

# State of the Agency

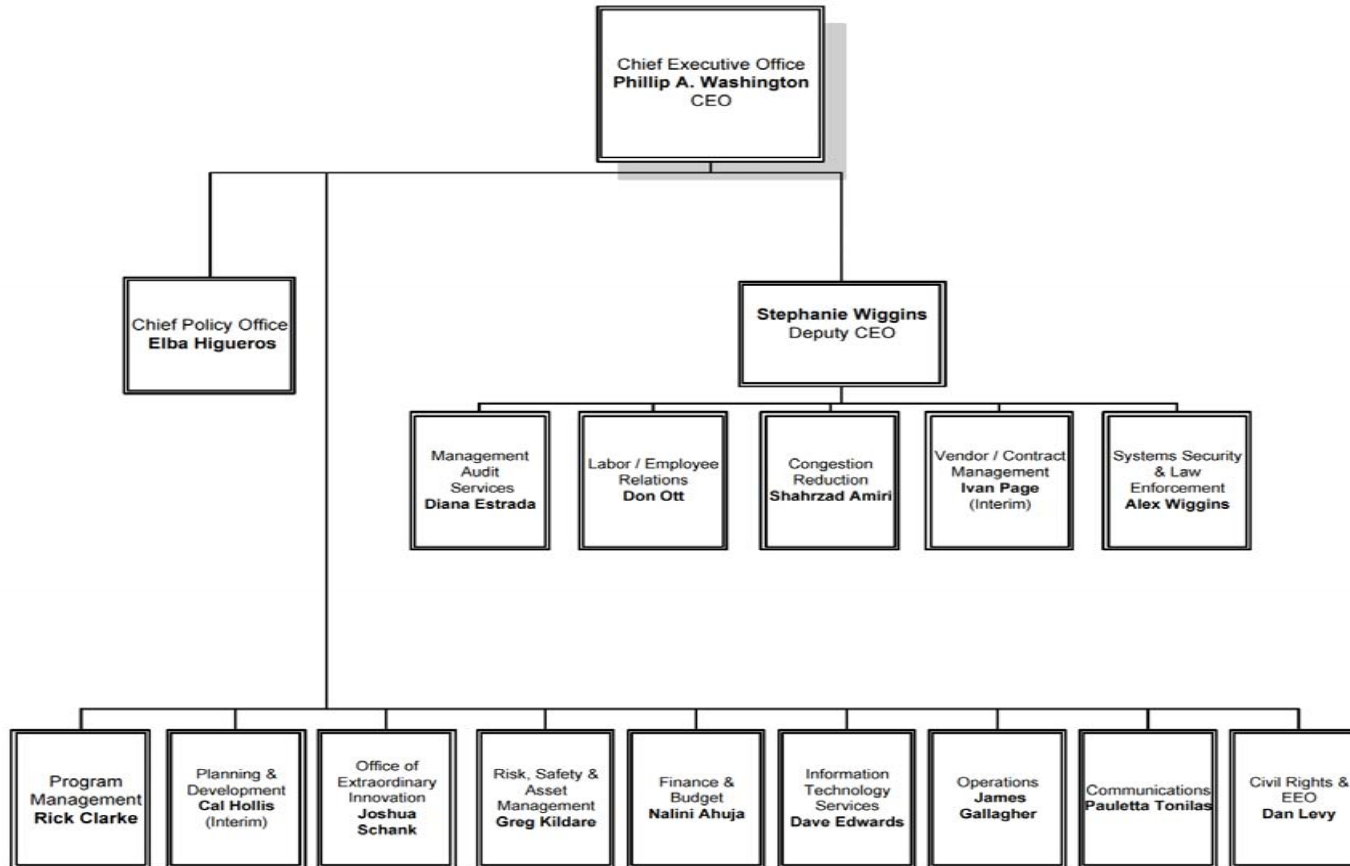


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Chief Executive Officer  
January 28<sup>th</sup>, 2016

# State of the Agency: Overview

- To report on the State of the Agency on an annual basis, outlining the previous year's accomplishments, the upcoming year's goals and challenges, and the general state of the agency as seen from the lens of the CEO.

# Agency Organizational Chart



# Operations: Bus and Rail

## 2015 Accomplishments

- Improved and increased training hours for transportation and maintenance personnel.
- Improvements made in both bus and rail fleets with a combination of overhaul campaigns and procurements of new vehicles.
- Initiated a combination of projects to address operator safety and security concerns. (Installation of video cameras and operator barriers).

# Operations: Bus and Rail

## 2016 Goals

- Implementation of an annual safety training program for all bus and rail operators to address top accident factors.
- Successful openings of the Foothill and Expo extensions and supporting operation facilities.
- Stabilization of existing capital programs and introduction of new programs to maximize use of available funds.

# Operations: Bus and Rail

## 2016 Challenges

- Attraction and recruitment for maintenance technical positions from limited applicant pools.
- Optimizing the amount of transit service on the street within the budget resources available.
- Maintaining that portion of the bus and rail fleets whose reliability is affected by advancing age, obsolescence, and limited vendor availability.

# Program Management 2015 Accomplishments

- Completion of Division 13.
- Issued RFQ/RFP for Westside Purple Line Extension – Segment 2.
- Substantial completion for I-405 project.

# Program Management 2016 Goals

- Achieve 50% completion on Crenshaw/LAX project.
- Award design-build contract for Westside Purple Line Extension – Segment 2.
- Keep 75% of the highway projects funded by Measure R and managed by Metro Highway Program on schedule.



# Program Management 2016 Challenges

- Managing projects within budget and schedule considering significant technical, managerial, political and unknown risks.
- Working effectively with stakeholders to concurrently meet Metro and stakeholder goals.
- Maintaining the resources and qualified people needed to manage large and complex projects.

# Planning and Development 2015 Accomplishments

- Advanced the Potential Ballot Measure and Long Range Transportation Plan.
- Advanced Measure R transit projects and met all major milestones.
- Created the Transit Oriented Communities Program and refocused the Joint Development program.

# Planning and Development

## 2016 Goals

- Secure Metro Board of Directors and ultimately voter approval of a Potential Ballot Measure.
- Continue project development and readiness for Measure R projects.
- Complete environmental assessment and preliminary engineering for the Rail to Rail (River) Active Transportation Project.

# Planning and Development 2016 Challenges

- Metro Board of Directors and voter approval of Potential Ballot Measure.
- Manage the increasing number of Board and Stakeholder priorities with diminishing agency-wide resources.
- Attract and retain talented workforce.

# Office of Extraordinary Innovation 2015 Accomplishments

- Began work and hired staff to build the new Office of Extraordinary Innovation (OEI).
- Assisted in finalizing a new Unsolicited Proposals Policy to consider new innovative ideas from the private sector in 2016.
- Introduced the Office of Extraordinary Innovation to the political, transportation, business, academic and general community in Los Angeles County.

# Office of Extraordinary Innovation

## 2016 Goals

- Begin piloting or demonstrating 2-3 new ideas that can potentially improve mobility in the Los Angeles region.
- Identify at least one potential large-scale P3 project for LA Metro to pursue.
- Begin a comprehensive strategic planning process for LA Metro.

# Office of Extraordinary Innovation 2016 Challenges

- Effectively and efficiently sorting through the numerous unsolicited proposals that will be submitted to Metro.
- Surmounting likely resistance to new innovations that OEI will propose and demonstrate.
- Carefully selecting the areas within Metro where OEI can collaborate to have the greatest positive impact.

# Risk, Safety, & Asset Management 2015 Accomplishments

- Reduced the number of reported industrial injuries by 8.7%, saving future disability, medical and legal expenses estimated at \$4.4 million.
- Developed and published the agency's first Transit Asset Management Plan.
- Metro's major transit project OSHA recordable injury rate for all projects was 0.8 which is well below the national average rate of 3.2.



# Risk, Safety, & Asset Management

## 2016 Goals

- Complete condition assessments on the following assets:
  - Metro bridge, tunnel and structures (100% inspected);
  - Metro Red Line communication infrastructure;
  - Metro's three oldest light rail and heavy rail vehicle fleets;
  - Implement a multi-year asset inspection plan.
- Complete Metro's first Continuity of Operations Plan to ensure immediate continued operations following a natural disaster.
- Maintain Metro's major construction project recordable injury rate for all projects at 50% or better than the national average.

# Risk, Safety, & Asset Management 2016 Challenges

- Continuing to advance Metro's safety culture by ensuring that safety is an ongoing part of operational and capital decisions.
- Expanding the Enterprise Asset Management department to more broadly assess the component level real depreciation of Metro's infrastructure/rolling stock and then implementing a sustainable program to fund and maintain the assets.
- Recruiting and selecting highly qualified and competent rail safety, fire/life safety and construction safety staff.

# Finance and Budget 2015 Accomplishments

- Major Improvements to TAP Fare Collection System.
- Developed three-prong approach to achieving financial sustainability with the Risk Allocation Matrix (RAM) concept. The RAM concept has identified \$200M in savings and new revenues by FY17 and will help foster financial discipline throughout the agency.
- Refunded bonds to reduce principal and interest expense, yielding savings of \$11.6 million, and obtained credit rating upgrades from Moody's and Standard and Poor's rating agencies.

# Finance and Budget

## 2016 Goals

- Achieve Long-term Fiscal Sustainability.
- Continue succession planning in major functional areas within Finance & Budget.
- Complete development of a Regional Interagency Transfer on Second Boarding, integrate TAP as a membership card for Bikeshare, develop regional mobile application for all Munis and Metro, expand the TAP sales vendor network and expand locations from 400-500.

# Finance and Budget 2016 Challenges

- Ensuring the prudent and effective use of Metro resources in light of increased external demands.
- Working with Construction/Capital/Operating Project Managers to assess the impact of agency expenditures on our ability to borrow at favorable terms.
- Increasing Farebox recovery rate.

# Information Technology Services

## 2015 Accomplishments

- Completed several initiatives in support of the Customer Experience Transformation Program including:
  - Completed a comprehensive Customer Investment Strategy study which resulted in 28 viable projects.
  - Implemented a web-based self-service application that allows customers to access/reserve/pay/manage Metro bike lockers at select rail stations.
- Installed and activated voice, network, data and security communication technology in Newly Constructed facilities.
- Completed the Applications Portfolio Analysis and Roadmap initiative as part of the IT Strategic Plan and Assessment Program.



# Information Technology Services

## 2016 Goals

- Advance the Customer Experience Transformation
  - 120-Bus Pilot for Connected Buses
  - Subway Cellular Services
  - Next Generation Trip Planner
- Continue the IT Strategic Plan and Assessment Program
  - Complete an Information Technology Strategic Plan
  - Complete an Bus / Rail Fleet Systems Strategic Plan
  - Conduct a Cyber Security Assessment
- Continue the Activation of Newly Constructed/Relocated Facilities.
  - Complete the Expo Line Phase II: Div 14 and 7 rail stations
  - Complete the Harbor Transit Improvement Phase II

# Information Technology Services 2016 Challenges

- Aging workforce.
- Addressing Exponential Growth in Electronically Stored Information.
- Avoiding Duplication of Technology Related Services and Solutions.



# Communications

## 2015 Accomplishments

- Developed and implemented Metro's 25<sup>TH</sup> anniversary of rail campaign and celebration.
- Initiated process for regional collaboration in the development of a potential ballot measure and secured passage of SB767.
- Developed and distributed Metro's Annual Report to the Community.

# Communications

## 2016 Goals

- Promote and educate the public about the agency's projects, programs, services and mobility options.
- Educate and engage the public on future transportation planning and investment opportunities.
- Optimize internal and external resources to effectively and efficiently enhance the customer experience.

# Communications 2016 Challenges

- Keeping communications streamlined and coordinated, and maintaining one voice within the agency and within the community.
- Aligning budget and staff resources to meet the growing demand for communications efforts.
- Setting and managing expectations about the ever-changing dynamics of construction projects while proactively communicating construction impacts.

# Civil Rights and Equal Employment Opportunity 2015 Accomplishments

- Significantly reduced the number of accessibility related complaints received by Customer Relations.
- Achieved full compliance for Sexual Harassment training for management.
- Prepared, submitted and received approval from FTA for Metro's agency wide Affirmative Action Plan.

# Civil Rights and Equal Employment Opportunity 2016 Goals

- Implement an effective program for oversight of ADA compliance by sub-recipients.
- Work with staff to develop Affirmative Action goals and monitoring at the department level.
- Prepare and submit Title VI Program Update and receive approval from FTA.

# Civil Rights and Equal Employment Opportunity 2016 Challenges

- Providing excellent service for Metro's growing ridership by customers with disabilities.
- Securing support *and* funding to ensure all facilities can be made compliant with existing ADA regulations.
- Ensuring that all staff are not complacent about civil rights and fail to fully respect the civil rights of customers and fellow employees.

# Management Audit Services 2015 Accomplishments

Completed and/or managed 177 audits consisting of

- **75 contracts and grants audits.**
- **97 financial and compliance audits** to support fiscal responsibility and legal/regulatory compliance (Prop A, C, Measure R, STA, TDA, CPC, NTD, etc.)
- **5 performance audits** with recommendations to promote efficiency and effectiveness, safeguard of assets, operational and financial information reliability, and regulatory compliance.

# Management Audit Services

## 2016 Goals

- Complete financial and compliance audits of grants, contracts and funding requirements to support financial stability, legal and regulatory compliance, and capital project delivery on time and within budget.
- Complete performance audits to promote efficiency and effectiveness, safety, security, innovation, information reliability and excellence in customer service.
- Invest in staff development to attract and retain the best employees and help staff achieve their professional goals.



# Management Audit Services 2016 Challenges

- Image - our stakeholders need to view Management Audit as "Business Partners" not a "Compliance Cop or Roadblock" in their success.
- Juggling multiple priorities in providing assurance in the growing areas of compliance, advancing technology, big data, and risk management (including fraud); all in the backdrop of limited resources.
- Succession Planning

# Labor/Employee Relations

## 2015 Accomplishments

- Completed Labor Agreements with AFSCME & Teamsters Unions, and reduced cases appealed to arbitration from 1,000 to 400.
- State of Good Repair – Renovated Union Station East Portal Restroom and installation of new generator to handle the larger load due to growth of equipment in the Gateway Building.
- Implemented Talent Development Programs
  - Leadership Academy
  - New on-boarding program
  - Veterans Luncheon

# Labor/Employee Relations

## 2016 Goals

- Implement Bus Operator and Pre-Transit Operations Supervisor Training Program and Apprenticeship/Rail Technical Training program.
- Develop and implement plans to address APTA peer review findings of Talent Management Department and the Class/Comp Consultant Study on Agencywide positions.
- Develop general transportation industry career pathway for Metro employees.

# Labor/Employee Relations 2016 Challenges

- Obtain approval of and implement plan in response to Class Comp Study and APTA Peer Review.
- Develop and implement workforce development programs for all Metro employees.
- Complete all building renovations on time and within budget.

# Congestion Reduction 2015 Accomplishments

- Completed the Project Study Report and Project Development Support for the I-105 ExpressLanes.
- Initiated the Net Toll Revenue Reinvestment Allocation process.
- Expanded Southern California 511 to include real-time transit information for Pasadena ARTS, Glendale Beeline and Metro Rail.

# Congestion Reduction 2016 Goals

- Complete the ExpressLanes Strategic Plan.
- Initiate the modernization of the Regional Integration of Intelligent Transportation Systems (RIITS) and Southern California 511 systems.
- Ensure continued improvement in customer service for all programs.

# Congestion Reduction 2016 Challenges

- Leading and implementing changes among partner agencies.
- Keeping abreast of changing technologies.
- Completing tasks in an ever changing environment and limited resources and potential institutional limitations.

# Vendor/Contract Management 2015 Accomplishments

- Implemented the Local Hire Pilot program on federally funded construction projects and implemented the Project Labor Agreement and Construction Careers Policy on all mega projects.
- Launched the new Vendor Portal website.
- Proceeded with four major solicitations for Construction and Rolling stock projects:
  - Westside Purple Line Extension – Section 2
  - New Heavy Rail Cars
  - A650 Railcar Overhaul Program
  - P2000 Railcar Overhaul Program



# Vendor/Contract Management 2016 Goals

- Implement steps to reduce inventory by \$15M working thru Operations, Procurement and Material Planning.
- Implement a new Prompt Payment requirement for all primes.
- Implement small business programs:
  - Tiered Small Business Pilot program.
  - Complete the full implementation of B2GNow tracking program
  - Legislative change to PUC Section 130232 (5) where meeting an SBE goal can be a condition for an award under a low bid process.

# Vendor/Contract Management 2016 Challenges

- Ability to perform consistent and timely oversight of the mega construction projects, including, consistent contract interpretation and enforcement and completing contract modifications.
- Meeting competing priorities for procurement actions.
- Establishing scope of work standards.

# System Security and Law Enforcement 2015 Accomplishments

- Deployed “high visibility law enforcement and security patrols” to improve fare enforcement, increased system-wide presence and laid the groundwork for increased crime prevention in 2016.
- Realigned resources to improve performance in the following key areas:
  - Response Times
  - System-wide visibility
  - Fare Evasion
  - Enforcing Metro’s Code of Conduct
- Incorporated technology into our day-to-day security operations.

# System Security and Law Enforcement 2016 Goals

- Reduce system-wide transit related crime by 5%
- Reduce system-wide fare evasion by 5%
- Improve system-wide security and law enforcement performance/visibility while reducing overall costs by 10%.

# System Security and Law Enforcement 2016 Challenges

- Mitigating risks associated with terrorism and day-to-day crime
- Identifying innovative ways to partner with the community to reduce blight and disorder, address quality of life concerns and enforce Metro's Code of Conduct.
- Transforming Metro's Security Workforce.

# Agency-wide Emerging Challenges and Priorities for 2016

- Fiscal Stability
  - Risk Allocation Matrix (RAM) Implementation
  - Service and Fare Media Optimization
- Potential Ballot Measure Preparation and Execution
  - ( Performance Metrics, Education Plan, Modeling and Sequencing projects, Public Input and Feedback, etc.)

# Agency-wide Emerging Challenges and Priorities for 2016 cont.

- On time, on budget – Program Management
  - Rail line openings
  - Vision for Los Angeles Union Station
  - Implementation of Annual Program Evaluation initiative.
  - Implementation of OPERATION Shovel Ready (impacting projects county wide).
  - Contract award/administration on major projects.
  - Improve community outreach and relations associated with construction activity.
  - Continue improving construction permitting processes.
  - Need to further streamline processes across the agency and in all areas.

# Agency-wide Emerging Challenges and Priorities for 2016 cont.

- Enhancing the Ridership Experience
  - Increasing ridership
  - Cellular service in the tunnels
  - Asset management
  - ADA Compliance
  - Better understanding the communities and customers we serve.
  - Enhance safety and security, including cyber and physical security issues.
  - Increased technological advancement to benefit the rider (outward facing).



# Agency-wide Emerging Challenges and Priorities for 2016 cont.

- Workforce Development/Performance Management
  - Merit-Performance based accountability
  - Succession planning
  - Speaking with one voice
  - Strengthening safety culture
  - Building career pathways (entry to exit)
- Implementing innovation in all areas and creating a culture of innovative thought.

# General State of the Authority

- Sound, with many challenges, but that are being addressed and with opportunities that are achievable.
- One of expectation for transformative positive change.

Thank you

