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of Transportation
**Federal Transit
Administration**

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October 17, 2014

Mr. Gary Gillespie
Lane Transit District Board Vice-President
P.O. Box 7070
Springfield, OR 97475

Re: Federal Transit Administration FY 2014 Triennial Review – Final Report

Dear Mr. Gillespie:

This report documents the Federal Transit Administration's (FTA) Triennial Review of Lane Transit District (LTD) in Eugene, Oregon. This review is required by Chapter 53 of Title 49, United States Code, Section 5307. Although less exacting than an audit, the Triennial Review is the FTA's assessment of LTD's compliance with Federal requirements, determined by examining a sample of grant management and program implementation practices. As such, the Triennial Review is not intended as, nor does it constitute a comprehensive and final review of compliance with grant requirements.

The Triennial Review focused on Lane Transit District's compliance in 17 areas. No deficiencies were found with the FTA requirements in 15 areas. Deficiencies were found in the *Procurement* and *Satisfactory Continuing Control* areas. There were no repeat deficiencies from the prior review.

Thank you for your cooperation and assistance during this Triennial Review. If you need any technical assistance or have any questions, please contact Thomas Radmilovich, FTA, at 206.220.7953 or at thomas.radmilovich@dot.gov.

Sincerely,

R. F. Krochalis
Regional Administrator

NOT FORWARDED AS:

Record Copy: TL

Nonrecord Copy: KP
RK
SL
MT



FINAL REPORT
FY2014 TRIENNIAL REVIEW

of

**Lane Transit District
(LTD)**

**Eugene, Oregon
Recipient ID: 1738**

Performed for:

**U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION
REGION X**

Prepared by:

Interactive Elements Incorporated

**Scoping Meeting Date: July 14, 2014
Site Visit Dates: August 13-14, 2014
Final Report Date: September 15, 2014**



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I. Executive Summary

This report documents the Federal Transit Administration's (FTA) Triennial Review of the Lane Transit District (LTD) in Eugene, Oregon. The review was performed by Michele Butchko of Interactive Elements Incorporated. During the site visit, administrative and statutory requirements were discussed and documents were reviewed. LTD's facilities were toured to provide an overview of activities related to FTA-funded projects.

The Triennial Review focused on LTD's compliance in 17 areas. Deficiencies were found in the areas listed below.

Review Area	Deficiencies	
	Code	Description
Satisfactory Continuing Control	107	Inventory results not reconciled to equipment records
Procurement	290	Lacking required justifications and documentation for non-competitive award

II. Review Background and Process

1. Background

The United States Code, Chapter 53 of Title 49, requires the FTA of the United States Department of Transportation (USDOT) to perform reviews and evaluations of Urbanized Area Formula Grant activities at least every three years. This requirement is contained in 49 U.S.C. 5307(i). This review was performed in accordance with FTA procedures (published in FTA Order 9010.1B, April 5, 1993). At least once every three years, the Secretary shall review and evaluate completely the performance of a grantee in carrying out its program, specifically referring to compliance with statutory and administrative requirements.

The Triennial Review includes a review of the grantee's compliance in 17 areas. The basic requirements for each of these areas are summarized in Section IV.

This report presents the findings from the Triennial Review of Lane Transit District (LTD). The review concentrated on procedures and practices employed during the past three years; however, coverage was extended to earlier periods as needed to assess the policies in place and the management of grants. The specific documents reviewed are referenced in this report and are available at FTA's Regional Office or at the grantee's office.

2. Process

The Triennial Review process includes a pre-review assessment, a review-scoping meeting with the FTA regional office, and an on-site visit to the grantee's location. The review-scoping meeting was conducted with the Region VI Office on July 14, 2014. Necessary files retained by the regional office were sent to the reviewer electronically. A review package was sent to LTD advising it of the site visit and indicating information that would be needed and issues that would be discussed. The site visit to Lane Transit District occurred on August 13-14, 2014.

The onsite portion of the review began with an entrance conference, in which the purpose of the Triennial Review and the review process were discussed. The remaining time was spent discussing administrative and statutory requirements and reviewing documents. A tour of Lane Transit District's maintenance facility and transit facility was conducted to provide an overview of activities related to FTA-funded projects. A sample of maintenance records for FTA-funded vehicles and equipment was also examined during the site visit. Upon completion of the review, a summary of preliminary findings was provided to Lane Transit District at an exit conference. The individuals participating in the review are listed in Section VI of this report.

3. Metrics

The metrics used to evaluate whether a grantee is meeting the requirements for each of the areas reviewed are:

- *Not Deficient*: An area is considered *not deficient* if, during the review, no findings were noted with the grantee's implementation of the requirements.

- *Deficient*: An area is considered *deficient* if all of the requirements within the area reviewed were not met.
- *Not Applicable*: An area can be deemed *not applicable* if, after an initial assessment, the grantee does not conduct activities for which the requirements of the respective area would be applicable.

III. Grantee Description

Lane Transit District (LTD) is a regional transit agency organized in 1970 under the laws of the state of Oregon to provide transit service in Lane County, Oregon. LTD serves the Eugene and Springfield metropolitan areas, which includes the neighboring cities of Coburg, Junction City, Veneta, Cottage Grove, Creswell, Lowell, Pleasant Hill, as well as portions of the county's unincorporated areas. A board of directors, with members appointed by the Governor, governs LTD. Within the metropolitan area, LTD directly operates fixed route and bus rapid transit (BRT) service and contracts for Americans with Disabilities (ADA) paratransit service with Special Mobility Services, Inc. (SMS). LTD also contracts with SMS and two other private operators, South Lane Wheels and River Cities Taxi, to provide transportation services in some communities outside of the fixed route service area, but within Lane County. The population of the service area is approximately 300,000.

Service

LTD operates a network of 36 fixed routes throughout the service area. Service is provided weekdays from 4:45 a.m. to 11:30 p.m. Saturday service is operated from 6:25 a.m. to 11:30 p.m. Sunday service operates between 7:25 a.m. and 8:30 p.m. There is also one route that operates service until 2:40 a.m. on Friday and Saturday night. LTD's complementary paratransit service, known as RideSource, operates during the same days and hours of service as the fixed routes in the metropolitan area.

In addition to operating service, LTD administers Point2Point Solutions, a program that provides programs and resources to educate and encourage people to use different modes (public transit, bicycling, ridesharing, walking, etc.) for trips throughout the region. LTD's Point2Point Solutions, along with Cascades West Rideshare (Albany/Corvallis) and Cherriots Rideshare (Salem), have formed a partnership called Valley Vanpool, which facilitates the formation of commuter vanpools throughout Lane, Linn, Benton, Lincoln, Polk, Marion, and Yamhill counties. In addition, LTD provides a monthly subsidy to eligible vanpools that have an origin or destination within the LTD service area.

The basic adult fare for fixed route bus service is \$1.75. A reduced fare of \$0.85 is offered during all operating hours to youth ages 6-18, eligible people with disabilities, and persons with a Medicare card. There are no 5307 funded fixed route services included in the half fare program. Honored Riders, defined as persons age 65 or older, ride free at all times. A number of group pass options are available, including group rates for transit passes for enrolled students at both the University of Oregon and Lane Community College. A reinvigorated effort to reinstitute funding for transit passes for students grades 6-12 has been initiated in FY 2014. The RideSource fare is \$3.50 per one-way trip.

LTD operates a fleet of 97 FTA-funded buses for regular fixed-route and BRT service. Its bus fleet consists of standard and low-floor 40-foot transit coaches and 60-foot articulated buses,

including 11 BRT vehicles. The current peak requirement is 68 vehicles for regular fixed route service and 8 vehicles for BRT service. LTD also has a fleet of 56 cutaway buses and modified mini-vans that are operated by SMS, the RideSource contractor. Fourteen of the vans were directly funded by FTA. Most of the other paratransit vehicles were funded through the Oregon Department of Transportation.

LTD operates the fixed route service from the Glenwood maintenance and administration facility on 17th Avenue in Glenwood. RideSource operates from a separate facility on Garfield Street in Eugene. Fixed route service is oriented around a transit center in downtown Eugene with a companion facility in downtown Springfield. LTD also has 9 transit centers throughout the metropolitan area and 25 park-and-ride lots.

LTD’s National Transit Database Report for FY2013 provided the following financial and operating statistics for its service:

	Fixed Route	Paratransit	VanPool
Unlinked Passengers	11,276,503	203,926	35,813
Revenue Hours	247,303	117,776	5,620
Operating Expenses	\$34,779,801	\$5,428,616	\$189,187

Completed Projects

Over the past three years, LTD completed construction of a new University of Oregon transit station.

Projects Underway

LTD is in the process of developing the West Eugene EmX bus rapid transit corridor. This project proposes to use bus rapid transit to connect West Eugene with downtown Eugene and the City of Springfield. The Locally Preferred Alternative (LPA) was selected, and a Finding of No Significant Impact (FONSI) was completed in December of 2012. The project is currently nearing 90 percent design. State of Oregon funds have been secured as matching funds for a federal funding commitment expected in early 2015.

Future Projects

Over the next three to five years, LTD will be evaluating two additional high frequency transit corridors: one is located in Eugene, the other in Springfield. The West Eugene EmX bus rapid transit project is expected to begin revenue operations in 2017.

ARRA Projects

All ARRA funded projects are complete and reports closed-out. The projects included a maintenance facility remodel, security camera replacement, preventive maintenance, and bus stop sign replacement.

Grant Activity

Below is a list of Lane Transit District's active grants at the time of the review:

Grant Number	Grant Amount	Year Executed	Description
OR-03-0122-01	\$29,597,040	9/25/2009	07/08/09 5309 Small Starts Pioneer Parkway
OR-04-0030-00	\$1,000,000	9/16/2010	08 5309B Paratransit Vehicles & Signage
OR-90-X152-04	\$14,857,509	8/16/2011	07-10 5307 PM/RE/Eq/Bus/VanPool/Lanes
OR-04-0041-00	\$1,088,000	5/30/2012	11 5309 VTCLI RideSource Call Center
OR-95-X030-01	\$2,190,000	5/31/2012	11 STP UO Station Reno /SmartTrips
OR-37-X016-02	\$944,004	8/2/2012	06/07/08/09/10/11 JARC Funds
OR-95-X035-00	\$971,101	8/14/2012	2012 STP - PM, TDM/Rideshare
OR-90-X161-02	\$10,984,010	10/11/12	5307 PM/Security/Equip./Fac.
OR-57-X012-01	\$154,843	8/2/2013	FY 10, 11 New Freedom
OR-39-0007-00	\$750,000	8/15/2013	2011 5339 Main St/McVay Planning
OR-95-X055-00	\$1,447,601	9/9/2013	2013 STP PM/Mobility Mgt./Planning
OR-37-X024-00	\$171,819	7/21/2014	12 5316 JARC Mobility Mgmt.
OR-57-X014-00	\$78,524	7/21/2014	12 5317 New Freedom Mobility Mgmt.
OR-04-0038-00	\$5,500,000	7/25/2014	2011/2012 5309 SGR Bus Replacement

IV. Results of the Review

1. Financial Management and Financial Capacity

Basic Requirement: The grantee must demonstrate the ability to match and manage FTA grant funds, cover cost increases and operating deficits, cover maintenance and operational costs for FTA funded facilities and equipment, as well as conduct and respond to applicable audits.

During this Triennial Review of LTD, no deficiencies were found with the FTA requirements for Financial Management and Financial Capacity.

2. Technical Capacity

Basic Requirement: The grantee must be able to implement FTA funded projects in accordance with the grant application, Master Agreement, and all applicable laws and regulations, using sound management practices.

During this Triennial Review of LTD, no deficiencies were found with the FTA requirements for Technical Capacity.

3. Maintenance

Basic Requirement: Grantees and subrecipients must keep federally funded vehicles, equipment, and facilities in good operating condition. Grantees and subrecipients must keep ADA accessibility features on all vehicles, equipment, and facilities in good operating order.

Finding: During this Triennial Review of LTD, no deficiencies were found with the FTA requirements for Maintenance.

4. Americans with Disabilities Act

Basic Requirement: Titles II and III of the Americans with Disabilities Act of 1990 (ADA) provide that no entity shall discriminate against an individual with a disability in connection with the provision of transportation service. The law sets forth specific requirements for vehicle and facility accessibility and the provision of service, including complementary paratransit service.

Finding: During this Triennial Review of LTD, no deficiencies were found with the USDOT requirements for ADA.

5. Title VI

Basic Requirement: The grantee must ensure that no person shall, on the grounds of race, color, or national origin, be excluded from participating in, or be denied the benefits of, or be subject to

discrimination under any program or activity receiving federal financial assistance without regard to whether specific projects or services are federally funded. The grantee must ensure that federally supported transit services and related benefits are distributed in an equitable manner.

Note: The 2014 Triennial Review covers a three-year period in which the FTA issued a revised circular for Title VI, which provided more information on how to comply and changed requirements for some grantees with populations over 200,000 persons. As of October 1, 2012, grantees must comply with the requirements of FTA C 4702.1B. The Triennial Review will look at compliance with the requirement of FTA C 4702.1A for the period prior to October 1, 2012, and compliance with the revised circular for activities after this date.

Finding: During this Triennial Review of LTD, no deficiencies were found with the FTA requirements for Title VI.

6. Procurement

Basic Requirement: Grantees use their own procurement procedures that reflect applicable state and local laws and regulations, provided that the process ensures competitive procurement and the procedures conform to applicable federal law, including 49 CFR Part 18 (specifically Section 18.36) and FTA Circular 4220.1F, “Third Party Contracting Guidance.”

During this Triennial Review of LTD, a deficiency was found with the FTA requirements for Procurement.

A sole source procurement for \$22,100 awarded to the consultant Transwatch on 8/1/13 for “grant writing, attending meetings and various projects” lacked required justifications and documentation for a non-competitive award. The attached justification said that, “Transwatch is extremely familiar with the region and the projects currently going on. Her knowledge of Transportation Options is invaluable,” and that the “price is fair and reasonable with other consultants in the area and Portland.” The justification continues, “At the beginning of each fiscal year, we meet with Transwatch to discuss the upcoming projects and negotiate the number of hours required to complete.” The award was made to Transwatch for 221 hours at \$100 per hour.

Corrective Action and Schedule: By November 28, 2014, LTD is to submit to the FTA Region 10 Office evidence of an implemented policy to ensure that future sole source procurements are properly conducted and documented. Where contracts are ongoing, LTD is not to exercise any options for renewal. Instead, LTD might consider the possibility of terminating the existing contract for convenience, and rebidding for the required goods and services in accordance with federal requirements.

7. Disadvantaged Business Enterprise

Basic Requirement: The grantee must comply with 49 CFR Part 26 to ensure nondiscrimination in the award and administration of DOT-assisted contracts. Grantees also must create a level playing field on which DBEs can compete fairly for DOT-assisted contracts.

Finding: During this Triennial Review of LTD, no deficiencies were found with the USDOT requirements for DBE.

8. Legal

Basic Requirement: The grantee must be eligible and authorized under state and local law to request, receive, and dispense FTA funds and to execute and administer FTA funded projects. The authority to take actions and responsibility on behalf of the grantee must be properly delegated and executed. Grantees must comply with Restrictions on Lobbying requirements.

Finding: During this Triennial Review of LTD, no deficiencies were found with the FTA requirements for Legal.

9. Satisfactory Continuing Control

Basic Requirement: The grantee must ensure that FTA-funded property will remain available to be used for its originally authorized purpose throughout its useful life until disposition.

Finding: During this Triennial Review of LTD, a deficiency was found with the FTA requirements for Satisfactory Continuing Control.

LTD conducted a physical inventory in summer 2013, but the results were not reconciled to equipment records. LTD presented a comprehensive inventory listing containing all FTA-required elements, and gave the review team a handwritten checklist compiled during the last physical inventory. However, the documents did not contain evidence that the inventory was reconciled to its equipment records.

Corrective Action and Schedule: By November 28, 2014, LTD is to submit to the FTA Region 10 Office evidence that the physical inventory has been reconciled to equipment records. In addition, LTD is to develop and submit to the FTA Region 10 Office procedures for reconciling the biennial physical inventory to equipment records.

10. Planning/Program of Projects

Basic Requirement: The grantee must participate in the transportation planning process in accordance with FTA requirements, MAP-21, and the metropolitan and statewide planning regulations. Grantees must participate in a coordinated public transit-human services transportation planning process that identifies the transportation needs of individuals with disabilities, older adults, and people with low incomes; provides strategies for meeting those local needs; and prioritizes transportation services for funding and implementation. Each recipient of a Section 5307 grant shall develop, publish, afford an opportunity for a public hearing on, and submit for approval, a POP.

Finding: During this Triennial Review of LTD, no deficiencies were found with the FTA requirements for Planning/POP.

11. Public Comment on Fare Increases and Major Service Reductions

Basic Requirement: Section 5307 grantees are expected to have a written, locally developed process for soliciting and considering public comment before raising a fare or carrying out a major transportation service reduction.

Finding: During this Triennial Review of LTD, no deficiencies were found with the FTA requirements for Public Comment on Fare Increases and Major Service Reductions.

12. Half Fare

Basic Requirement: For service supported with Section 5307 assistance, fares charged elderly persons, persons with disabilities or an individual presenting a Medicare card during off peak hours will not be more than one half the peak hour fares.

Finding: During this Triennial Review of LTD, no deficiencies were found with the FTA requirements for Half Fare.

13. Charter Bus

Basic Requirement: Grantees are prohibited from using federally funded equipment and facilities to provide charter service if a registered private charter operator expresses interest in providing the service. Grantees are allowed to operate community based charter services excepted under the regulations.

Finding: During this Triennial Review of LTD, no deficiencies were found with the FTA requirements for Charter Bus.

14. School Bus

Basic Requirement: Grantees are prohibited from providing exclusive school bus service unless the service qualifies and is approved by the FTA Administrator under an allowable exemption. Federally funded equipment or facilities cannot be used to provide exclusive school bus service. School tripper service that operates and looks like all other regular service is allowed.

Finding: During this Triennial Review of LTD, no deficiencies were found with the FTA requirements for School Bus.

15. Safety and Security

Basic Requirement: As recipients of Section 5307 funds, grantees must annually certify that they are spending at least one percent of such funds for transit security projects or that such expenditures for security systems are not necessary.

Finding: During this Triennial Review of LTD, no deficiencies were found with the FTA requirements for Security.

16. Drug Free Workplace and Drug and Alcohol Program

Basic Requirement: All grantees are required to maintain a drug-free workplace for all employees and to have an ongoing drug-free awareness program. Grantees receiving Section 5307, 5309 or 5311 funds that have safety-sensitive employees must have a drug and alcohol-testing program in place for such employees.

Finding: During this Triennial Review of LTD, no deficiencies were found with the FTA requirements for Drug-Free Workplace and Drug and Alcohol Program.

17. Equal Employment Opportunities

Basic Requirement: The grantee must ensure that no person in the United States shall on the grounds of race, color, religion, national origin, sex, age, or disability be excluded from participating in, or denied the benefits of, or be subject to discrimination in employment under any project, program, or activity receiving federal financial assistance under the federal transit laws. (Note: EEOC's regulation only identifies/recognizes religion and not creed as one of the protected groups.)

Finding: During this Triennial Review of LTD, no deficiencies were found with the FTA requirements for Equal Employment Opportunity (EEO).

V. Summary of Findings

Review Area	Finding	Deficiency	Corrective Action	Response Date	Date Closed
1. Financial Management and Financial Capacity	ND				
2. Technical Capacity	ND				
3. Maintenance	ND				
4. ADA	ND				
5. Title VI	ND				
6. Procurement	D-290	Lacking required justifications and documentation for non-competitive award	LTD is to submit to the FTA Region 10 Office evidence of an implemented policy to ensure that future sole source procurements are properly conducted and documented. Where contracts are ongoing, LTD is not to exercise any options for renewal. Instead, LTD might consider the possibility of terminating the existing contract for convenience, and rebidding for the required goods and services in accordance with federal requirements.	November 28, 2014	
7. DBE	ND				
8. Legal	ND				
9. Satisfactory Continuing Control	D-107	Inventory results not reconciled to equipment records	LTD is to submit to the FTA Region 10 Office evidence that the physical inventory has been reconciled to equipment records. Also, submit procedures for reconciling the biennial physical inventory to equipment records.	November 28, 2014	
10. Planning/ POP	ND				
11. Public Comment on Fare Increase and Major Service Reductions	ND				
12. Half Fare	ND				
13. Charter Bus	ND				
14. School Bus	ND				
15. Safety and Security	ND				

Review Area	Finding	Deficiency	Corrective Action	Response Date	Date Closed
16. Drug-Free Workplace/ Drug and Alcohol Program	ND				
17. EEO	ND				

V. Attendees

Name	Title/Organization	Phone Number	E-mail Address
<i>Lane Transit District (LTD)</i>			
Ron Kilcoyne	General Manager	541-682-6105	ron.kilcoyne@ltd.org
Todd Lipkin	Finance Manager/CFO	541-682-6153	todd.lipkin@ltd.org
Sasha Luftig	Developmental Planner	541-862-6135	sasha.luftig@ltd.org
Cheryl Munkus	Internal Auditor	541-682-6151	cheryl.munkus@ltd.org
Jeanne Schepper	Clerk of the Board	541-682-6102	jeanne.schepper@ltd.org
Mary Adams	Director of Administrative Services	541-682-6184	mary.adams@ltd.org
Mary Talentinow	Purchasing Manager	541-682-6158	mary.talentinow@ltd.org
Andy Vobora	Director of Service Planning, Accessibility, and Marketing	541-682-6181	andy.vobora@ltd.org
Tom Schwetz	Planning & Development Manager	541-682-6203	tom.schwetz@ltd.org
Frank Wilson	Public Safety Services Manager	541-682-7474	frank.wilson@ltd.org
Joe McCormack	Facilities Manager	541-682-6189	joe.mccormack@ltd.org
Kelly Staines	Facilities Maintenance Supervisor	541-501-9246	kelly.staines@ltd.org
Cosette Rees	Accessible & Customer Services Manager	541-501-9399	cosette.rees@ltd.org
Susan Hekimoglu	Accessible Services Coordinator	541-682-6108	susan.hekimoglu@ltd.org
David Collier	Human Relations Manager	" ¶ Chapter 1	david.collier@ltd.org
Ernie Turner	Fleet Maintenance Manager	541-682-6163	ernie.turner@ltd.org
Steve Rayack	Claims Specialist	541-682-6134	stephen.rayack@ltd.org

John Dahl	Operations Training Supervisor	541-501-9395	john.dahl@ltd.org
David Lindelein	Risk Manager	541- 682-6152	david.lindelien@ltd.org
Kris Lyon	Human Services Transportation Coordinator	541- 682-7491	rand.stamm@ltd.org
Rebecca Hay	Purchasing Specialist	541- 682-6138	rebecca.hay@ltd.org
<i>Federal Transit Administration (FTA)</i>			
Thomas Radmilovich	Community Planner	206-220-7953	thomas.radmilovich@dot.gov
<i>Interactive Elements</i>			
Michele Butchko	Reviewer	212-490-9090	mxb@ieitransit.com

VI. Appendices

No appendices are included in this report.