EXECUTIVE SUMMARY
VEHICLE MAINTENANCE & OVERSIGHT AUDIT #13-14

While day-to-day vehicle maintenance is outsourced to contractors, Capital Metro remains accountable for maintaining a “state of good repair” for about 500 fixed route and paratransit vehicles.

MANAGEMENT HAS AGREED TO:
- Align the contractual and in-practice definitions of a road call by March 2014. Develop business process(es) to ensure accuracy of reported service metrics, including Miles Between Road Calls (MBRC) metric by December 2014.
- Work with contractors to identify minimum reporting requirements regarding failure and defect trend analysis. Revised “predictive maintenance” reports will be available by July 2014.
- Perform quarterly reviews of modifications to Spear work order templates to ensure acceptability and to verify if contractor users’ continued access to the system is acceptable.
- Co-locate VMQA inspectors on site with contractors one day per week, as part of a 90-day pilot project.
- Modify contracts, as needed, to clarify and increase consistency among contractors.

Are contractors performing required maintenance of Authority owned fixed route and paratransit vehicles timely and in accordance with contractual requirements?

- McDonald Transit has generally met contractual standards for timely preventative maintenance inspections (PMIs). However, only 47% of McDonald’s quality inspections were rated acceptable or higher by Vehicle Maintenance Quality Assurance (VMQA).
- First Transit calendar-based PMIs were timely but 40% of mileage-based PMIs were late. Only 10% of VMQA’s quality inspections were rated “acceptable.” First Transit’s performance is important given they will service both MetroRapid as well as the vehicles which are transitioning from Veolia.
- 46% of Veolia’s PMIs were reported as untimely by VMQA. Only 4% of Veolia’s quality inspections were rated as “acceptable” by VMQA. This contract is currently winding down and will not be renewed.
- MV Transportation completed both calendar- and mileage-based PMIs timely. All VMQA inspections of MV were rated “good” or “acceptable.”

Does the Authority's quality assurance oversight effectively identify, communicate and resolve maintenance deficiencies to help ensure the safety and reliability of revenue vehicles?

- PMI timeliness monitoring is effective when contractors use Spear, Capital Metro’s asset management system. Effective November 2013, all contractors except Veolia use Spear to manage maintenance tasks.
- No late repairs or “out of service” contract penalties were assessed during the January-September 2013 audit period. A corrective action plan to calculate and assess past due penalties for First Transit and Veolia was submitted to the Deputy CEO/COO prior to the audit. Maintenance related contractual disincentives were not audited due to a lack of supporting documentation.
- VMQA’s monitoring approach and frequencies are evolving to address known risks. Data analytics, when combined with predictive maintenance, can also be used to focus contractor and BPS resources on high risk areas and improve maintenance outcomes.

Other observations:

- Miles Between Road Calls (MBRC) is understated if the contractual definition of a road call is followed. The historical definition currently in use excludes electronics and other incidents in which the reported problem could not be replicated. First Transit and Veolia road call counts are supplied by the contractors and are not independently validated.
- Controls over contractors’ access and updates to the Spear asset management system were not sufficient to prevent unauthorized systems modifications.

SIGNIFICANT IMPROVEMENTS NEEDED
SOME IMPROVEMENTS NEEDED
ACCEPTABLE CONDITIONS