Metropolitan Transportation Authority

State of New York

May 28, 2025

VIA E-MAIL
Ms. Carmen Maldonado
Audit Director
The Office of the State Comptroller
Division of State Government Accountability
59 Maiden Lane, 21st Floor
New York, NY 10038

Re: Final Report #2024-F-16 (Management and Maintenance of Non-Revenue Service Vehicles)

Dear Ms. Maldonado:

This is in reply to your letter requesting a response to the above-referenced final report.

I have attached for your information the comments of Demetrius Crichlow, President, MTA New York City Transit, which address this report.

Sincerely,

Janno Lieber

c: Laura Wiles, MTA Chief of Staff
      Monica Murray, Auditor General, MTA Audit Services

The agencies of the MTA

MTA New York City Transit
MTA Long Island Rail Road

MTA Metro-North Railroad
MTA Bridges and Tunnels

MTA Construction & Development
MTA Bus Company

Memorandum

MTA New York City Transit

Date May 27, 2025

To Janno Lieber, Chairman, Metropolitan Transportation Authority

From Demetrius Crichlow, President MTA New York City Transit, MTA Bus Company

Re Response to NYS Office of the Comptroller Follow-Up Report on the Management and Maintenance of Non-Revenue Service Vehicles (Report 2024-F-16)

This information is provided in response to the follow-up audit report of the Office of the New York State Comptroller ("OSC") to the MTA on New York City Transit Authority and MTA Bus Company's (together "NYCT") Management and Maintenance of Non-Revenue Service Vehicles Report 2024-F-16 ("follow-up report"). The stated purpose of this follow-up audit was to assess the extent of implementation of the recommendations included in the OSC's initial report (2020-S-31, issued January 26, 2023). The following are NYCT's responses to the OSC's status of audit recommendations and summary conclusions:

Recommendation #1: Work with the user groups to ensure the vehicles are delivered for the scheduled ASOs and LSOs.

Status as per OSC: Implemented
Status as per NYCT: Implemented

Recommendation #2: Send reminders to user departments when mileage has not been entered into the SPEAR system on a regular recurring basis.

Status as per OSC: Implemented
Status as per NYCT: Implemented

Recommendation #3: Revise inspection forms to reflect changes to LSO intervals.

Status as per OSC: Implemented
Status as per NYCT: Implemented

Recommendation #4: Revise inspection forms to reflect the manufacturer-recommended maintenance for electric and hybrid vehicles in the fleet.

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Status as per OSC: Partially Implemented
Status as per NYCT: Partially Implemented, no further action to be taken.

NYCT Response: In our response to the OSC's initial report, NYCT agreed with this
recommendation and indicated that the inspection forms had been revised. In our 180-day
update, dated August 14, 2023, we reiterated that the inspection forms had been updated in the
4th quarter of 2022.

NYCT inspection forms were created to fit all models of vehicles in the fleet and are not specific
to individual vehicles. In response to this recommendation, we revised the inspection forms to
include a section for electric and hybrid vehicles, which requires additional items such as rotating
tires and replacing the cabin air filter every 7,500 miles. While the inspection forms do not strictly
follow the service intervals outlined in each owner's manual for the various vehicle models in the
fleet, NYCT has implemented a comprehensive maintenance program that ensures all vehicles
meet or exceed essential service requirements. This approach prioritizes proactive maintenance
practices, industry best standards, and manufacturer guidelines, ensuring that all vehicles receive
necessary inspections, servicing, and repairs on a consistent basis. By leveraging a standardized
yet adaptive maintenance protocol for all fleet vehicles, NYCT has effectively addressed the core
requirements of manufacturer recommendations while enhancing operational efficiency.
Consequently, we do not believe there is any further action required to address this
recommendation.

Recommendation #5: Document reasons when SFS does not follow certain recommended
maintenance in owner's manuals.

Status as per OSC: Not Implemented
Status as per NYCT: Partially Implemented

NYCT Response: In our response to the OSC's initial report, NYCT agreed with this
recommendation and indicated that our that our inspections meet or exceed all original
manufacturers' maintenance recommendations and noted that we make changes based on
experience and operating conditions. We noted that reasons for not following certain
recommended maintenance in the owner's manuals would be documented.   In our 180-day
update, we indicated that we were creating an SOP to document changes during inspections
when required for the specific fleet models.

While manufacturer-recommended maintenance intervals serve as general guidelines, NYCT's
approach is designed to ensure all fleet vehicles meet or exceed Original Equipment
Manufacturers' recommended maintenance and industry standards. As noted in the OSC's
report, our inspection forms were created to fit all models of vehicles in the fleet and are not
specific to individual vehicles.

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To implement this recommendation NYCT developed a standard operating procedure to keep a record of owner's manual recommended maintenance that is not followed for each vehicle model and the reason for that decision. A sample of this procedure was presented to the OSC audit team and the SFS team will complete the process of documenting all owners' manual recommended maintenance items that are not followed as part of the inspection process by end of 3rd Quarter 2025.

Recommendation #6: Formalize procedures to record and account for, in SPEAR, the parts that were replaced on the vehicle during maintenance and repairs.

Status as per OSC: Not Implemented
Status as per NYCT: Not Implemented

NYCT Response: In our response to the OSC's initial report, NYCT acknowledged this recommendation, indicating that the utilization of SPEAR for tracking costs and parts for our non-revenue fleet is not automated and that our systems do not allow us to implement this recommendation. However, we noted that we were evaluating and pursuing an investment in a maintenance management software system for the Support Fleet Services ("SFS") Unit. In our 180-day update, we advised that MTA HQ had selected and purchased an MTA system-wide Enterprise Asset Management (EAM) software program that will include the recommended functionality. We noted therein that the implementation of the system-wide application would span multiple years.

The implementation of fleet-specific modules within EAM remains pending, with completion estimated in approximately four years. As indicated in our initial response, the utilization of SPEAR for tracking costs and parts cannot be automated. Implementing a manual tracking process for costs and parts allocated to each vehicle would necessitate additional SFS staffing resources that are not available. Without these necessary resources, the ability to document and account for replaced parts per vehicle in SPEAR is not feasible. However, once the fleet specific modules within EAM are implemented NYCT will formalize procedures to record and account for parts replaced on specific vehicles during maintenance and repairs.

Recommendation #7: Train SFS staff on the process to establish consistency when recording parts in SPEAR.

Status as per OSC: Not Implemented
Status as per NYCT: Not Implemented

NYCT Response: In our response to the OSC's initial report, NYCT acknowledged this recommendation, indicating that the utilization of SPEAR for tracking costs and parts for our non-revenue fleet is not automated and that our systems do not allow us to implement this recommendation. However, we noted that we were evaluating and pursuing an investment in a

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maintenance management software system for the SFS Unit. In our 180-day update, we advised that MTA HQ had selected and purchased MTA system-wide EAM software that will include the recommended functionality. We noted therein that the implementation of the system-wide application would span multiple years.

The implementation of fleet-specific modules within EAM remains pending, with completion estimated in approximately four years. As indicated in our initial response, the utilization of SPEAR for tracking costs and parts cannot be automated. Implementing a manual tracking process for costs and parts allocated to each vehicle would necessitate additional SFS staffing resources that are not available. Without these necessary resources, the ability to document and account for replaced parts per vehicle in SPEAR is not feasible. As a result, it is not possible to implement this recommendation. However, once the fleet specific modules within EAM are implemented NYCT will train SFS staff on the process of recording parts in that system.

Recommendation #8: Establish a process for tracking and monitoring maintenance costs.

Status as per OSC: Not Implemented
Status as per NYCT: Not Implemented

<u>NYCT Response</u>: In our response to the OSC's initial report, NYCT acknowledged this recommendation, indicating that the utilization of SPEAR for tracking costs and parts for our non-revenue fleet is not automated and that our systems do not allow us to implement this recommendation. However, we noted that we were evaluating and pursuing an investment in a maintenance management software system for the SFS Unit. In our 180-day update, we advised that MTA HQ had selected and purchased MTA system-wide EAM software that will include the recommended functionality. We noted therein that the implementation of the system-wide application would span multiple years.

NYCT is unable to comprehensively track the total cost of ownership (TCO) per vehicle for fleet vehicles due to the limitations of the SPEAR system. Maintenance costs and parts expenditures are recorded in various systems and not captured on a per vehicle basis. The pending fleet-specific modules within the EAM software system are expected to enhance per vehicle cost monitoring capabilities. Consequently, this recommendation cannot be implemented until the fleet specific modules within EAM are operational.

Recommendation #9: Establish written policies and procedures and provide training to employees on how to implement this process as part of controlling costs.

Status as per OSC: Not Implemented
Status as per NYCT: Not Implemented

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NYCT Response: In our response to the OSC's initial report, NYCT acknowledged this recommendation, indicating that the utilization of SPEAR for tracking costs and parts for our non-revenue fleet is not automated and that our systems do not allow us to implement this recommendation. However, we noted that we were evaluating and pursuing an investment in a maintenance management software system for the SFS Unit. In our 180-day update, we advised that MTA HQ had selected and purchased MTA system-wide EAM software that will include the recommended functionality. We noted therein that the implementation of the system-wide application would span multiple years.

NYCT is unable to comprehensively track the total cost of ownership (TCO) per vehicle for fleet vehicles due to the limitations of the SPEAR system. Maintenance costs and parts expenditures are recorded in various systems and not captured on a per vehicle basis. The pending fleet-specific modules within the EAM software system are expected to enhance per vehicle cost monitoring capabilities. Consequently, this recommendation cannot be implemented until the fleet specific modules within EAM are operational. Upon implementation of the fleet specific modules within EAM NYCT will establish written policies and procedures and provide training to employees on tracking and monitoring maintenance costs.

Recommendation #10: Establish written policies and procedures and provide training to staff on recordkeeping and maintaining an accurate and up-to-date inventory list.

Status as per OSC: Partially Implemented
Status as per NYCT: Implemented

NYCT Response: In our response to the OSC's initial report, NYCT acknowledged this recommendation, indicating that we would document the manual process of updating the non-revenue vehicle inventory list by the second quarter of 2023. In our 180-day update we indicated that this documentation would be complete by the third quarter of 2023.

During the implementation of this recommendation, NYCT created a new procedure to use SPEAR as the sole source for documentation of vehicle inventory, ensuring centralized and consistent recordkeeping. For risk-management purposes, the new process limits the authority to enter vehicle data into SPEAR. The employees with authority to perform this function have all been trained. The procedure for maintaining the non-revenue vehicle list in SPEAR has been added to the 2025 SFS Standard Operating Guidelines.

Recommendation #11: Evaluate and address the optimal vehicle capacity at the East New York facility to reduce overcrowding. Consider the number of vehicles that East New York can hold, space restrictions, and the daily workload.

Status as per OSC: Implemented
Status as per NYCT: Implemented