



Hillsborough Area Regional Transit Authority

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September 5, 2018

Sharon E. Murphy
McConnell & Jones LLP
4828 Loop Central Drive
Houston, TX 77081

Subject: HART Response to the Performance Audit of Hillsborough County and Hillsborough Area Regional Transit Authority

Ms. Murphy,

Pursuant to Florida Statute 212.055(10), Florida local governments with a referendum on the discretionary sales surtax held after March 23, 2018 must undergo a performance audit conducted of the program associated with the proposed surtax adoption. The entity responsible for the management of these audits, the Florida Legislature's Office of Program Policy Analysis and Government Accountability (OPPAGA) notified Hillsborough County, along with HART, on Monday, August 6, that its selected auditors, McConnell & Jones LLP, would be performing the mandated audit.

The following is HART's Management Response to the aforementioned audit, which was conducted from August 7 to August 17, 2018. The comments herein are focused only on HART's component of the audit exclusively; no comment or response being provided on Hillsborough County's audit, nor references within the audit to other entity's responsibilities (e.g. MPO, municipalities, etc.), or the citizen initiated referendum process itself.

Although the audit was conducted in a very condensed timeframe, HART staff made themselves 100% available to the auditors, with over 80 hours of interview time and provision of over 300 documents. It should be noted that the specific transit auditor that led and conducted HART's audit, Ms. Linda Charrington, was professional, highly knowledgeable about the transit industry and well-versed in the operations of an organization with the mission of providing transit service to the community. She was also attentive, amicable and worked well with all staff involved and when provided with a multi-listing of issues HART staff had with the document itself (Attachment), she worked on addressing the majority of the scrivener's or correction errors that were identified.

According to the audit report, HART was found as "meeting" or "partially meeting" 24 out of 25 research subtasks, with one subtask "not met". Each "partially met" and the individual "not met" subtask audit comment will be responded to below:

Research Subtask 3.2 – "Not Met"

Audit Comment: HART staff has not evaluated existing bus, paratransit or streetcar services to determine if contracted or privatized services could improve effectiveness or save costs. HART did evaluate the (fare) count room function and decided to outsource the responsibility to save cost.

Audit Recommendation: *HART should develop a methodology and criteria to assess if contracted or privatized services can improve the cost effectiveness of directly operated transit services.*

Management Response:

Although there is not a formal Standard Operating Procedure (SOP) or process template for evaluation of privatizing service, HART continuously evaluates the effectiveness of its current service and looks for innovative transportation solutions to not only provide options to those within the HART service boundaries, but for a keen high for stewardship of taxpayer dollars in the support of that service. As can be evaluated from the following information, HART is and has been diligent in evaluating options in the delivery of its service:

Paratransit Service: Auditing firm Cherry Bekaert & Holland previously audited HART in 2008 with no formal recommendations for a purchased service. A recent audit of HARTPlus paratransit program conducted by TransPro did not include a specific review of the cost savings for purchased versus directly operated service. HART planned to issue an RFP to attain a consultant to review potential cost savings for purchased transit; however, it is currently on hold during the ongoing contract negotiations with HART's two Bargaining Units.

HART has recently (April, 2018) awarded a contract to two vendors, West Coast Transportation d/b/a Yellow Cab Company and Gulf Coast Transportation (GCT) "United Cab" to provide same day Paratransit service. The cost for this service is \$20 per trip which is approximately 2/3 the cost of providing this service in-house. With the continued increase in paratransit service demand and the potential burden to internal resources (e.g. vehicles, staffing and property space), HART will need to evaluate management of this growth.

Bus Fixed Route, Local, Limited Express, Express and Flex – external legal counsel previously advised that HART could incur a 13(c) Federal Transit Act violation with our current ATU contractual employees and the U.S. Department of Labor depending on the service exceptions which could be implemented in a privatizing or outsourcing scenario. However, HART engaged in a pilot program (HyperLINK) to support connectivity within the county by contracting service with Transdev to provide a first mile/last mile solution to the community and connectivity to the HART network. HART is also in the process of composing a Scope of Work for a RFP for contracted service in the Tampa Innovation District. Separately, HART is collaborating with the Enterprising Latinas, with the support from the county funding, to develop a scope of work to provide circulator service in South County with connectivity to the HART fixed route grid. HART is in the process of acquiring the Tampa Downtown Partnership's "Downtown service" (a contracted on-demand service within the downtown Tampa corridor). The service model will not change when it is absorbed into the HART service; and the contract will remain in force as it currently stands.

Railed Streetcar line - HART is the contracted provider of the TECO Line Streetcar System governed by the Tampa Historic Streetcar Board and funded by the City of Tampa. HART has no authority to subcontract the service.

Research Subtask 5.3 – “Partially Met”

Audit Comment: *Our work revealed that the operating and capital budgeting process is completed by HART each year, but the program performance and cost information is not available in a format that is easily accessible by the public.*

Audit Recommendation: *HART should include program performance and cost information, including the five-year Capital Improvement Program, in the annual operating and capital budget to make identification of information easier for the public.*

Management Response:

HART complies with Florida Statutes by adopting by Resolution a balanced budget by October 1 of each year and ending September 30 of the following year. Also, as required by Statute, the tentative budget is posted on HART’s website at least 2 days before the budget hearing and the final adopted budget is posted within 30 days after adoption.

Historically, HART’s annual budget document has been a detailed depiction of the organization’s budget and goals, and follows a similar outline presented in the Comprehensive Annual Financial Report (CAFR); it requires a concerted and extensive level of effort by multiple department staff members. In FY18, only an Executive Summary of Operating and Capital Budgets was prepared and published on the website which meets Statute requirements. The summary outlined the sources of revenues and expenditure categories (operating) and projects (capital) and the respective proposed budgets. As the organization was undergoing many changes at the end of FY17 – staffing levels, a major service change, a Comprehensive Operational Analysis, a major TDP update, and plans for a newly designed Annual Report as well as the transition of the CEO - the decision was made to only publish the minimum requirements to comply with Statute. In FY19 and forward, however, HART’s budget document will be prepared for consideration under the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award Program and will include program performance, cost information, and a 5-year CIP.

Research Subtask 5.4 – “Partially Met”

Audit Comment: *Our work revealed that HART does not have a formal process to ensure the accuracy and completeness of program performance and cost information to the public.*

Audit Recommendation: *HART should formalize the standard operating procedure for review of information released to the public to ensure the accuracy and completeness of the information. The standard operating procedure should identify the schedule for producing and posting monthly reports to ensure the information is available regularly on the same schedule.*

Management Response:

HART began placing all financial, budget and environmental compliance reports and documents on its website on a separate “Transparency” page beginning in 2014; information, reports and all information provided to Board members in support of both Regular HART Board meetings, Committee and Ad Hoc Committee meetings, as necessary, are regularly published on the HART website depending on the date of the respective meeting, which varies from month to month.

HART prepares monthly information reports with the status updates for all divisions in advance of the monthly Board meetings. Board/Committee Action items preparation SOP ESOP-001 reflects the Board meeting schedule, the format for the monthly reports, as well as the schedules for Submittal/Review/Signature, Publishing Agenda (Section J).

In accordance with the HART Board Policy 200 Public Access and Information; 230.01 - AGENDA FOR PUBLIC MEETINGS, HEARINGS OR WORKSHOPS:

“(1) HART shall prepare an agenda in time so that a copy could be received at least seven (7) days before the event by any person in the state who has requested a copy and pays the reasonable cost per copy.”

Director of Board Relations posts the Board packets with the monthly information reports on HART web site at <http://www.gohart.org/Pages/AboutUS-PublicMeetings.aspx> and sends electronic notifications.

HART will consider formalizing its current practice in a separate Standard Operating Procedure with the schedule of producing, distributing and posting monthly reports to continue to ensure accurate and timely availability to the public, although all reports are, and have been, placed where the public can access.

Research Subtask 5.5 – “Partially Met”


Audit Comment: *Our work revealed that HART does not have a standard operating procedure to correct erroneous and/or incomplete program information.*

Audit Recommendation: *HART should formalize a standard operating procedure and staff responsibility to correct erroneous or incomplete public information as soon as the error is identified on the HART website, in electronic media, or in printed material.*

Management Response: HART’s Records Management Liaison Officer is the HART representative that is contacted if public information is found to be erroneous and/or incomplete on the HART website, in electronic media or printed media. Although there is no formal process for this, HART staff is conscientious when errors are brought to their attention. HART will consider a Standard Operating Procedure which would document this process.

Please direct any questions concerning this Management Response to me at 813-384-6386 or at sewardj@gohart.org.

Respectfully,



Jeffrey C Seward
Interim Chief Executive Officer

Attachment: Log of Proposed Corrections with Revisions

ATTACHMENT

Section	Page	Remark	Proposed Correction	Revised by Team MJ
Research Task 1	Page 100	The first paragraph states HART purpose “...facilities and supply transportation assistance for the County”	Use the language from page 137 – accurate citation from HART Charter	Revised as suggested
	Page 100	First paragraph, second sentence.	Add Limited Express service, delete extra comma after “HARTFlex service”; list all HART services first and state that HART also operates TECO Line Streetcar system last.	Revised as suggested in first paragraph and also bulleted list bottom of page
	Page 100 and throughout the document	Title font is different from the rest of the text		Noted
	Page 100 – HART Transit Services; last paragraph	“...HART operated 189 buses for fixed and flex routes, 61 vans for complementary paratransit, and 10 streetcars.”	“...HART operated almost 200 fixed route buses, 55 vans for complementary paratransit, 8 HARTFlex vans, and 10 streetcars.” – Source: HART Annual Report	Revised “...almost 200 buses for fixed routes, 55 complementary paratransit vans, 8 flex vans, and 10 streetcars.”
	Page 101 – Mission MAX	“HART set as objectives for Mission MAX to modernize the system...”	“HART set as objectives for Mission MAX to modernize and align the system...”	Revised as suggested

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Section	Page	Remark	Proposed Correction	Revised by Team MJ
	Page 101 – Mission MAX		Add a period in the end of the last sentence in the first paragraph.	Corrected
	Page 101 – Mission MAX; second paragraph	comprehensive operational analysis	Comprehensive Operations Analysis	Revised operational to operations; however, did not agree on capitalization in context
	Page 102 – TDP; second paragraph	“HART also incorporated the 10-year...”	Delete repetitive phrase “also incorporated”	Deleted as suggested
	Page 102 – TDP; second paragraph, last sentence	“...to implement services to meet transit need in the County.”	“...to implement services to meet transit needs in the County.”	Revised need to needs
	Page 102 – TDP; last paragraph, first sentence	comprehensive operational analysis	Comprehensive Operations Analysis	Revised operational to operations; however, did not agree on capitalization in context
	Page 103 Finding 1-7	“...whether the county has established...”	Shall it read “...whether HART has established...”?	Revised
	Page 109- HyperLINK Ridership	“HyperLINK was a public-private partnership between HART and Transdev North America”.	HART selected Transdev to operate HyperLINK service.	Revised as suggested

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Section	Page	Remark	Proposed Correction	Revised by Team MJ
	Page 111 – Subtask 1.4 bullet points	Fiscal year 2017_ Adopted	Delete underscore: Fiscal year 2017 Adopted	Deleted
	Page 111 – Subtask 1.4 bullet points	07-06-2018 Regular Board of Directors meeting	Meeting date is incorrect: 07-16-2018	Corrected date
	Page 112 – second paragraph from the top	“ ... the impact fees will be accrue for HART projects.”	“ ... the impact fees will be accrued for HART projects.”	Revised to read “ ...the impact fees will accrue for HART projects”
	Page 112 – Subsection 07-06-2018 Regular Board of Directors meeting	07-06-2018 Regular Board of Directors meeting	Meeting date is incorrect: 07-16-2018	Corrected date
	Page 117 – 2016-09 Procurement Manual	“ ...for approval as Board Policy in September 2018.”	“ ...for approval as Board Policy in November 2018.”	Corrected month

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Section	Page	Remark	Proposed Correction	Revised by Team MJ
Research Task 2	Page 119 -- first paragraph	"Each member serves a three-year term."	<p>Not 100% accurate. The HART Board Policy 120.02(2) states: "All Board Members shall be appointed for 3-year terms and each Board Member shall hold office until their successor has been appointed and qualified. Said terms shall end on November 30 of the appropriate year or such other date designated by the member government. If a local government member's laws or procedures provide for a different appointment time frame for elected officials, said member may create its own procedure for appointing a replacement before the end of the term, in order to avoid a vacancy." County and City of Tampa and Temple Terrace elected appointees have one-year terms.</p>	<p>Deleted the sentence "Each member serves a three-year term."</p>

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Section	Page	Remark	Proposed Correction	Revised by Team MJ
	Page 125, fourth paragraph	“HART plans service change for October 2018...”	“HART plans service enhancements for route performance for October 2018...”	Revised as suggested
	Page 125, fourth paragraph	“...to bus runs, HART will also requires additional...”	“...to bus runs, HART will also requires-additional...”	Deleted the “s” in requires
Research Task 3	Page 127 Finding 3-1	Recommendation to assess outsourcing streetcar service	Ops prepared a report in response to this finding (provided in a separate Attachment.)	Incorporated references in the discussion for Finding 3-2
	Page 129, first paragraph	“...implementation of Mission MAX service in August 2017...”	“...implementation of Mission MAX service realignment in August October 2017... ”	Revised to read “...implementation of Mission MAX in October 2017...”
	Page 130, BRT, last paragraph	“...for premium service to use which overlap...”	“...for premium service to use, which overlap...”	Deleted “to use”
	Page 131 Subtask 3.2	“...and did have a public-private partnership...”	See comment from page 109	Revised as in page 109
	Page 131 Subtask 3.2	“...partnership for the HyperLINK demonstration...”	“...partnership for the HyperLINK demonstration pilot... ”	Revised demonstration to pilot

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Section	Page	Remark	Proposed Correction	Revised by Team M.J
	Page 131, Northwest Hillsborough County Transit study Report Final	“...final report describes potential service improvements...”	Repeated twice, can be deleted without changing the meaning.	Deleted repetition
	Page 137 Subtask 4.1 bullet points	Fiscal Year 2017_Adopted	Delete underscore	Deleted the underscore
	Page 138 FY2017 Budget; first sentence	“The Operating and Capital Budget is created each Fiscal year 2017 and...”	Delete 2017, it is created each fiscal year.	Deleted “2017”
	Page 138, FY2017 Budget; first paragraph	“The Operating section includes goals for investment in community...”	Repetition of the same statement – can be deleted.	Deleted repetition
	Page 139, Success Plan	“...the performance scorecard that is updated monthly for...”	“...the performance scorecard that is updated monthly quarterly for...”	Revised monthly to quarterly
	Page 140, Tech Memo 3	“The HART Park and Ride Study was conducted 2011 and...”	“The HART Park and Ride Study was conducted in 2011 and...”	Inserted “in”
	Page 141 – Subtask 4.2; bullet points	Revised EPM Projects -_2018-06-26	Delete underscore.	Deleted the underscore

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Section	Page	Remark	Proposed Correction	Revised by Team MJ
	Page 144, first paragraph		Capitalize Equal Opportunity Employment and Disadvantaged Business Enterprise	Did not agree to capitalize in context
	page 145, Finding 5-3	States that TDP document in Fiscal Year 2016 for the 10-year span running 2017-2026 is absent.	HART has a variance order from FDOT that allowed to delay a Major TDP (provided as an attachment.)	Revised finding to reference the variance order
	Page 146; Finding 5-4; Criteria	Public records requests are submitted through the online portal or by telephone.	Incomplete information: HART website page under Transparency/Public Records http://www.gohart.org/Pages/trans-pub-rec-req.aspx states that the requests can be submitted via a portal, by fax, by phone and in person.	Revised to read "...through the online portal, by fax, by telephone, or in person."
	Page 146; Finding 5-4; Criteria	HART is looking at acquiring software for public records.	Incorrect: HART acquired the Next Request software for public records in order to ensure efficient responsiveness to public records.	Revised to "HART purchased software for public records..."
	Page 146; Finding 5-4; Criteria	Currently the Director of Board Relations is responsible for posting materials about Board meetings to the HART website and attends an annual training for custodian of public documents.	Addition: ...and serves as HART Records Management Liaison Officer (RMLO). RMLO designation form can be provided as a separate attachment.	Added phrase as suggested

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Section	Page	Remark	Proposed Correction	Revised by Team MJ
	Page 149; HART Annual Report 2017	HART-Annual-Report-2017	Delete hyphens.	Deleted hyphens
	Page 149; HART Annual Report 2017	“...hurricane evacuation, mobile fare payments, mobile fare payment in the Flamingo system...”	Duplications and inaccurate terminology: “...hurricane evacuation, mobile fare payments , mobile fare payment in the Flamingo fares system...”	Revised as suggested
	Page 151 HART Wave 1 Paratransit Customer Satisfaction Report	HART Wave 1 Paratransit Customer Satisfaction Report.20180808	Delete period before 20180808	Deleted periods
	Page 151 HART Wave 1 Paratransit Customer Satisfaction Report	Take-a-ways	One word	Revised to one word
	Page 152 HART Wave 5	Take-a-ways	One word	Revised to one word
	Page 155 Interview Notes Tasks 5.4 and 5.5	HART is looking at acquiring software for public records.	Incorrect: HART acquired the Next Request software for public records in order to ensure efficient responsiveness to public records.	Revised to “HART purchased software for public records...”

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Section	Page	Remark	Proposed Correction	Revised by Team MJ
	Page 155; Interview Notes Tasks 5.4 and 5.5	Currently the Director of Board Relations is responsible for posting materials about Board meetings to the HART website and attends an annual training for custodian of public documents.	Addition: ...and serves as HART Records Management Liaison Officer (RMLO). RMLO designation form can be provided as a separate attachment.	Added phrase as suggested
	Page 155; Interview Notes Tasks 5.4 and 5.5	HART does not have a schedule for when certain reports are completed and published online.	HART has a schedule of reports due dates and release dates (when the documents are published online).	Revised statement to "HART does not post all monthly reports to the website on a consistent and similar schedule each month."
	Page 156; Interview Notes Tasks 5.4 and 5.5	"There is a need for HART to categorize information and identified required..."	"There is a need for HART to categorize information and identified identify required..."	Revised to "identify"