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**September 11, 2007**

Mr. Gary L. Marzorati  
Chairman, Board of Directors  
Rockford Mass Transit District  
1401 N. Second St.  
Rockford, IL 61107

Re: FY 2007 Triennial Review – Final Report

Dear Mr. Marzorati:

This report documents the Federal Transit Administration's (FTA) triennial review of the of the Rockford Mass Transit District's transit system (RMTD), as 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 grantee compliance with Federal requirements determined by the examination of grant management practices and program implementation.


The report documents the 23 areas that were reviewed. No deficiencies were identified in any of the 23 areas. RMTD is to be commended for its excellent performance on the triennial review. Based on the results of the review, RMTD remains eligible for Federal assistance.

We greatly appreciate your continued commitment to making public transportation America's mode of choice. Thank you for your personal contribution, cooperation and assistance during this Triennial Review since we realize that the review has involved effort, time and planning. If you need any technical assistance or have any questions, please do not hesitate to contact Lisa Joiner or me.

Sincerely,

Dominick J. Gatto, P.E.  
Director, Office of Program Management and Oversight

Enclosure

Cc: Mr. Richard W. McVinnie,  Executive Director, RMTD

*FINAL REPORT*

**FY2007 TRIENNIAL REVIEW**

of the

**Rockford Mass Transit District  
(RMTD)  
Rockford, Illinois**

**Desk Review: March 21, 2007**

**Site Visit: August 29-30, 2007**

**September 2007**

**Prepared for the  
Federal Transit Administration  
Region 5  
Chicago, Illinois**

by

**Mundle & Associates, Inc.  
under subcontract to  
Milligan & Co., LLC**

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## **I. TRIENNIAL REVIEW BACKGROUND**

The United States Code, chapter 53 of title 49, requires the Federal Transit Administration (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).

- (2) At least once every 3 years, the Secretary shall review and evaluate completely the performance of a recipient in carrying out the recipient's program, specifically referring to compliance with statutory and administrative requirements and the extent to which actual program activities are consistent with the activities proposed under subsection (d) of this section and the planning process required under sections 5303-5306 of this title.
- (3) The Secretary may take appropriate action consistent with the review, audit and evaluation under this subsection, including making an appropriate adjustment in the amount of a grant or withdrawing the grant.

The Triennial Review includes a review of the grantee's compliance in 23 different areas. The basic requirements for each of these areas are summarized below.

This report presents the findings from the Triennial Review of the Rockford Mass Transit District (RMTD) of Rockford, Illinois. This review was performed in accordance with FTA procedures (published in FTA Order 9010.1B, April 5, 1993) and included preliminary reviews of documents on file at the Region 5 Office in Chicago and on-site discussions and review of the procedures, practices, and records of RMTD as deemed necessary. The review concentrated primarily 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. During the visit, administrative and statutory requirements were discussed, documents were reviewed, and facilities were toured. Specific documents examined during the Triennial Review are available in FTA's and RMTD's files.

## **II. REVIEW PROCESS**

The desk review was conducted in the Region 5 Office on March 21, 2007. Following the desk review, an agenda package was sent to RMTD advising it of the site visit and indicating additional information that would be needed and issues that would be discussed.

The site visit to Rockford occurred on August 29-30, 2007. The individuals participating in the review are listed in Section VII of this report.

At the entrance conference, the purpose of the Triennial Review and the review process were discussed. During the site visit, urbanized area formula grant program administrative and

statutory requirements were discussed and documents were reviewed RMTD's transit facilities were toured to provide an overview of activities related to FTA-funded projects. A sample of FTA-funded vehicles was inspected during the site visit.

On completion of the review, an exit conference was held with RMTD staff to discuss the results of the review. This information is summarized in the table in Section V of this report. A draft copy of this report was provided to the RMTD at the exit conference.

### **III. DESCRIPTION OF THE GRANTEE**

The Rockford Mass Transit District (RMTD) provides transit service in the Rockford area, serving the Cities of Rockford, Machesney Park and Loves Park, Illinois. RMTD is a public mass transportation municipal corporation established in 1971 by the Rockford City Council, under authority of Illinois state statutes. RMTD operates all service in-house. The population of its service area is approximately 243,270.

RMTD operates a network of 17 fixed routes. Service is provided weekdays from 5:15 a.m. to 11:45 p.m. Saturday service is operated from 5:00 a.m. to 7:10 p.m. and Sunday service from 9:15 a.m. to 5:15 p.m. The grantee's complementary paratransit service, known as Rockford Paratransit, operates during the same days and hours of service as the fixed routes.

The basic adult fare for bus service is \$1.00. A reduced fare of \$0.50 is offered to seniors, disabled persons, children aged 5 to 11 and students up to age 20 during all hours. The fare for ADA paratransit service is \$2.00.

RMTD operates a fleet of 40 buses for fixed-route service. Its bus fleet consists of standard 30- and 35-foot transit coaches and one rubber-tired trolley. The current peak requirement is for 27 vehicles. RMTD also has a fleet of 29 cutaway buses and 22-passenger minibuses, which are operated in ADA paratransit service.

RMTD operates from a single maintenance and administration facility on Mulberry Street in downtown Rockford. Its service is oriented around an adjacent transit center on West State Street.

RMTD's National Transit Database Report for FY2006 provided the following financial and operating statistics for its fixed-route and paratransit service:

	<b>Fixed-Route Service</b>	<b>Paratransit Service</b>
Unlinked Passengers	1,396,447	77,478
Revenue Hours	91,942	24,874
Operating Expenses	\$7,532,723	\$1,532,152

Over the past three years, RMTD has purchased 20 new fixed-route buses, land for a new paratransit storage facility, medium-duty paratransit vehicles and paratransit software. On-going projects include purchasing land for and constructing an East Side Transfer Center in Rockford.

#### **IV. RESULTS OF THE REVIEW**

The Triennial Review focused on RMTD's compliance in 23 different areas. This section provides a discussion of the basic requirements and findings in each area. No deficiencies were found with the FTA requirements in any of the 23 areas.

##### **1. 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 all necessary action and responsibility on behalf of the grantee must be properly delegated and executed.

Findings: During this Triennial Review of RMTD, no deficiencies were found with the FTA requirements for legal.

##### **2. Financial**

Basic Requirement: The grantee must demonstrate the ability to match and manage FTA grant funds, to cover cost overruns, to cover operating deficits through long-term stable and reliable sources of revenue, to maintain and operate federally funded facilities and equipment, and to conduct an annual independent organization-wide audit in accordance with the provisions of OMB C A-133.

Findings: During this Triennial Review of RMTD, no deficiencies were found with the FTA requirements for financial.

##### **3. Technical**

Basic Requirement: The grantee must be able to implement the Urbanized Area Formula Grant Program of Projects in accordance with the grant application, Master Agreement, and all applicable laws and regulations, using sound management practices.

Findings: During this Triennial Review of RMTD, no deficiencies were found with the FTA requirements for technical.

**4. Satisfactory Continuing Control**

Basic Requirement: The grantee must maintain control over real property, facilities and equipment and ensure that they are used in transit service.

Findings: During this Triennial Review of RMTD, no deficiencies were found with the FTA requirements for satisfactory continuing control.

**5. Maintenance**

Basic Requirement: The grantee must keep federally funded equipment and facilities in good operating order.

Findings: During this Triennial Review of RMTD, no deficiencies were found with the FTA requirements for maintenance.

**6. Procurement**

Basic Requirement: FTA grantees will use their own procurement procedures that reflect applicable state and local laws and regulations, provided that the process ensures competitive procurement and that the procedures conform to applicable federal law including 49 CFR Part 18, specifically Section 18.36 and FTA C 4220.1E, "Third Party Contracting Requirements." Grantees will maintain a contract administration system that ensures that contractors perform in accordance with terms, conditions, and specifications of their contracts or purchase orders.

Findings: During this Triennial Review of RMTD, no deficiencies were found with the FTA requirements for procurement.

**7. Disadvantaged Business Enterprise (DBE)**

Basic Requirement: The grantee must comply with the policy of USDOT that DBEs, as defined in 49 CFR Part 26, are ensured nondiscrimination in the award and administration of USDOT-assisted contracts. Grantees also must create a level playing field on which DBEs can compete fairly for USDOT-assisted contracts; ensure that only firms that fully meet eligibility standards are permitted to participate as DBEs; help remove barriers to the participation of DBEs; and assist the development of firms that can compete successfully in the marketplace outside the DBE program.

Findings: During this Triennial Review of RMTD, no deficiencies were found with USDOT requirements for DBE.

## **8. Buy America**

Basic Requirement: Per Buy America law, federal funds may not be obligated unless steel, iron, and manufactured products used in FTA-funded projects are produced in the United States, unless FTA has granted a waiver, or the product is subject to a general waiver. Rolling stock must have a 60 percent domestic content and final assembly must take place in the United States.

Findings: During this Triennial Review of RMTD, no deficiencies were found with the FTA requirements for Buy America.

## **9. Suspension/Debarment**

Basic Requirement: To prevent fraud, waste, and abuse in federal transactions, persons or entities, which by defined events or behavior, potentially threaten the integrity of federally administered programs are excluded from participating in FTA-assisted programs. FTA grantees are required to ensure to the best of their knowledge and belief that none of the grantee's "principals" (as defined in the governing regulation 49 CFR Part 29), subrecipients, and third-party contractors and subcontractors is debarred, suspended, ineligible or voluntarily excluded from participation in federally assisted transactions. Grantees are required to review the Excluded Parties Listing System (<http://epls.arnet.gov/>) before entering into any third party contracts.

Findings: During this Triennial Review of RMTD, no deficiencies were found with the FTA requirements for suspension/debarment.

## **10. Lobbying**

Basic Requirement: Recipients of federal grants and contracts exceeding \$100,000 must certify compliance with Restrictions on Lobbying before they can receive funds. In addition, grantees are required to impose the lobbying restriction provisions on their contractors.

Findings: During this Triennial Review of RMTD, no deficiencies were found with the FTA requirements for lobbying.

## **11. Planning/Program of Projects**

Basic Requirement: The grantee must participate in the transportation planning process in accordance with FTA requirements, Metropolitan Statewide Planning Final Rule, and Management Systems Interim Final Rule (Transportation Planning Regulations [TPR]), as revised.

Findings: During this Triennial Review of RMTD, no deficiencies were found with the FTA requirements for planning/POP.

**12. Title VI**

Basic Requirement: The grantee must ensure that no person in the United States shall, on the ground of race, color, or national origin, be excluded from participating in, or denied the benefits of, or be subject to discrimination under any program or activity receiving federal financial assistance. The grantee must ensure that federally supported transit service and related benefits are distributed in an equitable manner.

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

**13. Public Comment Process for Fare and Service Changes**

Basic Requirement: The grantee must have a locally developed process to solicit and consider public comment before raising a fare or carrying out a major reduction of transportation.

Findings: During this Triennial Review of RMTD, no deficiencies were found with the FTA requirements for public comment process for fare and service changes.

**14. Half Fare**

Basic Requirement: Grantees must ensure that elderly persons and persons with disabilities, or an individual presenting a Medicare card, will be charged during non-peak hours for transportation using or involving a facility or equipment of a project financed under Section 5307 not more than 50 percent of the peak hour fare.

Findings: During this Triennial Review of RMTD, no deficiencies were found with the FTA requirements for half fare.

**15. ADA**

Basic Requirement: Titles II and III of the Americans with Disabilities Act of 1990 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 complementary paratransit service.

Findings: During this Triennial Review of RMTD, no deficiencies were found with the FTA requirements for ADA.

**16. Charter Bus**

Basic Requirement: Grantees are prohibited from using federally funded equipment and facilities to provide charter service except on an incidental basis and when one or more of applicable exceptions for urban areas set forth in the charter service regulation at 49 CFR 604.9 (b) applies.

Findings: During this Triennial Review of RMTD, no deficiencies were found with the FTA requirements for charter bus.

**17. School Bus**

Basic Requirement: Grantees are prohibited from providing exclusive school bus service unless the grantee qualifies under specified exceptions. In no case can federally funded equipment or facilities be used.

Findings: During this Triennial Review of RMTD, no deficiencies were found with the FTA requirements for school bus.

**18. National Transit Database (NTD)**

Basic Requirement: The grantee must collect, record, and report financial and non-financial data in accordance with the Uniform System of Accounts (USOA) and updated with the *National Transit Database (NTD) Reporting Manual* as required by 49 USC 5335(a).

Findings: During this Triennial Review of RMTD, no deficiencies were found with the FTA requirements for National Transit Database.

**19. Safety and Security**

Basic Requirement: Any recipient of Urbanized Area Formula Grant Program funds must annually certify that it is spending one percent of such funds for transit security projects or that such expenditures for security systems are not necessary.

Under the safety authority provisions in the federal transit laws, the Secretary has the authority to investigate the operations of the grantee for any conditions that appear to create a serious hazard of death or injury especially to patrons of the transit service. However, FTA has no specific requirements for transit safety. States are required to oversee the safety of rail fixed guideway systems through a designated oversight agency. Under security, FTA has adopted the "Top 20 Security Program Action Items for Transit Agencies." The action items are measures recommended by FTA for immediate consideration and implementation by transit agencies to improve both security and emergency preparedness.

Findings: A summary of RMTD's expenditures of Section 5307 funds for security projects is provided in Section VI of this report.

During this Triennial Review of RMTD, no deficiencies were found with the FTA requirements for safety and security.

## **20. Drug-Free Workplace**

Basic Requirement: Grantees are required to maintain a drug-free workplace for all employees and to have an ongoing drug-free awareness program.

Findings: During this Triennial Review of RMTD, no deficiencies were found with the FTA requirements for drug-free workplace.

## **21. Drug and Alcohol Program**

Basic Requirement: Grantees receiving FTA funds under Capital Grant, Urbanized Area Formula Grant, or Non-Urbanized Area Formula Grant Programs must have a drug and alcohol testing program in place for all safety-sensitive employees.

Findings: During this Triennial Review of RMTD, no deficiencies were found with the FTA requirements for the drug and alcohol program.

## **22. Equal Employment Opportunity (EEO)**

Basic Requirement: The grantee must ensure that no person in the United States shall, on the ground of race, color, creed, national origin, sex, age, or disability be excluded from participating in, denied the benefits of, or be subject to discrimination in employment under any project, program or activity receiving federal financial assistance from the federal transit laws.

Findings: During this Triennial Review of RMTD, no deficiencies were found with the FTA requirements for EEO.

## **23. ITS Architecture**

Basic Requirement: Intelligent Transportation Systems (ITS) projects funded by the Highway Trust Fund and the Mass Transit Account must conform to the National ITS Architecture, as well as to U. S. Department of Transportation (DOT) adopted ITS standards.

Findings: During this Triennial Review of RMTD, no deficiencies were found with the FTA requirements for ITS architecture.

**V. SUMMARY OF FINDINGS AND CORRECTIVE ACTIONS**

Review Area	Finding	Deficiency	Corrective Action	Response Days/Date	Date Closed
1. Legal	ND				
2. Financial	ND				
3. Technical	ND				
4. Satisfactory Continuing Control	ND				
5. Maintenance	ND				
6. Procurement	ND				
7. Disadvantaged Business Enterprise	ND				
8. Buy America	ND				
9. Suspension/Debarment	ND				
10. Lobbying	ND				
11. Planning/POP	ND				
12. Title VI	ND				
13. Public Comment for Fare and Service Changes	ND				
14. Half Fare	ND				
15. ADA	ND				
16. Charter Bus	ND				
17. School Bus	ND				
18. National Transit Database	ND				
19. Safety and Security	ND				
20. Drug-Free Workplace	ND				
21. Drug and Alcohol Program	ND				
22. Equal Employment Opportunity	ND				
23. ITS Architecture	ND				

Findings: ND = No Deficiencies; D = Deficient; AC = Advisory Comment; NA = Not Applicable; NR = Not Reviewed

**VI. TRANSIT SECURITY EXPENDITURES**

Does the grantee expend one percent or more of its Section 5307 Urbanized Area Formula Grant funds for transit security? Yes X No     

If no, why does the grantee consider such expenditure unnecessary (check all that apply):

     No deficiency found from a threat and vulnerability assessment

     FTA Top 20 Security Action Items met or exceeded

     Other (please describe): \_\_\_\_\_

Security Funding	FTA Section 5307 Funds (in Dollars)		
	FY 2004	FY 2005	FY 2006
Total amount of 5307 Funds expended	\$1,176,489	\$221,054	\$385,876
Amount of 5307 Funds expended on security	\$65,822	\$2,930	\$16,862
Percent of 5307 Funds expended on security	5.6 %	1.3%	4.4%
<b>Infrastructure/Capital Improvement Security Projects:</b>			
Lighting, Fencing & Perimeter Control			
CCTV and Surveillance Technology	\$32,572		
Communications Systems	\$3,250		\$16,862
Security Planning*			
Drills & Tabletop Exercises*			
Employee Security Training*			
Other Security-Related Infrastructure & Capital Improvements (please list): Alarm system/Gas detection	\$30,000	\$2,930	
<b>Operating/Personnel Expenditures (can only be used by agencies in areas with populations UNDER 200,000):</b>			
Contracted Security Force			
In-house Security Force			
Other Security-Related Operating Expenditures (please list): _____			

\* SAFETEA-LU amended the definition of a capital project to include:  
 - projects to refine and develop security and emergency response plans;  
 - the conduct of emergency response drills with public transportation agencies and local first response agencies; and  
 - security training for public transportation employees.

**VII. ATTENDEES**

<b>Name</b>	<b>Title/Organization</b>	<b>Phone Number</b>	<b>e-mail address</b>
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