



Metropolitan
Transportation
Authority

One Gateway Plaza
Los Angeles, CA
90012-2952

AD HOC SERVICE SECTOR COMMITTEE
AUGUST 7, 2002

SUBJECT: SERVICE SECTOR POLICY

**ACTION: RECEIVE AND FILE PROPOSED POLICY CREATING THE
SERVICE SECTOR GOVERNANCE COUNCILS**

RECOMMENDATION

Receive and file proposed policy creating the Service Sector Governance Councils.

ISSUE

In November 2001, the MTA established an internal working group to study the creation of new business units with decentralized, community based and locally responsive management for MTA Bus Operations. The working concept was to establish a more municipal operator-like size and working relationship with specific geographic areas served by the MTA, to co-locate those resources at operating bases and to reinvent relationships with corporate support functions in order to better meet the needs of the community and our customers.

After examining a variety of functions and processes, it was recommended that a local governing council be established and be delegated specific authority by the MTA Board of Directors. At its April 2002 meeting, the Board adopted support for the establishment of Service Sectors with governance councils.

The proposed policy and guidelines will establish a framework to define the relationship between the MTA Board of Directors and its local governing Councils for Bus Operations service planning and scheduling functions. The policy will provide flexibility to allow the Service Sectors to develop and to incorporate changes from the knowledge gained from the sector experience.

POLICY IMPLICATIONS

The purpose of the Service Sector governance concept is to improve bus service; increase agency accessibility and responsiveness; promote greater coordination; maintain an employee supportive work environment and create a more efficient and customer focused management structure for the delivery of bus service. Key principles are to: localize control; maintain a single point of contact for route level service issues; balance responsibility with authority; streamline the decision making process; and support agency policies, plans and safety initiatives.

Under this policy, the MTA Board of Directors shall retain all mandated responsibilities in accordance with MTA enabling legislation under Public Utilities Code 130051 et seq. For example, the Board will retain hiring of the Chief Executive Officer and other Board appointees; approval of the agency budget and capital plan; negotiation of collective bargaining agreements; setting fare and service policies; establishing and monitoring agency programs; conducting public hearings for fare changes and service changes to corporate bus lines, Rapid Bus and rail service; conducting major procurements; managing construction projects, setting regional policies and having ultimate responsibility for resolving disputes regarding agency matters. Lastly, MTA Finance will be responsible for administering all banking, investing and debt issuance.

The Sector Governance Councils oversee the planning and implementation of service within their area. Their responsibilities include: approval of the sector budget within MTA Board approved designated funding levels; calling and conducting public hearings for sector bus lines; approval and evaluation of sector programs; implementing service changes; reviewing and developing policy recommendations for MTA Board approval; ensuring compliance with all MTA policies and procedures and legal agreements (e.g. collective bargaining agreements, Consent Decree); providing input into the Sector General Manager's performance review; and participating in annual meetings with the MTA CEO, Deputy CEO and the other Sector Governance Councils and General Managers.

The Chief Executive Officer is responsible for ensuring that the policy is converted to an action plan, budgeted for appropriately and implemented by staff.

OPTIONS CONSIDERED

An alternative to adopting the policy and guidelines would be for the MTA Board to retain all responsibilities for each of the five geographically based Metro Bus Operations business units. This alternative is not recommended, as it does not offer sufficient and timely responsiveness to local community needs and desires.

FINANCIAL IMPACT

The recommendation does not require any financial commitments at this time. The FY03 Annual Budget adopted by the MTA Board contemplated the realignment of MTA staff into service sectors and their support areas.

BACKGROUND

The first year of the Services Sector's implementation will be the "transition year" for management to gain knowledge, "lessons-learned" from our community, customers and staff. Management will be looking for opportunities to improve the initial design and incorporate these changes as necessary to better meet the needs of the community and our customers. Management will be reviewing the various aspects of the Service Sector roll out including: service scheduling, staffing, budgeting, and community outreach.

Staff will provide the Board with updates throughout this process. Should an issue arise which needs the approval of the Board, it will be brought forthwith. The allocations of staffing and budget were incorporated and adopted in this year's budget. Staff believes that changes will need to be made as we move into the next fiscal year. This will be based upon a review of the most effective and efficient distribution of our services and the unmet service needs that are identified by the various communities. Although this review process may necessitate changes, staff believes the initial design is based upon our current service delivery model and that our first year's experiences will provide us with the information to make further improvements.

There will be a number of focuses for staff as we implement Service Sectors and their Councils in the next year. Bylaws, Routing/Scheduling/Service Quality, and Funding are the primary pieces of this plan. Policy issues remain under the purview of the Board of Directors and any changes or additions will be brought forward to the Board. There will be many procedures such as agendas and reports, procurement, etc, that will be reviewed to incorporate the Service Sector management structure and the governance Councils. Those changes in procedures that have been adopted by the Board will be brought to the Board for their approval. The CEO will approve those under his purview. This agency is developing a new structure around our transit operations. Although staff has attempted to cover all contingencies, we know that many things will occur during the next year that are unexpected or overlooked in our initial analysis. Staff will be reporting to the Board these issues as we move through this implementation year.

NEXT STEPS

Staff will incorporate changes discussed at the Ad Hoc Service Sector meeting and agendize the updated policy for adoption at the August 15th Board meeting.



Maria A. Guerra
Chief of Staff



Roger Snoble
Chief Executive Officer

SERVICE SECTOR POLICY

PURPOSE:

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POLICY STATEMENT:

Under this policy, the MTA Board of Directors shall retain all mandated responsibilities in accordance with MTA enabling legislation under Public Utilities Code 130051 et seq. For example, the Board will retain hiring of the Chief Executive Officer and other Board appointees; approval of the agency budget and capital plan; negotiation of collective bargaining agreements; setting fare and service policies; establishing and monitoring agency programs; conducting public hearings for fare changes and service changes to corporate bus lines, Rapid Bus and rail service; conducting major procurements; managing construction projects, setting regional policies and having ultimate responsibility for resolving disputes regarding agency matters. Lastly, MTA Finance will be responsible for administering all banking, investing and debt issuance.

The Sector Governance Councils shall oversee the planning and implementation of service within their area. Their responsibilities include: approval of the sector budget within MTA Board approved designated funding levels; calling and conducting public hearings for sector bus lines; approval and evaluation of sector programs; implementing service changes; reviewing and developing policy recommendations for MTA Board approval; ensuring compliance with all MTA policies and procedures and legal agreements (e.g. collective bargaining agreements, Consent Decree); providing input into the Sector General Manager's performance review; and participating in annual meetings with the MTA Chief Executive Officer, Deputy Chief Executive Officer, the other Sector Governance Councils and General Managers

The Chief Executive Officer is responsible for ensuring that the policy is converted to an action plan, budgeted for appropriately and implemented by staff.

1. The MTA Board shall confirm and appoint members of the Service Sector Councils based on nominations submitted by the regional COGs and/or other groups or coalitions. As much as possible, members of the Councils shall be selected to reflect a broad spectrum of interests and geographic areas of the Sector. Membership on the Council is not transferable or assignable. Council vacancies will be filled pursuant to a process developed by the Sector

Council and approved by the MTA Board. The process should provide for maximum outreach, input and review.

2. The Council will hold regularly scheduled monthly meetings. Scheduled meetings should not conflict with regularly scheduled MTA Committee and Board meetings. Council meetings are limited to no more than two meetings a month and shall be conducted pursuant to Robert's Rules of Order. All meetings of the Council shall be called, noticed and conducted in the manner prescribed by the Ralph M. Brown Act as amended from time to time. Members of the Service Sector Councils shall adhere to the MTA Code of Conduct and all other relevant State and Federal laws.
3. The Councils shall meet and confer with the MTA Chief Executive Officer and other Sector Governance Councils on an annual basis to discuss the overall effectiveness of the Sectors and other related matters including the Sector General Manager's performance.
4. Members of the Service Sector Councils will be paid a stipend in the amount of \$100 per meeting, up to a maximum of \$200 per month.
5. The MTA Board of Directors shall establish parameters of the overall administrative functions for the Service Sector governing body consistent with MTA enabling legislation, mandated federal, state and local laws, rules and regulations, and MTA Board adopted policies and procedures. These include:
 - Adopt bylaws governing the Service Sector councils,
 - Establish funding for implementing Councils to cover costs associated with holding public meetings, stipends and travel. For example:
 - Mailing, printing and translation;
 - Attending up to two meetings per month; and,
 - Attending one APTA trip per member, which includes airfare, lodging, meals and registration
6. Service Sector business units are charged with the delivery, monitoring, and improvement of the safety and performance of all bus service operated by the divisions assigned to each sector. Responsibilities shall include, but not limited to:
 - Develop and administer an annual operating budget for the sector.
 - Ensure budgeted service and projects are delivered as planned.
 - Prepare monthly performance reports using MTA operational goals.
 - Ensure that services are operated in compliance with applicable statutory and regulatory requirements.
 - Manage the maintenance and transportation functions at the divisions assigned to the sector.
 - Comply with the provisions of MTA collective bargaining agreements.
 - Procure goods and services, in accordance with agency procurement guidelines.
 - Develop and implement programs to improve service performance, operating efficiency and service quality, including but not limited to: field supervision and maintenance

campaigns, service demonstrations, fleet and employee safety programs and contracting for service.

- Develop Route planning studies to better route and schedule Tier 2 and 3 services operated within the sector and those Tier 1 routes that are so designated
 - Develop efficiency studies to identify ways to decrease the unit cost of services provided in the sectors
 - Call public hearings pertaining to bus route changes within the sectors
 - Make changes to bus service within MTA Board adopted performance standards and make efficiency changes to changes to operations as appropriate;
 - Contract with planning, business, consultants and other transit operators and any other contracting needs unique to the Sector; and
 - Adopt a Sector budget for final approval by the MTA Board
 - Work with MTA planning staff and local transit operators to ensure coordination of services
7. Service Sector business units are responsible for the development of efficient coach operator work assignments, and service schedules that are responsive to customer needs and existing service resource allocations. Responsibilities shall include, but not limited to:
- Monitor and manage coach operator staffing and service levels in accordance with the sector budget.
 - Update and revise schedules, coach operator work assignments and scheduling documents as part of the service change process.
 - Develop and maintain all schedule documents and records necessary to manage the operation and support the public notification process.
 - Conduct coach operator bids in June and December and anytime there are major changes to operating schedules, as outlined in the current coach operator agreement.
8. Service Sector business units are responsible for the development and implementation of changes in bus service that improve service quality, ridership, and operational efficiency. Responsibilities shall include, but not limited to:
- Modify, cancel or initiate services assigned to their sector, in accordance with agency service policies, the sector budget and fleet availability.
 - Participate in regularly scheduled Sector Manager and Sector Council coordination meetings with corporate staff and representatives from the other sectors.
 - Make temporary or interim changes in service by implementing detours or temporary schedule changes at the staff level, in an annual cumulative amount not to exceed \$100,000, for all sectors combined, or \$20,000 annually per sector.
 - Maintain; add, delete or relocate bus stops.
 - Support the planning and implementation of key corporate initiatives, including: Rapid Bus Expansion, Consent Decree Service Improvements, and the MTA and Regional Short Range Transit Plans.
 - Coordinate with other local transit operators serving the sector.

9. Service Sector business units are responsible for the development and implementation of a planning and public communication process that elicits and responds to the community and the customer. Responsibilities shall include, but not limited to:
 - Call and conduct public hearings in accordance with Board adopted guidelines
 - Conduct community outreach and stakeholder meetings to elicit input to proposed changes and to identify service needs.
 - Track, monitor and respond to customer comments and complaints.
 - Conduct monthly public meetings of the council.
 - Provide customers and stakeholders with advance public notification of changes in service.

10. The MTA Board shall adopt funding levels and the annual capital plan for Service Sectors during the annual budget process of each fiscal year, as well as short and long-range transit plans covering all Sectors proposed by the MTA Chief Executive Officer. The Service Sectors shall establish operating budgets within Board approve funding levels. Responsibilities shall include, but limited to:
 - Provide input on key operating parameters such as service hours, miles and schedules by tier of service and priorities for capital investments in Sector facilities and rolling stock.
 - Review the Sector's financial performance with their General Manager on a regular basis, at least quarterly
 - Utilize MTA Finance, who keeps the official books and records as the sole source of financial and budgetary data
 - Coordinate with MTA Finance who will make all disbursements for Sector goods, services, salaries, wages and employee benefits in accordance with MTA's established system of internal controls.