Department Responses to Board Staff Inquiries
Presented May 1, 2015

Table of Contents (by Department):

➢ **Overtime Analysis**

Question

At the April 1 board staff budget briefing, board staff requested an analysis of Metro overtime usage. In response, OMB has prepared the chart below showing a 3-year analysis of overtime, by managing department and bargaining unit. We request that your department provide the following:
  a) An explanation of overtime overages, by bargaining unit and by discipline, and
  b) An action plan to control overtime in FY16.

	Overtime spending as a percent of Normal time spending				FY15 Normal Time Budget vs. Actual Spending				FY15 Overtime Budget vs. Actual Spending			
	FY13 Actual	FY14 Actual	FY15 Est Actual*	FY15 Budget	FY15 Normal Time Budget	FY15 Normal Time Actual*	$ Difference	FY15 Normal Actual v Budget	FY15 OT Budget	FY15 OT Actual*	$ Difference	FY15 OT Actual v Budget
CEO												
ATU	29.8%	24.4%	32.9%	8.3%	1,229,700	998,456	231,243	81.2%	102,000	328,975	(226,975)	322.5%
TCU	7.3%	6.7%	10.5%	2.5%	2,570,169	2,895,219	(325,050)	112.6%	65,241	304,348	(239,107)	466.5%
AFSCME	27.1%	30.9%	31.2%	8.7%	1,277,740	1,309,894	(32,154)	102.5%	111,795	409,340	(297,545)	366.2%
Teamsters	53.0%	55.8%	60.9%	39.6%	3,817,966	3,090,324	727,642	80.9%	1,513,326	1,882,036	(368,710)	124.4%
Communications												
TCU	7.3%	5.9%	9.9%	0.1%	7,456,460	6,650,539	805,921	89.2%	10,711	659,358	(648,647)	6156.0%
Finance & Budget												
TCU	6.1%	7.6%	11.0%	5.2%	3,015,315	2,793,646	221,669	92.6%	155,998	306,649	(150,650)	196.6%
AFSCME	9.8%	9.8%	11.7%	7.8%	190,817	207,970	(17,153)	109.0%	14,796	24,250	(9,454)	163.9%
ITS												
ATU	19.4%	23.0%	33.2%	0.0%	2,079,897	2,156,962	(77,065)	103.7%		715,992	(715,992)	#DIV/0!
TCU	2.4%	2.4%	1.9%	0.0%	612,573	604,632	7,941	98.7%		11,549	(11,549)	#DIV/0!
Operations												
UTU	23.6%	24.8%	27.4%	25.2%	178,428,148	172,597,662	5,830,486	96.7%	44,978,005	47,302,966	(2,324,961)	105.2%
ATU	22.7%	25.3%	25.4%	13.5%	116,666,471	118,184,908	(1,518,437)	101.3%	15,770,901	30,016,974	(14,246,073)	190.3%
TCU	18.9%	19.7%	18.3%	9.5%	15,888,280	16,172,072	(283,791)	101.8%	1,516,227	2,964,655	(1,448,428)	195.5%
AFSCME	11.3%	10.3%	10.9%	6.2%	43,091,620	45,775,305	(2,683,685)	106.2%	2,675,714	4,984,004	(2,308,290)	186.3%
VCM												
TCU	20.4%	23.8%	24.1%	21.6%	5,997,058	5,443,106	553,952	90.8%	1,295,399	1,312,588	(17,189)	101.3%
AFSCME	9.3%	7.8%	11.4%	11.1%	962,895	1,069,748	(106,853)	111.1%	106,808	121,519	(14,711)	113.8%

*FY15 Actuals are double the FY15 mid-year actuals through December 31, 2014.

Answer

-- Available under separate cover --

➢ **Enterprise Risk & Safety Management**

Question
Within Workers' Comp claims (number of claims and costs), how much of the annual total is the result of Metro-controlled activities (e.g. bus maintenance work) and how much is the result of outside activities (e.g. State policy change)?
Answer
Our actuary has estimated the impact of the 2013 statutory increase in permanent disability rates and believes the change may represent upwards of 5% of the 2015 to 2016 increase to the workers' compensation budget. The balance of the increase is related to increases in wages which are used to calculate temporary disability compensation, the indexing of temporary total disability maximum rates to inflation and significant increases in the costs and utilization of medical services by injured workers.
Question
When evaluating capital projects, how could we better account for risk?
Answer
We would like to see an explicit evaluation of third-party collision risks and the expected public costs of injuries/damages to third parties when evaluating transit alternatives early in the process.

➢ **Engineering & Construction, Project Management Office, Vendor/Contract Management, and Community Relations**

Question
Regarding the CMSS conversion, provide a comparison of the fully-burdened cost of both consultants and Metro employees, including a consideration of all Metro lifetime costs (e.g. retirement, transition plan, floor space, shelf life, etc.)
Answer
To be presented at the May Board of Directors meeting.

➢ **Project Management Office**

Question
What is the right mix/number of FTEs relative to the total cost of current construction projects? Does the total cost shown by PMO accurately reflect the actual cost for these projects?
Answer
The appropriate staffing level required by each major construction project is determined by the Project Management Plan developed for the respective project. Regarding the total cost presented, the amount reflects actual expenditures for the major construction projects by fiscal year. The expenditures are within the project budget approved by the Board of Directors.

➢ **Planning**

Question

Please update the Public-Private Partnership (P3) schedule to include the following options:
     o   Right-of-Way sales
     o   Tolling
     o   Private sector pricing options

Answer
Both Metro and its private sector partners work to identify likely funding including right-of-way sales, toll revenue, and other private sector funding and financing options. Numerous local, state and federal funding sources identified in Metro's Long Range Transportation Plan (LRTP) contribute more than $5 billion per year to our annual operating budget. All Metro projects currently under construction or in the Short Range Transportation Plan (SRTP) involve private sector involvement for development, design, engineering, construction and financing. Metro staff work with private sector interests on a daily basis to identify alternative delivery, specialized financing options (including swaps, derivatives, credit enhancements and other financial and commodity hedging instruments) value engineering, alternative technical concepts, and best value pricing. Metro Countywide Planning staff is currently conducting financial studies for four previously selected P3 projects, in order to determine all viable revenue sources and private sector participation. The four projects are the Sepulveda Pass, the I710 South, the SR 710 North, and the High Desert Multi-Purpose Corridor. The High Desert Multi-Purpose Corridor will be the first one completed, expected sometime next month. The areas examined include revenues from the following sources: freight ("goods movement", both public and private), green energy, tolls, toll bonds, TIFIA, equity contribution, state revenue, High Speed Rail, potential new sales tax, as well as a reduction in costs. Once the financial strategy is complete for each project, it will provide an incentive to the private sector to help develop innovative funding partnerships. All such areas will be examined for each and every P3 project or opportunity, as appropriate, including additional options that would be project specific such as enhanced infrastructure finance districts or transit-oriented development. In the event that the Private Sector identifies a unique opportunity in advance of Metro, or are interested in projects not yet on Metro's radar, they are able to avail themselves of the Metro Unsolicited Proposal Policy, the procedures for which were presented to the Board in February.

Question
Can Federal RRIF ("RIFIA") funding be used as a P3 revenue source?
Answer
No. RRIF is a loan that will require a revenue source for repayment. The Railroad Infrastructure Financing Improvement Act (RIFIA) is a proposal to rename Railroad Rehabilitation and Improvement Financing (RRIF). Metro evaluates eligibility and financing alternatives available through both the Federal Railroad Administration's RRIF program and the Federal Department of Transportation's (USDOT) Transportation Infrastructure Finance and Innovation Act (TIFIA) program, as applicable. TIFIA has been the most appropriate program to date, while RRIF is under consideration for Intercity or High Speed Rail. Metro is not yet a direct sponsor of any Intercity or High Speed Improvements that are appropriate for RRIF or RIFIA borrowing.

| **Question** |
| Regarding Public-Private Partnerships, what input have you solicited from the Private Sector in terms of funding options? |
| **Answer** |
| Metro is in daily contact with private sector developers, builders, consultants, bankers, equity investors or advisors. In addition to Metro's 2014 P3 Roundtable and other regional and national conferences, Metro P3 staff has had more than 40 meetings at One Gateway Plaza with various private sector parties to discuss proposed projects, future opportunities and various funding and financing alternatives, all within the last twelve months. As mentioned above, Metro Countywide Planning staff is currently performing financial studies for four previously selected P3 projects, in order to determine all viable revenue sources and private sector participation. To do this, staff is using its private sector financial advisors available through the P3 Technical Consulting Bench, specifically qualified and vetted for this type of support. |

> ➤ **Engineering & Construction**

| **Question** |
| *Highway Programs* |
| For (a) Metro-led (15.7 FTEs), (b) CalTrans-led (2.2 FTES), (c) ITS (3.6 FTEs), and (d) Subregional (2.5 FTEs) projects provide the following: (1) brief explanation of all projects within each project area, (2) FY16 scope and activity summary by project, and (3) FY16 budgeted dollars and FTEs by project. |
| **Answer** |
| **-- See separate chart: "Highway Program FY16 Budget" --** |
| |
| **Question** |
| *Regional Rail* |
| Provide a report on Metrolink rehabilitation projects. |
| **Answer** |
| **-- See separate chart: "Regional Rail - Summary of Projects" --** |
| |
| **Question** |
| Provide the reasons for increases in capital costs in FY16. |
| **Answer** |
| 1) Metrolink is purchasing new TVMs systemwide. Metro is responsible for purchasing all L.A. County TVMS to replace the existing TVMs. The current TVMs are original to the system since Metrolink's inception (20 plus years old). Metrolink has lost substantial revenue due to their failing TVMs which in turn causes increases in the member agency subsidy. The project cost is approximately $24M. Metro's share is approximately $13M. The new TVMs will be installed in FY16.
 2) Metrolink member agencies agreed to purchase 20 new Tier 4 locomotives several years ago which are scheduled for delivery in 2016. However, Metrolink's locomotive fleet consists of 52 locomotives leaving 32 locomotives in need of replacement or rehabilitation. Hence, Metrolink is now rehabilitating 10 of the remaining locomotives due to the numerous mechanical failures attributable to deferred maintenance and the age of the locomotives which are in most cases original equipment since Metrolink's inception as well. In the interim Metrolink is leasing locomotives to ensure reliability and decrease mechanical failures. Leasing is not cost effective. Metro's share is approximately $11M.
 3) Metrolink is receiving funding from SCAQMD which reduces the member agency |

contributions. However, the SCAQMD is requiring a minimum Tier upgrade in order for Metrolink to receive the funding.   Most of Metrolink's current fleet of locomotives rate below Tier 0 thus Metrolink's fleet does not comply. The rehabilitation of the 10 locomotives will:
a. Reduce green house gas emissions
b. Make Metrolink service more reliable by eliminating mechanical failures
c. Increase ridership
d. Increase revenue
e. Decrease member agency subsidy and contribution

> **Employee & Labor Relations**

Question
How many of the 45,000 applications received in the past year were (a) deemed eligible for the posted position, (b) given an offer, and (c) accepted that offer?

Answer
- Approximately 33,000 met the minimum qualifications for the posted positions
- Approximately 2,400 made it on the Qualified Candidate Pool (i.e., passed test, if applicable, passed interview, passed DOJ review and reference check)
- Approximately 1,500 accepted offers

Question
How can Metro be an employer of choice and better attract qualified, quality candidates?

Answer
Currently, we have a(n):
- **ELT and Intern Programs**. These programs offer eligible participants an opportunity to gain practical work experience through a temporary job assignment, where they can learn and explore careers in the transportation industry. Juniors and seniors attending selected high schools within Los Angeles County are eligible to be interns under the Summer Internship Program.
- **Bus Operator Bridge Program**. The program is managed through a partnership with the WorkSource Centers and LA Valley College, which supplements the hiring initiatives of Metro's Human Resources Department in creating a Qualified Candidate Pool for Bus Operators in order to fill the vacancies on a weekly basis.
- **JAC Program**. This program provides internal employees with an opportunity to promote to a higher level technical job by going through intensive training and obtain the required skills and abilities to perform the job.
- **Veterans Hiring Initiative**. This program focuses on outreach and recruitment of military veterans via Veterans job fairs, job posting web portals, sponsorship of veterans community events and organizations.
- **Marketing Metro** for its great career opportunities and the opportunity to be part of an organization whose projects, programs and services are changing the way people live.
- A **new, forward-looking head of HR has been hired**, starting May 11, 2015. She has a great track record in Seattle and Marion County and will review every aspect of our HR processes and procedures, with an eye toward making them more applicant and employee friendly, while working closely with department heads as a business partner.

We have requested an **APTA peer review of HR**, which will provide valuable insights on opportunities for improvement

> ➢ **Information Technology**

Question
Please put together a matrix that shows IT applications by department, including, for each application, a description by IT of what the application is intended to do plus a description by the Department of what they envision that the application can and should do.
Answer
-- See separate chart: "Information Technology Matrix" --
Question
How many workstations does Metro have?
Answer
Metro has approximately 3200 workstations.
Question
How does this relate to the number of new licenses being purchased and for what programs?
Answer

- The workstation license count increased 400 for the last contract (2850 to 3200). Workstations primarily impact our Microsoft Enterprise License Agreement but only a percentage of it. There are multiple components of this agreement which includes:
  - User Access Accounts
  - Windows desktop and server operating systems
  - Microsoft Office Business Suites software applications
  - SQL database Licensing.
  - Cloud Services
  - Hosted and Managed Services
  - Others
- The primary factor driving the increase to the Microsoft License Agreement was a True Up and Cost Model change to the SQL database license component.
- New licenses increase cost primarily support new systems and programs, they were not a result of workstation increase. Here is a list of the new licenses supporting new systems.

New Software Licenses	**Purpose**	**Program**
Salesforce CRM for TAP: Carahsoft	Customer Relationship Management Program	TAP
Palo Alto Firewall: Digital Scepter	Enhance Security	ITS
Granicus	Administer Board Office Legal Documentations	CEO Office
LARIAC	Digital Aerial Imagery Data product	ITS
Microsoft Enterprise	Workstations & Increase to SQL Database Licensing	ITS
Oniqua Inventory Optimization System	Inventory Parts Management	Material Management
Oracle	New Modules to Applications	ITS/TAP
Smartdrive	Enhance System Security in rail cars	Operations

➢ **Operations**

Question
Discuss Rail Car Mid Life Program - • Include: Vendor, location, scope of work, number of vehicles being mid-lifed, expenditures per vehicle, and timing
Answer
Operations will include this in the fleet management plan by September 2015.
Question

• Please provide a comprehensive Division 13 transportation plan, including:
   o Reasons for primarily focusing on relocating bus lines from Division 10
   o How additional Divisions (1, 2, and 4) are expected to be impacted and/or consolidated
   o O&M Cost Impact
   o Operational benefits for Transportation and Maintenance

Answer
-- Available under Separate Cover --
Question

• Provide a comprehensive, consolidated Fleet Management Plan, including:
   o State of Good Repair
   o Vehicle requirements
   o Operational and maintenance needs with Service Level
   o Future ridership
   o "Firewalling" fleet management expenditures

Answer
Operations will have a comprehensive plan by September 2015
Question
Please provide a part-time to Full-Time Operator conversion plan, including the identified need and anticipated cost.
Answer
This will be ready in June if approved by the CEO. We will have a draft within 2 weeks.

➢ **Finance & Budget**

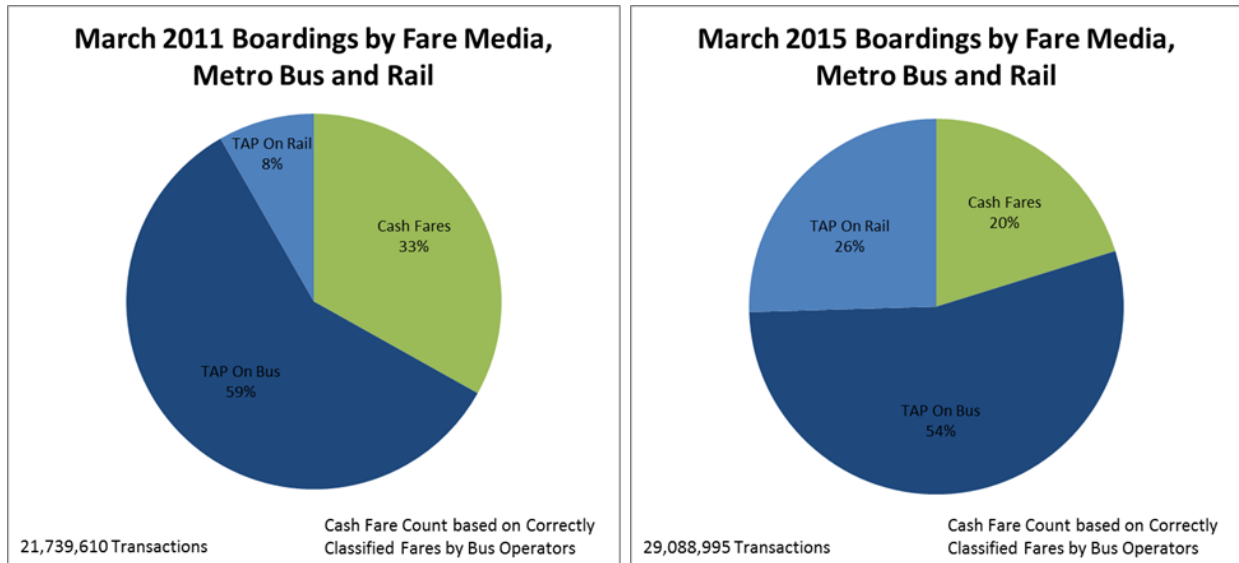| Question |
| --- |
| How does the total, fully-loaded cost of Metro's expired Xerox TAP contract for compare with the full-loaded cost of replacement in-house operations? |
| **Answer** |
| See following chart, and also note:
With triple the number of Municipal Operators in the TAP regional system as of April, 2015, it is difficult to make an estimate of future contracted services. The Xerox contract would have ended and Metro would have gone out to bid with a new RFP. In all likelihood, contractors would have bid a substantially higher cost. With only 9 Municipal Operators on board, Xerox had already been compelled to hire temp workers to augment staffing. With 26 Operators, the costs would be much higher than $8,134,474 |

Items	In-House TAP Service Center Operations		Xerox* *Some functions at Xerox were combined into more than one job description or were shared over multiple job descriptions.
Transition Phase 1 **38 FTEs*** *The staffing level for the TAP Service Center was determined by conducting workload analysis and then applying the industry standard queuing theory Erlang C model to meet the required service levels			
	Call Center – 19 FTEs		**Call Center + Reduced Fare - 23 FTEs**
	Reduced Fare Application Processing – 16 FTEs		**+ temp staff of up to 6**
	Call Sales – 3 FTEs		
TOTAL Phase 1		**$3,191,317 (w/ benefits)**	
Transition Phase 2 **18 FTEs**	**Stockroom – 4 FTEs**		**Stockroom – 2 FTEs**
	Annual Pass Programs – 6 FTEs		**Annual Pass – 5 FTEs**
	Back Office Accounting – 6 FTEs		**Back Office Accounting – 11 FTEs**
	IT – 2 FTEs		**IT – 6 FTEs**
TOTAL Phase 2		**$1,830,069 (w/ benefits)**	
Transition Phase 3 **6 FTEs**	**TAP Systems – 2 FTEs**		**TAP Systems – 5 FTEs**
	Back Office Finance – 3 FTEs		**Back Office Finance – 5 FTEs**
	Regional Transitioned Programs Oversight Professional – 1 FTE		**Operations Support - 3 FTEs**
TOTAL Phase 3		**$736,032 (w/ benefits)**	
Add'l 5 FTEs per FY16 Budget	**Call Center Supervisors – 2 FTEs**		
	Call Center Payroll Clerk – 1 FTE		
	Call Center Agents – 2 FTEs		
TOTAL: 5 FTEs Per 2016 Budget		**$555,000 (w/ benefits)**	
Annual Services and other Costs	**Card Initialization & Personalization/Yr** **Vendor Network Support/Yr** **CRM Licensing/Yr**	**$1,200,000** **$654,552** **$319,000**	
TOTAL Annual Services and Other Costs		**2,173,552**	
TOTAL ANNUAL IN-HOUSE OPERATIONS		**8,485,970**	**$8,134,474*** *The Xerox contract was expiring, and would have either been sent out for bid or renegotiated as a sole source contract. It is estimated that the contract amount would increase, since the numbers of TAP operators increased by 66%.

One Time Costs	**Infrastructure for Transition –** (Includes construction of office space, office equipment, technology infrastructure, office furniture and supplies)	**$1,600,000**	
		$1,600,000	

Question

What is the share of fare payments by cash and how has it changed in the past few years? Is it trending toward less cash fare in the fare type mix?

Answer

March 2011 Boardings by Fare Media, Metro Bus and Rail
TAP On Rail 8%
Cash Fares 33%
TAP On Bus 59%
21,739,610 Transactions
Cash Fare Count based on Correctly Classified Fares by Bus Operators

March 2015 Boardings by Fare Media, Metro Bus and Rail
Cash Fares 20%
TAP On Rail 26%
TAP On Bus 54%
29,088,995 Transactions
Cash Fare Count based on Correctly Classified Fares by Bus Operators

> **Congestion Reduction**

Question

What is our Call Box and 511 call volume?

Answer

Approximately 2,200 Call box calls per month. The 511 program receives 250,000 calls per month of which 3,400 per month are motorist aid calls.

Question

What are the available languages with the Call Boxes and what is the percentage share for each language for calls received?

Answer

The contract requires a Spanish speaking person on duty at all times. Up to 203 languages can be translated through a third party contractor. From July 2013 to June 2014, Spanish was the most frequently requested language for translation with a percentage share of 0.001 percent. Other language requested for translation during the year were Farsi (2 translations requested), Korean (1), Mandarin (1), Arabic (1), Japanese (1), Armenian (1) and Vietnamese (1)