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SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

Minutes of Regular Meeting of the
Board of Directors of the District

JANUARY 24, 1980

Upon notice duly given, the Board of Directors of the Southern California Rapid Transit District met at a regular meeting in the District Board Room, 425 South Main Street, Los Angeles, California, at 1:22 p.m. on January 24, 1980 at which time President Marvin L. Holen called the meeting to order.

Directors Present:

Donald Gibbs
Marvin L. Holen
Gerald B. Leonard (arrived 1:30
p.m.)
Mike Lewis

Carl Meseck
Jay B. Price
Ruth E. Richter
Charles H. Storing

Directors Absent:

David K. Hayward
Thomas G. Neusom
George Takei

Staff Present:

Jack R. Gilstrap, General Manager
Joe B. Scatchard, Controller-Treasurer-Auditor
Sam Black, Manager of Operations
Richard Gallagher, Manager & Chief Engineer, Rapid Transit
Suzanne Gifford, Assistant General Counsel
George McDonald, Manager of Planning & Marketing
John S. Wilkens, Manager of Employee Relations
Robert Williams, Manager of Customer Relations
Jack Stubbs, Assistant General Manager for Administration
Patricia J. Bluemke, Assistant District Secretary

Also present were members of the news media and the public.

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Resolution
No. Assigned
TOP SECRET

Presentation of Certificates of Merit for
Outstanding Service

Director Price presented Certificates of Merit to George A. Zeranko, Operator-of-the-Month; Jeannette Sprowls, Information Operator-of-the-Month and to Juan Melendez, Maintenance Employee-of-the-Month.

Also presented was a Certificate of Merit to Joseph May, Operator-of-the-Month for November, 1979. Mr. May was unable to attend last month's meeting to receive his certificate.

Report of the Surface Operations Committee

On motion of Director Price, Chairman of the Surface Operations Committee, seconded and carried as noted below, Agenda Items 2 and 3 were approved and the following resolutions were adopted:

- Ayes: Gibbs, Leonard, Lewis, Meseck, Price, Richter, Storing, Holen
- Noes: None
- Abstain: None
- Absent: Hayward, Neusom, Takei

R-80-022

RESOLVED, that the General Manager is authorized to award a contract to Armour World Wide Glass, 9401 Ann St., Santa Fe Springs, the lowest responsible bidder under Bid No. 1-8004, covering procurement of pre-cut safety glass at a total bid price of \$269,340; form of contract subject to approval of the General Counsel.

Resolution
No. Assigned

Report of Surface Operations Committee - Continued

R-80-023

RESOLVED, that Requisition No. 9-2260-45 is approved and the Purchasing Agent is authorized to call for bids covering maintenance agreement and procurement of word processing equipment; form of bid requirements and specifications subject to approval of the General Counsel.

Report of Facilities & Construction Committee

On motion of Director Gibbs, Chairman of the Facilities and Construction Committee, seconded and carried as noted below, Agenda Item No. 4 was approved and the following resolution adopted:

Ayes: Gibbs, Holen, Leonard, Lewis,
Meseck, Price, Richter, Storing
Noes: None
Abstain: None
Absent: Hayward, Neusom, Takei

R-80-024

RESOLVED, that the General Manager is authorized to execute a lease agreement with I. D. Weiner covering approximately 5,000 square feet of storage and work area at 300 South Alameda, in the Central Business District, at \$1,450 per month for a period of three years with a three-year option, to be used by the Stops & Zones Department for preparation and storage of bus stop information signs; form of agreement subject to approval of the General Counsel.

Resolution
No. Assigned

Report of the Advance Planning Committee

Upon motion of Director Meseck, Acting Chairman of the Advance Planning Committee, seconded and carried as noted below, Agenda Item Nos. 5 through 7 were approved and the following resolutions adopted:

Ayes: Gibbs, Holen, Leonard, Lewis,
Meseck, Price, Richter, Storing
Noes: None
Abstain: None
Absent: Hayward, Neusom, Takei

R-80-025

RESOLVED, that the Short-Range Transportation Plan update for Fiscal Year 1980-81 is to be forwarded to the Los Angeles County Transportation Commission and the Southern California Association of Governments with the recommendations outlined therein, and the letter of transmittal is to include: 1) the District's preference for the 6% service increase plan, 2) the "No-growth" plan is unrealistic, and 3) gasoline rationing is not contemplated in the projections reflected in the plan, a copy of which is filed with the Secretary.

R-80-026

RESOLVED, that the actions outlined in the General Manager's report dated January 16, 1980 relative to preparation for future energy emergencies is approved, a copy of which is filed with the Secretary.

Resolution
No. Assigned

Report of Advance Planning Committee - Continued

R-80-027

RESOLVED that the General Manager is authorized to respond to recommendations made by the Los Angeles County Energy Commission in their report dated November 29, 1979, and indicate to the Energy Commission that since it is clear the District alone cannot take full responsibility for carrying out the recommendations to expand service or reduce or eliminate fares, the support of the County of Los Angeles will be sought to back up the recommendations of the Energy Commission.

Report of the Rapid Transit Committee

Upon motion of Director Leonard, Chairman of the Rapid Transit Committee, seconded and carried as noted below, Agenda Items No. 9 and 10 were approved and the following resolutions adopted:

Ayes: Gibbs, Leonard, Lewis, Meseck,
Price, Richter, Storing, Holen
Noes: None
Abstain: None
Absent: Hayward, Neusom, Takei

R-80-028

RESOLVED, that the General Manager is authorized to file an application with the State of California, Department of Transportation, under the provisions of Senate Bill 620 for funds to be utilized for the District's Mass Transit Guideway Project; form of all documents subject to approval of the General Counsel.

Resolution
No. Assigned

Report of Rapid Transit Committee - Continued

R-80-029

RESOLVED, that the findings of the Public Hearing held January 10, 1980 relative to the District's application for an Urban Mass Transportation Administration Capital Assistance Grant for the preliminary engineering of a Rapid Transit Starter Line in the Los Angeles Regional Core are hereby certified.

(Complete text of certification is on file with the Secretary.)

Agenda Item No. 8 was passed over and separate consideration was made of Item No. 11 as follows:

Chairman Leonard reported the Rapid Transit Committee had reviewed his recommendation for the management philosophy for the Wilshire Subway Project. A copy of that proposal is attached as Exhibit I. The Committee recommended the proposal be used as a guideline for discussion purposes.

The Board discussed the merits of the proposal and it was recommended the subject be placed on the agenda for review at the Committee of the Whole meeting on February 7, 1980.

Resolution
No. Assigned

Report of Rapid Transit Committee - Continued

Mr. Richard Gallagher submitted for the Board's information an estimated schedule for completion of the final AA/EIS/EIR process, a copy of which is filed with the Secretary.

Report of the Personnel Committee

Upon motion of Director Lewis, Vice-Chairman of the Personnel Committee, seconded and carried as noted below, Agenda Item No. 12 was approved and the following resolution adopted:

Ayes: Gibbs, Leonard, Lewis, Meseck,
Price, Richter, Storing, Holen
Noes: None
Abstain: None
Absent: Hayward, Neusom, Takei

R-80-030

RESOLVED, that the personnel actions delineated in the General Manager's report dated January 21, 1980 relative to department-by-department support staff requirements be approved with the exception of the recommendation to establish an Assistant Director of Security.

Upon motion of Director Lewis, seconded and carried as noted below, the following resolution was adopted:

Resolution
No. Assigned

Report of Personnel Committee - Continued

Ayes: Gibbs, Holen, Leonard, Lewis,
Meseck, Price, Richter, Storing
Noes: None
Abstain: None
Absent: Hayward, Neusom, Takei

R-80-031

RESOLVED, that the General Manager is authorized to compensate Mr. John Wilkens for seven weeks of vacation time which was not used due to his involvement in the labor negotiations in 1979.

Report of the Finance Committee

Director Lewis, Chairman of the Finance Committee, reported Mr. Jerry Premo had attended the meeting earlier in the day and presented a report to the Committee on the Commission's January 9th decision to allocate \$3.3 million in TDA funds to the District and discuss the process for considering the allocation of the remaining \$1.9 million in TDA funds which the District has requested. The Commission will further consider the District's \$1.9 million request on February 13, 1980.

Upon motion of Director Lewis, seconded and carried as noted below, the following resolution was adopted:

Resolution
No. Assigned

Report of the Finance Committee - Continued

Ayes: Gibbs, Holen, Leonard, Lewis,
Meseck, Price, Richter, Storing
Noes: None
Abstain: None
Absent: Hayward, Neusom, Takei

R-80-032

RESOLVED, that the General Manager's report dated January 21, 1980 outlining operating plans for FY 80-82 which eliminate the projected operating deficits be transmitted to the Los Angeles County Transportation Commission with a cover letter indicating the Board of Directors will continue its long time practice to adjust fares and services as necessary in order to operate within a balanced budget, and further indicate continued support of the goal of recovering at least 40% of operating costs from the farebox revenue.

Upon motion of Director Meseck, seconded and carried as noted below, the following resolution was adopted:

Ayes: Gibbs, Holen, Leonard, Lewis,
Meseck, Price, Richter, Storing
Noes: None
Abstain: None
Absent: Hayward, Neusom, Takei

Resolution
No. Assigned

Report of Finance Committee - Continued

R-80-033

RESOLVED, the FY 1981 UMTA Section 8 Overall Work Program is approved for submittal to the Los Angeles County Transportation Commission, Southern California Association of Governments and the Urban Mass Transportation Administration covering technical assistance grants to the District to be used to support continuing work or initiate Special Projects in Planning, Service Analysis, Market Research and Management Information Systems.

Upon motion of Director Price, seconded and unanimously carried, the Operating Report for the month of December, 1979 was "Received and Filed."

Approval of Consent Calendar

On motion of Director Richter, seconded and carried as noted below, the Consent Calendar was approved and the following actions were taken:

Ayes: Gibbs, Holen, Leonard, Lewis,
Meseck, Price, Richter, Storing
Noes: None
Abstain: None
Absent: Hayward, Neusom, Takei

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Approved Minutes of Regular
Meeting held January 10, 1980;

Resolution
No. Assigned

Approval of Consent Calendar - Continued

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Ratified temporary route diversions as described in report dated January 18, 1980, filed with the Secretary;

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Ratified bus stop zone changes as described in report dated January 18, 1980, filed with the Secretary;

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Received and Filed:

1. Purchasing Agent's Sales Order Reports for Fourth Quarter, 1979;

2. Purchasing Agent's Statement of Purchases Over \$1,000 for the month of November, 1979.

Director Special Item

Director Ruth Richter introduced a motion to extend the Super Sunday Pass Program one month beyond its expiration date of January 27, 1980. The motion was seconded by Director Leonard. The General Manager recommended the program be allowed to expire and submitted his report dated January 23, 1980 indicating the reasons for the recommendation, including the lack of control and accountability the District has over the sale of the Super Sunday pass by bus operators, and the negligible impact the program has had on ridership. After discussion,

Resolution
No. Assigned

Director Special Item - Continued

on a roll call vote, the motion failed. The results are as follows:

Ayes: Leonard, Price, Richter, Holen
Noes: Gibbs, Lewis, Meseck, Storing
Abstain: None
Absent: Hayward, Neusom, Takei

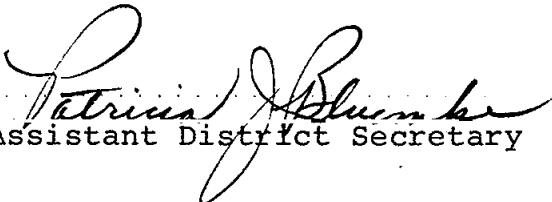
President Holen recommended a program of this nature should have been submitted to the Board for consideration well before its expiration date to allow more time for Board deliberation.

President Holen reported on a recent meeting he had attended with representatives of CalTrans, the Los Angeles County Transportation Commission and the City Council of Los Angeles, regarding the possibility of public acquisition of the Union Station. It was suggested the District should have a major role in the operation of the Union Station if it is used as a transportation center.

Resolution
No. Assigned

Upon motion of Director Richter, seconded by Director Gibbs and unanimously carried, the Board recommended a commendatory resolution be presented to Mr. Robert Datel, District Director of CalTrans, for his efforts on behalf of the District and the excellent cooperation he has extended the District over the years and adjournment be in recognition of that effort.

The meeting adjourned at 2:37 p.m.


Patricia Blumberg
Assistant District Secretary



Southern California Rapid Transit District • 425 So. Main St. • Los Angeles, Calif. 90013 • Telephone: (213) 972-6000

Gerald B. Leonard
Director

MANAGEMENT PHILOSOPHY
for the
WILSHIRE SUBWAY PROJECT

In late September we initiated a reasonably unique and forward-looking effort on the part of the Board of Directors examining alternative management philosophies to aid in our own direction. The work that we have undertaken should clearly enhance our own judgement in the conduct of the project and simultaneously asserts our intention to lead the project through assessment of all areas having policy ramifications.

Speaking for myself, and I believe for the others of you, it is not our intent to design the system, run the trains or the day-to-day operations as may well be the concern on the part of the staff. There is a clear need, however, to be apprised of all facets of the project so there are no surprises for which we will ultimately be held accountable. We just got such a surprise on the 1980 Sector Improvement Program--let's get out in front of this one.

The point of this memo is to begin to draw to a conclusion the Board decision-process relating to the "size and shape" of the internal organization felt appropriate to do an effective job in the day-to-day management of our project. It is also intended to draw to a conclusion recommendations for our preferred arrangements for outside consulting services. To initiate the discussion so that we might proceed and not lose any time needlessly, I will offer some recommendations with which to begin the process.

The consultants are quite concerned about their ability to adequately respond to the district's needs when the district gets around to stipulating the RFP conditions. The consultants are all talking among themselves in an attempt to decide upon the appropriate joint venturing relationships. If we wait much longer, we inhibit their ability, possibly, to give us what we need. We're not the only project of concern to the engineering community for which they must make long range scheduling plans. At this stage we should indicate our intentions with regard to the following: a) whether it is our intent to go with an "umbrella" consultant; b) if so, what roles will be pulled together under that arrangement; and, c) the kinds of activities for which we intend to contract directly, i.e., special consultants reporting directly to the

Board or to the staff without oversight by the "umbrella" consultant or the principal consultant on the project. Examples of this might include rail car specifications, control system design, an operations plan, etc.

Our RFP for the Project Control System was not clear. Too many groups came to me directly asking for clarification on some very basic issues not at all understandable from the RFP. We must do better on the RFP for engineering and design. After Committee review, this might be a good case for the Peer Group Evaluation before we get too far along.

RECOMMENDATIONS

1. Staff Organization:

Without regard to personalities or capabilities of our existing staff, it is my belief that the following positions should be created and the corresponding support positions to follow: *

- a) General Manager for Rapid Transit Construction*
(or) Assistant Gen. Mgr for Rapid Transit Construction
(or) Project Director-Rapid Transit Construction
- b) Chief Engineer
- c) Chief Administrator

It is these positions with which the Board must be most concerned. Additionally, the staff will consequently proceed to fill the subordinate positions:

- a) Manager of Engineering
- b) Manager of Architecture (already on-board)
- c) Real Estate Manager
- d) Systems Manager
- e) Contracts Administrator
- f) Rapid Transit Planning Manager
- g) Community Relations Manager*
- h) Program Control Manager

Those positions or statements indicated by an asterisk represent potential solutions to the principal problems encountered by the MARTA organization. First, according to the Cresap, Mc Cormack & Padget report done for the district it is pointed out that MARTA suffered from "waiting for all organization questions to be settled before attempting to hire the key project staff; recruiting activities should be started as soon as the project is initiated." Second, Cresap pointed out that there was "insufficient separation of the operating and project organizations at the start...." The three options identified above would afford us varying degrees of flexibility and distinction of responsibilities. And third, according to Cresap, "the lack of an aggressive and comprehensive public information program after the bond issue had been passed."

For the S.C.R.T.D. this probably best relates to the fact that the separation of the public relations effort for this project from the day-to-day work in support of the bus service might be of benefit in helping to promote the system.

I will ask at the end of our agendaized business for the Committee for our January 24, 1980, meeting that we retire to an executive session of the committee. It would be my hope that we could discuss a procedure by which we enumerate the professional characteristics which must be possessed by the individual to fill each of the key slots in our rapid transit organization. We should do this in very specific terms so that recruitment can proceed, be precisely conducted and yield the best fit between personal qualifications and position responsibilities, either from among our existing staff or from external recruitment. Secondly, we should set general guidelines for the staff to be followed subsequently for the filling of the second-level positions.

2. Outside Consulting Services:

My recommendations to you in this area are drawn from a number of experiences including: our extensive direct interviews conducted during recent months, our on-site visits of recent and at other occasions, extensive consultant exposure during my tenure with Supervisor, manager of all transportation consulting work for SCAG for 2 1/2 years and a similar capacity as manager of transit planning for the Chicago Area Transportation Study for 5 years.

Our most recent on-site discussions with MARTA, WMATA and the MTA in Baltimore were very telling in terms of the broad range of possibilities available to us. Varying degrees of success were also measureable in qualitative terms. We would do great disservice to the project if we indicated a desire to parallel the efforts mounted in the Bay Area. A significant negative public impression as a consequence of the manner in which that project was conducted would provide a stigma which we would have great difficulty living with. The situation in Washington might also pose considerable problems for us as well. Both their "gold-plating" of the system and the high ratio of internal staff to consultant staff is not the image we want to portray. In Baltimore there is a more efficient, more streamlined operation meriting our consideration, but a model not without its difficulties to overcome as well. Probably the most efficient model for our consideration would be the MARTA organization. This was also the conclusion of Cresap, Mc Cormack & Padgett, I believe.

To quote from the Cresap report:

"MARTA uses one general design consultant contractor, PBTB (now PBT), but subjects its consultant to relatively close scrutiny.

- MARTA's philosophy is to have an internal staff sufficient to make independent judgment on all significant questions.

- The role of the MARTA design and engineering staff is to review and continuously monitor the consultants' work, to become familiar with the thinking and logic of the consultants in selection of an alternative, and to be in a position to either approve or reject the consultants' final recommendation.

- MARTA knows that this philosophy leads to a certain amount of duplication and overlap, but feels this is necessary.

- All design subcontracts are with the general consultant, but are subject to the review and approval of the MARTA staff.

- During the construction phase, it is planned that all construction contracts will be with MARTA, but supervised by PBTB (PBT).

It is therefore my recommendation that we follow rather closely the model established in Atlanta. This would entail the retention of one principal (probably joint ventured) consulting team who would subcontract much of the work. The district would retain the right to reject any firm sought by the consultant and would also retain the right to reject individual personnel assigned to the project by the principal consultant or his subcontractors. If there is concurrence upon this recommendation, or whatever modification we might select, it is my further recommendation that we transmit the nature of the role which we anticipate through the Engineering News Record, Passenger Transport or some other suitable medium. We should also begin immediately to define the RFP so that it is crystal-clear to any possible bidders. We should further request of the staff an identification of those activities best addressed by special consulting services which would fall outside the direct oversight role of the principal consultant.

SUMMARY OF RECOMMENDATIONS

1. Define role of project director.
2. Define role of Chief Engineer and Chief Administrator
3. Establish professional qualifications for these positions.
4. Establish general guidelines for subordinate positions.
5. Concur in recommendation for MARTA-type consulting arrangement.
6. Transmit definition of this role to engineering community.
7. Request an early identification of special consulting services to be solicited.
8. Consider a consulting contract for the development of alternative policy strategies which would be deemed to have a major impact upon the project either in the realm of cost, level of service or public image (this list is no doubt expandable).
9. Concur in an "initial" organization chart suitable for transmission to UMTA & LACTC.

Respectfully submitted,

Gerald B. Leonard
Chairman
Board Rapid Transit Committee