

# 24-Month Followup Review On the Performance Audit of the Maricopa County Regional Transportation Plan

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**December 17, 2013**

## **Submitted To:**

Debra K. Davenport, Auditor General  
Office of the Auditor General  
State of Arizona  
2910 North 44th Street, Suite 410  
Phoenix, Arizona 85018

## **Submitted By:**

Kurt R. Sjoberg  
Marianne P. Evashenk  
Catherine M. Brady  
Sjoberg Evashenk Consulting, Inc.  
455 Capitol Mall, Suite 700  
Sacramento, California 95814  
[www.secteam.com](http://www.secteam.com)  
916.443.1300





December 17, 2013

The Honorable Chester Crandell, Chair  
Joint Legislative Audit Committee

The Honorable John Allen, Vice Chair  
Joint Legislative Audit Committee

Dear Senator Crandell and Representative Allen:

Sjoberg Evashenk Consulting, under contract with the Office of the Auditor General, has recently completed a 24-month followup of the Performance Audit of the Maricopa County Regional Transportation Plan regarding the implementation status of the 27 audit recommendations (including sub-parts of the recommendations) presented in the performance audit report released in December 2011 (Auditor General Report No. 11-CR1). As the attached grid indicates:

- 19 have been implemented; and
- 8 are in the process of being implemented.

It has been a pleasure working with the Auditor General and we appreciate the professionalism and cooperation extended to us by the Maricopa Association of Governments, Arizona Department of Transportation, Valley Metro Rail, Inc., Valley Metro Regional Public Transportation Authority, and the Citizens' Transportation Oversight Committee.

Sincerely,

Kurt Sjoberg, Chairman  
Sjoberg Evashenk Consulting

Attachment

cc: Dennis Smith, Executive Director, Maricopa Association of Governments  
John Halikowski, Director, Arizona Department of Transportation  
Stephen Banta, Chief Executive Officer, Valley Metro Rail, Inc. and Valley  
Metro Regional Public Transportation Authority  
Roc Arnett, Chairman, Citizen's Transportation Oversight Committee

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# Maricopa County Regional Transportation Plan Auditor General Report No. 11-CR1 24-Month Follow-Up Report

## Recommendation

## Status/Additional Explanation

### Chapter 1: Some Performance Data Exists, But Determining Results of Proposition 400 Efforts Cannot be Fully Measured

To build upon the strong foundation and develop a robust and capable performance measurement system for the multi-modal RTP, MAG should:

1. Formally identify and quantify what the MAG Regional Council, in collaboration with its partners, expects to achieve through implementation of the RTP.

#### Implementation in process

MAG, in collaboration with its RTP partners, continues to implement Proposition 400 projects, assessing and monitoring performance metrics linked to RTP's goals and objectives. This performance data and analysis is used when decision makers are considering Life Cycle Program rebalancing efforts and alternative scenarios.

According to MAG, its primary task and expectation as outlined by the Proposition 400 ballot measure is to deliver the transportation system delineated in the RTP to the citizens of the region.

As discussed in the initial followup, this recommendation was geared toward enhancing the foundation of goals and objectives by identifying specific and quantifiable expectations of what was to be achieved through the completed transportation improvements to allow the public and decision makers the ability to determine if goals were met. For example, under the RTP 2010 Update goal of "access and mobility" and related objective to "maintain an acceptable and reliable level of service on transportation and mobility systems serving the region," the audit recommendation was suggesting that MAG and the RTP Partners could define or quantify an "acceptable and reliable level of service" such as "level of service at C or better during peak periods on all freeways." MAG has stated that the establishment and adoption of targets will be finalized after the Moving Ahead for Progress in the 21<sup>st</sup> Century (MAP-21) federal guidance and rulemaking is issued (see recommendation 2 for additional information regarding MAP-21). In the interim, MAG is preparing a set of draft performance targets linked to RTP goals and objectives in conjunction with RTP partners.

## Recommendation

## Status/Additional Explanation

2. Work with ADOT to establish targets and baselines for freeway performance to insert more accountability into the process and ensure that the regional performance framework aligns with state performance measures as well as work with local jurisdictions to set similar targets to track arterial performance.

### Implementation in process

MAG and ADOT continue to collaborate on the implementation of this recommendation.

For instance, one of the outcomes of ADOT's Long Range Transportation Program planning process was the establishment of performance measures in conjunction with state-wide goals and objectives related to a variety of areas such as improving mobility, enhancing safety, and maintaining the system. MAG has been part of the ADOT Planning to Programming Process (P2P) team, which is developing a state-level planning and programming framework with a key performance measurement component. According to MAG, the P2P process will be one of the tools used for state-level transportation project selection and prioritization.

With respect to developing targets, MAG is preparing a set of draft performance targets linked to RTP goals and objectives pursuant to 2012 federal legislation known as MAP-21, as well as the recommendations of the audit. Further, MAG is working in conjunction with ADOT to develop targets that coordinate with state-level expectations while reflecting unique MPO-level goals and objectives.

According to MAG, in order to successfully adopt performance targets, MAG must advise policymakers and local government officials as well as seek feedback to identify reliable data. The final implementation step is to seek adoption by the MAG Regional Council.

Like other transportation entities across the country, changes in population and land use as well as the state of the regional economy exert sizeable pressures on regional transportation systems that will rapidly and considerably change the performance of a system. Thus, MAG is developing its targets in a context of significant flexibility.

Moreover, ADOT is awaiting the final rulemaking from the Federal Highway Administration to assist with setting baselines as well as fine-tuning regional and state-wide goals.

3. Once available, measure and analyze all available freeway and arterial performance data against set baselines, once established, at a system level and at a project level to better understand how individual projects impact overall system performance.

### Implementation in process

As previously stated in Recommendation 2, MAG is preparing a set of draft performance targets linked to RTP goals and objectives pursuant to MAP-21 requirements. Additionally, ADOT is continuously working with MAG to identify how best to use performance measures to monitor and measure the benefit derived from the RTP Freeway Program projects.

Recommendation	Status/Additional Explanation
<p>4. Coordinate applicable RTP Partner's individual performance measurement activities with MAG's overall performance system for the RTP, especially with ADOT's evolving long-range transportation plan measures to minimize duplication or contradiction and maximize efforts and results.</p>	<p><b>Implemented at initial followup</b></p>
<p>5. Publish certain summary performance data on a pre-determined regular basis on MAG's website showing targets and actual performance by corridor and by project as well as providing specific project level performance related to budget and schedule with links to the other RTP Partner websites. Consider providing data at a summary and mode level showing performance of individual projects or segments through a performance dashboard feature.</p>	<p><b>Implemented at 24 months</b></p>
<p>6. Communicate results and analysis from MAG's Performance Measurement Framework and work with RPTA to communicate results of the Transit Performance Report to committees on a more frequent basis, such as quarterly.</p>	<p><b>Implemented at initial followup</b></p>
<p>7. Continue to implement the current transportation system and strive to continually reassess system performance to make modifications as necessary.</p>	<p><b>Implemented at initial followup</b></p>

**Chapter 2: Cost and Schedule Variances Appear Supported, Although Underlying Data is Difficult to Gather and Assimilate**

To enhance transparency and ensure project and plan changes are easy to understand and track, the RTP Partners should consider the following:

8. Develop and use a “report card” type feature to provide 1-page project snapshots summarizing project budget and schedule by development phase, actual costs against estimated budget and schedule, project performance measures and progress toward targets, financial assumptions and highlights of project changes to scope, schedule, or cost. Moreover, these report cards could feature a brief project description, project manager contacts, project risks, and percent completion as well as provide a history of each project from the 2003 RTP proposed to the voters.

**Implemented at initial followup**

9. Ensure consistency in data reported and facilitate the tracking of totals and data between the annual Proposition 400 reports and RTP Updates in addition to the various life cycle program reports published, as well as adding footnotes to clarify data sources in the reports and reasons for amounts that vary between the reports. Additionally, consider:

- Clarifying terms used in the reports or using the term “open to traffic” rather than “programmed for final construction” related to project schedule;
- Providing explanation of timing of expenditure data and that some “actual” data is just estimated for the fourth quarter of the year being reported;
- Consistently report projects and expenditure information from year to year, and fully explain whether revenues and costs are reflective of full RTP funding sources or only the Proposition 400 portion of project funds; and
- Making necessary corrections, in future reports, to communicate past inaccuracies noted by the auditors in previous reports relating to typos and incomplete information from missing projects completed to ensure that future reports reflect the most accurate information:

**Implemented at 24 months**

### Chapter 3: Criteria for Project Change is Vague and Documentation of Potential Impacts Provided to MAG Committees For Decision-Making Could be Improved

To ensure full documentation of project and plan changes and reprioritizations are available and considered by governing bodies as part of their due diligence, the RTP Partners should consider the following:

10. Clarify priority criteria to be more specific, use some type of weighted measure for ranking, and provide mechanics of specifically how criteria is to be applied in project change discussions. This recommendation should be led and developed by MAG, with input from the other RTP Partners.

#### Implementation in process

According to MAG, priority criteria for project changes and rebalancing efforts based on performance metrics have been defined and applied to planning and programming activities at MAG since early 2011. MAG and ADOT have also continued to work together in developing various scenarios for changes, and impacts of those changes, to the highway component of the plan. Auditors' review of MAG Regional Council meeting minutes, other committee meeting minutes, and related documents provided to the committee members, found that increased information and documentation is being provided with performance metric information to assist decision makers in evaluating changes and alternatives for changes proposed.

Additionally, MAG has been applying the Congestion Management Plan evaluative tool since 2011 to the arterial street component. MAG has used this tool, which is based on performance measures applicable to each mode, to evaluate intelligent traffic systems and nonmotorized projects. Additionally, MAG is initiating the development of a similar evaluative tool to apply against proposed changes to the Arterial Life Cycle Program.

While MAG continues to work at the modal committee and policy committee levels, presenting performance scenarios, documenting the process, and making the information widely available through the MAG Web site, auditors did not see that clarifying priority criteria had been developed or distributed to decision makers or the specific mechanics of how the priority criteria is to be applied in project change discussions.

As the 2011 audit report discussed, project priority criteria does exist for the RFP, such as "inclusion of committed corridors" and "public and private funding participation." However, auditors believe the criteria is too broad without sufficient details on how the criteria is applied to project change or reprioritization discussions. While MAG is taking steps to address the overarching recommendation, it has not agreed to accept all of the auditors' suggested specific approaches.

## Recommendation

## Status/Additional Explanation

11. Ensure documentation exists linking projects selected and changes suggested with the priority criteria, quantifying a technical ranking of corridors or projects by priority ranking, and discussing the rationale behind changes.

### Implementation in process

Both MAG and ADOT are collaborating and continuing to provide the ADOT board and MAG committees more detailed information and rationale related to proposed changes, as well as to ensure thorough oversight when changes are approved. Specifically, auditors' review of MAG committee meeting minutes found that increased information and documentation is being provided with performance metric information to assist decision makers in evaluating changes, impacts, and alternatives for changes proposed. However, auditors did not find evidence linking freeway project changes suggested with detailed priority criteria or prioritization between projects.

In regard to transit projects and criteria, project changes and rationale are provided to both Valley Metro boards and MAG throughout the year. Further, a Technical Advisory Group (TAG) composed of Valley Metro member agencies and MAG was formed in November 2012. Since then, the TAG has met approximately twice per month to review progress on development of Regional Transit Standards and Performance Measures.

Phase I of this effort involved convening a peer transit agency review panel, preparing service delivery goals, developing transit operational standards, initiating a performance measures review, and developing a process for transit service changes. Phase 1 was completed in October 2013. Phase II will address additional standards and focus on developing performance measures to complement agency goals. Phase II should be complete by late 2014.

12. Have MAG require the use of the Congestion Management Program tool among local cities and counties to identify projects with regional benefits as well as expand use of the tool into other modes in the region, as warranted, for decision-making and project reprioritizations.

**Implemented at 24 months**

13. Use a performance based model as part of project change and reprioritization processes on a go forward basis to enhance both transparency of the process and accountability to legislative mandates and the public, and document efforts, deliberation, and decisions to show consideration of performance factors such as volume, capacity, and/or delays.

**Implemented at initial followup**

14. Ensure documentation is maintained describing basis, source, deliberations, outcome, and rationale for resulting actions and decisions related to project and RTP changes.

**Implemented at initial followup**

Recommendation	Status/Additional Explanation
15. Summarize and communicate data to MAG oversight committees on options available and alternatives considered, risk and opportunities for each alternative, impacts of each alternative related to congestion or performance such as mobility and safety, and rationale behind final recommendations.	<b>Implemented at initial followup</b>
16. Ensure any additional information provided to individual committee members outside the formal open meeting process is distributed to all committee members as well as made available to the public to stay fully informed.	<b>Implemented at initial followup</b>
17. Continue efforts to develop a user-friendly guide book providing a public “road map” clarifying how the public can influence transportation projects, at what points input can be provided in the RTP development and update process, and where citizens can go to get information. MAG should lead this effort with input from the other RTP Partners	<b>Implemented at initial followup</b>

**Chapter 4: Current Organizational Structure Provides Oversight, Although There are Opportunities to More Effectively Accomplish RTP Goals**

To enhance current collaboration and communication among the RTP Partners and strengthen transit agencies effectiveness and efficiency, the RTP Partners should:

18. Develop detailed provisions for the MOU agreements between the four RTP Partners, and possibly the City of Phoenix, guiding the practical aspects of the working relationships between the agencies where coordination and collaboration is needed for planning and expenditure of federal and Proposition 400 funds including specific codes of conduct, conflict resolution, and communication protocols.	<p><b>Implemented in a different manner at initial followup</b></p> <p>Although the agencies agreed with this recommendation in their initial response to the 2011 audit, they decided to implement this recommendation in a different manner. Specifically, the RTP Partners believe their existing agreements for transit planning and the MAG Planning Work Program are sufficient to guide the cooperative relationships. However, all agreed that they would work to develop refinements and detailed provisions for these agreements as the need arises. Although there have been no refinements or additional provisions added to these agreements, auditors found increased documentation of coordination and collaboration.</p>
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**Recommendation****Status/Additional Explanation**

19. Similarly, strengthen the existing transit planning MOU to describe the mechanics and specificity of process behind the level of cooperation required in terms of communication frequency, timing, and content as well as the level, timing, and weight of input into agency activities.

**Implemented in a different manner at 24 months**  
Although the agencies agreed with this recommendation in their initial response to the 2011 audit, they decided to implement this recommendation in a different manner. According to MAG, if other aspects of the transit relationships and coordination need clarification in the future, appropriate action will be taken to either amend the MOU or provide clarification through implementation memoranda. Although there have been no MOU amendments or related memoranda issued, auditors found increased documentation of communication frequency and content.

20. Memorialize and maintain key meeting discussions at RTP Partner meetings to document items discussed, agreements reached, action items, and responsible parties for future meetings as well as attendees of the meetings.

**Implemented at initial followup**

## Recommendation

## Status/Additional Explanation

21. Through the MAG Transportation Policy Committee, or other committee, assume a stronger and more proactive leadership role in setting framework for RTP related activities rather than just facilitating discussions—although RTP Partners should retain authority to operate individually and implement shared vision. For instance:

- Being more prescriptive in programming based on performance measures and what is best for the region by defining specific performance targets in specific corridors and requiring RTP projects or subsequent changes to demonstrate how those performance objectives were considered, among other factors such as economic, population density, and regional development, as a condition of receiving funds.
- Crafting policy with defined procedures for making changes to the RTP requiring projects to demonstrate how they support regional goals and not just local preferences. Some procedures currently exist to guide arterial project change related to improving congestion and mobility in the region that could be used to craft policies for all modes.
- Working collaboratively with the other agencies to reach agreement and set protocols on how the life cycle working group process will function and the timing of when proposed projects and alternatives should be provided through the MAG committee process for early deliberation.
- Establishing protocols for multi-modal involvement in life cycle programs and working group meetings to enhance collaboration and the sharing of modal expertise to better understand regional impacts.
- Encouraging freeway and transit implementers and operators to utilize MAG staff as a resource on initial project change discussions to help shape the type of regional project decisions that will be accepted by the RTP committee process to meet the goals of the RTP and better connect planners with implementers and operators.
- Defining RTP Partners' roles and responsibilities in planning and implementation, ensuring coordination and reducing duplication, and resolving conflict.
- Tracking system performance and success of the implementation of the RTP.

### Implementation in process

According to MAG, its Transportation Policy Committee (TPC) already constitutes a strong, proactive policy body for the region. TPC members are updated on a continuous basis regarding programming decisions and rebalancing efforts based on documented performance measures. MAG firmly contends that the TPC's role, and the protocols and procedures that support their decisions, comply with the highest standards of leadership in regional government. While MAG is taking steps to address the overarching recommendation, it has not agreed to accept all the auditors' suggested specific approaches.

In terms of setting performance targets, 2012 federal legislation reauthorizing surface transportation programs makes changes in this area. Specifically, the MAP-21 funding and authorization bill requires states and metropolitan planning organizations, where applicable, to set performance targets and report on progress in achieving targets. According to MAG, it will bring proposed targets to the TPC after ample discussion at the modal and intergovernmental committee levels.

## Recommendation

## Status/Additional Explanation

22. Adjust MAG Transportation Policy Committee membership requirements to include RPTA and METRO transit representatives to better convey transit operator perspective and achieve full multi-modal input, expertise, and support for regional vision and policy formation.

### Implementation in process

According to MAG, transit representatives already serve on the TPC pursuant to A.R.S. §28-6308, which established the composition of the TPC at its inception, including six members representing private sector, region-wide business interests such as transit. Further, MAG's position is that transit providers are effectively and directly represented by local elected and appointed officials who sit on the policy boards of both MAG and Valley Metro—thus providing a high level of coordination in multi-modal planning and programming. Additionally, MAG asserts that Arizona state law does not facilitate the implementation of this recommendation and would require a change to A.R.S. §28-6308.

However, federal legislation reauthorizing surface transportation programs may affect the required committee composition. Specifically, the MAP-21 funding and authorization bill passed in July 2012 includes a provision that each metropolitan planning organization (such as MAG) that serves an area designated as a transportation management agency shall consist of "officials of public agencies that administer or operate major modes of transportation in the Metropolitan area, including representation by providers of public transportation."

Both MAG and Valley Metro join other organizations across the country in awaiting guidance and final rulemaking on this subject from the U.S. Department of Transportation. According to Valley Metro, it will coordinate with MAG to meet the intent of the law.

## Recommendation

## Status/Additional Explanation

23. Reaffirm the role of CTOC and increase effectiveness by considering:

- Developing operating protocols and guiding principles describing how CTOC will function.
- Identifying the type of substantive information it needs from the RTP Partners, in addition to the current status updates, to fulfill duties.
- Actively questioning and deliberating items at meetings.
- Receiving meeting packets for review and analysis prior to meetings.
- Providing formal recommendations or reports directly to the MAG Regional Council or MAG Transportation Policy Committee related to project and program delivery as well as overall performance.
- Receiving support from MAG staff, rather than ADOT staff.
- Ensuring all committee members have the requisite skills needed to oversee a multi-modal system and possibly requiring more specific types of expertise needed for committee members to possess, such as transit experience.

### Implementation in process

The Citizen's Transportation Oversight Committee (CTOC) has been developing a policy and procedures document expected to cover areas such as CTOC responsibilities, composition, conduct at meetings, powers and duties, operating procedures, communications between members, conflicts of interest, and meeting minutes among other areas.

As of August 2013:

- ADOT and CTOC discussed draft operating protocols at the August 13, 2013, meeting.
- CTOC is receiving MAG Regional Council and MAG TPC proceedings from RTP Partners.
- Draft procedures were presented to the CTOC at the August 13, 2013, meeting for acceptance and implementation. These operating protocols discuss responsibilities, duties, rules of order, voting procedures, communication, agenda development, and motion procedures.
- Additionally, at the August 13, 2013, meeting, the draft final procedures presented also included provisions related to committee members obtaining presentation information and meeting packets prior to scheduled meetings.

No further action has been taken regarding the recommendation on CTOC member expertise. As stated in the 6-month response to the RTP Audit, the Governor's Office and the Maricopa County Board of Supervisors appoint members to CTOC. Although CTOC indicated that they can make suggestions regarding appointments, they have little input regarding the appointments.

24. Continue investigating cost efficiencies that could result from a combination of RPTA and METRO and implement measures as soon as practical to realize maximum value from initiatives.

**Implemented at initial followup**

25. Work towards realizing more benefits from regionalizing bus transit activities by strengthening the regional entity role and implementing regional activities that have potential for cost savings or better outcomes for riders such as route scheduling, fleet planning and purchasing, fare inspection and collection, coordinated automated tools, and regional service hearings.

**Implemented at 24 months**

**Recommendation****Status/Additional Explanation****Chapter 5: Revenue and Expenditure Model is a Reliable Tool for Planning**

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To enhance revenue and cost models used by the RTP Partners, we suggest the following recommendations for consideration:

- |  |                                 |
|--|---------------------------------|
| 26. Expand project documentation to explain the methodology for estimating federal revenues and costs to improve process clarity.  | <b>Implemented at 24 months</b> |
| 27. Enhance overall RTP Financial Plan by including information summarizing revenue forecasts and cost estimate techniques for all modes showing projection assumptions. | <b>Implemented at 24 months</b> |
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