



Metro

Metropolitan Transportation Authority

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**BOARD OF DIRECTORS
JULY 28, 2005**

SUBJECT: SERVICE SECTORS: THREE-YEAR PROGRESS REPORT

ACTION: RECEIVE AND FILE

RECOMMENDATION

Receive and file the service sector three-year progress report.

ISSUE

In 2002 the agency restructured its operating function from a centralized model to a service sector-based one. The goal was to create a decentralized, community-based and locally responsive management model for bus operations. This report discusses the progress sectors have made over the past three years in meeting the goal.

BACKGROUND

Decentralization History

The agency first decentralized its bus operations from 1994-1998 with a north-south-east-west oriented regionalization plan. The restructuring was directed at creating management and operating efficiencies. It did not incorporate any element of local control or input.

The regionalization model faced challenges from internal competition for resources. Under the increased service demands of the Consent Decree, Operations was reoriented in 1998 to its previous structure with two main departments, Transportation and Maintenance. However, cost and local control increasingly became issues, resulting in bus service divestiture studies and applications for privatized transportation zones.

Service Sector Development and Implementation

In late 2001 and through early 2002, an internal agency working group was tasked by the new Chief Executive Officer Roger Snoble with developing another decentralization plan, and ultimately recommended a community-based, locally-responsive "service sector" management model for bus operations. A first step in developing the plan was to examine the lessons learned from the earlier decentralization attempts.

As stated in the March 2002 Service Sector Task Force Report, the sector concept included:

- Create a business unit with a municipal operator-like size
- Establish each sector within geographic areas emerging from a study of existing and potential route structures
- Utilize existing bus capacity not to exceed 500-600 buses per sector
- Co-locate management and essential, customer-focused, support functions at sector operating bases within local community served
- Establish new relationships with reinvented corporate support functions

Service Sector objectives were to:

- Facilitate a partnership along a shared vision for responsive community based transportation services
- Organize Metro functions to best serve our customers in a manner that is efficient and effective
- Develop an organizational framework that will lead Metro into being a world class transportation agency
- Foster a more dynamic working environment; reduce management layers by moving responsibility and accountability closer to the customer
- Achieve overall improvement in service quality

In April 2002, the Board endorsed a proposal calling for the creation of Service Sector governance councils to which the Board would delegate specific authority. In September 2002, the board adopted the Service Sector Policy and the Service Sector Council Bylaws. In a concurrent process throughout 2002, the sectors were staffed, each with its own General Manager and support positions, and sector offices were established. The South Bay governance council was the first to be formed, convening its first meeting in January 2003. The Westside/Central Sector governance council was the final to be formed a year later in January 2004.

DISCUSSION

Since their formation in 2002, the sectors have achieved the goal of creating a decentralized, community-based and locally responsive management model for bus operations. This is evidenced by visible improvements to the service change public process, the management of operations, and service quality:

SERVICE CHANGE PROCESS

- **Attendance at service-related meetings and hearings has increased**

Pre-sector, service planning was centralized and service change public hearings were typically held downtown on Saturdays with low attendance. Staff providing input for this report recall only two occasions over a 17-year period where large crowds of 100 or more

people turned out for service change public hearings. In some instances, attendance at sector level service change hearings has exceeded 100 in *EACH* sector.

Also, public participation has increased due to a higher comfort level speaking in the governance councils' smaller scale and less formal meeting setting. Many are regular attendees at monthly sector council meetings, which improves public understanding of service issues and decisions.

- **Amount of discussion/debate related to service changes has increased; the service change process is faster**

The sector governance councils each meet on a monthly basis for a minimum of one hour. As evidenced by meeting minutes, a majority of this time is spent discussing service issues and proposed service changes. In total, at least five hours each month is dedicated to systemwide service issues alone. Under the centralized model, the Board discussed and approved service changes approximately twice per year. Monthly committee and board meetings included discussion about service issues only in response to a public comment or through a specific concern brought up by a board member.

Over the past three years, the governance council members have become very familiar with the services provided in their respective sectors and have first hand knowledge of the issues. As required in the bylaws, a number of governance council members are regular bus riders. Additionally, most council members participate in regularly scheduled bus ride-alongs to familiarize themselves with service in their sectors or in specific ride-alongs to better understand a service decision they will be required to make. Ride-alongs have even occurred for the 12:00 midnight to 4:00 am timeframe. In addition to their lead role in improving local service, the governance councils have played a key role in enhancing Metro Rapid service.

Many council members are local elected officials, which integrates local and regional decision-making and ensures more informed local understanding of Metro issues and needs. This local, sector-based approach has facilitated the service change process and resulted in an overall increase in the magnitude of service changes. The last five shake-ups alone (June 2003 to June 2005 timeframe) have included nearly 350 service changes, including new or additional services, major and minor route modifications, and reductions/cancellations.

MANAGEMENT OF OPERATIONS

- **Skill sets required of division management are greater**

Division management has adopted a more global view of their responsibilities. In many ways, sectors are run like small businesses where employees have overlapping responsibilities requiring multiple job skills. In addition to performing their regular duties, most staff members participate in strategic planning sessions related to improving service delivery, product quality, and employee safety. Staff members ride bus

service to report on driver courtesy, on-time performance, bus cleanliness and other related issues.

- **Field supervision has improved**

Vehicle Operations supervisors are aggressively approaching on-time performance and accident reduction (high visibility on bus lines, random point checks, on-the-spot response to schedule related complaints as permitted by manpower, special checks during school dismissals, monitoring of routes to eliminate hazards, direct field counseling with operators on safety). Bus scheduling and planning staff offices are located within their respective service sectors, which enables them to monitor service performance, interview bus operators and supervisors and confer with passengers regarding schedules and routing on a daily basis. As a result, problems and suggestions are identified and addressed faster.

- **Customer and employee safety is enhanced**

Security officers now report directly to the sectors rather than centrally. They have a better understanding of local issues and spend more time patrolling, rather than commuting between a central base and the sector. Sector staff maintain daily contact/feedback with officers regarding all matters of safety and security.

From the safety and workers' compensation side, total lost work days paid have been reduced by more than 50% in the past year alone, as a result of the combined efforts of Sector, Risk Management and Safety staff and the implementation of a new transitional duty program aimed at bringing injured employees back to work faster.

The rate of bus accidents has declined every year since FY 2001, with a total decline of over 12% comparing FY 2001 to FY 2005 (YTD).

SERVICE QUALITY

- **Cleanliness and appearance of the buses is significantly improved**

Since FY 2001, the agency increased its fleet size by 300 and added approximately 1000 new buses. It has also repainted 1,571 buses. In addition, the cleanliness of buses has improved, as documented in the agency's internal monthly cleanliness rating system.

SECTOR CHALLENGES

There is still room for improvement. Challenges exist that impact service sector control and performance:

- **Decentralization of Agency Support Functions and Budget**

The original sector model recommended by the working group included decentralization of agency functions such as radio dispatch, stops and zones, human resources, and labor relations. For a variety of reasons, these functions remained or were restructured back to

the Corporate/centralized model. Other functions such as safety, instruction, and community relations exist at both the sector and the corporate level. The relationship and span of control issues continue to be worked out between “corporate” and “sector”.

- **Manpower Shortage**

Over the past few years, the agency has experienced problems maintaining required manpower levels for bus operators. There are various reasons, including increased competition from other industries such as security and potentially some benefit and compensation issues. Also, the hiring and training standards have been increased in an effort to hire safe, customer service-oriented employees. As a result, the pool of eligible and successful candidates has decreased. This issue is common in other metropolitan areas facing similar local socio-economic conditions.

- **Continuing to Drive Down Customer Complaints**

With the existence of the sectors, increasing access to the internet/use of www.Metro.net, and improvements to the 1-800-Commute telephone system, the avenues and opportunities for customers to provide input have increased. Although the rate of bus-related customer complaints is slightly higher now than just prior to the sectors (+4% comparing the pre-sector FY 2001 to FY 2005), aggressive management of this issue by sector and division management has driven down the complaint rate by 20% this year as compared to last year. Staff continues to improve the methods of responding to and learning from customer complaints (refer to June 2005 board box on this issue).

- **Bus Accident Reduction**

Although the bus accident rate continues to decline, the costs for bus accidents have escalated. The agency has seen a huge increase in bus accident claims costs, in some cases due to more severe accidents and also a sharp increase in awards resulting from litigation.

As reported to the board in January 2005, Metro Operations has implemented an aggressive bus accident reduction program and expects to see a continued decline in the number of accidents in FY06 and on.

- **Consent Decree**

Maintaining compliance with various orders from the Special Master has significantly impacted the ability of the service sectors to optimize the structure and scheduling of bus service to operate in the most efficient and effective manner. This in turn has restricted the sectors to some extent in developing new and modified service linkages to better meet the needs of transit users.

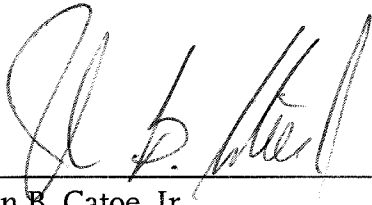
NEXT STEPS

The governance councils and service sectors have played a key role in the planning process for restructuring transit service through Metro Connections. The councils identified service

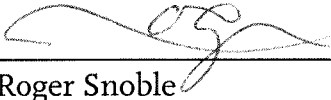
goals and priorities, as well as service and customer needs. They have provided guidance in the development of the proposed new Tier 1 system that will improve regional connections.

They will continue to play a major role in the restructuring effort as the sector-based planning effort for inter-community and community-based service, along with the related customer improvements, moves ahead.

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