



**EXECUTIVE MANAGEMENT AND AUDIT COMMITTEE
MARCH 16, 2006**

SUBJECT: METRO TRANSIT SECURITY PROGRAM

ACTION: RECEIVE AND FILE

RECOMMENDATION

Receive and File this report on the Metro Transit Security Program.

ISSUE

In March 2003, when the Board awarded the current transit policing MOU to the Los Angeles County Sheriff's Department (LASD), Director Burke introduced a motion requiring staff to report back to the Board on the efficacy of re-establishing an internal MTA Transit Police Department. A report was presented to the Board in January 2004 (Attachment A) in which staff stated that the security program would be analyzed in detail after the current MOU had a chance to operate for a reasonable length of time. Staff has identified five organizational and programmatic alternatives for the future of the Metro Transit Security Program, each of which will be analyzed through a peer review process to be completed by August 2006.

DISCUSSION

In July of 2002, the Board adopted a comprehensive "MTA Security Policy" designed to set priorities for, and guide the function of, the Metro Security Program. Staff has recently reviewed the ten elements contained in the adopted policy and these policy objectives remain fully relevant and appropriate to the goals of the program. The July 2002 Board Report establishing the Metro Security Policy is provided for reference as Attachment B.

The full three year Sheriff's transit policing MOU will be concluded in June 2006. The MOU has provisions for 2 one-year options, subject to mutual agreement by Metro and the LASD.

In response to board request, staff has identified five distinct organizational and programmatic alternatives for the future of the Metro Transit Security Program that cover a wide range of potential options. While staff has concluded that these program alternatives are representative of a broad array of potential courses of action, staff has not conducted a formal analysis of the potential efficacy of these diverse options.

The following five alternatives are described in detail in Attachment C:

1. Baseline Service Model
2. Reestablish Metro Police Department Service Model
3. Maximum Service Model
4. Minimum Cost Model
5. Balanced Cost and Service Model

Staff will arrange for a detailed and substantive analysis to be completed by a qualified Peer Review Panel. The panel will consist of major transit agency General Managers, Chief Operating Officers of both bus and rail properties, CFOs and other key transit officials. As managers responsible for transit service delivery, and as the primary users of dedicated security service within the public transit environment, the panel will be well positioned to assess the potential effectiveness of each alternative.

The Peer Review Panel will analyze each of the program alternatives in terms of:

- Their potential efficacy in achieving the broad goals and objectives, and the ten specific elements of the Board adopted Metro Security Policy
- Their potential for meeting Industry Best Practices and the general requirements of previous Requests for Proposal for security and law enforcement services.

Through a structured and comprehensive analysis the panel will rank the alternatives in order of potential effectiveness. Staff will also provide a detailed cost projection for each alternative based on reviewed cost data. This cost analysis will be based on fully allocated cost data submitted by the agencies for contract services and viewed in light of Metro's 16 years of experience in contracting for police and security services. The service and cost components of this analysis will then be combined to produce an overall measure of potential efficacy in achieving the Board adopted security policy.

NEXT STEPS

Staff will conduct a detailed cost projection for each of the five Metro Transit Security Program alternatives. Staff will also arrange a thorough "Peer Review" of these identified options. This Peer Review Panel will be comprised of leading transit operations and security officials from throughout the industry. These analyses will be designed to illuminate the potential efficacy of the major program alternatives.

In September 2006, staff will report back to the Board with the findings of the Peer Review Panel and the detailed cost projections. Based on the results of these analyses, staff will provide definitive recommendations on the potential restructuring, and the long-term organization and mission for the Metro Transit Security Program. Staff will also provide a projected cost for the program that brings the program into compliance with the Board adopted security cost goal of 5% of operating budget.

The following table provides a projected time line for this analysis and report:

Task	Projected Start Date	Projected Completion Date
Internal Cost Analysis	March 2006	June 2006
Peer Review of Alternatives	June 2006	August 2006
Develop Comprehensive Report	August 2006	September 2006
Deliver Board Report	September 2006	September 2006

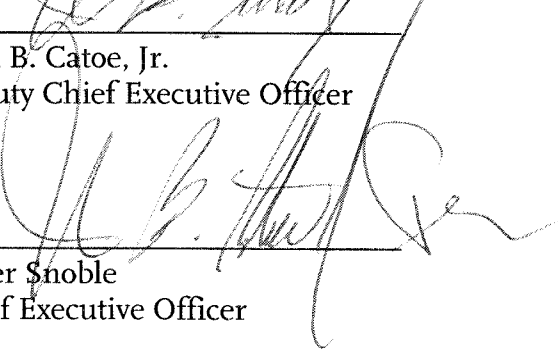
ATTACHMENTS

- A. January 2004, Board Report on the Efficacy of Reestablishing the MTA Transit Police Department.
- B. July 2002, Board Report on Metro Transit Security Policy.
- C. Details on the Five (5) Security Program Alternatives.
- D. 2006 Transit Security Analysis Spreadsheet.

Prepared by: Daniel R. Cowden, Transit Security Manager
Carolyn Flowers, Executive Officer, Operations Administration



John B. Catoe, Jr.
Deputy Chief Executive Officer



Roger Snoble
Chief Executive Officer

**OPERATIONS COMMITTEE
JANUARY 15, 2004**

**SUBJECT: EFFICACY OF REESTABLISHING THE MTA TRANSIT POLICE
DEPARTMENT**

ACTION: RECEIVE AND FILE

RECOMMENDATION

Receive and file report on the efficacy of reestablishing the MTA Transit Police Department.

ISSUE

When the new transit policing Memorandum Of Understanding (MOU) was awarded to the Los Angeles County Sheriff's Department in February 2003, Director Burke introduced a motion directing staff to report back to the Board on the efficacy of establishing an internal MTA Transit Police Department. Director Fasana directed staff to include analysis on the feasibility of reallocating transit security funds directly to cities to finance local police departments in providing transit security.

BACKGROUND

Between 1989 and 1997, the MTA and its predecessor agencies conducted numerous studies in an attempt to produce an effective and efficient policing model for the MTA's regional public transit system. In 1996, the Board opted to merge the MTA Transit Police Department (MTAPD) into the Los Angeles Police Department (LAPD) and the Los Angeles County Sheriff's Department (LASD), and then contract with those two agencies for transit law enforcement.

The Board reexamined the approach to security and adopted a new policy in July 2002, which contained ten major policy positions. Key points in the policy include:

- Security should be an integral element of the MTA's overall operations;
- The agency intends to provide the highest quality, cost-effective, community-based security through highly visible uniformed patrol;
- MTA will invest capital resources in preventative security technology;
- MTA seeks to deploy the maximum number of security personnel per security dollar;
- MTA seeks to bring security costs in line with peer agencies;

- Cost efficiency and effectiveness in security remains a key objective in implementing a cohesive partnership with outside policing agencies and developing a comprehensive security program.

Immediately following adoption of the security policy last year, the MTA entered into discussions with LAPD and LASD for policing services. In February 2003, the Board awarded a single contract to the LASD for five years, including two one-year options.

DISCUSSION

Security, and the associated costs, must be considered within the broader context of the agency's core responsibilities of providing regional transportation services, programs, projects and funding. High security costs diminish the MTA's ability to deliver core transit services and other countywide transportation projects and programs. Security is a major cost driver and the MTA has worked to refine the security program in order to deliver efficacious service to the public.

Establishing MTA Transit Police Department

As further detailed in Attachment A, earlier MTA studies and assessments suggest that operating an internal transit police department would allow the MTA to reduce current security operating costs by 20% to 40%. Lower costs result when the MTA directly controls the transit policing function and can design a program with an optimum mix of sworn versus non-sworn personnel classifications and determine staffing levels for each labor group. An internal unit would also have lower costs because the MTA would only pay for the marginal cost of providing service, as opposed to the fully allocated cost model of an outside agency.

Staff estimates that developing a new MTA Transit Police Department would take approximately five years to recruit and train sworn officers and civilian staff before the new unit could take over the entire regional transit policing program. During that five-year period, the new MTA Transit Police Department could ramp up by approximately 70 officers per year while the LASD demobilized by about the same number.

The full cost advantage of an internal MTA Transit Police Department over contracting with a local law enforcement agency would not be realized until the end of year five. Approximately 20% of the full cost savings would be accrued each year during the five-year program, not counting mobilization costs.

These cost savings and other benefits must be carefully weighed against the start-up costs and operational challenges of reestablishing a major modern law enforcement agency.

A key challenge would be staffing the Transit Police Department. In order for the MTA to develop a sound, capable and professional Transit Police Department, the unit must be able to attract and retain high quality personnel. To be competitive in the labor market the new MTA Transit Police Department would have to offer favorable working conditions and benefits, as detailed in Attachment B.

Other costs and challenges include:

- Capital and mobilization costs (recruitment, training, equipment);
- Requirement for additional administrative and operational support for a major new unit, which includes an HR function, vehicle maintenance, accounting, legal and other support functions;
- Increased liability for the MTA by operating an internal transit police department, including increased exposure to torts (this would be partially offset by elimination of the current liability payments to the LASD);
- Increased potential for negative public relations and negative press for the MTA concerning transit policing operations;
- Additional requirement for Board and executive oversight of this sensitive function, including possible formation of civilian oversight committee (Commission) or an additional MTA Board committee;
- Requirement to deal with additional unions; limited ability to perform basic function in the event of transit police job action, such as the “Blue Flu”;
- Disengagement of other law enforcement agencies from transit issues based on an assumption that the MTA transit police should deal with their own security issues.

Reallocating Security Funds to Local Police Departments

The option of reallocating all or some portion of the security funds to various local police departments to carry out MTA transit security functions also presents a number of serious challenges in terms of command and control, coordination, communication and operational interaction among the numerous police agencies and the MTA.

The MTA’s predecessor agency, the Southern California Rapid Transit District (SCRTD), tried this approach in the 1970s for “on-bus” security services and found that the response and handling of security incidents by local police agencies was problematic in the areas mentioned above. There was a significant disparity and inconsistency among the responses to calls for service provided by different local law enforcement agencies. The expectations of transit passengers and employees regarding response times to calls for assistance almost always exceeded the on-street performance of the law enforcement agencies. Transit security activities competed with other municipal policing activities and, more often than not, rated lower in priority. When a security related incident occurred on a bus that crossed from one jurisdiction to another, coordination-and-control failures were common, particularly for non-serious offenses. Additionally, the preventive nature of transit policing was considered secondary to the municipal agencies requirement to respond to immediate issues.

These are some of the problems that spurred the creation of dedicated transit police units 35 years ago within some of the larger transit systems in the nation, including SCRTD.

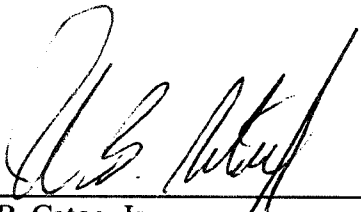
NEXT STEPS

With the latest iteration of the MTA's security program less than a year old, staff cannot make a definitive judgment on the efficacy of the current program that would support a staff recommendation. Therefore, staff proposes to allow the LASD program to operate through the initial three-year MOU period from May 2003 to June 2006. Staff also proposes conducting a comprehensive security policy assessment, including an analysis of reestablishing an internal MTA Transit Police Department. Results of this study, including an assessment of potential for improved service in relation to each of the MTA Transit Policing Policy elements, would be reported to the Board in 2006. Given the momentous financial and service implications, a deliberate and well-structured analysis is essential to provide the Board with the best information possible to support its final decision on the future of MTA transit security.

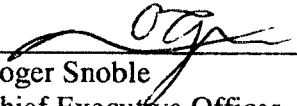
ATTACHMENTS

- A. Preliminary Financial Analysis of Reestablishing MTA Transit Police
- B. MTA Transit Police – Recruitment Issues

Prepared by: Lt. Daniel R. Cowden, MTA Transit Security Manager
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Preliminary Financial Analysis of Establishing MTA Transit Police

Operating Costs

A decision to reestablish the *MTA Transit Police Department* has potentially significant financial implications. All of the previous studies and assessments on transit policing suggest that operating an internal transit police department would allow the MTA to save several million dollars per year. With an internal police agency, the MTA would gain a degree of cost control over the transit policing function that it has not had since the mid '90s. The agency would be able to design a transit security program that had a better mix of personnel classifications (sworn vs. non-sworn) and authorized staffing levels for each labor group. Substantial savings could be realized by having non-sworn staff assume some of the duties that sworn personnel are now performing. The MTA could develop an optimum mix of sworn and non-sworn classifications to provide the security service, and this could include the addition of "Station Agents" for each major Metro Rail station and major Metro Bus facility. These types of changes could positively affect overall customer service.

A side-by-side comparison of LASD cost versus MTAPD cost would clearly reveal a cost savings with a new MTAPD. Even assuming all of the direct costs being equal, the MTAPD will always have the advantage of being charged at "marginal cost" versus the County's practice of charging "Fully Allocated Cost" for Sheriff services. This cost difference between marginal and fully allocated is in the range of 8% to 10% of the direct cost. Therefore, if the LASD provided a program with \$50 million in direct costs, the total cost would be \$54 million to \$55 million. With all other costs being the same for a new MTAPD, the internal program would save \$4 million to \$5 million per year. Again, this would be true for essentially identical policing programs with the same staffing levels by classification.

As was stated above, with the MTA having full control over the staffing levels and the personnel classifications, staff would expect the annual savings for an internal transit-policing program to be in the 20% to 40% range. Compared to an initial \$50 million program with LASD service, the MTA could save between \$10 to \$20 million annually with an internal policing program.

With the transit policing program being one of the largest "controllable" annual expenditures funded by the Enterprise Fund, it is imperative that the agency develops a cost effective program. Over the past ten years the MTA has spent approximately half a billion dollars in funding the security program. Nearly half of those dollars were fungible money from the Proposition A and Proposition C Discretionary accounts. Approximately \$175 million was money that could have been spent to improve regional transportation. Annual spending on the MTA's security program was in the \$25 million range up to the time when the MTAPD was assimilated by the LAPD and the LASD. Since that action in November 1997, the MTA's annual security budget has risen to approximately \$52 million per year. The security budget nearly doubled two years after the MTAPD was dissolved. Over a five-year period from 1995 to 1999, the cost of the program increased 105.5%.

MTA Transit Security Budget

	FY 96** Budget	FY 97** Budget	FY 98** Budget	FY 99*** Budget	FY 00*** Budget
	\$27,953,000	\$38,307,000	\$51,184,000	\$53,523,000	\$56,914,000
FY 95* Actual	FY 96* Actual	FY 97*** Actual	FY 98*** Actual	FY 99*** Actual	FY 00*** Actual
\$25,300,000	\$35,500,000	\$39,300,000	\$41,900,000	\$51,900,000	\$52,000,000

*MTA Revised Proposed Budget 1996-1997, p. 51

**MTA Proposed Budget 1997-1998, p. II-90

***OMB Transit Security File, Board Presentation

Mobilization Costs

Funding to support certain “Mobilization Costs” would be required if the Board decides to reestablish an MTA Transit Police Department. These mobilization costs would include the following components:

- ✓ Procurement and acquisition of capital equipment, including police vehicles, weapons, IT resources, radio communications and other specialized equipment;
- ✓ Implementation of a major recruiting program for sworn personnel;
- ✓ Contract with Rio Hondo and/or other local POST Police Academies to support basic recruit training;
- ✓ Initial hire of well-respected law enforcement professional as the Chief of Transit Police;
- ✓ Initial hire of staff for senior sworn and civilian leadership positions in the new department;
- ✓ Creating an effective Officer Retention Program to ensure reasonable personnel stability in a new MTAPD;
- ✓ Reestablishing the MTA Transit Police Department would require adequate support from the Board and MTA management in terms of equipment, training, and operations.

Staff estimates that the initial capital purchases required to support the mobilization of a new MTA Transit Police Department would be approximately \$7.3 million over the first five years.

This capital equipment is broken down into the following major categories:

Initial Capital Equipment Costs

Category of Items	Total Costs
Vehicles	\$3,000,000
Equipment	1,000,000
Communications	1,250,000
ITS Support	50,000
Miscellaneous Items	400,000
Recruiting Program	1,500,000
Facilities	105,000
Total Costs	\$7,305,000

This capital equipment would need to be purchased in a phased-in time schedule that would support a new MTAPD five-year mobilization. The MTA would need to acquire approximately 20% of this capital equipment per year over five years. The cost would be approximately \$1.5 million per year.

MTA Transit Police – Recruitment and Retention Issues

The MTA will face a number of challenges in recruiting and retaining high quality personnel for the new unit. The law enforcement labor market is highly competitive. There are limited opportunities for advancement in a medium-size transit police department compared to a large, full-service agency. This problem can be mitigated if the MTA seeks state legislation to change the status of its transit police officers.

The following conditions are deemed critical to the reestablishment of an MTA Transit Police Department:

830.1 P.C. status: The MTA would need to seek state legislation to change the status of its transit police officers to that status specified under Section 830.1 of the California Penal Code. Currently the MTA has statutory authorization to operate a transit police department under Section 830.33 P.C. This difference in status was seen by many of the former members of the MTA Transit Police Department as having a detrimental affect on recruiting and retention. Section 830.1 P.C. is the same section that city police departments and county sheriff's departments operate under in California. Many in the law enforcement community see this section, along with Section 830.2 for the California Highway Patrol, as the pinnacle of authority and professionalism for peace officers in this state.

Approximately eight years ago the Bay Area Rapid Transit District Transit Police Department (BART PD) got legislation passed to "upgrade" their status to 830.1 P.C. This upgraded status for any new MTA Transit Police Department would be necessary for the department to be competitive in the labor market.

Comparable Salary: Again, in order for any new MTA Transit Police Department to be competitive in the labor market for entry-level peace officers, the MTA would need to offer a salary structure that would be comparable to that offered by the LAPD, LASD, CHP and other local law enforcement agencies. The limited labor pool for potential peace officers in Southern California makes it necessary to offer MTA Transit Police recruits essentially the same salary levels as those offered by the major competitors in the region.

Comparable Fringe Benefits: In addition to comparable salaries, the MTA would need to offer comparable fringe benefits if a new MTA Transit Police Department was formed. Again, recruiting in the limited labor market would require a fringe benefit package that nearly mirrors that of the major competitors for new recruits, including the LAPD, LASD and the CHP.

Peace Officer Retirement (3% at 50 PERS Peace Officer Retirement): One of the major assumptions in reestablishing an MTA Transit Police Department would be the requirement for a "3% at 50 PERS Peace Officer Retirement." This very lucrative retirement program is quite expensive compared to the MTA's standard "2% at 60 PERS Retirement" currently available to non-contract personnel.

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**EXECUTIVE MANAGEMENT AND AUDIT COMMITTEE
JULY 18, 2002**

Metropolitan
Transportation
Authority

SUBJECT: SECURITY POLICY

ACTION: ADOPT PROPOSED MTA SECURITY POLICY

One Gateway Plaza
Los Angeles, CA
90012-2952

RECOMMENDATION

Adopt MTA Security Policy to provide a high level of security to the MTA customers, employees and property.

ISSUE

In November 1997, the MTA entered into separate five-year contracts with the City of Los Angeles and the County of Los Angeles for LAPD and LASD transit policing services. If not extended, these contracts will expire in November of 2002.

Over the past four years staff has identified areas of improvement to better serve the interests of this agency and its passengers. Several reviews including the Peer Transit Agency Security Benchmarking Study, FTA/BAH study, the APTA Peer Review Panel, and Booz Allen & Hamilton's management audit of existing security contracts have identified opportunities for improving MTA's level of security while containing costs.

The proposed policy and guidelines will establish a framework to guide staff as the agency enters into new negotiations with law enforcement agencies.

POLICY IMPLICATIONS

The citizens of Los Angeles County have a basic right to protection and security provided by law enforcement when they use public transportation. Whether underground or above, a transit system passes through many different jurisdictions. Security issues will vary depending on the location within the system and time of day or night. The "moving" environment requires a systematic approach that addresses both the distinct dynamics of transit security and the special concerns of patrons. New threats challenging every citizen's basic freedom of mobility must be met with innovative technology and programs, maximizing use of available financial resources.

Security should be an integral element of MTA's overall operations. The systems approach to security provides MTA with a management tool to ensure that security

functions are effectively integrated into system operations. MTA has recognized that cost efficiency and effectiveness in security remains a key objective in implementing a cohesive partnership with outside policing agencies and developing a comprehensive security program. Substantial investment in developing better intelligence on security activities and the use of technology must be explored. MTA seeks to efficiently maximize resources and control costs by evaluating services provided by local law enforcement agencies as well as public and private security services to improve the level of security, public order, crime prevention and peacekeeping on our system.

MTA promotes a proactive approach in deployment to enhance uniformed police presence in facilities and vehicles to demonstrate a strong commitment to a secure environment. MTA will be focusing on interactive security programs that include customer interface, community outreach and specialized teams handling special detail (e.g., vandalism, pick-pocketing). It is recognized that security plays a key role in promoting confidence in MTA's services.

OPTIONS CONSIDERED

An alternative to adopting the policy and guidelines would be to negotiate with law enforcement agencies and security firms without a policy framework to improve the safety and security services and to incorporate cost containment. This alternative is not recommended, as it does not offer any foundations of creating a systematic approach to safety and security for our customers and employees.

FINANCIAL IMPACT

The recommendation does not require any financial commitments at this time. However, the proposed policy is focused on cost containment as well as enhancing the level of security. The significant financial impact of any proposed agreements and staff analysis will be submitted for Board approval in the fall.

BACKGROUND

During an eight-year period between 1989 and 1997, the MTA and its predecessor agencies went through several major studies and reviews related to transit law enforcement and security policy. In 1996 the MTA board made the decision to merge the MTA Transit Police Department into the Los Angeles Police Department (LAPD) and the Los Angeles County Sheriff's Department (LASD) and contract with those agencies for dedicated transit law enforcement. The County of Los Angeles approved the merger proposal shortly after the MTA Board adopted the policy change. Nearly a year later the Los Angeles City Council approved an assimilation of their portion of the MTA Transit Police Department. The MTA Transit Police Department was assimilated into the LAPD and LASD in November of 1997 with the LAPD taking approximately 60% of the officers, civilians and other resources and the LASD taking 40%.

The consolidation of transit security services under the Transit Policing Partnership was a departure from the practice of most urban transit properties, which typically maintain a dedicated transit police force responsible for:

- establishing a safe and secure environment at transit facilities
- protection of transit facilities and properties
- fare enforcement
- incident response
- terrorism intelligence and deterrence

While there are significant strengths in contracting with LAPD and LASD, MTA is now spending significantly more on security than many other major transit properties. A comparison with peer agencies conducted by outside consulting firms reveals that the current security arrangement, which is unique among large transit properties, contributes to higher than average security deployment costs.

PEER OPERATORS	FY00 Security Budget Per Actual Bus VSH
CTA	\$ 0.72
San Diego	\$ 1.12
SEPTA	\$ 1.14
MBTA	\$ 1.34
BLT-MTA	\$ 1.53
PTA Averages	\$ 1.57
WMATA	\$ 1.63
MCTO	\$ 1.68
MDTA	\$ 1.83
MTA-NYCT	\$ 2.37
GCRTA	\$ 2.64
MARTA	\$ 3.40
LACMTA	\$ 3.66
Houston Metro	\$ 6.89
BART	N/A
MTA-LIRR/MTA-MN	N/A

PEER OPERATORS	FY 2000 -- PTA Operating Expense (\$ Millions)	FY 2000 -- PTA Security Expense (\$ Millions)	FY 2000 -- % of Operating Expenses Spent on Security
MCTO	\$ 169.0	\$ 3.0	1.78%
MBTA (Boston)	\$ 711.0	\$ 16.0	2.09%
SEPTA	\$ 695.0	\$ 20.7	2.98%
GCRTA (Cleveland)	\$ 219.0	\$ 7.3	3.33%
CTA	\$ 974.0	\$ 32.0	3.34%
MTA-LIRR/MTA-MN	\$ 1,243.0	\$ 55.5	4.47%
MDTA	\$ 232.0	\$ 10.5	4.53%
PTA Averages	\$ 668.00	\$ 36.90	4.71%
WMATA	\$ 722.0	\$ 37.0	5.12%
BLT-MTA	\$ 286.0	\$ 15.6	5.45%
San Diego	\$ 115.0	\$ 6.5	5.65%
LACMTA	\$ 773.0	\$ 48.6	6.28%
MTA-NYCT	\$ 3,800.0	\$ 280.0	7.37%
Houston Metro	\$ 233.0	\$ 18.0	7.73%
BART	\$ 315.0	\$ 25.3	8.03%
MARTA	\$ 305.0	\$ 26.6	8.72%

Sources:

Peer Transit Agency Security Benchmarking Study (Final draft) - December 7, 2001 & Updated 07/10/02

MTA security and operating budget data from MTA Adopted FY00 Budget

MTA and peer bus vehicle service hour data from FY00 National Transit Database.

Since November of 1997, the LAPD Transit Group and the LASD Transit Services Bureau have provided dedicated transit security service to the MTA on a contractual basis. Their units provide uniformed patrol for MTA bus and rail operations, specialized teams engaged in anti-graffiti, anti-pickpocket, anti-sexual predator, anti-counterfeit, as well as undercover operations. Headquarters for both agencies are located in the MTA's USG Headquarters building.

FY02 staffing for the LAPD is 219 authorized sworn officers and 31 civilians, and for LASD is 153 authorized sworn officers and 23 civilians. The current contract requires that a schedule of service levels and labor unit rates be mutually agreed upon for each new fiscal year within 30 days from the start of the new calendar year. Staffing levels proposed must not exceed the amount of funds proposed to be appropriated by MTA for the following fiscal year. Attachment C reflects the authorized sworn and civilian service levels and average monthly actual service levels received based on invoices submitted by LAPD and LASD.

The initial contracts with the City and County of Los Angeles for LAPD and LASD transit policing service were for a period of approximately five years. Both of the contracts expire in November 2002, and the Authority must now make provision for continued, high quality and effective, transit security services.

The MTA Chief of Transit Police manages all of the contracts that provide security services to MTA and develops policy and programs in support of the regional transit security effort. Since 9-11, our security strengths and weaknesses have been assessed by ourselves, the Department of Transportation Assessment Team, and a Peer Review Team from the American Public Transportation Association (APTA). The FTA/BAH study, performed in late January, provided a verbal exit-debriefing by the team that was very complimentary about our threat-preparations and our ability to respond.

DISCUSSION

Staff seeks to enhance security and learn from the experience of the past five years to strengthen MTA partnerships with the security contractors by clarifying, through its MOU, issues that may have been somewhat subjective and unclear in both interpretation and intent.

Deployment: Although MTA is contracting for security services, the MTA's Chief of Transit Police should have the contractual right to negotiate the deployment of officers on the MTA system based on crime, incidents and other professional considerations. MTA requires dedicated detectives and Special Teams to address extraordinary needs such as counterfeiting and graffiti. In consultation with the MTA's Chief of Transit Police, the security agencies should deploy specialized enforcement teams. The assignment and use of detectives to the MTA contract should be for crimes that require "Transit" expertise. All other crimes, such as passenger vs. passenger assaults and robberies on board a transit vehicle should be handled by the local law enforcement agency in whose jurisdiction the incident took place. The MTA should not pay for general law enforcement operations that are the responsibility of the local law enforcement agency. All marked police or sheriff vehicles assigned to the MTA should be clearly marked with an "M" or other MTA logo as approved by the MTA's Chief of Transit Police.

Enhanced security: MTA seeks to increase the visibility of security personnel while managing wisely the cost of enhanced security and security on new services within existing resources. A component of this cost effective strategy would free up the sworn officer's time for more active security activities by moving the function of fare checking to civilian fare inspectors. This strategy would also increase the total number of visible security personnel on the Metro system, thereby providing more eyes and ears on the system than exist today.

Strikes: The roles and responsibilities of the contracted security agencies during strikes needs to be clear. LAPD and LASD have policies limiting their activities related to strikes which could place MTA employees and properties at risk during a labor dispute. Disagreement between MTA and its security contractors resulted in MTA spending approximately \$628,000 during the last strike to contract for additional security because the LAPD and LASD declined to assign their units to the strike locations as requested by the MTA.

Retirement: The employee benefit rate charged by the Los Angeles County Sheriff's Department included a pension rate even though the County of Los Angeles pension plan was fully funded. Federal Acquisition Rule 31.6 requires the charge for pension costs to be funded in the same accounting period. MTA has withheld \$3.59 million from invoices billed by LASD.

Transit Commanding Officer: MTA should have the ability to interview from a short list of transit police commanding officer candidates, as submitted by each of the security agencies, and to choose the transit commanding officer that provides the best transit fit for the MTA and its customers.

Annual Budget Process: The contracted security agencies should have to submit an annual budget request that is designed to support all activities and requirements of the transit unit. The security contractors should not ask the MTA to procure any items on behalf of the security agency. The security agencies should have some latitude in being able to request marginal changes to their annual budget during the mid-year budget review process.

Reports: The law enforcement agencies should submit all customary and reasonable reports to the MTA as requested by the MTA's Chief of Transit Police. These reports should include productivity reports that provide information on "transit time" vs. "non-transit time" as well as deployment numbers, crime statistics, and other information as identified by the MTA Chief of Transit Police as crucial to the MTA security mission and necessary for proper accounting of services paid for by the MTA.

Travel, Training, and Professional Conferences: The security agencies should handle all of their travel, training and professional conference requirements. The MTA should not directly fund or administer any of these activities. The security agencies should consider funding support for these activities in their annual budget request.

Transit Community Policing Programs: In consultation with the MTA's Chief of Transit Police, the security agencies should develop "Transit Community Policing Programs" in support of the MTA's public transit mission. These Transit Community Policing Teams should be

assigned to support each of the MTA's operational bus and rail sectors and should include a transit oriented team leader who will interface with the bus and rail sector general managers. This Transit Community Policing Program shall replace the current method of "Roving Patrol" as the security agency's primary method of bus transit policing services.

Capital Expenses: In addition to seeking a more competitive overhead allocation rate with the contracted law enforcement agencies, staff seeks to bifurcate the contracted rate into capital and personnel. By splitting out the capital portion of the rate charged, the capital expenses can be paid with capital dollars. A second potential benefit might be in the allocation of a portion of the overhead rate to the capital expense, much like the MTA does today.

Security Agency's Overhead Rate: One of the significant security program cost factors the MTA seeks to change in the next contract is the overhead allocation. Attachment D reflects the estimated overhead of the operations security costs as a percentage of all security personnel costs. In FY00, MTA overhead allocation as a percentage of all security personnel costs (sworn and non-sworn) was 69.6%*. This is the second highest among all peer agencies analyzed, with the peer average coming in at 35.32%. The overhead charged by LAPD and LASD are the major factors in the higher than average rate in comparison to the peer agencies. While the average overhead rate charged by these agencies has come down slightly since FY00, the FY03 average overhead rate for LAPD/LASD sworn personnel remains high at 87.2%. Bringing the overhead rate down and more in line with the peer agencies' average overhead rate could potentially fund expanded security service levels.

** Note: overhead can be expressed as a % of security personnel costs - e.g. \$1 security personnel cost & \$1 overhead allocation equals overhead at 100% of security personnel costs.*


Overhead can also be expressed as a rate of administrative overhead - e.g. \$1 security personnel cost & \$1 administrative overhead equals \$2 total; therefore the rate of administrative overhead is 50%.

NEXT STEPS

Upon Board approval of the Security Policy, staff will assemble a negotiating team consisting of key representatives from throughout the agency to ensure that all issues are fully addressed. The team will negotiate the new five-year agreements with the Los Angeles City Police Department, the Los Angeles County Sheriff's Department and/or the Pasadena/South Pasadena Police Departments for security services.

Attachments

- A. Proposed MTA security policy
- B. Comments from law enforcement agencies on key proposed policy initiatives
- C. LAPD/LASD staffing levels
- D. Estimated overhead as a % of security personnel costs
- E. Peer transit agency location, acronym & transit service



John B. Catoe, Jr.
Deputy Chief Executive Officer



Roger Snoble
Chief Executive Officer

ATTACHMENT A

PROPOSED MTA SECURITY POLICY

Purpose –

The citizens of Los Angeles County have a basic right to protection and security provided by law enforcement when they use public transportation. Whether underground or above, a transit system passes through many different jurisdictions. Security issues will vary depending on the location within the system and time of day or night. The “moving” environment requires a systematic approach that addresses both the distinct dynamics of transit security and the special concerns of patrons. New threats challenging every citizen’s basic freedom of mobility must be met with innovative technology and programs, maximizing use of available financial resources.

Security should be an integral element of MTA’s overall operations. The systems approach to security provides MTA with a management tool to ensure that security functions are effectively integrated into system operations. MTA has recognized that cost efficiency and effectiveness in security remains a key objective in implementing a cohesive partnership with outside policing agencies and developing a comprehensive security program.

Substantial investment in developing better intelligence on security activities and the use of technology must be explored. MTA seeks to efficiently maximize resources and control costs by evaluating services provided by local law enforcement agencies as well as public and private security services to improve the level of security, public order, crime prevention and peacekeeping on our system.

MTA promotes a proactive approach in deployment to enhance uniformed police presence in facilities and vehicles to demonstrate a strong commitment to a secure environment. MTA will be focusing on interactive security programs that include customer interface, community outreach and specialized teams handling special detail (e.g., vandalism, pick-pocketing). It is recognized that security plays a key role in promoting confidence in MTA’s services.

The MTA Board of Directors is responsible for approving an agency-wide security policy. The Chief Executive Officer is responsible for ensuring that the policy is converted to an action plan and budget and implemented by staff.

Policy –

1. It is the MTA’s policy to provide the highest quality, cost effective, community-based security program possible through the deployment of a highly visible uniformed security presence that proactively and preventatively maintains order, protects customers, employees and properties, and meets the actual and perceived security needs of our transit system.
2. Due to the nature of our business, the MTA requires security services beyond the general law enforcement services received. These services are provided by a contracted

partnership with local law enforcement agencies. This arrangement provides a dedicated, highly visible, uniformed presence and special detail for investigation, undercover, and surveillance needs. The MTA's security partnerships seek to cooperatively synchronize transit and community policing efforts.

3. MTA's Chief of Transit Police is responsible for, but not limited to, the following:
 - managing contracted security services
 - ensuring adequate community based manpower deployment
 - maintaining oversight of all programs that enhance the actual and perceived security needs of customers, employees, and properties
 - gathering intelligence; coordinating accessible data collection
 - coordinating and working in conjunction with local, state and federal law enforcement agencies
 - working with the FTA's transit security audit program and the DOT's Transportation Security Administration
 - maintaining a proactive anti-terrorism program
4. Fare inspection on MTA buses will continue to be provided by our bus operators. Fare inspection on the metro light rail will continue to employ a proof-of-payment fare system supported by random inspection by security officers or fare inspectors. The Metro Red Line will be inspected by security officers or fare inspectors. A barrier system will be explored for the Metro Red Line. If a barrier system is ultimately approved and installed, fare inspection of the Metro Red Line will no longer be necessary.
5. MTA will invest capital resources in as much security technology, infrastructure and Crime Prevention through Environmental Design (CPTED) as is prudent to cost effectively improve actual and perceived security, limit liability, and reduce claims.
6. MTA seeks to deploy the maximum number of security officers possible per security dollar appropriated and expended.
7. MTA seeks to bring its security costs in line with peer transit agencies and is targeting security costs attributable to the Enterprise Fund at five percent (5%) of the total Metro operating cost, including security cost, in any year and starting in FY04. MTA shall seek to achieve this target through MOU negotiations, annual security budget management, and other efficiencies as may be identified.
8. MTA will develop a comprehensive set of performance standards to ensure compliance with this policy and efficient and effective use of our security forces.
9. Station transit agents will function as additional "eyes and ears" of the transit system, assist passengers with fare media, directions, schedules and coordinate facilities management issues. Disorderly conduct, graffiti, threats to public order and cleanliness issues will not be tolerated.

ATTACHMENT B

In receiving the March receive and file Board report, the members of the Executive Management and Audit Committee further directed staff to meet with and seek the input from, LAPD and LASD before returning to the Board with policy recommendations.

The following table reflects the meetings that have taken place since the March meeting:

<u>Agency</u>	<u>Lead Representative</u>	<u>Number of Meetings</u>
Los Angeles Police Department	Chief Parks	1
Los Angeles Police Department	Chief Pomeroy	1
Los Angeles Police Department	Commander Hansohn	3
Los Angeles Sheriff's Department	Sheriff Baca	2
Los Angeles Sheriff's Department	Captain Finkelstein	3
Pasadena Police Department	Chief Melekian	1
South Pasadena Police Department	Chief Watson	1
California Teamsters (MTA Security)	Raymond Whitmer	1

These representatives of these agencies have expressed their professional opinions on various key proposed policy initiatives, as put forth by MTA staff and a Booz-Allen & Hamilton analysis. The chart on the following pages reflect some of the comments received by the Agency representatives.

ATTACHMENT B

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The following table reflects the meetings that have taken place since the March meeting:

<u>Agency</u>	<u>Lead Representative</u>	<u>Number of Meetings</u>
Los Angeles Police Department	Chief Parks	1
Los Angeles Police Department	Chief Pomeroy	12
Los Angeles Police Department	Commander Hansohn	3
Los Angeles Sheriff's Department	Sheriff Baca	2
Los Angeles Sheriff's Department	Captain Finkelstein	3
Pasadena Police Department	Chief Melekian	1
South Pasadena Police Department	Chief Watson	1
California Teamsters (MTA Security)	Raymond Whitmer	1

These representatives of these agencies have expressed their professional opinions on various key proposed policy initiatives, as put forth by MTA staff and a Booz-Allen & Hamilton analysis. The chart on the following pages reflect some of the comments received by the Agency representatives.

Proposal	LAPD	LASD	Pasadena PD	So. Pasadena PD*	California Teamsters (MTA Security)
Civilian Fare Enforcement	Support	Support	Support		Not Supportive- Seeks MTA Security to provide this service.
Community/Sector Policing Concept	Support - But Need to Discuss Most Efficient Implementation.	Support	Support		No Comment
Transit Oriented Policing Team Leader interface with Sector GM's	Support	Support	Support for Gold Line		No Comment
Sector MOU Concept	Support - Provided Sectors are Consistent with City/County Boundaries.	Support	Supports policing the Gold Line as a separate component of light rail.		Support with MTA Security providing the fare enforcement on Metro Rail
MTA Chief of Transit Police deployment coordination	Support	Support	Support		No Comment
Increased security presence via a mix of civilian personnel and law enforcement	Support - As Long as There is no Degradation in System Security.	Supportive, but ongoing review and discussions down the road should be included to ensure the proper ratio of Checkers to Deputies	No comment - Awaiting law enforcement staffing recommendation for Gold Line		Seeks the mix to include an increased allocation of MTA security personnel
** Armed MTA security guards providing the fare enforcement function	Strongly disagree	Strongly disagree	Supports the civilian fare enforcement concept		Support

* South Pasadena did not comment in detail on the various proposals. South Pasadena P.D. is a very small police department; therefore, they are unsure about bidding on the Pasadena Gold Line security.

** This option is no longer under consideration

ATTACHMENT B-Continued

Proposal	LAPD	LASD	Pasadena PD	So. Pasadena PD*	California Teamsters (MTA Security)
Civilian Fare Enforcement	Generally support the concept, but as proposed by the MTA these people would not be fare inspectors. Therefore, who would be left to check fares? Or is that no longer a priority? If they are really to become station agents, which is also a good idea, why should they be part of the security budget?	Support	Support		Not Supportive- Seeks MTA Security to provide this service.
Community/Sector Policing Concept	Not supportive of creating small detachments of officers housed throughout the City. For a variety of reasons, which I am prepared to discuss in detail, there would be a significant loss in efficiency and effectiveness.	Support	Support		No Comment
Transit Oriented Policing Team Leader interface with Sector GM's	Support. These officers could be assigned to sector facilities while being the primary point of contact for the G.M. They would also coordinate problem solving for the sector with other LAPD resources.	Support	Support for Gold Line		No Comment
Sector MOU Concept	Not supportive – Seeks to have LAPD continue to provide law enforcement services for the City of LA and Red Line.	Support	Supports policing the Gold Line as a separate component of light rail.		Support with MTA Security providing the fare enforcement on Metro Rail
MTA Chief of Transit Police deployment coordination	Support, but not to the extent of having that person control day-to-day operations. The MTA has not described the duties this person would perform, so without additional info my support must be qualified.	Support	Support		No Comment
Increased security presence via a mix of civilian personnel and law enforcement	Not supportive---It is pretty hard to enhance security while reducing the number of police officers.	Supportive, but ongoing review and discussions down the road should be included to ensure the proper ratio of Checkers to Deputies	No comment – Awaiting law enforcement staffing recommendation for Gold Line		Seeks the mix to include an increased allocation of MTA security personnel
** Armed MTA security guards providing the fare enforcement function	Strongly disagree	Strongly disagree	Supports the civilian fare enforcement concept		Support

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* This option is no longer under consideration

ATTACHMENT C

LAPD/LASD Staffing Levels - Authorized Positions vs. YTD Monthly Actuals

	FY98		FY99		FY00		FY01		FY02*	
	Sworn	Civilian	Sworn	Civilian	Sworn	Civilian	Sworn	Civilian	Sworn	Civilian
Monthly Average	135	26	175	27	216	26	226	26	213	24
Authorized	208	30	226	31	233	33	233	34	219	31
Change from Previous			8.7%	3.3%	3.1%	6.5%	0.0%	3.0%	-6.0%	-8.8%
Total	161	201	257	266	241	267	251	250	237	250
			8.0%	3.5%	0.4%	-6.4%				

LASD

	FY98		FY99		FY00		FY01		FY02*	
	Sworn	Civilian	Sworn	Civilian	Sworn	Civilian	Sworn	Civilian	Sworn	Civilian
Monthly Average	143	16	144	22	145	23	145	20	137	21
Authorized	152	32	164	29	164	29	164	30	153	23
Change from Previous			8.0%	-10.6%	0.0%	0.0%	0.0%	3.4%	-6.7%	-23.3%
Total	159	166	193	193	168	194	165	176	158	176
			4.7%	0.0%	0.5%	-9.3%				

* Staffing authorized per 6/28/01 Board memo & FY02 reflects YTD monthly average through March 2002

ATTACHMENT D

ESTIMATED OVERHEAD AS A % OF ALL SECURITY PERSONNEL COSTS					
Peer Transit Agency	FY 2000 -- PTA Expenditures for Sworn Personnel Salaries (\$ Millions)	FY 2000 --PTA Expenditures for Non-Sworn Personnel Salaries (\$ Millions)	FY 2000 -- PTA Other Security Expenditures (\$ Millions)	FY 2000 -- PTA Security Expense (\$ Millions)	FY 2000 -- PTA Overhead Rates
MDTA	\$ 0.60	\$ 9.40	\$ 0.50	\$ 10.50	5.00%
San Diego	\$ 0.0	\$ 6.00	\$ 0.50	\$ 6.50	8.33%
BLT-MTA	\$ 11.20	\$ 1.30	\$ 3.10	\$ 15.60	24.80%
Houston Metro	\$ 11.90	\$ 2.50	\$ 3.60	\$ 18.00	25.18%
GCRTA	\$ 5.20	\$ 0.60	\$ 1.50	\$ 7.30	26.13%
CTA	\$ 24.00	\$ 0.0	\$ 8.00	\$ 32.00	33.33%
PTA AVERAGES	\$ 23.70	\$ 2.90	\$ 10.30	\$ 36.90	35.32%
MTA-NYCT	\$ 190.00	\$ 15.00	\$ 75.00	\$ 280.00	36.59%
WMATA	\$ 20.80	\$ 5.50	\$ 10.70	\$ 37.00	40.68%
MBTA	\$ 11.00	\$ 0.0	\$ 5.00	\$ 16.00	45.45%
BART	\$ 14.20	\$ 3.10	\$ 8.00	\$ 25.30	46.16%
MCTO	\$ 2.00	\$ 0.0	\$ 1.00	\$ 3.00	47.20%
MTA-LIRR & MTA-MN	\$ 36.50	\$ 0.0	\$ 19.00	\$ 55.50	52.05%
MARTA	\$ 15.90	\$ 0.20	\$ 10.50	\$ 26.60	64.95%
LACMTA	\$ 21.90	\$ 6.70	\$ 19.90	\$ 48.60	69.60%
SEPTA	\$ 11.80	\$ -	\$ 8.80	\$ 20.70	73.98%

Source:

Peer Transit Agency Security Benchmarking Study (Final draft) - December 7, 2001 & Updated 07/10/02

ATTACHMENT E

PEER TRANSIT AGENCY	ACRONYM	LOCATION	MODE OF SERVICE				
			HR	LR	CR	Bus	
Bay Area Rapid Transit	BART	San Francisco, CA	X				
Chicago Transit Authority	CTA	Chicago, IL	X				X
Greater Cleveland Regional Transit Authority	GCRTA	Cleveland, OH	X	X			X
Metropolitan Transit Authority of Harris County	Houston Metro	Houston, TX					X
Maryland Mass Transit Administration	BLT-MTA	Baltimore, MD	X	X	X		X
Massachusetts Bay Transportation Authority	MBTA	Boston, MA	X	X	X		X
Metropolitan Atlanta Rapid Transit Authority	MARTA	Atlanta, GA	X				X
Metropolitan Transportation Authority-Long Island Rail Road	MTA-LIRR	New York City-Long Island, NY			X		
Metropolitan Transportation Authority-Metro-North Commuter Railroad	MTA-MN	New York, NY & Connecticut			X		
Metropolitan Transportation Authority-New York City Transit	MTA-NYCT	New York, NY & Connecticut	X				X
Miami Metro-Dade Transit Agency	MDTA	Miami, FL	X	X			X
Minneapolis-St. Paul Metropolitan Council Transit Operations	MCTO	Minneapolis, MN					X
San Diego Transit & Trolley	San Diego	San Diego, CA		X			X
Southeastern Pennsylvania Transportation Authority	SEPTA	Philadelphia, PA	X	X	X		X
Washington Metropolitan Area Transit Authority	WMATA	Washington, D.C.	X				X

METRO TRANSIT SECURITY ALTERNATIVES AND COST DISCUSSION

INTRODUCTION

This attachment provides a brief description and initial projected costs for each of the five Metro Security Program Alternatives. These five program options are designed to cover a broad range of potential organizational structures and each is projected to have certain strengths and weaknesses in terms of expected effectiveness that can be examined by the peer review panel.

DISCUSSION

This section provides details on the five program alternatives.

1. Baseline Service Model – Alternative One

The Baseline Service Model represents the organization, structure and costs in the current program with the LASD serving as the Metro's Transit Police Department. This service model delivers 393 sworn peace officers (LASD deputies), 94 Metro security officers, approximately 90 contract security guards and 110 LASD security assistants for total operational staffing of 687. The current program does not have annual dedicated local funding for sustainable security infrastructure improvements, however, Metro has received federal funds from the Department of Homeland Security over the past three years to enhance security.

This program costs approximately \$66.2 million per year. This service model includes approximately \$1.2 million in annual mobilization costs to support the LASD's service over the past three years. Staff expects this annual capital cost to be reduced in future years as Metro's support system for the LASD is completed.

2. Reestablish MTA Transit Police Department Service Model – Alternative Two

This model would re-establish Metro's internal Transit Police Department. Staff estimates that it would take approximately five years to transition to a fully staffed internal police agency. This alternative is projected to have the same number of sworn officers as Alternative One above at 393 but there would be an increase in Metro Security to 103. Contract guards would remain at 90 personnel and the LASD security assistants would not be retained in this organizational design. This model would introduce 80 "Metro Station Agents" to the system to provide enhanced passenger service and security. Additionally, this model would provide 21 other Metro operations staff to enhance the effectiveness of certain security systems. Approximately \$1 million in annual capital improvements for sustainable security infrastructure are included in this alternative.

This model also provides a total of 687 operational staff and would cost approximately \$59.5 million annually. Alternative Two would require approximately \$6.9 million in mobilization cost spread over five years or \$1.38 million per year to fully capitalize

the re-established internal transit police department. Annual operating savings would be reduced by this amount.

3. Maximum Service Model – Alternative Three

The Maximum Service Model is designed to provide the highest number of uniformed security personnel, and the maximum level of service, at a cost essentially equal to the current program. This alternative is projected to have a smaller, but still formidable, level of dedicated sworn staffing at 204. There would be a very sizable increase in the other personnel categories with Metro security at 566 and contract guards at 131. This model would also include 88 “Metro Station Agents” and 21 other Metro operations staff to enhance the effectiveness of security systems for a total security staffing of one thousand and ten uniformed personnel. Again, the LASD security assistants would not be retained.

While this alternative is projected to cost about the same as the current model total staffing would be increased by 47% to 1,010 uniformed personnel plus non-uniformed support staff. The \$1 million in annual capital improvements for security are included in this alternative. This course of action would require about \$3 million in mobilization cost over a three-year period or \$1 million per year to capitalize a greatly expanded internal Metro Security Department.

4. Minimum Cost Model – Alternative Four

This model provides 687 operational personnel (same as baseline in terms of total uniformed staffing) but with a different mix of personnel classifications to provide essential service and substantial savings. This alternative is projected to have dedicated sworn staffing of 150, which while smaller, would still be a very capable unit. The scope of duties for the sworn personnel would be more narrowly drawn and their service focus would be precisely defined to only those tasks that clearly require a sworn officer as a supplement to the local full service law enforcement agency. Metro Security would be staffed at 344 and contract guards at 92. This model would also include 80 “Metro Station Agents” and 21 other Metro operations staff for security systems. Again, the LASD security assistants would not be retained.

While this alternative is projected to deliver adequate security with 687 uniformed security personnel, cost would be reduced by 30% or \$20 million per year. The \$1 million in annual sustainable capital infrastructure improvements for security are included in this alternative. This model is the only one that fully meets the Board’s policy goal of not exceeding 5% of the overall operating budget for security as it is initially projected to come in at 4.35%.

5. Balanced Cost and Service Model – Alternative Five

This model is crafted to provide a substantially higher level of service and, at the same time, save about \$10 million annually in fungible dollars. This alternative is designed to have a smaller, but still very formidable and precisely focused, unit of sworn staffing at 200. There would be a sizable increase in the other personnel categories with Metro security at 414 uniformed officers. The contract guards would be increased to 94. Again, this model would include the 80 “Metro Station Agents”

and the 21 other Metro operations staff for enhanced security systems. The LASD security assistants would no longer be required in this model. This balanced approach increases staffing by 122 to a total of 809 uniformed security personnel or an 18% increase while simultaneously reducing cost by \$10 million, or 15%, per year. The \$1 million in annual sustainable capital improvements for security are included in this alternative.

As conceptualized, the Balanced Cost and Service Model may be able to support both service enhancement and cost containment goals of the Board. This model would require about \$2 million in mobilization costs over a two year period to support an expanded Metro Transit Security Department, therefore, cost savings would be reduced during the mobilization period.

The table below provides more detailed organization, staffing, and initial costs data for each program alternative. Costs are shown in \$ millions.

	Alternative 1	Alternative 2	Alternative 3	Alternative 4	Alternative 5						
	Baseline	MTA PD	Max Service	Min Cost	Balanced						
Organization	Unit Cost	FTE	Cost	FTE	Cost	FTE	Cost	FTE	Cost	FTE	Cost
Contract Sworn	\$127,000	393	49.9	0	0	204	25.9	150	19.4	200	24.6
MTAPD Sworn	114,000	0	0	393	44.8	0	0	0	0	0	0
Metro Security	51,000	94	4.8	103	5.3	566	28.9	344	17.5	414	21.1
Contract Security	37,000	90	3.3	90	3.3	131	4.8	92	3.4	94	3.5
LASD Security Assistants	74,000	110	8.1	0	0	0	0	0	0	0	0
Metro Station Agents (Ops)	51,000	0	0	80	4.1	88	4.5	80	4.1	80	4.1
Other Ops Staff (CCTV)	51,000	0	0	21	1.1	21	1.1	21	1.1	21	1.1
Capital Improvements		0	0	0	1.0	0	1.0	0	1.0	0	1.0
Total Staffing		687		687		1010		687		809	
Total Cost (Millions)			66.2		59.5		66.2		46.1		56.1
Potential Increase in FTE		0		0		323		0		122	
% Change in FTE		0%		0%		47%		0%		18%	
Potential Costs Savings			0		6.6		0		20.0		10.0
% Change in Costs			0		(10%)		0		(30%)		(15%)
% of Operating Budget	5% Goal		6.23%		5.61%		6.23%		4.35%		5.29%

It is apparent from the table above that these five program alternatives can provide a fairly large range of operational staffing from the 687 currently deployed to more than 1,000 security staff in Alternative 3. At the same time the annual projected costs can vary from a high of more than \$66 million in two models (Alternatives 1 and 3) to approximately \$46 million in the lowest cost alternative (Alternative 4) for a potential

cost savings in excess of \$20 million per year. The last option (Alternative 5) provides both cost savings and increased security through a sizable increase in staffing.

Staff recognizes that the service capabilities and expected security performance of the different classes of employees shown in this chart can vary to a great extent. It is the recognition of these differing levels of training and capabilities, mission focus and costs that is central to this analysis. Staff suggests that crafting the optimum mix of organization capabilities, within established cost guidelines, is at the heart of this important issue. The optimum program design will match the mission and tasks assigned to units - with the specific capabilities and mission focus of those organizations. Sworn personnel would only be assigned tasks that are appropriate to their training, capabilities and authority. The assignment of sworn personnel would only be as a supplement that is limited in scope to the full service local law enforcement agencies that have primary jurisdiction. Security personnel would be assigned the bulk of the transit security duties, which are clearly "Preventive Security" in form and function. These preventive security duties, which are the focal point of the transit security mission, can be performed non-sworn, but well trained and equipped and fully capable uniformed staff. This preventive security mission should be viewed within the context of local full service law enforcement agencies that can, and do, respond to issues as appropriate on the transit system.

It is important to recognize that at every location or area in which Metro operates transit service a local police agency has full jurisdiction and primary responsibility for dealing with crime and responding to calls for service. These local police agencies are the law enforcement agencies with the primary responsibility for conducting patrol and suppressing criminal activity within their jurisdictions. It is within this framework of the several local police agencies' time honored roles and jurisdiction that the specific, but limited, preventive security needs of the transit system should be considered. Metro only requires very specific, focused and limited service from a dedicated transit policing unit as the preponderance of the security needs of the agency are "Preventive Security" in nature and can be performed by capable, but non-sworn, units.

The new classes of "Metro Station Agents" and "Other Operations Personnel" would add a dimension of service and capability heretofore not provided or provided in a limited manner that should be enhanced. These categories of staffing are purposely designed to meet specific requirements of the Metro Transit Security Program and they would be expected to provide a cost effective enhancement to the overall security posture of the agency. Adding these two classes of staff is reflective of tailoring the organization to better fit mission requirements.

Transitioning to one of these new transit security models would represent a paradigm shift in this important support service. The major components of the overall security organization would be fundamentally changed, however, it is clearly in the best interest of the transit riding public to examine program alternatives that could be beneficial in terms of increased levels of security through significantly higher field deployments. At the same time these new organizational and operational

frameworks could free up considerable financial resources to support Metro's core transportation services and projects.

In light of the fundamentally important security needs of our passengers, especially in this time of international terrorism directed against public transit, staff has considered an initiative of instituting a "5% Passenger Safety and Security Fund" that would be dedicated to enhancing the safety and security of our nearly 1.5 million daily passengers. This potential "Homeland Security Fund" is consistent with that charged by other critical national transportation infrastructure in wake of the terrorists attacks of 9-11 and it could be a way to meet a critical support need while not adversely impacting core transit service funding levels. A 5% charge could raise about \$12.5 million annually and this would significantly contribute to the safety and security of our passengers. Additionally, a portion of this fund could be used to free up other fungible dollars to directly support additional transit service in support of Metro's core mission.

The potential financial impact of restructuring the long-term Metro Transit Security Program is substantial. Security costs have been one of the agency's largest cost drivers over the past decade. At the same time, it is important to recognize that these security costs are one of the few "Controllable Costs" in the agency's annual operating budget and therefore this may represent an opportunity to achieve crucial cost containment goals while delivering an increased level of service. Cost savings in the range of \$10 million to \$20 million per year in fungible dollars may be achieved through a reasoned and deliberate restructuring of the security program to best achieve the Board established Metro Security Policy. A sound and well thought out restructuring of the security program could deliver up to nearly a quarter of a billion dollars in savings over the next decade while providing an increased level of security and uniformed presence on the system.

The potential of a 5% Passenger Safety and Security Fund could add another \$12.5 million annually to this amount for a total potential financial impact of up to \$32.5 million per year or well more than a quarter of a billion dollars (\$325 million) over a ten year period. It is clear that a sensible restructuring of Metro's long-term security program could make a major contribution to the financial stability and performance of this agency. Achieving program savings of this magnitude could enable Metro to deliver core projects and services that could make a real impact on the mobility of the region.

Transit Security Analysis

Attachment D

	"Base Line Service Cost Model"		"Reestablish MTA DP Model"		"Maximum Service Model"		"Minimum Cost Model"		"Balanced Cost and Service Model"		
	Alternative One	Alternative Two	Alternative Three	Alternative Four	Alternative Five						
Contract Sworn Personnel	Annual Cost per FTE 127,000	393	49,911,000	0	0	204	29,908,000	150	19,050,000	200	25,400,000
New MTA PD Sworn Officers (90% of contract sworn)	114,000	0	0	393	44,802,000	0	0	0	0	0	0
Metro Transit Security Officers	51,000	94	4,794,000	103	5,253,000	566	28,866,000	344	17,544,000	414	21,114,000
Contract Security Guards	37,000	90	3,330,000	90	3,330,000	131	4,847,000	92	3,404,000	94	3,478,000
LASD Civilian Fare Inspectors	74,000	110	8,140,000	0	0	0	0	0	0	0	0
Metro Station Agents	51,000	0	0	80	4,080,000	88	4,488,000	80	4,080,000	80	4,080,000
Other Operations Staff	51,000	0	0	21	1,071,000	21	1,071,000	21	1,071,000	21	1,071,000
Sustainable Cap. Improvements			0		1,000,000		1,000,000		1,000,000		1,000,000
Totals		697	66,175,000	697	59,536,000	1,370	66,180,000	667	46,149,000	809	56,143,000
Change from Base Line											
Security Costs as a % of Operating Budget (5% Board Adopted Policy Goal)	(Op Budget) 1,061,800,000		6.23%		5.61%		6.23%		4.35%		5.29%
% Change	0.00%	% Change	0.00%	% Change	10.03%	% Change	47.02%	% Change	-0.01%	% Change	30.26%
% Change	0.00%	% Change	0.00%	% Change	10.03%	% Change	47.02%	% Change	-0.01%	% Change	30.26%
Savings											
Five Year Cost Savings	5		33,195,000		-25,000		100,130,000		50,160,000		
Ten Year Cost Savings	10		60,390,000		-50,000		200,260,000		100,320,000		
Annual 5% S&S Fund			12,500,000		12,500,000		12,500,000		12,500,000		12,500,000
Passenger Safety & Security Fund			12,500,000		12,500,000		12,500,000		12,500,000		12,500,000
Total Annual Financial Benefit			12,500,000		12,500,000		12,500,000		12,500,000		12,500,000
Five Year 5% S&S Fund	5		62,500,000		62,500,000		62,500,000		62,500,000		62,500,000
Ten Year 5% S&S Fund	10		125,000,000		125,000,000		125,000,000		125,000,000		125,000,000
Total 5 Year Net Savings & Rev Increase			62,500,000		95,695,000		92,475,000		192,630,000		112,660,000
Total 10 Year Net Savings & Rev Increase			125,000,000		197,390,000		174,950,000		326,260,000		225,320,000

