



## Meeting of the Operations and Oversight Committee

Thursday, October 13, 2022 • 10:00 a.m.  
509 E. 18<sup>th</sup> Street, Norfolk, VA and  
Virtual via ZOOM

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A meeting of the Operations and Oversight Committee is scheduled for Thursday, October 13, 2022, at 10:00 a.m. Please note that currently, the in-person meetings are for commissioners and senior HRT staff only. All others can join the meeting via ZOOM by following the link at: [https://hrtransit-org.zoom.us/webinar/register/WN\\_v347bpnpRqWT0nlJXZMdeQ](https://hrtransit-org.zoom.us/webinar/register/WN_v347bpnpRqWT0nlJXZMdeQ)

The agenda and supporting materials are included in this package for your review.



# Meeting of the Operations and Oversight Committee

Thursday, October 13, 2022 • 10:00 a.m.  
Hybrid 509 E. 18<sup>th</sup> Street, Norfolk, VA and  
Virtual ZOOM Meeting

## AGENDA

1. Approval of the September 2022 Operations and Oversight Committee Meeting Minutes
2. Review Action Items
3. Audit Update-Malika Blume
4. Procurement Recommendations to the Committee-Sonya Luther
  - a. Contract 22-00196, General Painting Services (Renewal).
  - b. Contract 22-00195, HASTUS Maintenance and Support Services (Renewal)
  - c. Contract 22-00170, Pre-Employment Background Screening Services (Renewal)
  - d. Contract 22-00191, Safety Support Services (Renewal)
5. Task Orders **(for informational purposes only)**.
  - a. Contract 21-00128, Ticket Vending Machines/Odyssey Farebox Systems, Repair Parts, Software/Hardware, and Maintenance Support:

Task Order 61. This Task Order is for Keys. This Task Order is for \$204.20 and is funded with operating funds.

Task Order 63. This Task Order is for timing belts. This Task Order is for \$110.14 and is funded with operating funds.

Task Order 64. This Task Order is for 3 front bezels; pre-oiled air filters. This Task Order is for \$5,068.60 and is funded with operating funds.

Task Order 65. This Task Order is for a card reader, bezel 8, UIC-programmed. This Task Order is for \$5,850.00 and is funded with grant funds.

Task Order 66. This Task Order is for Data probe-PDU Hi speed; PDU cables, USB to RS232 converters. This Task Order is for \$11,312.49 and is funded with grant funds.

6. Options to be Exercised November & December 2022-Sonya Luther
7. Upcoming Commission Approvals-Sonya Luther
8. Operations Update-Benjamin Simms, IV
9. Old and New Business
9. Adjournment

**The next Operations & Oversight Committee Meeting will be held on Thursday, November 3, 2022, in Hampton, VA and virtually via ZOOM.**



# Meeting of the Operations and Oversight Committee

Thursday, September 8, 2022, • 10:00 a.m.  
3400 Victoria Blvd. Hampton, VA, and Zoom Meeting

## MEETING MINUTES

### Call to Order

Commissioner Glover called the meeting to order at 10:01 AM.

### **Commissioners in attendance:**

Commissioner Glover, Portsmouth  
Commissioner Bullock, Newport News  
Commissioner Cipriano, Newport News  
Commissioner Woodbury, Newport News  
Commissioner Houston, Norfolk  
Commissioner Ross-Hammond, Virginia Beach  
Commissioner Gribble, Virginia Beach  
Commissioner Mucha, VDRPT (Zoom)  
Commissioner Scott, (Zoom)

### **Hampton Roads Transit Staff in attendance:**

Ray Amoruso, Chief Planning and Development Officer  
Tammara Askew, Administrative Support Tech (Zoom)  
Debbie Ball, Director of Finance (Zoom)  
Marcella Barnes, Sr. Executive Assistant  
Keisha Branch, Director of Capital Programs (Zoom)  
Malika Blume, Director of Internal Audit  
Amy Braziel, Director of Contracted Services and Operational Analytics  
Donna Brumbaugh, Director of Finance (Zoom)  
Conner Burns, Chief Financial Officer  
Danielle Burton, Assistant Manager of Bus Transportation (Zoom)  
William Collins, Facilities Maintenance Manager  
Glenda Dixon, Director of ERP Services (Zoom)  
Sheri Dixon, Director of Treasury (Zoom)  
Jennifer Dove, Grants and Civil Rights Coordinator (Zoom)  
Angela Glass, Director of Budget and Financial Analysis (Zoom)  
Michele Good-Bacon, Associate Project Manager (Zoom)  
Misty Gordon, Risk Manager (Zoom)  
William Harrell, President, and CEO  
Lanae Hawkins, Contract Analyst II (Zoom)  
Don Lint, Construction Projects Coordinator (Zoom)  
Kristy Lockhart, Management Analyst (Zoom)  
Sonya Luther, Director of Procurement  
Alexis Majied, Chief Communications and External Affairs

Maryann Martin, Operations Analyst (Zoom)  
Tracy Moore, Director of Transportation (Zoom)  
John Nason, Director of Bus Maintenance (Zoom)  
Sibyl Pappas, Chief Engineering & Facilities Officer  
Jason Petruska, Sr. Contract Specialist (Zoom)  
Michael Perez, Operations Project & Contract Administrator (Zoom)  
John Powell, Telecommunications Specialist  
Michael Price, Chief Information Officer/Technology Officer  
Luis Ramos, Sr. Executive Administrator  
Sherry Scott, Manager of Bus Transportation (Zoom)  
Benjamin Simms, IV, Chief Operating Officer  
Brian Smith, Deputy Chief Executive Officer  
Adrian Tate, Assistant Director of Finance (Zoom)  
Alex Touzov, Director of Technology Services (Zoom)  
Robert Travers, Corporate Counsel (Zoom)  
Fevrier Valmond, Asst. Director of Procurement (Zoom)  
James Wall, Director of Rail Maintenance (Zoom)  
Kim Wolcott, Chief Human Resources Officer

**Others in attendance:**

Andrew Ennis, ADRPT (Zoom)

The September Operations and Oversight meeting package was distributed electronically to committee members and the media in advance of the meeting. The meeting package consisted of:

- Agenda
- Action Items
- Minutes from the Previous Meeting
- Procurement Items for Approval
- Options to be Exercised
- Upcoming Procurements

**Approval of the August 11, 2022, Meeting Minutes**

A motion to approve the August 11, 2022, Operations and Oversight Committee meeting minutes was made by Commissioner Ross- Hammond and was properly seconded by Commissioner Woodbury. A roll call vote resulted as follows:

Ayes: Commissioners Glover, Woodbury, Ross- Hammond, Houston, and Bullock

Nays: None

Abstain: Commissioner Mucha

## **Review of the Operations and Oversight Committee Action Items**

There were no action items.

## **Internal Audit Update**

Ms. Malika Blume shared that she concluded the Storeroom Operations Control and DRPT Security and Emergency Preparedness Plan Audit(s). The audit findings are outlined in the report(s) attached to these minutes. Ms. Blume also informed the Commission of an upcoming multi-department audit with DRPT scheduled September 27-29, 2022.

## **Procurement Items for Approval**

### **Contract 22-00190 Bus Stop and Facilities Maintenance, Site Improvements, and Repairs (Renewal)**

Ms. Sonya Luther presented Contract 22-00190 Bus Stop and Facilities Maintenance, Site Improvements, and Repairs (Renewal), as a recommendation that the Commission approve the award of a contract to Pembroke Construction Company, Inc. to perform a variety of bus stop and facilities maintenance, site improvements, and repair work in the not-to-exceed amount of \$5,472,787.00 for the three-year period.

A motion to approve Contract 22-00190 Bus Stop and Facilities Maintenance, Site Improvements, and Repairs (Renewal) was made by Commissioner Woodbury and properly seconded by Commissioner Bullock. A roll call vote resulted as follows:

Ayes: Commissioners Glover, Woodbury, Ross- Hammond, Houston, Bullock and Mucha

Nays: None

Abstain: None

### **Contract 22-00197 Portable Toilet Rental**

Ms. Sonya Luther presented Contract 22-00197 Portable Toilet Rental as a recommendation that the Commission approve the award of a contract to Crown Cleaning Solutions, LLC to provide portable toilet rentals in the not-to-exceed amount of \$138,120.00.

A motion to approve Contract 22-00197 Portable Toilet Rental was made by Commissioner Bullock and properly seconded by Commissioner Ross-Hammond. A roll call vote resulted as follows:

Ayes: Commissioners Glover, Woodbury, Ross- Hammond, Houston, Bullock and Mucha

Nays: None

Abstain: None

**Contract 22-00189 TransitMaster Software and Hardware Support and Maintenance Services (Renewal)**

Ms. Sonya Luther presented Contract 22-00189 TransitMaster Software and Hardware Support and Maintenance Services (Renewal) was a recommendation that the Commission approve the award of a contract to Vontas, to provide software and hardware support and maintenance services for HRT's TransitMaster CAD/AVL System in the not-to-exceed amount of \$2,383,024.00 over a five (5) year period.

Mr. Kamlesh Chowdhary gave brief presentation regarding the scope of the contract as it relates to agency needs.

A motion to approve Contract 22-00189 TransitMaster Software and Hardware Support and Maintenance Services (Renewal) was made by Commissioner Bullock and seconded by Commissioner Woodbury. A roll call vote resulted as follows:

Ayes: Commissioners Glover, Woodbury, Ross- Hammond, Houston, Bullock and Mucha

Nays: None

Abstain: None

**Task Orders**

Task Orders were enclosed in the agenda. There were no questions or comments regarding same.

**Options to be Exercised**

Options to be exercised for October were reviewed with the Committee.

**Upcoming Procurements**

Upcoming procurements were reviewed with the Committee.

### **Operations Update**

Mr. Ben Simms gave an Operations Update and shared that ferry operations on the High Street Dock would be closing for the Paddle Battle and reopening later that day to support the Portsmouth Beer and Wine Festival and Caribbean Fest. Mr. Simms also stated that HRT will be hosting the American Bus Benchmarking Group in Norfolk September 25- 28<sup>th</sup>.

### **Old and New Business**

Alt. Commissioner Cipriano shared that the Newport News would like to see current metrics for the microtransit pilot.

**ACTION ITEM: Staff to send the microtransit metrics to Newport News and Virginia Beach.**

Mr. Harrell shared the upcoming October Service Board Plan, which is attached to these minutes. There was also some discussion from Ms. Alexis Majied regarding the Marketing and Communications plan for that board.

### **Adjournment**

Commissioner Glover adjourned the meeting at 10:45 AM.





HRT INTERNAL AUDIT DEPARTMENT  
TRANSIT OPERATIONS STOREROOM DEPARTMENT  
(STOREROOM OPERATION CONTROLS AUDIT)  
AUGUST 2022

We conducted an audit of Hampton Roads Transit's (HRT) Storeroom Operation Controls. Standards require we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions. The evidence we obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

The purpose of this audit was to determine *if appropriate controls are in place to ensure proper inventory management system and processes, to include accuracy of accounting for inventory, and methodologies.*

This audit was conducted in accordance with generally accepted government auditing standards, with the exception of a peer review. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusion based on our audit objectives. The evidence obtained provides a reasonable basis for the findings and conclusions based on the audit objectives.

This report is the result of our evaluation of the information noted above and is intended solely for the information of Hampton Roads Transit. This restriction is not intended to limit the distribution of this report, which upon acceptance of the Operation and Oversight Committee is a matter of public record.

We would like to thank HRT's Transit Operations Department for your cooperation during this audit.

*Hampton Roads Transit Internal Audit Department*  
HAMPTON ROADS TRANSIT INTERNAL AUDIT DEPARTMENT

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## ABBREVIATIONS

HRT	Hampton Roads Transit
D365	Dynamics 365
PTASP	Public Transportation Agency Plan
FTA	Federal Transit Agency
CMMS	Spear Computerized Maintenance System

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## EXECUTIVE SUMMARY

Hampton Roads Transit's (HRT) Transit Operations Department has storeroom locations at Norfolk, Hampton and Coleman Place offices. (Note: During this audit the Coleman Place location was in transition, therefore it was not included in this review.) Dynamics 365 (D365) became the system of record for material, supplies and spare parts as of September 2019. With more than 200,000 items of inventory totaling approximately \$6.8 million as of June 2022, D365 plays an integral part in HRT's day-to-day operations.

This audit focused on the efficiencies of HRT's Storeroom Operations, its processes, procedures, policies, and ensuring appropriate controls are in place to sustain organizational-wide objectives and goals. We interviewed and observed key personnel contributing to the operations of the Storeroom including but not limited to the Senior Manager of Materials and Rail Maintenance, Director of Rail Maintenance, Director of Bus Maintenance, Manager of Materials for Norfolk and Hampton locations. We reviewed documented practices set forth in the policies and procedures, researched storeroom/inventory best practices, and conducted fieldwork observing practices personnel.

We found storeroom operations were generally efficient and effective in its operations. The Storeroom Operation Controls audit outlines opportunities for improvement in four (4) observations and two *\*Other Issue(s) and Concerns*. Our audit found the need for documented policies and procedures to reflect the practices conducted relating to D365 and inventory management. As well as the need to ensure inventory is in the correct location of the storeroom and accounted for accurately in D365.

\*In this section we present issues we consider noteworthy, but not developed into formal observations. Management may wish to consider whether the issues and concerns deserve further action. \*

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### RECOMMENDATION SUMMARY

<b>Obs. No.</b>	<b>Page</b>	<b>Recommendations</b>
1	15	<b>OBSERVATION NO. 1:</b> Policies and procedures have not been updated since FY2020.
2	17	<b>OBSERVATION NO. 2:</b> Inventory was not found in assigned location in the storeroom and not accurately shown in D365.
3	19	<b>OBSERVATION NO. 3:</b> D365 is not operating efficiently and effectively to manage inventory.
4	20	<b>OBSERVATION NO. 4:</b> Storeroom Activity Log Sheets are incomplete.

<b>OIC No.</b>	<b>Page</b>	<b>Other Issue and Concern (OIC)</b>
1	18	<b>OTHER ISSUE AND CONCERN:</b> All core inventory is not in D365. Consideration should be given to include all inventory in D365 and creating a documented procedures for core inventory.
2	20	<b>OTHER ISSUE AND CONCERN:</b> Hampton storeroom outside door is not secure.



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## BACKGROUND

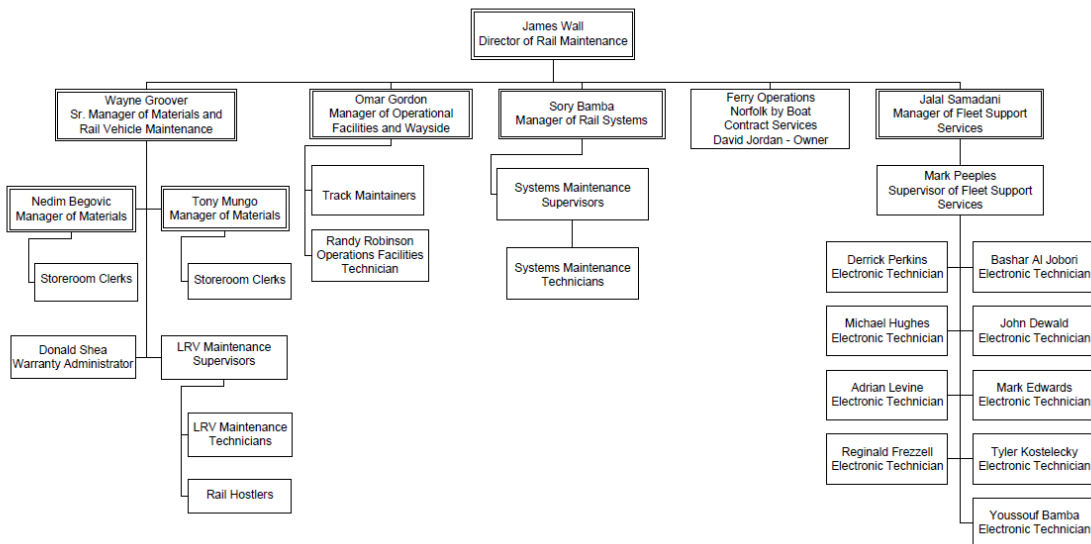
HRT's Storeroom places parts and supplies into inventory. Previously, Spear Computerized Maintenance System (CMMS) was the method used for monitoring inventory. As of September 2019, D365 became the system of record for all inventory. D365 manages more than 200,000 items of inventory totaling approximately \$6.8 million as of June 2022.

The storeroom monitors warranties, ensures parts and material are available, perform counts of inventory and manages the incoming and outgoing of equipment. The storeroom works diligently to ensure the needs of our employees are met to serve HRT's constituents.

HRT's Transit Operations Department consists of the Chief Transit Operations Officer, Director of Rail Maintenance, Manager of Materials, and Storeroom Clerks. Figure 1 below depicts the organizational structure of the Transit Operations Department (Storeroom).

Figure 1

### TRANSIT OPERATIONS DEPARTMENT MAINTENANCE continued



Source: HRT Organizational Chart May 31, 2022

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## **SCOPE, OBJECTIVES AND METHODOLOGY**

### **Scope**

This audit addresses the following question: Are appropriate controls in place to ensure proper inventory management system and processes, to include accuracy of accounting for inventory, methodologies, are in place?

This audit's scope focuses on Hampton Roads Transit's (HRT) Transit Operations Department management controls, processes, and established guidelines for managing inventory.

### **Objectives**

The following audit objectives directed our work in answering the question:

- Determine if inventory is properly monitored, accounted for, and placed in the appropriate area for retrieval and usage.
- Evaluate the inventory system to determine if items are appropriately monitored and found in the system and is designed to promote efficiency and effectiveness.
- Review policies and procedures to ensure completeness ~~for use~~ to promote the usage of controls, succession planning and efficiency and effectiveness.
- Determine compliance with HRT's policies and procedures relevant to Storeroom Operations.

### **Methodology**

To meet our objectives, we conducted the following audit steps during fieldwork:

To gain a general understanding, evaluate the efficiency and effectiveness, and identify areas with potential risks; Internal Audit conducted comparative research of inventory processes, best practices, and a reasonable assurance to ensure risks have been considered and addressed. We assessed receiving, tracking, and returning to determine the effectiveness of controls in place by assessing the accuracy of the existing processes, structural adequacy, and the sustainability of the internal control structure.

The Internal Audit department interviewed key personnel, responsible for HRT's Transit Operations Storeroom: The Director of Rail Maintenance, Director of Bus Maintenance, Sr. Manager of Materials and Rail Maintenance, both Managers of Materials. Additionally, we performed walkthroughs of the process with the Storeroom Clerks in the Hampton and Norfolk offices.

Auditors performed transaction and control tests to determine if personnel are operating in accordance with policy and procedure. A file assessment reviewed applicable documents relevant to the audit. To identify areas of non-compliance, auditors utilized interviews and support material

to verify appropriate protocol. To assess whether Storeroom processes and management controls are efficient and effective, internal audit:

- evaluated the program's internal control activities and environment;
- compared program documented controls to industry standards;
- determined if inventory is tracked and monitored and processes are performed in accordance with policies and procedures;
- interviewed relevant staff to gain their opinion and insights on methods in place;
- reviewed inventory tracking processes utilizing D365 to ensure inventory is accounted for and in the correct location; and
- evaluated documentation and activity appropriateness and accuracy.

To identify opportunities that increase inventory internal controls the auditors researched related material, to grasp the conceptual framework of the methods implemented to manage inventory, decrease the opportunity for theft/loss and fraud.

#### **AUDIT RISK & FRAUD**

Audit risk and the potential for fraud were considered in developing this plan. Potential audit risks and fraud risks are detailed in the risk assessment. Audit risk encompasses the possibility findings, conclusions, recommendations, or assurances may be proper or incomplete. We considered these risks throughout our planning work and when developing fieldwork methodologies. We assessed audit risk and significance within the context of the audit objectives by gaining an understanding of:

The nature of the program,  
Internal controls as it relates to the specific objectives and scope of the audit,  
Policies and Procedures, and  
Results of previous audits related to the audit objectives.

Based on audit work conducted during the planning phase, the audit team obtained a general understanding of storeroom processes and methods. The team designed the audit plan to obtain sufficient appropriate evidence to support the findings, conclusions, recommendations, and assurances to be contained in the audit report.

#### *Consideration of Fraud*

During the planning phase, the audit team discussed opportunities for fraud, waste, or abuse significant to audit objectives. The team met to formally document our assessment of the risk of fraud. Fraud involves obtaining something of value through willful misrepresentation. Whether an act is, in fact, fraud is a determination to be made through judicial or other adjudicative system and is beyond the auditor's professional responsibility. Abuse involves behavior that is deficient or improper. Abuse also includes misuse of authority or position for personal financial interests or those of an immediate or close family member or business associate. Abuse does not necessarily involve fraud, noncompliance with provisions of laws, regulations, contracts, or grant agreements.

Our risk assessment informs our choice of methodology. The team also analyzed those factors impacting audit risk such as time frames, and complexity of the work; program size; adequacy of systems and processes to detect inconsistencies, significant errors, and fraud.

## PROJECT PLAN

### *Information Technology Considerations*

We are currently not planning a full-scale IT control review of Storeroom processes and methods because it is not specific to our approved scope statement. However, auditors, to the best of our ability, will examine the functionality of system applications used for the Transit Operations Storeroom Department.

### *Safety and Security Considerations*

We are not planning a full-scale safety control review of the Transit Operations Storeroom Department as it is not specific to our approved scope statement. However, auditors, to the best of our ability, accessed the understanding of expectations and requirements of the Transit Operations Storeroom Department depicted within Public Transportation Agency Safety Plan (PTASP) to comply with FTA regulations established by Section 5329(d) of the Moving Ahead for Progress in the 21<sup>st</sup> Century (MAP-21) Act and 49 CFR Part 673.

### *Estimated Audit Schedule and Time Budget*

The estimated audit schedule and time budgeted for this audit is approximately four (4) months Planning to Report Writing and is depicted in Figure 2. The report will be presented the second week of September 2022 at the Operations and Oversight Committee meeting. The schedule is depicted in the table below:

**Figure 2**

<b>June</b>	<b>July</b>	<b>August</b>	<b>August</b>	<b>September</b>	<b>September</b>
Planning	Background	Fieldwork	Report Writing	Report Writing	Report to O&O
Planning	Background	Fieldwork	Interviews	Report Writing	

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## INVENTORY MANAGEMENT SYSTEM PROCESSES

### **Policies and Procedures**

The Storeroom process provides a structured approach in managing inventory for HRT. Managing the inventory process is essential, as there are more than 200,000 items on hand per the D365 aging report dated June 13, 2022. This inventory is essential to the day-to-day operations of HRT's maintenance of transit equipment and vehicles.

Prior to September 2019, CMMS was utilized to manage the storeroom inventory. D365 is now the system of record for storeroom inventory. Since this change, the following procedures have not been updated to incorporate the usage of D365:

OPS-INVE-100.01	OPS-INVE-100.02
OPS-INVE-100.03	OPS-INVE-100.04
OPS-INVE-100.05	OPS-INVE-100.06
OPS-INVE-100.07	OPS-INVE-100.08
OPS-INVE-100.09	OPS-INVE-100.11
OPS-INVE-100.12	OPS-INVE-100.13
OPS-INVE-100.14	

While these procedures have been suspended due to the change of the inventory system, EXE-101 revision 8 Managing Hampton Roads Transit Policies and Procedures states “an annual review of internal control documentation (policies, procedures, plans, work/office instructions, rulebook(s) shall occur to ensure HRT is in compliance with federal requirements and practicing efficiently and effectively.”

Policies and procedures are an essential aspect of an organization. Ensuring documented policies and procedures reflect the actual methods occurring encourages consistency and structure within the organization.

***Observation No. 1: Policies and Procedures are not updated with the current use of D365 in accordance with EXE-101 rev 8. We recognize there was a transition occurring, however it is essential to have documented procedures to provide official guidance to employees.***

### **Recommendation:**

***The Internal Audit department recommends updating Policies and Procedures with the current use of D365 in accordance with EXE-101 rev 8.***

### **Management Response:**

Management concurs it is time to re-write the procedures for functionality that has stabilized in D365. For the functions D365 remains unstable for, a procedure cover sheet will be created referencing the Tailored Procedure Document (TPD) for that function.

***We found within a reasonable assurance, suspended procedure updates are not enabling efficient and effective storeroom operations.***



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## ACCOUNTING FOR INVENTORY

### **Inventory**

The Operations Storeroom Policy and Procedural Manual OPS-INVE-100.6 illustrates “Stocking and Put-Away Procedures”. It gives guidance on the proper method for accurately recording the addition of material, supplied and spare parts to the inventory.

We randomly selected a sample of 30 items of inventory from both the Norfolk and Hampton locations utilizing the D365 aging report. During our performance of test work, we identified 5 of 30 (17%) inventory items that were not accounted for during our storeroom visit. Upon discussion with management, they were able to locate the items and/or make the necessary adjustments in D365 to correct the inventory location. Below are the findings:

- two inventory items found in the incorrect bin;
- inventory item installed on BUS 5007 without being charged out of the system;
- inventory item located in component rebuild room as it was a core being prepared for shipment; and
- inventory item was not properly labeled.

Management has proactively corrected these items during our review. It is essential to maintain accurate inventory to help prevent theft and/or financial loss.

In addition, we noted all core inventory is not in D365 for monitoring. Core inventory are items that HRT returns to the vendor and receives a refund/discount rate for future purchases. In addition, we noted there are no documented procedures on how to handle core inventory. Not having core inventory monitored in D365 and no documented procedures increases the potential for the occurrence of fraud.

Policies and procedures are an essential aspect of an organization. Ensuring documented policies and procedures reflect the actual methods occurring encourages consistency and structure within the organization.

***Observation No. 2: Inventory items are not in its correct location based off the inventory management system.***

### **Recommendation:**

***The Internal Audit department recommends continuous review of inventory to help ensure items are accounted for in the inventory management system.***

### **Management Response:**

Management has re-engaged full inventory cycle counts twice per year, accomplishing the continuous review of inventory. The cycle counts have been made possible to re-engage through a power app functioning as a work around to the D365 system. The first full count in three years began with the current fiscal year.

**\*Other Issue(s) and Concern(s):**

***Ensure all core inventory items are placed in D365 to ensure proper monitoring of all inventory. In addition, consider creating documented procedures to explain the process for handling core inventory.***

**Management Response:**

Management will not put all core material in the inventory for tracking. The inventory functionality allows only one way to debit the inventory count and valuation. That is through an inventory journal entry which forces a charge to an operations budget through the debit. The core material must be tracked outside of the inventory system.

\*In this section we present issues we consider noteworthy, but not developed into formal observations. Management may wish to consider whether the issues and concerns deserve further action. \*

### **D365 (Inventory Management System)**

While there are no documented policies and procedures for the use of D365, it is expected to utilize this system to account for inventory, by running daily, weekly, monthly, and annual reports to help ensure monitoring of HRT's inventory. Management self-reported indicating D365 is unable to conduct cycle counts, silo counts and flag assets. In addition, D365 is unable to do silo counts to help ensure inventory is in the appropriate locations. Management is forced to create work arounds to manage inventory. Since D365, there were two cycle counts conducted outside of the system. In addition, HRT employees are utilizing the vendor's Training Procedure Document's to perform D365 duties because of the various work arounds. Not having an effective management system may result in inefficient storeroom and maintenance operations and potential loss.

**Observation No. 3:** *Cycle counts are not able to be conducted within D365 due to system limitations.*

#### **Recommendation:**

*The Internal Audit department recommends management work with vendor to find resolutions to meet the inventory monitoring needs of the department.*

#### **Management Response:**

Concur. Management has been working with technology and consultants to find solutions to meet the inventory monitoring needs since 2019. The work is ongoing. Currently, there are 20+ inventory issues remaining to be resolved through our work with technology and consultants.

### **Storeroom Activity Log Sheets**

Operations Department Unmanned Storeroom Procedure OPS-INVE-100.10 requires each log entry to include “Item number, Qty Taken, Bin Number, WO Number, and Employee ID. We reviewed the Hampton and Norfolk log sheets utilized to monitor inventory that is used and/or returned to the storeroom when it is unmanned. The log sheets are utilized when the storeroom clerk is unavailable, for example, breaks, receiving materials or after hours. We found numerous log sheets that were incomplete. Hampton Roads Transit Norfolk location has storeroom clerks during the day, night, and overnight shifts to assist mechanics with inventory items. The storeroom clerks in the Hampton location are working only during the day and evening shifts. There are no storeroom clerks during the overnight shift. Not completing the log sheets as intended may result in loss/misplacement of inventory.

In addition, we witnessed the outside door to the Storeroom was ajar and did not close. Interviews with staff proved work orders have been placed, however the functionality of the door is an ongoing issue. This poses a security issue to the HRT employees and the potential of stolen inventory. Not ensuring facilities are secure may result in harm to employees and/or loss of assets.

**Observation No. 4: Unmanned Activity Log Sheets are not complete with required information.**

#### **Recommendation:**

***The Internal Audit department recommends management work with employees to complete the Activity Log Sheets. Consideration should be given to creating a storeroom clerk position for the overnight shift in the Hampton location.***

#### **Management Response:**

Management has provided training and a written procedure for after hours activity. The occurrence of incomplete activity log sheets persists in the face of the training. Management concurs that staffing the storeroom around the clock is the only reasonable solution. There is currently a plan to add a clerk(s) for the overnight shift soon.

#### **\*Other Issue and Concern:**

***Ensure Hampton location Storeroom doors are secure.***

#### **Management Response:**

This issue has been resolved.

**We found within a reasonable assurance, cycle counting and storeroom security have not been efficient and effective.**

\*In this section we present issues we consider noteworthy, but not developed into formal observations. Management may wish to consider whether the issues and concerns deserve further action. \*



HAMPTON ROADS TRANSIT

Internal Audit Department

Hampton Roads Transit TIDE Security and Emergency Preparedness Plan Audit  
(Security and Norfolk Police Department)  
July 26 & 27, 2022

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Hampton Roads Transit's Internal Audit department conducted an independent Security and Emergency Preparedness Plan audit using a DRPT-approved checklist, based largely upon FTA's recommended best practices for conducting three-year security and emergency preparedness audits, the DRPT Safety and Security Program Standard (SSPS) requirements and guidelines of the SEPP, and generally accepted government auditing standards. Those standards require we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions. The evidence we obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

The purpose of this audit was to determine if HRT complies with State and Federal regulations and meeting its goals of Security and Emergency Preparedness as it relates to the security of the Light Rail system utilizing Top Guard Security and the Norfolk Police Department.

This report is the result of the evaluation of information noted above and is intended solely for the information of HRT. This does not limit the distribution of this report which, upon acceptance of the Operation and Oversight Committee, is a matter of public record.

*Malika Blume*

Malika Blume, Director of Internal Audit

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**HRT INTERNAL AUDIT  
SECURITY AND EMERGENCY PREPAREDNESS PLAN AUDIT  
(SECURITY AND NORFOLK POLICE DEPARTMENT)**

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**ABBREVIATIONS**

CAP	Corrective Action Plan
CFR	Code of Federal Regulations
DRPT	Department of Rail and Public Transportation
FCR	Findings of Compliance with Recommendation
FNC	Findings of Non-Compliance
FRA	Federal Railroad Administration
FTA	Federal Transit Administration
GAGAS	Generally Accepted Government Auditing Standards
ISTEA	Intermodal Surface Transportation Efficiency Act
HRT	Hampton Roads Transit
O&O	Operations and Oversight Committee
SEPP	Security and Emergency Preparedness Plan
TDCHR	Transportation District Commission of Hampton Roads
TRA	Transportation Resource Associates Inc.

**HRT INTERNAL AUDIT  
SECURITY AND EMERGENCY PREPAREDNESS PLAN AUDIT  
(SECURITY AND NORFOLK POLICY DEPARTMENT)**

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**BACKGROUND**

Hampton Roads Transit (HRT) was created under The Transportation District Commission of Hampton Roads (TDCHR) in 1999 through a merger of Peninsula Transit System (Pentran) and Tidewater Regional Transit (TRT). HRT's bus system currently services six cities throughout Hampton Roads, the Ferryboat services two cities, Portsmouth and Norfolk, and the Tide light rail system services Norfolk. The Tide light rail extends 7.4 miles navigating through various areas in Norfolk to the border of Virginia Beach.

The objective of HRT's light rail is to operate a safe, secure, and reliable system. HRT's Security promotes an integrated approach to protecting identifying how many independent system activities come together as part of a whole that deters, detects, assesses, and responds to threats. Emergency preparedness fortifies HRT's process of providing opportune, structured responses, should an emergency occur on the system or adjoining locations. To ensure HRT's objective is being met, there are controls and oversight in place.

The Department of Transportation's Federal Transit Administration (FTA) is an oversight organization for which guidance is provided to transit systems not encompassed by the Federal Railroad Administration (FRA) requirements. The Tide light rail is not regulated by the FRA and is therefore under the oversight of the FTA. The FTA's purpose is to provide funding and other resources to these transit systems and their supporting organizations. The administration's duties also include oversight to safety and security programs to help enhance public transportation in communities across the nation. In response to the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA), the FTA created a State Safety Oversight program.

The Virginia Department of Rail and Public Transportation (DRPT) was selected as the oversight agency to fulfill 49 U.S.C. 5330; requiring Virginia to oversee the safety and security of Rail Fixed Guideway Systems through a designated oversight agency. Under provisions of 49 CFR 659, the Rail Fixed Guideway Systems need a security plan separate from the safety oversight plan. The plan must encompass provisions to mitigate risk and provide insight execution of emergency procedures for the railway, adjacent assets, passengers and workers. Sections 25 and 29 of 49 CFR 659, mandates HRT reviewal of the SEPP once per year and be audited by the oversight agency and HRT's Internal Audit department every 3 years. To fulfil the mandatory requirement HRT Internal Audit conducted an independent audit of the SEPP as it relates to the security of the HRT's light rail system. The following audit report represents HRT's findings and recommendations.

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## **PURPOSE, SCOPE, OBJECTIVES, AND METHODOLOGY**

### **PURPOSE**

To comply with FTA's 49 CFR Part 673, HRT completed an independent internal audit of the SEPP. The internal security audit report will be submitted to the DRPT for their records, to HRT's Chief Transit Operations Officer, and/or the Manager of Security and Emergency Preparedness to develop a Corrective Action Plan (CAP) and distribute CAPs to the affected department(s). Department managers are responsible for carrying out the recommendations and CAPs resulting from the internal security audit. Department managers who encounter an issue in resolving CAPs must inform the Director of Transportation. The Director of Transportation will work to address and resolve issues to complete CAPs. The Director of Transportation and/or Chief Safety Officer shall maintain a CAP log and provide the DRPT and HRT Internal Audit with corrective action implementation updates.

### **SCOPE**

The SEPP is the security and emergency preparedness requirements outlined in 49 CFR Part 673. HRT is required to have a comprehensive SEPP which provides procedures for a disciplined and orderly environment under typical or adverse operations. The audit sought to determine if HRT's practices related to Security and the Norfolk Police Department was occurring to ensure the safety of HRT's assets, its customers, and employees in accordance with its policies and procedures, State and Federal Regulations.

### **OBJECTIVE**

To ensure the appropriate security activities is performed by External Security Agencies during HRT's daily operations at it relates to the Light Rail system. In conducting the audit, we assessed:

- effectiveness of security and emergency preparedness programs,
- security staffing,
- training,
- potential hazards, and
- prior finding status.

Further, we provided management an assessment of the system security program and make recommendations for improvements.

### **METHODOLOGY**

To accomplish our objectives, we performed the following procedures:

- Reviewed HRT's SEPP;
- Reviewed the DRPT Safety and Security Oversight Program three-year review safety review checklist to the current SEPP and HRT practices;
- Reviewed the DRPT approved Internal Audit SEPP checklist to the current SEPP and HRT practices;
- Reviewed internal controls through interviews and examination of documents; and

- Physically observed the processes in place.

The audit team conducted interviews with the following individuals:

- Shane Kelly, Manager Security & Emergency Preparedness
- Steven Magaro, Emergency Management Specialist
- Captain Nick Marcus, Norfolk Police Department
- Bob Daughtry, Account Manager Top Guard
- Daniel Cardona, Assistant Account Manager Top Guard; and

reviewed documents and observed processes. The security audit consisted of riding the rail to observe consultants and security measures, and the review and approval of the final report by the Operations and Oversight Committee.

Internal safety audit findings are characterized as Findings of Non-Compliance (FNC) or Findings of Compliance with Recommendation (FCR). FNC shall be determined based upon:

- If minimum requirements from the DRPT's SSPS are met through HRT's SEPP;
- If the SEPP reflect requirements from 49 CFR 673 and its intended operation, and if the SEPP reflects the current implementation of its own plans, policies, procedures, or where plans, policies, and procedures are not in place but must be.

An FNC must be addressed by HRT through a CAP; HRT must identify steps to address the deficiency, including:

1. Responsible departments and persons,
2. Corrective actions, and
3. Target date for completion of the CAP.

CAPs should be addressed as soon as physically possible within the best interest of HRT and Federal and State guidelines. If a CAP cannot be addressed in the short term, HRT should outline steps to monitor and measure progress until the long-term CAP objective is complete.

FCRs are potential deficiencies regarding HRT practices or plans not yet considered non-compliance issues but are areas in need of attention to prevent a low hazard condition from becoming a non-compliance and/or safety critical issue in accordance with the DRPT State Security Oversight Program Standard. Although these recommendations do not require a CAP, HRT Safety and Security management treats them similarly to an FNC and includes FCRs in the CAP log to be addressed accordingly.

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**HRT INTERNAL AUDIT  
SECURITY AND EMERGENCY PREPAREDNESS PLAN AUDIT  
(SECURITY AND NORFOLK POLICE DEPARTMENT)**

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<b>FINDINGS OVERVIEW</b>	
<b>FNC</b>	<b>RESOLUTION</b>
HRT's Light Rail Contractor, Top Guard Security is not in compliance and meeting requirements set forth in the contract and SEPP.	Meet with vendor on how to cure the deficiencies in service within a reasonable time. If not, consideration should be given to seeking a security contractor that can meet the needs of HRT's Light Rail system during all operating hours.
<b>FCR</b>	<b>RECOMMENDATION</b>
HRT's SEPP procedures need to be updated with correct table of contents information and references to the Appendices throughout the SEPP.	Review the SEPP in its entirety to ensure all references are accurate throughout the document.



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**HRT INTERNAL AUDIT  
SECURITY AND EMERGENCY PREPAREDNESS PLAN AUDIT  
(SECURITY AND NORFOLK POLICY DEPARTMENT)**

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**External Security Agencies**

**FINDINGS OF NON-COMPLIANCE (FNC)**

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***FNC-1: Vendor Security Company not meeting the contractual agreement***

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Internal Audit evaluated the Norfolk State Police Department and Top Guard Security as it relates to the services provided for the security of HRT's Light Rail system. On July 29, 2022, Internal Audit rode the Light Rail for the entire duration to observe each stop. Upon the completion of our observation of the Light Rail, we observed the Norfolk Police Department patrolling various areas. However, there were no Top Guard Security officers found throughout the trip. In addition, Internal Audit requested a list of all Top Guard Security employees responsible for securing the Light Rail to verify staffing levels were appropriate. Upon receiving the list of Top Guard Security officers, we noted that there was only one employee monitoring the Light Rail. Top Guard Security does not have the staffing levels to provide consistent services to HRT in accordance with the SEPP which states, "HRT Light Rail system, is policed and patrolled by the Norfolk police working extra duty and as part-time employees of HRT and Security Guard officers (contracted)." The Security Guard Services Contract (Contract No. 18-78353) states "the Contractor shall ensure that staffing levels remain consistent and uninterrupted with the required staffing levels." Not having the appropriate security in place increases risk to HRT's patrons, employees, property, and the Light Rail system.

**Recommendations:**

**The Internal Audit department recommends Transit Operations Department:**

**Meet with the vendor to cure issues within a reasonable time in accordance with the contract. Should the contractor not be able to cure the items, consideration should be given to procuring a vendor that is able to meet the needs of HRT.**

**Management Response:**

Concur. Hampton Roads Transit notified the Vendor in June 2022 of a default of their contractual obligations. Several areas of concern were identified in the demand for cure, and ongoing monthly meetings take place to review efforts made by the vendor to become compliant. It is proposed that the HRT project manager will continue to monitor compliance efforts and make any appropriate recommendation to HRT Leadership.

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## **FINDINGS OF COMPLIANCE WITH RECOMMENDATION (FCR)**

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### ***FCR-1: SEPP is not updated with correct references***

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The SEPP is reviewed annually to ensure accurateness and completeness of policies and procedures. During our review of the SEPP, we identified several instances where the table of contents and/or appendices is not accurately referenced throughout the document.

#### **Recommendations:**

**The Internal Audit department recommends the Transit Operations Department:**

- **Review and update SEPP procedures with correct references for the table of contents and appendices.**

#### **Management Response:**

Concur. Version 8.0 of HRT's Security and Emergency Preparedness Plan (SEPP), which was submitted to DRPT in July 2022 detected and remediated these administrative errors. It is recommended that ongoing review of the SEPP take place to continue to form and shape the document to best practice and administrative accuracy.

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**HRT INTERNAL AUDIT  
SECURITY AND EMERGENCY PREPAREDNESS PLAN AUDIT  
(SECURITY AND NORFOLK POLICE DEPARTMENT)**

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**APPENDIX A:  
HRT INTERNAL AUDIT DEPARTMENT'S AUDITING PRACTICES**



September 28, 2016

Andrew Ennis  
State Safety Oversight Program Manager  
Department of Rail and Public Transportation  
600 East Main Street, Suite 2102  
Richmond, Virginia 23219

**Re: Hampton Roads Transit (HRT) Internal Audit Department's Auditing Practices**

Dear Mr. Ennis,

The Board of Commissioners for HRT adopted the Generally Accepted Government Auditing Standards (GAGAS) as the framework to be used by HRT's Internal Audit Department when conducting internal audits. In accordance with GAGAS, some internal audit organizations, such as HRT's Internal Audit Department, have unique oversight roles that require external reporting in addition to its "in-house" audit activities. GAGAS permits an internal auditor to use an external agency's audit standards when making a report to such agency.

The Department of Rail and Public Transportation has requested that the HRT Internal Audit Department perform audits of the HRT Safety and Security Department utilizing DRPTS's audit standards. This request is in accord with GAGAS. Moreover, the audits requested by DRPT are outside of the audit schedule approved by the Board of Commissioners for HRT and are not subject to the Board's adopted standards. Accordingly, HRT approves of its Internal Audit Department utilizing DRPT standards when conducting the requested audits of the HRT Safety and Security Department.

Respectfully,

A handwritten signature in blue ink, appearing to read "W. Harrell", written over a light blue horizontal line.

William F. Harrell  
President and CEO

Cc: Margaret Denoncourt  
Robert Travers  
Doc-Center

EX410 GS 19-12016



## Service Plan

Effective: October 30, 2022

### Northside

- **Route 101 Kecoughtan Road** – Route 101 will no longer serve the Northgate at Newport News Shipbuilding (the current 3:40 p.m. trip will be provided by an additional trip on Route 403).
- **Route 107 Denbigh Boulevard** - Weekday span improved to begin at 5:00 a.m.; Sunday span improved to 6:00 a.m. to 9:00 p.m.
- **Route 108 Warwick/Lee Hall** - Improve weekday span to begin at 5:00 a.m. Weekday service continues to operate full length of route from Lee Hall to Christopher Newport. Improve Sunday span to 6:00 a.m. to 9:00 p.m. Weekend service continues to operate only between Lee Hall and Patrick Henry Mall.
- **Route 112 Jefferson Avenue** - As part of Group A of the 757 Express program, **15-minute service will be provided during peak periods between 6<sup>th</sup> Street/Ivy Avenue and Patrick Henry Mall Monday through Friday.** Implement 30-minute service to Lee Hall from 6:00 a.m. to 6:00 p.m. Monday through Friday. Improve weekday span to 5:00 a.m. to 1:00 a.m. and Sunday span to 5:15 a.m. to 12:30 a.m.
- **Route 403 Buckroe Shopping Center** – Add one afternoon trip (3:40 p.m.).
- **Route 405 NNTC/Buckroe** – Add one trip in the early period (5:40 a.m.) and one trip in the afternoon (3:30 p.m.).
- **Route 415 NNTC/Denbigh** – Add one morning trip (5:45 a.m.).
- **Route 430 Denbigh Fringe** – Add one afternoon trip (3:30 p.m.).

**Southside**

- **Route 8 Tidewater Drive**

Schedule adjustments.

- **Route 47 High Street** - Service will be extended on Saturdays to College Drive and Lake View Parkway every 60-minutes from 7:00 a.m. - 7:00 p.m. Run time adjustments will be made also.

- **Route 58 Bainbridge Boulevard**

Schedule adjustments.

**Route 966 Virginia Beach/Newport News**

Add one morning trip (5:30 a.m.) and one afternoon trip (3:30 p.m.).

**New Limited Stop Route 980 Norfolk/Portsmouth/Chesapeake/Suffolk**

Route 980 will provide daily service to the Amazon facility in Chesapeake and Suffolk. The route will operate between Downtown Norfolk Transit Center and the Amazon facility in Suffolk (ORF3) with a stop at County/Court, Chesapeake Amazon facility (ORF2) and Victory Crossing in Portsmouth. Two morning and two afternoon trips will be provided.

**Note:** Public timetables will be updated for Routes 110, 111 & 118 to reflect name change from Thomas Nelson Community College to Virginia Peninsula Community College.





HAMPTON ROADS TRANSIT  
SEPTEMBER/OCTOBER 2022  
OPERATIONS AND OVERSIGHT COMMITTEE  
ACTION ITEMS

Date	Action Item	Responsible Party	Due Date	Completed Date & Method
9/8/2022	Staff to send the microtransit metrics to Newport News and Virginia Beach.	Operations	9/15/2022	10/3/2022 via email

<b>Contract No.:</b> 22-00196	<b>Title:</b> General Painting Services (Renewal)	<b>Contract Amount:</b> \$200,000.00 1 yr. w/2-1 yr. options
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**Acquisition Description:** Enter into a renewal contract with a qualified Contractor to provide general painting services on a Task Order basis.

**Background:** Hampton Roads Transit (HRT) requires the services of a qualified Contractor to provide general painting services at its various facilities located throughout the Hampton Roads region. Under the terms of this agreement, the Contractor shall furnish all labor, materials (including paint), and equipment necessary to complete painting services for HRT offices and hallways, building interior and exterior, Light Rail transit stations, bus shelters, light poles, crosswalks, and parking lot line stripes, as needed.

**Contract Approach:** An Invitation for Bids was issued on September 2, 2022. Three (3) bids were received on September 28, 2022, from the following firms:

- Brush it on Paint Co., LLC
- Dream N Gator Contractors, LLC
- QC General Construction, LLC (QC)

In response to the IFB, bidders were required to provide labor rates for the services described in the Scope of Work to be utilized when establishing pricing for proposed Task Orders. Following an evaluation of the bids received, HRT staff determined that QC was the lowest responsive (in compliance with submittal requirements) and responsible (capable to perform) bidder; and therefore, eligible for award.

Based on a price analysis performed utilizing historical data, and the fact that the pricing was obtained in a competitive environment, QC's bid is deemed fair and reasonable. A contractor responsibility review confirmed that QC is technically and financially capable to perform the work.

QC is located in Chesapeake, VA and provides similar services for Joint Base Langley/Fort Eustis; Chesapeake Virtual Office Center; and the Mid-Atlantic Regional Maintenance Center at Naval Sea Systems Command in Norfolk, VA.

The Contract period of performance is one (1) base year, with two (2) additional one-year options.

A DBE Goal was not assigned for the overall solicitation; however, HRT's DBE Manager will review the scope of each proposed Task Order to identify opportunities for DBE participation and establish a task-based goal accordingly.

**Cost/Funding:** This Contract will be funded with operating and HRRTF funds.

**Project Manager:** William Collins; Facilities Maintenance Manager

<b>Contract No.:</b> 22-00196	<b>Title:</b> General Painting Services (Renewal)	<b>Contract Amount:</b> \$200,000.00 1 yr. w/2-1 yr. options
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**Contracting Officer:** Jason Petruska, Senior Contract Specialist

**Recommendation:** It is respectfully recommended that the Commission approve the award of a contract to QC General Construction, LLC to provide general painting services. The cumulative amount of all Task Orders issued under this Contract will not exceed \$200,000 over the three-year period.

<b>Contract No.:</b> 22-00195	<b>Title:</b> HASTUS Maintenance and Support Services (Renewal)	<b>Contract Amount:</b> Base Year: \$146,458.00 Two Option Years: <u>\$297,810.00</u> <b>Total: \$444,268.00</b>
----------------------------------	-----------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------

**Acquisition Description:** Enter into a sole source renewal contract with GIRO, Inc. (GIRO) to provide maintenance and support services for Hamton Roads Transit's (HRT's) HASTUS Enterprise Software (HASTUS).

**Background:** The HASTUS Scheduling System was implemented in 2004 to manage bus, light rail, and ferry services and is currently utilized by HRT's Operations, Scheduling, and Planning Departments. The system was upgraded in 2013. The HASTUS software aids in planning, scheduling, analysis, and daily operations, including vehicle and operator assignments and changes, and operator timekeeping. HASTUS was developed, and is distributed, exclusively by GIRO. Under the terms of this agreement, GIRO will provide maintenance and support services for all modules and interfaces for the customized HASTUS system installed at HRT.

**Contract Approach:** FTA and Virginia Public Procurement Act guidelines allow non-competitive procurements when only one source is available, and the award of a contract is infeasible under small purchase procedures, sealed bids, or competitive proposals. Due to the specific requirements of this solicitation and the proprietary nature of the system software, full and open competition was not a feasible method of procurement. Sole Source procurements are accomplished through solicitation and acceptance of a proposal from only one source.

A solicitation was issued on July 28, 2022, and GIRO provided a responsive proposal on August 3, 2022, in the amount of \$444,268.00. Upon review of the proposal submitted, and based on the results of a price analysis performed utilizing historical data, GIRO's pricing is deemed fair and reasonable. A contractor responsibility review confirmed that GIRO is both technically and financially capable to perform the work.

GIRO is located in Montreal, Canada, and currently provides these services to HRT satisfactorily.

The Contract period of performance is one (1) base year, with two (2) additional one-year options.

**Cost/Funding:** This Contract will be funded with operating funds.

**Project Manager:** Kamlesh Chowdhary, Director of ITS Services

**Contracting Officer:** Jason Petruska, Senior Contract Specialist

**Recommendation:** It is respectfully recommended that the Commission approve the award of a contract to GIRO, Inc. to provide HASTUS maintenance and support services in the not-to-exceed amount of \$444,268.00.

<b>Contract No.:</b> 22-00195	<b>Title:</b> HASTUS Maintenance and Support Services (Renewal)	<b>Contract Amount:</b> Base Year: \$146,458.00 Two Option Years: <u>\$297,810.00</u> <b>Total: \$444,268.00</b>
----------------------------------	-----------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------

**GIRO, Inc.'s Proposal Summary**

<b>Base Year</b>	<b>Option Year 1</b>	<b>Option Year 2</b>	<b>Total Price</b>
\$146,458.00	\$146,365.00	\$151,445.00	\$444,268.00

<b>Contract No.:</b> 22-00170	<b>Title:</b> Pre-Employment Background Screening Services (Renewal)	<b>Contract Amount:</b> Base Year: \$ 45,832.50 Two Option Years: <u>\$ 91,665.00</u> <b>Total:</b> <b>\$137,497.50</b>
----------------------------------	----------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------

**Acquisition Description:** Enter into a renewal contract with a qualified Contractor to provide pre-employment background screening services for all hires.

**Background:** Hampton Roads Transit (HRT) currently employs over 950 individuals in various positions throughout the agency. HRT's Human Resources Department, through the recruitment process, is required to ensure that all selected candidates successfully pass HRT's background screening process while remaining compliant with federal, state, and local regulations. Background screenings are conducted on all prospective employees for full-time, part-time, temporary, intern, and seasonal positions, as well as on all employees who are promoted or hired in another position within the agency. Under the terms of this agreement, the Contractor shall provide reliable, thorough, timely, and quality background screening services in support of HRT's recruiting and staffing efforts.

**Contract Approach:** A Request for Proposals was issued on March 16, 2022. Nine (9) proposals were received on May 19, 2022, from the following firms:

- Castle Branch, Inc.
- Employers Choice Screening (Employers Choice)
- First Choice Research and Investigations, LLC dba First Choice Background Screening (First Choice)
- Firsts Point Background Screening Resources, Inc.
- Hire Right
- Inquiries Screening
- Pre-Employ.com, Inc.
- Shared Knowledge
- TruView Background Screening and Investigations (TruView)

After an initial review and evaluation of the technical proposals received, three (3) firms (First Choice, Employers Choice, and TruView) were rated best to meet the requirements of the Scope of Work. The three (3) firms were invited to participate in presentations and interviews to provide technical clarification on their approach to the Scope of Work.

At the conclusion of discussions, negotiations were held with First Choice and TruView for the purpose of a possible award. Negotiations focused on clarifying assumptions made in establishing pricing and reducing the proposed pricing. At the conclusion of negotiations, Best and Final Offers were requested.

<b>Contract No.:</b> 22-00170	<b>Title:</b> Pre-Employment Background Screening Services (Renewal)	<b>Contract Amount:</b> Base Year: \$ 45,832.50 Two Option Years: <u>\$ 91,665.00</u> <b>Total:</b> <b>\$137,497.50</b>
----------------------------------	----------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------

Following a review and analysis of the Best and Final Offers received, HRT Staff determined that First Choice provided the best value to HRT based on a combination of technical capability and price. As a result of negotiations, First Choice reduced its total price by \$4,387.50, or approximately 3%. First Choice's Best and Final Offer is deemed fair and reasonable based on the results of the negotiations, a price analysis performed, and the fact that the pricing was obtained in a competitive environment. A contractor responsibility review performed confirmed that First Choice is both technically and financially capable to perform the work.

First Choice is located in Davie, FL and has provided similar services for Hillsborough County in Tampa, FL; Southern California Regional Rail Authority in Los Angeles, CA; and the Greater Orlando Aviation Authority in Orlando, FL.

The contract period of performance is one (1) base year with two (2) additional one-year options.

No DBE goal was assigned for this solicitation.

**Cost/Funding:** This contract will be funded with operating funds.

**Project Manager:** Monique Strickland, Talent Acquisition Manager

**Contracting Officer:** Fevrier Valmond, Assistant Director of Procurement

**Recommendation:** It is respectfully recommended that the Commission approve the award of a contract to First Choice Research and Investigations, LLC to provide pre-employment background screening services in the not to exceed amount of \$137,497.50.

<b>Contract No.:</b> 22-00170	<b>Title:</b> Pre-Employment Background Screening Services (Renewal)	<b>Contract Amount:</b> Base Year: \$ 45,832.50 Two Option Years: <u>\$ 91,665.00</u> <b>Total: \$137,497.50</b>
----------------------------------	----------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------

### Solicitation Results

Offer	Offer	Best and Final Offer
Castle Branch, Inc.	\$56,784.00	N/A
First Point Background Screening Resources, Inc.	\$125,100.00	N/A
<b>First Choice Research and Investigations, LLC</b>	<b>\$141,885.00</b>	<b>\$137,497.50</b>
TruView Background Screening and Investigations	\$145,620.00	\$145,620.00
Pre-Employ.com, Inc.	\$176,700.00	N/A
Employers Choice Screening	\$178,873.50	N/A
Inquiries Screening	\$199,269.00	N/A
Shared Knowledge	\$212,410.00	N/A
HireRight*	N/A	N/A

\*HireRight was deemed non-responsive due to the failure to submit required documents, including a Price Schedule.

### First Choice Research and Investigation's Proposal Summary

Base Year	Option Year 1	Option Year 2	Total Price
\$45,832.50	\$45,832.50	\$45,832.50	\$137,497.50



<b>Contract No.:</b> 22-00191	<b>Title:</b> Safety Support Services (Renewal)	<b>Contract Amount:</b> \$495,000.00 1 yr. w/2-1 yr. options
----------------------------------	----------------------------------------------------	--------------------------------------------------------------------

**Acquisition Description:** Enter into a renewal contract with a qualified Contractor to provide Safety Management System (SMS) support, technical expertise, and safety support services on a Task Order basis.

**Background:** Under the MAP-21/FAST Act Safety Related Rulemaking, operators of public transportation systems that receive Federal financial assistance are required to develop and implement Public Transportation Agency Safety Plans based on the Safety Management System approach. Under the rule for State Safety Oversight Agencies 49 CFR Part 674, the Federal Transit Administration (FTA) has also strengthened the oversight of Rail Transit Agencies (RTA) which will require Hampton Roads Transit (HRT) to meet additional oversight directives from the Virginia Department of Rail and Public Transportation (DRPT).

As a result, HRT requires the services of a consulting firm to provide SMS support, technical expertise, and safety support services. Under the terms of this Agreement, the Contractor will provide support for SMS implementation; safety and technical support on projects; safety and security certifications; safety and regulatory compliance; failure and root cause analysis for events on rail and bus systems, structures, and system equipment; risk assessments and reduction strategies to reduce identified risks to levels acceptable to HRT; and industrial hygiene and other specialized services to meet the latest regulatory requirements in a timely manner.

**Contract Approach:** A Request for Proposals (RFP) was issued on August 15, 2022, and one (1) proposal was received on September 20, 2022, from ADS System Safety Consulting, LLC (ADS). A post-solicitation survey of vendors solicited concluded that most were not interested in submitting a proposal due to the lack of resources available and inability to meet the requirements of the Scope of Work. There was no indication that a re-solicitation to pursue more competition would have resulted in greater participation.

In response to the RFP, Proposers were required to provide a technical proposal and a Price Proposal that included loaded hourly rates for the labor categories required to perform the services as described in the Scope of Work. The proposed labor rates will be utilized when establishing pricing for Task Orders.

Upon review and evaluation of the proposal received, HRT staff determined that ADS was technically qualified to meet the requirements of the Scope of Work based on information provided in regard to the firm's overall approach and experience, and as such, was invited for discussions and negotiations. Discussions and negotiations focused on reducing proposed labor rates and clarifying any assumptions to the Scope of Work. At the conclusion of negotiations, a Best and Final Offer was requested.

<b>Contract No.:</b> 22-00191	<b>Title:</b> Safety Support Services (Renewal)	<b>Contract Amount:</b> \$495,000.00 1 yr. w/2-1 yr. options
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As a result of the negotiation, ADS's average proposed hourly rates decreased by approximately 4%. Based on the results of the negotiations, and a price analysis performed utilizing historical data, ADS's Best and Final Offer is deemed fair and reasonable. A contractor responsibility review confirmed that ADS is technically and financially capable to perform the work.

ADS is located in Baltimore, MD and has provided similar services to the Maryland Transit Administration in Baltimore, MD; Virginia Railway Express in Alexandria, VA; and Capital Metro Transit Authority in Austin, TX. ADS also current provides these services to HRT satisfactorily.

The Contract period of performance is one (1) base year with two (2) additional one-year options.

ADS is a certified Disadvantaged Business Enterprise (DBE) firm.

**Cost/Funding:** This contract will be funded with primarily operating funds; however, federal or state grant funds may be utilized depending upon the nature of the work required.

**Project Manager:** Dawn Sciortino, Chief Safety Officer

**Contracting Officer:** Sonya Luther, Director of Procurement

**Recommendation:** It is respectfully recommended that the Commission approve the award of a contract to ADS System Safety Consulting, LLC to provide safety support services. The cumulative amount of all Task Orders issued under this contract will not exceed \$495,000.00 over the three-year period.

Exercise of Options – November/December 2022						
Contract No.	Title	Description	Total Awarded Value	Period of Performance	Option Year to be Exercised	Total Amount of Option Year
18-78382R	Healthcare Reporting Services	To provide a full-service solution to support compliance with healthcare annual reporting (ACA).	\$157,100.00	1 base yr. w/4 1-yr. options	Third	\$30,420.00
21-00134	Auditing Services	To providing auditing services by an independent certified public accounting firm.	\$346,300.00	1 base yr. w/4 1-yr. options	First	\$67,200.00
21-00145	Transit Operator/Supervisor Uniforms	To provide transit operator and supervisor uniforms for approximately 762 employees at various HRT locations.	\$1,730,650.00	1 base yr. w/4 1-yr. options	First	\$346,130.00

### UPCOMING CONTRACTS FOR APPROVAL

Title	Description	Renewal Contract Expiration Date
Armored Truck Services	To provide armored truck services. Current contract was extended on a month-to-month basis until award of a new contract.	2/28/2022
Chesapeake Corridor Study	To develop and screen potential corridor options that connect major activity centers in the city of Chesapeake.	New
<b>Facilities General Contractor Services</b>	<b>To perform general commercial renovation, site work, and repair work (not otherwise contracted by HRT) on a task order basis.</b>	<b>New</b>
Fence and Railing Maintenance Services	To provide repair and maintenance of the fencing systems and gates at various locations.	11/19/2022
Fleet Vehicle Body, Paint, and Graphics Repair Services	To furnish routine and emergency body repair services for HRT's Fleet vehicles on a task order basis. The existing contract was allowed to expire in order to revamp the Scope of Work.	4/22/2022
<b>General Planning Consultant</b>	<b>To provide general planning consulting services on a task order basis.</b>	<b>05/31/2023</b>
Generator Replacement for Hampton Facility	To replace the current 150kW generator at 3400 Victoria Blvd., Hampton.	New
Information Technology Risk Assessment	To perform a Cybersecurity Risk Assessment in support of the existing compliance requirements, including FTA FMO compliance requirements.	New
Light Rail Automatic Passenger Counting System Upgrade	To upgrade the existing INIT APC system installed on HRT's light rail fleet.	New
Light Rail Vehicle Midlife Overhaul	To provide the complete turnkey provision of Light Rail Vehicle midlife overhauls for a fleet of nine Siemens S70 LRVs.	New
Microsoft Dynamics 365 Finance and Operations Managed Services	To provide managed services for HRT's Microsoft Dynamics 365 Finance and Operations application.	New
Oil and Fluid Analysis Services	To provide laboratory testing and reporting services for oils, fuels, and antifreeze.	New
Origin-Destination Study Services	To provide a system-wide origin-destination study of travel patterns, transit use, and other aspects of transportation information to HRT.	New

Paratransit Fleet Expansion	Provision of twenty-four (24) Body on Chassis (BOC) paratransit heavy duty vehicles.	New
Passenger Information System	To implement passenger information systems at select locations throughout the service area, to present transit specific information to customers, including real-time route schedule and service related information.	New
PeopleSoft Human Capital Management Managed Services	To provide management services for HRT's PeopleSoft HCM 9.1 application. Current contract was extended on a month-to-month basis until award of a new contract.	2/10/2022
Procurement of 16 Security (Non-Revenue) Vehicles	To provide an expanded fleet of security/police vehicles to provide quality services and protection to HRT's ridership.	New
Provision of Magnetic Fare Media	To provide magnetic fare media for bus, rail, trolley and ferry. Current contract was extended on a month-to-month basis until award of a new contract.	1/8/2022
<b>Provision of Non-Revenue Fleet Vehicle Parts</b>	<b>To supply and delivery parts for HRT's non-revenue vehicles.</b>	<b>New</b>
<b>Provision of Sixty-Two (62) Non-Revenue Vehicles</b>	<b>To provide sixty-two (62) non-revenue vehicles to replace older, less reliable mission critical support vehicles.</b>	<b>New</b>
<b>National Transit Database Reporting Software</b>	<b>To provide and implement a cloud-based software solution for Transit Data Management.</b>	<b>New</b>
RTS Facilities Expansion Vehicles	To provide three (3) pickup trucks for the Facilities Department.	New