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of Transportation
**Federal Transit
Administration**

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May 5, 2010

Mr. Richard L. Rodriguez
President
Chicago Transit Authority
567 West Lake Street
Chicago, IL 60661

Re: FY 2010 Triennial Review - Final Report

Dear: Mr. Rodriguez

Enclosed is a copy of the final report of the Federal Transit Administration's (FTA) Triennial Review of the Chicago Transit Authority (CTA) as required by 49 USC 5307 (i). Although less exacting than an audit, the Triennial Review is the FTA's assessment of the CTA's compliance with Federal requirements determined by the examination of grant management practices and program implementation.

The Triennial Review examines 24 areas. No deficiencies were found with FTA requirements in 18 areas. Deficiencies were found in 6 areas: Technical, Satisfactory Continuing Control, Maintenance, Half Fare, ADA, and ITS Architecture. Findings in Maintenance are repeat findings from the 2007 review. Subsequent to the issuance of the draft report, the CTA provided FTA's Region 5 Office with an updated excess real property utilization plan. The plan included several instances of pending actions. The deficiencies, corrective actions and timeframes required to attain full compliance are described in the report.

Ms. Hopson is available to assist you further if you have any questions. She can be reached at 312-886-1611 or melody.hopson@dot.gov.

Sincerely,

Dominick Gatto
Director, Office of Operations and Program Management

cc: Melody Hopson
Enclosure

FINAL REPORT

FY2010 TRIENNIAL REVIEW

of the

Chicago Transit Authority

(CTA)

Chicago, Illinois

Recipient ID: 1182

Desk Review: 12/15-17, 2009

Site Visit: April 20-23, 2010

May 2010

**Prepared for the
Federal Transit Administration**

Region 5

Chicago, Illinois

by

Interactive Elements, Incorporated

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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 three 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 24 areas. The basic requirements for each of these areas are summarized below.

This report presents the findings from the Triennial Review of the Chicago Transit Authority (CTA) of Chicago, 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 CTA 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 site 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 CTA's files.

II. REVIEW PROCESS

The desk review was conducted in the Region 5 Office on December 15, 2009. Following the desk review, a review package was sent to CTA advising it of the site visit and indicating additional information that would be needed and issues that would be discussed.

The site visit to CTA occurred on April 20-23, 2010. 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, administrative and statutory requirements were discussed

and documents were reviewed. Several of CTA's transit facilities were toured to provide an overview of activities related to FTA-funded projects. The facilities included:

- Kimball Yard;
- 98th Street Yard;
- Kedzie Garage;
- Chicago Garage; and
- 103rd Street Garage.

A sample of FTA-funded bus and rail vehicles, facilities and equipment was inspected during the site visit and preventive maintenance inspection records were examined.

Upon completion of the review, an exit conference was held with CTA staff to discuss findings, corrective actions and schedules. This information is summarized in the table in Section V of this report. A draft copy of this report was provided to CTA at the exit conference.

III. DESCRIPTION OF THE GRANTEE

The Chicago Transit Authority (CTA) was created in 1945 pursuant to the metropolitan transportation authority act passed by the Illinois state legislature. CTA provides bus and rail service in the City of Chicago and 40 adjoining suburban communities. A seven-member board governs the CTA. The mayor of the City of Chicago appoints four members with the advice and consent of the Chicago City Council. The governor of the State of Illinois appoints the remaining three board members with advice and consent of the state senate. CTA is one of the three service boards of the Regional Transportation Authority (RTA). RTA was created in 1973 to provide funding for transit operators in the Chicago area. The population of CTA's service area is 3.9 million persons.

CTA operates a network of 141 bus routes. It operates rail service on eight lines, blue, purple, red, brown, yellow, green, orange and pink, with 242.2 route miles of track, and 144 stations. Service is provided 24 hours a day, seven days a week. In FY2006, Pace Suburban Bus assumed the operation of CTA's ADA complementary paratransit service.

The full fare for CTA bus and rail is \$2.25. Children 7 through 11 years, senior citizens, persons with disabilities and Medicare card holders pay a reduced fare of \$1.00. CTA offers a number of payment options for both bus and rail. These include stored value media that offer a per trip discount and transfer privileges (e.g., Chicago Card®, Chicago Card Plus™, and transit cards), time-based unlimited ride passes (e.g., 1-day, 7-day and 30-day).

CTA operates a fleet of 1782 buses for fixed-route service from seven bus garages located throughout the city. CTA provides rail service with 1200 rapid transit cars from 11 operations and maintenance facilities. Ten of the rapid transit cars are prototype Series 5000, placed into service on April 19, 2010. All major rail car repair, rehabilitation and unit rebuilding work are performed at the heavy rail maintenance facility, Skokie shops.

CTA'S national transit database report for FY2008 provided the following financial and operating statistics for its fixed-route and paratransit service:

	Fixed-Route Bus Service	Rail Service	Paratransit Service
Unlinked Passengers	328,199,214	198,137,245	1,126,599
Revenue Hours	7,038,271	3,812,993	600,335
Operating Expenses	\$752,000,163	\$439,880,792	\$29,989,773

Over the past three years, CTA completed the following projects:

- Replaced Loop Track & Ties (Lake and Wabash sides)
- Replaced Red Line Subway Track & Ties
- Replaced O'Hare Track & Ties (Jeff Park to O'Hare)
- Purchase Replacement Buses (1,283 buses: 45 - 30', 1030 - 40', & 208 - 60')
- Increased Capacity Brown Line
- Reconstructed Howard Station
- Replaced Signal Systems - Clark Junction
- Replaced Signal Systems - Red Line State Street Subway
- Replaced Track & Ties Dearborn Subway (ARRA)

The following CTA projects are on-going:

- Purchase Rail Cars (406 cars)
- Rail Car Overhaul (300 of the 2600 series cars)
- Reconstruct Rail Station (Cermak/Chinatown - Red Line) (ARRA)
- Replace Signal Systems - Dearborn (Subway), Congress, Kennedy
- Replace Signal Systems - Loop
- Implement Computer Systems (Integrated Time & Attendance System)
- Replace or Rehabilitate Elevators and Escalators Systemwide

During the next three to five years CTA has plans to undertake the following projects:

Mid-life Overhaul (258 of the 3200 series cars)
Traction Power System Rehabilitation and Upgrade
Replace Loop Track & Ties (Wells & Van Buren sides)
Mid-life Bus Overhaul (1030 - 40' buses)
Replace Buses (480 - 40' buses of the 6400 series, model year - 2000)
Replace Rail Cars (300 of the 2600 series)
Replace Track & Ties (Red Line South - Dan Ryan)
Replace Track & Ties (Red Line North & Purple Line)
Replace Signal Systems (Red Line North & Purple Line)
Rehabilitate Structures and Viaducts (Red Line North & Purple Line)
Rehabilitate Rail Stations (Systemwide)
Replace or Rehabilitate Bus Garages & Rail Terminals

CTA has 2 active ARRA grants. Projects funded by those ARRA grants are:

Replace Track & Ties Dearborn Subway
Purchase 58 Replacement Buses
Reconstruct Rail Station (Cermak/Chinatown - Red Line)
Rehabilitate subway escalators
Rail car and bus maintenance

IV. RESULTS OF THE REVIEW

The Triennial Review focused on CTA's compliance in 24 areas. This section provides a discussion of the basic requirements and findings in each area. No deficiencies were found with the FTA requirements in 18 of the 24 areas. Deficiencies were found in the following areas: Technical, Satisfactory Continuing Control, Maintenance, Half Fare, ADA, and ITS Architecture. Deficiencies in Maintenance are repeat deficiencies from the last review. In addition, advisory comments were made in the Safety and Security area.

Subsequent to the issuance of the draft report, the CTA provided FTA's Region 5 Office with a response to the deficiency noted in the Satisfactory Continuing Control area.

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 CTA, 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, cover cost increases and operating deficits, financially maintain and operate FTA funded facilities and equipment, and conduct and respond to applicable audits.

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

3. Technical

Basic Requirement: The grantee must be able to implement the FTA-funded 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 CTA, deficiencies were found with the FTA requirements for technical. A review of CTA's Federal Financial Reports noted that the following grants did not include unliquidated obligations: IL-03-0201, IL-03-0204, IL-03-0206, IL-03-0209, IL-03-0233, IL-05-0003, IL-90-X178 and IL-90-X196. CTA has not consistently submitted Milestone Progress reports (MPRs) and the required information has not been consistently accurate. Grant closeouts are not accomplished in a timely manner and projects have been excessively delayed. The CTA does have a grant administration handbook, however, a review of the handbook and associated grant administration procedures and practices indicated that the policy and procedures are not sufficient to ensure adequate administration of the grant program. At a minimum, grant administration policies and procedures should ensure that grants and projects are administered in compliance with the Master Agreement, statutes and other governing regulations. CTA has projects that are funded through multiple FTA grants; however, the grant administration policy does not include a provision for a grant drawdown plan. Additionally, when projects are funded through multiple grants, retainage should be charged to the newest grant and reported as an unliquidated obligation. Program administration funds are charged directly to grants instead of a generic account.

CTA's current grant administration practices results in grants remaining open for excessive periods of time, grants that have had no project or disbursement activity for excessive

amounts of time, and the current practices lack proper checks and balances. Also, these practices allow for inaccurate information being provided to the FTA through the MPRs. Currently, the CTA is in the process of implementing the terms of an agreement with the FTA regarding the closing out of grants.

Corrective Actions and Schedule: By August 23, 2010, the CTA must revise and implement its grant administration policies and procedures to ensure that grants are administered in accordance with the Master Agreement, grant administration requirements as outlined in FTA Circular 5010.1D, and other governing regulations.

Beginning with the quarter ending June 30, 2010, the CTA must ensure that all MPRs are submitted and that all information is accurate. The Federal Financial Reports must include unliquidated obligations, as applicable or remarks to explain why there are no unliquidated obligations.

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 CTA, deficiencies were found with the FTA requirements for satisfactory continuing control. The CTA has excess real property and a utilization plan. The plan needs to be updated to comply with requirements in FTA Circular 5010.1D. Subsequent to the issuance of the draft report, the CTA provided FTA's Region 5 Office with an updated excess real property utilization plan. The plan included several instances of pending actions. As a result of the pending actions, FTA's Region 5 Office has accepted the plan on a conditional basis.

Corrective Action and Schedule: On a quarterly basis, the CTA must continue to report to FTA on its efforts to complete necessary actions as outlined in the excess real property utilization plan until all pending actions have been accomplished. This reporting requirement will become part of the Project Management Oversight Consultant quarterly agenda.

5. Maintenance

Basic Requirement: Grantees and their subrecipients must keep Federally funded equipment and facilities in good operating order and maintain ADA accessibility features.

Findings: During this Triennial Review of CTA, deficiencies were found with the FTA requirements for maintenance. During CTA's previous Triennial Review, they were found deficient in the area of maintenance. One of the deficiencies was related to the lack of a comprehensive facility and equipment maintenance plan. A current review of facility and equipment maintenance practices indicates that the CTA is still managing facility and equipment maintenance through a series of checklists for the various facilities and equipment items and has not developed a comprehensive facility and equipment maintenance plan. The CTA's facility

and equipment maintenance practices are not consistently performed on a scheduled preventive maintenance basis but rather are performed on an “as needed” or reactive basis. Facility and equipment maintenance is performed by various union shops and there is a definite breakdown in assigned responsibilities relative to the maintenance of federally funded facilities and equipment. The lack of a comprehensive maintenance plan has resulted in the rapid deterioration of those facilities and equipment.

The CTA has an Interlocal Government Agreement (IGA) with the City of Chicago and the Chicago Police Department’s Transit Division for the use of federally funded non-revenue service vehicles. The IGAs do not include maintenance requirements for the vehicles, as required.

Corrective Action and Schedule: By August 23, 2010, the CTA must develop and submit to the FTA Region 5 Office a comprehensive facility and equipment maintenance plan that includes the organization and assignment of responsibility for facility and equipment maintenance, a series of inspections and routine maintenance actions designed to ensure the proper care and maximum useful life of facilities and equipment, and a record-keeping system that maintains adequate permanent records of maintenance and inspection activity for buildings and equipment.

By August 23, 2010, the CTA must revise the IGAs with the City of Chicago and the Chicago Police Department’s Transit Division, to include maintenance requirements as outlined in FTA Circular 5010.1D.

6. Procurement

Basic Requirement: FTA 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.”

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

7. Disadvantaged Business Enterprise (DBE)

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.

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

8. Buy America

Basic Requirement: Federal funds may not be obligated unless steel, iron, and manufactured products used in FTA funded projects are produced in the United States. The only exceptions are if FTA has granted a waiver or if the product is subject to a general waiver. Rolling stock must have sixty percent domestic content. Also, final assembly of rolling stock must take place in the United States and grantees must conduct a pre-award and post-delivery audit for purchases of rolling stock in order to verify that the 60 percent domestic content and final assembly requirements were met.

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

9. Debarment and Suspension

Basic Requirement: To protect the public interest from and prevent fraud, waste, and abuse in Federal transactions, persons or entities, which by defined events or behavior, that potentially threaten the integrity of Federally administered non-procurement programs, are excluded from participating in FTA assisted programs.

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

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.

Findings: During this Triennial Review of CTA, 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, SAFETEA-LU, and the metropolitan and statewide planning regulations.

Grantees must develop and/or participate in a locally developed, coordinated public transit-human services transportation plan 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 have complied with the public participation requirements of Section 5307(c)(1) through (7). Each grantee is required to develop, publish,

afford an opportunity for a public hearing on, and submit for approval a Program of Projects (POP).

Findings: During this Triennial Review of CTA, 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 grounds of race, color, or national origin, be excluded from participating in, be 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 services and related benefits are distributed in an equitable manner.

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

13. 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.

Findings: During this Triennial Review of CTA, no deficiencies were found with the FTA requirements for fare increases and service reductions.

14. Half Fare

Basic Requirement: During non-peak hours for fixed route service supported with Section 5307 assistance, fares charged elderly persons, persons with disabilities or an individual presenting a Medicare card will not be more than half the peak hour fare.

Findings: During this Triennial Review of CTA, deficiencies were found with the FTA requirements for half fare. The Regional Transportation Authority (RTA) is responsible for generating fare information for its service boards, CTA, Metra and Pace. The RTA's printed application instructions for its half fare special ID requires additional information for eligibility validation for Medicare cardholders.

Corrective Action and Schedule: By August 23, 2010, the CTA must work with the RTA to eliminate the additional eligibility requirement for Medicare cardholders to receive the special half fare ID. The CTA must provide evidence of compliance with FTA's half fare requirements to the Regional Office.

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 service, including complementary paratransit service.

Findings: During this Triennial Review of CTA, deficiencies were found with the FTA requirements for ADA. The CTA provides fixed route public transportation services. Therefore, the CTA has a responsibility for the provision of ADA complementary paratransit service. The State of Illinois passed legislation transferring the responsibility for the provision of ADA complementary Paratransit service in the State of Illinois to Pace Suburban Bus. However, the CTA continues to have a monitoring responsibility for ADA complementary paratransit service being provided in its service areas. During this triennial review period, the CTA has not monitored the provision of ADA complementary paratransit service being provided for its service areas.

Corrective Action and Schedule: By June 23, 2010, the CTA must develop and implement a monitoring strategy to address the provision of ADA complementary paratransit service being provided on its behalf by Pace Suburban Bus. The CTA must provide the monitoring plan to FTA's Region 5 Office.

16. Charter Bus

Basic Requirement: FTA 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.

Findings: During this Triennial Review of CTA, 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 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.

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

18. National Transit Database (NTD)

Basic Requirement: Grantees that receive 5307 and 5311 grant funds must collect, record, and report financial and non-financial data in accordance with the Uniform System of Accounts (USOA) and the *National Transit Database (NTD) Reporting Manual* as required by 49 USC 5335(a).

Findings: During this Triennial Review of CTA, 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 at least one percent of such funds for transit security projects or that such expenditures for security systems are not necessary.

Under the safety authority provisions of 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. States are required to oversee the safety of rail fixed guideway systems through a designated oversight agency, per 49 CFR Part 659, Rail Fixed Guideway Systems, State Safety Oversight. FTA has developed web sites for Bus Safety and Rail Safety. These sites include helpful tools, such as resources, self assessments, and forums.

Under security, a list of 17 Security and Emergency Management Action Items has been developed by FTA and the Department of Homeland Security's Transportation Security Administration (TSA). This list of 17 items, an update to the original FTA Top 20 security action items list, was developed in consultation with the public transportation industry through the Mass Transit Sector Coordinating Council, for which the American Public Transportation Association (APTA) serves as Executive Chair. Security and Emergency Management Action Items for Transit Agencies aim to elevate security readiness throughout the public transportation industry by establishing baseline measures that transit agencies should employ. Additionally, FTA has developed an extensive website for transit security.

The goal of FTA's Safety and Security Program is to achieve the highest practical level of safety and security in all modes of transit. To this end, FTA continuously promotes the awareness of safety and security throughout the transit community by establishing programs to collect and disseminate information on safety/security concepts and practices. In addition, FTA develops guidelines that transit systems can apply in the design of their procedures and by which to compare local actions. Many of the questions in this review area are designed to determine what efforts grantees have made to develop and implement safety, security, and emergency management plans. While there may not be specific requirements associated with all of the questions, grantees are encouraged to implement the plans, procedures, and programs referenced in these questions. For this reason, findings in this area will most often result in advisory comments rather than deficiencies.

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

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

During the field visit to CTA's Kimball Street rail yard. It was noted that a gate leading into the yard where trains are stored was open and unattended. Commuters potentially have easy access to the rail yard. At the 98th Street rail yard, the work area in several flights below the entrance to the facility. The door was propped open with a stick and again the area was unattended. FTA would advise the CTA to investigate and remedy the situations at these locations to ensure they are properly secured.

20. Drug-Free Workplace

Basic Requirement: FTA 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 CTA, no deficiencies were found with the FTA requirements for drug-free workplace.

21. Drug and Alcohol Program

Basic Requirement: Grantees receiving Urbanized Area Formula Program (Section 5307), Non-Urbanized Area Formula Program (Section 5311), or Capital Investment Program (Section 5309) funds must have a drug and alcohol testing program in place for all safety-sensitive employees.

Findings: During this Triennial Review of CTA, 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 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 from the Federal transit laws. (Note: EEOC's regulation only identifies/recognizes religion and not creed as one of the protected groups.)

Findings: During this Triennial Review of CTA, 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 United States Department of Transportation (USDOT) adopted ITS Standards.

Findings: During this Triennial Review of CTA, deficiencies were found with the FTA requirements for ITS architecture. The CTA has not established a systems engineering analysis of its ITS projects that fully comply with the components of a systems engineering analysis.

Corrective Action and Schedule: By August 23, 2010, the CTA must develop and implement a systems engineering analysis process that incorporates all components of a compliant systems engineering analysis plan.

24. American Recovery and Reinvestment Act (ARRA)

Basic Requirement: Grantees must have the legal, financial and technical capacity to carry out the proposed program of projects and meet the additional reporting requirements for its ARRA-funded grant activities.

Findings: CTA has two active ARRA grants. Projects funded by those grants are: Preventive maintenance, Dearborn Subway Track & Structure repair, Rail transit station rehabilitation, system-wide facility improvements, and the purchase of buses.

During this Triennial Review of CTA, no deficiencies were found with the FTA requirements for ARRA.

V. SUMMARY OF FINDINGS AND CORRECTIVE ACTIONS

Review Area	Finding	Deficiency	Corrective Action	Response Date	Date Closed
1. Legal	ND				
2. Financial	ND				
3. Technical	D-99	Grant administration policies and procedures lacking.	The CTA must revise and implement its grant administration policies and procedures to ensure that grants are administered in accordance with the Master Agreement, grant administration requirements as outlined in FTA Circular 5010.1D, and other governing regulations.	August 23, 2010	
	D-03 D-04 D-05 D-12	Progress reports lack required information, inactive grants/untimely closeouts, excessive delays in project implementation, Incorrect FSR reporting	The CTA must ensure that all MPRs are submitted and that all information is accurate. The Federal Financial Reports must include unliquidated obligations, as applicable or remarks to explain why there are no unliquidated obligations.	July 30, 2010	
4. Satisfactory Continuing Control	D-02	Excess real property utilization plan out of date	The CTA must update its excess real property plan to ensure compliance with requirements as outlined in FTA Circular 5010.1D.	August 23, 2010	

Review Area	Finding	Deficiency	Corrective Action	Response Date	Date Closed
5. Maintenance	D-06	Facility/Equipment maintenance plan lacking or inadequate	The CTA must develop and submit to the FTA Region 5 Office a comprehensive facility and equipment maintenance plan that includes the organization and assignment of responsibility for facility and equipment maintenance, a series of inspections and routine maintenance actions designed to ensure the proper care and maximum useful life of facilities and equipment, and a record-keeping system that maintains adequate permanent records of maintenance and inspection activity for buildings and equipment.	August 23, 2010	
	D-10	Inadequate oversight of contracted maintenance activities.	The CTA must revise the IGAs with the City of Chicago and the Chicago Police Department's Transit Division, to include maintenance requirements as outlined in FTA Circular 5010.1D.	August 23, 2010	
6. Procurement	ND				
7. Disadvantaged Business Enterprise	ND				
8. Buy America	ND				
9. Debarment and Suspension	ND				
10. Lobbying	ND				
11. Planning/POP	ND				
12. Title VI	ND				
13. Fare Increases and Service Reductions	ND				
14. Half Fare	D-04	Additional information required from Medicare cardholders	The CTA must work with the RTA to eliminate the additional eligibility requirement for Medicare cardholders to receive the special half fare ID. The CTA must provide evidence of compliance with FTA's half fare requirements to the Regional Office.	August 23, 2010	

Review Area	Finding	Deficiency	Corrective Action	Response Date	Date Closed
15. ADA	D-18	Insufficient oversight of ADA requirements	The CTA must develop and implement a monitoring strategy to address the provision of ADA complementary paratransit service being provided on its behalf by Pace Suburban Bus. The CTA must provide the monitoring plan to FTA's Region 5 Office.	June 23, 2010	
16. Charter Bus	ND				
17. School Bus	ND				
18. National Transit Database	ND				
19. Safety and Security	AC -99	Access to rail facilities not secured.	FTA would advise the CTA to investigate and remedy the situations at these locations to ensure they are properly secured.		
20. Drug-Free Workplace	ND				
21. Drug and Alcohol Program	ND				
22. Equal Employment Opportunity	ND				
23. ITS Architecture	D-02	No established process for systems engineering analysis	The CTA must develop and implement a systems engineering analysis process that incorporates all components of a compliant systems engineering analysis plan.	August 23, 2010	
24. ARRA	ND				

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

VI. TRANSIT SECURITY EXPENDITURES

Does the grantee expend one percent or more of its Section 5307 Urbanized Area Formula Grant funds for transit security?

FY2007:	Yes:		No:	X
FY2008:	Yes:		No:	X
FY2009:	Yes:		No:	X

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

	No deficiency found from a threat and vulnerability assessment
	TSA/FTA Security and Emergency Management Action Items met or exceeded
X	Other (please describe): CTA contracts with a private security firm to provide safety and security for customers and employees.

Security Funding	FTA Section 5307 Funds (in Dollars)		
	FY 2007	FY 2008	FY 2009
Total amount of 5307 Funds expended	\$122,379,067	\$132,287,951	\$139,760,381
Amount of 5307 Funds expended on security			
Percent of 5307 Funds expended on security	0%	0%	0%
Infrastructure/Capital Improvement Security Projects:			
Lighting, Fencing & Perimeter Control			
CCTV and Surveillance Technology			
Communications Systems			
Security Planning			
Drills & Tabletop Exercises			
Employee Security Training			
Other Security-Related Infrastructure & Capital Improvements (please list): _____Private security firm	\$29,832,332	\$31,130,048	\$31,355,083
Operating/Personnel Expenditures (can only be used by agencies in areas with populations UNDER 200,000):			
Contracted Security Force			
In-house Security Force			
Other Security-Related Operating			

Security Funding	FTA Section 5307 Funds (in Dollars)		
	FY 2007	FY 2008	FY 2009
Expenditures (please list): _____			

VII. ATTENDEES

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