ 4.1 Fiscally Responsible and Transparent ☐ 4.2 Culture of Safety ☒ 4.3 State of Good Repair

EXPLANATION OF STRATEGIC ALIGNMENT: Through this ILA, CapMetro demonstrates commitment to Supplier Diversity and the Disadvantaged Business Enterprise ("DBE") and Small Business Enterprise ("SBE") programs designed to enhance DBE and SBE participation in federally and locally funded contracts and procurements.

BUSINESS CASE: CapMetro is responsible for Disadvantaged Business Enterprise ("DBE") and Small Business Enterprise ("SBE") programs designed to enhance DBE and SBE participation in federally and locally funded contracts and procurements. The intent of the DBE and SBE program is to provide full and fair opportunities for equal participation by all disadvantaged and small businesses to compete for CapMetro prime contracts and associated subcontracts. The University, under its IC² Institute, offers a Readiness Training Program (RTP) for small businesses that include intermediate to advanced business concepts, techniques, and information

aimed at business growth and in doing business with the public sector. Through this ILA, CapMetro will continue to partner with the University to provide business development training services through the University's IC² Institute's Readiness Training Program to DBEs and SBEs that may compete for CapMetro contract and procurement opportunities.

COMMITTEE RECOMMENDATION: This item was presented and recommended for approval by the Finance, Audit and Administration Committee on October 16, 2024.

EXECUTIVE SUMMARY: Over the past year, CapMetro has partnered with the University's IC² Institute's RTP and has found it successful in expanding our network of DBEs and SBEs. In FY2024 CapMetro's Participation included:

- Trainings focused on business growth:
 - 84 Participants in the trainings
 - 40 Total certified DBEs and SBEs in the program
 - 34 Businesses were present during the CapMetro presentation on November 11, 2023
 - 37 Businesses were present during the CapMetro presentation on May 24, 2024
- Training on how to do business with CapMetro:
 - Over 60 1x1 sessions with small businesses were conducted throughout the course of the year
- Expansion of CapMetro's DBE and SBE pool of small businesses that may be solicited for participation in future procurements:
 - Over 70 percent of the respondents to the IC² Institute's Readiness Training Program survey said the program had exceeded their expectations,
 - 85 percent believe they will be able to use the information in their businesses,
 - 95 percent would recommend the training to colleagues or non-competitive businesses,
 - Everyone found the sessions useful for improving their skills.

DBE/SBE PARTICIPATION: Does not apply.

PROCUREMENT: Does not apply.

RESPONSIBLE DEPARTMENT: Diversity, Equity, & Inclusion

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

**STATE OF TEXAS
COUNTY OF TRAVIS**

AI-2023-983

WHEREAS CapMetro is responsible for Disadvantaged Business Enterprise (“DBE”) and Small Business Enterprise (“SBE”) programs designed to enhance DBE and SBE participation in federally and locally funded contracts and procurements. The intent of the DBE and SBE program is to provide full and fair opportunities for equal participation by all disadvantaged and small businesses to compete for CapMetro prime contracts and associated subcontracts.

WHEREAS The University, under its IC² Institute, offers a Readiness Training Program (RTP) for small businesses that include intermediate to advanced business concepts, techniques, and information aimed at business growth and in doing business with the public sector.

WHEREAS CapMetro will partner with the University to provide business development training services through the University’s IC² Institute’s RTP to DBEs and SBEs that may compete for CapMetro contract and procurement opportunities

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 an Interlocal Agreement with the University of Texas at Austin, for participation in the University’s IC2 Institute Readiness Training Program (RTP) for an amount not to exceed \$120,000 for a term of two years beginning November 1, 2024, thru October 31, 2025 (“Initial Term”), with a one-year option term.

Date: _____

**Secretary of the Board
Becki Ross**

Readiness Training Program for Historically Underutilized Businesses

Cohort Three, Funnel Two

Summary of Program Process and Participant Satisfaction

Submitted:

August 2, 2024

James E. Jarrett, Ph.D.
Bureau of Business Research
IC² Institute



The University of Texas at Austin

IC² Institute

Office of the Vice President for Research

I. Pre-Session Activities

Recruitment and Admissions

Initial recruitment began in late March 2024 by informing various HUB program offices, multiple chambers of commerce, and small business government entities about the forthcoming training opportunity. Major email announcements were sent the first week of May introducing potential applicants to the training and directing them to the training website. The individual session topics and confirmed speakers were shown, and companies could download an application, complete it, and upload it through the website portal to a UT-Austin box folder. Most emails were obtained from the databases shared by Travis County, and from the State of Texas and City of Austin databases.

The outreach was quite precise regarding revenue and employee thresholds, and the majority of the 68 subsequent applicants were qualified based on those desired thresholds for revenues (>\$500,000), employees (>1), and several years of operational experience. However, 19 companies were asked to defer to a subsequent funnel one class because of their size and revenues or not having a product or service for government purchasing. Four other companies submitted incomplete applications, did not respond to questions about their businesses, or applied too late. All four were denied admission.

Forty-five companies were admitted. The companies are listed below alphabetically, along with their industries.

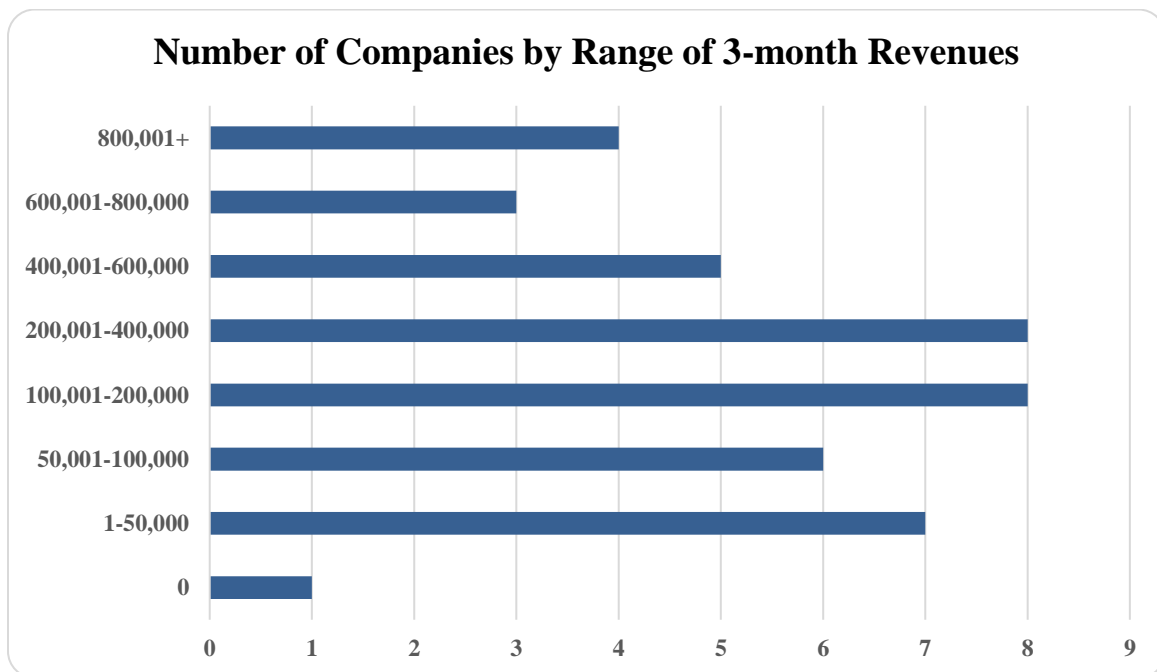
Company Names and Industries—Self-Identified—Spring-Summer 2024— Funnel Two, Cohort Three	
<i>Company</i>	<i>Business Industry</i>
TKABO Technical Solutions LLC	Information Technology
Mission Ready Inc.	IT Services
Press8 Telecom	Telecommunications
Boxer Consulting	Recruiting
Tishna Films	Video/Entertainment
Morgan Scott Construction Company	Construction
Absolute Facility Solution, LLC	Software Value Added Reseller
Henderson Professional Engineers	Construction
Corona Food Service, Inc,	Broadline Food Distribution
RM Drone Images	Images for Construction Projects
His & Hers Transport LLC	Transportation & Logistics
Mindful Media	Media and digital content creation
Acachi LLC	Information Technology
Siller Preferred Services	Employment agency

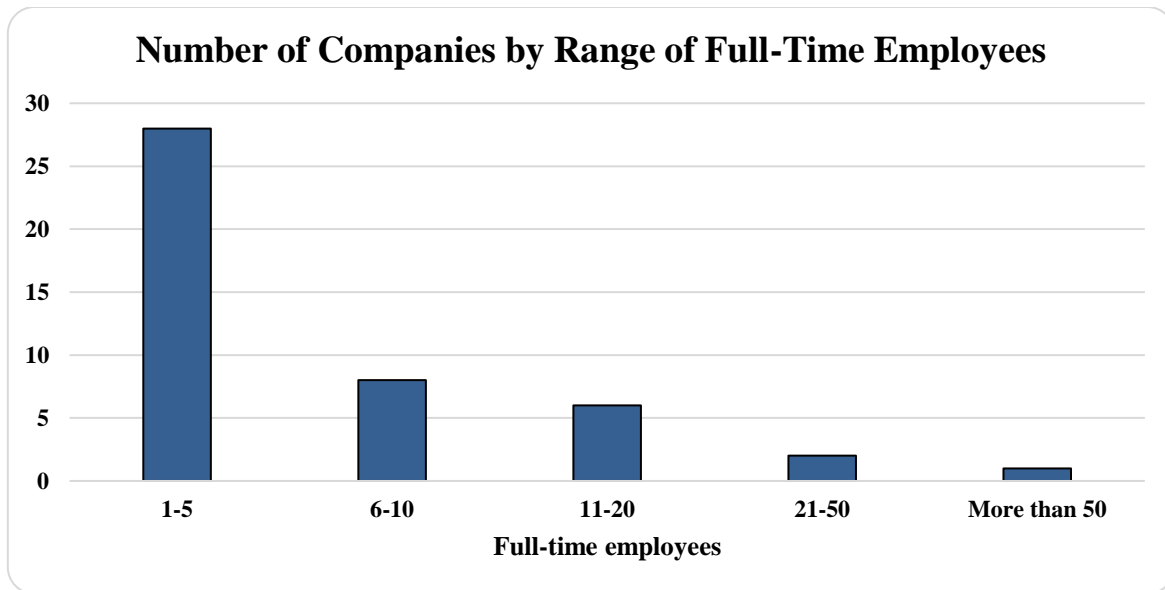
The Red Cape Company	Technology Training
MMD Architecture	Architecture
Sun Star Services, LLC	Engineering
Sagamore LLC	Fence/Deck/Outdoor living
Z-TEX Safety, LLC	Safety & Health Consulting and Training
Genius Road, LLC	Recruiting Services
Levior Energy Austin LLC	Energy Conservation
HCS, Inc.	Construction
Resources for Learning	Professional Services
Yanez Service Company LLC	Construction/Facility Maintenance
Spring Architects	Architecture
Albarez Construction LLC	Construction
Security Operations Group	Security Consulting
Digital iTechnology	IT Staffing & Consulting
Ranger Security Solutions	Manufacturing/Distribution/Sales
Workshop No5	Architecture and Interiors
Express Commercial Cleaning, Inc.	Janitorial Services
ProSkill Solutions, Inc.	IT Staffing
Rule Electrical Services LLC	Construction
Studio Balcones	Landscape Architecture
Trini Construction Builder	Construction
TaylorMade Careers LLC	Professional Services (Career Coaching)
Rolling Suds Austin-Westlake	Power Washing
Baeza Engineering, PLLC	Civil Engineering
ASSET Solutions	Manufacturing
Rachel Bryant Co.	Construction Facility Maintenance
Chugwar, Inc.	Marketing
City Sweep Solutions	Post Construction Clean
Future Link Technologies, Inc.	Environmental Consulting
Leap! Structures	Engineering
Red Heart CPR	Training

Subsequent tables and graphs shown below provide aggregate data for the 45 companies admitted including their approximate 2023 gross revenues, three-month gross revenues (October, November, December 2023), full-time employees, industries, types of certifications, age, race/ethnicity, level of education, and gender.

Approximate Gross Revenue—2023 Calendar Year

Spring-Summer 2024 Cohort	Number	Percentages
<\$50,000	1	2.3%
\$50,000-\$150,000	7	15.9%
\$150,000-\$500,000	14	31.8%
\$500,000-\$1 million	7	15.9%
>\$1 million	15	34.1%
Total	44	100.0%



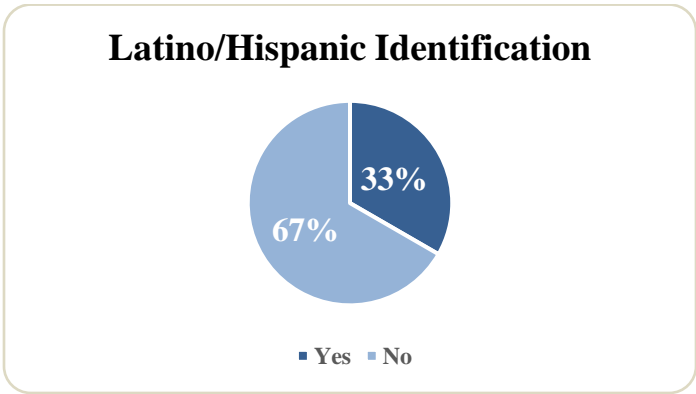
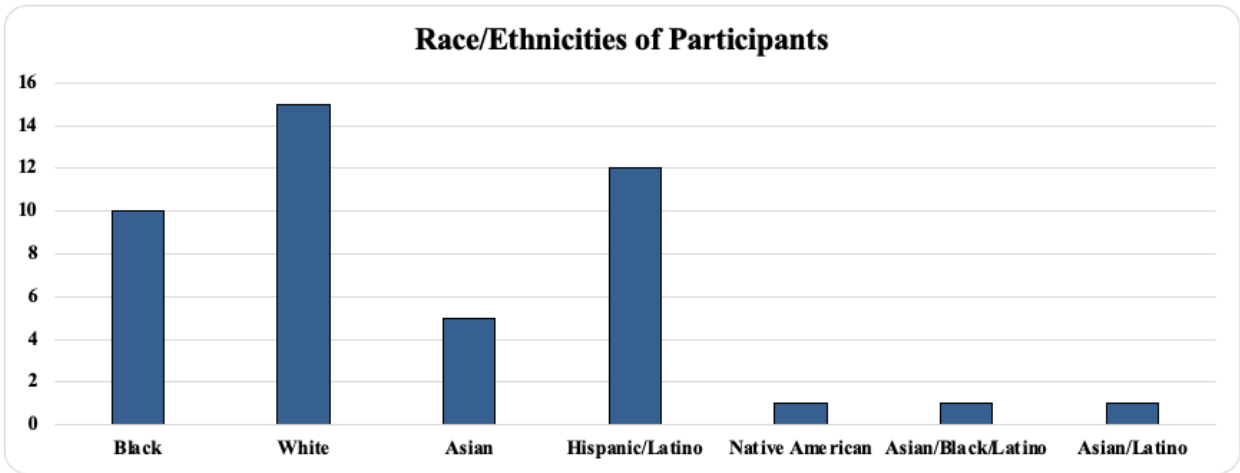
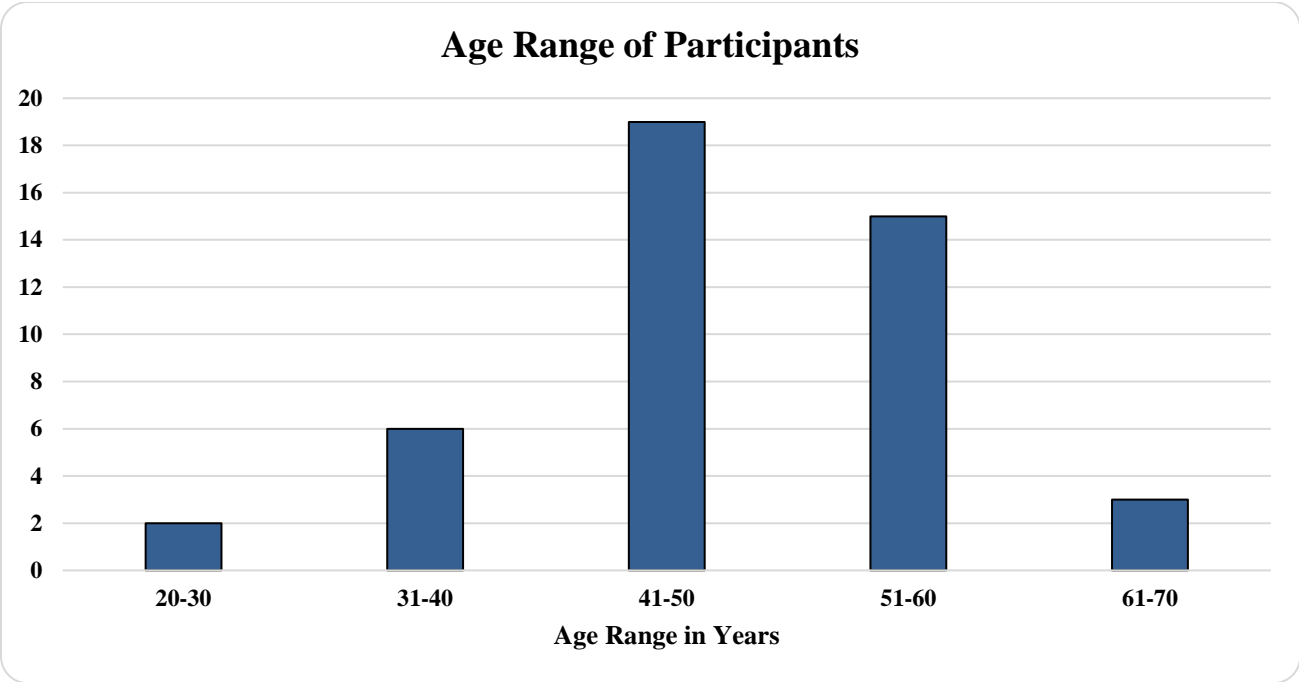


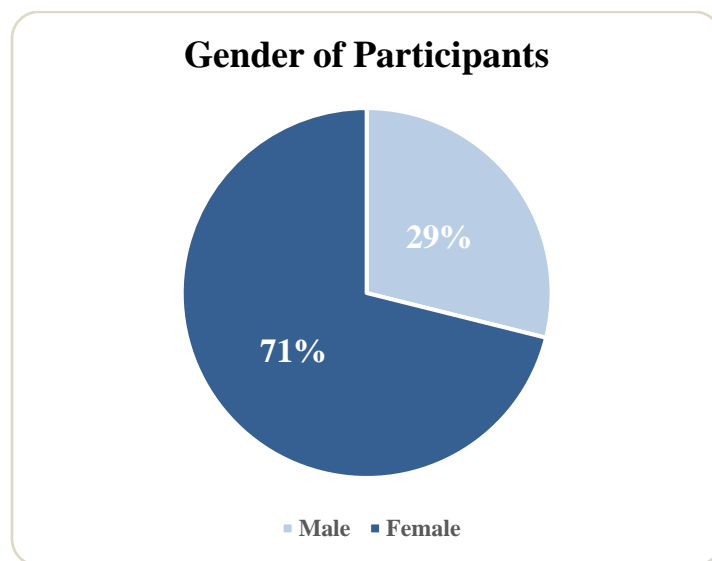
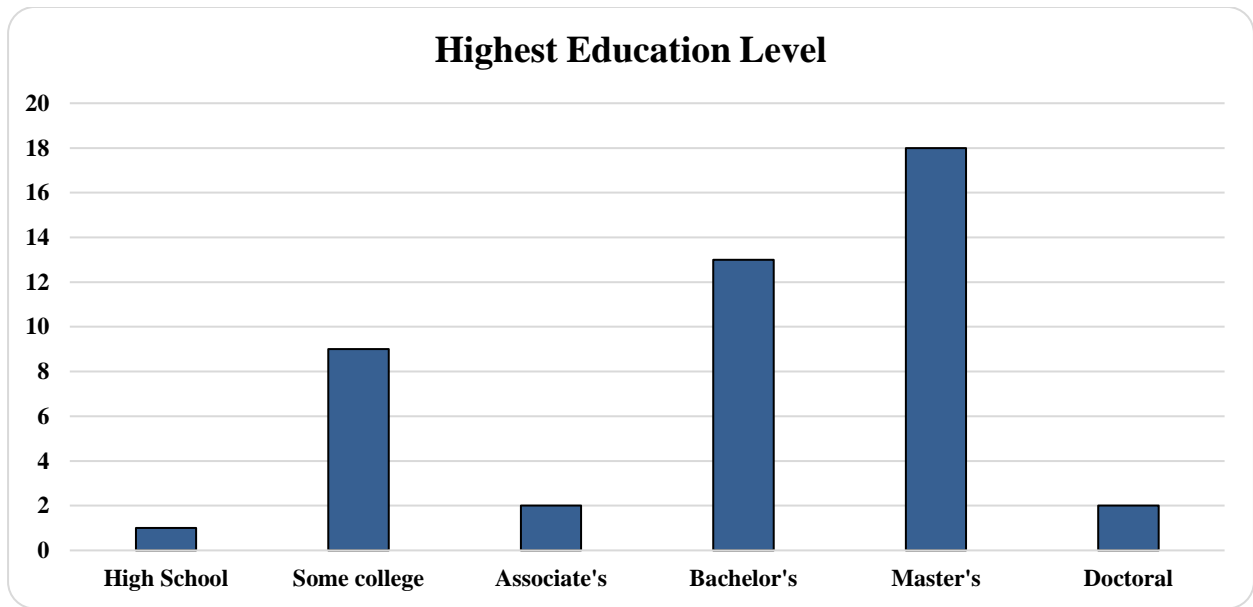
Industry

Construction	10
Professional Services (Consulting, training, recruitment)	7
Software & Engineering	6
Information Technology	4
Architecture	4
Logistics & Maintenance	4
Media & Marketing	3
Safety & Health Consulting/Training	2
Telecommunications	1
Food Distribution	1
Manufacturing	1
Security	1
Manufacturing/Distribution/Sales	1

Certifications

HUB	43
MBE	23
WBE	27
DBE	17
SBE/SB	6
NMSDC	3
Other	7





II. Funnel Two, Cohort Three Sessions

The topics, session dates, and speakers are shown on the project website at:
<https://www.smallbizxl8.com/new-ut-austin-training-program-for-hubs/>.

Attendance varied by session. Based on their attendance at the main sessions, the three workshops, and a request for short-term technical assistance, 38 of the 45 HUBs were deemed to have finished the course. (This standard required a company to have attended at least half of the sessions and be active at the end of the training. We did not allow those who watched the videotaped sessions at a later time to count that toward their sessions.) The cohort completion rate was 84%, exceeding our expected rate of 66%, and the previous Funnel Two cohort completion rate of 73%.

Shortly after the first main session, all admitted companies were sent a very short list of topics and subjects and asked to select those of greatest interest to them. The group selected two topics: (1) how to compete with larger firms in their own industry; and (2) federal government opportunities. The first topic became the last main session and the federal government opportunities topic was addressed in a workshop on responding to purchasing solicitations.

A number of proven procedures were created to facilitate interaction and networking and to preserve the session information. A social media networking group was created. Also we developed and publicized a Participant Folder. This folder included links to recordings of the sessions for those unable to attend the live training, links to materials presented by the speakers, and a summary of the session via the software program Otter.ai.

Three workshops were held. The first was staged on May 9 and was designed to provide an overview of the local and state HUB/DBE/SBE programs, bid opportunities, and upcoming initiatives. Approximately 25 companies attended. At the second workshop on May 23, companies learned about responding to public purchasing solicitations. A third workshop on June 13 was devoted to artificial intelligence applications for small businesses. Nineteen companies attended.

At the beginning of June, companies were invited to request technical assistance to address a specific company need. Companies were instructed to complete a form about their need and were informed that assistance would be limited to a maximum of 10 hours. A strict deadline was imposed to encourage a timely response from the most interested parties. Six requests for assistance were submitted across an array of issues. While all technical assistance had been intended for completion by the end of July, two of the arrangements were continuing into August.

Advisers who served at one of the workshops, gave feedback on the capability statements, and/or were providing technical assistance included:

Cheryl A. Brown, Executive Director, North San Diego Small Business Development Center

Christina Mortel, Small Business Advisor, Center for Women Entrepreneurs, Texas
Women's University
Vickie Sokol Evans, Founder, The Red Cape Company

III. Findings from Post-Session Surveys **(Active and Inactive Participants)**

Summary

Over 70 percent of the respondents said the program had exceeded their expectations, 85 percent believe they will be able to use the information in their businesses, 95 percent would recommend the training to colleagues or non-competitive businesses, and everyone found the sessions useful for improving their skills. Various suggestions for improvements were offered by the companies.

Note: All comments from the owners to the open-ended questions are provided without editing in this report. Because the survey was conducted, has been compiled, and is being presented by staff who had a major role in Funnel Two, Third Cohort sessions, there is an element of "self-grading." For that reason, the only descriptive comments appearing below from project staff relate to procedure and process or are statements that clearly are apparent from the data.

Introduction

Two surveys were conducted to obtain satisfaction levels of participants with the set of main sessions and the business advisory workshops.¹ Each of the 38 participants received an email invitation on July 15 with a link to an online survey. Non-respondents were sent three reminders. The survey was closed on July 31 with a total of 28 responses. A copy of the survey instrument is attached as a separate document.²

General Evaluation of Funnel Two Sessions and Workshops (Active Participants)

Five questions elicited general reactions from participants and then more specific questions captured detailed views. Please see Table I, Chart I, Table II, Table III, and Table IV for the general reactions.

¹ As noted earlier, 38 of the companies were considered as participants completing Funnel Two. They received the main survey and will be the primary focus in the remainder of this report. Seven companies did not participate actively after their admission and received a shorter survey to probe why. Results from the one response to the short survey are presented afterwards.

² A third survey will be conducted to collect information about the workshops on construction bonds. Those results will be submitted in a separate report at the end of August.

TABLE I.

Now that you have graduated and received your certificate, how would you rate the entire series of RTP Funnel Two sessions? Please choose one answer AND explain your choice.

Answer Options	<u>All Sessions</u> (# of responses)	<u>Percentage of</u> <u>Respondents</u>
Far exceeded my expectations	4	14%
Exceeded my expectations	16	57%
Met my expectations	7	25%
Did not meet my expectations	1	4%
No value add	0	0%

Note: Comments from respondents to this question are shown later starting on page 21.

GRAPH I.

SKILL IMPROVEMENT

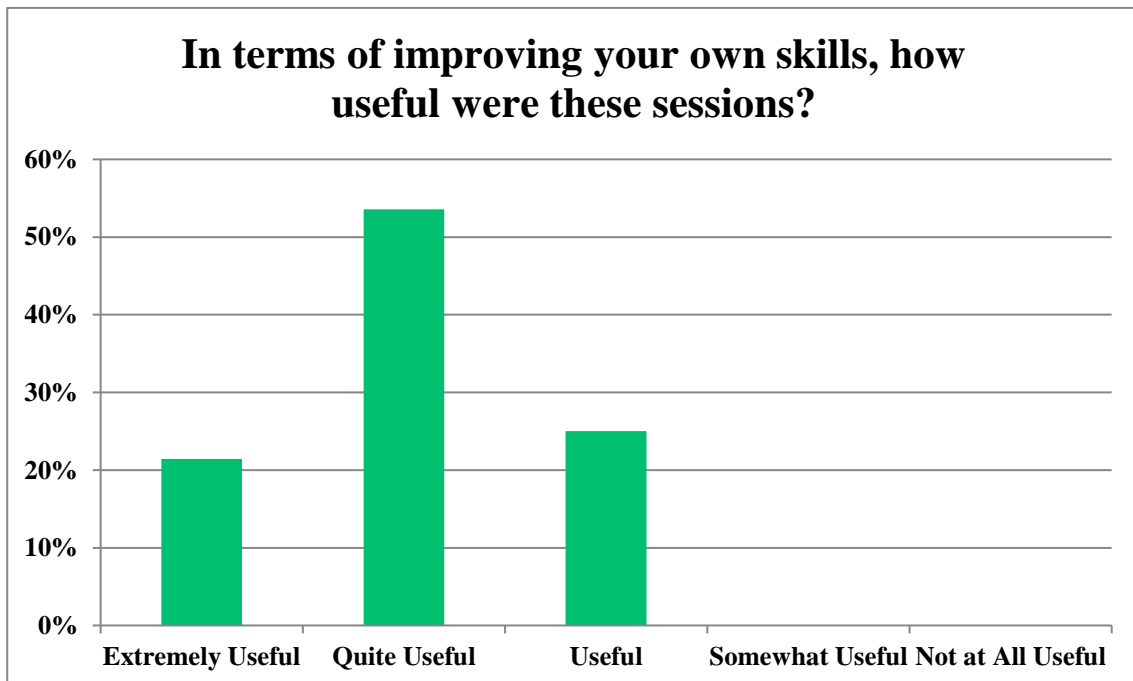


TABLE II.

Would you recommend these sessions to friends, colleagues, or business acquaintances who are not your competitors?

Answer Options	<u>All Sessions</u> (# of responses)	<u>Percentage of</u> <u>Respondents</u>
Yes definitely	19	68%
Yes likely	8	29%
Don't know	1	4%
No unlikely	0	0%
No definitely not	0	0%

TABLE III.

Characteristics of Sessions

<i>Please indicate your level of agreement or disagreement with each of the statements about the sessions.</i>	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
The sessions provided information and content new to me.	25%	39%	29%	7%	0%
The information and content were appropriate for my needs.	14%	71%	14%	0%	0%
I will be able to use this information in my business.	25%	61%	14%	0%	0%
The structure of presentations, exercises, and discussions was appropriate for my needs.	21%	61%	18%	0%	0%

TABLE IV.

Should the Readiness Training Program series (Funnel Two) be offered again?

Answer Options	<u>All Sessions</u> (# of responses)	<u>Percentage of</u> <u>Respondents</u>
Yes, without revision	12	43%
Yes, with some revisions/modifications	15	54%
Yes, with substantial revisions/modifications	1	4%
Probably not	0	0%
Definitely not	0	0%

Specific Training Elements

A series of questions probed for more detailed reactions to the training and the training elements. As shown in Table V, reactions to each of the sessions showed some variation. The second session on May 14 was ranked the highest. Once those absent from the session are deducted, every session was considered “useful, quite useful, or extremely useful” by at least 93 percent of the participants.

<u>TABLE V.</u> <i>Usefulness of Each Session</i>						
<i>Please rate each of the sessions.</i>	<u>Extremely Useful</u>	<u>Quite Useful</u>	<u>Useful</u>	<u>Somewhat Useful</u>	<u>Not At All Useful</u>	<u>Unable to Attend/ Not Applicable</u>
Welcoming Remarks & HUB Company Self-Introductions—April 30	39%	32%	25%	4%	0%	0%
Marketing for Growth—Cheryl Brown—May 14	54%	29%	14%	0%	0%	4%
Human Resources—Deirdre Pattillo, Mike Haggerty—June 4	43%	21%	25%	4%	0%	7%
Small Business Finance—Jim Nolen—June 18	36%	29%	21%	0%	7%	7%
Strategies for Competing with Larger Companies—Hay, Moledina, Mortel, Amber—July 2	43%	14%	29%	0%	4%	11%

Table VI shows the owners’ reactions to several program components. The links for uploading materials, the links to watch missed sessions, and the website were most useful.

TABLE VI.***Usefulness of Program Activities and Components***

<i>Please rate each of these activities and components.</i>	<u>Extremely Useful</u>	<u>Quite Useful</u>	<u>Useful</u>	<u>Somewhat Useful</u>	<u>Not At All Useful</u>	<u>Did Not Use/ Not Applicable</u>
Website	41%	26%	22%	0%	0%	11%
Social Media Networking Groups	33%	15%	19%	11%	7%	15%
Link to Watch a Session I Missed	61%	7%	11%	7%	0%	14%
Links for Uploading Written Materials	42%	27%	19%	4%	0%	8%
Communication & Interactions with Project Staff	39%	25%	11%	7%	0%	18%
Communication and Interactions with Session Presenters	46%	14%	14%	7%	0%	18%

One question sought information from the HUBs about the most important benefit for them.

Question: What was the single most important benefit you obtained from these sessions? In other words, what single thing did you learn that is likely to help your business now and in the future? If there was nothing, please enter “none.”

Four companies did not specify a benefit. Verbatim responses from the other companies are shown below in italics.

<i>Researching how AI would be beneficial to my business</i>
<i>Networking, elevator pitch, follow up all so important</i>
<i>Learning the specifics of what government buyers look for.</i>
<i>Same as above on the session understanding how to read and respond to RFPs</i>
<i>An in-person or one-on-one session would be beneficial if feasible.</i>
<i>Federal clients. Federal clients. Federal clients.</i>

<i>How competitive the market is right now and the importance of follow up with potential prospects.</i>
<i>Creating a capabilities statement.</i>
<i>Marketing for growth was an extremely helpful session along with meeting with a student willing to help give advice.</i>
<i>Loved the Workshop #3. Very relevant and timely.</i>
<i>I learned how AI can help me with my business.</i>
<i>Sourcing new business within the federal government.</i>
<i>See above... getting our name out there, and telling people what it is that we do, is so important.</i>
<i>More awareness about government contracting requirements</i>
<i>Interaction with real people</i>
<i>How/when to develop tools to set my company for successful growth.</i>
<i>There are websites to view bid opportunities.</i>
<i>We will continue to explore AI and see how that can improve our deliverables. We will also apply some of the techniques described in competing with larger firms. There were really some small takeaways in every session.</i>
<i>Trying to get bids with the city or the state can be a challenging task. Getting information from the various websites can be overwhelming at times - however some of these sessions helped to narrow down where to start in that process.</i>
<i>I need to review some of the later sessions. The schedule was a bit challenging for me at times.</i>
<i>As of now, I am unsure, but will be happy to follow up once I rewatch the sessions I missed and those I had to leave early.</i>
<i>Thinking outside the box I don't have my notes with me but I think it was Cheryl that stated that. I also have a better idea to know the bids I should and should not pursue.</i>
<i>The availability of business advisors that was given to us as a result of being in this program. The advisor assigned to me gave valuable feedback that was concrete and practical advise and changes to my capability statement. This helped to provide a inside look at what state agencies look for.</i>
<i>Marketing for growth.</i>

Question: Please comment on how these RTP training sessions may have changed your thinking about your product, service, market, or business strategy. If the sessions have not affected your business in any way, please enter "none."

Five owners said “none.” Other comments are shown below.

<i>Start marketing</i>
<i>Reminded me of things needed to help grow</i>
<i>Learned how to market to government agencies and that it's a different segment that I'm not currently marketing to.</i>
<i>Business strategy is the most helpful for us, especially the session on understanding RFPs.</i>
<i>In person or one on one session would be helpful if possible.</i>
<i>The aspect of reaching out to federal clients have been really useful. Cheryl Brown sessions were practical and really helpful.</i>
<i>It has helped me to take a different approach to our marketing strategy.</i>
<i>I have a better understanding of what it takes to seek and secure government contracts. We are already providing services to public sector employees on an individual basis for smaller purchases or one-off services for a particular team. We now have a map with actionable steps when we're ready to go after contracts.</i>
<i>Continuing to have a positive and energetic approach to all things associated with my business. It won't happen over a short period, but they will happen as long as I stay the course.</i>
<i>Although a lot of the content was familiar (HR and Marketing for example), definitely great information on finding additional contract opportunities.</i>
<i>I am very grateful to be a part of this session, which affected my thought process on how to do business in 2024. Sometimes, the old ways don't always work, the sessions helped me to tweak my business strategies for the better.</i>
<i>I had the realization that we've been operating in a black hole. Communication and anything we can do to make ourselves visible is key. And there are some very easy ways to do this!</i>
<i>The depth of information equipped me for greater success in bid applications</i>
<i>Made me more aware of opportunities out there.</i>
<i>I found the session on AI to be helpful, as we are exploring different tools. I also found the session on competing with larger firms helpful. As a DIR contract holder and former gov employee I didn't find the working with government discussions as helpful, but it was good information for people new to working with public entities and probably still appropriate for business of \$500k+ in revenue.</i>

<i>Although the sessions didn't dramatically change my thinking about our business, it helped me to be more comfortable and confident because we are already using many of the same approaches discussed in the program. In addition, there were definitely some great comments that I can incorporate to the business.</i>
<i>I found the HR information and the session on the RFPs particularly helpful to my business.</i>
<i>They always challenge me to think of the bigger picture while reminding me of the immense local resources that are available to tap into.</i>
<i>Identifying the need and providing the service was crucial for me. To manage costs, I reached an agreement with the San Marcos Probation Office, which was signed by the judge. Through my nonprofit, they now send volunteers to me, and I have the authority to assign these volunteers to any necessary tasks. This arrangement provides free help, allowing me to scale my costs effectively.</i>
<i>The last presentation was helpful because she gave us resources to find freelancers which is helpful for small businesses.</i>
<i>The idea of not overbidding what you are capable of handling was great advice. Plus the RFP process and bidding was really useful.</i>

Question: Did you obtain other noteworthy benefits from the sessions? If you did, please explain below. If not, please skip to the next question.

Sixteen owners cited other noteworthy benefits as shown below.

<i>Capabilities statement</i>
<i>I really enjoyed the insight from the AI and marketing sessions.</i>
<i>Yes, learning of other portals where we could register as a HUB that we would not have known about if not for these sessions.</i>
<i>The 'Marketing for Growth' session was both impressive and enlightening. It provided valuable insights into the specific tasks required to approach diverse markets and entities, including government agencies.</i>
<i>Community was really helpful as I met other students in other sessions.</i>
<i>Yes! Greater insights into the process of government bids and more confidence in the need for businesses like ours to compete in this space.</i>
<i>Finding additional contract opportunities and reviewing even Federal contracts.</i>
<i>I learned how to do more government/federal bids and that it's good to keep in mind that they do take forever to pay you. That your business cannot solely survive on those contracts.</i>

<i>Yes, on expanding my marketing techniques.</i>
<i>Overview of all the public procurement options was helpful. Hearing successful business owners tell their stories, and sticking to their values, was great. AI session was fascinating, and yes, I became slightly less terrified.</i>
<i>I benefited from the experience of the presenters and available resources for potential contractors</i>
<i>The opportunity to learn more about the Austin market.</i>
<i>It was good to step out of the business and spend time focusing on different topics. It did force me to think about how we are working each of these areas and what could we do better.</i>
<i>Every session was beneficial. Though some sessions were more relevant than others, I learned something in every session I attended.</i>
<i>I always appreciate the perspectives speakers bring.</i>
<i>The finance presentation gave insight into what lenders look for and what a successful application looks like.</i>

Another question asked about technical assistance.

Question: Every company was given an opportunity to receive technical assistance. If you did not request assistance, please indicate the primary reason you chose not to pursue this opportunity. If you did, please skip to the next question.

<i>We are in our busy season and time did not allow for me to request the help. I would have signed up for a TA to review a recent RFP we submitted this year to get feedback on how we filled it out and what we could have done better. We have learned we were not assigned the contract so having the time to walk through what we put together and what we could have done better would have been helpful. This was on me as I was juggling a lot all at once.</i>
<i>I didn't need the assistance since I am already receiving assistance with prior contacts I made.</i>
<i>I missed some sessions and that is why I didn't pursue the opportunity.</i>
<i>Priorities at work prevented me from taking advantage of the offer.</i>
<i>I did not know that this was something I could request therefore I did not.</i>
<i>I didn't request technical assistance due to a busy schedule.</i>
<i>I would love the opportunity to receive technical assistance. However, I have not heard back from you all. I would also like to have the UT analyze our bus as well.</i>

<i>I was unable to receive the assistance because I was out of the country for 3 weeks, making it very difficult to work on this aspect of the training.</i>
<i>I was not aware of the technical assistance.</i>
<i>I didn't feel I needed additional assistance with the topics presented. The content was clear and useful.</i>
<i>Time</i>
<i>I believe I applied. I haven't heard back. If I missed it, that is my fault.</i>
<i>The opportunity to receive technical assistance was a game changer for me. I received help on my capability statement. The feedback helped me to make changes that were beneficial and specifically target to state agencies. The feedback on what has changed in state agencies were helpful too such as EIN are no longer used on CS because of confidentiality.</i>
<i>Did not need technical assistance.</i>

Reactions to the workshops and advisers are shown below in Table VII. The first workshop devoted to current and near-term contracting opportunities was the most highly rated. Advisers were very highly rated.

TABLE VII.*Satisfaction with Workshops and Advisers*

<i>Please indicate your level of agreement or disagreement with each of the following statements about the workshops and advisers.</i>	<u>Strongly Agree</u>	<u>Agree</u>	<u>Neutral</u>	<u>Disagree</u>	<u>Strongly Disagree</u>	<u>Unable to Attend</u>	<u>Not Applicable</u>
The first workshop on current and near-term contracting opportunities with local governments was very useful for me.	43%	54%	4%	0%	0%	0%	0%
The second workshop on responding to public purchasing solicitations was very useful for me.	36%	36%	21%	4%	4%	0%	0%
The third workshop on the potential of artificial intelligence for small businesses was very useful for me.	39%	21%	21%	0%	4%	11%	4%
The workshops were the appropriate length of time.	39%	32%	18%	7%	0%	0%	4%
Feedback from my technical assistance adviser was appropriate for my situation.	29%	32%	7%	0%	4%	0%	29%
The advisers had the appropriate knowledge, skills, and abilities.	57%	32%	4%	0%	4%	0%	4%
I would recommend the advisers to others in the future.	57%	36%	4%	0%	4%	0%	0%

Table VIII captures the changes in confidence for the owners. At least 60 percent of the owners said the sessions increased their confidence on all five future-oriented actions, with the most positive impact being on how to contact HUB program officials with questions.

TABLE VIII.***Changes in Confidence***

<i>After this set of Funnel Two sessions, how confident are you in performing the following actions compared to your level of confidence before these sessions?</i>	<u>Much More Confident</u>	<u>More Confident</u>	<u>No Change</u>	<u>Less Confident</u>	<u>Much Less Confident</u>	<u>Not Applicable</u>
Knowing how to contact HUB program officials with questions	36%	54%	11%	0%	0%	0%
Making good decisions about pursuing a bid opportunity	29%	54%	18%	0%	0%	0%
Finding a prime contractor or potential partner for pursuing bid opportunities	14%	46%	25%	4%	0%	11%
Submitting bids as either a prime or a subcontractor	25%	46%	21%	4%	0%	4%
Communicating your business' past experience to potential customers	32%	36%	25%	0%	0%	7%

Future RTP Programs

Several final survey items attempted to elicit suggestions about possible changes and improvements to future Funnel Two programs.

Table IX shows owners' preferences for possible changes in the topics. There is a desire that future Funnel Two classes have an expanded session on competing with larger companies. Otherwise, there is general satisfaction as illustrated by the relatively equal distributions.

<p>TABLE IX.</p> <p><i>Possible Changes in Topics for Future Sessions</i></p>				
<i>Please rate each of the sessions.</i>	<u>No Change Needed</u>	<u>Should Be Reduced</u>	<u>Should be Omitted</u>	<u>Should be Expanded</u>
Welcoming Remarks & HUB Company Self-Introductions	82%	14%	0%	4%
Marketing for Growth	68%	11%	0%	21%
Human Resources	68%	14%	0%	18%
Small Business Finance	56%	19%	7%	19%
Strategies for Competing with Larger Companies	42%	8%	0%	50%

Owners also were asked how the sessions compared to their expectations at the beginning.

<i>The speakers were extremely thorough in their presentations.</i>
<i>I wasn't sure exactly what to expect but the content and presenters were wonderful and I certainly took away valuable information I did not have previously</i>
<i>The sessions were informative, and the presenters put in considerable effort. However, the content remained introductory and lacked depth.</i>
<i>The sessions have been really helpful for my small business. Cheryl Brown sessions have been the best!</i>
<i>This was such a valuable experience. Thank you for all the resources, education, and opportunities to connect. I can appreciate all the time and attention given to this program. So grateful for the opportunity to participate.</i>
<i>I am looking to get contracts through this and I don't see a connection to contracts.</i>
<i>I was able to participate in Funnel One of the RTP and felt the material and information provided was a bit more useful than this session.</i>
<i>A lot of the content was familiar, but great refresher. The best portions were really on reviewing opportunities to continue to explore and secure other federal contracting opportunities.</i>

<i>I had an idea in my head what it would be like and I was right. I learned the information I needed to.</i>
<i>The session with Ms. Cheryl Brown was amazing. It gives a boost to my confidence on how to source new business and also learning new techniques on how to maximize business strategies.</i>
<i>I did not know what to expect, honestly. I found this to be a supportive and encouraging program full of really great individuals. Even if I/we are not quite ready to take advantage of all that was presented, the knowledge base is extremely helpful for future decisions.</i>
<i>It was wonderful to learn directly from the experiences of business owners.</i>
<i>There were good presenters and topics. It would have been nice to have conversation in the presentations, not just posted questions. Also, some in person interaction would have been nice, even if just at the end.</i>
<i>I didn't know what to expect at first, but by the end of the program I can definitely say all the sessions exceeded my expectations. The program was very well organized and provided great information that covered different areas in the business.</i>
<i>It would have been even better if some of the topics could have provided more in-depth information.</i>
<i>Overall, very grateful for the workshops.</i>
<i>These sessions are incredibly insightful! It'll be most beneficial (and possible to see how the input works) after I've had a chance to implement recommendations from the discussions. Admittedly, things have been hectic, so I must revisit the recordings to ensure I get all the takeaways and can put them into an actionable plan - specifically for sessions I may have missed or had to leave early.</i>
<i>The program was very helpful for me. It expanded my thinking capacity and gave me more confidence.</i>
<i>I was able to follow up with one of the presenters and received valuable feedback. The small business finance was really helpful to show what lenders are looking for and many resources available. The last presentation was helpful because she gave us resources to find freelancers which is helpful for small businesses.</i>
<i>The speakers were extremely helpful.</i>

A final question solicited comments of all kinds about potential improvements.

Question: If you have any additional comments, criticisms, or recommendations for improving this set of training sessions (Funnel Two), please describe them. Use as much space as you need. Otherwise, please enter “none.”

Verbatim responses are shown below.

<i>Maybe more on figuring out cashflow. How to be prepared for a larger job checklist. Some ideas on what is needed to ask for a line of credit. How to inquire without hurting your personal/business credit report.</i>
<i>The time of some sessions were hard because I have small children and pick up on some days did not allow me to attend a session. The sessions were recorded which was helpful. For me personally the lunch hour is good as that is almost always available.</i>
<i>I would also like HUB training program for specific industries such as video production. I would also love to learn about where to learn about carry over funds which I can access.</i>
<i>Thank you for this opportunity and all the work that you put into the program. Well done!</i>
<i>Thank you very much! I've had the opportunity to revisit some sessions for a deeper understanding, and I truly value having access to the recordings. I hope they will continue to be available.</i>
<i>As an owner, while I find some of the content familiar, I would also suggest allowing us to invite other senior leadership members from our company to attend certain sessions. For instance, our Senior Sales Director could benefit from sessions on procurement processes and proposal writing, our CFO might find the financial snapshot on valuation insightful, and our Senior Customer Success Manager could gain valuable insights from sessions on marketing and HR.</i>
<i>Lastly, I'd like to give special recognition to Carly for her exceptional assistance and promptness. A big shout-out to her!</i>
<i>Thank you for the program!</i>
<i>Thank you so much for an excellent program</i>
<i>Thank you for the opportunity to learn!</i>
<i>I really appreciate the fact that you have this program and are making efforts to support small businesses. It's great to hear from representatives from the different entities and have their backing. I hope my feedback was constructive. Thanks!</i>
<i>None, thank you for the program</i>
<i>I really wanted to hear more on the topic of Human Resources, mainly because the presenters were so interesting.</i>
<i>Again, I will be happy to follow up and provide additional feedback once I've had a chance to review the recordings.</i>
<i>I believe I need help with going back to review the contacts, I was not familiar with the program and didn't go back to review the content. I made notes as I went along. It would be helpful just to have list with all contacts at the end of the program and send to participants.</i>
<i>Please continue to offer the technical assistance because this truly was a game changer and provided the opportunity to hone my document and to improve it significantly.</i>

More on AI would be great since it's new and being more widely utilized throughout businesses.

Second Survey (Inactive Participants)

Our experience with training has shown that every program beyond a single session has inactive participants. There were 8 in this third cohort of Funnel Two. Several did not attend any session and several attended only the first session. To determine why, each received an email invitation on July 15 with a link to a five-question online survey. Non-respondents were sent two reminders, and the survey was closed on July 31, with one company having responded.

Question 1: Would you like to participate in a future set of similar training sessions if UT-Austin offers them? Please choose one answer AND explain your choice if you want to.

One said “yes, definitely.” Her comment was:

I love the program, and it is very valuable to me. Even though I was not able to attend them live, I still like to watch, and it helps to watch the recordings..

Question 2: Although you did not participate in many sessions, did you watch any of the sessions later?

I did not watch any sessions later	0
Yes, I watched one	0
Yes, I watched two or three	0
Yes, I watched most of them	1
Yes, I watched all of them	0

Question 3 identified a variety of reasons for lack of consistent participation.

QUESTION 3.

Reasons for Lack of Participation

<i>Please indicate your level of agreement or disagreement with each of the following statements about why you did not participate in the sessions.</i>	<u>Strongly Agree</u>	<u>Agree</u>	<u>Neutral</u>	<u>Disagree</u>	<u>Strongly Disagree</u>
I had unexpected work tasks that prevented me from attending.	1	0	0	0	0
My summer vacation plans precluded more participation	1	0	0	0	0
I did not think the information would be useful in my business.	0	0	0	0	1
I was interested only in several of the topics.	0	1	0	0	0
The Tuesday afternoon schedule and length of the sessions were inconvenient.	0	0	0	1	0
Illness/Personal Matters	1	0	0	0	0
Content was too advanced for my needs	0	0	0	0	1
Content was too elementary for my needs	0	0	0	0	1

Question 4: What could we have done differently for you to participate more frequently in the program sessions?

Comment:

Maybe if they were after 5 o'clock. But in general I was able to attend. I had a death in the family and I had a hip replacement. So I was not available as much as I was last time.

Question 5: If you have any additional comments, criticisms, or thoughts to share about this set of training sessions (Funnel Two), please share them below.

Comment:

I love the program, and I think it's very helpful. I am now working on my 8 (a) certification. So that is taking a lot of my time as well. But the classes are invaluable for me. Thank you so much!!

Readiness Training Program for Historically Underutilized Businesses

Funnel One, Third Cohort

Summary of Program Process and Participant Satisfaction

Prepared
February 12, 2024

James E. Jarrett, Ph.D.
Bureau of Business Research
IC² Institute



The University of Texas at Austin

IC² Institute

Office of the Vice President for Research

I. Pre-Session Activities

Recruitment and Admissions

Initial recruitment began in early October 2023 by informing various HUB program offices, multiple chambers of commerce, and small business government entities about the forthcoming training opportunity. Major email announcements were sent on October 9 and 11 and later in October on the 25th and 26th introducing potential applicants to the training and directing them to the training website. The individual session topics and confirmed speakers were shown, and companies could download an application, complete it, and upload it through the website portal to a UT-Austin box folder. Most emails were obtained from the databases shared by Travis County, and from the State of Texas and City of Austin databases. SMBR staff also provided a database of recently certified small businesses that proved quite useful in the recruitment process.

The outreach was quite precise regarding revenue and employee thresholds, and the majority of the 69 subsequent applicants were qualified based on those desired thresholds for revenues (<\$500,000) and less than three years of operational experience. Four companies were asked to defer to a subsequent funnel two class because of their size and revenues, 8 companies did not have a product or service for government purchasing, 10 companies were outside the five-county Austin region, four companies submitted incomplete applications or did not respond to questions about their businesses, one company declined an offer of admittance, and three companies were not admitted for other reasons.

Thirty-nine companies were admitted, although one dropped out before the first class and did not attend any sessions. The 38 companies that started the program are listed below alphabetically, along with their industries. Data are provided below for the 39 companies admitted.

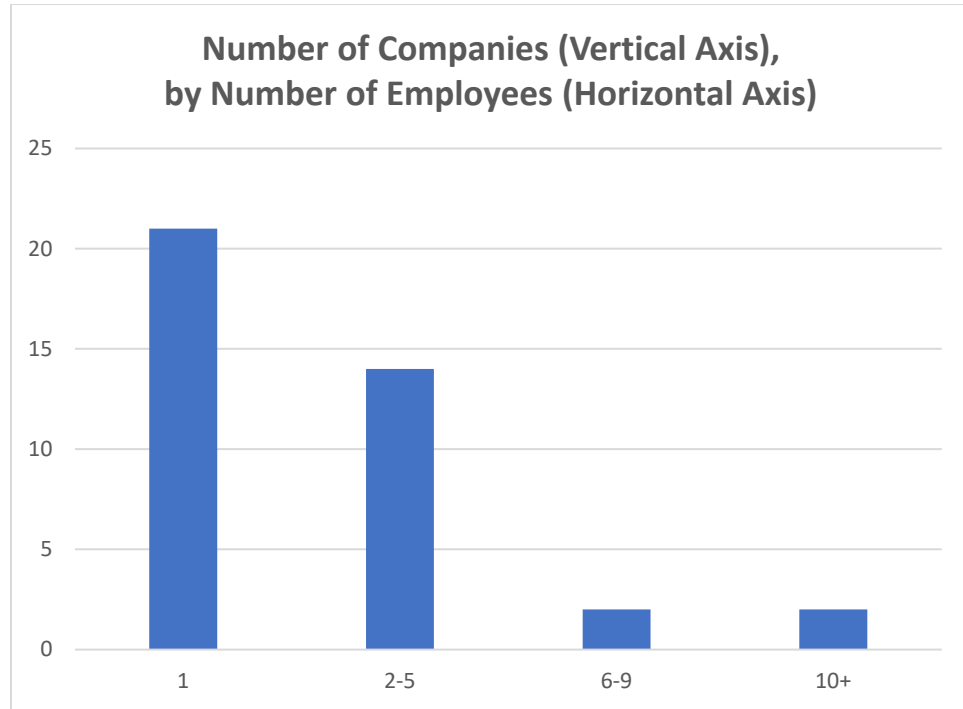
Company Names and Industry—Self-Identified—Fall 2023/Early 2024--Funnel One, Cohort Three	
<i>Company</i>	<i>Business Industry</i>
Acachi LLC	IT
Aura Express LLC	Technology and Office Supplies
BOLD Management, L.L.C.	Real Estate Construction Consulting
Boxer Consulting	Recruiting
Carson Technology Resources LLC	Professional and Technical Training
Chugwar, Inc	Marketing
Collected Abundance	Professional Organizing
DJSO ENTERPRISES, LLC	Property Restoration
Electra Beverages & Nutritionals, LLC	Beverages
G180, LLC	Retail
G4C Enterprises, LLC	Energy Reduction Solutions
Harlem Labs Advisory, Inc.	Management Consulting
Isita LLC	Software development
Levior Energy Austin LLC	LED Electrical Services

ManEvSis LLC	IT
Mindful Media	Digital Content Creation
Mission Ready Inc.	IT Service
MMD Architecture	Architecture
Morgan Scott Construction Company	Construction and Business Consulting
Outland Construction Co Inc	Construction
Patriotic Holdings	Contracting
Press8 Telecom	Telecommunications
Prime Concrete Construction	Concrete Construction
Q'ente Communications	Marketing, Public Involvement, and PR
Red Heart CPR	CPR Training
Reflection Executive Advisors LLC	Consulting
Refuerzo Collaborative	Marketing
RM Drone Images	Data Acquisition with Drone Technology
Sparkles Trucking	Landscaping / Trucking
Spector Research	Qualitative Consumer Research
Strange Wisdom Entertainment, LLC	Arts and Entertainment
Swiff Security	Security
Neighborhood Plumbing and Drain	Plumbing
Tex-Tanks	Industrial
Tishna Films	Filmmaking/Video Production
TKABO Technical Solutions LLC	INFORMATION TECHNOLOGY
Taylor Made Careers	Training/Development
WR Digital Marketing	Digital Marketing

Subsequent tables shown below provide data for the 39 companies admitted including their approximate 2022 gross revenues, full-time employees, participant age, race/ethnicity, gender, and level of education.

Approximate Gross Revenue—2022 Calendar Year

Summer 2023 Cohort	Number	Percentages
<\$50,000	24	61.5%
\$50,000-\$150,000	5	12.8%
\$150,000-\$500,000	8	20.5%
\$500,000-\$1 million	2	5.1%
Total	39	100.0%

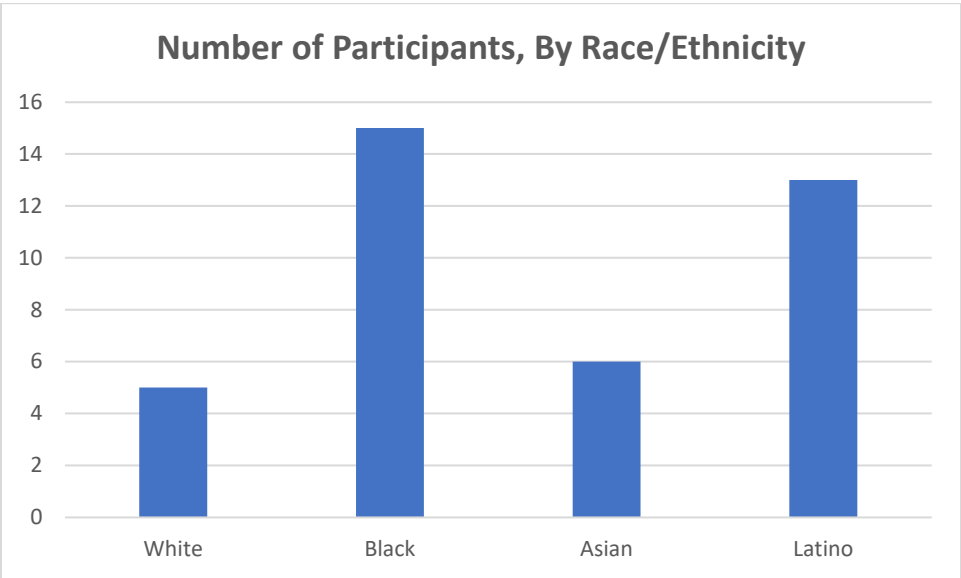
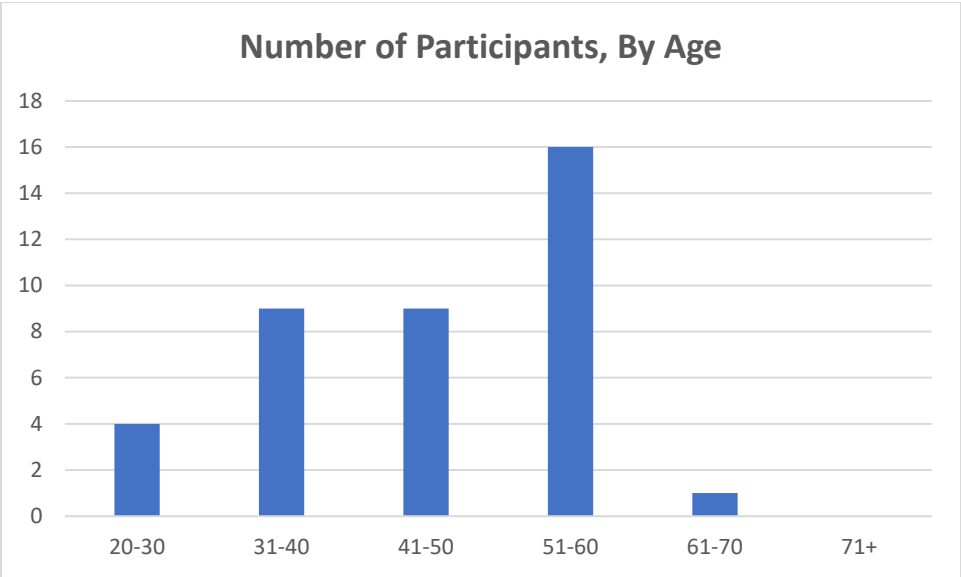


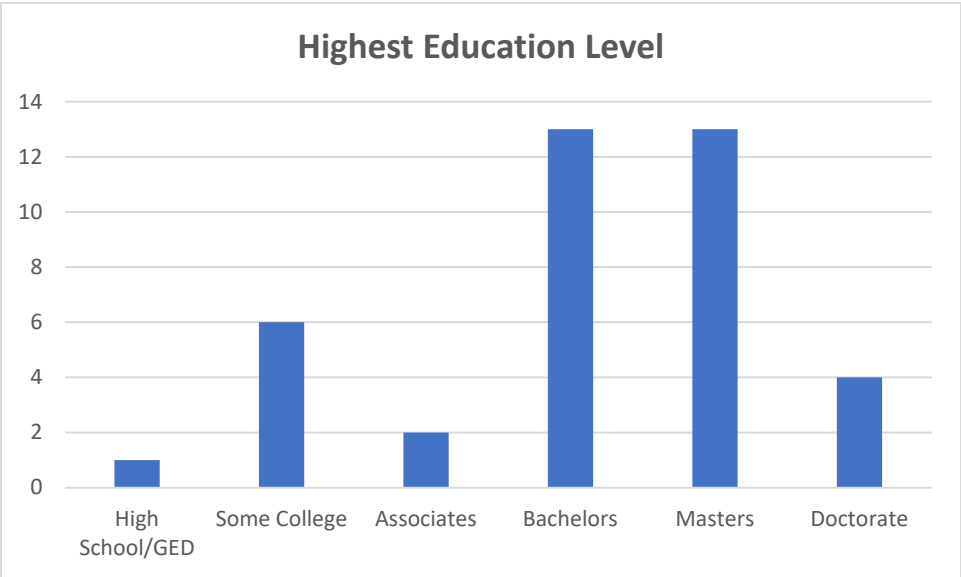
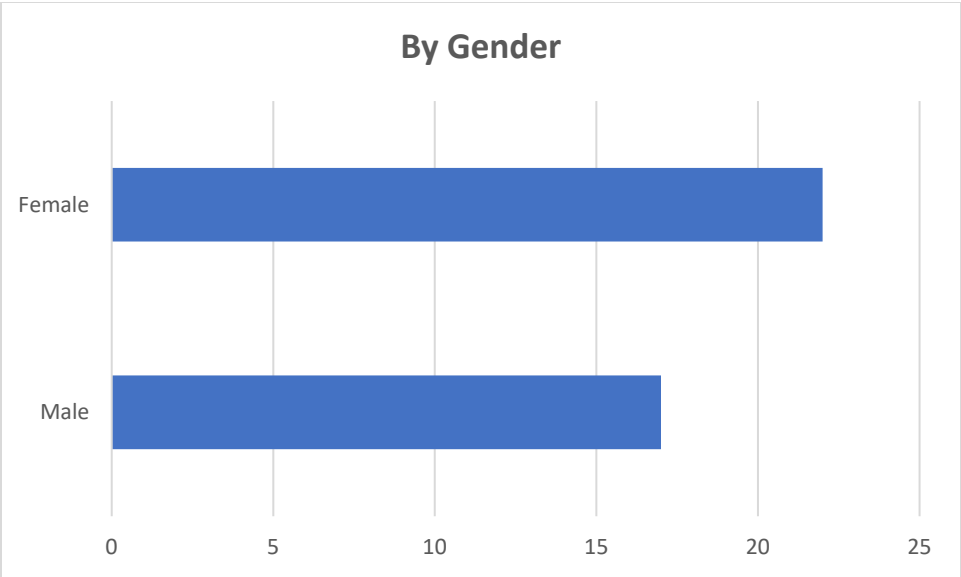
Industry

Construction & Supplies	8
IT Equipment, Services & Staffing	8
Management Consulting	5
Marketing and Public Relations	5
Training	3
Entertainment	3
Other unique services	7

Certifications

HUB	27
MBE	22
WBE	11
DBE	11
SBE/SB	6
None	4
NMSDC	3
SDVOSB	1
ESBE	1
DIBE	1
ACDBE	1
VBE	1
VOSB	1





II. Funnel One, Cohort Three Sessions

The topics, session dates, and speakers are shown on the project website at:
<https://www.smallbizxl8.com/new-ut-austin-training-program-for-hubs/>

Attendance varied by session. Based on their attendance at the main sessions, the three workshops, a request for reviews of their draft capability statements, and short-term technical assistance on bid submissions by two companies, submitting, 31 of the 38 HUBs were deemed to have finished the course. (This standard required a company to have attended at least half of the sessions and be active at the end of the training. We did not allow those who watched the videotaped sessions at a later time to count that toward their sessions.) The cohort completion rate was 81%, exceeding our expected rate of 70%.

A number of proven procedures were created to facilitate interaction and networking and preserve the session information. This included links to recordings of the sessions for those unable to attend the live training, and links to materials presented by the speakers.

Three workshops were held. The first was held on December 7 and was devoted to elevator pitch practice and feedback by a group of the project's business advisers. Twenty-two companies participated and received advice from 13 advisers, including three project staff members. One week later the second workshop was conducted on the benefits of certification. Twenty-firms firms heard the presentation by a SMBR staff member and asked questions. The third workshop on January 11 was devoted to responding to purchasing solicitations and when and how to prepare proposals. Twenty-one companies attended.

In addition to the workshops, individualized assistance was given to participants who submitted draft capability statements in mid-December. These statements were bundled and sent to four business advisers for review and comments. Twenty-two companies took advantage of this opportunity, and feedback about the reviews was uniformly quite positive when companies received comments and suggestions in early January.

Advisers who served at one of the workshops or gave feedback on the capability statements included:

Jonathan Alba, Jonathan Alba Management
Cheryl Brown, MiraCosta College
Sallie Burchett, CEO, Diva Imaging
Dr. John Sibley Butler, Emeritus Professor, McCombs School of Business
Terry Chase, Texas A&M Engineering Experiment Station
Dr. April Lovelady, School of Engineering Medicine, Texas A&M University
Robert Meyer, Private Investor
Ahmed Moledina, CEO, Soal Technologies
Christina Mortel, Center for Women Entrepreneurs, Texas Woman's University
Patricia Rubio, CEO, Cognit Systems
Andy Smetana, Managing Director, PMCS Services

III. Findings from Post-Session Surveys **(Active and Inactive Participants)**

Summary

Over 60 percent of the respondents said the program had exceeded their expectations, and approximately 90 percent believe they will be able to use the information in their businesses and would recommend to colleagues or non-competitive businesses. Multiple suggestions for improvements were offered by the companies.

Note: All comments from the owners to the open-ended questions are provided without editing in this report. Because the survey was conducted, has been compiled, and is being presented by staff who had a major role in Funnel One, Cohort Three sessions, there is an element of “self-grading.” For that reason, the only descriptive comments appearing below from project staff relate to procedure and process or are statements that clearly are apparent from the data.

Introduction

Two surveys were conducted to obtain satisfaction levels of participants with the set of main sessions and the business advisory workshops.¹ Each of the 25 participants received an email invitation on January 26 with a link to an online survey. Non-respondents were sent multiple reminders. The survey was closed on February 10 with a total of 31 responses. A copy of the survey instrument is attached as a separate document.

General Evaluation of Funnel One Sessions and Workshops (Active Participants)

Five questions elicited general reactions from participants and then more specific questions captured detailed views. Please see Table I, Chart I, Table II, Table III, and Table IV for the general reactions.

¹ As noted earlier, 31 of the companies were considered as participants completing Funnel One. They received the main survey and will be the primary focus in the remainder of this report. Seven companies did not participate actively after their admission and received a shorter survey to probe why. Results from the five responses to the short survey are presented afterwards.

TABLE I.

Now that you have completed this course, how would you rate the entire series of RTP Funnel One sessions? Please choose one answer AND explain your choice.

Answer Options	<u>All Sessions</u> (# of responses)	<u>Percentage of</u> <u>Respondents</u>
Far exceeded my expectations	10	32%
Exceeded my expectations	9	29%
Met my expectations	10	32%
Did not meet my expectations	1	3%
No value add	1	3%

Note: Comments from respondents to this question are shown later starting on page 16.

GRAPH I.

SKILL IMPROVEMENT

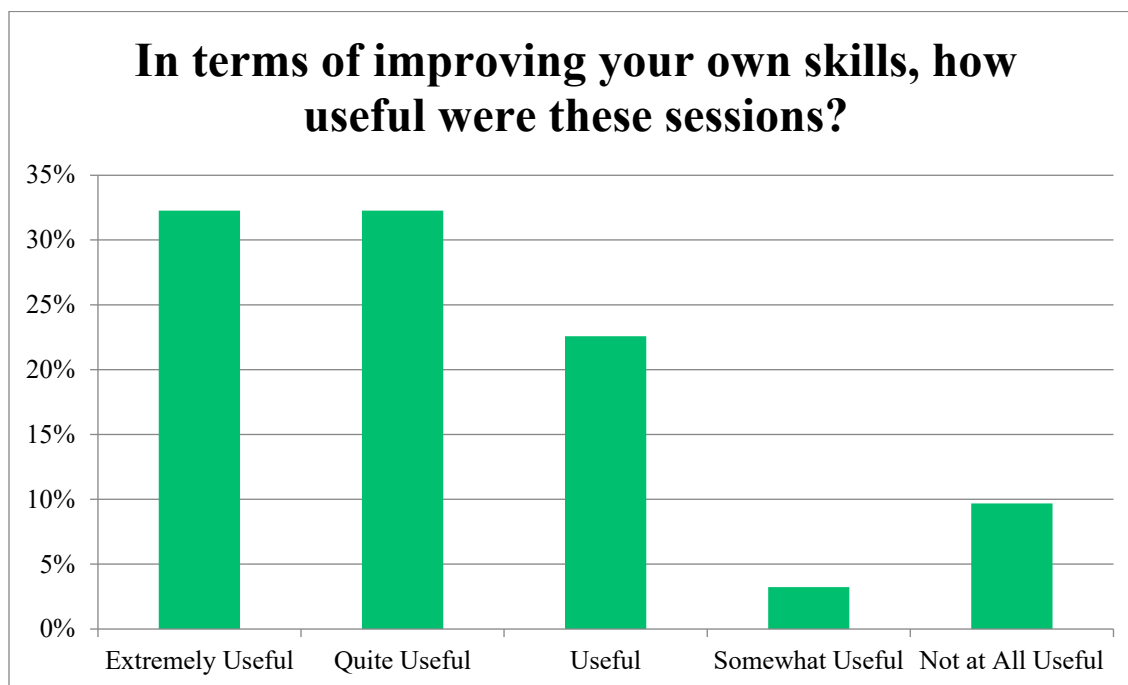


TABLE II.

Would you recommend these sessions to friends, colleagues, or business acquaintances who are not your competitors?

Answer Options	<u>All Sessions</u> (# of responses)	<u>Percentage of</u> <u>Respondents</u>
Yes definitely	22	71%
Yes likely	5	16%
Don't know	2	6%
No unlikely	2	6%
No definitely not	0	0%

TABLE III.

Characteristics of Sessions

<i>Please indicate your level of agreement or disagreement with each of the statements about the sessions.</i>	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
The sessions provided information and content new to me.	52%	35%	0%	6%	6%
The information and content were appropriate for my needs.	42%	42%	10%	0%	6%
I will be able to use this information in my business.	52%	42%	0%	0%	6%
The structure of presentations, exercises, and discussions was appropriate for my needs.	45%	39%	10%	3%	3%

TABLE IV.

Should the Readiness Training Program series (Funnel One) be offered again?

Answer Options	<u>All Sessions</u> (# of responses)	<u>Percentage of</u> <u>Respondents</u>
Yes, without revision	12	40%
Yes, with some revisions/modifications	15	50%
Yes, with substantial revisions/modifications	3	10%
Probably not	0	0%
Definitely not	0	0%

Note: Comments from respondents to this question are shown later starting on page 18.

Specific Training Elements

A series of questions probed for more detailed reactions to the training and the training elements. As shown in Table V, reactions to each of the sessions showed some variation. The second session on November 28 received the most plaudits while the small business finance session on January 9 was rated slightly lower than the others.

<u>TABLE V.</u> <i>Usefulness of Each Session</i>						
<i>Please rate each of the sessions.</i>	<u>Extremely Useful</u>	<u>Quite Useful</u>	<u>Useful</u>	<u>Somewhat Useful</u>	<u>Not At All Useful</u>	<u>Unable to Attend/ Not Applicable</u>
Company Introductions, Local Government HUB Program Overviews—November 14	39%	16%	16%	16%	6%	6%
Communicating Your Capabilities (Value Propositions, Capability Statements, Elevator Pitches)—Brown—November 28	58%	26%	3%	3%	3%	6%
State Government and University Program Overviews & Bid Databases—December 5	32%	32%	12%	13%	3%	6%
Small Business Finance and Securing A Loan—Gonzalez, Bennett—January 9	23%	13%	26%	13%	13%	12%
Regional Technical Assistance Resources—SCORE, SBDC, CWE, Apex Accelerator—January 16	32%	19%	23%	13%	3%	10%
Successful Contractors—Mora, Johnson, Caudle, Callier—January 23	29%	29%	19%	3%	3%	16%

Table VI shows the owners' reactions to several program components. The Participant Folder proved more useful than the website or social media networking group.

<p>TABLE VI.</p> <p><i>Usefulness of Program Activities and Components</i></p>						
<i>Please rate each of these activities and components.</i>	<u>Extremely Useful</u>	<u>Quite Useful</u>	<u>Useful</u>	<u>Somewhat Useful</u>	<u>Not At All Useful</u>	<u>Did Not Use/ Not Applicable</u>
Website	32%	16%	29%	3%	3%	16%
Social Media Networking Group	23%	19%	10%	26%	6%	16%
Participant Folder (download slides, watch a session I missed)	58%	29%	3%	3%	0%	6%
Communication & Interactions with Project Staff	45%	26%	10%	6%	6%	6%
Communication and Interactions with Session Presenters	45%	32%	10%	3%	6%	3%

One question sought information from the HUBs about the most important benefit from the training for them.

Question: What was the single most important benefit you obtained from these sessions? In other words, what single thing did you learn that is likely to help your business now and in the future? If there was nothing, please enter "none."

Verbatim responses are shown below in italics.

<i>The concept of proactive outreach and relationship building with buyers when a proposal does not exist.</i>
<i>Networking and confirming individuals I can engage when/if we have specific questions related to the sessions and content we covered throughout the program.</i>
<i>Slides</i>
<i>Hearing from the procurement professionals and getting appropriate links for vendor signup.</i>
<i>Networking matters</i>
<i>Learning to network and pursue other avenues.</i>

<i>Information on applying and preparing materials for various submission areas (loans, grants, HUBs, etc)</i>
<i>Like I said Cheryl Brown was super helpful. I like stories from others who have done what I am trying to do and what they went through and how they got contracts. But, I also loved the introductions to the agency contacts. That was huge. I LOVE that you make the slides and the saved video available to watch later!! Thank you so much!! Feedback on my Capability Statement was so helpful as well!!</i>
<i>I learned a lot about how to position our company and expertise with government / public agencies through preparing the capabilities statement.</i>
<i>Learning to locate buyers for services my firm offers.</i>
<i>Resources for funding and how to navigate the PO procurement process.</i>
<i>Cheryl Brown's information on available opportunities that can be found outside of the traditional bid channels was informative and her presentation was inspirational for those of us who were looking to deepen our relationships with state and local government bodies.</i>
<i>"Don't boil the ocean" – providing one clear service and not offering "everything" is a key take away for my business.</i>
<i>I used this time as a refresher course as I learned about a lot of these resources in PTAC, or some of the other programs I've participated in.</i>
<i>Value Proposition/Capabilities Statement! Even though I haven't developed my value proposition, knowing about this marketing tool will help me be ready to bid and network!</i>
<i>Information about being registered to do business with different entities, such as AISD, TxDOT and others.</i>
<i>Networking, connecting with decision makers and not being shy to introduce myself and my business.</i>
<i>Since I have had the opportunity to sub for a company from the beginning, I didn't realize how important is to attend events and network. I wasn't aware of all of the organizations mentioned that are so helpful.</i>
<i>The information and the ability to access the slides</i>
<i>All above</i>
<i>How to sign up to receive bid opportunities information through the States</i>
<i>Sending procurement emails, learning on where and when to respond to a proposal and networking with different state and city of austin agencies.</i>
<i>I appreciate the willingness of presenters to be contacted if we had further questions. At times, I may not know what questions I need to ask until later in time.</i>
<i>I learned I can rise as a HUB and can get in the govt. contracting game. I learned how to read and write RFPs & scopes/statements of work. This class gave me confidence <3</i>
<i>All the sessions with Cheryl Brown were SO exceptionally useful. I feel more confident I can do business with the government because of her advice.</i>
<i>I learned that help is available this was the most single benefit for me. I called SCORE immediately and received a mentor in 48 hours.</i>
<i>Understanding the whole process</i>
<i>The networking as we build our businesses.</i>

Question: Please comment on how these RTP training sessions may have changed your thinking about your product, service, market, or business strategy. If the sessions have not affected your business in any way, please enter "none."

Nine owners said “none.” Other comments are shown below.

<i>I will be less reactive and more proactive in encouraging the creation of requests that I can bid on.</i>
<i>Yes</i>
<i>Yea very informative.</i>
<i>Yes - more opps!</i>
<i>Yes, they helped change our strategy for going after bid opportunities and positioning our company and capabilities for them.</i>
<i>RTP training sessions taught me how to be better prepared for strategizing my business services.</i>
<i>For my business, finding a prime is essential.</i>
<i>Cheryl Brown's sessions were the most in line with our current business interests and helped refocus our activities and resource expenditures.</i>
<i>No it was a lot of redundant information that had no use. The presenters didn't give insight as to the RFP process and the ins and outs of proposal writing and resources that would be helpful.</i>
<i>As a digital marketing agency, we tend to be generalist; we work across all marketing channels and have several offerings so when asked "what we do", we have a we do it all mentality. However, this program has made me rethink our company positioning, specifically in the way we share our value. Instead of being a "we do it all" marketing agency, we will focus on highlighting our specialty, influencer marketing.</i>
<i>Yes it definitely, and to focus on really honing in on a particular niche and really becoming extremely knowledgeable in comparison to my competitors.</i>
<i>yes, I changed the the way to present my products.</i>
<i>Yes</i>
<i>Yes!</i>
<i>Yes it did. I am more focused on seeking relevant government organizations that are actively procuring services from my business.</i>
<i>These RTP training sessions changed my way of thinking about my services by reminding me to reword and focus my audience and elevator pitch. I'm grateful for the reminder to keep it simple and blunt, selling to the right audience and/or vendor.</i>
<i>The training sessions changed my thinking about taking a closer look at my services, strategies, and brand. I've been able to enhance my approach and strengthen weaker areas that have been overlooked.</i>
<i>Yes RTP change my thinking and I will be use all that I've learned. It's given me more confidence to be bold and ask for what I need.</i>
<i>Yes, it was a process that has helped me a lot I'm right now a city of Austin registered provider and also SBIR is a program that I'm entering</i>
<i>Yes.</i>

Reactions to the workshops and advisers are shown below in Tables VII and VIII. The third workshop on responding to public procurement solicitations was rated highest and then the first workshop devoted to elevator pitch practice. As shown in Table VIII, satisfaction with the adviser feedback was very high among those that participated.

TABLE VII.*Usefulness of Workshops*

<i>Please rate each of the workshops.</i>	<u>Extremely Useful</u>	<u>Quite Useful</u>	<u>Useful</u>	<u>Somewhat Useful</u>	<u>Not At All Useful</u>	<u>Did Not Use/ Not Applicable</u>
Elevator Pitch Practice with Business Advisers-December 7	45%	19%	10%	3%	3%	19%
Benefits of Certification—City of Austin—December 14	29%	19%	16%	10%	10%	16%
Responding to Public Procurement Solicitations and Preparing Your Proposal—Cheryl Brown—January 11	52%	26%	6%	3%	3%	10%

TABLE VIII.*Satisfaction with Workshops and Advisers*

<i>Please indicate your level of agreement or disagreement with each of the following statements.</i>	<u>Strongly Agree</u>	<u>Agree</u>	<u>Neutral</u>	<u>Disagree</u>	<u>Strongly Disagree</u>	<u>Unable to Attend/Not Applicable</u>
I will be applying for one or more new certifications.	35%	29%	10%	0%	16%	10%
Feedback from the adviser on my draft capability statement was very good.	48%	19%	6%	0%	0%	26%
The elevator pitch advisers provided advice that I have been able to use.	39%	23%	6%	3%	0%	29%
The workshops were the appropriate length of time.	55%	23%	6%	6%	3%	6%

Table IX captures the changes in confidence for the owners. At least three-quarters of the owners said the sessions increased their confidence on all six future-oriented actions.

<p><u>TABLE IX.</u></p> <p><i>Changes in Confidence</i></p>						
<i>After this set of Funnel One sessions, how confident are you in performing the following actions compared to your level of confidence before these sessions?</i>	<u>Much More Confident</u>	<u>More Confident</u>	<u>No Change</u>	<u>Less Confident</u>	<u>Much Less Confident</u>	<u>Not Applicable</u>
Understanding which certifications are appropriate for my business.	39%	35%	16%	0%	3%	6%
Locating bid opportunities.	26%	52%	13%	3%	3%	3%
Knowing how to contact HUB program officials with questions	29%	52%	16%	0%	0%	3%
Communicating your business' past experience to potential customers	32%	52%	10%	0%	3%	3%
Finding a prime collaborator for pursuing bid opportunities	16%	65%	13%	0%	3%	3%
Making good decisions about pursuing a bid opportunity	35%	48%	10%	3%	0%	3%

Comments from Respondents about Their Expectations for the Training (Table I)

<i>I've had some experience with government contracting and the information aligns with what I have been exposed to in the past.</i>
<i>The program was excellent for networking and gaining insights regarding internal business documents (i.e. CS, pitch, etc.). I have previously participated in similar programs through WBENC and NMSDC (through whom we have certifications) but this program offered great reminders and insights specific to local businesses.</i>
<i>Instructors were subpar and sometimes even unprepared, Presentations were often very basic.</i>
<i>Everything to me was so perfect, but the lady that spoke to us about how to negotiate with government agencies blew my mind.</i>
<i>Impressed with course offerings, good experience and good presenters</i>

<i>The truth is I wasn't sure exactly what to expect as far as the structure but I have learned a lot from this and had the opportunity to listen and interact with different with a wealth of knowledge to share</i>
<i>I expected the speakers to be knowledgeable and engaging and they were. The breakouts were valuable bc they gave us opp for specific feedback.</i>
<i>I was very impressed by how organized and informative the program was. I absolutely loved the presentation by Cheryl Brown. She gave tips about government contracts that helped me immensely. I have been trying to do this for years, and sometimes, my APEX organization doesn't tell me what I really need to know, and that's what Cheryl did.</i>
<i>I was not expecting in depth material to be presented at each session. The level of commitment from the presenters and organizers and information was impressive.</i>
<i>The presenters along with information and insight was very informative.</i>
<i>As a new business owner and new to government contract work...the sessions opened up a whole new world for me.</i>
<i>Having been in business for more than a year, I wasn't expecting to find so much useful information in the course and the networking opportunities were quite valuable.</i>
<i>The presenters said that if we had any questions to reach out to them however everyone that I reached out to didn't even bother to respond or answer my emails. If they say they are available to answer our questions then follow through if not please don't say we can contact you if they don't bother responding. Also I didn't get templates or valuable practical information as to how to write a successful RFP. A lot of the information can be found on google or websites. It just seems some of the agency presenter just wanted to keep their jobs and not truly help us.</i>
<i>The program was informative and was a good refresher for my previous research.</i>
<i>A lot of these subjects were introduced to us as we achieved our certifications (HUB/DBE/etc) I wish the content was more high level and focused more on the award process then the programs.</i>
<i>The information shared not only covered the HUB application process, but provided an overview of many areas a Small Business needs to consider before participating in and government project.</i>
<i>At first I was under the impression it was just going to be a seminar with speakers of different backgrounds giving their expertise and advice. But it was extremely engaging and felt that we were all cheering each other on. It is difficult to start and/or grow your own business, so it is nice to feel support and get excited with new ideas that you can use to be successful.</i>
<i>I didn't know what to expect from this program but it provided valuable information. I love how we have the contact info if we want to ask additional questions. At times, the info was overwhelming because there were so many presenters scheduled on the same day but I understand and appreciate that was needed to get all the info across to us.</i>
<i>I am so excited for the next steps in my business. I feel like I really understand the procurement systems a bit better . I think those videos are going to be a resource that I will go back to over and over. It's like I didn't even know what the questions were before the classes so how was I going to ask about what I didn't know! The HUB RTP team did an amazing job with the sessions and the guests were phenomenal.</i>
<i>I found community, learned about how the government procuring works and how I can tailor my business that meets the government needs. Sessions with Cheryl Brown were particularly educational and instructive on how to address proposals and procurement emails.</i>
<i>The overall wealth of information was beneficial from a bird's eye point of view. There was a good variety of all companies and industries. It met my expectations knowing that this is an introductory session, with the foundation being laid.</i>
<i>This invaluable 10-week training, not only inspired me to stay the course, but it elevated my business knowledge, position, and strategy. I mean, I am so impressed and grateful to have been able to be a part of something that is going to sling-shot me into the future. I can feel it in my bones! Wonderful class, experience & small business community <3</i>

I thought the program was for people who already had their HUB certification. So the sessions covering that were not useful at all to me. I'm grateful for all the time and effort put into the program by various organizations, but it often took a lot of time to get to the "meat" of the presentation because of all the introductions, etc. As a small business owner, I'm stressed about time. So I wish the sessions were a little more time-efficient.

The series exceeded my expectations, information was clear and relatable.

I was expecting less information from participating, but now, after participating in the group, I understand the contracting responsibilities for my company to grow.

Future RTP Programs

Two final survey questions elicited suggestions about possible changes and improvements to future Funnel One programs.

Comments about Possible Revisions to the Program

The presentations could survey attendees for questions and base their presentations responsive to those questions.

This is an excellent program for budding businesses or those looking for a refresher on specific topics.

Need better presenters

Breakouts the last 30 mins of allotted time

Possibly shorten the time to 1 hr sessions.

I would suggest a better form of contact for those presenters in regards to contact numbers along with email addresses.

More time on prime/subcontractor relations.

Subcontractor strategies to secure a prime.

Have the presenters response to participants emails and actually help not just show up to present to keep their jobs.

Focus more on the grant writing and/or solicitation response writing aspect of doing business with the Government. I think that's where most people could use the help. If you have participants that don't have a basic working knowledge of the available programs you may want to refer them to their local PTAC or SBA office for one-on-one training.

Maybe reduce the number of presenters in one day.

Well done

It would be beneficial if the presenters knew that we would be able to gain access to the ppts after the meetings. There were a few meetings where a presenter would read off the ppt, decreasing sharing time for other presenters. I would prefer to read it on my own, and allow a presenter to elaborate the ppt they created, giving more insight on their expertise.

Provide all contact info during presentations for each presenter.

Question: If you have any additional comments, criticisms, or recommendations for improving this set of training sessions (Funnel One), please describe them. Use as much space as you need. Otherwise, please enter "none."

<i>See question 13; To the extent that the delivery of information can be responsive to the questions of attendees; I wouldn't collect those questions during the session because there are always attendees that enjoy hearing themselves talk or fall into endless self promotion.</i>
<i>To the extent that the presentations can be engaging, almost entertaining that would be a big benefit.</i>
<i>I was very interested in following up with one of the pitch evaluators. Maybe that can be something that is more openly an option in future sessions...if the evaluators are willing.</i>
<i>I'm very appreciate to all those who took the time out to provide their insight and expertise for the program!</i>
<i>Appreciate the access not only to experts and processes - but also a new crop of potential collaborators and Partners in the other companies. Thanks!</i>
<i>I would suggest a long list of all the organizations represented in the program and their contact information on one sheet. I had to go to each of the slides and write those down. That would be helpful. Also, I would like a better way to get notified of new bids, like www.bidnet.com or any recommendations. I don't like Bidsmart. It uses keywords instead of NAICS codes. Also, help finding the points of contact for HUB in the different state organizations would be helpful too.</i>
<i>I loved the sessions. I'm eager for more education. If anything, the sessions helped me realize that I have a lot of work to do to prepare my business for procurements.</i>
<i>Great work and so helpful. Tkabo Tech has appreciated the effort that went into crafting this program and we're very grateful to have been a participant in it.</i>
<i>Just remind those presenters to respond to emails and follow through with their commitment to help especially if they say please contact me if you have any questions and if I can help but don't actually respond to any emails more insight in the RFP process and templates or handout we can use and help with knowing the language of the RFP process. It would have been better to have multiple sessions or a longer session with Cheryl because she actually gave practical advice and best strategies that we can actually take with us to help us be successful and insight as to the RFP process.</i>
<i>I was under the impression that this program was created for companies that have already obtained some form of certification, so a few of the courses felt redundant.</i>
<i>Thank you for your work. Small businesses are the engine that keeps Austin moving. Programs like this help not only the small business, but the entire metro area.</i>
<i>Thank you. I appreciate all of your efforts :)</i>
<i>For the elevator pitches practices, ensure that the facilitator understands how they should be providing feedback to us. One of the people we had, since I went first, feedback was asking me why I'm in the program? I was taken aback because I was waiting on feedback not an inquiry about why I'm in the program. She never gave feedback. When we changed people the second person was helpful.</i>
<i>Excellent team of facilitators and panelists</i>
<i>The only thing I would add to this experience is more workshops and one-to-one sessions with specific businesses.</i>
<i>Thank you for the time and wisdom! I gained a lot of knowledge, one being that HUB may not be in my best cards at the moment of my business stage.</i>
<i>I think it would be beneficial to have more communication, interaction and networking between</i>

<i>students in the class. I can only name on one hand of other participants. However this would require more class time, which passes the hour mark.</i>
<i>Thank you!</i>
<i>Oustanding job to Dr. Jarrett & the entire IC2 & UT team. You all are doing the Lord's work <3</i>
<i>Thank you for everything.</i>
<i>Again, Cheryl's advice made the program exceptional, because it was guiding us on how to make sense of a very confusing process. More information like that would be great!</i>
<i>Great job, I consider it a privilege to be present in the meetings. Each session, motivated and opened my thoughts and expanded my knowledge. Thank you I am very appreciative of the opportunity.</i>

Second Survey (Inactive Participants)

Our experience with training has shown that every program beyond a single session has inactive participants. There were seven in this second cohort of Funnel One. Several attended the first and second sessions and several others attended three or four main sessions. To determine why, each received an email invitation on January 29 with a link to a five-question online survey. Non-respondents were sent two reminders, and the survey was closed on February 9, with five companies having responded.

Question 1: Would you like to participate in a future set of similar training sessions if UT-Austin offers them? Please choose one answer AND explain your choice if you want to.

One said “yes, definitely,” two said “yes, probably,” and two said “undecided.”

The comment was:

It would depend on session times, and the topics being covered.

Question 2: Although you did not participate in many sessions, did you watch any of the sessions later?

Four of the individuals indicated they had watched at least one of the videotaped sessions.

I did not watch any sessions later	1
Yes, I watched one	2
Yes, I watched two or three	2
Yes, I watched most of them	0
Yes, I watched all of them	0

Question 3 identified a variety of reasons for lack of consistent participation.

<p style="text-align: center;"><u>QUESTION 3.</u></p> <p style="text-align: center;"><i>Reasons for Lack of Participation</i></p>					
<i>Please indicate your level of agreement or disagreement with each of the following statements about why you did not participate in the sessions.</i>	<u>Strongly Agree</u>	<u>Agree</u>	<u>Neutral</u>	<u>Disagree</u>	<u>Strongly Disagree</u>
I had unexpected work tasks that prevented me from attending.	4	1	0	0	0
My vacation plans precluded more participation	0	0	0	2	3
I did not think the information would be useful in my business.	0	1	4	0	0
I was interested only in several of the topics.	1	3	1	0	0
The Tuesday afternoon schedule and length of the sessions were inconvenient.	1	2	2	0	0
Illness/Personal Matters	0	2	0	1	2
Content was too advanced for my needs	0	0	0	4	1
Content was too elementary for my needs	0	1	2	2	0

Question 4: What could we have done differently for you to participate more frequently in the program sessions?

Comments:

I think approaching this more as a business coaching workshop and less as a technical overview of different programs would be useful. More interactivity, more person-centered content and less instruction-style meetings with presenters reading the powerpoints. Breakout rooms for participants to discuss together. Brainstorming activities.

The 4:30 start times interfered with my work schedule. I am a research contractor, and project times are unpredictable. I think an in-person workshop would benefit those of us looking for partnerships.

Pick and choose where we can know in advance the level of contents and profile of speakers.

Many of the speakers were knowledgeable in their areas but were not good speakers. A little too dry which isn't helpful for subjects as dense as the ones covered.

Starting during the work hours was difficult. Starting at 530PM or after would have been ideal. Having shorter more frequent meetings.

Question 5: If you have any additional comments, criticisms, or thoughts to share about this set of training sessions (Funnel One), please share them below.

My business received two short-term contracts during this time that required a shift in my time to turn around work very quickly. I ended up with a conflict during a few of the sessions that I wasn't able to shift.

It was helpful to see the capability statement examples. I had a primary question regarding the contracting process that was kind of brushed aside and not really taken seriously.

The 1st and 2nd sessions were the most helpful in terms of business strategies. I am a HUB but I generally work alone. It's discouraging that so many RFP would require me to build a larger team. It appears that my best strategy is to join a team that is bidding on a job.

The back-to-back PowerPoint presentations were a little sleepy - again shorter more frequent meetings after the work hours would have been easier to digest and follow through.

INTERLOCAL COOPERATION AGREEMENT
BY AND BETWEEN
CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY
AND
THE UNIVERSITY OF TEXAS AT AUSTIN

This Interlocal Cooperation Agreement (this “Agreement”) is entered into by and between Capital Metropolitan Transportation Authority, a transportation authority and political subdivision of the State of Texas organized under Chapter 451 of the Texas Transportation Code (“**CapMetro**”) and The University of Texas at Austin, an agency and institution of higher education organized under the laws of the State of Texas (“**University**”). CapMetro and University are referred to in this Agreement collectively as the “Parties” and individually as a “Party”.

RECITALS:

1. WHEREAS CapMetro is responsible for Disadvantaged Business Enterprise (“DBE”) and Small Business Enterprise (“SBE”) programs designed to enhance DBE and SBE participation in federally and locally funded contracts and procurements. The intent of the DBE and SBE program is to provide full and fair opportunities for equal participation by all disadvantaged and small businesses to compete for CapMetro prime contracts and associated subcontracts.
2. WHEREAS The University, under its IC² Institute, offers a Readiness Training Program (RTP) for small businesses that include intermediate to advanced business concepts, techniques, and information aimed at business growth and in doing business with the public sector.
3. WHEREAS CapMetro will partner with the University to provide business development training services through the University’s IC² Institute’s RTP to DBEs and SBEs that may compete for CapMetro contract and procurement opportunities.
4. The Parties’ execution of this Agreement is authorized and governed by the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code.

Now therefore, in consideration of mutual covenants and agreements herein, the Parties agree to the terms and conditions below as evidenced by the signatures of their respective authorized representatives.

AGREEMENT

1. **Overview.** This Agreement will assist with the education of DBEs and SBEs of CapMetro's Supplier Diversity Program, expansion of the CapMetro's Supplier Diversity Program, and participation of DBEs and SBEs in CapMetro contract and procurement opportunities.
2. **CapMetro understands and agrees that it is responsible for the following:**
 - a) Participate in scheduled meetings with the University's IC² Institute.
 - b) Develop and present training on doing business with CapMetro and present at scheduled trainings under the University's IC² Institute.
 - c) Provide a primary point of contact and back-up for CapMetro's DEI Department.
 - d) Will communicate with the University one week prior to scheduled training if unable to attend or need to be added to future scheduled trainings.
3. **University understands and agrees that it is responsible for the following:**
 - a) Provide a primary point of contact and back-up for the University IC² Institute.
 - b) Include CapMetro naming as a sponsor in IC² Institute's Readiness Training Program marketing materials.
 - c) Market the University IC² Institute's Readiness Training Program to certified DBEs and SBEs.
 - d) Schedule CapMetro to provide at least 2 trainings during the term of the contract.
 - e) Allow CapMetro to reschedule or be placed on future training if unable to attend a scheduled training.
 - f) Provide CapMetro with an ongoing IC² Institute RTP training schedule.
 - g) Provide contact information of DBEs and SBEs participating in the University IC² Institute's RTP.
 - h) Target at least twenty-five firms for training presentations that include CapMetro.
 - i) Make attendance sheets with DBE and SBE contact information available to CapMetro following training provided by CapMetro.
 - j) Provide business development training to vendors aimed at business growth.
 - k) Provide assistance to vendors in seeking contract and procurement opportunities under CapMetro.
 - l) Provide assistance to vendors seeking participation in a Mentor Protégé program.
2. **Term and Termination.** The term of this Agreement ("**Term**") will commence on November, 1, 2024, ("**Effective Date**") and will remain in effect through October 31, 2025 ("**Initial Term**"). The Parties may extend the Term by mutually written agreement for up to one additional 12-month renewal option period ("**Renewal Term**"). Either Party may terminate this Agreement, in whole or part, without cause, upon thirty (30) days' prior written notice.
4. **Financial Terms.**
 - a. **Contract Amount.** The total Agreement amount that CapMetro will pay for UT Austin services will not exceed a total of **\$120,000.00** (\$60,000 for the Initial Term and \$60,000 for the Renewal Term).

- b. **Invoices.** UT Austin will submit quarterly invoices to CapMetro for the services provided in the preceding three months. Invoices shall include UT Austin's name, invoice number, list of specific services provided, and authorized signature verifying invoiced costs are in compliance with the contract terms. Invoices shall be sent to the below address:

Accounts Payable
Capital Metropolitan Transportation Authority
P.O. Box 6308
Austin, Texas 78762-6308

Or via e-mail to ap_invoices@capmetro.org

All undisputed invoices shall be paid within the time period allowed by law through the Texas Prompt Payment Act, Tex. Gov't Code § 2251.021(b).

A semi-annual and annual report of vendors going through the IC² program must be submitted on the following dates prior to issuance of payment. The reports are due on July 31, 2025 and October 30, 2025.

The semi-annual and annual will report will be inclusive of the following information and data:

- Total number of companies enrolled in the program;
- Ethnicity and gender of each company enrolled in the program;
 - African American,
 - Asian American,
 - Hispanic American,
 - Native American,
 - Women American,
 - Male,
 - Female,
- Number of trainings conducted;
- Number of companies in each training;
- Business type for each company going through the program;
- Data by Funnel One and Two; and,
 - Total number of bids submitted to and awards/sub-awards on CapMetro projects by gender and ethnicity and overall, prior to participation in the IC² program.
 - Total number of bids submitted to and awards/sub-awards on CapMetro projects by gender and ethnicity and overall, during participation in IC² program.
- Survey results of companies going through program.

UT will also provide a comprehensive report of UT IC²'s overall program report.

5. General Terms and Conditions

- a. **Funding.** This Agreement is dependent upon the availability of funding. CapMetro's payment obligations are payable only from current funds appropriated and available for the Agreement.

- b. **Amendment.** This Agreement may be amended only in writing by an instrument signed by an authorized representative of each of the Parties. Any amendments that would constitute a substantive modification to the Agreement must be approved by the governing bodies of the Parties.
- c. **Maintenance of Records.** CapMetro and UT Austin will maintain and retain supporting fiscal documents adequate to ensure that claims for Agreement funds are in accordance with applicable State of Texas requirements. These supporting fiscal documents will be maintained and retained for a period of four (4) years from the later of: (a) termination of this Agreement, (b) submission of the final invoices, or (c) until resolution of all billing questions.
- d. **Publicity Releases.** Neither Party may issue any press release relating to this Agreement without the prior approval of the other Party.
- e. **Liability.** TO THE EXTENT PERMITTED BY LAW, THE PARTIES AGREE THAT EACH PARTY IS RESPONSIBLE FOR ITS OWN PROPORTIONATE SHARE OF ANY LIABILITY FOR THE INTENTIONAL, WRONGFUL, NEGLIGENCE ACTS OR OMISSIONS OF ITS EMPLOYEES, AGENTS, CONTRACTORS, OR SUBCONTRACTORS ARISING OUT OF, CONNECTED WITH, OR AS A CONSEQUENCE OF ITS PERFORMANCE UNDER THIS AGREEMENT AND AS DETERMINED BY A COURT OF COMPETENT JURISDICTION.
- f. **Force Majeure.** Except as otherwise provided, neither Party is liable for any delay in, or failure of performance, or a requirement contained in this Agreement caused by force majeure. The existence of such causes of delay or failure shall extend the period of performance until after the causes of delay or failure have been removed, provided the non-performing Party exercises all reasonable due diligence to perform. Force majeure is defined as acts of God, or the common enemy, or the result of war, riot, civil corruption, sovereign conduct, strikes, fires, explosions or other causes that are beyond the control of either Party and that by exercise or due foresight, such Party could not reasonably have been expected to avoid, and which, by the exercise of all reasonable due diligence, such Party is unable to overcome. Each Party must inform the other in writing with proof of receipt within three (3) business days of the existence of such force majeure.
- g. **Texas Public Information Act.** It will be the responsibility of each Party to comply with the provisions of Chapter 552, Texas Government Code ("Texas Public Information Act") and the Attorney General Opinions issued under that statute. Neither Party is authorized to receive requests or take any action under the Texas Public Information Act on behalf of the other Party. Responses for requests for confidential information shall be handled in accordance with the provisions of the Texas Public Information Act. The provisions of this Section shall survive the termination of this Agreement.
- h. **Independent Contractor.** This Agreement will not be construed as creating an employer-employee relationship, a partnership, or a joint venture between the Parties.
- i. **Successors and Assigns.** This Agreement may not be assigned, in whole or in part, by either Party without prior written consent of the other Party. Any attempt to assign this

Agreement, without the consent of the non-assigning Party, will be void. This Agreement will be binding upon and inure to the benefit of the Parties and their successors (if any).

- j. **Applicable Law.** This Agreement will be governed by and construed in accordance with the laws and constitution of the State of Texas.
- k. **Venue.** Venue for any action arising under this Agreement will be in Travis County, Texas.
- l. **Severance.** Should any one or more provisions of this Agreement be deemed invalid, illegal, or unenforceable for any reason, such invalidity, illegality or unenforceability shall not affect any other provision held to be void, voidable, or for any reason whatsoever or no force and effect, such provision will be construed as severable from the remainder of this Agreement and will not affect the validity of all provisions of this Agreement, which will remain of full force and effect.
- m. **Headings.** The paragraph headings contained in this Agreement are for reference purposes only and do not in any way affect the meaning or interpretation of this Agreement.
- n. **Notices.** All notices permitted or required under this Agreement will be in writing and will be delivered by personal delivery, electronic mail, facsimile transmission or by certified or registered mail, return receipt requested, and will be deemed given upon personal delivery, five (5) days after deposit in the mail, or upon acknowledgment of receipt of electronic transmission. Either Party may change its address for notice by written notice to the other Party.

UT Austin: The University of Texas at Austin
 Attn: The IC² Institute
 2815 San Gabriel St
 Austin, Texas 78705
 Phone: 512-475-8900
 Email: jj@ic2.utexas.edu

CapMetro: Capital Metropolitan Transportation Authority
 Attn: Jacqueline Evans
 Diversity, Equity, & Inclusion Department
 2910 E. 5th Street
 Austin, Texas 78702
 (512)-389-7542:
 Email: Jacqueline.evans@capmetro.org

- o. **Sovereign Immunity.** The Parties to this Agreement are governmental entities within the State of Texas and nothing in this Agreement waives or relinquishes the right of the Parties to claim any exemptions, privileges and immunities as may be provided by law.
- p. **Execution in Counterparts/Electronic Transmission.** This Agreement may be executed in any number of counterparts with the same effect as if all Parties had signed the same

document. All counterparts will be construed together and constitute one agreement. A facsimile or other electronic transmission of a Party's signature page binds that Party with the same force and effect as if signed and delivered in original.

- q. **Entire Agreement.** This Agreement represents the complete and entire Agreement between the Parties respecting the matters addressed herein, and supersedes all prior negotiations, agreements, representations, and understanding, if any, between the Parties to the subject matter contained in this Agreement.

[Signatures Page Follows]

DRAFT

In Witness Whereof, the Parties have caused this Agreement to be executed by their undersigned, duly authorized representatives to be effective as of the Effective Date.

Capital Metropolitan Transportation Authority

By: _____
NAME
TITLE

Date: _____

The University of Texas at Austin

By: _____
NAME Linda Shaunessy
TITLE Business Contracts Manager

Date: _____

Readiness Training Program

October 2024 through September 2025

Introduction

The IC² Institute at the University of Texas at Austin proposes to continue the Readiness Training Program for the forthcoming fiscal year of October 2024, through September 2025 (FY 2025). This continuation allows for conducting the fourth cohort for Funnels One (fall 2024) and Two (spring-summer 2025) of the RTP. (Initial support for the training was provided by Travis County, AISD, and the City of Austin.)

Based on the continuing significantly positive participant responses and in-depth discussions about the training framework, project staff believes that only minor changes should occur in the upcoming year.

Both cohorts in the coming year will admit a minimum of 20 companies as was proposed in the initial training series. It is important to note that all six cohorts to date have surpassed their minimum admission goals. The Funnel Two recently completed had 38 graduates, the largest number of companies in any cohort to date. The RTP, moreover, has reached the milestone of over 200 participants. The details about the planned topics and schedules for the upcoming Funnels One and Two are presented below.

Administration

Key staff are Professor John Sibley Butler, Dr. James E. Jarrett, and Mr. J. Jorge Anchondo of Anchondo Research Management & Strategies (ARMS). Ms. Carly Wolosyn will continue as a part-time social science associate, and Dr. Greg Pogue will be contributing on a part-time basis as well. In addition, several undergraduates from the McCombs School of Business will serve as interns.

The following sections describe Funnel One and Funnel Two. Please note that all dates and session and workshop activities are subject to slight changes depending on the availability of speakers and the on-going needs assessment performed within the funnels and workshops.

Funnel One, Cohort Four
(Fall 2024)

At-a-Glance

Goal: Increase the awareness of the governmental contracting process and business practices

Enrollment: A minimum of 20 companies.

Number of Sessions: 5

Number of Workshops: 2-3

Anticipated Start Date: October 29, 2024 with a break for Thanksgiving.

Project Final Date: One final session and one workshop will occur in January 2025.

Comment

The overall schedule will be like that of the fall 2023 sessions and workshops. Technical assistance will be provided to some Funnel One companies by business advisers and advanced business honors undergraduates.

Sequence and Tentative Agenda of Sessions and Workshops (Projected Dates)

Session 1—Welcoming Remarks, Self-introductions by participating HUBs, Presentations by local government HUB office representatives (Travis County, City of Austin, Capital Metro, and Austin Independent School District)

Session 2—Presentations on Value Propositions, Capability Statements, Elevator Pitches

Projected Date: November 12, 2024

(Capability statements from HUBs to be submitted in writing by November 22, 2024, with written feedback provided by advisors and staff by December 10, 2024)

Session 3—Presentations by State and University HUB/DBE/SBE Program Overviews, Certification, Bid Databases—(Comptroller of Public Accounts Statewide HUB Program, Texas Department of Transportation, Texas Facilities Commission, Texas Department of Information Resources, and The University of Texas at Austin)

Projected Dates: November 19, 2024

Workshop #1—Practice Elevator Pitches and Feedback

Projected Date: November 21, 2024

Session 4—Presentations on Regional and Community Resources Available to Small Businesses

Projected Dates: December 5, 2024

Workshop #2—Benefits of Certification

Projected Date: December 12, 2024

Session 5—Presentation on Successful Contracting, Graduation, and Preview of Funnel Two

Projected Date: January 14, 2025

Workshop #3—Responding to Purchasing Solicitations and Developing Proposals

Projected Date: January 9, 2025

Funnel Two, Cohort Four **(Spring-Summer 2025)**

At-a-Glance

Goal: Build the capacity of HUB firms

Enrollment: A minimum of 20 companies.

Number of Sessions: 5

Number of Workshops: 2, two others on construction bonds are optional

Anticipated Start Date: Spring 2025

Project Final Date: Summer 2025

Comment

Based on the three cohorts to date, Funnel Two companies are focused on seeking solutions to immediate problems they are facing and are less receptive to presentations that might not address their current needs. For these reasons and because all evaluations have shown that personalized attention/feedback have been ranked very highly, Funnel Two of cohort four will be customized to the extent possible, given available resources.

Tentative Session Topics (Sequence to be determined)

Welcoming Remarks, Recognition of Sponsors, and Company Self-Introductions

Marketing for Growth

Financing Options for Owner-Operated Businesses

Human Resources

One other session and the second workshop will be selected by the participating companies from such topics as Responding to Purchasing Solicitations, Exploring Federal Opportunities, Competing with Larger Firms, Artificial Intelligence Program Applications, and others. The one session and the workshop will be determined by conducting a short survey of the admitted companies about their preferred topic. (That was the procedure used in the most recent Funnel Two cohort, and it proved successful.)

Scheduled and Optional Workshops/Technical Assistance

An initial workshop will occur on current and near-term local government purchasing opportunities involving the entities that have provided funding. A second workshop will be held on a topic selected by the admitted companies. Participants also will be able to attend the bonding and finance workshops that are described below.

In addition, Funnel Two companies will be provided the opportunity to receive personalized assistance in two ways: (a) review and written feedback on their capability statements by the project business advisers; (b) and one-on-one assistance from a business adviser and/or undergraduate business student for a limited number of hours. Companies requesting personalized assistance will be required to provide specific information about their need(s), and project staff then will match a business adviser and/or business student with that company. Depending on the number of requests, project staff may need to restrict the amount of technical assistance due to budgetary constraints.

Construction-Related Procurement Bonding and Financing

Introduction

The University of Texas at Austin (UT-Austin) will offer two informational workshops on construction-related procurement bonding and financing. The workshops seek to increase the basic awareness and operational knowledge in bonding and financing for HUBs who bid and work on construction and maintenance procurement projects for public sector entities. CapMetro DBE and SBE vendors will be able to attend these workshops, although no funding from CapMetro will be utilized.

The back-to-back sequence and timing of the workshops will change in the coming year. One workshop will cover all the material now presented in two workshops. Project staff will, however, offer two workshops with the revised/identical format during 2025, albeit six months apart. That will enable newly formed construction companies to have more opportunity to participate. The anticipated dates of the workshops are February 2025 and August 2025.

Finance, Audit and Administration Committee
Agenda Date: 10/16/2024

Item #: AI-2024-1293

SUBJECT:

Approval of a resolution adopting the FY2025 Annual Internal Audit Plan.

FISCAL IMPACT:

This action has no fiscal impact.

STRATEGIC PLAN:

Strategic Goal Alignment:

- | | |
|--|---|
| <input checked="" type="checkbox"/> 1. Customer | <input checked="" type="checkbox"/> 2. Community |
| <input checked="" type="checkbox"/> 3. Workforce | <input checked="" type="checkbox"/> 4. Organizational Effectiveness |

Strategic Objectives:

- | | | |
|---|--|---|
| <input checked="" type="checkbox"/> 1.1 Safe & Reliable Service | <input checked="" type="checkbox"/> 1.2 High Quality Customer Experience | <input checked="" type="checkbox"/> 1.3 Accessible System |
| <input checked="" type="checkbox"/> 2.1 Support Sustainable Regional Growth <input checked="" type="checkbox"/> 2.2 Become a Carbon Neutral Agency | | |
| <input checked="" type="checkbox"/> 2.3 Responsive to Community and Customer Needs <input checked="" type="checkbox"/> 2.4 Regional Leader in Transit Planning | | |
| <input checked="" type="checkbox"/> 3.1 Diversity of Staff | <input checked="" type="checkbox"/> 3.2 Employer of Choice | <input checked="" type="checkbox"/> 3.3 Expand Highly Skilled Workforce |
| <input checked="" type="checkbox"/> 4.1 Fiscally Responsible and Transparent <input checked="" type="checkbox"/> 4.2 Culture of Safety <input checked="" type="checkbox"/> 4.3 State of Good Repair | | |

EXPLANATION OF STRATEGIC ALIGNMENT: This plan will ensure good stewardship and internal controls for the agency and supports the CapMetro Strategic Plan.

BUSINESS CASE: Does not apply.

COMMITTEE RECOMMENDATION: This item was presented and recommended for approval by the Finance, Audit and Administration Committee on October 16, 2024.

EXECUTIVE SUMMARY: The Institute of Internal Auditor's International Standards for the Professional Practice of Internal Auditing require risk-based audit plans be developed to determine the priorities of an internal audit activity, consistent with the organizational goals. The proposed FY2025 Internal Audit Plan (the Plan) summarizes the proposed audits and projects that were identified during a comprehensive risk assessment performed by CapMetro's Internal Audit Department. The Plan presents audit activities in two categories:

Assurance Services, and Advisory & Consulting Services. The CapMetro Internal Audit Charter requires that the Chief Audit Executive “present for approval to the Finance Audit & Administration Committee a risk-based Audit Plan which documents the priorities of the internal audit function and is consistent with the Authority’s strategic goals and objectives.” After FAA Committee consideration, the Plan is taken to the full Board for its review and approval.

DBE/SBE PARTICIPATION: Does not apply.

PROCUREMENT: Does not apply.

RESPONSIBLE DEPARTMENT: Internal Audit Department

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

**STATE OF TEXAS
COUNTY OF TRAVIS**

AI-2024-1293

WHEREAS, the FY2025 Internal Audit Plan considers the potential risks and the opportunities of the Authority; and the FY2025 Internal Audit Plan was prepared in accordance with the professional internal auditing standards; and

WHEREAS, the FY2025 Internal Audit Plan provides a mix of audit projects to mitigate risks, develop recommendations for improvement and/or costs savings, and monitor the progress toward implementing past recommendations.

NOW, THEREFORE, BE IT RESOLVED by the Capital Metropolitan Transportation Authority Board of Directors that the FY2025 Internal Audit Plan is adopted and sets a program to provide relevant and useful information to the Board of Directors.

Date: _____

**Secretary of the Board
Becki Ross**



To: Matt Harriss, Member, Chair, Finance, Audit & Administrative (FAA) Committee
Dianne Bangle, Member, Vice Chair, FAA Committee
Leslie Pool, Member, FAA Committee
Becki Ross, Member, FAA Committee

CC: Dottie Watkins, President/CEO

From: Terry Follmer, CPA, MBA, CIA, CISA, CISSP
VP, Internal Audit

Date: October 16, 2024

Subject: **Proposed FY2025 Internal Audit Plan & Annual IIA Governance Requirements**

Purpose

The purpose of this memo is to review the Institute of Internal Audits (IIA) annual governance and communication requirements as well as request the approval from the Board for the proposed FY2025 Audit Plan. The IIA has revised their Global Internal Audit Standards effective 2025 and this memo will highlight key requirements that are required to be approved by the Board, some of which are new. Additionally, this memo contains the proposed CapMetro Internal Audit Plan (Audit Plan) and summarizes the planning methodology and the audit projects that Internal Audit recommends performing during FY2025.

Board Governance of Internal Audit Function

The CapMetro Internal Audit Department follows two sets of internal audit standards, one from the IIA (Red Book), and the other from the U. S. GAO (Yellow Book) which are almost identical in requirements. The chief difference between the two standards is that the Government Accounting Standards issued by the U.S. GAO requires an external quality assessment every three years versus the IIA which only requires the assessment every five years. The revised IIA standards require that the following specific items to be discussed and reviewed by the Board at least annually:

- Internal Audit Department Charter
- Internal Audit Mandate from the Board
- Annual Audit plan and any significant changes



- Annual Budget and resource plan
- The Chief Audit Executive's appointment and removal
- The Chief Audit Executive's Remuneration
- The external quality assessment plan
- The results of the external quality assessment and any action plans

FY2025 Audit Plan & Updates

The Institute of Internal Auditor's (IIA) *International Standards for the Professional Practice of Internal Auditing* require that risk-based plans be developed to determine the priorities of the internal audit activity, consistent with the organization's goals.

The proposed FY2025 Internal Audit Plan (Table 1) was developed by performing a comprehensive risk assessment. This included a risk assessment survey sent to management and Board members, management interviews, and discussions with Board members. The Internal Audit Department also reviewed CapMetro's operating and capital budgets, organization charts, Strategic Plan as well as prior external consulting and audit reports (e.g., FTA Triennial, Quadrennial Performance Audit, etc.), to help ensure other potential risk and opportunity areas were identified and proposed projects are aligned to address the strategic risks of the Authority. The proposed Audit Plan has been designed with a special focus on CapMetro's Strategic Plan with input from the Board and President on down through the organization. Additionally, we collaborated with other Texas transit agencies and reviewed the audit plans of METRO in Houston, VIA in San Antonio, and DART in Dallas.

This year's Risk Assessment (Table 3) identified the top 15 risks facing CapMetro in FY2025 and only one risk (Fuel & Inventory Controls) was new from last year's results. The other fourteen risks were all noted in the prior year risk assessment, however, the risks categories had quite a bit of movement in the shuffling up/down. Some of the more notable movements is that with this being a major election year the risk called "Political Risks – Funding" came in at #1, and with the reduction of the growth rate in Sales Taxes the risk called "Managing Projected Costs vs Revenues" came in at #2. Additionally, the continuation of large capital projects, including the electric bus program, establishing new transit facilities and offices, MetroRapid delivery, the standup of the new North Base Demand Response and CapMetro Police Department facilities was notably reflected in the risk survey results. Some key FY2025 financial drivers of risks are noted as follows: Capital Projects budgeted at \$230 million (e.g., Project Connect MetroRapid Stations; North Base Demand Response Facility; Bus Electrification Infrastructure; and new Fifth & Tillery headquarters); Total Expenses at \$454 million; and Total Revenues budgeted at \$513 million (\$403 Sales Taxes; \$65 million Grants).

The proposed FY2025 Audit Plan was put together using the annual risk assessment and other activities (e.g. interviews; review of FY25 budgets and strategic plan; etc.) detailed above and

contains 26 projects. Three of the proposed projects are required by external regulations as follows: Quadrennial Performance Audit is required every four years per Texas Transportation Code 452.454; the FTA Triennial Review is required by FTA every three years; and a Quality Assessment Review of the Internal Audit Department is required every three years per the Government Auditing Standards issued by the U.S. GAO. Additionally, the Plan includes ten projects that are already “in-process” and two projects (Inventory Controls (Fuel, Parts & Electricity); and A/P Non-PO Procurements) that UT Interns will participate in this Fall semester. With the new operating models for Bus (Keolis contract) and Demand Response (MTM contract) we will be auditing their payroll “pass through charges” to ensure adequate controls are in place to validate accurate and timely payments to service provider staff and related invoicing to CapMetro. The proposed plan also includes two IT projects which includes a follow-up on the cybersecurity assessments conducted by CISA to benchmark against prior year results, and the Annual Cybersecurity Review (i.e., IT Penetration and Vulnerability Assessments) which is performed by a third party. Some other highlights from the Plan are projects in the following areas: Police Department Standup; Capital Projects – Costs & Reporting Controls; new Brinks contract and reconciliation of cash collected; a review of Keolis bus maintenance and training; and a Survey of Oracle Users to identify opportunities for improvement.

The FY2025 audit plan also includes a list of contingent projects (Table 2 – five projects listed as Contingent Audit Projects) that will serve as backup projects that will be performed if the original plan is running ahead of schedule or if some of the projects must be delayed or cancelled. Furthermore, the Audit Plan is meant to be a risk based flexible audit plan so as emerging risks arise or priorities change, the Internal Audit Department will bring these future project changes to management and the FAA Committee for approval.

Internal Audit Budget & Resource Plan

Staffing for the FY25 Audit Plan will use a combination of internal and external resources to perform the projects. This past year the Internal Audit Department completed seventeen audit projects. The FY25 plan includes twenty-six assurance/advisory projects, and Internal Audit believes these additional projects can be completed because ten of the projects are already “in-process” and through better planning, scoping and coordination with management. The department is currently fully staffed with five full time auditors, and we continue to mature the UT Audit Intern program which started in 2018. This Fall semester we will have five graduate Accounting students from UT’s #1 ranked Masters of Professional Accounting program who will be assisting on two advisory projects as part of their required Auditing-2 class. This is our thirteenth semester participating in this highly successful program, and we plan on continuing the UT Audit Intern program with a fresh class in the Spring. Each student in the intern program is providing up to 60 hours per semester (about 5 hours per week) of volunteer project time for the semester as part of their Auditing-2 class. Additionally, on the IT security side we have registered with CISA to follow-up on this year’s cybersecurity assessments, and the external Annual Cybersecurity Review (i.e. IT Penetration and Vulnerability Assessment) is

performed by a consulting firm which is funded by the IT Department. We believe this mix of internal and external resources is sufficient to perform the projects listed in the FY2025 Audit Plan (see Table 1).

The FY25 Internal Audit Department budget of \$1 million is sufficient to support the FY25 Audit Plan and includes an extra \$220K to cover the professional service fees to perform the Texas mandated Quadrennial Performance Audit which has been contracted to come in under budget at \$195K.

Professional Requirements & Auditor Independence

The Internal Audit Department conducts our audits in conformance with Generally Accepted Government Auditing Standards promulgated by the Comptroller General of the United States and the IIA's International Standards for the Professional Practice of Internal Auditing and Code of Ethics. These standards require that we be independent from any entity or person that we audit or may audit and be objective when conducting such audits. Furthermore, IIA Standard 1110 requires that the CAE confirm to the board, at least annually, the organizational independence of the internal audit activity. Capital Metro Internal Audit is organizationally independent of management and, as such, remains objective when conducting audits, and our staff have no conflicts of interest with the proposed FY2025 Audit Plan. Additionally, the Internal Audit Department conforms with the International Standards for the Professional Practice of Internal Auditing.

TABLE 1 – FY2025 Audit Assurance & Advisory Projects

	Audit Project	Audit Type	Audit Objective & Scope	Estimated Hours
1	Semiannual Implementation Status Updates - November 2024	Assurance	Monitor and report on implementation status of previously agreed-upon corrective action plans (CAPs). Status updates are performed twice each year (Spring and Fall.)	200
2	Semiannual Implementation Status Updates - May 2025	Assurance	Monitor and report on implementation status of previously agreed-upon corrective action plans (CAPs). Status updates are performed twice each year (Spring and Fall.)	200
3	FY2025 Risk Assessment & FY2026 Audit Plan Development	Continuous Improvement & QC	Develop the annual risk based internal audit services plan to identify audit and non-audit projects and effectively allocate resources. Update and align the plan with changing organizational risks/opportunities.	350
4	Quadrennial Performance Audit	Assurance & Advisory	State-Mandated Performance Audit per Section 452.454 of the Texas Transportation Code describes the requirements and purpose of the Quadrennial Performance Review.	200
5	FTA Triennial Review	Assurance	FTA Mandated Triennial audit performed every three years by a consulting firm chosen by the FTA.	200
6	QAR (Quality Assurance Review) of Internal Audit practices	Assurance	Complete FY2025 external Quality Assurance Review: GAGAS requires an external peer review at least once every 3 years.	300
7	Keolis Payroll Pass Through Controls	Assurance & Advisory	Build data analytics model to identify potential payroll errors, and ensure controls are appropriate to validate. Ensure Keolis employees are paid in compliance with the Collective Bargaining Agreement and CapMetro is properly billed.	500
8	MTM Payroll Pass Through Controls - New Contract in Demand Response	Assurance & Advisory	Ensure controls are appropriate to validate the MTM employees are paid in compliance with the Collective Bargaining Agreement and CapMetro is properly billed.	500
9	FastPath - Analyze Oracle segregation of duties	Advisory / Consulting	FastPath software has been purchased to analyze segregation of duties (SOD) across the financial transactions (e.g. Payments; Payroll; etc.)	300
10	Oracle Survey - User Satisfaction & Opportunities	Advisory / Consulting	Post implementation survey of users across all department to measure user satisfaction and determine opportunities for improvement.	250
11	Capital Projects - Costs & Reporting Controls	Advisory / Consulting	Review the efficiency, completeness and accuracy of Capital Projects data across Oracle, Planview, and Hexagon. Evaluate whether the training, and policies/procedures are adequate.	400
12	Police Dept Standup (Recordkeeping & Compliance Requirements)	Assurance	Document required recordkeeping and compliance activities per Federal, State and City agencies, and evaluate current controls to ensure compliance.	300
13	Inventory Controls (Fuel & Parts) & Utilities (Electricity)	Advisory & Assurance	Evaluate policies, procedures and systems (i.e. Oracle, Hexagon, GasBoy, etc.)	400
14	A/P Non-PO & P-Card Controls	Advisory & Assurance	Evaluate controls and perform testing of Non-PO purchases which includes P-Card and payments made through Check Requests.	300
15	Brinks Contract and Outsourced Treasury Controls	Assurance	Review Brinks contracts and controls related to the collection, deposit and reconciliation of cash collected on buses.	200
16	Keolis - Bus Maintenance & Training	Advisory / Consulting	Review records related to maintenance training and preventive maintenance plans.	300
17	Automation of Bus Incidents/Accidents Reporting	Advisory / Consulting	Evaluate new automation controls for Bus incident/accident reporting.	400

	Audit Project	Audit Type	Audit Objective & Scope	Estimated Hours
18	Safety Management System (SMS) - Management of Change	Advisory / Consulting	Compliance with FTA requirements related to safety and "management of change".	400
19	Bus Charging Infrastructure & EV Program	Advisory / Consulting	Review project plans related to the EV Bus Program and evaluate where policies/procedures will need to be defined to properly support the EV fleet. Assess the reliability, integration, and maintenance of the charging systems. Review operational responsibilities and identify lessons learned to improve efficiency and system integration.	400
20	Bytemark Contract for e-Ticket & Collections - Administrative Fees	Assurance & Advisory	Review process and technology controls to ensure internal controls over Bytemark e-Tickets and collections have correct administrative fees.	400
21	United Healthcare - Eligibility & Payment Support	Assurance	Review eligibility controls for participants. Ensure proper support for administrative fees based upon contract, and support for United Healthcare claim payments.	300
22	McKalla Station - Capital Project Controls	Assurance	Review construction process for compliance with contracts, policies, procedures and regulatory requirements. Review contract close-out and lien releases.	350
23	BikeShare Program	Assurance & Advisory	Review ILA and other contracts and develop RACI Chart defining all key roles and responsibilities. Ensure credit card fees from Stripe agree to contract.	150
24	CLS System for Right of Way Revenues (Permits, RWIC, Licenses)	Assurance & Advisory	Review orders in CLS system and contracts, and validate proper billing in Oracle. Evaluate billing controls for accuracy and timeliness.	100
25	NIST Cybersecurity Framework (CISA Facilitated Self Assessment) - re-assessment from 2024 baseline	Assurance	CISA will re-perform two reviews (Cyber Resilience Review and External Dependency Mgt) which checks for compliance with best practices as listed in the NIST Cybersecurity Framework	300
26	Annual Cybersecurity Review (Verizon)	Assurance	Annual Cybersecurity Assessment with outsourced IT Penetration & Vulnerability Assessment	200
27	Support to Transit Industry & Professional Organization	Continuous Improvement & QC	Internal special projects including support of local and industry professional associations (ISACA, IIA, APTA, ALGA, Toastmaster, etc.), responding to professional exposure drafts, internal training and other internal quality improvement opportunities as needed. UT Audit Intern Program (Fall & Spring).	240
28	Management Requests, Consulting & Special Projects 1) Advisor on various Committees; 2) Investigations; 3) Emerging Risks & Special Projects as requested, etc..	Advisory / Consulting	Internal auditing best practices include allocating an undesignated contingency for management requests and other unanticipated special projects.	600

TOTAL ESTIMATED HOURS

8,740

Project started in FY2024

UT Intern projects Fall 2024

TABLE 2 – FY2025 Contingency Audit Projects (To Be Used as Backups)

	Audit Project	Audit Type	Audit Objective & Scope	Estimated Hours
1	Lease Vehicle Program - non-Revenue Vehicles	Assurance & Advisory	Review lease contract, fleet utilization, and related controls to ensure contract compliance and proper asset management.	400
2	Microsoft SharePoint & Active Directory	Assurance	The confidentiality, integrity and availability of the Microsoft Active Directory and SharePoint.	250
3	Real Estate - Life Cycle Management & Controls	Advisory	Evaluate controls from cradle to grave as it relates to both purchased and leased properties. Review how the Hexagon EAM and other systems support the maintenance life cycle of the property.	400
4	Grant Reporting Process (Small Starts, Single Audit, Subrecipients)	Advisory	Evaluate grant reporting controls from cradle to grave as it relates to identification to final disposition on every grant application. Review Oracle and other system controls used to monitor and report grant status.	250
5	Board Policies/Goals - Monitoring & Reporting (e.g. OTP; Fare Recovery; DBE; Title 6 Equity Analysis; etc.)	Assurance	Review Board policies/goals to ensure that they are periodically reviewed and updated, and that related performance metrics are being tracked and reported.	300
TOTAL ESTIMATED HOURS				1,600

TABLE 3 – FY2024 Risk Assessment Survey Results

No.	Response	(A) Average of Impact Scores	(B) Average of Likeliho od Scores	(A x B) Residual Risk	(D) Mitigating Controls	Count of Accept Risk	Count of Requires Plan	"Requires Plan" Recommendations to improve Risk Management Activities
1	Political Risks (Federal & State) - Funding & Project Connect	7.4	7.3	54.1	<p>CapMetro will continue to be a supportive voice for continuing the voter approved program of projects from November 2020 and will continue to highlight/educate elected offices on the impact of public transit on the regional economy and overall community wellbeing. Regular updates will be provided to the SET and SMT throughout the new Congress and next session of the Texas Legislature for information and identification of areas / hearings where a CapMetro perspective may be beneficial to offer.</p> <p>For Federal funding and reauthorization in the next Congress, Government Affairs will continue to work closely with APTA, SWTA, TTA, TEX-21, The Bus Coalition, and Transportation Advocates of Texas to highlight the need for continued, sustained and dependable funding contributions to support economic vitality and growth. These advocacy organizations will supplement the work being undertaken by the federal Government Affairs team to bring awareness and attention to the impact of federal funding.</p>	3	4	
2	Managing Projected Costs vs Revenues (Sales Taxes Flat)	7.5	6.5	48.8	<p>Annual Budgets by Department approved by mgt and Board. Monthly tracking of Actual vs Budget with reporting to Mgt/Board. Budget Dept that is separate from Actual accounting that works on ST/LT forecasts and challenges mgt on assumptions. All material expenditures and commitments require approval from the Board. FY24 there is a freeze on FTE growth, with focus on filling/adjusting vacancies first. Developing structured process for evaluating/filling vacancies. The Senior Executive Team conducts a monthly review of operating and capital actual expense vs budget.</p>	3	4	<p>Strengthen Project review processes and procedures to avoid scope creep. In light of ATP being the FTA direct recipient of new starts grants and light rail delivery, a thorough and critical review of workforce needs and FTE growth is needed. Some level of benchmarking with our peer systems would be beneficial with a nuanced review of our core and support functions. Setting up monthly operational and financial key performance indicator tracking could</p>

No.	Response	(A) Average of Impact Scores	(B) Average of Likeliho od Scores	(A x B) Residual Risk	(D) Mitigating Controls	Count of Accept Risk	Count of Requires Plan	"Requires Plan" Recommendations to improve Risk Management Activities
								potentially be beneficial with tracking efficient use of funds.
3	Safety of Operations (Customers & Operators)	7.2	6.4	46.1	Safety Policies & Training; Ops Procedures; Ops Mgt; Safety Plans; Oversight from Mgt, Fed, State & Contractors; Accountability & PDC's; Reg Requirements for Safety Plan; SMS in place; SMS plan in development for new FTA Requirements; Passenger Safety Initiatives planned;	3	4	Improved driver training & mgt; Continued focus on safety systems/policies; Complete required Safety Plan; Develop System Safety Program Plan; Develop improved safety plans, procedures, protocols, policies, and training programs. Continue rollout of Battery Electric bus safety training. Ensure safety plans evolve with technology in a timely manner.
4	Electric Buses - Strategy/Delivery/Mgt	6.2	7.0	43.4	Bus Infrastructure has been scheduled and has been shared with the FTA for MetroRapid (Expo & Pleasant Valley). 2910 Plan developed with Proterra. Contingency is being developed around Proterra recent Bankruptcy. Planning for N Ops expansion with solar grid and bus charging is underway. Close coordination with Austin Energy. FTA required Fleet Transition Plan which is routinely updated. David Carr, Dir of Zero Emission Vehicles. Good contract and OEM management with the bus builders to prevent defects. Additional Field Service Techs have been added to contracts to ensure availability/reliability. New EV specialty shop to address diagnostics and repairs and related training.	3	4	Develop a technology of choice fleet Plan allowing us to look at various zero to near zero emission propulsion system. Use of Hybrid electric vehicles in the future as we review emerging technologies, such as Hydrogen fuel cell buses, keeping an eye on the advances in battery power density and ensuring we stay on course to be carbon neutral in 2040. Continue to work with the newly formed Phoenix Motor Car as the prime OEM for 46 of our delivered battery electric buses working through warranty, parts, and service issues.
5	MetroRapid Delivery	6.8	6.3	42.9	Project Management approach has been developed for overall delivery of the two Rapid lines; including a Risk Register that is regularly reviewed and updated with senior staff; CapMetro monthly Metro Rapid project team meeting; Tri-Party meeting of appropriate department leaders (CM; ATP; COA); Monthly Executive Tri-party meeting (CM; ATP; COA); FTA monthly/Qtrly meeting with CapMetro.	3	4	The first two MetroRapid projects as part of Project Connect will be operationalized in 2025.Plans are being made for potential delivery risks, including charging and bus availability.

No.	Response	(A) Average of Impact Scores	(B) Average of Likeliho od Scores	(A x B) Residual Risk	(D) Mitigating Controls	Count of Accept Risk	Count of Requires Plan	"Requires Plan" Recommendations to improve Risk Management Activities
6	Workforce Shortage, Competition & Development	6.5	6.0	39.0	Over the past two years CapMetro has approved Increases in starting pay for frontline bus and maintenance employees. We are continuing Innovative hiring incentives including increased hiring bonuses, referral bonuses, relocation and temporary housing. In 2023-24 CapMetro completed a comprehensive salary structure and competitive pay review to remain competitive with the market.	3	4	P&C Department is developing updated leadership development training, succession planning and high potential programs to fill leadership and skill gaps and enhance employee retention. Also continuing collaboration with service providers to recruit frontline employees through outreach and marketing campaigns.
7	Standing Up CapMetro Police Dept	7.2	5.2	37.5	<p>CapMetro received TCOLE Authorization in May of 2024. A Chief of Police has been hired and officer hiring is in progress. An ILA has been established with GATRRS and the City of Austin.</p> <p>We have begun procuring vehicles. Coordinating with Marketing on branding/imaging, etc.. of uniforms, equipment, vehicles, etc. P&C helping develop enhanced PD training program including customer and Operator interface.</p> <p>Staff regularly meet with Public Safety Committee which is appointed by the Board. Public Dispatchers are currently being trained to become certified dispatchers. RMS system has been purchased and is being prepped to interface with COA CAD system (CTECC).</p>	4	3	Plans are needed for challenges in hiring officers in a timely manner.
8	Service Provider Performance & Contract Management	6.3	5.3	33.4	Continue to refine Contract & Oversight programs; PDC; Employee engagement; QA in contracts & periodic audits; Contract Management Plans; Contract Monitoring Plans created by PM's; Mode-specific oversight in place; Software (GRC & Contract Performance Mgt) is in the works to help manage this;	4	3	Develop Contract oversight plans to cover all elements within the new model. Focus on pass-through cost and refine performance measures of service providers on how the workforce is managed per the CBA. Use existing tools to develop methods to verify invoicing. Track all costs. Develop revised KPIs with more focus on workforce management (FMLA, Safety, Grievance performance, etc.)

No.	Response	(A) Average of Impact Scores	(B) Average of Likeliho od Scores	(A x B) Residual Risk	(D) Mitigating Controls	Count of Accept Risk	Count of Requires Plan	"Requires Plan" Recommendations to improve Risk Management Activities
9	New Fare Structure - Develop & Implement	5.8	5.3	30.8	A Director of Revenue & Fares was hired during FY24 in the Finance Dept to help lead the development and implementation of the New Fare Structure. Developed a 3 year plan including implementation for Fare collections system and fare structure compaction. Plan includes multi-year plan for future fare increases which requires Board Action. We are also 2 months into the implementation of a new fare system, with rollout scheduled for Spring of 2025; project is on time and on budget.	0	7	In the interim, before the new fare system is rolled out, we continue troubleshooting errors with the current Bytemark/Siemens system and just completed the final draft of the separation agreement with Bytemark/Siemens to formally part ways.
10	Oracle (ERP) Performance & Business Process Optimization	5.3	5.3	28.1	Oracle has Executive Steering Committee that meets monthly to discuss open items and prioritize. FTA grants and requirements will drive needed new reporting. EDAP and ability to pull data quickly and routinely. EAM Consultant being hired to evaluate Hexagon asset management strategy and execution. Oracle University library is being established to track and record specialty classes completed.	4	3	We have just completed a full assessment of the system with the support of Gartner. They provided a staffing framework along with estimates of long-term costs. The updates were presented to the Oracle Steering Committee, and next steps will be to develop a plan around Gartner's findings and present at a near-term SteerCo meeting.
11	Ridership Levels & Creating a Culture of Ridership	5.4	4.3	23.3	While focusing on reliable rider segments that has included students (with a 15% increase in U'T ridership and a 320% increase in "Kids ride free"); agency should simultaneously expand ridership to other markets and riders with mobility options. The introduction of Rapid routes in East Austin provides an opportunity to build ridership in an area that has a mix of reliable riders and potential commuters. The new Decker Pickup zone will be promoted to build a ridership base for the on-demand service Customer Experience monitoring. Customer Experience (CX) testing has been a longer-term mitigation plan for understanding and addressing the customer experience through research, the identification of pain points and corrective actions budgeted and taken that can be publicly shared.	3	4	Balance between transit dependent and transit riders of choice in our Service Plan and reflect that in our fare strategy. Marketing strategy targeting commuters and appealing to the low price of transit as compared to car ownership; sustainable plan for the unhoused and non-destination rides, re-open dialogue with employers. Development of long-term strategy for Pickup service. Develop the new baseline for bus service (local and commuter) based on Transit Plan 2035 recommendations and data from CapMetro's 2024 trip patterns model that would offer a better understanding of service levels we are offering based on service demands and unmet needs.

No.	Response	(A) Average of Impact Scores	(B) Average of Likeliho od Scores	(A x B) Residual Risk	(D) Mitigating Controls	Count of Accept Risk	Count of Requires Plan	"Requires Plan" Recommendations to improve Risk Management Activities
12	Fuel & Inventory Controls	5.0	4.5	22.5	CapMetro uses the following systems to capture the fuel inventory and expenditure cycle: Oracle; Gasboy; Hexagon; and Veeder Root. For parts, CapMetro uses the following systems: Oracle and Hexagon. PO's are required for purchases and physical inventories and reconciliations occur on a monthly basis.	2	5	The Internal Audit Department has sheduled a FY2025 audit of this area to evaluate the adequacy of internal controls and see if there is any opportunities for improvement.
13	IT Risks & Cybersecurity	5.5	4.0	22.0	The Cybersecurity team has now been staffed with seasoned security professionals, and have external monitoring in place to watch for malicious threats. Recently we also launched and had employees complete Cyber Security training via Litmos Learning.	4	3	Continue to work the current plan, which includes yearly cyber security risk assessments and incorporate any findings into the current security framework with a plan and appropriate dates for completion, by the CapMetro CISO and team.
14	Establishing Transit Facilities & Offices	4.5	4.3	19.4	Facility Catalogue to support the Facility Master Plan. SOG in Hexagon and required NTD reporting in compliance with FTA. Facilities costs is included in the long range financial plan.	2	5	Facility Master Plan has been drafted to guiding facility capacity and improvements. Plan includes initiative to map integration between facilities and technology (Hexagon, GIS, BIM). Facility catalogue developed.
15	ATP/CapMetro - ILA, Alignment & Business Process Optimization	4.4	4.0	17.6	JPA and amendments and ILA's will help manage the risk. An ILA is in development to reimburse for current and near term capital costs for the CapMetro components of Project Connect.	4	3	Plans for the next investment will be developed through the Transit 2035 Plan.



Capital Metropolitan Transportation Authority

2910 East 5th Street
Austin, TX 78702

Finance, Audit and Administration Committee

Item #: AI-2024-1302

Agenda Date: 10/16/2024

Review of Internal Audit Advisory Project -- Saltillo Lease



Capital Metropolitan Transportation Authority

2910 East 5th Street
Austin, TX 78702

Finance, Audit and Administration Committee

Item #: AI-2024-1303

Agenda Date: 10/16/2024

Review of Miscellaneous Revenues and the 2021 Quadrennial Performance Audit Trackers

Miscellaneous Revenues Mgt Memos plus 2020 Quadrennial Performance Audit - Recommendations & MAP Tracker as of 9/30/2024

Project Number	Project Name	Report Date	Issue & Risk	Recommendation	Management Action Plan	Target Completion Date	Status
23A-17	RideShare Program - Revenue Compliance Review	2/6/2024	1. Implement Contract Testing by CapMetro: Internal Audit noted that CapMetro management is not performing any verification or validation of the following data provided by Enterprise (Appendix B): <ul style="list-style-type: none">• Vanpool counts, new additions, or terminations which impacts the Enterprise monthly Invoice.• NTD submission for participation.	a) The RideShare Program Manager should consider periodic (e.g. semi-annual) validation, analysis, and testing of the van pools and related participants/coordinators via sampling contracts and related details. This could include but is not limited to reviewing contracts, proof of participants (e.g. signed contract, driver's license on file, etc.).	The RideShare PM will review contracts with individuals during the Satisfaction Survey in October and April. (Survey Completed-Review in Process)	11/15/2024	In Process
				b) CapMetro Customer Care could call at least annually some of the Vanpool Coordinators to discuss their experience as well as validate their participation and other RideShare participants. See recommendations 3a) below.	RideShare PM to send survey to all participants with questions addressed to coordinators and riders in July. Customer Care will assist as needed with contacting participants requesting a callback. (Survey Completed-Review in Process)	11/15/2024	In Process
			2. Ensure All Reports & Deliverables are Received Internal Audit noted that there are some reports and deliverables (Appendix C) that are not received or not received timely: <ul style="list-style-type: none">• Biennial Safety Training Reports - To be conducted on Base Year 2 and Option Year 2 and report due upon request.• Accident/Incident Reports - To be provided as they occur.• Periodic Safety Refresher Training - To be provided quarterly in October, January, April and July of each contract year.	a)The RideShare Program Manager should ensure that all the deliverables are received and on time.	RideShare PM working on updating the contract and includes new dates for deliverables to be received. PM will monitor going forward and let Contract Administrator know if any help is needed.	5/1/2024	Completed
			3. Increase CapMetro Automation & Cross-functional Collaboration: Internal Audit noted that there are opportunities to collaborate with other CapMetro teams to achieve the program goals in an efficient and effective way.	The RideShare Program Manager should consider collaborating with: a) Customer Care should call some of the RideShare participants at least annually to gauge their satisfaction with the program and to benchmark performance of the program over time. This survey could also be used to satisfy recommendation in #1b) listed above.	RideShare PM to send survey to all participants with questions addressed to coordinators and riders in July. Customer care will assist as needed with contacting participants requesting a callback. (Survey Completed-Review in Process)	11/15/2024	In Process
				b) Initiate a Power BI database and dashboard reports where the monthly Enterprise RideShare reports can be loaded, which automatically updates the database and displays various graphs/charts and performance over time. The Contractor datasets could be integrated into EDAP for internal analysis and to automate the reporting and generate timely and consistent data across all RideShare reports.	Rideshare PM to open up a ServiceNow ticket to get the EDAP request in queue. PM will also work with Enterprise for some of the data corrections needed.	12/31/2024	In Process

24-04A	Watco Freight Contract Revenue	2/6/2024	<p>1. Not Receiving & Analyzing Watco's Annual Audit Financial Statements</p> <p>When requested by the Internal Audit Department, Watco was reluctant to share their annual audited financial statements which is required to be provided per contract. Through the help of the Legal, Procurement and Rail Operations Departments we were able to obtain their audited financial statements from Grant Thornton for the years 2013 to 2022. Internal Audit did a simple analysis of the Balance Sheet and Income Statement, and our analysis identified some concerns.</p>	a) Annually, the Rail Operations should obtain Watco's parent company annual audited financial statements and should perform at least a five year analysis on key financial metrics (e.g. liquidity; solvency; etc.) and discuss performance with Watco management and ensure any concerns are addressed.	Rail Operations has obtained the 2023 Watco audited F/S.	3/29/2024	Completed
				b) Rail Operations should compare/contrast (e.g. revenue changes; profitabilty changes; etc..) of the Watco's parent company audited financial statement against the Austin Western Railroad (AWRR) statements that are reported to CapMetro monthly to understand any trends and why the AWRR performance may be significantly different than Watco's consolidated financial statements. CapMetro managment should use this analysis to ask questions of Watco for things that don't make sense and/or may be a risk to CapMetro.	A Quarterly meeting between Finance and Rail Ops will occur in the future to discuss Watco financial performance and any risks that they see.	1/15/2025 Qtrly thereafter	In Process
			<p>2. Lack of Independent Revenue Validations by CapMetro</p> <p>The last attempt by CapMetro to independently validate Watco Revenues was performed by RSM accounting firm for the books and records for the period ending 12/31/2019, which was one of the recommendations in the CapMetro internal audit report dated 4/25/2019.</p>	a) At least once every two years CapMetro should hire a CPA firm to perform "agreed upon procedures" related to testing the completeness and accuracy of the revenues that are reported and shared with CapMetro per the revenue sharing agreement.	Controller will look at developing Agreed Upon Procedures to be performed at least every two years.	12/1/2024	In Process
				b) Continue to obtain annual audit financials and analyze for risks, trends and correlation with the revenues being shared with CapMetro. Unusual and flagged items should be discussed with Watco management.	Rail Operations will obtain annual audited financials and has already provided 2023 audited F/S. The new Director of Revenue will work with Procurement Department will obtain the annual Dunn & Bradstreet Report and review for risks.	12/1/2024	In Process
				c) Obtain car counts from the AEI readers which will help independently validating approximately 1/3 of the revenues that Watco shares with CapMetro.	Rail Operations will buy two new AEI readers. One at McNeil Road (Interchange) MP69.42 and one at McNeil Round Rock MP 71.57.	1/15/2025	In Process

				d) The Railcom system (www.railinc.com) is the official clearing house of all freight rail records, so CapMetro should consider subscribing to this database and performing independent checks. Additionally, this database could be shared with the CPA firm for the reviews listed in 2a) above.	Muriel will research if there is a data set that we can buy to help in the validation of Watco revenues reported.	1/15/2025	In Process
			3. Unexplained Changes in Cash Flows, Expenses & Broken AEI Reader We analyzed the cash flows and expenses for the last five years and noted the following unexplained variances that requires more analysis by CapMetro and a clear explanation from Watco as follows: - Watco's Investment in Giddings & Recoupment Time - UP Asset Utilization Offset - Broken AEI Reader	Perform ongoing analysis of Watco freight revenues and at least quarterly have formal meetings to discuss variances and forecasted changes in revenues and expenses, as well as any changes in the equipment and data sources that are used to prepare the financials that are shared with CapMetro. In particular, the following financial and operational matters need to be resolved: a) Giddings recoupment by Watco of \$3 million has almost doubled in time from the original estimate of 5.5 years to 9 years, so ongoing monitoring and discussions should continue.	Quarterly meeting between Finance and Rail Ops to discuss financial performance and any risks that they see. Create an agenda of standard items to be discussed plus any unusual or new items.	1/15/2025 Qtrly thereafter	In Process
				b) The UP (Union Pacific) Asset Utilization Offset has resulted in UP locomotive pass through charges to CapMetro of \$3.5 million since 11/2019 which has impacted CapMetro cash revenue received by about \$583,000. CapMetro management should obtain support for the \$3.5 million in pass through locomotive charges.	Internal Audit Department has obtained invoices to support the UP locomotive pass through charges. Rail Ops and Watco have agreed on an amount for reimbursement. Procurement and Legal will need to draft a reimbursement agreement with Watco.	In Process	In Process
				c) The AEI Reader should be repaired and used to validate the monthly car counts reported by Watco, thus allowing CapMetro to independently verify approximately one-third of the revenues shared with CapMetro.	Rail Operations will buy two new AEI readers. One at McNeil Road (Interchange) MP69.42 and one at McNeil Round Rock MP 71.57. AEI Reader will be used to validate monthly car counts and related revenues.	1/15/2025	In Process
24-09A	Bright Horizons	12/23/2023	1. Risk of Loss Collections The Internal Audit and the Legal Departments interpretation of the contract is that Bright Horizon has all risk of loss as it relates to the collection of student tuition, therefore the collection and deposit process should change with Bright Horizons taking full responsibilities related to the collection and deposit process.	1) CapMetro should receive a single payment each month from Bright Horizons for the monthly gross tuition billed regardless of what is collected. CapMetro should no longer be involved in depositing individual tuition checks to the CapMetro Account since Bright Horizons has all risk of loss.	Contract model revised to make contractor responsible and at risk for tuition collection	4/1/2024	Completed

			2. Management Fee Increases Internal audit noted that the contract states that management fee is subject to a "minimum escalation by no more than 5%". The management fee increased by 22% from FY 22 to FY23, however, there was no change in tuition rates.	2) As part of the annual budget process, an agreed upon "Management Fee" is agreed upon between CapMetro and Bright Horizons. CapMetro management should consider both the management fee rates and tuition rates before agreeing to terms. Management should evaluate the effects of management fee increases on operations prior to accepting terms.	One year contract only awarded. Management fee was negotiated and BH agreed to reduce by \$25,000	4/1/2024	Completed
			3. Revenue Unreconciled Difference for FY22 & 23 For FY22 and FY23, tuition and fees charged per the Bright Star records exceeded the accounts receivable amounts in Oracle by approximately \$18,000. There is no reconciliation of the revenues by Bright Horizons or CapMetro .	3) Management should reconcile the revenues in Bright Horizons "Bright Star" system to the revenues recorded in CapMetro's Oracle system on at least a quarterly basis if not monthly.	Contract model revised to make contractor responsible and at risk for tuition collection; CapMetro will only pay a fixed monthly fee	4/1/2024	Completed
			4. Lack of Monthly Financial Reporting From Bright Horizons At the time of the audit, Bright Horizons had not been providing monthly financial reports per the contract.	4) Management should obtain the monthly financial statements to monitor the financial status of the childcare center and ensure Bright Horizons operates within the approved annual budget.	Contract model revised to make contractor responsible and at risk for tuition collection; CapMetro will only pay a fixed monthly fee.	4/1/2024	Completed
24-05A Presentation	Investment Income	12/4/2023	1. Oracle Utilization Oracle Enterprise Resource Planning system is not fully utilized to process all outgoing wires.	1) Utilize Oracle Enterprise Resource Planning system to process all outgoing wires since it goes through a more thorough workflow approval process and matching of invoices to the relevant Purchase Orders.	For non-Investment wire transfers a check request should be initiated within Oracle only going forward.	Completed	Completed
			2. Authorizations Initiations, approvals and account changes need to be reviewed.	2) Review the signers and authorizations for JP Morgan to ensure that only appropriate individuals are responsible for initiations, approvals and account changes.	All signers and authorizers have been reviewed and are appropriate.	Completed	Completed
			3. Segregation of Duties Segregation of duties and daily cash wire limits along with appropriate levels of authorization should be reviewed.	3) Review the segregation of duties and daily cash wire limits along with appropriate levels of authorization.	A \$30 million limit is in place and requires three individuals is required to process.	Completed	Completed
			4. Overnight Sweeps Surplus cash at Cash Concentration account is not invested overnight.	4) Implement end of day automatic overnight sweep from Cash Concentration account to a designated money market fund to invest surplus cash. The invested funds are automatically returned the morning of the next trade day.	An overnight sweep has been setup and is in place.	Completed	Completed
			5) FDIC Collateralization Collateralization for amounts exceeding FDIC covered amount (\$250,000, Total DDA) need to be reviewed.	5) Review if cash deposits are adequately collateralized by National Collateral Management Group (NCMG) for amounts exceeding FDIC covered amount (\$250,000, Total DDA).	JPMorgan checks to make sure we are properly collateralized and they coordinate any adjustments.	Completed	Completed
24-03A Presentation	Sales Tax	12/1/2023	1. No Verification of Avenu Insights invoice Invoices received after non-compliant taxpayer paid appropriate taxes.	a) Use the UT Intern model or build a new model to perform quarterly spot tests on Avenu Insights' quarterly invoices in order to recalculate Avenu Insights contingency fee.	Internal Audit will work with Accountant for the next quarterly bill to train and knowledge transfer how the validation works.	6/1/2024	Completed

				b) An employee in the Finance Department should trace the Avenu Insights memo for delinquent taxpayers to the Confidentiality Report from the Texas Comptrollers Office before making payments to Avenu Insights for the contingency fee.	Internal Audit will work with Accountant for the next quarterly bill to train and knowledge transfer how the validation works.	6/1/2024	Completed
			2. Validation of Texas Comptroller Payments CapMetro does not have procedures in place to confirm Texas Comptroller's Office payments are timely and the appropriate amount.	a) A Finance Department employee should periodically trace the gross amount of taxes due to CapMetro from the Confidentiality Report prepared by the Texas Comptroller's Office to the amount deposited to CapMetro's bank account for sales and use taxes collected.	Internal Audit will work with Accountant for the next quarterly bill to train and knowledge transfer how the validation works.	6/1/2024	In Process
24-11A	Bulk Transit Passes	6/13/2024	1. Update Transit Pass Distribution Policy (FIN 113) and form FIN 17 & Ensure Compliance Finance Policy 113 Pass Distribution Policy (FIN 113) in Appendix E governs internal passes provided free to the community (e.g. Emergency, Marketing, Goodwill, etc.). Several manual forms are used to request and track these passes which are saved in SharePoint as follows: Finance Form 17 Pass Request Form (FIN 17 Form – see Appendix C); and the ODR triplicate carbon copy form (Appendix B). We reviewed the controls and compliance related to policy FIN 113 and noted the following weaknesses and opportunities for improvement: •FIN113 policy has not been updated since May 2019 and is inconsistent with the current process and job titles. It also does not mention the FIN 17 form which is the official form to request free passes for community needs. •The policy requires authorization for pass quantities based on position title, but does not specify approved fare media types, duration, or total pass values. •Per policy FIN 113 the Marketing Department is responsible for “tracking distribution of passes”, but we did not see any consolidated periodic reporting to management on these free passes. •The current Standard Operating Procedures (SOP) for Bus Pass Requests (Appendix F) was written by the Marketing Department but is not published on SharePoint Central and conflicts with the FIN113 pass issuance approval limits (<\$75K in SOP vs <200 passes in FIN113). •FIN17 Pass Request forms (Exhibit C) were not properly approved in accordance with the Pass Distribution Policy. •The ODR and FIN17 forms do not capture the requesting department's name and number, therefore there is no tracking and reporting by the requesting department.	Management should consider the following internal control enhancements: a)The Controller should update FIN 113 to reflect current business processes, specify that form FIN 17 should be used, and specify approval levels based upon position title, and specify approved fare media types, pass duration and total pass values. b)The Controller should update FIN 17 form to capture approved purpose for free passes (i.e. Emergency Response, Marketing Program, Customer Service, Community Goodwill) as listed in Policy FIN 113 and downstream reporting should occur for improved visibility. c)The Controller and Manager of Cash Operations should ensure properly completed FIN 17 forms are received before releasing passes. d)The Marketing Department should update SOP for Bus Pass Requests and ensure approval limits align with other company policies (<\$75K in SOP vs <200 passes in FIN113). Updated SOP should be published on SharePoint Central. e)As required by policy FIN 113, the Marketing Department should report to management periodically (e.g. quarterly basis) the details of the free passes (e.g. requesting department; external organization or promotion receiving the passes; media pass type, quantity and value of passes given away).	For the following recommendations, the Finance department will work to get: a)Policy FIN 113 updated with current processes and guidelines as appropriate for signature based on pass numbers and value. b)Form FIN 17 will be updated to reflect current policy as necessary. c)Completed forms when releasing passes and ensure all signatures are appropriate for the level of passes and value. d)Alignment on the SOP from Marketing or FIN 113 for pass value or numbers. e)Marketing to forecast the numbers of passes and their value to be given out over the coming year.	3/31/2025	In Process

			<p>2. Automate the ODR and FIN 17 Forms</p> <p>The Transit Store typically receives pass requests via email. The process is manual with no interface to Oracle. An Order Delivery Receipt (ODR) form is completed for each pass distribution and the document is scanned into SharePoint. For FY2023 there have been 487 ODRs forms related to the distribution of approximately 67,000 passes valued at \$1.2 million. We tested FY2023 ODR transactions and noted the following:</p> <ul style="list-style-type: none">• One ODR (#9018 during May 2023) that was missing – and the pass distribution amount is unknown.• Identified ODR & FIN 17 form instances whereby the approver was missing or incomplete per the scanned copy on SharePoint.• In general, the FIN17 Pass Request forms (Appendix C) were not properly approved in accordance with the Pass Distribution Policy. If approvals were obtained in a separate document, it was not attached to the scanned ODR that is saved in SharePoint.• All the recordkeeping and process is manual with forms scanned and saved to various SharePoint and details are manually keyed into multiple Excel spreadsheets (Transit Store & Accounting Dept) and completed transactions are manually keyed into Oracle to book the sale/transaction. <p>The FIN 17 and ODR forms are completely manually which may result in incomplete documentation and approvals. Additionally, with the current process being highly manual and certain data fields not being captured as noted in Issue #1 above, this results in limited reporting capabilities which increases the risk that errors and irregularities may not be detected timely.</p>	<p>The Director of Revenue & Fares and Controller should consider automating the workflows and approvals related to the FIN 17 and ODR forms. This automation should remove the need to scan and save manual forms to SharePoint, enter each transaction into multiple Excel files, and the related recordkeeping should be online as part of the workflow and if possible interfaced to the Oracle system.</p>	<p>Due to the complexity of this ask, the Finance department will review the recommended changes to processes for implementation and assess if there is a cost or operational risk associated including but not limited to:</p> <ul style="list-style-type: none">a) Modifications to Oracle, which may incur costs associated for a module change or build out, including the ability to associate pass “serial” numbers, signatures, and attachments.b) Purchasing hardware for receipt of passes via signature at the time of pick up.c) Composing and optimizing an associated SOP.d) Assess the ability of external groups to fill out the form, sign the form, and send for approval.	3/31/2025	In Process
			<p>3. HEB Consigned Inventory - Physical Inventory Observations</p> <p>Per the HEB Consignment agreement dated 07/2018, CapMetro has all risk of loss for the passes consigned at HEB stores. As of 2/6/2024 there were 8,389 passes of all types at 32 HEB stores on consignment. FY2023 HEB consignment sales were approximately 35,000 passes for \$751,000 in sales and the Internal Audit calculated market value of HEB passes on consignment as of 2/6/2024 to be \$199,474.</p> <p>We noted that management has not developed written Physical Inventory Policies and Procedures related to the consigned inventory at the HEB stores.</p> <p>Starting in FY24, CapMetro no longer performs a physical inventory of the passes consigned to HEB. Instead, Finance sends a request each quarter-end to HEB for them to provide inventory counts. While the new process provides greater coverage, the HEB staff may not have the same knowledge of the transit pass variations. or diligence level.</p> <p>CapMetro management is currently not performing physical inventory observations of the HEB consigned inventory which increases the risk that errors and irregularities may not be detected timely.</p>	<p>Management should consider the following opportunities to improve internal controls related to HEB consigned inventory:</p> <ul style="list-style-type: none">a) The Controller and Manager of Cash Operations should develop written Policies and Procedures related to the HEB Consigned Inventory Program which should include Physical Inventory requirements including coverage levels (e.g. sample vs full population), frequency, reconciliation, and approval process related to any adjustments.1) Reinststate periodic CapMetro performed physical inventory counts at HEB stores to supplement the current HEB vendor performed counts.	<p>There is currently a process in place that is undocumented. By Q1 2025, the finance department will review improvements we could make to the system, write applicable SOPs, any costs associated with implementing these recommendations including but not limited to:</p> <ul style="list-style-type: none">a) Updating old SOPs that were removed due to COVID times and lack of desire to have inspections/audits performed at the 30+ stores.b) Reinststate Auditing the fare media at the stores periodically.	3/31/2025	In Process

			<p><u>4. Discount Pass Program (DPP) – Eligibility Verification</u></p> <p>The DPP program criteria requires that organizations be evaluated at the inception and then annually to determine if they meet the qualifications to participate in the program. See DPP Application at Appendix G and DPP Guidelines at Appendix H. In order to participate the organization must be a non-profit, not for profit, or government organization and serve a population that is below 125% of the defined poverty level. The DPP program is managed within the Finance Department by the Executive Assistant who validates the organization’s application to participate in the program. Currently there are 97 qualified organizations and FY2023 sales were approximately 4,100 passes for \$29,000. For those qualified organizations, the Transit Store will sell passes at a discounted rate.</p> <p>The DPP guidelines, included in the DPP application, provide the participation requirements for eligible entities. In addition to the initial documentation, there is a requirement that CapMetro send an electronic survey annually to verify that the entity is distributing the passes in accordance with the program policies. We reviewed the compliance with DPP program and noted that CapMetro has not sent the request to revalidate program conformance by the participating organizations. There were no records to validate when the last time the participating organizations were surveyed and the responses received.</p> <p>We noted the DPP program is no longer listed on the CapMetro website and newer programs provide coverage for some or all of the current organizations.</p>	<p>Director of Revenues & Fares and Controller should consider the following changes to the DPP program:</p> <p>a) Current volume at \$29K ticket per year is fairly low and newer programs may provide the coverage for the current organization’s that are in the DPP program. Management should consider “sunsetting” this program and absorbing the participating DPP organization into the newer programs.</p> <p>OR</p> <p>b) Repost the DPP program details on the CapMetro website and ensure compliance with program requirements which includes an annual survey to the participating organizations to confirm that they still meet the requirements of the program. Additionally, the Executive Admin should confirm and document the Not-For-Profit status of the organizations through the IRS website (IRS Letter 5436).</p>	<p>The 97 organizations that are served by this program do not currently fit into the other programs available for discounts. Sunsetting this program, though a low volume, would pose a negative impact on our community. The program is one of the means by which CapMetro can equitably serve and get transportation to under-served communities.</p> <p>Finance will work to ensure the procedures are followed and updated as needed.</p> <p>Additionally, as the department looks to consolidate Fare types (this may be an iterative process and therefore there is no specific deadline for this consolidation effort as it will require subsequent community engagement) the need for this to be stated as a unique and differentiated program on the website may become obsolete, however, we will work to get it reinstated as appropriate</p>	3/31/2025	In Process
--	--	--	--	--	---	-----------	------------

23A-16	Advertising Revenue	8/30/2024	<p><u>1. Intersection Media – Contract Compliance</u></p> <p>a) Weekly Report of Install & Removals – Intersection has not been reporting the installation and removal dates. Additionally, Intersection informed us that they do not remove media on the expiration date unless there is a new media contract to replace it, which ultimately results in unintentional free advertising.</p> <p>b) Photos Not Taken Pre/Post Installation/Removal – no photos have been taken or shared with CapMetro. While contract only requires photos if damages are noticed, discussions with Bus Ops/Maintenance disclosed that damages are occurring during removal as a steel blade is being used instead of a plastic/ceramic blade which significantly increases the risk of scratching the paint on buses.</p> <p>c) Weekly Contract & Billing (Revenue) Report- in lieu of a weekly report, Intersection is providing a monthly Excel revenue report, but this file has only numbers with no formulas or calculations, and does not calculate the percentage discount off the Rate Card.</p> <p>d) Rate Card- a Rate Card is approved by CapMetro annually, but all sale prices observed range from 30% discounts to 100% free bonuses, but no justification for the discounts are provided to CapMetro, so contractual prices are not formally approved by CapMetro.</p> <p>e) Vehicle Inventory Report – Intersection is contractually obligated to provide a weekly report detailing installs, contract numbers, vehicle numbers, etc., but no report is provided to CapMetro showing which vehicles have media, when installed, scheduled removal, which vehicles are available for media, etc....</p> <p>f) Up to 30% of unsold inventory to be used to advertise CapMetro free of charge but no metrics and/or reports are provided.</p> <p>See Appendix A for a table of all contract non-compliance issues identified. Without photos/video for all install/removals, CapMetro has no evidence as to who/how/when vehicles are damaged as well as whether the media was installed/removed timely. Additionally, lack of documentation above does support Intersections contractual requirement to “secure the maximum revenue return to Capital Metro.”</p>	<p>The Marketing Director and Program Manager should consider working with Intersection to ensure the following contract requirements are fulfilled going forward:</p> <p>a) Weekly Report of Installs & Removals</p> <p>b) Photos/Videos of vehicles both pre/post install/removal are performed and saved to CapMetro SharePoint by contract #.</p> <p>c) Weekly Contract and Billing Report is received and includes formulas and calculations, including the discount off of the Rate Card for each contract.</p> <p>d) Pricing deviations from the Rate Card are documented by percentage discount, justification and CapMetro approval of the price deviation.</p> <p>e) Vehicle Inventory Reports are provided at least monthly by Intersection that show which vehicles have media, when installed, scheduled removal, which vehicles are available for media, etc.</p> <p>f) A monthly report is provided by Intersection showing the percentage of the unsold inventory being used to advertise CapMetro.</p>	<p>a. Intersection will develop a weekly report of installs & removals to replace the current live campaign report that is delivered monthly. As of September, a monthly report has been developed of installations - removals is still pending.</p> <p>b. Intersection is investigating providing access to their system which includes this information. If access cannot be granted, MarCom will pursue photo/video documentation in future advertising contracts since this is currently not a contract requirement.</p> <p>c. MarCom will request discount documentation in the revenue report, and we expect a modified report to review by September 2024.</p> <p>d. MarCom will request discount documentation in the revenue report. MarCom will develop an approval process for discounts above a certain threshold in future advertising contracts.</p> <p>e. MarCom expects this data to be included in the updated weekly install and removal report (a). If this data is not captured, MarCom will develop a template for Intersection to complete monthly.</p> <p>f. MarCom has reviewed a preview of a report on the 30% of unsold inventory that is in development. Final report is still pending.</p>	5/1/2025	In Process
--------	---------------------	-----------	--	---	---	----------	------------

			<p>2. <u>Revenue & Damage Controls</u></p> <p>CapMetro has assigned a Program Manager (PM) from the Marketing Department to oversee Intersection contract compliance and related revenues. Contractually, Intersection is to provide a weekly report of install/removals, but we noted no such report has ever been provided. Intersection does provide a monthly campaign report, however it does not include the vehicle placement of the campaign. We noted that no evidence is being collected via video/photos and or physical observations to ensure the install and removals are occurring timely and CapMetro vehicles are not being damaged during this process. Instead, Intersection only provides photos, if damage is noticed. Lack of reports provided by Intersection combined with CapMetro PM not performing physical inventories on a scheduled basis, results in no evidence for the following goals:</p> <p>a) Intersections contractual requirement to “secure the maximum revenue return to Capital Metro.”</p> <p>b)Transit Advertising Policy MKT 102 –the purpose of placement of advertising on CapMetro assets is to “maximize return on investment”.</p> <p>At the request of management in order to identify additional damage inspection controls, we performed several brainstorming sessions with Bus Operations, Vehicle Maintenance, Marketing and the Security Departments. Management came up with a list of additional damage inspection and revenue validation controls that could be implemented (see Appendix E).</p>	<p>Management worked with the Internal Audit Department to develop an excellent list of ten business processes/controls (see Appendix E) that could be put in place to improve revenue validation controls as well as ensure timely detection of bus damages. Management should identify which combination of the ten controls they will implement going forward.</p>	<p>MarCom will work with the Security Department to utilize existing cameras (Option #1) to validate revenue.</p> <p>Operations will participate in future advertising contract changes (5/31/2025 contract expires) to ensure their requirements are met through a combination of the contract plus self-managed controls.</p>	5/31/2025	In Process
			<p>3. <u>Establish MarCom Policies Specific to Film, Video and Photography (FVP)</u></p> <p>Per the Program Manager, oversight for this function was transferred from Real Estate to MarCom in July 2023. MarCom has not developed their own policies related to required FVP project approvals required coordination with other CapMetro departments or developed pricing standards for determining billing rates for use of CapMetro assets.</p>	<p>The Marketing Director and Program Manager should consider developing a policy for Film, Video and Photography requests that identifies required approvals, coordination with other departments and pricing standards.</p>	<p>MarCom has developed a draft Property Use policy in coordination with other CapMetro departments. We expect the policy to be adopted by Q1 FY25.</p>	Q1 FY25	In Process

24-07A	Plaza Saltillo Ground Lease	10/1/2024	<p>1. GOVERNANCE - DEVELOP & MAINTAIN A PERMANENT FILE & CONTRACT MONITORING PLAN</p> <p>Due to the complexity of the lease accounting, materiality of the 10-acre development, and longevity (101-years) of the agreement, detailed historical records must be maintained in a permanent file. We reviewed the contract monitoring controls related to the Plaza Saltillo lease contract and noted the following opportunities:</p> <ul style="list-style-type: none">•While the Program Manager and Finance Department had previously created a high-level Sharepoint folder for Saltillo Development files, they had not established a comprehensive permanent file of key documents (e.g. Financials; insurance; meeting minutes; legal entity diagram; Endeavor contact information; contract monitoring plan; etc.)•Written procedures have not been established and job descriptions do not mention Saltillo Lease related responsibilities. However, Internal Audit helped management develop a Contract Data Requirement List (Appendix C); Contract Monitoring Plan (Appendix D); and a Permanent File.•An annual meeting between Saltillo property management and CapMetro Finance and Real Estate Departments and Program Manager has not been occurring, instead an “in lieu of Annual Meeting” memo (See Appendix G) has been issued each year. Note, CapMetro is the Ground Landlord and has never participated in a Board meeting. <p>Establishing detailed permanent files and written procedures that can be used by current and future CapMetro staff will help in managing the risk and related lease revenues over the life of this 101-year agreement.</p>	<p>The CFO, EVP of Capital Construction Engineering & Design, EVP of Planning Department, along with the Controller in the Finance Department, should consider the following improvements:</p> <p>a)Maintain a comprehensive permanent file of key documents (e.g. Financials; insurance; rentable square footage calculations; meeting minutes; legal structure; contact information; etc.) and ensure that both the Finance and Strategic Planning & Development Departments have a copy and access to these files.</p> <p>b)Create written procedures that establish the roles and responsibilities between the Finance and Strategic Planning Department to be used for the 101-year life cycle of this agreement. Ensure appropriate staff have their Saltillo responsibilities listed in their job descriptions and new staff are properly trained.</p> <p>c)Establish at least quarterly meetings between Saltillo property management and CapMetro’s Finance and Strategic Planning & Development Departments to discuss market conditions and lease revenues. At these quarterly meetings, ensure the documents listed in the Contract Data Requirements List (Appendix C) are received from the Endeavor Real Estate Group according to the quarterly, semi-annual, annual and 5-year schedule.</p> <p>d)The Finance Department should maintain the Saltillo Contract Monitoring Plan (Appendix D) tracker and sign off on the specific month, and make sure new staff is properly trained. The completed Contract Monitoring Plan should be saved to the permanent file.</p>	<p>Management partially agrees with the recommendations.</p> <p>a)Management does not agree that files do not exist. The teams will ensure that the files created in 2017 are organized and maintained as other critical Real Estate documents for CapMetro assets and that internal ownership is properly established and documented.</p> <p>b)The three impacted departments will clearly establish roles and responsibilities and document SOPs and guidelines for compliance with the contract and the collection and maintenance of the revenue stream. SOPs will delineate responsible departments.</p> <p>c)Quarterly meetings are not required due to the long term nature of the market and the single owner of the development. A condo association was created for coordinating multiple owners. CapMetro works on an as needed basis with the owner and annual meetings will begin in early 2025to ensure proper communication and dialogue between the parties. SOPs described in b) will ensure receipt of all data required by the contract (Appendix C).</p> <p>d)SOPs will be established among the responsible departments to ensure contract management and oversight of the land asset.</p>	9/30/2025	In Process
--------	-----------------------------	-----------	---	---	---	-----------	------------

			<p>2. RISK MANAGEMENT - REVIEW INSURANCE AND POLICE DEPARTMENT COVERAGE</p> <p>The contract states, “Landlord may require Tenant to increase the amount of insurance”..., “but not more than one time every five Lease Years”. Section 10.1 also states the property insurance is “not less than 100% of the full replacement value thereof without co-insurance.” CapMetro has not exercised this right yet so we reviewed contract requirements and insurance certificates related to insurance, security and risk of loss and noted concerns:</p> <ul style="list-style-type: none">•Non-Liability for CapMetro Business Partners (See Appendix E) section 9.9 states “Non-Liability of Association, Manager and Declarant for Security” which does not cover CapMetro the Ground Landlord. The section goes on to say “security is the sole responsibility of local law enforcement agencies and individual owners, their tenants” and guests and invitees. With the standup of the CapMetro Police Department (CPD), the roles and responsibilities between APD and CPD related to policing and reporting to city/state/federal agencies will have to be clearly defined.•There is no Saltillo property appraisal provided by Endeavor Real Estate Group, and CapMetro has neither obtained an independent appraisal nor calculation of replacement value, therefore it’s difficult to evaluate if the \$350 million in property insurance coverage provide by Endeavor is adequate.•The 2017 Ground Lease contract in Article X states the following minimum insurance requirements which has never been adjusted up in the insurance certificates: “Commercial General Liability policy with a minimum limit of \$1,000,000 per occurrence aggregate limit of \$2,000,000. Excess/umbrella liability policy of not less than \$19,000,000. (See Appendix H)	<p>The CFO, EVP of Capital Construction Engineering & Design, EVP of Planning Department, along with the Controller in the Finance Department, in the Finance Department, should consider the following improvements:</p> <p>a)CapMetro Management should review every 5 years the liability insurance adequacy in light of CapMetro being the Ground Landlord and having its own CapMetro Police Department and consider asking the Tenant to increase the coverage as required by contract. If any gaps exist after Tenant increase coverage, CapMetro should consider purchasing liability insurance that goes beyond what our business partners must provide.</p> <p>b)CapMetro should review every 5 years the property insurance adequacy by obtaining an independent appraisal and/or calculation of replacement value of the Saltillo development, and compare to the current \$350 million property insurance certificate. If any gaps exist after Tenant increase coverage, CapMetro should consider purchasing property insurance that goes beyond what our business partners must provide.</p>	<p>Management partially agrees with the recommendations.</p> <p>a)The CapMetro police department is tasked, trained and equipped only to address transit-related law enforcement. APD is the appropriate entity to address law enforcement needs on the commercial/residential property. CapMetro will request the annual certificate of insurance or proof of general liability as required by the contract and will review its sufficiency every five Lease Years. CapMetro will require the Tenant to acquire additional insurance per Section 10.2 of the contract if necessary.</p> <p>b)CapMetro will identify the most cost effective and accurate means of confirming the value of the asset no less than every 5 years to determine the adequacy of the Tenant’s insurance and require the Tenant to acquire additional insurance per Section 10.2 of the contract if necessary.</p>	9/30/2025	In Process
--	--	--	---	--	---	-----------	------------

			<p>3. FINANCIAL CONTROLS - ENHANCE CONTROLS RELATED TO LEASE CALCULATIONS & PAYMENTS</p> <p>Lease payments to CapMetro are calculated on two categories: quarterly Base Rent (\$1.8 million annually) and semi-annual Percentage Rent (\$1K annually). Annually the quarterly Base Rent payments are adjusted based upon the following two variables: rentable square footage and the percentage increase in Net Operating Income for the Saltillo property development . We reviewed the contract and current practice and controls and noted the following opportunities for improvements:</p> <ul style="list-style-type: none">•No documented annual Saltillo property walk-through conducted by the Finance and Real Estate Departments looking for changes in RSF and contract compliance related items.•The rentable square footage (RSF) has not been independently validated and it is the primary driver of lease revenues paid to CapMetro. Endeavor is using 869,823 as the RSF but this has not been validated (See Appendix I).•Internal Audit helped management develop a Contract Data Requirements List of key required financial documents (e.g. Financial Statements; Insurance Certificates; Board Meetings & Minutes; etc.) with defined cadence. (See Appendix C)•A plan has not been developed to address the annual audit rights and evaluate using an independent CPA firm to periodically validate accuracy of financials and related lease payments to CapMetro based on contract terms.	<p>The CFO, EVP of Capital Construction Engineering & Design, EVP of Planning Department, along with the Controller in the Finance Department, should consider the following improvements:</p> <p>a) Their staff should jointly conduct a documented yearly Saltillo property walk-through to determine whether Tenants RSF has changed due to either construction or facility usage changes, all operating retail businesses are correctly included in the Percentage Rent calculation, prohibited businesses are not operating on the property, and the property is in good condition (i.e. no trash, graffiti, etc.).</p> <p>b) Evaluate using an independent architect to recalculate the current rentable square footage based upon inspections and engineering drawings. Additionally, consider reperforming the RSF calculations when the Tenant builds on the property or makes changes to the usage of existing structures.</p> <p>c) Request documents from Endeavor based upon Contract Data Requirements List (see Appendix C). The assigned Accountant should attach the statement/document used to validate rental payments to the quarterly journal entries.</p> <p>d) Evaluate using a CPA firm to review and validate the following financial records that impact rental payments to CapMetro as follows: Financial Statements of three legal entities (i.e. Plaza Saltillo Condominium Association; Plaza Saltillo TOD LP; and Saltillo DMA Housing LLC); consolidated Net Operating Income; subtenant contracts that have Percentage Rent clauses with “breakpoints” that escalate rental payments, etc...</p>	<p>Management partially agrees with the recommendations.</p> <p>a) Staff will establish SOPs that include jointly conducting a yearly Saltillo property walk-through to ensure that no prohibited businesses are operating on the property and the property is in good condition. A walk-through will occur before the end of calendar year 2024. CapMetro will identify the most cost effective and accurate means of confirming Tenant RSF for the purpose of determining the Percentage Rent calculation.</p> <p>b) CapMetro will identify the most cost effective and accurate means of confirming the current RSF. CapMetro is notified if any building permits are requested, and the property is currently built to the maximum allowed by City. SOPs will be established that include a periodic review of RSF and changes to the property to support Lease payments.</p> <p>c) SOPs will include procedures for ensuring Contract Data Requirements are met, validated and properly stored as outlined in the Ground Lease.</p> <p>d) CapMetro will identify the most cost-effective means of validating the documents, including at least periodic partial testing of financial records to ensure payments are in line with the Lease.</p>	9/30/2025	In Process
20A-02	2021 Quadrennial Review	1/8/2021	TASK 1 - Administration and Management of the Authority				

			<p>1. Contract Management System</p> <p>CMTA’s primary operations (such as Bus and Rail services) are outsourced to third parties and require effective, efficient, and timely contract management by internal contract managers. However, current procedures and processes are not uniform across the Authority or performed systematically to monitor and manage performance and financial status.</p> <p>Lack of uniform processes across contract managers and operations may negatively impact program efficiencies across the authority to ensure consistent and effective contract management practices.</p>	<p>Management should consider implementing a contract management system that incorporates performance measures, budget to actual financial data, tracking of quality assurance measures performed, and dashboards for monitoring compliance and performance of the data being received, which will ensure a more uniform practice and methodology across the Authority. In addition, a contract management system can result in decisions that are driven and supported through data that can be easily verified by management.</p>	<p>Management's Response: CapMetro tried implementing the Diligent GRC system for contract management, however the Diligent system was determined to be insufficient. Track-it and Hexagon currently contain some contract management features. Contract information, such as amount, year, and option years, is also entered into Oracle. Business owners manage the terms and conditions of the contracts through various means such as checklists and then monitor and update Oracle if needed. Transit Track it will maintain some of the terms of the larger partner contracts and will track compliance within that system for items such as attendance and safety compliance.</p> <p>Responsible Party: Catherine Walker, Andy Skabowski, Tanya Acevedo</p>		Completed (Adopted)
			<p>2. Credential and Qualification Tracking of Staff within Operations and Maintenance Oversight (OMO)</p> <p>Personnel files for staff within OMO can appear to include credential or qualification gaps. However, OMO personnel have historically acquired needed skills and experience through on-the-job training and tenure with the Authority, which is common for Transportation Authority’s.</p> <p>The lack of up to date personnel files prevents management from effectively assessing credentials and qualifications of staff to identify resource and/or training needs.</p>	<p>Management should consider a review of credential and qualifications among OMO staff and ensure files are reflected of this experience that is gained through on-the-job training.</p>	<p>Management's Response: CapMetro has reviewed the personnel files and confirmed their experience to meet the qualifications of their jobs. In addition, P&C is developing a process for conducting talent reviews for all employees and documenting it in Oracle in 2025.</p> <p>Responsible Party: Donna Simmons, Benjamin Sims</p>	2/1/2021	Completed (Adopted)
			TASK 2 - Chapter 451 Compliance Review				
			<p>3. Board Meeting Quorum</p> <p>Texas Government Code § 551.101 states that a quorum must be present to enter into a closed session. While the meeting minutes shows the voting results and apparent quorum after mentioning the closed session occurring, the board minutes do not formally state that a quorum is present prior to the movement to a closed session.</p> <p>The lack of formal documentation of a quorum being met prior to entering closed session could result in future non-compliance with Texas Government Code § 551.101.</p>	<p>Management should revise current practices to ensure the board meeting minutes note that a quorum is present in the recorded minutes before referencing the movement to a closed session.</p>	<p>Management's Response: CapMetro currently has documentation for about 75% of the quorum meetings, but we will be sure to implement this process of documenting meeting minutes going forward.</p> <p>Responsible Party: Ed Easton, copy Cheyenne Conyer</p>		Completed (Adopted)

			<p>4. Dispositions and Destruction Central Tracker</p> <p>Texas Local Government Code § 203.046, states that the governing body may require the Records Management Officer to keep accurate lists of records destroyed and other information as part of their responsibilities, in which CMTA is in compliance with this statute. However, current practices do not include the Records Management Officer maintaining a central tracker to validate the accuracy of destroyed records.</p> <p>The lack of a centralized tracker for validating destroyed records could result in future non-compliance with Texas Local Government Code § 203.046.</p>	<p>Management should consider revising the Records Management Officer's Policies and Procedures to include a process for developing and maintaining a central tracker for compiling lists of dispositions and destruction of documents. This could also include the adoption of a systematic tracking tool that can be easily referenced by Records Management and other stakeholders to validate the accuracy of destroyed records.</p>	<p>Management's Response: A process has been adopted and implemented shortly after the recommendation from Weaver was received on 09/30/2021. A disposition list is now retained and updated.</p> <p>Responsible Party: Julia (Julie) Johnson, Brad Bowman</p>		Completed (Adopted)
			<p>5. Training Requirement</p> <p>Texas Transportation Code § 451.0612(b), requires the Fare Enforcement Officers complete a 40-hour training before commencing their respective duties. However, since this process is outsourced to Herzog, CMTA does not independently maintain files for the training attended to validate completion and ensure the requirements are being met.</p> <p>The lack of a independent validation and retaining of training records of Fare Enforcement Officer training could result in future non-compliance with Texas Transportation Code § 451.0612(b).</p>	<p>Management should consider updating record retention procedures to include maintaining a file with the relevant fare enforcement trainings' documentation to independently validate compliance with the statute. The contract managers should ensure that the required training is being achieved by all the Fare Enforcement Officers by obtaining the training records and storing them within the contract files and other appropriate locations to validate completion.</p>	<p>Management's Response: Conductors replaced Fare Enforcement Officers starting late 2019/early 2020. Conductors still must attend all the same fare enforcement training as part of the Herzog Customer Service Training curriculum. Herzog maintains training records for their conductors in the LMS system, which is updated upon hire and completion of onboarding, as well as once per year for annual trainings.</p> <p>Responsible Party: Muriel Friday, copy Andy Skabowski</p>		Completed (Adopted)
			<p>6. Quadrennial Report Delivery</p> <p>Texas Transportation Code § 451.457, requires the quadrennial reports be delivered to specific recipients (e.g. Texas Governor, Lt. Governor, etc.). CMTA provided the cover memorandum as supporting documentation evidencing the recipient list of the 2012-2015 quadrennial performance report and proof of submission was obtained from the State Auditor's Office. However, CMTA did not maintain proof of submission to more efficiently verify compliance.</p> <p>The lack of retaining proof of submission of the quadrennial performance report to the appropriate stakeholders could result in future non-compliance with Texas Transportation Code § 451.457.</p>	<p>Management should consider implementing a process to retain receipt and proof of submission, for the delivery of the quadrennial reports to the applicable recipients in accordance with the statute. The proof of submission should be part of the record retention procedures and maintained with the final and approved Quadrennial Performance Report.</p>	<p>Management's Response: Government affairs has a process in place to retain copies of transmittal records. There is a joint SharePoint in place with all the letters CapMetro has transmitted to government officials. This process will continue to happen going forward. All final reports should be transmitted to government affairs so they can deliver the reports and record the transmittal.</p> <p>Responsible Party: Government Affairs</p>		Completed (Adopted)
			TASK 3 - Performance Indicator Review				

			<p>7. Increase of Fares</p> <p>CMTA fare recovery is low at approximately 10% of its costs and declined across all modes except for Commuter Bus. Addressing low fare recovery in an environment of declining ridership’s would be counterproductive. However, as ridership recovers, fare increases may be warranted and should be further evaluated.</p> <p>CMTA's fare pricing model may not be sustainable with the increases in the cost of transit operations.</p>	<p>Management, in coordination with the Board of Directors, should continue to review and evaluate its fare policy and pricing model annually and provide recommendations for adjustments that take into consideration the impacts to the community and customer demographics. Additionally, Management should consider the impact of the unlimited monthly MetroAccess pass on fare recovery and identify alternative options that are favorable to the community while increasing fare recovery.</p>	<p>Management's Response: Any fare change requires a Title 6 analysis review, and discussions with the Board and community. Brandi Mohler has documented a plan that will take approximately 2 years for any fare changes to possibly happen. The final decision on fare increase or not is dependent upon board approval.</p> <p>Responsible Party: Catherine Walker, Brandi Mohler</p>		<p>In Process (Pending)</p>
			<p>8. Documentation of Data Reporting and Validation Process</p> <p>The sampling and data validation process reflected consistent reporting across all modes, with the exception of Demand Response (DR) revenue miles, hours, and passenger trips for 2016, 2017, and 2018, which was due to staff turn-over that led to gaps in the process documentation to capture and validate revenue mile and hour reporting for all modes. Although the data was able to be verified and interpreted for the review, improvement to the documentation and storage of data reporting and validation will ensure accurate records for the future.</p> <p>Lack of uniform processes for validating data and maintaining documentation may negatively impact program efficiencies within the authority.</p>	<p>Management should consider formalizing processes for maintaining documentation and the storage of data reporting and validation within the Demand Response Oversight Department. The storage of the documentation should also be accessible to Management to ensure information is not lost due to turnover.</p>	<p>Management's Response: NTD data reporting – We have collected NTD mile and hour data in a single consistent format going back to 2009, storing it in Hummingbird file storage before SharePoint was introduced. However, we were required to receive NTD information from our service providers by contract. Due to ongoing discrepancies (as noted in the quadrennial review) we made our data the source of truth and require that service providers file their S-10s forms with our data. Through FY24, MTM will continue to obtain their own independent audit. In FY25, the new contract moves the independent audit requirement to CapMetro’s contracted auditor (RSM).</p> <p>Responsible Party: Andy Skabowski, Art Jackson</p>		<p>Completed (Adopted)</p>

Miscellaneous Revenues Mgt Memos - Recommendations & MAP Tracker as of 9/30/2024

Project Number	Project Name	Report Date	Management Owners	Prior Status Reported
23A-17	RideShare Program - Revenue Compliance Review	2/6/2024	Rafael Villarreal, Tammy Quinn, and Brandi Mohler	In Process and Completed 1 of 3 Recommendations
24-04A	Watco Freight Contract Revenue	2/6/2024	Muriel Friday, Scott Phebus, and Brandi Mohler	In Process and Completed 0 of 3 Recommendations
24-09A	Bright Horizons Daycare	12/23/2023	Donna Simmons, Benjamin Simms, and Sherine Spence	Completed 4 of 4 Recommendations
24-05A Presentation	Investment Income	12/4/2023	Catherine Walker and Nadia Nahvi	Completed 5 of 5 Recommendations
24-03A Presentation	Sales Tax	12/1/2023	Nadia Nahvi and Brandi Mohler	In Process and Completed 1 of 2 Recommendations
24-11A	Bulk Transit Passes	6/13/2024	Nadia Nahvi and Brandi Mohler	In Process and Completed 0 of 4 Recommendations
23A-16	Advertising Revenue	8/30/2024	Cynthia Lucas, Derek Heino, and Brandi Mohler	In Process and Completed 0 of 3 Recommendations
24-07A	Plaza Saltillo Ground Lease	10/1/2024	Nadia Nahvi, Julie Barr, and Brandi Mohler	In Process and Completed 0 of 3 Recommendations

Quadrennial Performance Audit Recommendations & MAP Tracker as of 9/30/2024

Project Number	Project Name	Report Date	Management Owners	Prior Status Reported
20A-02	Quadrennial Performance Audit	1/8/2021	Various Departments	Completed 7 of 8 Recommendations



Capital Metropolitan Transportation Authority

2910 East 5th Street
Austin, TX 78702

Finance, Audit and Administration Committee

Item #: AI-2024-1286

Agenda Date: 10/16/2024

Internal Audit FY2024 Audit Plan Status - October 2024

FY24 INTERNAL AUDIT PLAN

Department Scorecard

	Projects	Status & % Complete	Additional Details
	FAA COMMITTEE & INTERNAL AUDIT CHARTER COMPLIANCE		
1	Finance, Audit & Administration (FAA) Committee Meetings: 10/11; 11/8; 12/4; 1/17; 2/14; 3/18; 4/10; 5/8; 6/12; 7/10; 8/12; 9/11	Completed	Ongoing
2	Semi-annual Implementation Status Report - November 2023	Completed	December
3	Semi-annual Implementation Status Report - May 2024	Completed	June
4	FY2024 Risk Assessment & development of FY25 Audit Plan	Completed	October
	FY24 Audit Assurance & Advisory Projects		
1	CapMetro/ATP Billing Processes	Cancelled	
2	Keolis Contract - Payroll Pass Through Controls	In-Process	UT Interns - May
3	Hexagon (Infor) Enterprise Asset Mgt System - post go live review	Completed	June
4	Paratransit & Demand Response Operations	Completed	August
5	Analyze Oracle segregation of duties (using FastPath system)	In-Process	Carryforward FY25
6	MV Contract - Payroll Pass Through Charges	Completed	February
7	Miscellaneous Revenue Controls (9 of 11 areas completed)	Completed	2 In Process
8	Automate Incidents/Accidents Reporting (Bus - switch to TrackIt system)	In-Process	Carryforward FY25
9	GHG & Carbon Footprint Reporting	Completed	UT Interns - Jan
10	Sales Taxes - Revenue Controls	Completed	UT Interns - Dec
11	Investment Income - Revenue Controls	Completed	UT Interns - Dec
12	Watco Freight Revenue - Revenue Controls	Completed	UT Interns - Dec
13	2021 Quadrennial Performance Audit recommendations - Implementation Status on 8 recommendations	Completed	September
14	GRC (Governance Risk & Compliance) System Implementation (Risk Register; Safety Dept; Internal Audit Dept; etc.)	Cancelled	No GRC System
15	Safety Management System (SMS) - Management of Change (Advisory)	Draft Report	Carryforward FY25
16	Bus Charging Infrastructure & EV Program	In-Process	Carryforward FY25
17	AMP Cards & Administrative Charges	In-Process	Carryforward FY25
18	United Healthcare - rescoped to Eligibility Review & Fees/Expenses	In-Process	Carryforward FY25
19	McKalla Station - Design Build Effectiveness	Draft Report	Carryforward FY25
20	NIST Cybersecurity Framework (CISA Facilitated Self Assessment) - re-assessment from 2023 baseline	Completed	11/13/2024 Exec Session for Briefing
21	Annual Cybersecurity Review (Mandiant)	Completed	11/13/2024 Exec Session for Briefing
22	Quadrennial Performance Audit - Selection Process but FY25 Budget/Execution	Completed	September
	CONTINGENT AUDIT PROJECTS - FY24		
1	Microsoft Sharepoint & Active Directory		
2	Salary Adjustment & Merit Process		
3	Rail-FRA PTC Change Management Requirements (Herzog)		
4	Board Policies/Goals - Monitoring & Reporting (e.g., OTP; Fare Recovery; DBE; Title 6 Equity Analysis; etc.)		
5	Capital Project Controls (McKalla Station; MetroRapid; DR N Facility Build;)		
6	Spare Labs.com - Demand Response System Implementation		
7	Lease Vehicle Program - non-Revenue Vehicles		

	NEW PROJECTS ADDED TO FY24 AUDIT PLAN by Terry Follmer		
1	Miscellaneous Revenues - Tracking & Reporting on Implementation Status	Completed	May; October
2	Delegations of Authority - Advisory Project with Legal Department	In-Process	Carryforward FY25
3	RFP & Vendor Selection Observer - Demand Response	Completed	July
4			



Capital Metropolitan Transportation Authority

2910 East 5th Street
Austin, TX 78702

Finance, Audit and Administration Committee

Item #: AI-2024-1287

Agenda Date: 10/16/2024

Executive Finance and Administration Monthly Update - October 2024

Update on recent activities, statistical data, personnel changes, communications and public outreach