

THOMAS P. DiNAPOLI
STATE COMPTROLLER



110 STATE STREET
ALBANY, NEW YORK 12236

STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

April 11, 2025

Janno Lieber
Chairman and Chief Executive Officer
Metropolitan Transportation Authority
2 Broadway
New York, NY 10004

Re: Management and Maintenance of
Non-Revenue Service Vehicles
Report 2024-F-16

Dear Mr. Lieber:

Pursuant to the State Comptroller's authority as set forth in Article X, Section 5 of the State Constitution and Section 2803 of the Public Authorities Law, we have followed up on the actions taken by officials of the Metropolitan Transportation Authority to implement the recommendations contained in our initial audit report, *Management and Maintenance of Non-Revenue Service Vehicles* ([Report 2020-S-31](#)).

Background, Scope, and Objectives

New York City Transit (Transit) and the MTA Bus Company (MTA Bus) are two related entities under the Metropolitan Transportation Authority (MTA). The MTA is responsible for developing and implementing a unified mass transportation policy for New York City, Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk, and Westchester counties for the benefit of the people of the State of New York. Transit is responsible for operating the subways and most of the public bus service throughout New York City, and MTA Bus provides bus service in portions of the Bronx, Queens, and Brooklyn, and express routes from those boroughs to Manhattan.

Transit and MTA Bus have Support Fleet Services (SFS) Units that operate from the East New York facility and the Eastchester facility, respectively, under the Office of Central Maintenance Facilities, and are responsible for managing the acquisition, maintenance, and disposition of non-revenue service vehicles (vehicles) in the fleet. These vehicles are used for purposes other than customer transportation, such as supervisory and maintenance functions. The SFS Units operate independently but share one management team.

The SFS Units are responsible for preventive maintenance (PM), which is performed to detect or prevent the degradation of vehicles in order to sustain or extend the vehicle's useful life. At SFS, PM includes annual and light service operations, starting from the in-service date, to ensure the vehicle is in good working order. Annual Service Operations (ASOs) are scheduled every 12 months, while, at the time of our initial audit, Light Service Operations (LSOs) were scheduled based on mileage intervals (3,500, 6,000, or 7,500, depending on the vehicle class) or 6 months, whichever comes first.

The ASOs and LSOs are scheduled by SPEAR, the maintenance management system used by both SFS Units that is programmed to automatically create PM work orders. SPEAR depends on monthly mileage updates to be performed by the vehicle's user group, and decisions on which vehicles qualify for an LSO are based on this information. ASOs and LSOs are performed in-house by the SFS Units, but service work, such as reupholstering seats, replacing springs, and repairing brakes, can be outsourced to vendors. SFS vehicles are assigned to various Transit and MTA Bus user groups, such as Transit's Signals, Elevator and Escalator, and Track Departments and MTA Bus depots, to support ongoing operations. The user groups must coordinate with SFS to bring vehicles in for ASOs or LSOs. Should additional maintenance or repair work be needed following the ASO or LSO, SFS creates a "service operation pickup work order" in the SPEAR system.

Transit and MTA Bus had 1,879 vehicles (1,732 Transit as of July 2024 and 147 MTA Bus as of August 2024) in its fleet. Of these, 209 were out of service (either awaiting service work or parts or pending disposition), two were awaiting scrap processing, and three were stored. The fleet consists of light-, medium-, and heavy-duty trucks; SUVs; vans; cars; and other vehicles. Funding for these vehicles comes from both capital and operational funding sources. Between 2020 and 2024, SFS added 147 vehicles and equipment units, with a cost of \$22.9 million. Of the 147 units, 141 were purchased with capital funds, four were purchased with operating funds, and two were not designated.

The objectives of our initial audit, issued on January 26, 2023, were to determine whether Transit and MTA Bus maintained an accurate and complete inventory of non-revenue service vehicles, and to determine whether the non-revenue service vehicles received scheduled PM, were safeguarded, and were properly disposed of at the end of their useful life. The original audit found:

- Transit and MTA Bus did not always adhere to their own guidance or practices to provide LSOs and ASOs as part of PM on their fleet of vehicles. For example, 173 of the 285 required LSOs (60.7%) in our random sample were done late or not at all. Furthermore, vehicles that do not receive recommended maintenance may invalidate the warranty, have a shortened useful life, or be subject to more repairs, resulting in higher costs to the SFS Units.
- Transit and MTA Bus did not have an inventory system or maintain an accurate and up-to-date inventory of parts purchased to be used to maintain their vehicles.
- Maintenance costs were \$50.5 million, or 21%, over the \$41.8 million budgeted. However, SFS did not have a process to analyze its maintenance costs in an effort to manage costs.

The objective of our follow-up was to assess the extent of implementation, as of January 9, 2025, of the 11 recommendations included in our initial audit report.

Summary Conclusions and Status of Audit Recommendations

The MTA made some progress in addressing the problems we identified in the initial audit report. Of the initial report's 11 audit recommendations, four were implemented, two were partially implemented, and five were not implemented.

Follow-Up Observations

Recommendation 1

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

Status – Implemented

Agency Action – SFS started a process in July 2024 to contact user groups for scheduled ASOs and LSOs. A monthly list of inspections is created so user groups can be contacted via email, and follow-ups are issued if the user group does not respond. For our follow-up, we sampled 44 vehicles to determine whether they were maintained as required. For this sample, 65 ASOs were due. Of the 65, we found 53 were completed; for 12, there was no documentation to support they were done. For the 53 that were completed, 23 were done on time, 12 were done early, and 18 were late.

Recommendation 2

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

Status – Implemented

Agency Action – SFS issued Permanent Bulletin 02-89 on June 4, 2024 reminding all employees that mileage for non-revenue vehicles is to be entered into SPEAR weekly. SFS sends reminders to user departments when SFS is contacted by the SPEAR department regarding missing odometer readings, and an odometer reading request is sent out. Since the original audit, LSO intervals shown on the inspection forms were revised, with cars and light vehicles receiving an LSO 7,500 miles after the prior Service Operation (SO), medium and heavy trucks 7,500 miles or 6 months after the prior SO, and Ford F550/F650 3,500 miles after the prior SO.

Recommendation 3

Revise inspection forms to reflect changes to LSO intervals.

Status – Implemented

Agency Action – The inspection forms were revised to show the correct intervals for the LSOs.

Recommendation 4

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

Status – Partially Implemented

Agency Action – Separate SO inspection forms for electric and hybrid vehicles were not created. However, a “Special Instruction” section for electric and hybrid vehicles was added to the inspection form, which requires additional items such as rotating tires and replacing the cabin air filter every 7,500 miles (these are annual SO items for regular cars and light trucks). We were advised that other actions that are common for gasoline- and diesel-powered vehicles as well as electric and hybrid vehicles are

performed based on the maintainer's knowledge and experience and may not be specifically mentioned on the form.

Recommendation 5

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

Status – Not Implemented

Agency Action – We obtained manufacturer maintenance manuals for three manufacturers based on a random sample of six electric or hybrid vehicles in the SFS fleet. We noted some maintenance requirements that did not appear covered by the inspection forms. Officials explained that inspection forms are generalized to fit all vehicles in the fleet and use the best recommended practices, including any safety requirements. However, they did not document the reasons they do not include all of the manufacturer's requirements.

Recommendation 6

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

Status – Not Implemented

Agency Action – SFS still does not have a formal procedure. SFS officials are waiting for the implementation of the sections of the Enterprise Asset Management (EAM) system (which will replace SPEAR) applicable to their operations. The estimated time for this implementation is 4 years. In addition, they do not have a materials planner to enter the information as required.

Recommendation 7

Train SFS staff on the process to establish consistency when recording parts in SPEAR.

Status – Not Implemented

Agency Action – SFS officials stated that they are waiting for the new EAM system, which will not be in place for 4 years.

Recommendation 8

Establish a process for tracking and monitoring maintenance costs.

Status – Not Implemented

Agency Action – SFS does not have a process to track and monitor maintenance costs per vehicle. SFS officials stated that SPEAR does not record costs automatically and they would need to be manually entered into the system. Due to a lack of staffing, SFS is unable to enter the costs of the parts it obtains from third-party vendors into SPEAR.

Recommendation 9

Establish written policies and procedures and provide training to employees on how to implement this process as part of controlling cost.

Status – Not Implemented

Agency Action – SFS did not establish written policies and procedures and did not provide training to employees. SFS officials stated that the majority of the parts used are obtained from third-party vendors. Although SFS employees can enter labor costs and parts into SPEAR, due to a lack of staffing, SFS does not enter the cost of these parts into SPEAR. They expect that tracking the cost of parts will improve with the implementation of EAM for SFS; however, EAM will not be implemented for 4 years.

Recommendation 10

Establish written policies and procedures and provide training to staff on record keeping and maintaining an accurate and up-to-date inventory list.

Status – Partially Implemented

Agency Action – SFS officials advised that SFS now uses SPEAR as the sole source for their vehicle inventory—previously, they were using both SPEAR and an Excel spreadsheet. We tested the vehicle asset inventories and found them to be accurate. SFS officials stated that they do not have written policies or procedures, and that the three employees authorized to enter vehicle data in SPEAR do not require formal training.

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 – Implemented

Agency Action – In the initial audit, there were in excess of 200 vehicles on site. On July 27, 2024, we observed 95 vehicles on the premises. In addition, the streets around the perimeter of the facility were not crowded with vehicles awaiting service.

Major contributors to this report were Robert C. Mehrhoff, Danielle Marciano, Diego Mora Rojas, and Hadassah Leiva.

MTA officials are requested, but not required, to provide information about any actions planned to address the unresolved issues discussed in this follow-up within 30 days of the report's issuance. We thank the management and staff of the MTA for the courtesies and cooperation extended to our auditors during this follow-up.

Very truly yours,

Carmen Maldonado
Audit Director

cc: M. Murray, Metropolitan Transportation Authority
D. Jurgens, Metropolitan Transportation Authority
Division of the Budget