

**Board Report**

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**File #:**2015-0544, **File Type:**Informational Report

Agenda Number:

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**FINANCE, BUDGET & AUDIT COMMITTEE  
FEBRUARY 17, 2016****SUBJECT: PROGRAM SUPPORT - EMPLOYER ANNUAL PASS PROGRAMS****ACTION: RECEIVE AND FILE****RECOMMENDATION**

Employer Annual Pass Programs (EAPP) - Receive and file the cost benefit analysis and customer satisfaction survey results. At this time Staff is not recommending any new actions to increase staff or bring staff in house. Audit Management is currently conducting a comprehensive audit of all special fare programs, including A-TAP, B-TAP and I-TAP. Program suggestions and modifications are pending audit results.

**ISSUE**

In February 2015, Staff went to the Board requesting approval for a contract to provide program support for Metro's Employer Annual Pass Program (EAPP). FY14 the EAPP generated over \$6.2 million in revenue for Metro and serves over 900 businesses with 32,000 annual TAP cardholders. The Board was pleased with the program's growth, but denied approval of the new 10 year vendor support contract and instead approved to extend the current EAPP vendor support contract until March 31, 2016. At that time, a motion by the Board was approved to direct the CEO to:

- A. Extend the current EAPP support vendor contract by 9 months, (which has been completed).
- B. Conduct a cost/benefit analysis of adding staff (full-time equivalent, non-contract, part-time, etc.) based on historical and projected growth rates of the program, including potential consequences if staffing levels are not consistent with program growth.
- C. Conduct a customer satisfaction survey of clients, including those that chose to no longer participate in the program. These surveys were completed in March 2015.
- D. Recommend an Employer Annual Pass Program staffing plan, including but not limited to bringing the program in house, contracting out entirely, or a hybrid approach.

**DISCUSSION**

Motion 5 (Solis and Garcetti) requested that staff conduct an analysis of historical and forecasted sales data and complete two customer satisfaction surveys. The summary results are described below.

Cost Benefit Analysis

Staff conducted an historical analysis for the sales and appointment setter functions of the EAPP process. This included sales, contract management and fulfillment functions and determined productivity levels of both historical and projected sales rates of EAPP.

A.1 Sales

A 5 year historical analysis of FY2011 - FY2015 averaged \$858,884 in sales per fiscal year per 6 Senior Account Executives (Sr. AEs). Currently 6 of the 7 allocated sales positions are filled. This breaks down into:

**5 Year Historical Data (2011 - 2015) - Table 1**

	<b>Avg. New Revenue/6 Staff</b>	<b>Avg. Revenue/Year</b>
Sr. AE Sales - New Revenue	\$115,950.13	\$695,701
Sr. AE Sales - Renewal Revenue	\$742,934.10	\$4,457,605
<b>Total Sr. AE Revenue</b>	<b>\$858,884.23</b>	<b>\$5,153,305</b>

Sales productivity ratios and Metro’s current annual sales reached \$7.7 million for FY15. The current staff configuration is as follows:

**Hybrid Approach (Current) - Table 2**

	<b>Metro</b>	<b>As Needed</b>	<b>Contracted</b>	<b>Total</b>
Sales	3	1	3	7
Appointment Setters	0	0	2	2
Contract Management	1	2	0	3
Fulfillment (5 TCU & 1 TAP Manager - Non Contract)	6	0	0	6
Management	2	0	0	2
<b>Total</b>	<b>12</b>	<b>3</b>	<b>5</b>	<b>20</b>

Historical data indicates an average increase of 22% over the last 5 years from FY11-FY15 in new sales revenue, 11% in worksites and a 14% increase in tap cards. The EAPP program grew 24% in

sales from \$6.2 to 7.7 million in FY15. The EAPP program has demonstrated its ability to maintain business partnerships while sustaining a 75% annual renewal rate.

**5 Year Historical Analysis Summary (2011 - 2015) - Table 3**

	<b>FY 11</b>	<b>FY 12</b>	<b>FY 13</b>	<b>FY 14</b>	<b>FY 15</b>
Revenue	\$4,330,175	\$4,310,201	\$4,877,050	\$6,252,336	\$7,778,412
Worksites	754	953	873	977	844
Tap Cards	18,950	21,453	25,606	32,000	27,464

LACMTA Audit Management recently conducted a comprehensive audit of special fare programs, including the A-TAP, B-TAP and I-TAP programs. Complete audit results are pending; however, risk assessment measures have been put in place to maintain the integrity of the EAPP program.

Due to stronger governance and increased program risk management policies and procedures that were implemented prior the 2016 EEAP renewals, the EAPP program has experienced a 10% decrease from 75% to 65% for the 2016 program renewal. Staff expects to experience a 3% growth over the next two years. A 2 year forecast at 3% growth is illustrated below, provided the program parameters remain the same:

**Current Statistics - Table 4**

FY15 illustrates all new and renewing accounts as of December 31, 2015. A 35% decrease in revenue is a direct result of increased program management policies and procedures.

	<b>FY 16</b>	<b>FY 17</b>
Revenue	\$5,056,351.00	\$5,208,041.53
Worksites	473	487
Tap Cards	18,304	18,1853.12

**A.2 Sales Appointment Setters**

Metro uses 2 appointment setters (AS) through a vendor contractor (Table 2, page 2). Based on historical data and projected sales data, each Appointment Setter averages a conversion rate of secured appointments into 88 sales per year.

**B. Contract Management**

Given historical productivity of 300 contracts per staff ratios, the EAPP currently has 1 Senior Account Executives (Sr. AE) and 2 As Needed to handle 900 contracts per year (Table 2, page 2).

**C. Fulfillment**

Currently Metro has 1 Tap Manager, 1 Lead TCU and 4 TCU agents in fulfillment (Table 2, page 2). This group transitioned to Metro from Xerox in the TCU binding arbitration in the past year. This group is too new to have much historical data to project from. Staff assumptions are that productivity improvements will keep up with sales growth.

Recommended Staffing Plan

Below is a summary of the hybrid, in-house and contracted approaches. Complete staffing plan/cost analysis and cost center/project number summary and fare per boarding summary are attached as Exhibits A-G.

Staff conducted a cost benefit analysis of 5 scenarios. Analysis includes a hybrid approach with current staff, in-house approach with current staff, contract out approach with current staff and an in house approach with 3 FTEs.

**1. Hybrid Approach with Current Staff**

	<b>Annualized Cost</b>	<b>Staff Count</b>
Program Support Vendor (Inland Transportation Service)	\$683,074.00	5
Metro FTE (Non Contract)	\$1,165,952.03	7
Metro TCU (Union)	\$481,832.00	5
As Needed/ELTP	\$135,976.76	3
<b>Total Annual Cost</b>	<b>\$2,466,834.79</b>	<b>20</b>

**2. In House Approach with Current Staff**

	<b>Annualized Cost</b>	<b>Staff Count</b>
Metro FTE (Non Contract)	\$1,761,924.03	12
Metro TCU (Union)	\$481,832.00	5
As Needed/ELTP	\$135,976.76	3
<b>Total Annual Cost</b>	<b>\$2,379,732.79</b>	<b>20</b>

**3. Contract Out Approach with Current Staff**

	<b>Annualized Cost</b>	<b>Staff Count</b>
<b>Total Annual Cost</b>	<b>\$2,129,746.40</b>	<b>20</b>

\*Metro TCU employees cannot be contracted out - Violates TCU Binding Arbitration of 2014.

**4. In House Approach with 5 As Needed**

	<b>Annualized Cost</b>	<b>Staff Count</b>
Metro FTE (Non Contract)	\$1,165,952.03	7
Metro TCU (Union)	\$481,832.00	5
As Needed/ELTP	\$400,721.76	8
<b>Total Annual Cost</b>	<b>\$2,048,505.79</b>	<b>20</b>

**5. In House Approach with 3 FTEs**

	<b>Annualized Cost</b>	<b>Staff Count</b>
Metro FTE (Non Contract)	\$1,564,532.03	10
Metro TCU (Union)	\$481,832.00	5
As Needed/ELTP	\$135,976.76	3
<b>Total Annual Cost</b>	<b>\$2,182,340.79</b>	<b>18</b>

Customer Satisfaction Survey Results - Current and Former Participants

The customer satisfaction survey for our current participants indicated very high levels of satisfaction in all three functional areas of sales, contract management and fulfillment within Metro Commute Services. On a scale of 1-10, with 1 being very poor and 10 being excellent, Sales Representatives scored an 8.86, Contract Management scored 8.60 and Fulfillment Representatives scored an 8.36.

Former participants indicated that the main reasons for not continuing participating was due to 1) not having enough employees to participate (47.22%) and; 2) not enough interested employees (11.11%).

Highlights of the survey are listed below. Complete survey is attached as Exhibit H-I. Surveys were conducted prior to the implementation of program safeguards which lessened the number of actual 2016 renewals.

- 98% plan to renew their contract with Metro next year
- 98% would recommend the program to other employers
- 92.2% of the employers who enrolled said their number one reason was because BTAP is a great benefit for their employees
- 86% of employers agree that their employees began taking public transit because of BTAP

**DETERMINATION OF SAFETY IMPACT**

These programs do not affect the incidence of injuries or healthful conditions for patrons or employees. Therefore, approval of this request will have no impact on safety.

**FINANCIAL IMPACT**

The funding of \$2.5 million per February 2015 Board Report for the Employer Annual Pass Programs was included in FY15 budget starting July 1<sup>st</sup> in cost center 7140, Marketing, 15% to project number 300014 Task 01.01 and 85% to project number 306006, Task 01.002. FY16 budget remains at \$2.5 million.

The total current annualized cost for a hybrid approach is \$2.5 million. If a request to add staff is approved, the annualized in house approach with 3 FTEs would decrease from \$2.5 million to \$2.2 million and staff would decrease from 20 (7 Metro FTEs, 5 TCU, 1 ELPT, 2 As Needed, 5 Contractors) to 18 (10 Metro FTEs, 5 TCU, 1 ELPT, 2 As Needed). The cost breakdown for an in house approach with 3 FTEs for FY16 would be \$1.8 million in labor charges for FTE and \$336,000 in non- labor charges. This results in a total savings 12% or \$300,000. The in house approach includes 3 FTE and eliminates 2 vendor contract Appointment Setter positions.

### **Impact to Budget**

The funding source for the Employer Annual Pass Programs is Enterprise Fund operating revenues. The source of funds for this action, operating revenues, is eligible to fund bus and rail operating and expenditures.

The average annualized impact for boarding's, revenue and fare per boarding for the B-TAP and A-TAP programs for the 2014 - 2015 calendar year are as follows:

- B-TAP
  - Boarding's: 14,309,711
  - Revenue: \$5,496,260
  - Average fare per boarding: \$0.38
  
- A-TAP
  - Boarding's: 753,640
  - Revenue: \$2,104,468
  - Average fare per boarding: \$2.79

The current average agency wide fare per boarding is \$.76; however, the B-TAP program is \$.38. Even though progress has been made, the issue of revenue neutrality still needs to be addressed.

### **NEXT STEPS**

Upon completion of Audit Managements comprehensive evaluation of the Special Fares programs, Staff will report back to the Board with necessary proposed changes and new program developments such as residential, Universal Pass and affordable housing. At that time, Staff may request the addition of FTE staff.

### **ATTACHMENTS**

- A. Financial analysis of historical and projected growth rates and productivity ratios, cost center labor charge summary and fare per boarding summary
- B. Customer satisfaction survey results from current and former participants
- C. February 2015 Board Report Item number 5, Motion by Director Hilda L. Solis and RECAP of Proceedings
- D. February 2003 Board Report Item number 20
- E. Organizational Chart

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**TOTAL ANNUALIZED COST SUMMARY  
PROJECT SUPPORT - EMPLOYER ANNUAL PASS PROGRAMS**

**ATTACHMENT A**

Hybrid Approach with Current Staff					
	Cost Per Staff	Staff Count	Total Annualized Cost	Cost % of Revenue	Annual Cost Per Rider
Director of MCS (FTE/Fully Burden)	\$ 254,912.03	1	\$ 254,912.03	3.44%	\$ 9.51
Communication Manager (FTE/Fully Burden)	\$ 189,800.00	1	\$ 189,800.00	2.56%	\$ 7.08
SR. Account Executive (FTE/Fully Burden)	\$ 132,860.00	4	\$ 531,440.00	7.18%	\$ 19.82
Tap Manager (Fully Burden)	\$ 189,800.00	1	\$ 189,800.00	2.56%	\$ 7.08
Tap Lead Agent (FTE/Fully Burden)	\$ 106,600.00	1	\$ 106,600.00	1.44%	\$ 3.98
Tap Agent (TCU/Fully Burden)	\$ 93,808.00	4	\$ 375,232.00	5.07%	\$ 14.00
ELTP	\$ 41,600.00	1	\$ 41,600.00	0.56%	\$ 1.55
As Needed - SR. Account Executive	\$ 52,949.00	1	\$ 52,949.00	0.72%	\$ 1.97
As Needed- Administrative Analysis	\$ 41,427.76	1	\$ 41,427.76	0.56%	\$ 1.55
Program Support Vendor - Inland Transportation Services	\$ 136,614.80	5	\$ 683,074.00	9.23%	\$ 25.48
<b>Total Staffing Cost</b>	<b>\$ 1,240,371.59</b>	<b>20</b>	<b>\$ 2,466,834.79</b>	<b>33.34%</b>	<b>\$ 92.01</b>

In House Approach with Current Staff					
	Cost Per Staff	Staff Count	Total Annualized Cost	Cost % of Revenue	Annual Cost Per Rider
Director of MCS	\$ 254,912.03	1	\$ 254,912.03	3.44%	\$ 9.51
Communication Manager	\$ 189,800.00	1	\$ 189,800.00	2.56%	\$ 7.08
SR. Account Executive	\$ 132,860.00	7	\$ 930,020.00	12.57%	\$ 34.69
Appointment Setter	\$ 98,696.00	2	\$ 197,392.00	2.67%	\$ 7.36
Tap Manager	\$ 189,800.00	1	\$ 189,800.00	2.56%	\$ 7.08
Tap Lead Agent (TCU)	\$ 106,600.00	1	\$ 106,600.00	1.44%	\$ 3.98
Tap Agent (TCU)	\$ 93,808.00	4	\$ 375,232.00	5.07%	\$ 14.00
ELTP	\$ 41,600.00	1	\$ 41,600.00	0.56%	\$ 1.55
As Needed -SR. Account Executive	\$ 52,949.00	1	\$ 52,949.00	0.72%	\$ 1.97
As Needed Administrative Analysis	\$ 41,427.76	1	\$ 41,427.76	0.56%	\$ 1.55
<b>Total Staffing Cost</b>	<b>\$ 947,540.76</b>	<b>20</b>	<b>\$ 2,379,732.79</b>	<b>28.71%</b>	<b>\$ 79.25</b>

Recommendation -In House Approach with (3) FTE from ITS					
	Cost Per Staff	Staff Count	Total Annualized Cost	Cost % of Revenue	Annual Cost Per Rider
Director of MCS	\$ 254,912.03	1	\$ 254,912.03	3.44%	\$ 9.51
Communication Manager	\$ 189,800.00	1	\$ 189,800.00	2.56%	\$ 7.08
SR. Account Executive	\$ 132,860.00	7	\$ 930,020.00	12.57%	\$ 34.69
Tap Manager	\$ 189,800.00	1	\$ 189,800.00	2.56%	\$ 7.08
Tap Lead Agent (TCU)	\$ 106,600.00	1	\$ 106,600.00	1.44%	\$ 3.98
Tap Agent (TCU)	\$ 93,808.00	4	\$ 375,232.00	5.07%	\$ 14.00
ELTP	\$ 41,600.00	1	\$ 41,600.00	0.56%	\$ 1.55
As Needed -SR. Account Executive	\$ 52,949.00	1	\$ 52,949.00	0.72%	\$ 1.97
As Needed Administrative Analysis	\$ 41,427.76	1	\$ 41,427.76	0.56%	\$ 1.55
<b>Total Staffing Cost</b>	<b>\$ 848,844.76</b>	<b>18</b>	<b>\$ 2,182,340.79</b>	<b>26.05%</b>	<b>\$ 71.89</b>

**TOTAL ANNUALIZED COST SUMMARY  
PROJECT SUPPORT - EMPLOYER ANNUAL PASS PROGRAMS**

**ATTACHMENT A**

In House Approach with (5) As Needed from ITS						
	Cost Per Staff	Staff Count	Total Annualized Cost	Cost % of Revenue	Annual Cost Per Rider	
Director of MCS	\$ 254,912.03	1	\$ 254,912.03	3.44%	\$ 9.51	
Communication Manager	\$ 189,800.00	1	\$ 189,800.00	2.56%	\$ 7.08	
SR. Account Executive	\$ 132,860.00	4	\$ 531,440.00	7.18%	\$ 19.82	
Tap Manager	\$ 189,800.00	1	\$ 189,800.00	2.56%	\$ 7.08	
Tap Lead Agent (TCU)	\$ 106,600.00	1	\$ 106,600.00	1.44%	\$ 3.98	
Tap Agent (TCU)	\$ 93,808.00	4	\$ 375,232.00	5.07%	\$ 14.00	
ELTP	\$ 41,600.00	1	\$ 41,600.00	0.56%	\$ 1.55	
As Needed -SR. Account Executive	\$ 52,949.00	6	\$ 317,694.00	4.29%	\$ 11.85	
As Needed Administrative Analysis	\$ 41,427.76	1	\$ 41,427.76	0.56%	\$ 1.55	
<b>Total Staffing Cost</b>	<b>\$ 848,844.76</b>	<b>20</b>	<b>\$ 2,048,505.79</b>	<b>24.24%</b>	<b>\$ 66.90</b>	

\*\* 1 Metro FTE equates to 1.5 As Needed, requesting 3 FTEs equates to 5 (4.5 rounded up) As Needed

Contact Out Approach with Current Staff						
	Cost Per Staff	Staff Count	Total Annualized Cost	Cost % of Revenue	Annual Cost Per Rider	
Director of MCS	\$ 201,458.40	1	\$ 201,458.40	2.72%	\$ 7.51	
Communication Manager	\$ 150,000.00	1	\$ 150,000.00	2.03%	\$ 5.59	
Tap Manager	\$ 150,000.00	1	\$ 150,000.00	2.03%	\$ 5.59	
SR. Account Executive	\$ 112,500.00	8	\$ 900,000.00	12.16%	\$ 33.57	
Appointment Setter	\$ 82,500.00	2	\$ 165,000.00	2.23%	\$ 6.15	
Administrative Analysis	\$ 85,500.00	2	\$ 171,000.00	2.31%	\$ 6.38	
Tap Lead Agent	\$ 85,280.00	1	\$ 85,280.00	1.15%	\$ 3.18	
Tap Agent	\$ 76,752.00	4	\$ 307,008.00	4.15%	\$ 11.45	
<b>Total Staffing Cost</b>	<b>\$ 943,990.40</b>	<b>20</b>	<b>\$ 2,129,746.40</b>	<b>28.78%</b>	<b>\$ 79.43</b>	

\*\* Metro TCU Employees cannot be contracted -violates TCU Binding Arbitration

**DETAILED ANNUALIZED COST - HYBRID APPROACH  
PROJECT SUPPORT - EMPLOYER ANNUAL PASS PROGRAMS**

Title	Estimated Salary	Hybrid Approach (Current)			Allocated Overhead (39.9%)	Cost per Staff	# of Positions	Total Cost
		Fringe NC 49.2%	Workers' Comp @ 7%	TCU 57.3%				
Director of MCS	\$ 134,305.60	\$ 66,078.36	\$ 940.14	\$ 53,587.93	\$ 254,912.03	1	\$ 254,912.03	
Communication Manager	\$ 100,000.00	\$ 49,200.00	\$ 700.00	\$ 39,900.00	\$ 189,800.00	1	\$ 189,800.00	
SR, Account Executive	\$ 70,000.00	\$ 34,440.00	\$ 490.00	\$ 27,930.00	\$ 132,860.00	4	\$ 531,440.00	
Tan Manager	\$ 100,000.00	\$ 49,200.00	\$ 700.00	\$ 39,900.00	\$ 189,800.00	1	\$ 189,800.00	
Tan Lead Agent	\$ 52,000.00	\$ 29,796.00	\$ 4,056.00	\$ 20,748.00	\$ 106,600.00	1	\$ 106,600.00	
Tan Agent	\$ 45,760.00	\$ 26,220.48	\$ 3,569.28	\$ 18,256.24	\$ 93,808.00	4	\$ 375,232.00	
ELTP (\$20/hr.)	\$ 41,600.00	\$ -	\$ -	\$ -	\$ 41,600.00	1	\$ 41,600.00	
As Needed -SR, Account Executive (30 wk./1560 yr./\$33.94 hr.)	\$ 52,949.00	\$ -	\$ -	\$ -	\$ 52,949.00	1	\$ 52,949.00	
As Needed -Administrative Analysis (30 wk./1560 yr./\$26.56 hr.)	\$ 41,427.76	\$ -	\$ -	\$ -	\$ 41,427.76	1	\$ 41,427.76	
<b>Total</b>						<b>15</b>	<b>\$ 1,783,760.79</b>	
<b>Contract Annual Cost</b>						<b>5</b>	<b>\$ 683,074.00</b>	
<b>Avg. Cost/5 Staff</b>							<b>\$ 136,614.80</b>	
<b>Total Annualized Cost with Current Staff</b>							<b>\$ 683,074.00</b>	
Program Support Vendor (Inland Transportation Services)					\$ 1,165,952.03		\$ 1,165,952.03	
Metro FTE					\$ 481,832.00		\$ 481,832.00	
Metro TCU					\$ 135,976.76		\$ 135,976.76	
As Needed					\$ 2,466,834.79		\$ 2,466,834.79	
<b>Total Annual Cost</b>							<b>\$ 2,466,834.79</b>	

**DETAILED ANNUALIZED COST - IN HOUSE APPROACH  
PROJECT SUPPORT - EMPLOYER ANNUAL PASS PROGRAMS**

In House Approach with Current Staff									
Title	Estimated Salary	Fringe NC 49.2% & TCU 57.3%	Workers' Comp @ 7% & TCU 7.8%	Allocated Overhead (39.9%)	Cost per Staff	# of Positions	Total Cost		
Director of MCS	\$ 134,305.60	\$ 66,078.36	\$ 940.14	\$ 53,887.93	\$ 254,912.03	1	\$ 254,912.03		
Communication Manager	\$ 100,000.00	\$ 49,200.00	\$ 700.00	\$ 39,900.00	\$ 189,800.00	1	\$ 189,800.00		
Sr. Account Executive	\$ 70,000.00	\$ 34,440.00	\$ 490.00	\$ 27,930.00	\$ 132,860.00	7	\$ 930,020.00		
Appointment Setter	\$ 52,000.00	\$ 25,584.00	\$ 364.00	\$ 20,748.00	\$ 98,696.00	2	\$ 197,392.00		
Tap Manager	\$ 100,000.00	\$ 49,200.00	\$ 700.00	\$ 39,900.00	\$ 189,800.00	1	\$ 189,800.00		
Tap Lead Agent	\$ 52,000.00	\$ 29,796.00	\$ 4,056.00	\$ 20,748.00	\$ 106,600.00	1	\$ 106,600.00		
Tap Agent	\$ 45,760.00	\$ 26,220.48	\$ 3,569.28	\$ 18,258.24	\$ 93,808.00	4	\$ 375,232.00		
ELTP (\$20/hr.)	\$ 41,600.00	\$ -	\$ -	\$ -	\$ 41,600.00	1	\$ 41,600.00		
As Needed -SR Account Executive (30 wk./1560 yr./\$33.65 hr.)	\$ 52,949.00	\$ -	\$ -	\$ -	\$ 52,949.00	1	\$ 52,949.00		
As Needed -Administrative Analysis (30 wk./1560 yr./\$26.56 hr.)	\$ 41,427.76	\$ -	\$ -	\$ -	\$ 41,427.76	1	\$ 41,427.76		
<b>Total</b>						<b>20</b>	<b>\$ 2,379,732.79</b>		
<b>**Converting (3) Sr. Account Executive &amp; (2) Appointment Setters to Metro FTEs from Vendor**</b>									
<b>Total Annualize Cost with Current Staff</b>									
Metro FTE	\$ 1,761,924.03								
Metro TCU	\$ 481,832.00								
As Needed	\$ 135,976.76								
<b>Total Annual Cost</b>	<b>\$ 2,379,732.79</b>								

Recommendation -In House Approach with only 3 FTE from IFS									
Title	Estimated Salary	Fringe NC 49.2% & TCU 57.3%	Workers' Comp @ 7% & TCU 7.8%	Allocated Overhead (39.9%)	Cost per Staff	# of Positions	Total Cost		
Director of MCS	\$ 134,305.60	\$ 66,078.36	\$ 940.14	\$ 53,887.93	\$ 254,912.03	1	\$ 254,912.03		
Communication Manager	\$ 100,000.00	\$ 49,200.00	\$ 700.00	\$ 39,900.00	\$ 189,800.00	1	\$ 189,800.00		
Sr. Account Executive	\$ 70,000.00	\$ 34,440.00	\$ 490.00	\$ 27,930.00	\$ 132,860.00	7	\$ 930,020.00		
Tap Manager	\$ 100,000.00	\$ 49,200.00	\$ 700.00	\$ 39,900.00	\$ 189,800.00	1	\$ 189,800.00		
Tap Lead Agent	\$ 52,000.00	\$ 29,796.00	\$ 4,056.00	\$ 20,748.00	\$ 106,600.00	1	\$ 106,600.00		
Tap Agent	\$ 45,760.00	\$ 26,220.48	\$ 3,569.28	\$ 18,258.24	\$ 93,808.00	4	\$ 375,232.00		
ELTP (\$20/hr.)	\$ 41,600.00	\$ -	\$ -	\$ -	\$ 41,600.00	1	\$ 41,600.00		
As Needed -SR Account Executive (30 wk./1560 yr./\$33.65 hr.)	\$ 52,949.00	\$ -	\$ -	\$ -	\$ 52,949.00	1	\$ 52,949.00		
As Needed -Administrative Analysis (30 wk./1560 yr./\$26.56 hr.)	\$ 41,427.76	\$ -	\$ -	\$ -	\$ 41,427.76	1	\$ 41,427.76		
<b>Total</b>						<b>18</b>	<b>\$ 2,182,340.79</b>		
<b>**Converting only (3) Sr. Account Executives &amp; (0) Appointment Setters to Metro FTEs from</b>									
<b>Total Annualize Cost with 3 As Needed</b>									
Metro FTE	\$ 1,564,532.03								
Metro TCU	\$ 481,832.00								
As Needed	\$ 135,976.76								
<b>Total Annual Cost</b>	<b>\$ 2,182,340.79</b>								

In House Approach with (5) As Needed									
Title	Estimated Salary	Fringe NC 49.2% & TCU 57.3%	Workers' Comp @ 7% & TCU 7.8%	Allocated Overhead (39.9%)	Cost per Staff	# of Positions	Total Cost		
Director of MCS	\$ 134,305.60	\$ 66,078.36	\$ 940.14	\$ 53,887.93	\$ 254,912.03	1	\$ 254,912.03		
Communication Manager	\$ 100,000.00	\$ 49,200.00	\$ 700.00	\$ 39,900.00	\$ 189,800.00	1	\$ 189,800.00		
Sr. Account Executive	\$ 70,000.00	\$ 34,440.00	\$ 490.00	\$ 27,930.00	\$ 132,860.00	4	\$ 531,440.00		
Tap Manager	\$ 100,000.00	\$ 49,200.00	\$ 700.00	\$ 39,900.00	\$ 189,800.00	1	\$ 189,800.00		
Tap Lead Agent	\$ 52,000.00	\$ 29,796.00	\$ 4,056.00	\$ 20,748.00	\$ 106,600.00	1	\$ 106,600.00		
Tap Agent	\$ 45,760.00	\$ 26,220.48	\$ 3,569.28	\$ 18,258.24	\$ 93,808.00	4	\$ 375,232.00		
ELTP (\$20/hr.)	\$ 41,600.00	\$ -	\$ -	\$ -	\$ 41,600.00	1	\$ 41,600.00		
As Needed -SR Account Executive (30 wk./1560 yr./\$33.65 hr.)	\$ 52,949.00	\$ -	\$ -	\$ -	\$ 52,949.00	5	\$ 264,745.00		
As Needed -Administrative Analysis (30 wk./1560 yr./\$26.56 hr.)	\$ 41,427.76	\$ -	\$ -	\$ -	\$ 41,427.76	1	\$ 41,427.76		
<b>Total</b>						<b>20</b>	<b>\$ 2,048,505.79</b>		
<b>** 1 Metro FTE equates to 1.5 As Needed, requesting 3 FTEs equates to 5 (4.5 rounded up) As Needed</b>									
<b>Total Annualize Cost with 5 As Needed</b>									
Metro FTE	\$ 1,165,952.03								
Metro TCU	\$ 481,832.00								
As Needed	\$ 400,721.00								
<b>Total Annual Cost</b>	<b>\$ 2,048,505.03</b>								

**DETAILED ANNUALIZED COST - CONTRACT OUT APPROACH  
PROJECT SUPPORT - EMPLOYER ANNUAL PASS PROGRAMS**

ATTACHMENT D

Annualized Vendor Cost (Current)		
Vendor (ITS)	Avg. Cost/5 Staff	# of Staff
	\$ 136,614.80	5
		Annual Cost
		\$ 683,074.00

\*\*\* Salary cost for 5 staff = \$ 364K base on board report \*\*\*  
\*\*\* 50 % Variable Cost \*\*\*

	Contracting Out Approach with Current Staff		Cost per Staff	# of Staff	Annual Cost
	Salary per Staff	Operating cost of 50%			
Director of MCS	\$ 134,305.60	\$ 67,152.80	\$ 201,458.40	1	\$ 201,458.40
Communication Manager	\$ 100,000.00	\$ 50,000.00	\$ 150,000.00	1	\$ 150,000.00
SR. Account Executive	\$ 75,000.00	\$ 37,500.00	\$ 112,500.00	8	\$ 900,000.00
Appointment Setter	\$ 55,000.00	\$ 27,500.00	\$ 82,500.00	2	\$ 165,000.00
Administrative Analysis	\$ 57,000.00	\$ 28,500.00	\$ 85,500.00	2	\$ 171,000.00
Tap Manager	\$ 100,000.00	\$ 50,000.00	\$ 150,000.00	1	\$ 150,000.00
Tap Lead Agent	\$ 46,000.00	\$ 23,000.00	\$ 69,000.00	1	\$ 69,000.00
Tap Agent	\$ 52,000.00	\$ 26,000.00	\$ 78,000.00	4	\$ 307,008.00
				20	\$ 2,129,746.40

\*\* Converting (5) Sr.AE , (3) Managers , (2) Administrative Analysis & (5) TCU from FTEs to Contractors\*\*  
\*\* Metro TCU cannot be contracted - violates Binding Arbitration\*\*

Total Annualize Cost (Current)	\$ 2,129,746.40
Total Annual Cost	\$ 2,129,746.40

**COST CENTER/PROJECT NUMBER LABOR CHARGE SUMMARY  
PROJECT SUPPORT - EMPLOYER ANNUAL PASS PROGRAM**

**ATTACHMENT E**

	Cost Center	Project/Task (85%)	Project/Task (15%)
<b>Metro FTEs (Non Contract)</b>			
Director of MCS	7140	306006.01.002	300014.01.01
Communication Manager	7140	306006.01.002	300014.01.01
(4) SR. Account Executives	7140	306006.01.002	300014.01.01
Tap Manager	7140	306006.01.002	300014.01.01
<b>Metro FTEs Union (TCU)</b>			
Tap Lead Agent	7140	306006.01.002	300014.01.01
(4) Tap Agents	7140	306006.01.002	300014.01.01
<b>As Needed</b>			
ELTP	7140	306006.01.002	300014.01.01
As Needed SR. Account Executive (30 wk./1560 yr.)	7140	306006.01.002	300014.01.01
As Needed Administrative Analysis (30 wk./1560 yr.)	7140	306006.01.002	300014.01.01
<b>Vendor (Inland Transportation Services)</b>			
(2) Appointment Setters			
(3) SR. Account Executives			
	<b>Labor</b>	<b>Non-Labor</b>	<b>Total Labor Charges</b>
Hybrid Approach with Current Staff	\$ 1,447,459.85	\$ 1,019,374.93	\$ 2,466,834.79
	<b>Labor and Non-Labor Charges for In House Approach</b>		
	<b>Labor</b>	<b>Non-Labor</b>	<b>Total Labor Charges</b>
In House Approach with Current Staff	\$ 2,243,756.03	\$ 357,048.93	\$ 2,600,804.96
In House Approach with conversion of (3) FTE with no appointment setters	\$ 1,846,039.85	\$ 336,300.93	\$ 2,182,340.79
In House Approach with conversion of (5) As Needed	\$ 1,447,459.85	\$ 601,045.93	\$ 2,048,505.78

**STAFFING ANALYSIS RATIOS  
PROJECT SUPPORT – EMPLOYER ANNUAL PASS PROGRAMS**

**STAFFING ANALYSIS**

<b>Ratio based on 5 years (2011-2015)</b>		
	<b>Avg. New Revenue/6 Staff</b>	<b>Avg. Revenue/Year</b>
Sr. AE Sales -New Revenue	\$ 115,950.13	\$ 695,701
Sr. AE Sales -Renewal Revenue	\$ 742,934.10	\$ 457,605
<b>Total Sr. AE Revenue</b>	<b>\$ 858,884.23</b>	<b>\$ 5,153,305</b>

<b>Ratio based on 5 years (2010-2015)</b>		
	<b>Avg. Work Sites/3 Staff</b>	<b>Avg. Total Work sites/Year</b>
Contract Management	293	880

<b>Ratio based on 1 year (2014-2015)</b>		
	<b>Avg. Fulfillment/5 TAP Agents</b>	<b>Fulfillment/Year</b>
Total Orders Received	886	4,428
Total Orders Processed	7,336	36,678

\*Fulfillment historical data based on Metro TCU Binding Arbitration 2014

<b>Ratio based on 1 year (2014-2015)</b>		
	<b>Avg./2 Appointments Setters</b>	<b>Calls/Year</b>
Total Calls (67)/AS	16,214	32,428
Total Contacts (20)/AS	4,864	9,728
Total Secured Appointments(5)/AS	1,216	2,432
Avg. sales per year/ Appointment Setter	88	176

FARE PER BOARDING JULY 1, 2014 - JUNE 30, 2015  
PROJECT SUPPORT - EMPLOYER ANNUAL PASS PROGRAMS

Fare per Boarding from July 1 2014 - June 30 2015

Per Boarding Report for ATAP /BTAP Only		Per Boarding Report for ATAP / BTAP / Youth On the Move	
Annualized impact		Annualized impact	
ATAP	753,640	ATAP	753,640
BTAP	14,309,711	BTAP	14,309,711
Youth On The Move (YOTM)	0	Youth On The Move	567,048
ATAP/BTAP (FY 15 riderships)	15,063,351	ATAP/BTAP/YOTM (FY 15 riderships)	15,630,399
Revenue from ATAP and BTAP	\$ 7,596,381	Revenue from ATAP and BTAP	\$ 7,600,728
Revenue from YOTM	\$ -	Equivalent revenue from YOTM (provided to users free per Board approval)	\$ 4,514,904
Total Revenue	\$ 7,596,381	Total Revenue	\$ 12,115,632
Average fare per boarding	\$ 0.50	Average fare per boarding	\$ 0.78

Per Boarding Report for BTAP Only	
Annualized impact	
BTAP (FY 15 riderships)	14,309,711
Revenue from BTAP	\$ 5,496,260
Average fare per boarding	\$ 0.38

Per Boarding Report for ATAP	
Annualized impact	
ATAP(FY 15 riderships)	753,640
Revenue from ATAP	\$2,104,468.00
Average fare per boarding	\$ 2.79

Revenue for FY15	
Atap	\$2,104,468.00
BTAP	\$ 5,496,260.00
Total Revenue for FY 15	\$ 7,600,728.00

Boardings for FY15	
Atap	753,640
BTAP	14,309,711
Total Revenue for FY 15	15,063,351



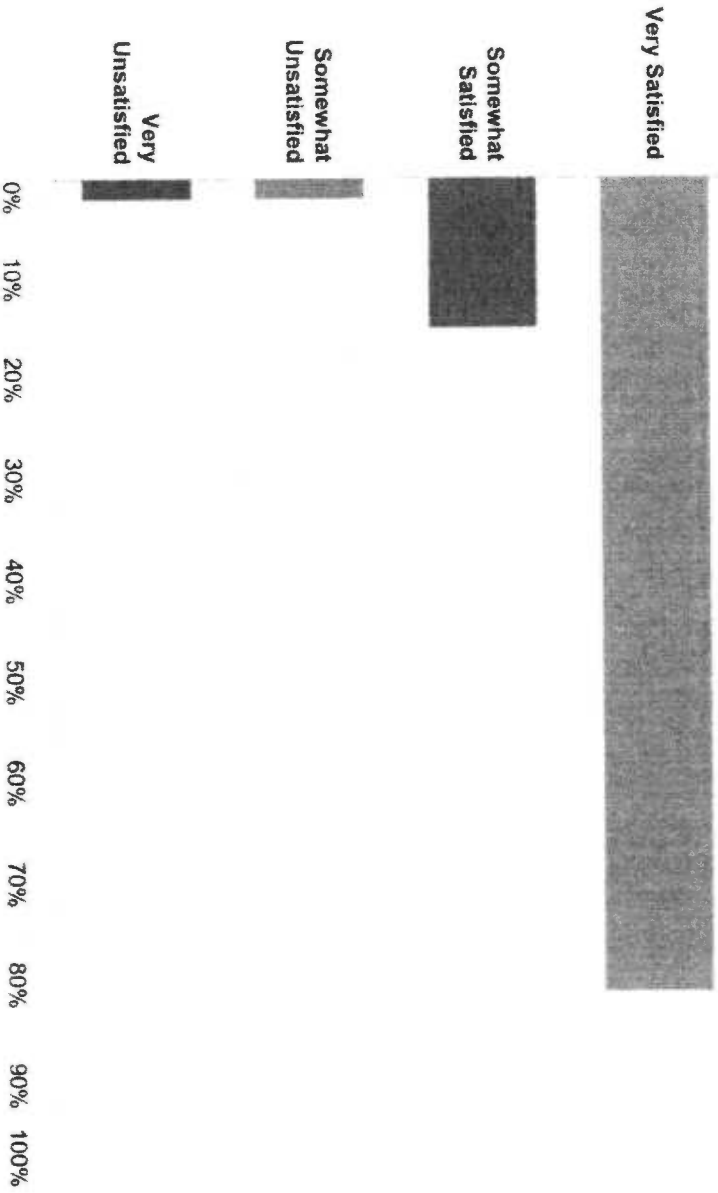
**METRO'S BTAP PROGRAM  
2015 CUSTOMER SATISFACTION SURVEY**  
*Current Participants Only (N = 247)*

ATTACHMENT H

PREPARED BY METRO RESEARCH MARCH 2015

# Q4 How satisfied are you with the group rate BTAP program?

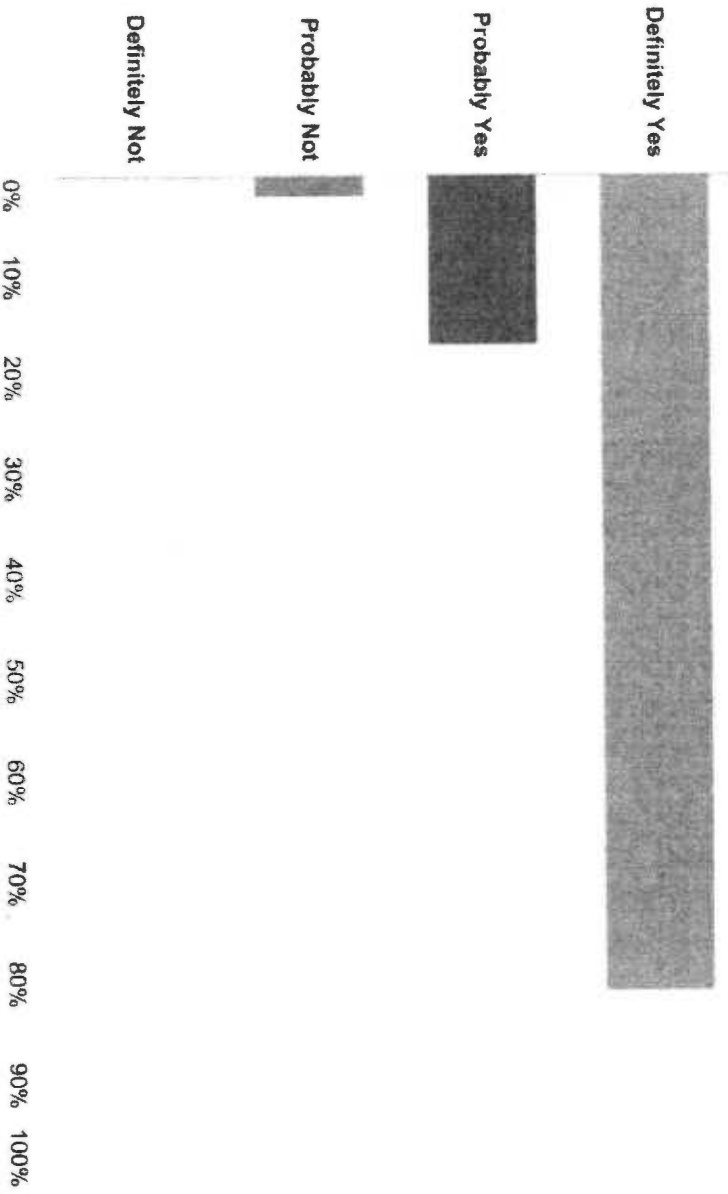
Answered: 247 Skipped: 1



Answer Choices	Responses	Count
Very Satisfied	80.97%	200
Somewhat Satisfied	14.98%	37
Somewhat Unsatisfied	2.02%	5
Very Unsatisfied	2.02%	5

# Q5 Do you plan to renew your membership in BTAP next year?

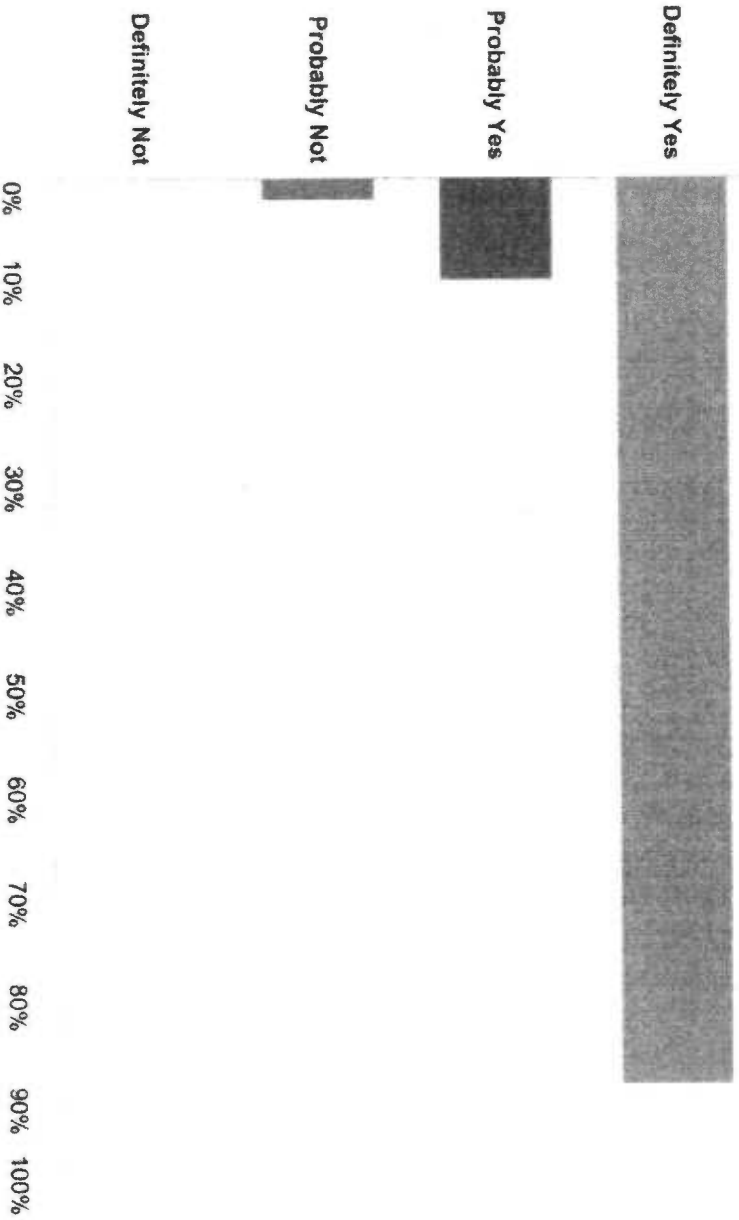
Answered: 247 Skipped: 1



Answer Choices	Responses
Definitely Yes	80.97%
Probably Yes	17.00%
Probably Not	2.02%
Definitely Not	0.00%

# Q6 Would you recommend the BTAP program to other employers?

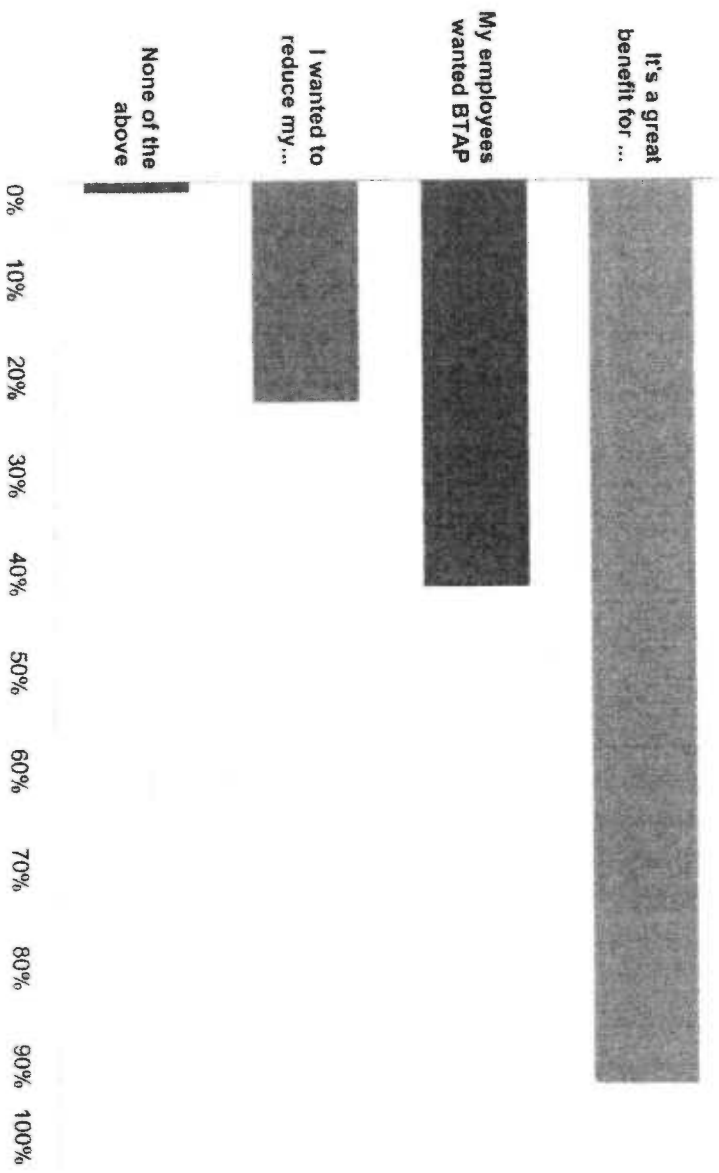
Answered: 247 Skipped: 1



Answer Choices	Responses	Count
Definitely Yes	87.85%	217
Probably Yes	10.12%	25
Probably Not	2.02%	5
Definitely Not	0.00%	0

**Q7 Which of these, if any, describe why you enrolled in the BTAP program? (check all that apply)**

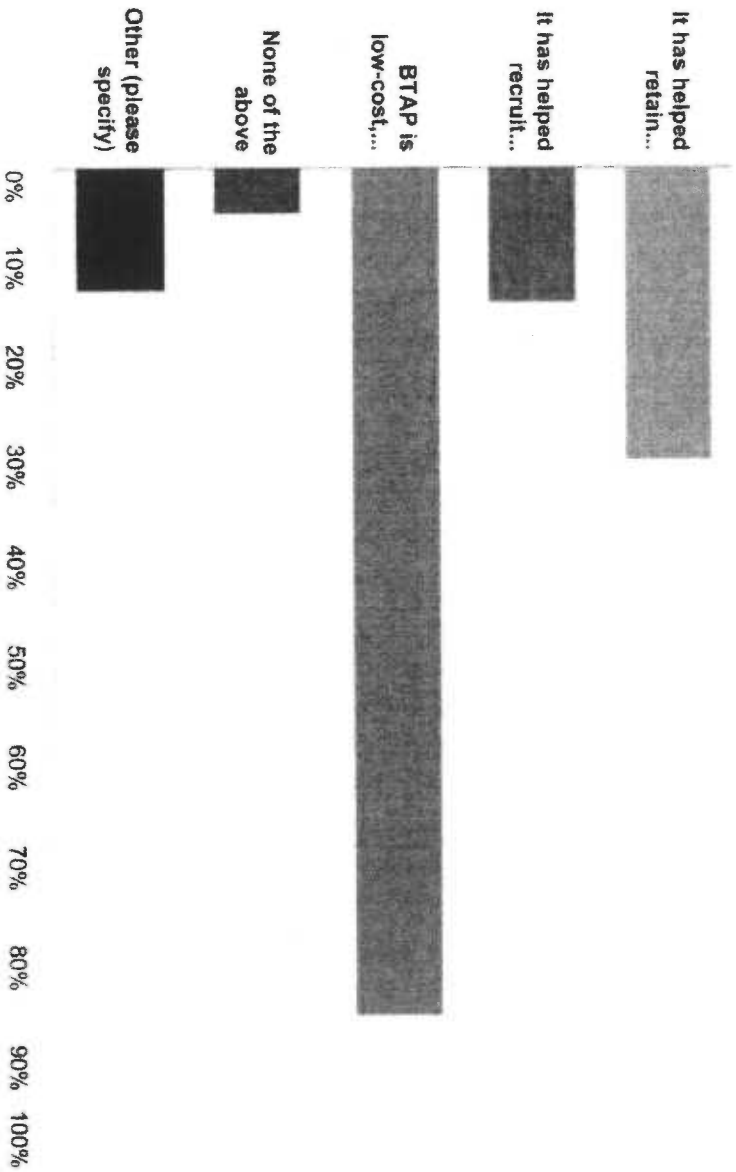
Answered: 245 Skipped: 3



Answer Choices	Responses
It's a great benefit for my employees	226 92.24%
My employees wanted BTAP	102 41.63%
I wanted to reduce my parking needs	56 22.86%
None of the above	3 1.22%

**Q8 Which of these, if any, describe your experience with the BTAP program? (check all that apply)**

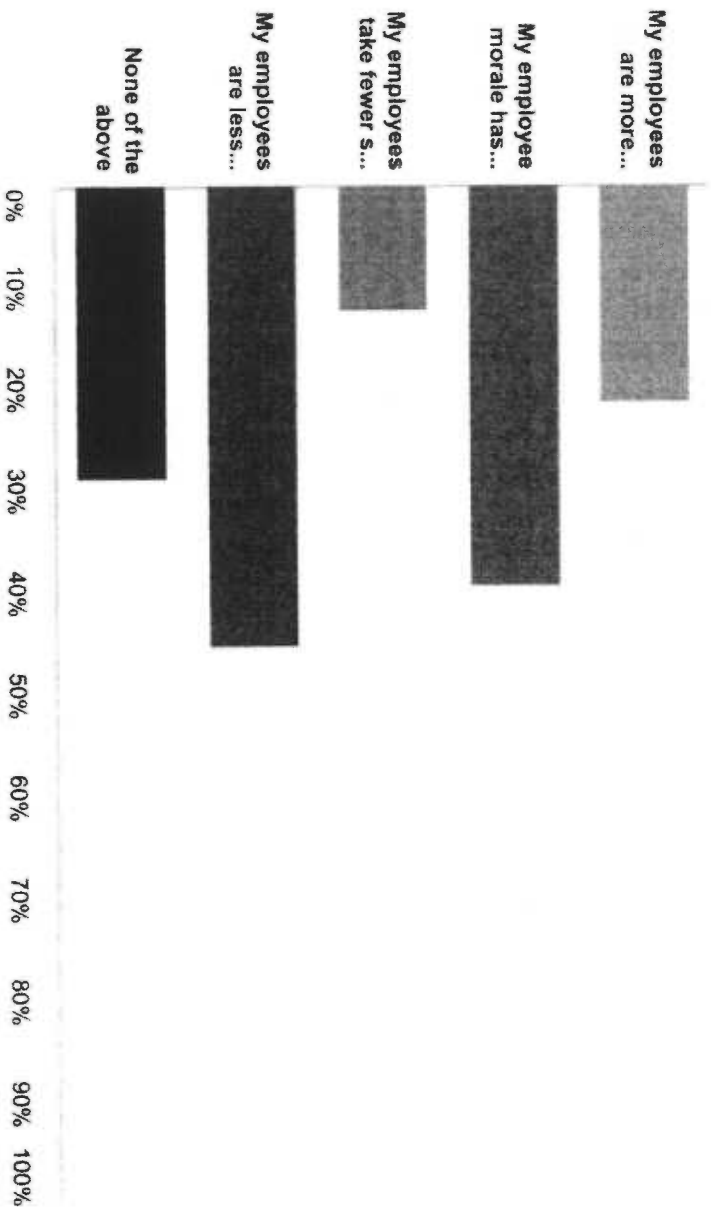
Answered: 245 Skipped: 3



Answer Choices	Responses
It has helped retain employees	72
It has helped recruit employees	33
BTAP is low-cost, high-value	208
None of the above	11
Other (please specify)	30

# Q9 Which of these, if any, describe how the BTAP program has affected your employees? (check all that apply)

Answered: 243 Skipped: 5



Answer Choices	Responses
My employees are more productive	52 (21.40%)
My employee morale has improved	96 (39.51%)
My employees take fewer sick days now	30 (12.35%)
My employees are less stressed	110 (45.27%)
None of the above	70 (28.81%)

## QUESTION 9 “OTHER” RESPONSES SUMMARIZED

“Encourages employees to try transit and learn to be transit riders”

“Helps employees save money”

“Supports environment which employees like”

“Incentive to increase transit”

“Huge rate hike hurt, but still good value”

“Metro is very convenient and fast”

“We are a clean air non-profit and the BTAP program advances our mission!”

“Active for the year, no need to reload monthly passes”

“Boosts employee morale knowing that they don't have to buy a bus pass”

“Convenience”

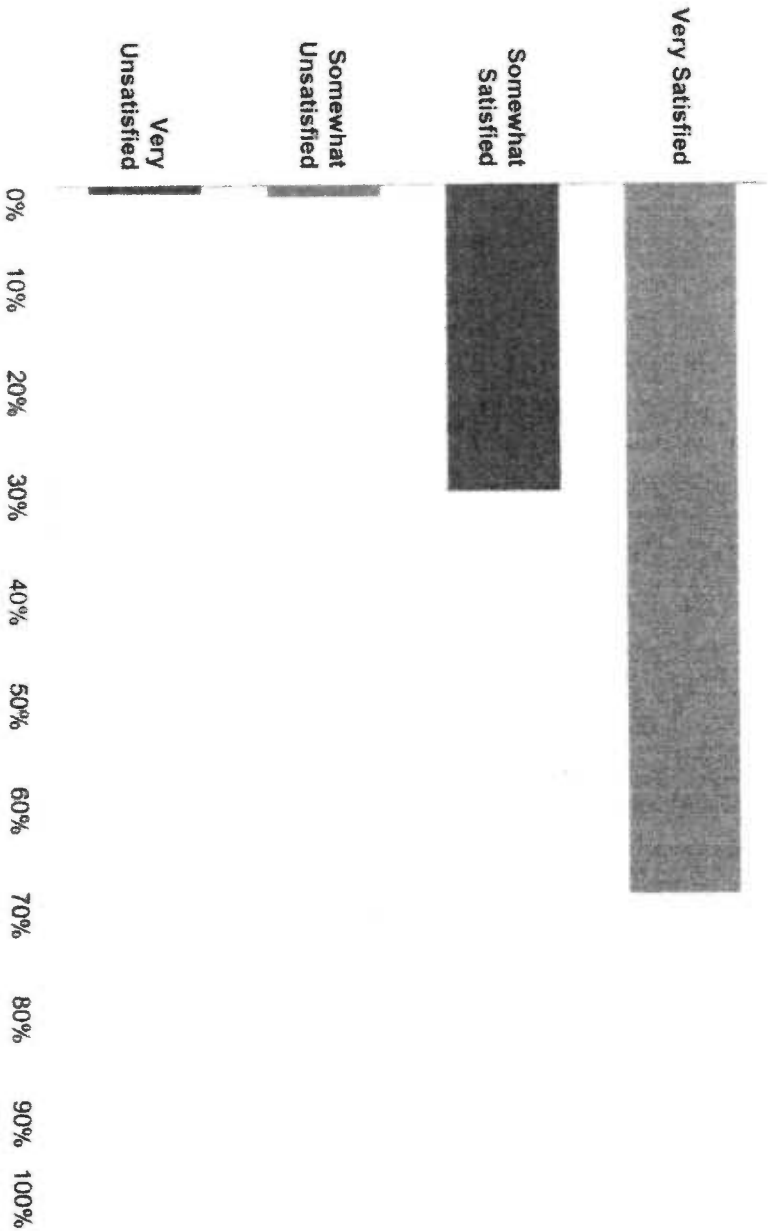
“Hard to tell if it assists on retaining or recruiting, but we love it”

“It has helped the parking congestion in the building”



# Q10 How satisfied are you and your employees with Metro Bus and Rail service?

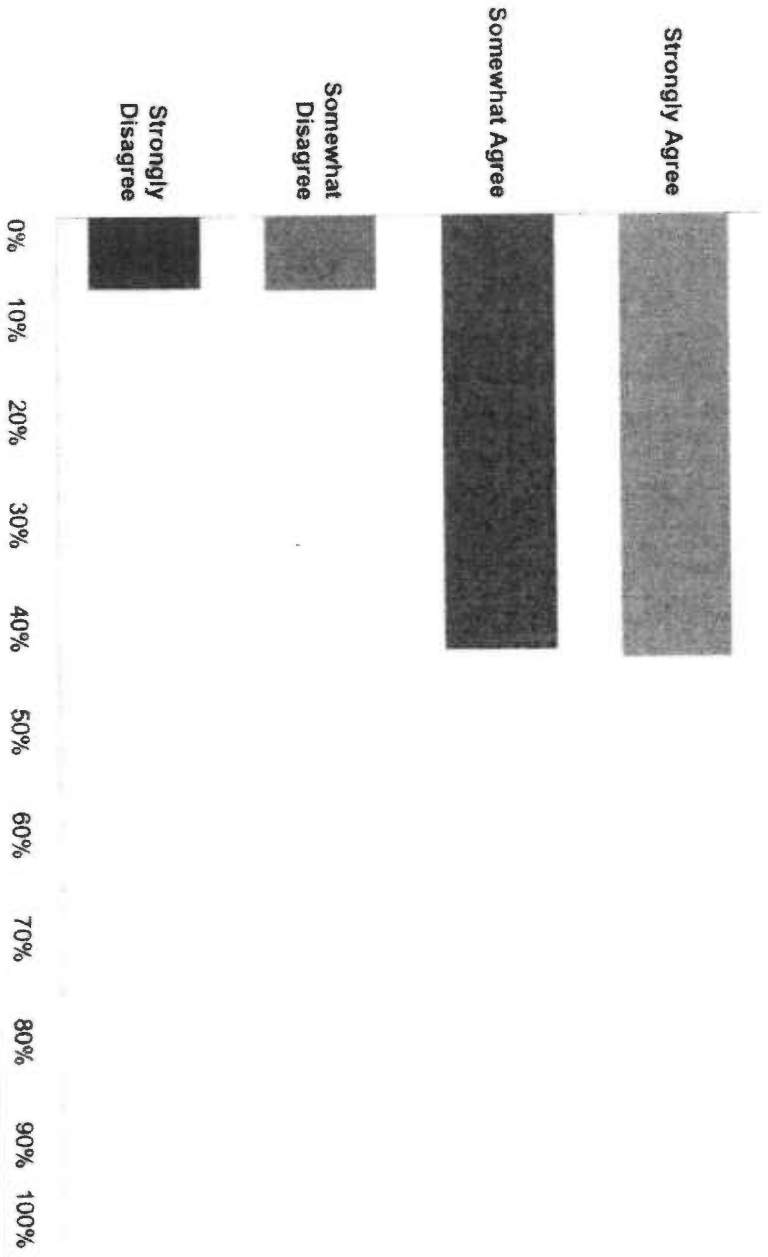
Answered: 243 Skipped: 5



Answer Choices	Responses
Very Satisfied	166
Somewhat Satisfied	72
Somewhat Unsatisfied	3
Very Unsatisfied	2

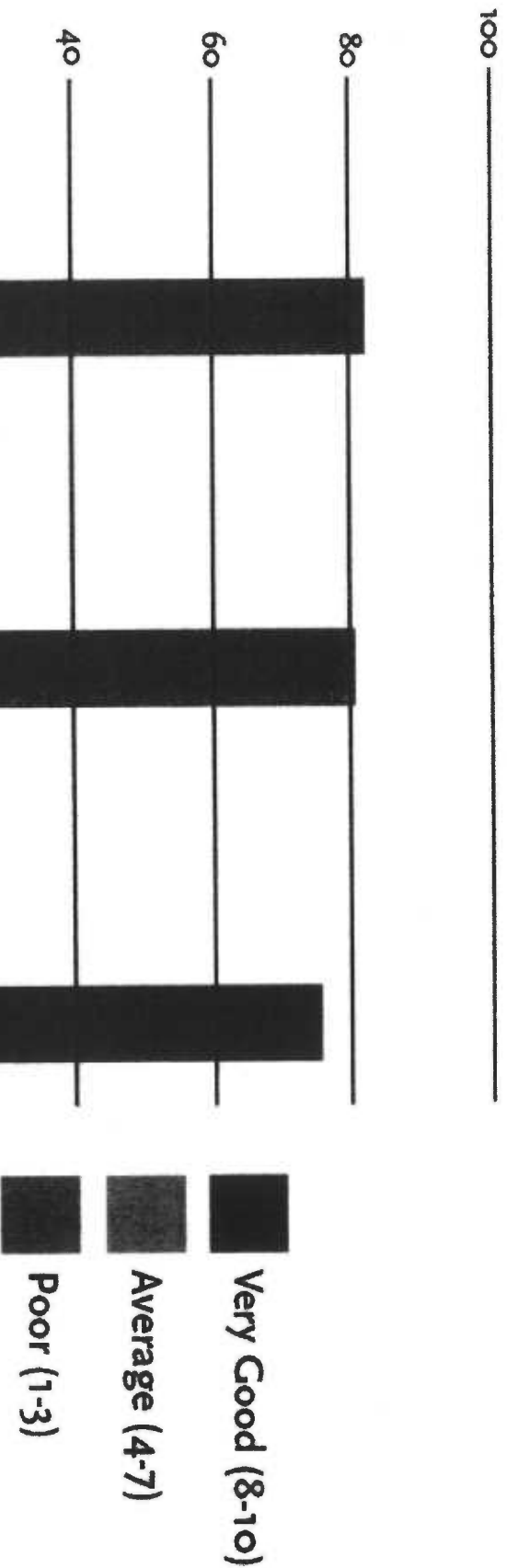
# Q11 My employees started taking public transportation because of the BTAP program.

Answered: 243 Skipped: 5



Answer Choices	Responses
Strongly Agree	43.21% 105
Somewhat Agree	42.39% 103
Somewhat Disagree	7.41% 18
Strongly Disagree	7.00% 17

# How would you rate the following Metro BTAP employees?



	1 (Very Poor)	2	3	4	5	6	7	8	9	10 (Excellent)	Total	Weighted Average
Sales Rep	1.24%	0.00%	0.83%	0.83%	3.73%	2.07%	8.30%	12.03%	15.77%	55.19%	241	8.86
	3	0	2	2	9	5	20	29	38	133		
MCS	1.66%	0.41%	0.83%	2.49%	1.66%	3.73%	8.30%	17.01%	19.09%	44.81%	241	8.80
	4	1	2	6	4	9	20	41	46	108		
Add/Cancel	1.25%	0.83%	1.25%	1.67%	5.42%	5.42%	10.00%	15.00%	18.33%	40.83%	240	8.36
	3	2	3	4	13	13	24	36	44	98		

# WHAT DO YOU LIKE BEST ABOUT THE BTAP PROGRAM?

"A good benefit to the employees"

"AFFORDABLE"

"Affordable and convenient"

"Allows staff that already used transit to do so at a reduced price"

"Best Service"

"Beneficial to the working class"

"We are a clean air non-profit"

"Reduced employee stress from driving"

"Encouraged employees not to drive"

"Efficient and easy to do online"

"Great one time investment each year"

"Eases traffic congestion"

"Removes the need to reload passes each month"

"It is really great that a company of Metro's size would offer such a great deal"

"It is the #1 most useful benefit we can offer to our employees as a struggling small business. Majority of employees do not drive to the store now, partly as a result of their unlimited freedom to ride"



# WHAT DO YOU LIKE LEAST ABOUT THE BTAP PROGRAM?

- “Minimum number of pass requirements”
- “Passes have to be paid in advance”
- “Adding new members to our plan takes too long”
- “Train delays”
- “Customer service is very poor and no one seems to have the knowledge to service the accounts”
- “Forms for the renewal process”
- “Getting someone on the phone is hard”
- “I don't like that Metro does not provide invoices upon request”
- “Not offered to employees dependents”
- “10 day waiting period to get cards”
- “Paperwork is difficult to complete”
- “Refunds extremely difficult to get if someone leaves”
- \*\*\*Nearly ½ of all customers stated “Nothing at all”, “Program is great”, “No problems”, etc for what they like least.

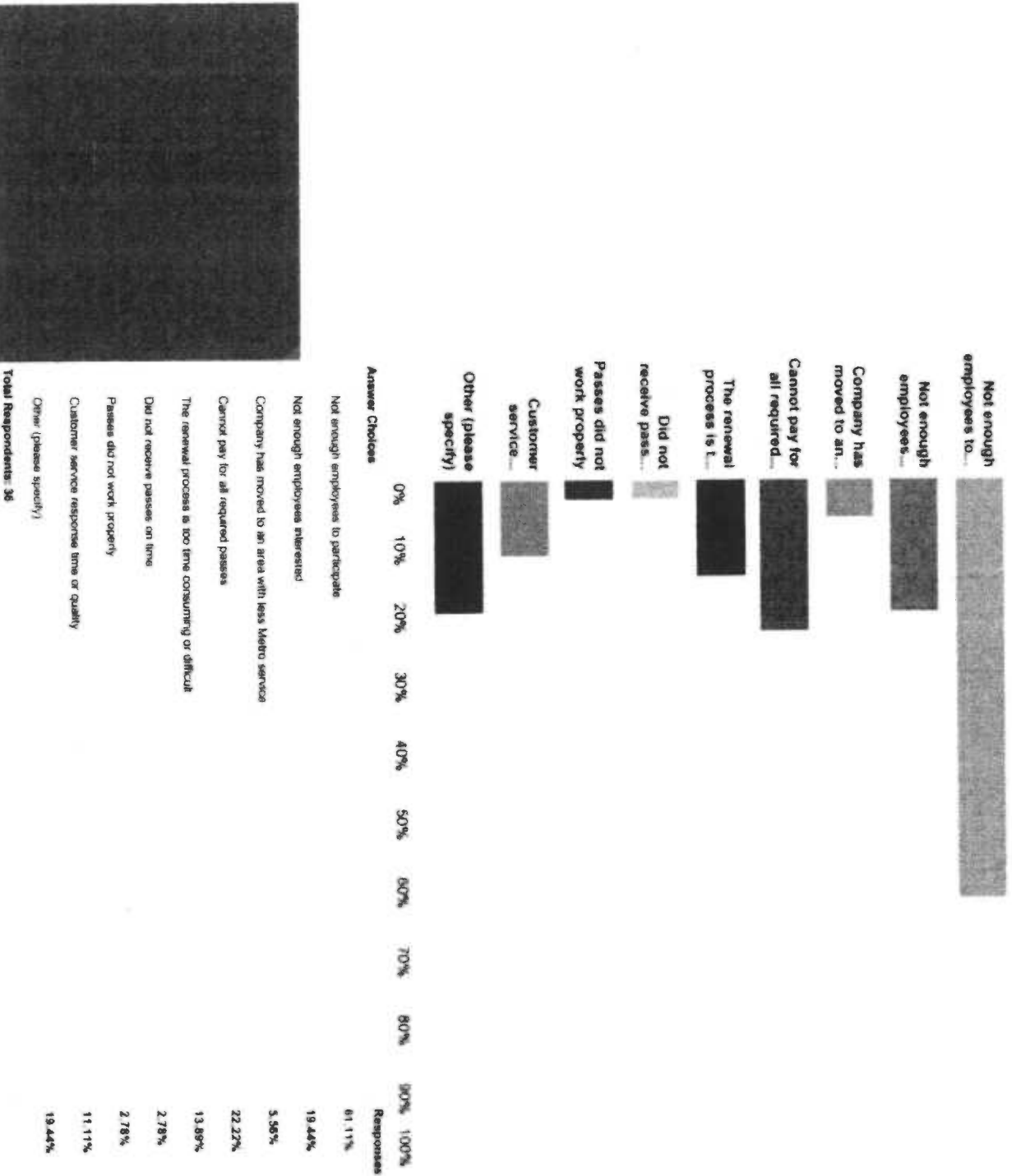
**METRO'S BTAP PROGRAM  
2015 CUSTOMER SATISFACTION SURVEY**  
*Former Participants Only (N = 36)*

ATTACHMENT 1

PREPARED BY METRO RESEARCH MARCH 2015

## Q4 Why did you leave the BTAP program? (check all that apply)

Answered: 36 Skipped: 0



## Q5 What is the MAIN reason you left the BTAP program? (check only one)

Answered: 36 Skipped: 0





# DIFFERENCE BETWEEN CHECK ALL AND CHECK ONE

Reason For Leaving	Check all %	Check one %	% Change in Check All vs. Check One
Not enough employees to participate	61%	47%	43% ★
Not enough employees interested	19%	11%	0%
Company as moved to an area with less Metro service	6%	0%	14% 37%
Cannot pay for all required passes	22%	14%	6%
The renewal process is too time consuming or difficult	14%	6%	0%
Did not receive passes on time	3%	0%	3%
Passes did not work properly	3%	3%	11%
Customer service response time or quality	11%	3%	19%
Other	19%	17%	75% ★

The change in Check All vs. Check One column helps show which problems were minor compared to which problems were “deal breakers”. The lower the %, the less affected it was by the switch to “check one”. As you can see, the #1 reason participants left the program was rarely anything to do with BTAP customer service. Rather, it had to do with their company merely not being a good match for the program has a whole.

## PLEASE PROVIDE ANY COMMENTS OR FEEDBACK THAT WILL HELP US IMPROVE THE BTAP PROGRAM:

"The program was great, but the requirement of the number of employees was too high; originally we needed 14 and then this year it doubled."

"Employees are set on paying the same rate from the first year, or at least close to it, but having it twice as much was too much to pay."

"I wish that BTAP will not have a limit instead have the discounted BTAP rates available to each employee without minimum limit of employees so that company like us can still afford to pay for our employees transportation even if there's only 2-3 employees"

"Too complicated"

"Open it up to smaller companies, priced prohibitive for small businesses."

"The BTAP program was a very beneficial program for us employees but the sharp increase in cost of the program since this year has made it an unaffordable option for our office which has very employees."

"The employees were very disappointed we could not renew, but they would no longer be employees of Sodexo, and we could not renew them."

"It is an excellent program, but having a \$4,000 minimum for an organization of 39 employees proved too expensive for us since we are non-profit. Please let us know if this changes. Thank you!"

"We'd like the program but it created additional work for the manager to keep track."

"We had approximately 7 participants whom were able to use this program extensively and were very grateful to have been a part of this incredible program."

"We would love to participate and offer this program to our employees, however we do not have 10 employees. We are a small business that would love to participate however we cannot due to your limitation. If you do change the minimum number required we would rejoin. Please consider lowering the number of required employees for next year so you can have more businesses participate."

"It is a great program however we would have more participation if the tap cards could be used for Dash, Metrolink and other transportation services. Thank you."

**Metro**Los Angeles County  
Metropolitan Transportation AuthorityOne Gateway Plaza  
Los Angeles, CA 90012-2952213.922.2000 Tel  
metro.net**FINANCE, BUDGET & AUDIT COMMITTEE  
FEBRUARY 18, 2015****SUBJECT: PROGRAM SUPPORT – EMPLOYER ANNUAL PASS PROGRAMS****ACTION: AWARD CONTRACT TO INLAND TRANSPORTATION SERVICES****RECOMMENDATION**

Authorize the Chief Executive Officer to award a ten-year firm fixed unit rate Contract No. PS189840071403371 to Inland Transportation Services, the highest rated proposer, for program support for the Employer Annual Pass Programs in an amount not to exceed \$6,374,722, inclusive of six, one-year options.

The contract amount consists of \$2,400,112 for the four-year base period, \$630,450 for the first option year, \$630,450 for the second option year, \$661,012 for the third option year, \$661,012 for the fourth option year, \$695,843 for the fifth option year, and \$695,843 for the sixth option year, for a combined total of \$6,374,722.

**ISSUE**

In FY03, the Board approved implementation of the Employer Annual Pass Programs, and Metro began outreach and sales of annual passes to employers. Sales have grown from \$314,000 in FY06 to over \$6 million this year.

An outside vendor has provided employer outreach and sales support for these programs since April 2010 under a contract awarded by the Board. As this contract is expiring, a new solicitation has been completed to replace it.

**DISCUSSION**

The Employer Annual Pass Programs generate over \$6 million in revenue for Metro and serve over 900 businesses with 32,000 annual TAP cardholders. Metro provides ridesharing commute assistance services to worksites in Los Angeles County with the objective of improving commuter mobility by reducing single occupant vehicle trips. Ridesharing is the alternative to driving to work alone and includes carpooling, vanpooling, taking transit, walking and bicycling to work. Metro Commute Services,

part of the Communications Department, provides rideshare commute assistance to businesses, and is responsible for promoting, selling and fulfilling the Employer Annual Transit Pass Programs. These include the Annual Transit Access Pass (A-TAP) and the Business Transit Access Pass (B-TAP), as well as other Board-approved special programs such as the Youth On the Move (YOTM) program to help foster youth aged 18-21 transition from foster care to independent living. There are several elements of services including:

- Identifying and targeting employers that would benefit from implementing a program at their worksite
- Scheduling one-on-one meetings to help employers develop a Transportation Demand Management (TDM) program including a transit pass program
- Meeting with potential new clients and securing annual sales contracts that must meet the A-TAP and B-TAP program policies and guidelines
- Executing, processing and managing all contracts and providing customer service assistance
- Assisting with special projects as needed to support the Employer Annual Transit Pass Programs

Metro has a staff of 7 non-contract FTEs working on these programs and has contracted out for additional staff needed since 2005. Currently, 5 additional staff from the vendor are working with Metro to service these 900 accounts. (5 union employees were recently added for TAP card fulfillment and processing as part of the TCU arbitration.) The most recent contract is with Inland Transportation Services and has been in place since April 17, 2010 and is expected to run through May 2015. This new 4-year procurement, with six one-year options, is to provide the required program support at the conclusion of the current contract.

### **DETERMINATION OF SAFETY IMPACT**

These programs do not affect the incidence of injuries or healthful conditions for patrons or employees. Therefore, approval of this contract will have no impact on safety.

### **FINANCIAL IMPACT**

The Employer Annual Pass Program currently brings in over \$6 million in revenue to Metro. The funding of \$683,000 for this service is included in the FY15 budget in cost center 7140, Marketing, under project number 405547, Task.01.09, Rideshare Services.

Since this is a multi-year contract/project, the cost center manager and Chief Communications Officer will be accountable for budgeting the cost in future years, including any option exercised.

### **Impact to Budget**

The funding source for the Employer Annual Pass Programs is Enterprise Fund operating revenues. The source of funds for this action, operating revenues, is eligible to fund bus and rail operating and capital expenditures.

### **ALTERNATIVES CONSIDERED**

1. Decline to award this contract to provide employer annual transit pass support services. This is not recommended because of the growth and success of the programs, which generate over \$6 million in revenue a year to Metro.
2. Add full time equivalents (FTEs) to provide additional resources to Metro's staff. This is not recommended because it would be more costly than the outsourced services and does not allow for flexibility to change work to meet the market's demands.

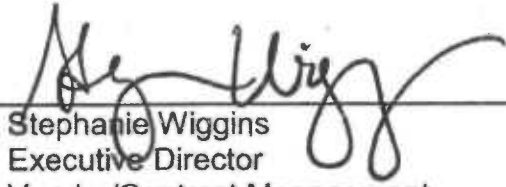
### **NEXT STEPS**

Upon Board approval, execute a ten-year firm fixed unit rate, Contract No. PS189840071403371 to Inland Transportation Services by May 2015 so that program support for the Employer Annual Pass Programs can continue uninterrupted.

### **ATTACHMENTS**

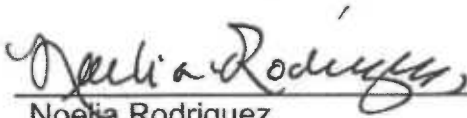
- A. Procurement Summary
- B. Funding/Expenditure Plan Sample
- C. Description of Annual Employer Transit Access Pass Program

Prepared by: April McKay, Director, Metro Commute Services  
213-922-2290



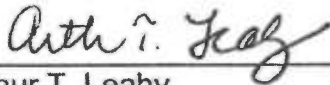
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Stephanie Wiggins  
Executive Director  
Vendor/Contract Management



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Noelia Rodriguez  
Chief Communications Officer



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Arthur T. Leahy  
Chief Executive Officer

## PROCUREMENT SUMMARY

PROJECT SUPPORT – EMPLOYER ANNUAL PASS  
PROGRAMS/PS189840071403371

1.	Contract Number: PS189840071403371	
2.	Recommended Vendor: Inland Transportation Services	
3.	Type of Procurement (check one): <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	Procurement Dates:	
	A. Issued: October 30, 2014	
	B. Advertised/Publicized: October 14, 2014	
	C. Pre-proposal/Pre-Bid Conference: November 6, 2014	
	D. Proposals/Bids Due: December 4, 2014	
	E. Pre-Qualification Completed: December 30, 2014	
	F. Conflict of Interest Form Submitted to Ethics: January 15, 2015	
	G. Protest Period End Date: February 25, 2015	
5.	Solicitations Picked up/Downloaded: 11	Bids/Proposals Received: 1
6.	Contract Administrator: Tom Meng	Telephone Number: (213) 922-1074
7.	Project Manager: April McKay	Telephone Number: (213) 922-2290

**A. Procurement Background**

This Board Action is to approve Contract No. PS189840071403371 issued in support of Metro Commute Services Department. The Metro Commute Services Department is responsible for promoting, selling, contract processing and management, and fulfillment and customer service for the Employer Annual Pass Programs.

The scope of the contract has three tasks:

- Task 1 – Program Management. This is to ensure that the two Appointment Setters and Three Senior Account Executives are conducting their work in a professional and efficient manner.
- Task 2 – Setting Appointments. Contractor shall provide two Appointment Setters to call and arrange appointments for Employer Annual Pass Sales visits by the Senior Account Executives. Goals are established and monitored weekly.
- Task 3 – Employer Annual Pass Sales Support. Three Senior Account Executive positions in three areas: one for sales in the field full time; one for sales and special projects such as development of new programs for institutional, college, or residential projects; and one for contract management and sales, depending on the workload and market demand.

The RFP was issued in accordance with Metro's Acquisition Policy and the contract type is a Firm Fixed Unit Rate.

Five amendments were issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on November 3, 2014 clarified the date of the pre-proposal meeting.
- Amendment No. 2, issued on November 4, 2014 provided answers to proposers questions.
- Amendment No. 3, issued on November 17, 2014 provided answers to proposers questions, provided the insurance script and DEOD script presented at the pre-proposal meeting, and the pre-proposal meeting sign sheet.
- Amendment No. 4, issued on November 17, 2014 provided additional answers to proposers' questions.
- Amendment No. 5, issued on December 1, 2014 provided additional answers to proposers' questions.

The Pre-Proposal meeting was conducted on November 6, 2014. One proposal was received on December 4, 2014.

In accordance with Metro's Acquisition Policy in cases of a single proposal, staff conducted a survey of the firms attending the pre-proposal conference. As a result of the survey, staff discovered that two of the four firms that attended the pre-proposal conference intended to propose as prime contractors and the other two firms intended to participate as sub-contractors for the prime. Metro received one proposal accounting for two of the four firms. One of the firms that intended to participate as a subcontractor did not submit a proposal because the prime that they were working with did not submit a proposal. Staff followed up with these firms by phone calls and e-mails requesting the reason they did not submit a proposal. One firm did not submit a proposal because the work appeared to be a temporary agency labor contract. This left the remaining sub-contractor without a proposing prime contractor.

Based on the market survey performed, adequate competition exists because the solicitation was performed in an environment where all proposers believed that competition was available.

Staff also sent e-mails to all other firms that downloaded the proposal requesting information as to why they did not submit a proposal. No responses have been received.



## **B. Evaluation of Proposals/Bids**

A Proposal Evaluation Team (PET) consisting of staff from Metro Commute Services and one person from Los Angeles World Airports Rideshare program was convened and conducted a comprehensive technical evaluation of the proposal received.

The proposal was evaluated based on the following evaluation criteria and weights:

### **Minimum Requirements:**

1. Three years of similar and directly related experience
  - a. The firm must have appointment-setting experience and business-to-business sales experience.
2. A letter of reference from at least two government agencies for which they have provided work as described in the Scope of Work.
3. Experience working with government agencies with a contract size larger than \$200,000 a year.

The firm that met the minimum requirements was then evaluated on the following criteria:

- |                                     |            |
|-------------------------------------|------------|
| • Qualifications of the Firm        | 25 percent |
| • Staffing and Project Organization | 25 percent |
| • Work Plan                         | 20 percent |
| • Price                             | 30 percent |

The evaluation criteria are appropriate and consistent with criteria developed for other, similar Firm Fixed Unit Rate Solicitations. Several factors were considered when developing these weights, giving the greatest importance to the price.

Inland Transportation Services (ITS), the incumbent, was the only proposer that responded to this solicitation. During the week of December 8, 2014 the PET met and scored the proposal received. The proposal addressed the requirements of the RFP, experience with all aspects of the required tasks, and stressed the firm's commitment to the success of the project. The ITS proposal received very high scores from all evaluators.

**Qualifications Summary of Firms Within the Competitive Range:**

**Inland Transportation Services**

The recommended firm, ITS, has been in business for 25 years and is a leader in the Transportation Demand Management field. ITS is the current service provider for Metro's Employer Rideshare and Annual Transit Pass Support programs and has provided satisfactory service. The ITS team is seasoned and professional and most have been working with Metro for several years. The SBE subcontractor has been a member of the ITS team since 2012, providing satisfactory services. The price is in alignment with the Independent Cost Estimate and their work plan and staffing plan meet the RFP's requirements. The following chart shows the PET's findings.

<b>1</b>	<b>FIRM</b>	<b>Average Score</b>	<b>Factor Weight</b>	<b>Weighted Average Score</b>	<b>Rank</b>
<b>2</b>	<b>Firm: Inland Transportation Service</b>				
<b>3</b>	Qualifications of the Firm	24.88	25.00%	99.50	<b>1</b>
<b>4</b>	Staffing/Project Organization	23.81	25.00%	95.25	<b>1</b>
<b>5</b>	Work Plan	19.40	20.00%	97.00	<b>1</b>
<b>6</b>	Price	30.00	30.00%	100.00	<b>1</b>
<b>7</b>	<b>Total</b>		<b>100.00%</b>	<b>97.94</b>	<b>1</b>

**C. Cost/Price Analysis**

The recommended price has been determined to be fair and reasonable based on historical pricing, negotiations and comparison with the independent cost estimate. Therefore, since the prices are fair and reasonable, it is recommended that ITS be awarded the contract.

Cost negotiations conducted resulted in a cost reduction of \$84,020.52.

	<b>Bidder/Proposer Name</b>	<b>Proposal Amount</b>	<b>Metro ICE</b>	<b>Negotiated amount or NTE</b>
<b>1</b>	Inland Transportation Services	\$6,458,742	\$6,291,366	\$6,374,722

Prior to exercising any option years, a market survey and cost analysis will be performed to determine whether the price is fair and reasonable, and if it is in the best interest of Metro to exercise the options.

**D. Background on Recommended Contractor**

The recommended firm, ITS is located in Riverside, CA, and has been in business for 25 years and is a leader in the Transportation Demand Management (TDM) field. ITS is the current service provider for Employer Rideshare and Annual Transit Pass Support. Metro Commute Services states that the services provided by ITS since April 2005 have been satisfactory. The total contract amount awarded to date to ITS for these services is \$5,183,345.

ITS has a seasoned and professional TDM team. Most of the team members have been working with Metro for several years or longer and have a good working relationship with Metro staff and fully understand and perform their required tasks with expertise. The Van Stratten Group, Inc. is the Small Business Enterprise Sub-Contractor to ITS and has been a member of the ITS team since 2012, providing services to Metro Commute Services.

The Project Manager has 26 years' experience in managing award winning rideshare programs. In 2005, ITS entered into a five year Rideshare Program Support contract with Metro. In 2011, the contract was amended to include service promoting Metro's A and B-TAP programs to employers in Los Angeles County. Two senior account executive positions and two appointment setter positions were added to the contract and they have successfully provided Metro the scope of services outlined in the RFP.

ITS' current Employer Rideshare and Annual Transit Pass contract with Metro, Contract No. PS107140706 has expended \$2,773,334 against the total value of \$3,142,292.

**E. Small Business Participation**

The Diversity and Economic Opportunity Department (DEOD) established a 15% Small Business Enterprise (SBE) goal for this solicitation. Inland Transportation Services exceeded the goal by making a 19.88% SBE commitment.

<b>SMALL BUSINESS GOAL</b>	15% SBE	<b>SMALL BUSINESS COMMITMENT</b>	19.88% SBE
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	DBE/SBE Subcontractors	% Committed
1.	The Van Stratten Group, Inc.	19.88%
	<b>Total Commitment</b>	19.88%

**F. Living Wage and Service Contract Worker Retention Policy Applicability**

The Living Wage and Service Contract Worker Retention Policy is not applicable to this contract.

**ATTACHMENT B**

**PS189840071403371 Program Support - Employer Annual Pass Program  
Funding/Expenditure Plan**

	<b>Years 1 - 4 (no change)</b>	<b>Years 5 &amp; 6 Options</b>	<b>Years 7 &amp; 8 Options</b>	<b>Years 9 &amp; 10 Options</b>	<b>% of Total</b>
<b>Uses of Funds</b>					
Project Manager	\$ 97,968.00	\$ 51,338.56	\$ 53,805.44	\$ 56,409.60	4%
Appointment Setter	\$ 417,747.20	\$ 219,731.20	\$ 229,632.00	\$ 241,363.20	17%
Appointment Setter	\$ 417,747.20	\$ 219,731.20	\$ 229,632.00	\$ 241,363.20	17%
Senior Account Executive	\$ 493,292.80	\$ 259,625.60	\$ 273,395.20	\$ 289,286.40	21%
Senior Account Executive	\$ 493,292.80	\$ 259,625.60	\$ 273,395.20	\$ 289,286.40	21%
Senior Account Executive - Van Stratten Group DBE	\$ 480,064.00	\$ 250,848.00	\$ 262,163.20	\$ 273,977.60	20%
<b>Total Project Cost</b>	<b>\$2,400,112.00</b>	<b>\$ 1,260,900.16</b>	<b>\$ 1,322,023.04</b>	<b>\$ 1,391,686.40</b>	<b>100%</b>
<b>Sources of Funds</b>	\$2,400,112.00	\$ 1,260,900.16	\$ 1,322,023.04	\$ 1,391,686.40	100%
<b>Total Project Funding</b>	<b>\$2,400,112.00</b>	<b>\$ 1,260,900.16</b>	<b>\$ 1,322,023.04</b>	<b>\$ 1,391,686.40</b>	<b>100%</b>
Total				\$ 6,374,721.60	100%

### **Description of Annual Employer Transit Access Pass Program**

The Employer Annual TAP Pass Programs (ATAP and BTAP) has an enrollment of approximately 900 employers and generates more than \$6 million dollars of annual revenue for Metro. The Employer programs are a low-cost, high value benefit and help to improve employee morale, health and attendance.

The A –TAP program is sold at full fare to employers for employees who chose to ride Metro or EZ Pass partners.

The Metro Employer Annual TAP Program includes the Business Transit Access Pass (BTAP) which is sold at a group rate versus the full price of \$1200 for the year to employers for all eligible employees. Eligible employees are determined by a Metro Senior Account Executive and require the employer to enroll all or nearly all of their full time employees. This group rate is based on Metro's local level of service (LOS), with a high level of service sold at \$276 per year per pass, a medium level of service pass which is sold at \$192 per pass per year and a low level of service which is sold at \$132 per year per pass. The 77%- 89% discount is offered to encourage increased ridership at the employer's worksite and to put a pass in pockets of current non-riders. Research has shown that 71% of employers said their employees started riding transit once they got the BTAP.

The LOS is based on the number and frequency of transit and rail trips that are generated during peak periods. The federal definition of peak commuting hours is 6AM-9:30AM.

In a high LOS area, such as many parts of downtown Los Angeles, a Metro bus or rail service would need to generate more than 51 trips during peak hours and be located within 1/3 of a mile from the employer's worksite location. In a medium LOS area, such as many parts of Santa Monica or San Gabriel Valley, Metro transit services would need to generate between 11-50 trips during peak periods in order to be considered a medium LOS area. The more opportunity there is to ride transit, the higher the price.

A Metro Sr. Account Executive (Sr. AE) meets with a business owner or high level decision maker in order to promote and sell the A and BTAP programs. In the group rate BTAP program, the Metro Sr. AE will determine the number of BTAP passes the employer must purchase in order to get the group rate and ensure revenue neutrality for Metro. The number of passes required is generally all full-time employees employed by the employer with a few allotted exemptions such as an employee who rides Metrolink (since Metrolink riders ride Metro for free), an employee who has an EZ pass, or an employee who needs a car to make sales calls. After the number of BTAP participants is determined, the Metro Sr. AE prepares a contract, and provides a detailed description of all required documents needed in order to secure the sale.

The A and BTAP programs are priced on a calendar year, thus allowing enrollment during any time of the year at a pro-rated cost. ATAP is sold at full fare which is \$1,200 annually, or prorated at \$100 a month times the number of months the employer is enrolling. In the BTAP program, if the employer is enrolling in January they will also pay for the entire 12 months upfront as well, but at a group rate depending on their level of transit service. For example, an employer located in a high LOS area, enrolling for 12 months, will pay \$276 per employee. If the employer is enrolling in July, they would pay a pro-rated cost for six months. Metro Commute Services (MCS) renews clients from October through December of each year. An 85% renewal rate is generally achieved. Every employer is contacted; renewal contracts and review of total employee counts are recalculated to ensure integrity of the program, and to make sure that Metro is capturing the required participation rate and remain revenue neutral.

The pricing sheet demonstrates both A and BTAP prorated and annual fees:

<b>Employer Annual B-TAP Program Pro-Rated Guide</b>			
Minimums:	20	14	10
<b>Starting Month</b>	<b>Low</b>	<b>Medium</b>	<b>High</b>
January	\$132	\$192	\$276
February	\$121	\$176	\$253
March	\$110	\$160	\$230
April	\$99	\$144	\$207
May	\$88	\$128	\$184
June	\$77	\$112	\$161
July	\$66	\$96	\$138
August	\$55	\$80	\$115
September	\$44	\$64	\$92
October	\$33	\$48	\$69
November	\$22	\$32	\$46
December	\$11	\$16	\$23

\*All prices are calculated upon a per person rate

### A-TAP Pro-Rated Payment Guide

Starting Month	A-TAP	Senior Rates
January	\$1,200	\$20 per month
February	\$1,100	\$240 per year
March	\$1,000	
April	\$900	
May	\$800	
June	\$700	
July	\$600	
August	\$500	
September	\$400	
October	\$300	
November	\$200	
December	\$100	

\*All prices are calculated upon a per person rate

\*Rates as of September 2014

In calendar year 2014, Metro sold over \$6.2 million in revenue from employer annual passes, with over 900 accounts and 32,000 passes. This is broken down into:

- A TAP pass program sales at full price, generating \$1.8 million at 29 business locations for 1,774 passes
- B TAP pass programs at a group rate (77 – 89% discount) at 964 locations, generating \$4.4 million in revenue for 30,307 passes
- Board approved Youth on the Move (YOTM) pass programs, generating no revenues, but with a street value of \$4 million for about 2,000 EZ passes with multiple zones. YOTM is a Board-approved special program to help foster youth aged 18-21 transition from foster care to independent living. YOTM generates no revenue, but does generate a significant number of boardings, due to the transit-dependency of the youth.

Metro has a staff of 7 non-contract FTEs working on these programs and has contracted out for additional staff needed since 2005. Currently, 5 additional staff from the vendor are working with Metro to service these 900 accounts. (5 union employees



were recently added for TAP card fulfillment and processing as part of the TCU arbitration.)

Comparison of Employer Annual Pass Program Group Rate/Discount versus Market Value:

- The A TAP program passes are sold at current full fare rates. There is no discount for this \$1.8 million in sales, so they are sold at market value.
- The B TAP program passes, if sold at full fare, would cost \$36 million. However, at that price, there would be fewer buyers since not everyone rides. Instead, the revenue is \$4.4 million and puts a pass in the pocket of all eligible employees and gives them the option to ride Metro and reduce congestion and increase mobility.

#### Difference between Employer Annual Transit Pass Programs and TAPTOGO

The Employer Annual TAP Pass Programs (ATAP and-BTAP) has an enrollment of approximately 900 employers and generates more than \$6 million dollars of annual revenue for Metro.

It's an annual program paid a year in advance, with a contract that is signed. It aims to promote and increase transit ridership within the business community.

The staff associated with the Employer Annual Pass programs actively creates and maintains relationships with the employers and strives to increase participation by 20%, each year. It's a full-service program that works specifically with the employer administrator associated with each account. Under this program, an Account Executive meets with the prospective client and determines and educates the employers as to their eligibility status and proper methodology for program participation.

TAPTOGO is a program for employees to order their desired fare media (monthly/ weekly/stored value, etc...) online, once their employer is signed up. This program requires the employer to reach out and contact Metro. It is not positioned to increase ridership, but does offer the employer a method of purchasing passes for their employees through the TAPTOGO website/program. It is a self-service process wherein the customer is required to handle the setup of their account. The number of participants varies from month to month.

Employer Annual Pass Program
*Annual Pass
*Prepaid a year in advance
*Signed contract with employer
*Photo ID TAP card
*Full Service Program
*Metro works with Employer Account Administrator
*3 tiered pricing
*Active Outreach & Solicitation
*Create Employer Relationship and Retention
*Targets Discretionary Rider
*Group Rate for BTAP
*Increases Ridership
*Orders Sent to G&D for card processing

TAPTOGO
*Monthly or weekly passes only
*Pay Per Order (Online/Spreadsheets)
*No contract
*No Photo on card (generic blue card)
*Individual Self Service Program, not employer based
*Wage Works often to administer the program for a fee to the employer
*In-house & G&D Card Loads

## Benchmarks

Group rate annual employer pass programs have been proven to be an efficient and effective way to work with employers and increase transit ridership in other cases across the country. In a January 2008 article, "Best Practices in Transportation Demand Management", it says that "Santa Clara Valley Transportation Authority and the Greater Denver area Regional Transportation District provide both employee and residential annual Eco Passes at deeply discounted rates, good for all area transit services, on the condition that a pass is purchased for every employee or for every resident within a condo community, apartment building, or neighborhood association (i.e., there is universal enrollment). The cost per pass varies depending on size of the company or residential area and proximity to high-quality transit service. The cost to the company or residential community per annual Eco Pass varies between \$7.50 and \$120, which is only 0.6% and 9%, respectively, of an Adult Express Pass purchased by an individual." This is the same as a 99.4% and 91% discount.

Metro's BTAP program follows this same methodology and structure, but with a lower discount.

## Cost/Benefit Analysis:

Sales from the Employer Annual Pass Programs (ATAP and BTAP) generate over \$6.2 million in fare revenue. In addition, \$4 million in revenue-equivalent value for passes for the Youth on the Move program is also handled as part of the Employer Annual Pass Programs. But considering just the "hard" revenues of \$6.2 million, the program is very effective, with total annual costs of \$2.527 million. Revenues exceed program expenses by 2.5 times.

A cost breakdown of the program as budgeted for FY15 follows:

- \$1.369 million for 6 Non-contract FTEs including fringes, workers comp, allocated overhead, etc.
- \$0.528 million for 5 TCU FTEs (as part of the TCU arbitration requiring switching fulfillment services from Xerox to Metro) and 1 Non-contract FTE, including fringes, workers comp, allocated overhead, etc.
- \$.630 for the new Program Support vendor contract

Taking \$6.2 million in revenue generated and dividing it by the total program costs of \$2.527 million shows that revenues exceed costs by 2.5 times. In addition, the program generates ridership and goodwill for the Metro brand, as well as relieving congestion and meeting the mission of the agency which is to:

- “design, construct, operate and maintain a safe, reliable, affordable and efficient transportation system that increases mobility, relieves congestion, and improves air quality to meet the needs of all Los Angeles County residents.”

Reasons Why Metro Offers Employer Annual Pass Programs:

Metro offers local Los Angeles businesses the opportunity to purchase Employer Annual pass programs so that their employees can commute to work using Metro transit. The program strives to increase mobility, relieve congestion, increase transit riders and improve air quality for everyone. The annual pass program puts a pass in the pocket of current non- transit riders making it affordable for them to try transit; thus reducing congestion on our streets and highways.

**MOTION BY:****SUPERVISOR HILDA L. SOLIS AND MAYOR ERIC GARCETTI:**

February 26, 2015

**MTA Board Meeting**

To continue to succeed, MTA's Employer Annual Pass Program (EAPP) must provide the highest level of customer service to its clients.

Since the onset of EAPP in 2006, revenues have soared from \$314,000 to over \$6 million today, a growth of over 1,900%.

With over 900 businesses, 32,000 Transit Access Pass (TAP) cardholders, and retention rates over 85%, the high demand for this program is clear. Year after year, the program has proven an incredible success.

However, failure to plan, prepare, and manage this success could hinder future growth and ultimately diminish the quality service that our program clients are accustomed to.

The proposed staffing levels may not account for the yearly growth of the program. Without adequate staffing to maintain current levels and to grow the program, we may soon be faced with the quandary of sacrificing the quality and/or growth of the program.

Additionally, a customer satisfaction survey is needed to determine if MTA is meeting the needs of the program's clients and discover if there are gaps in customer service that caused clients to discontinue their participation.

WE THEREFORE MOVE that the MTA Board direct the CEO to:

- A. Extend the current EAPP support contract by nine months.
- B. Examine the benefits and costs associated with additional staff (full-time equivalent, non-contract, part-time, etc.) congruent to historical and projected growth rates of the EAPP, including a detailed overview of potential consequences if staffing levels are not consistent with program growth.
- C. Conduct a customer satisfaction survey of EAPP clients, including those that chose to no longer participate in the program.
- D. Utilizing no. 2 and no. 3, recommend an EAPP staffing plan, with an analysis including but not limited to bringing the program in-house, contracting out entirely, or a hybrid approach.
- E. Report back on the above at the May 2015 MTA Board meeting.

Thursday, February 26, 2015 9:00 AM

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# RECAP of Proceedings

## Regular Board Meeting Board of Directors

One Gateway Plaza  
3<sup>rd</sup> Floor Board Room

Called to Order at 9:24 a.m.

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### Directors Present:

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Eric Garcetti, Chair  
Mark Ridley-Thomas, 1st Vice Chair  
John Fasana, 2<sup>nd</sup> Vice Chair  
Michael Antonovich  
Mike Bonin  
James Butts  
Diane DuBois  
Jacquelyn Dupont-Walker\*  
Don Knabe  
Paul Krekorian  
Sheila Kuehl  
Ara J. Najarian  
Hilda Solis  
Carrie Bowen, non-voting member

### Officers

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Arthur T. Leahy, Chief Executive Officer  
Michele Jackson, Board Secretary  
Karen Gorman, Acting Ethics Officer  
Karen Gorman, Inspector General  
County Counsel, General Counsel

\*Via Telephone  
National 4H Youth Conference Center  
7100 Connecticut Avenue  
Chevy Chase, MD 20815



Los Angeles County  
Metropolitan Transportation Authority

**Metro**

1. APPROVED Consent Calendar Items: 2, 6, 11, 12, 13, 23, 24, 32 and 39.

*Consent Calendar items are approved by one motion except for item 24 which was held by a Director for discussion and/or separate action.*

MA	PK	JB	SK	MB	JF	EG	MRT	DD	JDW	HS	DK	AN
A	A	Y	Y	Y	Y	Y	A	Y	Y	A	A	Y

2. APPROVED ON CONSENT CALENDAR Minutes of the Regular Board Meeting held January 29, 2015.

3. RECEIVED Chair's Report.

MA	PK	JB	SK	MB	JF	EG	MRT	DD	JDW	HS	DK	AN
A	A	P	P	P	P	P	A	P	P	A	A	P

4. RECEIVED Chief Executive Officer's Report.

MA	PK	JB	SK	MB	JF	EG	MRT	DD	JDW	HS	DK	AN
A	P	P	P	P	P	P	A	P	P	P	A	P

5. AUTHORIZED the Chief Executive Officer to ~~award a ten-year firm fixed unit rate Contract No. PS189840071403371, extend the current contract No. PS107140706 for 9 months from July 1, 2014 to March 31, 2016, with to~~ Inland Transportation Services, the highest rated proposer, for program support for the Employer Annual Pass Programs for an amount not to exceed \$419,140. ~~\$6,374,722, inclusive of six, one-year options.~~

(Continued on next page)

\*\*\*\*\*

MA = M. Antonovich	MB = M. Bonin	DD = D. DuBois	AN = A. Najarian
PK = P. Krekorian	JF = J. Fasana	JDW = J. Dupont-Walker	
JB = J. Butts	EG = E. Garcetti	HS = H. Solis	
SK = S. Kuehl	MRT = M. Ridley-Thomas	DK = D. Knabe	

LEGEND: Y = YES, N = NO, C = HARD CONFLICT, S = SOFT CONFLICT ABS = ABSTAIN, A = ABSENT, P = PRESENT



(Item 5 – continued from previous page)

~~The contract amount consists of \$2,400,112 for the four-year base period, \$630,450 for the first option year, \$630,450 for the second option year, \$661,012 for the third option year, \$661,012 for the fourth option year, \$695,843 for the fifth option year, and \$695,843 for the sixth option year, for a combined total of \$6,374,722.~~

**SOLIS AND GARCETTI AMENDMENT:** that the MTA Board directs the CEO to:

- A. extend the current EAPP support contract by nine months;
- B. examine the benefits and costs associated with additional staff (full-time equivalent, non-contract, part-time, etc.) congruent to historical and projected growth rates of the EAPP, including a detailed overview of potential consequences if staffing levels are not consistent with program growth;
- C. conduct a customer satisfaction survey of EAPP clients, including those that chose to no longer participate in the program;
- D. utilize letters B and C, recommend an EAPP staffing plan, with an analysis including but not limited to bringing the program in-house, contracting out entirely, or a hybrid approach; and
- E. report back on the above at the May 2015 MTA Board meeting.

MA	PK	JB	SK	MB	JF	EG	MRT	DD	JDW	HS	DK	AN
A	Y	Y	Y	Y	Y	Y	A	Y	Y	Y	Y	Y

6. APPROVED ON CONSENT CALENDAR authorizing the Chief Executive Officer to:

A. establish a **bench of printing vendors** by executing five-year indefinite delivery/indefinite quantity multiple award agreements with the following vendors effective March 1, 2015, with an aggregate total value not to exceed \$1,000,000:

- i. Corporate Impressions LA Inc PS147140650A
- ii. Fusion Media PS147140650B
- iii. Pacific Graphics Int'l (PGI) PS147140650C
- iv. Peaks & Associates PS147140650D
- v. Maps PS147140650E

B. execute Task or Contract Work Orders under these agreements for outside printing as necessary.

11. APPROVED ON CONSENT CALENDAR finding that all **88 cities and the County of Los Angeles are in conformance with the Congestion Management Program for Los Angeles County.**

12. APPROVED ON CONSENT CALENDAR authorizing the Chief Executive Officer to approve the submission of two or more project applications for grant funds from **California's Cap-and-Trade Program's Greenhouse Gas Reduction Fund through the Transit and Intercity Rail Capital Program.**

13. APPROVED ON CONSENT CALENDAR:
- A. funding to Joint Management Council to reflect the programming of funds consistent with the Board approved **FY 2014-15 Budget for Capital Improvement Projects (CIP) for Roof, HVAC and Restoration of Los Angeles Union Station:**
    - i. Roof \$7,080,000 (CIP 210136)
    - ii. HVAC \$5,376,000 (CIP 210138)
    - iii. Restoration \$8,500,000 (CIP 210139)
  - B. amending the FY2015 budget to add \$7,505,687 to cost center 2210 with Prop C 40% funding to fund these action.
21. APPROVED AS AMENDED **Garcetti, Dupont-Walker, Knabe and Butts Motion** that the Board direct the CEO to evaluate options for improving the connection between the Silver Line and service operating into South Bay communities via the Harbor/Gateway Transit Center, including:
- A. direct routing of Silver Line trips into Palos Verdes and San Pedro;
  - B. improved frequencies on local services, including Lines 246 and 344, for better connections with the Silver Line;
  - C. timed transfers and improved on time performance to ensure connections are met;
  - D. evaluation should be based on the demand for the connection by time of day and day of week, and address fare pricing implications, resource and other requirements, ridership impacts, and implementation schedule; and
  - E. report back with the findings on all the above by the June 2015 Regular Board meeting.

(Continued on next page)

(Item 21 – continued from previous page)

**AMENDMENT BY BUTTS AND DUPONT-WALKER:** Instruct staff to coordinate these efforts with the South Bay Municipal Operators including Torrance, Gardena, Beach Cities Transit, and other relevant stakeholders to avoid the potential of service duplications, customer confusion and cost overruns.

MA	PK	JB	SK	MB	JF	EG	MRT	DD	JDW	HS	DK	AN
A	Y	Y	Y	Y	Y	Y	Y	A	Y	Y	Y	Y

23. APPROVED ON CONSENT CALENDAR authorizing the Chief Executive Officer to:

A. increase the Life-of-Project budget for the bus replacement project to include the **purchase of 350 additional Compressed Natural Gas (CNG) buses for the FY16-18 capital program** in the amount of \$195,000,000 from \$308,442,500 to \$503,442,500; and

B. execute Contract Option No. 1 to Contract OP33202869 with New Flyer of America, to purchase 350 additional forty-foot CNG buses for the firm fixed price of \$193,979,571, increasing the Total Contract Value from \$304,672,769 to \$498,652,341 inclusive of sales tax.

24. AUTHORIZED the Chief Executive Officer to Execute Modification No. 8 to Contract No. OP33442103 for **Right-of-Way (ROW) Trash and Vegetation Removal Services to Woods Maintenance Services** in the amount of \$2,975,000 increasing the not-to-exceed contract value from \$14,633,946 to \$17,608,946. This contract provides on-going maintenance services throughout Metro properties and ROWs. This modification extends the period of performance through September 30, 2015.

MA	PK	JB	SK	MB	JF	EG	MRT	DD	JDW	HS	DK	AN
Y	Y	Y	Y	A	Y	A	Y	Y	Y	Y	Y	Y

32. APPROVED ON CONSENT CALENDAR an increase in Contract Modification Authority (CMA) to Contract No. C0984R with DRP National, Inc., for the **Lankershim Depot Rehabilitation Project Phase Two**, to provide funding for differing site conditions, extra work and plan modifications identified in the amount of \$150,000 increasing the current CMA from \$332,034 to \$482,034. The remaining Life-of-Project (LOP) budget after this action is \$123,934.
39. RECEIVED AND FILED AND APPROVED ON CONSENT CALENDAR:
- A. the status report addressing **FTA Triennial Review Findings**;
  - B. one Full Time Equivalent (FTE) position in the Civil Rights Programs Compliance Department to ensure oversight of the Americans with Disabilities Act compliance approximately 80 Metro grant sub-recipients; and
  - C. one FTE position in the Regional Grants Management Department to ensure oversight of all other FTA compliance areas including Procurement and Half Fare compliance of approximately 80 Metro grant sub-recipients.
40. CARRIED OVER: **Garcetti, Ridley-Thomas, Kuehl, Solis, Bonin and Dupont-Walker Motion** that the CEO direct staff to report back to the Board with the following items:
- A. amendment to MTA's Joint Development Policy, establishing a goal that in the aggregate, affordable housing units represent 35% of all residential units developed on MTA-owned property;
  - B. recommended criteria under which MTA would allow proportional discounts to the fair market value of MTA owned property for the purpose of contributing towards the cost of affordable housing;

(Continued on next page)

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FURTHERMORE, WE MOVE that the CEO direct staff to:

- C. develop a memorandum of understanding with interested local cities and the County of Los Angeles to promote co-investment along transit corridors, such as leveraging municipally-controlled affordable housing and small business dollars for MTA's Joint Development affordable housing sites;
- D. negotiate terms and conditions for the Board's consideration that reflect MTA's participation in the collaborative creation of a multi-partner Countywide Transit Oriented Affordable Housing loan fund, and report back to the Board on the following:
  - 1. criteria for eligible joint development projects, including neighborhood serving businesses to be funded by the loan fund;
  - 2. administration of the fund;
  - 3. loan program structure;
- E. report back to the Board during the FY2015-16 Budget regarding the feasibility to budget \$2 million annually for 5 years, up to \$10 million to establish the fund; and
- F. work with the affordable housing community to establish a revenue neutral TAP purchase program that provides passes to current and future occupants of MTA joint developments.

45. **RECEIVED** oral status update on the **Project Labor Agreement and Construction Careers policy programs**; and

**APPROVED Motion by Directors Kuehl, Ridley-Thomas, Solis and Dupont-Walker** that the MTA Board directs the CEO to:

- A. identify incentives to be included in the agency's project labor agreements as a means to encourage contractors to exceed our targeted worker participation requirements;

(Continued on next page)

(Item 45 – continued from previous page)

- B. review the current project labor agreement liquidated damages clause for potential modifications to further strengthen penalties;
- C. report back on prospective changes to Metro’s legislative platform that would allow both penalties and incentives for federally set goals in categories such as gender and ethnic participation; and
- D. report back with recommendations at the May 2015 Board meeting.

MA	PK	JB	SK	MB	JF	EG	MRT	DD	JDW	HS	DK	AN
Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	A	Y

46. **RECEIVED oral report on ACCESS Services.**

MA	PK	JB	SK	MB	JF	EG	MRT	DD	JDW	HS	DK	AN
P	P	P	P	A	P	P	A	P	P	P	A	P

47. **APPROVED AS AMENDED** execution of Contract Modification No. 52 to Contract No. PS43502000 with Parsons Brinckerhoff Inc. to provide continued advanced preliminary engineering, design for advanced relocation of utilities, engineering support services during the design-build solicitation process, design support services during construction for **Section 2 of the Westside Purple Line Extension Project**, in an amount not-to-exceed \$20,820,226, increasing the total contract value from \$131,682,877 to \$152,503,103.

**KNABE, KUEHL, SOLIS, DUPONT-WALKER AND NAJARIAN AMENDMENT** that the MTA Board does the following:

- A. direct the MTA Inspector General and Ethics Officer to conduct an independent audit on Contract No. PS43502000, modification 52, which shall include, but not be limited to the following:
  - 1. perform an assessment and analysis of the total work hours to perform the proposed advanced preliminary engineering work;

(Continued on next page)

(Item 47 – continued from previous page)

2. evaluate the proposed billable rates associated with the development of advanced preliminary engineering work;
3. identify management redundancies, if any, and recommend cost-saving efficiencies;
4. review and evaluate the accuracy and completeness of the preliminary engineering drawings versus the current advanced preliminary engineering drawings; and

B. report back on the above no later than the June 2015 MTA Board cycle.

MA	PK	JB	SK	MB	JF	EG	MRT	DD	JDW	HS	DK	AN
Y	Y	Y	Y	A	Y	A	Y	Y	Y	Y	Y	Y

48. APPROVED **Garcetti, DuBois and Knabe Motion** that MTA Bus Division 3 in Cypress Park be dedicated “Leahy Division 3” to honor the contributions of the Leahy Family to the transportation profession and most importantly to improving the lives of past, present and future travelers within Los Angeles County.

MA	PK	JB	SK	MB	JF	EG	MRT	DD	JDW	HS	DK	AN
A	Y	Y	Y	Y	Y	Y	A	Y	Y	Y	Y	Y

49. WITHDRAWN BY THE MAKER OF THE MOTION: **Najarian Motion** that all MTA non-contract, non-security positions, including those in process, be placed on hold until the new MTA CEO reviews and approves of such proposed hirings. For the hiring of those positions deemed critical and time-sensitive, approval shall be at the sole discretion of the MTA Ethics Officer.



50. RECEIVED AND FILED report on **analysis of latest on-board customer satisfaction survey results including sexual harassment responses.**

MA	PK	JB	SK	MB	JF	EG	MRT	DD	JDW	HS	DK	AN
Y	A	Y	Y	Y	Y	Y	Y	Y	Y	Y	A	Y

51. APPROVED:

- A. authorizing the Chief Executive Officer to execute modification No. 2 to Contract No. PS71303218 to **provide federal consulting services for a period of 12 months** in the amount not to exceed \$120,000, increasing the Total Contract Value from \$150,000 to \$270,000;
- B. adding Contract Modification Authority to Contract No. PS71303218 for future changes in the amount of \$120,000.

MA	PK	JB	SK	MB	JF	EG	MRT	DD	JDW	HS	DK	AN
Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y

52. APPROVED **Antonovich, Solis, Ridley-Thomas and Knabe Motion** that the MTA Board directs the Inspector General to:

- A. conduct research into an appropriate zero-tolerance policy for Red Light violations for our Rail and Bus system and return to the Board in March with such a policy for consideration; and
- B. retain an independent consultant with expertise in safety culture and rail operational safety to conduct a review of MTA rail operations and management, including a root cause analysis of the Red Light violations committed over the past two years.
- This review must at minimum include an analysis of safety culture, infrastructure issues, operator training, use of efficiency testing, and effectiveness of discipline for both operator and management.

(Continued on next page)

(Item 52 – continued from previous page)

WE FURTHER MOVE that the MTA Board send a letter to the Administrations of the Federal Transit Administration and Federal Railroad Administration to seek partnerships in working with the MTA to reduce Red Light violations system-wide and to evaluate current policies, conditions, and management structures for flaws and deviations from industry best practices.

MA	PK	JB	SK	MB	JF	EG	MRT	DD	JDW	HS	DK	AN
Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y

53. APPROVED BY TWO-THIRDS VOTE:

- A. holding a public hearing on the proposed new Resolution of Necessity, including rescission of the previously adopted Resolution of Necessity; and
- B. adopting the **Resolution of Necessity authorizing the commencement of an eminent domain action to acquire Project Parcel W-1201, 1201-1 (APN 5508-007-024), consisting of the real property for the Purple Line Westside Subway Extension Project.**

MA	PK	JB	SK	MB	JF	EG	MRT	DD	JDW	HS	DK	AN
A	Y	Y	Y	Y	Y	Y	A	Y	Y	Y	Y	Y

54. APPROVED BY TWO-THIRDS VOTE:

- A. holding a public hearing on the proposed Resolution of Necessity; and
- B. adopting the **Resolution of Necessity authorizing the commencement of an eminent domain action to acquire permanent tunnel easements, subsurface easements for the installation of grouting pipe, temporary construction easements for staging, sidewalk easements, tieback easements in Parcels RC-418, 418-1, 418-2, 418A, 418A-1, 418A-2, 418A-3, 418A-4, and 418A-5 (APN's 5151-014-032 and 5151-014-033); consisting of various real property interests for the Regional Connector Transit Corridor Project.**

MA	PK	JB	SK	MB	JF	EG	MRT	DD	JDW	HS	DK	AN
A	Y	Y	Y	Y	Y	Y	A	Y	Y	Y	Y	Y

55. APPROVED BY TWO-THIRDS VOTE:

- A. holding a public hearing on the proposed Resolution of Necessity; and
- B. adopting a **Resolution of Necessity authorizing the commencement of an eminent domain action to acquire a subsurface easement and a grouting easement in Project Parcels RC-449 and RC-449-1 (Assessor Parcel No. 5161-017-009); consisting of the real property for the Regional Connector Transit Corridor Project.**

MA	PK	JB	SK	MB	JF	EG	MRT	DD	JDW	HS	DK	AN
A	Y	Y	Y	Y	Y	Y	A	Y	Y	Y	Y	Y

ADJOURNED in memory of Linda Matthews-Wilcut, a Metro employee since 2004, who coordinated travel accommodations for the agency.

###



Metropolitan  
Transportation  
Authority

One Gateway Plaza  
Los Angeles, CA  
90012-2952

EXECUTIVE MANAGEMENT AND AUDIT COMMITTEE  
FEBRUARY 20, 2003

**SUBJECT: METRO CONTRACTED PASS PROGRAMS**

**ACTION: APPROVE NEW CONTRACTED PASS PROGRAMS**

**RECOMMENDATION**

Adopt the Contracted Transit Pass Programs as described in Attachment A.

**ISSUE**

In May of 2002, the Board approved development of an MTA-operated rideshare program that integrates countywide rideshare offerings with transit programs. As part of this effort, staff is developing a line of contracted transit pass programs to form partnerships with businesses, institutions and major organizations within Los Angeles County as a means to improve access to the multi-modal transportation system. The MTA currently offers several fare media programs to the public, however, only two programs, Metro Mail and Consignment Sales, are made available to area businesses and organizations. As a result, a limited number of employers and organizations participate in pass programs to provide MTA fare media to their employees, members or associates. The Contracted Pass Programs are designed to improve business and institutional participation in MTA transit pass programs.

**POLICY IMPLICATIONS**

There are several purposes of offering contracted pass programs. First, it enables MTA to develop stronger partnerships with LA County businesses, institutions and major organizations to promote use of transit. Second, the programs will generate new revenue to support MTA initiatives. Third, these programs will provide businesses and organizations the opportunity to take advantage of federal income tax incentives that encourage use of transit. Finally, the programs will allow MTA to establish a well-defined test group for the Universal Fare System (UFS) smart card by providing contracted pass program members with UFS test cards instead of a conventional paper pass. Providing seamless fare payment options is a policy initiative within the adopted MTA Long Range Transportation Plan as a method for making transit more accessible to the public.

**OPTIONS**

The MTA Board could choose not to proceed with the Contracted Pass Programs. Staff does not recommend this option because the programs will generate a much-needed new revenue source for the MTA and strengthen the ties with the business

community. Transit agencies across the nation that have implemented similar programs have experienced successful results in generating additional revenue and stimulating participation among employers. The MTA Board could also choose to offer a fewer number of contracted pass types. Staff does not recommend this alternative because the proposed program attempts to offer a complete line of products that meet the needs a various transit user markets. Reducing the number of contracted passes offered will reduce the effectiveness of the overall program by excluding certain transit user groups.

### **FINANCIAL IMPACT**

The Contracted Pass Programs are designed to increase transit ridership and transit revenues without having a negative impact on MTA's average fare per boarding and overall budget. To maintain this "neutral" impact on fare per boarding, the price of the various contracted pass types will be adjusted as membership grows, fare structure is modified and service changes impacting ridership occur.

### **BACKGROUND**

During FY 02, a Board-directed study was conducted of MTA-funded rideshare efforts. The final report of the study recommended several new and innovative strategies to be considered for implementation by the MTA. Strategies included in these recommendations were special pass programs for employers and institutions.

In moving forward with this recommendation, the Board approved an MTA-operated rideshare program in May 2002, which included the development of expanded pass program offerings. During the development and research for the proposed Contracted Pass Programs, staff identified several different markets that were not being addressed by current contracted pass programs. Attachment A describes the various contracted pass products and the related transit user markets.

The programs will be closely monitored to maintain a neutral or positive financial impact on fare per boarding and to ensure high service quality. It is anticipated that the programs will encourage employer participation, increase ridership and mobility and nurture public/private partnerships with the MTA, communities and local businesses.

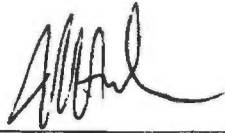
### **NEXT STEPS**

If approved, phased implementation of the Contracted Pass Programs will begin in April 2003. The Board will be updated quarterly on the number of organizations enrolled and participants involved in the programs.

### **ATTACHMENT**

#### **A. Contracted Pass Programs**

Prepared by: David Sutton, Executive Manager, Employer Programs



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Matt Raymond  
Chief Communications Officer



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Roger Snoble  
Chief Executive Officer

## METRO CONTRACTED PASS PROGRAMS

The MTA Contracted Pass Programs provide employers, institutions and other organizations an opportunity to purchase fare media for their employees, members and participants. Five programs will be made available. The following provides brief descriptions for each of the Contracted Pass Programs.

**Annual Pass Program:** The Annual Pass Program provides an annual photo-ID pass good for one calendar year (or a portion thereof) to LA County employers. The pass is valid on all designated bus and rail service. The pass is offered to employers who choose to purchase passes only for those employees that currently take transit to work. The price of the pass is equal to the regular monthly pass price multiplied by twelve months.

**Employee Pass Program:** The Employee Pass Program provides an annual employee photo-ID pass good for one calendar year (or a portion thereof) to LA County employers. The pass is valid on all designated bus and rail service. This pass is offered to employers who choose to purchase passes for all their employees. Price is based on estimated employee transit usage and frequency of transit service to the employer worksite.

**Institutional Pass Program:** The Institutional Pass Program is a negotiated program offered to large organizations or groups such as colleges, universities, trade schools, government agencies and senior citizen centers that choose to enter into an agreement with the MTA. Agreements may include fare media arrangements, additional services and access to bus and rail service.

**Jury Pass Program:** The Jury Pass is a weekly pass offered to jurors reporting to jury duty in exchange for mileage reimbursements. Currently jurors in the court system are reimbursed for auto mileage. This program will provide jurors who wish to use public transportation an alternative to driving alone.

**Visitors Pass Program:** The Visitors Pass Program provides a semi-custom pass to area conventions, hotels, chambers, visitor bureaus, meeting planners, etc. to provide access to MTA bus and rail service. Passes will be made available in one-day increments for negotiated time periods.

All Contracted Pass Program agreements would be subject to authorization and approval by the Chief Executive Officer or his designee. With the possible exception of the Juror Pass, all Contracted Pass Programs will be priced to ensure no negative impact on total projected fare revenues. Service modifications made in conjunction with any of the above negotiated pass programs would comply with all MTA service implementation guidelines. The following sections provide further descriptions, the purpose and policy statements for each of the Contracted Pass Programs.

# ANNUAL PASS PROGRAM

## DESCRIPTION

The Annual Pass Program provides an annual photo-ID pass good for one calendar year (or a portion thereof) on all designated bus and rail service. This pass is offered to employers that would like to purchase a transit pass for their employees that currently ride transit. The pass is valid on all MTA bus and rail service. The price of the pass is equal to the regular monthly pass price multiplied by twelve months. Employers may purchase multiple quantities of the annual pass for their employees. Passes purchased within a calendar year will be prorated on a monthly basis. Discounts may be offered based on quantities and upon approval of the Chief Executive Officer. While the Chief Executive Officer is ultimately responsible for this policy, staff will draft guidelines and procedures and implement the Annual Pass Program.

## PURPOSE

The purpose of the Annual Pass Program is to provide an annual pass option to employers for their employees that use the MTA bus and rail system. The pass simplifies use of the system by reducing the number of times the employee is required to physically go and purchase passes during the year. The pass also provides employers an annual option for their employees that consistently ride transit to work. In addition, the program is intended to provide a mechanism for employers to take advantage of federal tax incentives for employee transit subsidy programs. Finally, the program is intended to foster goodwill between the MTA and LA County employers, and to demonstrate MTA's progressive commitment to multimodal transportation and a healthful environment.

## POLICY

1. All employers within Los Angeles County are eligible for the Annual Pass Program provided that they enter into a program participation agreement with the MTA. Once signed up for the program, employers can purchase an Annual Pass for each of their employees that ride transit.
2. The MTA will issue a pass specific to the Annual Pass Program.
3. The pass will cost the equivalent of a regular monthly transit pass price multiplied by twelve months. Chief Executive Officer may impose restrictions, rules, limitations, and exemptions on the pass, depending on implementation requirements.
4. Discounts may be offered based on quantities purchased and upon Chief Executive Officer Approval.
5. The passes may be used for the MTA's buses or rail systems, and they are valid throughout the MTA's service area on all local and limited-stop buses, Metro Rapid Transit, and Metrorail Services.
6. Paratransit and special services are excluded from this program.



7. Employers may purchase their passes from the Employer Programs Department. Employers purchasing multiple quantities of the Annual Pass must place orders thirty days prior to pass start date. MTA will not offer a sales commission to employers that purchase the Annual Pass. Employers may arrange with the Employer Programs Department for pick-up or delivery of their passes.

## **EMPLOYEE PASS PROGRAM**

### **DESCRIPTION**

The Employee Pass Program provides an annual employee photo-ID pass good for one calendar year (or a portion thereof) on all designated bus and rail service offered to area employers. This pass is offered to employers who choose to purchase passes for all their employees. Price is based on estimated employee transit usage and frequency of transit service to the employer worksite. The Employee Pass Program provides an alternative to the Annual Pass Program for employers that are interested in making it possible for all of their employees to ride transit. While the Chief Executive Officer is ultimately responsible for this policy, staff will draft guidelines and procedures and implement the Employee Pass Program.

### **PURPOSE**

The purpose of the Employee Pass Program is to provide employers a pass option that allows them to take advantage of federal tax incentives for employees that ride transit. It also simplifies the pass purchasing process and allows employers to offer transit as an alternative commute option for all their employees. In addition, the program is intended to provide a mechanism for employers to take advantage of federal tax incentives for employee transit subsidy programs. Finally, the program is intended to foster goodwill between the MTA and LA County employers, and to demonstrate MTA's progressive commitment to multimodal transportation and a healthful environment.

### **POLICY**

1. All employers within Los Angeles County are eligible for the Employee Pass Program provided that they enter into a program participation agreement with the MTA. Once signed up for the program, all employees of the participating employer are eligible to receive an Employee Pass.
2. The MTA will issue a pass specific to the Employee Pass Program which may be in the form of a decal affixed to an employer photo ID or a pass produced by the MTA.
3. The pass price is based on estimated employee transit usage and frequency of transit service to the employer worksite. Chief Executive Officer may impose restrictions, rules, limitations, and exemptions on the pass, depending on implementation requirements. Given the nature of the program pricing, contract minimums may be imposed.
4. The passes may be used for the MTA's buses or rail systems, and they are valid throughout the MTA's service area on all local and limited-stop buses, Metro Rapid Transit, and Metrorail Services.
5. Employers may purchase their passes from the Employer Programs Department. Employers must place their pass orders thirty days prior to pass start date. MTA will not offer a sales commission to employers that purchase the Employee Pass. Employers may arrange with the Employer Programs Department for processing of their passes.

6. Paratransit and special services are excluded from this program.
7. The Employer Programs Department will publish annually a cost schedule for the Employee Pass Program.

## **INSTITUTIONAL PASS PROGRAM**

### **DESCRIPTION**

The Institutional Pass Program is a negotiated program offered to large organizations or groups such as colleges, universities, trade schools, government agencies and senior citizen centers that choose to enter into an agreement with the MTA. Agreements may include fare media arrangements, additional services and access to bus and rail service. Contracts would be negotiated based upon the estimated number of transit users and the cost of the additional service to the MTA. While the Chief Executive Officer is ultimately responsible for this policy, staff will draft guidelines and procedures and implement the Institutional Pass Program.

### **PURPOSE**

The purpose of the Institutional Pass Program is to simplify the pass purchasing process for institutions wishing to promote the use of public transportation. The program is also intended to foster goodwill between the MTA and local institutions.

### **POLICY**

1. All large organizations or groups such as colleges, universities, trade schools, government agencies and senior citizen centers within Los Angeles County are eligible for the Institutional Pass Program provided that they enter into a program participation agreement with the MTA.
2. The MTA will issue a pass specific to the Institutional Pass Program which may be in the form of a decal affixed to a member photo ID or a pass produced by the MTA.
3. The pass price is based on the negotiated agreement between MTA and the institution. Chief Executive Officer may impose restrictions, rules, limitations, and exemptions on the pass, depending on implementation requirements.
4. The passes may be used for the MTA's buses or rail systems, and they are valid throughout the MTA's service area on all local and limited-stop buses, Metro Rapid Transit, and Metrorail Services.
5. Institutions may purchase their passes from the Employer Programs Department. Participating Institutions must place their pass orders thirty days prior to pass start date. MTA will not offer a sales commission to institutions that purchase the Institutional Pass. Institutions may arrange with the Employer Programs Department for pick-up or delivery of their passes.
6. Paratransit and special services are excluded from this program.
7. The Employer Programs Department will publish annually a agreement summaries for the Institutional Pass Program.

## **JURY PASS PROGRAM**

### **DESCRIPTION**

The Jury Pass is a weekly pass offered to jurors reporting to jury duty in exchange for mileage reimbursements. Currently jurors in the court system are reimbursed for auto mileage. This program will provide jurors public transportation as an alternative to driving. Given the varied duration of juror service, this program is not guaranteed to recover full value of the pass. While the Chief Executive Officer is ultimately responsible for this policy, staff will draft guidelines and procedures and implement the Jury Pass Program.

### **PURPOSE**

The purpose of the Jury Pass is to offer transit as an option to those serving jury duty. For those jurors that do not regularly ride transit, this program provides an opportunity for participants to use public transportation. The program is also intended to foster goodwill between the MTA, the court system and the general public.

### **POLICY**

1. All courts within Los Angeles County are eligible to offer the Jury Pass Program to their jurors provided that they enter into a program participation agreement with the MTA. Once signed up for the program, all jurors of that participating court are eligible to receive a Jury Pass.
2. The MTA may issue a pass specific to the Jury Pass Program or use the standard weekly passes.
3. The pass price is based on the amount the court reimburses jurors for travel mileage. This program is not guaranteed to recover full value of the pass given that jury service varies in duration. Chief Executive Officer may impose restrictions, rules, limitations, and exemptions on the pass, depending on implementation requirements.
4. The passes may be used for the MTA's bus or rail systems, and they are valid throughout the MTA's service area on all local and limited-stop buses, Metro Rapid Transit, and Metrorail Services.
5. The courts may purchase their passes from the Employer Programs Department. Participating courts must place their pass orders thirty days prior to pass start date. MTA will not offer a sales commission to institutions that purchase the Jury Pass. Participating courts may arrange with the Employer Programs Department for pick-up or delivery of their passes.
6. Paratransit and special services are excluded from this program.
7. The Employer Programs Department will publish annually a cost schedule for the Jury Pass Program.

## **VISITORS PASS PROGRAM**

### **DESCRIPTION**

The Visitors Pass Program provides a semi-custom pass to area conventions, hotels, chambers, visitor bureaus, meeting planners, etc. to provide purchased access to MTA bus and rail service. Passes will be made available in one-day increments for negotiated time periods. While the Chief Executive Officer is ultimately responsible for this policy, staff will draft guidelines and procedures and implement the Visitors Pass Program.

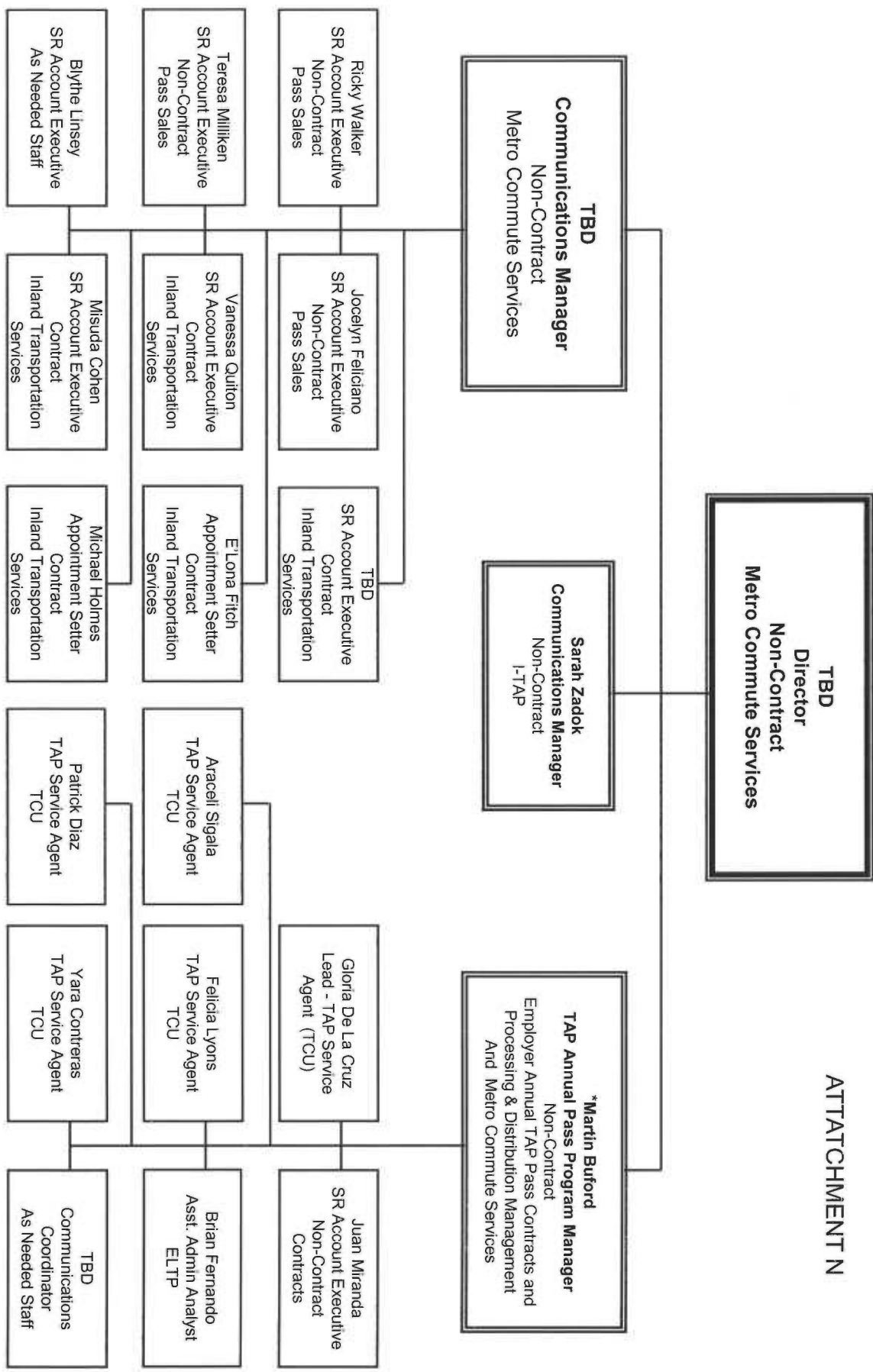
### **PURPOSE**

The purpose of the Visitors Pass Program is to provide convenient advance purchase opportunities to large groups of people who want to utilize transit services. It provides groups and visitors with an opportunity to experience and use public transportation. The program is also intended to foster goodwill between the MTA and area conventions, hotels, chambers, visitor bureaus, meeting planners as well as area visitors.

### **POLICY**

1. All convention centers, hotels, chambers of commerce, visitor bureaus, and meeting planners within Los Angeles County are eligible to purchase Visitors Passes provided that they enter into a program participation agreement with the MTA.
2. The MTA may issue any form of pass, but the Chief Executive Officer may impose restrictions, rules, limitations, and exemptions, depending on the type or duration of an event.
3. The passes may be used for the MTA's buses or rail systems, and they are valid throughout the MTA's service area on all local and limited-stop buses, Metro Rapid Transit, and Metrorail Services.
4. Group organizers may purchase their passes from the MTA Customer and Vendor Service Department. To be considered for a volume discount, organizers must place their pass orders thirty days prior to pass start date. MTA will not offer a sales commission to those organizations that purchase the Visitors Pass. Organizations may arrange with the Customer and Vendor Service Department for pick-up or delivery of their passes.
5. The MTA may request from large groups of 250 or more persons an itinerary so that service accommodations may be made.
6. Paratransit and special services are excluded from this program.
7. The MTA Customer and Vendor Services Department will publish annually a volume discount schedule.

ATTACHMENT N



\*Martin Buford (TAP Annual Pass Program Manager) is currently overseeing 3 areas of Metro Commute Services which includes Sales, Contract Management and Fulfillment.