

**Metro**Los Angeles County
Metropolitan Transportation AuthorityOne Gateway Plaza
Los Angeles, CA 90012-2952213.922.2000
metro.net**EXECUTIVE MANAGEMENT COMMITTEE
MARCH 21, 2013****SUBJECT: REORGANIZATION, INTEGRATION AND EXPANSION OF TAP****ACTION: APPROVE TAP REORGANIZATION, INTEGRATION AND EXPANSION
PLAN****RECOMMENDATION**

Amend the FY13 budget to:

- A. Add nine (9) Non-contract Full-Time Equivalents (FTEs) to eliminate consultants and convert temporary employees to full time.
- B. Add twelve (12) Full-Time Equivalent (FTEs) agency-wide to support gate latching. Nine (9) contract FTEs and three (3) non-contract FTEs.

ISSUE

In February 2012, the Board adopted a motion directing staff to implement an aggressive gate latching schedule and work to resolve fare inspection issues with the Los Angeles Sheriff's Department (LASD). A Gate Latching group was established to prepare for this implementation which is scheduled to begin June 2013.

To maintain and improve the current TAP Program, improve fare enforcement and prepare for the latching of station gates, staff recommends Board approval for the addition of FTEs to the FY13 adopted budget. Current funding for consultants and increased revenues will cover the cost of these positions.

DISCUSSION

The Transit Access Pass (TAP) is the largest regional operator in the country. TAP serves nine partner agencies and will include 15 other transit agencies, including Metrolink, in the next 12 months. Last month, customers tapped their 2.1 million cards at fare boxes, station validators and gates just over 19 million times.

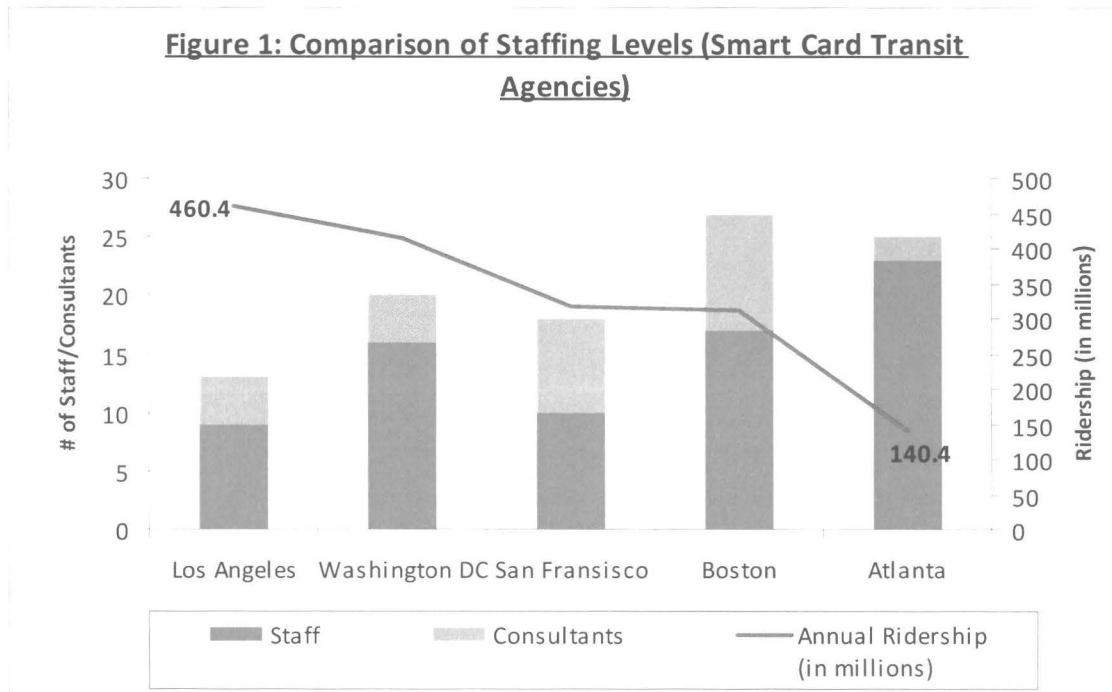
BACKGROUND

Current TAP management

TAP currently serves nine partner agencies: Antelope Valley Transit Authority, Culver City Transit, Foothill Transit, Gardena, LADOT, Montebello, Norwalk, Santa Clarita and Metro. The TAP program supports over 18 million Metro boardings and additional 800,000 regional boardings a month.

TAP is currently staffed with 9 full-time employees, 4 consultants and 4 temporary employees. The 4 consultants cost \$1.25 million annually and the work provided by consultants should be transitioned to full-time employees to maintain continuity and to prevent the risk of disruption for our customers.

A comparative analysis of Metro and other Smart Card systems was conducted and found Metro's staffing levels to be significantly lower than other peer agencies (see Figure 1). In addition, Metro has the highest ridership, yet staffing levels are much lower than other comparable cities such as Washington D.C., San Francisco, Boston and Atlanta. Based on the staffing levels of other agencies and assessment of the current program, TAP requires additional staff to support and maintain the program.



To maintain the current TAP program, support the current nine partner agencies and prepare for the latching of Metro Rail station gates, an assessment has been conducted of the current TAP organization and to identify functions to be integrated into appropriate departments within the agency. The following areas have been found to be deficient:

TAP, Office of Management & Budget, Financial Services, Communications, Transit Security and Operations.

Proposed TAP management

Based on the evaluation of the TAP organization and integration plan, gate latching and the regional expansion of the program, additional staff is needed to support this evolving program. Additional staff is needed to support the regional expansion, however those positions will be included through the FY14 budget process. Detailed below is the request for additional staff needed for FY13, in order to proceed with the elimination of consultants and gate latching.

A. Eliminate consultants and convert temporary employees

TAP is being organized into three functional areas: 1) TAP Technical Systems, 2) TAP Capital Planning and Implementation, and 3) TAP Expansion, Integration and Customer Experience. To ensure effective and efficient operations, TAP will be eliminating 4 consultants and adding nine (9) positions, five (5) new positions, and four (4) conversion of temporary positions to full-time positions. The consulting fees of \$1.25 million for the 4 consultants will be used to fund the 9 additional FTEs being requested. As part of this transition, consultants will remain through FY13 to train and transition work to new employees. The funds are included in FY13 budget and they will be cost neutral in FY14. The financial impact section of this report provides more detail.

Attachment A details the proposed positions, job description and when these positions are needed.

B. Gate Latching

Gate Latching (FY13)

In response to the Board adopted motion to latch Metro Rail station gates, Metro has developed a plan to begin latching in June 2013. In order to meet this deadline, preparation must be done before June 2013 to ensure that access to rail stations for all existing customers is maintained. Closed Caption Television (CCTV) cameras and telephones located by the gates are being installed. Patrons requiring assistance will be able to utilize these telephones to gain assistance from personnel located at the Rail Operations Control (ROC) through a live voice connection. ROC personnel must be trained to address all the different patron issues (i.e. gating and TAP card issues) before June 2013.

Gate Latching tests are currently underway, with testing of the Wilshire/Normandie, Wilshire/Western, and North Hollywood stations already completed. The results of these station tests show that the CCTV cameras and telephones have been successful in assisting customers through the gates.

In order to prepare for gate latching and ensure a smooth transition for our customers, additional staff is needed in Operations, Revenue Collections, Transit Security and Communications. These positions need to be in place prior to June 2013, to allow for training, proper maintenance of equipment, and public outreach for our customers.

Operations

In the absence of station attendants, CCTV cameras and telephones have been installed to oversee the gate arrays. Staff at the ROC will be providing assistance to passengers to resolve any gating and TAP card issues at these gates. Nine (9) contract positions in Operations is recommended to monitor the sixteen (16) gated stations on the Red/Purple Lines during AM, PM and weekend shifts. Two staff will be utilized for each shift, covering eight stations each. Operations will continue to assess their staffing needs as the implementation of gate latching progresses. These positions are necessary in FY13 to ensure staff is in place and properly trained before the gates are latched.

Revenue Collections

Revenue Collections currently oversee the maintenance of all fare collection devices Ticket Vending Machines (TVMs), Stand Alone Validators (SAVs), Fare gates, Swing gates, Mobile Phone Validators (MPV), Regional Central Data Collection and the Central Data Collection Equipment. With gate latching, expanded late-night service hours and increased focus on fare enforcement, Revenue Collections is requesting one (1) non-contract position to support TAP equipment throughout the system. Staff support is needed for extended management coverage, oversight and the ability to troubleshoot system defects to ensure ongoing sales capacity. This position is necessary in FY13 to ensure that fare gates are operable and TVMs are adequately maintained to allow for the influx of sales.

Transit Security

Once Metro's fare gates are latched, the system will have a combination of latched and unlatched stations. With all fare media now on TAP, visual fare checks are no longer a viable solution to enforcing fares. As such, developing an effective fare enforcement plan is an essential component of collecting fares. TAP and OMB have been diligently working with Transit Security and LASD to develop fare enforcement plans and improve fare checking devices. Transit Security is requesting one (1) non-contract position to manage and improve fare enforcement methods, deployment plans and work with other supporting departments, including LASD in this effort. This position is necessary to ensure that there is coordination between Metro and LASD as gate latching begins for fare enforcement and customer assistance.

TAP/Communications

Substantial Communications support is necessary to ensure a seamless transition to a latched-gate environment. TAP/Communications is requesting one (1) non-contract position to provide information, signage and create more intuitive and accessible touch points for TAP customers. The primary focus in FY13 will be for public outreach for gate latching, to inform and educate the public before the gates are latched. Upon completion

of gate latching, this position will be utilized for TAP expansion to support regional operators.

Attachment A details the proposed positions, job description and when these positions are needed. The financial impact section of this report provides more detail.

Regional Expansion (FY14)

TAP is expanding to include fifteen (15) additional transit operators in the next twelve months. These include: Metrolink, Torrance, Long Beach, Santa Monica, Burbank, Redondo Beach, La Mirada, County of Los Angeles, LAWA, Monterey Park, Glendale, Santa Fe Springs, Palos Verdes, Pasadena, and Whittier. TAP is nearly tripling in size, expanding from nine (9) operators to twenty-four (24) operators, to include TAP equipment in over 500 more buses throughout the region bringing us closer to providing a truly universal fare system for our customers. Additional FTEs will be requested through the FY14 budget process to support this expansion.

Potential Revenue Increase

With the many improvements underway with the TAP program, staff anticipates potential revenue increases from the latching of the gates, relocation of TAP equipment in strategic locations for customers, and the increased focus and improvements to fare enforcement. Based on data collected on completely gated stations on the Red/Purple Lines, with the latching of fare gates staff anticipates TAP revenue increases (see Attachment C) sufficient to cover the cost of the additional positions.

DETERMINATION OF SAFETY IMPACT

Approval of this item could improve security and safety in underground and gated stations. CCTV cameras can assist LASD with law enforcement, augment the gating infrastructures to identify perpetrators of crime, including graffiti, gate jumping and acts of violence that may occur in or near the gate arrays. Gated stations help customers have an increased sense that the stations are monitored and controlled for their safety.

FINANCIAL IMPACT

The funding for this project will be added to the FY13 budget in the following cost centers:

- 2610 Transit Security
- 3020 TAP/UFS
- 3932 Rail Transportation
- 4430 OMB
- 7120 Creative Services

Impact to Budget

The source of funds for this project will be a combination of PC40 and TDA4, which can be used for either bus or rail operating, but we expect additional revenues to more than offset these costs in FY14.

Figure 2 below covers our overall analysis for this effort, which includes the breakdown of the costs from this integration and reorganization plan and gate latching for FY13 and FY14.

Figure 2: Cost and Budget Impact

Recommendations	FY13 Cost	FY14 Cost
A. Eliminate Consultants/Convert Temporary Staff	\$ 204,933	\$ 1,229,599
B. Gate Latching	203,049	1,197,891
Total Cost for Additional Staff	407,982	2,427,490
Less: Consultant Costs		(1,250,000)
Net Cost	\$ 407,982	\$ 1,177,490

In FY13, the cost of additional FTEs for May and June will total \$407,982 and is included in the FY13 budget. In FY14, the cost of these additional FTEs will cost \$2.4 million, which will be offset by the elimination of consultants in FY14 by \$1.25 million. Any revenue increase¹ from gate latching will cover the remaining costs of \$1.2 million for the additional staffing.

ALTERNATIVES CONSIDERED

The impact of not staffing at appropriate levels include: the loss of knowledge, heavy reliance on consultants, an inability to cross-train, inability to expand, customer service disruptions and weak internal controls. Staff additions are necessary to support this regional program and with gate latching scheduled for June 2013, it is imperative to have staff for this effort.

NEXT STEPS

If the board approves the additional FTEs, staff will move forward in the recruitment process. Operations will continue to assess their staffing needs at the ROC as the implementation of gate latching progresses.

Additional FTEs will be requested in the FY14 budget process for the regional expansion of the TAP program to include 15 additional operators, including Metrolink. The TAP program is expanding to regional operators to facilitate seamless travel for all our customers in Los Angeles County. See Attachment D for details.

¹ The results from the Gate Latching Tests show an increase in revenues (see Attachment C). Staff will continue to monitor cost and revenue impacts in a latched environment.

ATTACHMENTS

- A. List of Additional Staff for FY13 – Elimination of consultants and conversion of Temporary Employees
- B. List of Additional Staff for FY13 – Gate Latching
- C. Results of Gate Latching Test
- D. FY14 FTE request to support regional expansion

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ATTACHMENT A

A. Eliminate consultants and Convert temporary staff

# of Positions	Type	Dept	Position Title	Job Description	Required By
Consultant					
1	NC	TAP	Sr. Systems Project Manager <i>(currently being performed by consultant)</i>	This position is responsible for developing short and long range strategic plans in support of the UFS system. Additional duties: provides management oversight and technical expertise for Metro UFS and Regional TAP systems; facilitates strategic and operational planning; monitors current system functionality and recommends improvements to program design; prepares feasibility studies and project schedules; provides technical direction and manages technical reviews of system analysis projects, system design, and program implementation; and approves system designs and changes. This position reports to the Director, TAP Technical Systems.	May 2013
2	NC	TAP	Sr. Engineering Manager <i>(currently being performed by consultant)</i>	This position interacts with Metro Construction and other Metro and Regional TAP departments in response to UFS expansion and other technical requests. Additional duties: researches and gathers all necessary details to determine UFS engineering functional requirements to meet project user's needs; provides support for CUBIC contract change notices and support development of future UFS device requirements and scope of work for UFS operational needs. The position reports to the Director, TAP Technical Systems.	May 2013
1	NC	TAP	Sr. Departmental Systems Analyst	This position is responsible for performing the following system support activities: <u>Hot List Management</u> - The review of individual TAP cards hotlisted by customer service representatives or identified by fraud analysis modules. Once a review has been performed, cards may be hotlisted or unhotlisted as deemed appropriate from the review. The hotlisting/unhotlisting may be done on an individual card, or on a range of cards. <u>Offender List Management</u> – The review of the NextFare module used to determine if patrons are fraudulently using a payment system. <u>Collection Management</u> - The tracking of debit and credit card payments for threshold autoloads. This process searches the database for rejected collections. Rejected collections occur when the financial institute rejects credit card transactions or direct entry fund transfers. Rejection may occur because of an invalid number, card stolen, invalid name, or other reasons. <u>UFS Access Controls</u> – the oversight of how often users must change or reuse a password, the number of failed logons that out lock a user, the duration of lockouts, and inactivity duration that results in the user being logged off. This review involves thousands of Metro employees allowed access to bus fareboxes and other UFS/TAP devices throughout the system.	May 2013
1	NC	TAP	TPM IV	Coordinate and interface with TAP cities, Metrolink, Operations, Cubic, Xerox transition and integration plan. Coordinate with Metro departments on Fare Policy and Restructuring.	May 2013

# of Positions	Type	Dept	Position Title	Job Description	Required By
As-needed Conversions					
1	NC	TAP	Department System Analyst	Capital Planning Oversight. Ensure that funds awarded are spent and recorded properly. Report transactions quarterly. Work with budget administrator to coordinate overall budget reporting. Plan and forecast for funds needed for future years based on "refreshing" equipment, purchase of new equipment for new rail lines, customer purchasing and records security and new technologies.	May 2013
2	NC	TAP	TPM III	Work with Deputy Executive Office and TAP Directors to assist in board reports and provide executive support. Work with Systems Project Managers and assist with regional expansion. Work with community groups to ensure open communications of ideas to ensure customer responsiveness and acceptance of TAP. Assist in review of all TAP projects and assist or coordinate support to ensure that all projects come in on time and within budget.	May 2013
1	NC	OMB	Systems Project Manager	Manage and oversee regional clearing settlements. Audit data to ensure sales and transaction data are correct. Review data from muni partners to ensure that data collected is correct. Investigate anomalies and correct discrepancies.	May 2013
Non-Contract FTE Total: 9					

ATTACHMENT B

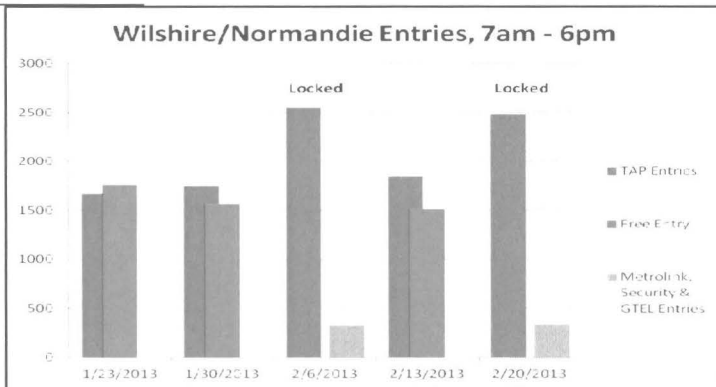
B. Gate Latching

# of Positions	Type	Department	Position Title	Job Description	Required By
Gate Latching					
8	C	Rail Transportation	CCTV Observers	Observes passenger activities on rail station platforms through the use of closed circuit televisions (CCTV). With the gates latching, observers will need to interface with customers having difficulties or questions entering or exiting the gated stations.	May 2013
1	C	Rail Transportation	Supervisor	Coordinates and monitors daily operations of Metro rail service within the Radio Dispatch Center. Supervises CCTV observers at the Rail Operations Center.	May 2013
1	NC	Revenue Collections	Engineer	Provide engineering design support and services for the anticipated Automatic Fare Collection (AFC) devices comprising of TVM's (Ticket vending machines), SAV's (Stand Alone Validators) and Faregates. Work closely with TAP operations group and the maintenance contractor to address system requirements	June 2013
1	NC	TAP/ Creative Services	Sr. Creative Designer	To provide advanced-level professional design solutions for a wide range of complex communications projects and provide direction to staff in the development of Metro's visual communications materials. Will be focused on communication regarding projects such as gate latching, regional TAP partner (Muni) communications, and TAP system signage.	April 2013
1	NC	Transit Security	Sr. Administrative Analyst	Plans and organizes administrative functions and tasks relative to the activities or operations of Transit Security. Will assist in the analysis of fare enforcement and fare evasion. Coordinate with LASD for re-deployment of Security Assistants to monitor Fare Gates and non-gated stations. Work with Operations to coordinate fare enforcement plans.	May 2013
					Contract FTE Total: 9
					Non-Contract FTE Total: 3

ATTACHMENT C

Results of Gate Latching Test

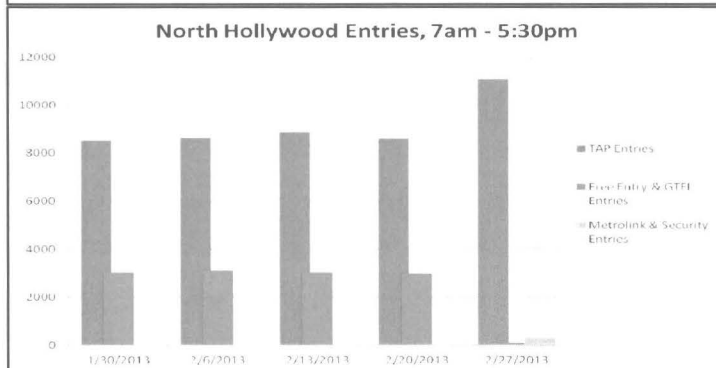
The graphs below illustrate the results of the gate latching tests of three stations. The graphs depict the entries into the station, with the red bar identifying those entries that did not tap (free entries). For Wilshire/Normandie and Wilshire/Western, we see that free entries are significantly high and are almost equal to the number of TAP entries (paid entries). When the gates are latched, free entries are almost completely eliminated. The increase in the number of paid entries was used to calculate the increase in the daily revenues for that station based on the fare per boarding of \$0.78. Based on the boardings of each of these stations, we projected the potential revenue increase for all 16 stations on the Red/Purple line. The annual potential revenue increase ranges from \$6 - \$9.3 million, thus we conservatively estimate a potential revenue increase to be \$7 million.



Wilshire/Normandie	
Increase in # of Paid Boardings	762
Fare Per Boarding (without non-Paid)	\$0.78
Increase in Daily Revenue	\$593
Annual days (313 days)	
Increased Annual Revenue (one station)	\$185,632
Annual Potential Revenue Increase (Red/Purple Line)	\$9,281,619



Wilshire/Western	
Increase in # of Paid Boardings	922
Fare Per Boarding (without non-Paid)	\$0.78
Increase in Daily Revenue	\$718
Annual days (313 days)	
Increased Annual Revenue (one station)	\$224,717
Annual Potential Revenue Increase (Red/Purple Line)	\$7,490,572



North Hollywood	
Increase in # of Paid Boardings	2,500
Fare Per Boarding (without non-Paid)	\$0.78
Increase in Daily Revenue	\$1,947
Annual days (313 days)	
Increased Annual Revenue (one station)	\$609,430
Annual Potential Revenue Increase (Red/Purple Line)	\$6,094,300

FY14 Additional Staff Request for Regional Expansion

# of Positions	Type	Department	Position Title	Job Description	Required By
Regional Expansion					
1	NC	Creative Services	Webmaster	Design, develop and/or implement Metro's interactive projects, web sites and web pages. Serves as Metro's focal point and technical resource in the design, development, and/or implementation of interactive information delivery systems. Focusing on TAPTOGO website to make it more customer-friendly. Will look at the web experience from the customer's perspective. Critical to the success of TAP's enterprise, revenue producing website.	FY14 Budget
1	NC	TAP/ Communications	Communications Manager	Manage advanced professional work and provide direction to staff in planning, implementing, and monitoring strategies, campaigns, and materials to market or represent Metro's transportation programs and transit systems. Focus will be on TAP expansion and coordinating up to 25 municipal operators and their customers. Tasks include: development of service rollout plans, customer information and education materials, web changes, communications liaison for over 500 public communications jobs each year.	FY14 Budget
1	NC	Revenue Collections	Systems Project Manager	Work closely with TAP operations group and the maintenance contractor to monitor system performance and operability including independent validation of contractor performance requirements. Directly manage the day to day administration of the expanded UFS maintenance contract to ensure that all maintenance issues are resolved promptly. Provide technical direction and review of UFS to ensure compatibility with current agency policies, procedures and operations. To interact with the ROC upon the identification of "trouble calls" to ensure prompt response to customer or other system requirements. Provide managerial support and supervise subordinate staff during special events.	FY14 Budget
1	NC	OMB	Sr. Financial Analyst	Assist in regional financial clearing of all TAP Participants including new municipal operators. Work closely with the TAP operating group, revenue collections and accounting to monitor debit/credit sales. Assists in reconciliation of Nextfare activity to bank statements and accounting reports. Assists management with implementation and monitoring of a PCI DSS compliance program, the set of requirements for securely handling cardholder information to reduce customer credit card fraud. Perform other financial and data-related tasks as needed.	FY14 Budget
1	NC	OMB	TPM V	Coordinate transition of Long Beach, Santa Monica and Torrance to TAP. Provide overall coordination and support of the regional TAP partners with respect to management of regional fare tables (i.e., migration, maintenance, and update of local and regional fare policies and programs in the TAP system) and system reports.	FY14 Budget
1	NC	TAP	TPM V	RTSC Oversight - Oversight of the Regional Tap Service Center (RTSC) and Orange County Data Center (OCDC): performance monitoring (SLA), internet based services, System function and interfaces, Distribution management, Card base management, Policies and procedures, Financial reporting, Contingency planning, and third party vendor management.	FY14 Budget

# of Positions	Type	Department	Position Title	Job Description	Required By
1	NC	TAP	TPM V	Manage the transition of all 15 cities to TAP and provide continued support. Point of contact for all TAP related questions and concerns. Ensure smooth transition to TAP. Help each muni develop TAP campaigns to assist their customers' transition from paper products to TAP. Liaison between TAP technical personnel, Revenue, Communications, Operations and Cubic Fare Systems (vendor). Assist Munis with Website coordination and customer information coordination.	FY14 Budget
1	NC	TAP	TPM IV	Provide support to vendor network, consisting of over 500 third party vendors. Administers application process, performs background checks on all vendors. Conducts audits and investigations of vendors to ensure compliance with sales procedures. Provides training and ongoing communications support. Works with accounting to collect unpaid balances. Secures vendors along rail corridors and major bus stops to ensure convenient locations for TAP customers.	FY14 Budget
Non-Contract FTE Total: 8					