



Senator Stephanie Takis,
Chairperson, Legislative Audit Committee
c/o Office of the State Auditor
200 East 14th Avenue
Denver, CO 80203

The Honorable Stephanie Takis:

Enclosed is the RTD's response to your request for a letter detailing the actions taken to respond to audit recommendations. We have outlined the implementation status, the actions taken and/or planned and the impact of other factors, where applicable.

If you have any questions, please contact me, at 303-299-2320 or by email at barbara.willis@RTD-Denver.com

Sincerely,

A handwritten signature in black ink that reads 'Barbara Willis'. The signature is written in a cursive, flowing style.

Barbara Willis
RTD Internal Audit

RTD State Audit Response
March 28, 2007

Recommendation	Implementation Status	Actions Taken	Other applicable factors
<p>1. Work with the Regional Transportation District Board of Directors to improve the effectiveness of the internal operating cost recovery ratio by formally adopting and documenting the basis for the goal. This should include: (a) evaluating the methodology for determining the recovery ratio, (b) defining the ways in which the ratio will be used in fare-setting or other activities, and (c) proposing legislative change to the methodology used in calculating the statutory cost recovery ratio, as appropriate.</p>	<p>Implementation Deferred.</p>	<p>The feasibility of proposing a legislative change to the methodology used to calculate the statutory cost recovery ratio as contained in SB154 was discussed last year following your release of the State Audit Report. Please note that during RTD's annual report to the Legislature, RTD reports on the cost recovery ratio as contained in SB154. During that same presentation, RTD also reports the Operating Revenue Recovery Ratio (which is based on farebox revenues, and advertising and operating revenues, less operating and administrative costs, and depreciation of bus operations assets.)</p>	<p>Based on research performed by RTD's legislative liaisons, it was determined that given the full agenda facing the Legislature it would not have been advantageous to introduce a bill at that time. We will continue to review the feasibility of requesting an appropriate change in legislation.</p>
<p>2. Adopt policies related to subsidies by service type by developing target subsidy percentages or target ranges for subsidy percentages for each type of service. Use these targets and percentages to evaluate fares and to support fare increases.</p>	<p>Partially Implemented</p>	<p>Service standards were reviewed and RTD has determined subsidy by percentage (farebox recovery) by class of service for the most recent data available. This information will be incorporated into the annual service review to be presented to the Board of Directors prior to May 2007. This information will be presented annually in the future as part of annual service reviews.</p>	

RTD State Audit Response
March 28, 2007

Recommendation	Implementation Status	Actions Taken	Other applicable factors
<p>3. Conduct thorough evaluations of the Eco Pass and all of the RTD pass programs to ensure the programs are cost-effective and pricing structures are equitable and consistent. This should include developing the methods and technology needed to capture critical data, analyzing results, and reporting findings and recommendations to the RTD Board and the public.</p>	<p>Implementation On-going</p>	<p>RTD is in the process of revising a Request for Proposals (RFP) for assistance in procurement of fare collection hardware to better monitor Eco Pass usage. This information will assist with the identification and evaluation of possible revisions to the pricing structure of the Eco Pass program. RTD is in the process of establishing a "stakeholders" committee to participate in the evaluation. Short term modifications may be developed in the summer of 2007. Long term modifications may be developed in 18-36 months.</p>	

RTD State Audit Response
March 28, 2007

Recommendation	Implementation Status	Actions Taken	Other applicable factors
<p>4. Ensure decisions regarding route service changes are made in a timely manner and are based on a consistent application of productivity standards. To accomplish this, adopt and implement procedures including time lines for monitoring routes and taking action on poorly performing routes and document the decision-making criteria in cases that deviate from the standard procedures.</p>	<p>Implementation On-Going</p>	<p>RTD will ensure that all routes that do not meet service standards are presented to the Board of Directors for consideration and possible modification. This process is typically undertaken three (3) times per year for the January, May, and August run-boards.</p>	
<p>5. Improve the performance measures related to providing cost-effective and efficient transportation services by: (a) systematically reviewing current goals, objectives, and performance measures to ensure linkages exist between them and performance measures address all objectives; (b) adopting objectives that include time frames for accomplishment; and (c) developing benchmarks and targets for performance measures.</p>	<p>Implemented</p>	<p>The RTD staff and Board systematically reviewed current goals and objectives; performance measures were identified for all objectives. Where appropriate, the adopted objectives included time frames for accomplishment. In addition, a new objective was identified: "to maintain a cost-effective and efficient transportation service;" performance measures assessing this new objective have been defined.</p>	

RTD State Audit Response
March 28, 2007

Recommendation	Implementation Status	Actions Taken	Other applicable factors
<p>6. Ensure the adequacy and comparability of security awareness training for all bus operators and other front line personnel by adopting a standard training program for use by both internal staff and contract transit firms.</p>	<p>Implemented</p>	<p>Training standardization complete. Refresher required every three years. Written test developed and distributed.</p>	
<p>7. Ensure all transit operators have a sufficient command of the English language to effectively carry out security and emergency management plans and responses by: (a) working with contract providers to identify current bus operators with language limitations, (b) implementing training or other language programs and testing to verify language proficiency for current employees, (c) establishing time frames for achieving proficiency, and (d) monitoring results and enforcing contract provisions as needed.</p>	<p>Implemented and On-Going</p>	<p>New Hire/Rehire checklist modified to include verification of English language proficiency; Competitive Services performed a survey of operators October 2006. RTD has also implemented a program whereby Dispatchers record radio communications that are difficult to understand and distribute such recordings to appropriate parties to identify operators in need of additional training.</p>	

RTD State Audit Response
March 28, 2007

Recommendation	Implementation Status	Actions Taken	Other applicable factors
8. Make emergency response and communication information more readily accessible to bus operators by developing a separate quick-reference handbook from information contained in the Trailblazer manual.	Implemented	Trailblazer emergency response and communication highlighted in black along edge of page. Distributed November 2006. Quick reference guide complete Distribution to occur within the next few weeks.	