

THOMAS P. DINAPOLI
COMPTROLLER



110 STATE STREET
ALBANY, NEW YORK 12236

STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

July 11, 2013

Mr. Thomas F. Prendergast
Chairman and Chief Executive Officer
Metropolitan Transportation Authority
347 Madison Avenue
New York, NY 10017

Re: Selected Aspects of Bus Fleet
Maintenance Report 2013-F-8

Dear Mr. Prendergast:

Pursuant to the State Comptroller's authority as set forth in Article X, Section 5 of the State Constitution; and Article II, Section 2803 of the Public Authorities Law, we have followed up on the actions taken by officials of the Metropolitan Transportation Authority (MTA) to implement the recommendations contained in our audit report, Selected Aspects of Bus Fleet Maintenance (Report 2009-S-51).

Background, Scope and Objective

The MTA is a public benefit corporation providing transportation services in and around the New York City metropolitan area. The MTA consists of six constituent agencies and includes a Headquarters which provides administrative support. The MTA New York City Transit (Transit) provides bus service throughout New York City. Transit operates 4,431 buses and 20 depots, and has 14,136 employees. The MTA Bus Company (MTA Bus) provides bus service in certain areas of New York City. MTA Bus operates 1,264 buses and eight depots, and has 3,526 employees. The combined bus maintenance cost for the two constituent agencies for 2011 was \$664.3 million.

The MTA has designated a Chief Maintenance Officer, who sets maintenance standards for the entire bus fleet. The standards include a Schedule of Operation Inspections and Cycles, which details the type and frequency of preventive maintenance and major component inspections to be performed on the bus fleet. These standards, along with various directives, technical bulletins and maintenance reports, are accessible to Transit and MTA Bus staff on Transit's Department of Buses Information Center (DOBIC).

Our initial audit report, which was issued on December 23, 2010, examined whether the MTA (1) has standards and procedures for the maintenance of its bus fleet, (2) performs bus maintenance in compliance with these standards and procedures, and (3) has a comprehensive

maintenance plan for its bus fleet. The objective of our follow up was to assess the extent of implementation, as of June 21, 2013, of the seven recommendations included in our initial report.

Summary Conclusions and Status of Audit Recommendations

We found that MTA officials have made significant progress in correcting the problems we identified. We found that the MTA has implemented four recommendations and partially implemented three recommendations.

Follow-up Observations

Recommendation 1

Communicate to all maintenance facilities the necessity to complete all required inspections in a timely manner, and monitor the maintenance facilities to ensure that the inspections are being done as required by staff that have been properly trained.

Status - Implemented

Agency Action - MTA officials stated that they met to review the Scheduled Operations Program, administration of the Program, the on time criteria and reports to monitor compliance. They established a one-day training class for the depot's Superintendents of Maintenance to review the Program in greater detail. Additional sessions were held in 2012 and 2013. They also created a Quality Assurance Unit which visits two depots a day and checks one bus at each depot. In addition, they issued a Maintenance Directive that is on DOBIC.

Recommendation 2

Review the maintenance computer system to ensure that the maintenance schedules for transferred buses are accurate, and require the Chief Maintenance Officer and local depot management to monitor the initial cycle of maintenance scheduling for such buses.

Status - Partially Implemented

Agency Action - MTA officials indicate that they issued a memorandum detailing the responsibilities of Chief Maintenance Officer, information systems team and the depot's Superintendent of Maintenance when buses are transferred. In addition, the information on maintenance computer system is reviewed weekly. However, we found that the maintenance schedules for two of the six transferred buses we reviewed were not accurate. It took at least four inspections for the cycle to be corrected.

Recommendation 3

Inspect and monitor the buses at the LaGuardia depot which did not receive the required inspections, and determine whether they should be overhauled or have major components replaced.

Status - Partially Implemented

Agency Action - MTA officials indicated they inspected the buses and determined there was no indication of any long term effects on the vehicles. However, they did not have any records to support their conclusions. Our review of the five buses at LaGuardia shows that two were scrapped in 2010 and Transit officials subsequently agreed those buses were never re-inspected. One bus was inspected until June 2012 when it caught fire and was taken out of service. The remaining two buses were not inspected as required. For example, one bus did not have the required documentation to support that three scheduled operation "D" inspections, fire extinguisher checks, or electrical checks were performed. Although Transit's maintenance computer system indicates that these required inspections were performed, the depot did not have the required inspection reports.

Recommendation 4

Adjust the mean distance between bus failures goals so that no depot's goal is lower than its required inspection intervals.

Status - Implemented

Agency Action - As of March 2013, the mean distance between failure goals for all 28 depots is higher than the required inspection cycle.

Recommendation 5

Take corrective action when a depot fails to meet its goal for mean distance between failures, and in particular, when a depot's actual mean distance between failures is lower than its buses' required inspection intervals.

Status - Implemented

Agency Action - MTA officials stated they have implemented several stages of performance monitoring including establishing a Business Strategy which includes audits of depots with recommendations for improvement, a 60-day follow up, and a subsequent six month review. The previously mentioned Quality Assurance Unit coupled with the Business Improvement Strategy focuses on the inspection of the buses instilling quality and uniformity.

Recommendation 6

Determine why the MTA's bus maintenance cost per mile is so much higher than the cost at other transportation agencies. Identify best practices at the other transportation agencies that could be used by the MTA, and develop a plan to reduce the MTA's bus maintenance cost per mile.

Status - Partially Implemented

Agency Action - MTA officials indicate they have engaged in teleconferences and meetings with other transportation agencies to discuss maintenance practices and procedures. The MTA has not developed a plan to reduce bus maintenance cost per mile.

Recommendation 7

Develop a comprehensive bus maintenance plan and ensure that the plan is made available to all employees with bus maintenance responsibilities.

Status - Implemented

Agency Action - MTA officials developed two bus maintenance plans that are available to employees with bus maintenance responsibilities. One plan is for MTA Bus which receives federal funding and the other for Transit which does not receive federal funding. The plans are supplemented with DOBIC, an electronic library of manuals, bulletins, directives, and manufacturer requirements for the buses used by MTA.

Major contributors to this report were Robert Mehrhoff, Myron Goldmeer, Joseph Smith, Aurora Caamano and Katie Brent.

We would appreciate your response to this report within 30 days, indicating any actions planned to address the unresolved issues discussed in this report. We also thank the management and staff of the Metropolitan Transportation Authority for the courtesies and cooperation extended to our auditors during this follow-up review.

Very truly yours,

Carmen Maldonado
Audit Director

cc: M. Fucilli, MTA Auditor General
D. Jurgens, MTA Audit Services
T. Lukacs, NYS Division of the Budget