



PLANNING & PROGRAMMING COMMITTEE
FEBRUARY 17, 2000

Metropolitan
Transportation
Authority

**SUBJECT: FIRST QUARTERLY REPORT: TRIENNIAL PERFORMANCE
AUDIT IMPLEMENTATION PLAN, LOS ANGELES COUNTY
METROPOLITAN TRANSPORTATION AUTHORITY -
OPERATIONS AND LOS ANGELES COUNTY TRANSIT
OPERATORS**

One Gateway Plaza
Los Angeles, CA
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ACTION: RECEIVE AND FILE

RECOMMENDATION

Receive and file the first quarterly update of the Triennial Performance Audit implementation plan of MTA Operations and Los Angeles County transit operators.

ISSUE

Implementation of the Triennial Performance Audit recommendations is required under the Transportation Development Act (TDA). Progress made towards implementation of the FY 1995-97 Triennial Performance Audit recommendations will be audited as part of the forthcoming FY98-00 Audit. This report is the first quarterly update on the progress made by MTA Operations and Los Angeles County transit operators in implementing the recommendations from that audit.

DISCUSSION

MTA is required by TDA statute to conduct an independent performance audit of its activities every three years. The completed Audit covered the period from FY1995 to 1997. The findings and recommendations were presented to the Board in August of 1999. A plan for implementing the recommendations was presented to the Planning and Programming Committee in October, where a request was made to have quarterly updates presented to the Board at the appropriate committee, in this case Planning and Programming. The attached forms outline the implementation plans, milestones and next steps for all the recommendations included in the Audits for MTA Operations and the other 16 transit operators.

The Audit period covered FY1995 to FY 1997, however, to capture any significant changes in operator's post-1997, information and data considered for the audit extended through April of 1998. As a result, many of the findings and recommendations were already in process as the final audit was presented to the Board.


NEXT STEPS

The next status update will be presented in May. The completion or progress made on each of the recommendations will be examined through the FY 00 Triennial Performance Audit, for the period of FY 97 through FY00. This audit will begin in July of 2000, with a scheduled completion date of June 2001.


ATTACHMENT(S)

- A. Transit operator and MTA Operations Audit Recommendations.

Prepared by: Karen Heit
Director, Strategic Policy and Planning



JAMES de la HOZA
Executive Officer
Regional Transportation Planning &
Development



ALLAN G. LIPSKY
Office of the Chief Executive Officer

MTA OPERATIONS:

AUDIT RECOMMENDATIONS #1:

- Establish division by division operator assignment ratios. Analyze operator staffing requirements at each Bus and Rail Division and establish manpower assignment ratio targets by division to lower overtime costs and improve operator productivity.

Implementation Plan:

- Work has been in progress for over 18 months within the Operations Department positioning itself for this effort. The Operator to Assignment Ratio is just now (December 1999) returning to the budget authorized level of 1.16. Operating at a ratio of less than 1.16 causes inefficiencies in the utilization of part-time and extra board operators and until now Operations lacked the necessary tools to conduct the analysis to determine the optimum staffing ratios. Staffing levels are stabilizing concurrent with the implementation of the new version of the Transit Operating & Trends System (TOTS). New TOTS will contain a manpower forecasting and planning module that will enable Operations to determine and manage towards the optimum number of operators by classification needed for the assignments created by Schedules.

Milestones:

- Began installation of new Y2K compliant TOTS for each division on December 7, 1999. **Effort completed on December 18, 1999.**
- Benchmark operating division performance by July 1, 2000
- Build manpower planning module to develop operator requirements by 4/30/2000.
- Work with schedules to develop and test alternate strategies for creating assignments as part of labor negotiations.
- Test alternative approaches by September 2000.
- Implement optimization by December 2000 shake-up.

Next Steps

- New TOTS was installed at all divisions during December 1999. The new optimization routine for the extra board will seek to minimize the number of operators required to fill extra board assignments. By March 2000 the baseline programs should be complete and statistically valid information will be available. The data will then be used to optimize the operator requirements for the December, 2000 shake-up.

| Department/Person Responsible: MTA Operations - Ibarra |

MTA OPERATIONS (Cont'd):

AUDIT RECOMMENDATIONS #2:

- **Initiate Performance Incentives And Disincentives For Contracted Bus Services.**

Implementation Plan:

- Completed for current contracts and will be included in future solicitations.

Milestones:

- Completed

Next Steps

- None required.

Department/Person Responsible: MTA Operations - Spivack

MTA OPERATIONS (Cont'd):

AUDIT RECOMMENDATIONS #3:

- **Examine required levels of fixed route maintenance supervisory staff. Analyze supervisory staffing levels by division.**

Implementation Plan:

- Our supervisor ranks are driven by the need for shift coverage at all Divisions (except Division 6) to operate and maintain a 24 hour / 7 day/week operation. With the introduction of the AFSCME labor groups, all changes to staffing and benefits will be subject to collective bargaining. Even so, the current ratio is well in line with the audit report recommendations.

Milestones:

- Completed

Next Steps

- None required.

Department/Person Responsible: MTA Operations - Hunt

MTA OPERATIONS (Cont'd):

AUDIT RECOMMENDATIONS #4:

- **Establish a process to monitor service quality and results of improvement efforts. Maintain monitoring and reporting systems.**

Implementation Plan:

- This is an on-going effort of the Operations Department. The Transit Operations Support Services Department collects and analyzes extensive performance information for management review for weekly, monthly, and quarterly performance. This data is communicated to Division leadership and staff reports to Operations employees are provided BI-monthly. Summary data are reported to the Board on a monthly basis. The data collection and presentation is continually refined.

Milestones:

- Completed

Next Steps

- None required.

Department/Person Responsible: MTA Operations - Spivack

MTA OPERATIONS (Cont'd):

AUDIT RECOMMENDATIONS #5:

- **Monitor trends of new claims by divisions and institute programs to reduce incidence or bring employees back to work sooner.**

Implementation Plan:

- This is an on-going effort of the Operations Department in conjunction with Safety and Risk Management.

Milestones:

- Implement "Professional Pride in Performance" safety recognition program for Operations by January 31, 2000; maintenance by July 31, 2000..
- Benchmark agency performance against other California properties by February 29, 2000. Identify types of illness and injury claims.
- Increase participation in Transitional Duty program by 10% at each Division by March 31, 2000.
- Seek to implement a "carve out" program to limit cost exposure through contract negotiations. The MTA Board has approved proceeding with a legislative proposal to implement the carve out program separate from the existing worker's compensation program. The intent of the legislation is to provide speedier access to benefits and avoid some of the inherent adversarial aspects of the state program. This effort will be addressed during labor negotiations.
- Continue to receive new buses with ergonomically designed seats (one of the main drivers of claims).

Next Steps

- Focus on the implementation of Operator and Mechanic incentive programs to reduce industrial accidents.

Department/Person Responsible: MTA Ops/Risk Mgmt Safety - Ibarra, Lennon, Guy

ARCADIA:

AUDIT RECOMMENDATIONS:

1. Document reporting requirements and definitions to help ensure consistent and accurate reporting in the future.
2. Arcadia Transit should continue to enhance performance monitoring systems and to improve service quality.

Implementation Plan:

1. The City has implemented new reporting requirements of its transit service provider. Also, staff will ensure that NTD, State Controller's Reports and TPM forms contain consistent data for each reporting year. During FY 99-00 the City will develop and implement new service policies and performance requirements.
2. The City has recently bid the transit service and restructured its agreement to include performance criteria.

Milestones:

1. Implement audit recommendations by June 2000.

Next Steps

Continue to monitor service performance and costs.

Department/Person Responsible: Michael Busch, Transit Coordinator

CLAREMONT DIAL-A-RIDE:

AUDIT RECOMMENDATIONS:

1. Continue to monitor ridership and service productivity for the new service plan introduced in FY 1997.

Implementation Plan:

1. Meet with Pomona Valley Transportation Authority staff on a regular basis to discuss ridership and productivity levels.
2. Receive ridership reports from PVTA staff monthly and compile reports into a graphic format for review by Claremont staff, City Council, and Commissions.
3. Analyze Claremont Dial-a-Ride demographics to determine who is being served.
4. Perform annual survey of Claremont Dial-a-Ride passengers.
5. Present quarterly reports to the Traffic and Transportation Commission providing public review of the service.

Milestone

- Claremont staff has started meeting with the PVTA.
- Claremont staff is receiving monthly performance reports from PVTA.
- A survey and analysis of Claremont Dial-a-Ride riders was performed.
- Quarterly reports are provided to the Traffic and Transportation Commission.

Next Step

Continue to work with PVTA and monitor ridership trends.
Provide adequate trail to support turnover in data reporting function.

Department/Person Responsible: Betty Rose-Sheldon, Director of Community Services
Jim Lewis, Management Analyst

FOOTHILL TRANSIT:

AUDIT RECOMMENDATIONS:

1. Review reporting procedures to ensure that important data items, including accidents, roadcalls and complaints are reported completely.
2. Report the results of annual budgetary initiatives.

Implementation Plan:

1. Foothill Transit has been working with its contractors to clarify their responsibilities for filing NTD reports. Foothill staff will be reviewing these reports to ensure they are complete and consistent with data that Foothill reports to its Board and outside agencies.
2. The second recommendation will be implemented during Foothill's annual budget process and will be incorporated in the FY 01 budget.

Milestones:

- Report on implementation of annual budgetary initiatives in FY 01 budget.

Next Steps

- None required.

Department/Person Responsible: Julie Austin, Executive Director
Andre Colaiace, Intergovernmental Rel's Officer

GARDENA:

AUDIT RECOMMENDATIONS:

1. GMBL should take measures to ensure accuracy and consistency of data reporting to external agencies
2. Take additional precautions to reduce passenger injuries and collision accidents.
3. Examine the nature of vehicle roadcalls to determine what additional preventative measures - driver training or maintenance - can be taken to reduce roadcalls.

Implementation Plan:

1. Henceforth, GMBL staff is committed to ensuring data consistency between NTD, TDA and TPM reports. Also, all staff involved in report preparation has been consolidated within the Transportation Department (effective FY 1999-2000)
2. GMBL maintains that the significance of the data trend in this area does not warrant it being an audit recommendation. In the base year of FY 94, GMBL's indicators for passenger injuries and collision accidents were uncharacteristically low (0 and 3, respectively). Also, figures for the last two audit years were well within industry norms compared to other systems of similar size. GMBL maintains that its current training and safety programs are among the industry's best as reflected in the FY 98 data of only 2 passenger injuries and 5 collision accidents.
3. FY 96 represented a spike in the GMBL roadcall data. Mechanical roadcalls hit a high of 93 and miles between such roadcalls hit a low of 15,911. GMBL believes that these figures resulted from major maintenance that was deferred on a group of 21 buses scheduled for replacement in the following fiscal year. Further, total system roadcalls have declined from 145 during the last year of the audit period (FY 97) to 118 in FY 98.

Milestones:

- Submit and compile reports which are consistent for FY2000.
- Replace 21 buses by FY2000.

Next Steps

Continue to monitor service performance and ensure that miles between road calls improve.

Department/Person Responsible: Whit Ballenger, Transportation Director
Bob Hilderbrand, Consultant

LONG BEACH:

AUDIT RECOMMENDATIONS:

1. Correct FTE calculation

Implementation Plan:

1. Completed and included in FY 99 reports.

Milestones:

Completed

Next Steps

None

Department/Person Responsible: Larry Jackson, General Manager
Brynn Kernaghan, Manager of Gov't Relations

CITY OF NORWALK:

AUDIT RECOMMENDATIONS:

1. Review, document, and implement a system for improving the allocation of NTS costs systemwide and by mode;
2. Evaluate potential costs savings and service quality impacts of outsourcing demand response service;
3. Evaluate and implement strategies to reduce costs, including casualty and liability, wage rates, and administrative overhead;
4. Document reporting requirements and definitions for preparation of local, state and federal reports to help ensure consistent and accurate reporting in the future; and
5. Develop and utilize quantifiable performance objectives and standards.

Implementation Plan:

1. NTS has made progress on efforts to follow-up on and address FY1997 Triennial Performance Audit recommendations to properly allocate costs and document data in a consistent manner.
2. NTS contracted for professional services to conduct comprehensive review, evaluation and analyses of NTS's cost allocation methodology, its fixed route and demand response services, including the potential for dial-a-ride outsourcing.
3. NTS contracted for professional services to conduct comprehensive review of potential dial-a-ride outsourcing.
4. NTS has made progress on efforts to follow-up on and address FY1997 Triennial Performance Audit recommendations to properly allocate costs and document data in a consistent manner.
5. The transit studies will reflect quantifiable objectives for operation of Norwalk Transit in the coming year.

Milestone

- Implement a cost allocation methodology by FY2000.
- Ensure data consistency in FY2000 reports.
- Include recommendations for improvement in Norwalk's service delivery.
- The NTS contracted for professional service to evaluate NTS's Equipment Maintenance Department.

Next Step

Continuously evaluate service to make improvements.

Department/Person Responsible: Jim Parker, Executive Officer
Lisa Patton, Management Transportation Assistant

SANTA MONIC'S BIG BLUE BUS:

AUDIT RECOMMENDATIONS:

1. Re-evaluate the size and use of the extraboard and the use and cost of unscheduled overtime.
2. Continue to improve key management reports.
3. Request financial auditors to provide additional detail to support external reporting requirements for local subsidies.
4. Provide adequate trail to support turnover in data reporting function.

Implementation Plan:

1. The Big Blue Bus is hiring additional drivers to reduce overtime costs.
2. Santa Monica has modified existing reports and created additional reports to address this issue.
3. Auditors have been notified and they will include the additional detail in their next audit.
4. The documentation on how the peak vehicles are calculated are now being maintained.

Milestone

- No specific milestone for this recommendation.
- Completed
- Auditors will include in FY 2000 audit.
- Completed

Next Step

Continue to hire drivers to meet increased demands.
Provide adequate trail to support turnover in data reporting function.

Department/Person Responsible: John Catoe, Director of Transportation
David Feinberg, Sr. Transit Programs Analyst

CITY OF TORRANCE:

AUDIT RECOMMENDATIONS:

1. Torrance Transit (TTS) should ensure the accuracy and consistency of reporting employee full-time equivalents (FTEs).
2. Incorporate zest ridership into external reports.
3. Submit annual fiscal and compliance audits to the State Controller's Office and retain documentation to verify submittal
4. Torrance Transit should monitor overtime costs for bus operators and conduct additional analysis to determine the optimum balance of overtime and extra board staffing.

Implementation Plan:

1. The method employed by TTS should have taken the NTD data from Form (404), line 11, and divided that number by 2,000 hours. "The count of employees shall also include those individuals employed by the operator which provide to the agency of the operator responsible for the operation of the public transportation system even though not employed in that agency.
2. In spite of the demise of the Zero Emissions (ZEST) electric vehicle, an abbreviated shuttle service has continued during the midday. Because the vehicle has a farebox it will allow the bus operators to capture passenger counts. In response to the Triennial Audit these data will begin getting collected on January 6, 2000.
3. The crux of this recommendation revolves around proper documentation of the submittal. Torrance's Finance Department submitted a hard copy of the report to the State Controller on October 12, 1999. A copy of the cover letter is attached.
4. A number of indicators have been monitored to evaluate methods of getting overtime under control. The most critical are actual overtime hours and the number of coach operators working more than 12 hours per day in contravention of CHP rules. Another shortcoming cited in the Triennial Audit concerned violations of the State's Safety Code regarding drivers' hours. On June 9, 1997 the CHP found 123 violations of log-keeping requirements and 41 violations of excessive "time behind the wheel". On the next annual inspection on July 27, 1999, TTS was found in violation of driver's log-keeping requirements in 2 cases and of driver's hours in 15 cases. The 120-day follow-up to this inspection showed the "terminal" (TTS) rated SATISFACTORY. Copies of the inspections are attached as is the most recent copy of Log Procedures to the operations personnel reminding them of the several legal requirements with which they must comply.

Milestones:

Completed

Next Steps

None

Department/Person Responsible: Tom Whittle, General Manager

Tony Rose, Administrative Assistant – Transit Dept

**FIRST QUARTERLY REPORT
TRIENNIAL PERFORMANCE AUDIT IMPLEMENTATION PLAN
MTA OPERATIONS & LOS ANGELES COUNTY TRANSIT OPERATORS
Submittal Status as of January 28, 2000**

<u>OPERATOR</u>	<u>STATUS OF AUDIT IMPLEMENTATION</u>
• Antelope Valley Transit Authority	• Non-responsive
• Arcadia Transit	• Submitted
• Claremont Dial-a-Ride	• Submitted
• Commerce Municipal Bus Lines	• Non-responsive
• Culver City Municipal Bus Lines	• Non-responsive
• Foothill Transit	• Submitted
• Gardena Municipal Bus Lines	• Submitted
• La Mirada Transit	• Non-responsive
• Long Beach Public Transportation Company	• Submitted
• City of Los Angeles	• Non-responsive
• Metropolitan Transportation Authority	• Submitted
• Montebello Bus Lines	• Non-responsive
• Norwalk Transit System	• Partially submitted
• Redondo Beach Wave	• Non-responsive
• Santa Clarita Transit	• Non-responsive
• Santa Monica's Big Blue Bus	• Submitted
• Torrance Transit	• Submitted