

State of the Agency



Metro

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Chief Executive Officer
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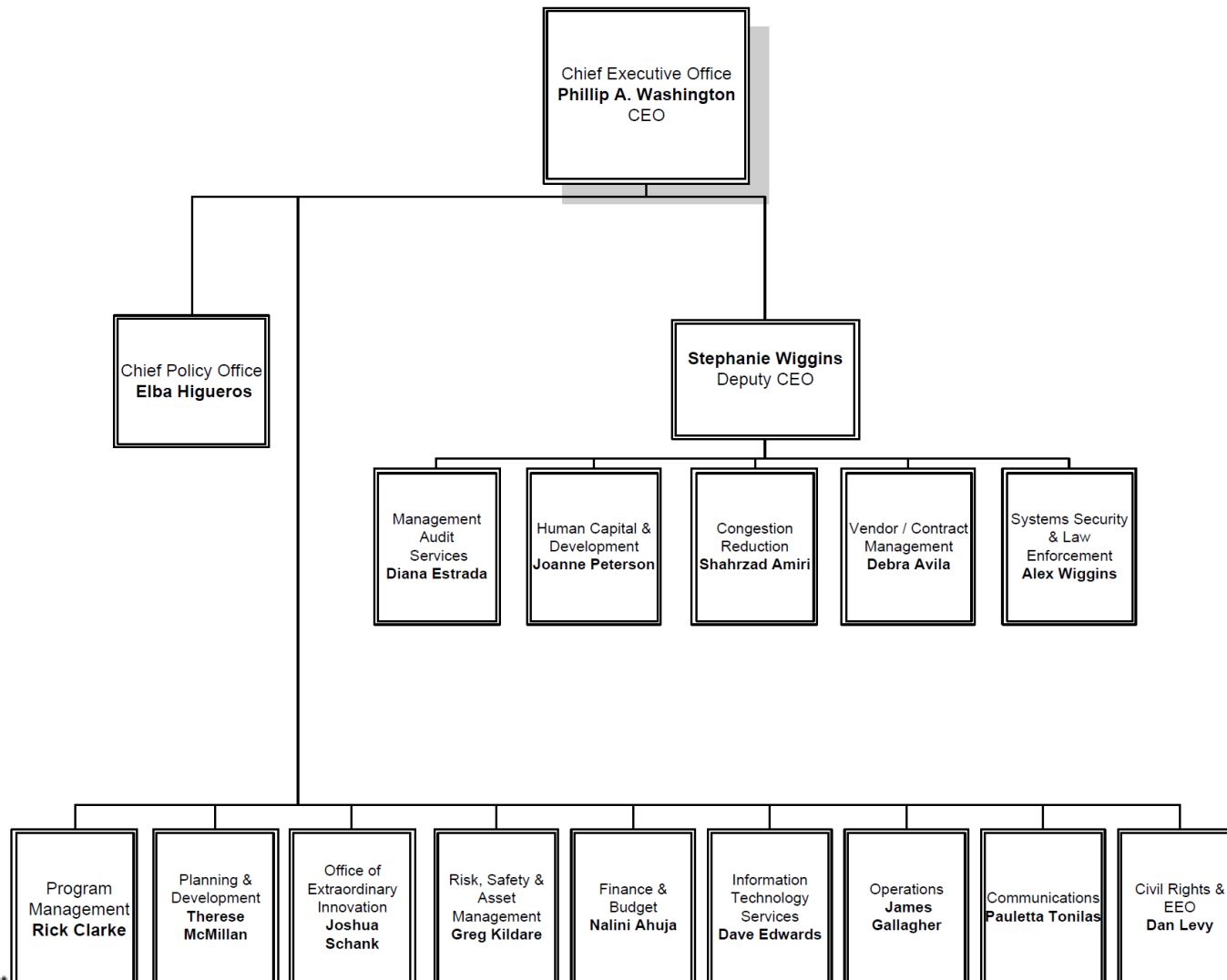
State of the Agency Overview

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

Los Angeles County Metropolitan Transportation Authority

FY17 Organization Chart



Program Management 2016 Accomplishments

1. Surpassed 50% Completion of the Crenshaw/LAX project; Harriet completed boring of the southbound tunnel and started the northbound tunnel and partnered with construction authorities to open both Gold and Expo rail lines.
2. Completed Westside Purple Line Extension – Segment 1 Advanced Utilities Relocation contracts on-time and on-budget.
3. Created and implemented the Annual Program Evaluation (APE) initiative and Program Management Plan (PMP).

Program Management

2017 Goals

1. Westside Purple Line Extension – Segment 2 – Issue Notice to Proceed for Design/Build contract.
2. LINK US Project and I-710 South – Release draft EIS/EIR.
3. Completion of all 2017 Measure M Tactical Plan List items.

Program Management 2017 Challenges

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

Management Audit Services 2016 Accomplishments

1. Completed Departmental Five Year Strategic Plan.
2. Completed and/or managed 231 audits consisting of:
 1. 95 contracts and grants audits. (reviewed \$684.4 Million)
 2. 125 financial and compliance audits to support fiscal responsibility and legal/regulatory compliance (Prop A, C, Measure R, STA, TDA, CPC, NTD, etc.)
 3. 11 performance audits with recommendations to promote efficiency and effectiveness, safeguard of assets, operational and financial information reliability, and regulatory compliance.

Management Audit Services

2017 Goals

1. Complete financial and compliance audits of grants, contracts and funding requirements, such as Prop. A, Prop. C, Measure R, TDA, STA to support financial stability, legal and regulatory compliance, and capital project delivery on time and within budget.
2. Establish Measure M Independent Taxpayer Oversight Committee and hold joint meetings for all Taxpayer Oversight Committees.
3. Complete performance audits to promote efficiency and effectiveness, safety, security, innovation, information reliability and excellence in customer service.

Management Audit Services

2017 Challenges

1. Hire and/or retain staff/consultants with the right competency and skills to match and fulfill the various audit requirements.
2. Juggling multiple priorities in providing assurance in the growing areas of compliance, advancing technology, big data, and risk management (including fraud).
3. Alignment of audit coverage with growing strategic initiatives, evolving operational risks and emerging compliance risks.

Risk, Safety and Asset Management

2016 Accomplishments

1. Completed condition assessments on Metro Rail bridge and tunnel structures (Phase I) and Metro Red Line communication infrastructure.
2. Metro's major transit project OSHA recordable injury rate for all of 2016 for all projects combined was 2.6 which is below the national average rate of 2.8.
3. Achieved significant results through vigilant administration of industrial injury and bodily injury/property damage claims:
 - Number of reported industrial injury claims was reduced by 2.1% and number of bodily injury/property damage claims was reduced by 0.5% from 2015 saving future total expenditures by at least an estimated \$1.6 million.
 - Open claims inventory for industrial injury claims was reduced 13.7% and for bodily injury/property damage claims was reduced 9.8% year over year as of December 31, 2016, reducing our obligations for unpaid liabilities by at least \$5 million total.

Risk, Safety and Asset Management

2017 Goals

1. Effect changes to the labor contracts under negotiation to include safety provisions.
2. Meet all FTA regulations and deadlines regarding the transit asset management (TAM) rulemaking. A significant component is to Initiate multi-year assessment inspection contracts for: Metro's Rail Bridge, Tunnel and Structures; Critical Maintenance and Operations Facilities; Critical Fire/Life Safety Elements and Critical Wayside Control & Power Systems.
3. Complete Metro's first All Hazard Mitigation Plan to focus on and prioritize hazards determined to be "high and moderate risk" as determined from a transportation wide county-level hazard risk and threat assessment.

Risk, Safety and Asset Management

2017 Challenges

1. Continuing to advance Metro's safety culture by ensuring that safety is an ongoing part of operational and capital decisions moving forward.
2. Expanding the Enterprise Transit 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.
3. Recruiting and selecting highly qualified and competent rail safety, fire/life safety, construction safety and transit asset management staff related to the Measure M ramp up.

Human Capital & Development

2016 Accomplishments

1. Development & implementation of the Non-Contract classification & compensation study which included the implementation of the merit-based performance program.
2. Developed and implemented the HEAR Program (Helping Employees Access Resources) to assist employees in accessing resources and providing clarity to employees seeking guidance. HEAR will direct employees to the appropriate agency resource to hear their concerns.
3. Completed year one of the Metro Leadership Academy (MLA) with 40 employees graduating. Initiated year two of the MLA welcoming 40 new students.

Human Capital & Development

2017 Goals

1. Set up a first level consultation team to support management in resolving labor issues at the lowest level possible.
2. Negotiate new comprehensive collective bargaining agreements with all five (5) of the represented bargaining units before June 30, 2017.
3. Broaden career pathways model to be inclusive of all departments within Metro.

Human Capital & Development

2017 Challenges

1. Preparing for Measure M staffing needs while being impacted by emerging increase of retirements.
2. Further designing and resourcing effective knowledge transfer and succession planning programs.
3. Accomplishing a win-win scenario in labor ratification of all five (5) collective bargaining agreements.

Office of Extraordinary Innovation

2016 Accomplishments

1. Launched two initial pilots: Uber/Expo Partnership and L.A. Transportation Podcasts.
2. Executed marketing and outreach strategy that yielded 54 unsolicited proposals, including 9 on major capital projects, with 14 in phase II review.
3. Scoped, planned, and launched strategic plan initiative.

Office of Extraordinary Innovation

2017 Goals

1. Advance a Public Private Partnership (P3) delivery method for a major Measure M capital project and explore visionary opportunities.
2. Complete a strategic plan that will define a customer-focused vision for the future of Metro.
3. Pilot a new mobility solution that will integrate on-demand services with core transit assets.

Office of Extraordinary Innovation

2017 Challenges

1. Prioritizing the ideas that can deliver the greatest value from a large array of possible projects.
2. Familiarizing Metro and the County with the value of the strategic planning process.
3. Focusing agency-wide staff on pilot implementation/P3 development without diverting resources from other projects.

Finance and Budget 2016 Accomplishments

1. Developed a zero based balanced Budget for FY17 with a 2.5%, or a \$142M, reduction from FY16, even with the operation of two new Metro Rail lines.
2. Metro's record of fiscal responsibility and prudent debt management was rewarded with \$20M in interest expense savings and an improved credit rating.
3. Established a framework and allocation of non-capital (47%) of the Measure M Program through the regional stakeholder working groups.

Finance and Budget

2017 Goals

1. Develop a comprehensive 10-year budget plan that incorporates financial and performance measures.
2. Ensure financial systems are in place for a seamless administration and distribution of Measure M funds.
3. Implement a TAP account-based system and integrate with services such as mobile, bikeshare, parking, electric vehicle car share and fare subsidy programs.

Finance and Budget 2017 Challenges

1. Continue to foster a culture of financial discipline and fiscal responsibility even with Measure M.
2. Implement a performance driven timeline with a realistic budget to ensure the delivery of Measure M promised projects and transit services.
3. Manage a rising interest rate environment that potentially increases the cost of borrowing funds required for capital projects.

Office of Civil Rights

2016 Accomplishments

1. Provided online training for all staff in sexual harassment prevention.
2. Completed and submitted triennial Title VI Program Report to FTA.
3. Held Accessibility Fairs at all bus divisions.

Office of Civil Rights

2017 Goals

1. Initiate Mystery Ride observations for Limited English Proficiency program.
2. Successful full implementation of Wayfindr system at Union Station.
3. Implement department EEO briefings and updated concurrence system.

Office of Civil Rights

2017 Challenges

1. Ensuring that excellent service and support are provided to all passengers with disabilities or other protected status.
2. Securing support and funding to ensure all facilities can be made compliant with existing federal and state accessibility requirements.
3. Ensuring staff are not complacent regarding civil rights of customers and fellow employees.

Vendor/Contract Management

2016 Accomplishments

1. Rolled out the Medium Size Business Enterprise Program (MSZ) on non-federal, negotiated awards for supplies, equipment, materials and services ranging in size from \$12m-\$30M. The MSZ provides set asides for businesses that are no longer eligible for Metro's Small Business Program.
2. Implemented Internal Client Survey and dashboard to improve client experiences, promote culture of communication and collaboration, and ongoing focus of continuous improvement.
3. Achieved the overall agency shared responsibility goal of 25% for Small Business and Disadvantaged Business Enterprise participation for the first time since inception of the program.

Vendor/Contract Management 2017 Goals

1. Complete baseline assessment of procurement processes and identify actionable solutions to begin streamlining the end to end procurement process.
2. Initiate Business Intelligence performance reporting/dashboard to include procurement cycle time.
3. Implement Metro's WIN-LA program to support Metro's workforce needs as well as serve the historically underserved workforce.

Vendor/Contract Management 2017 Challenges

1. Multiple competing priorities on procurement and projects, need to attract, hire, and retain staff to support workload.
2. Storage space for material/spares in our warehouses in support of Metro's State of Good Repair.
3. Manage internal cultural shift to new innovations, streamlining and process improvements that will be proposed as areas of focus for 2017.

Operations

2016 Accomplishments

1. Successfully activated, integrated, and trained staff for the opening of two rail extensions, including 2 new rail operating facilities, in FY16 (Gold Line extension in March 2016 and Expo Line extension in May 2016).
2. Received and completed the acceptance of forty-two, P3010 base order cars to support both rail extensions.
3. Activated and integrated a new bus facility, Division 13, in February 2016 and gradually augmented service to full capacity in an effort to seamlessly train staff and deliver quality bus service.

Operations

2017 Goals

1. Continue to improve in-service on-time performance and attract riders through the delivery of safe, clean and reliable service.
2. Continue to improve the planned performance of rail and bus equipment through maintenance and overhaul programs.
3. Continue to develop, train and invest in all contract and non-contract staff in professional development, succession planning, recognition, and by providing them the resources necessary to perform their jobs safely, effectively and efficiently.

Operations

2017 Challenges

1. Succession planning and hiring for the future. Operations has an aging workforce throughout all of its ranks. Metro needs to be prepared to replace this valuable human resource and to capture the organization memory before these individuals retire to help ensure Metro's success in the future.
2. Maintaining bus service speed in an increasingly congested service area in Los Angeles County.
3. Attract and retain staffing levels to support service requirements, preventative maintenance, and capital programs.

Congestion Reduction 2016 Accomplishments

1. Completed Round 2 of the ExpressLanes Net Toll Revenue Reinvestment Grant program.
2. Completed implementation of Veterans related programs funded through the Veterans Transportation and Community Living Initiative grant.
3. Initiated system development efforts associated with the next generation of 511 and Regional Integration of Intelligent Transportation Systems (RIITS).

Congestion Reduction

2017 Goals

1. Implement next generation of 511 and other technological systems.
2. Plan and hold 5th Anniversary events associated with the Metro ExpressLanes.
3. Implement ExpressLanes Video Passenger Detection at key locations within the 10 and 110 ExpressLanes.

Congestion Reduction 2017 Challenges

1. Deploying new technologies and systems which require collaboration with outside partners.
2. Implementing improvements that are on the leading edge of technology in a timely manner.
3. Ensuring that we have the appropriate level of resources, staffing and knowledge/training to effectively deliver our services.

Communications

2016 Accomplishments

1. Led a multi-faceted communications program contributing to the successful passage of Measure M.
2. Planned and orchestrated widespread and inclusive marketing, outreach, customer service and special events for Gold Line Extension and Expo Extension Line grand openings.
3. Guided Metro's participation in the federal funding process that secured funding awards for Purple Line Section 2, Rosecrans/Marquardt Grade Crossing and CNG buses and facilities.

Communications

2017 Goals

1. Develop and implement a strategic and coordinated communications plan to educate the public about Measure M implementation and progress.
2. Grow constituencies for Metro's programs, projects and services including partnerships to maximize state and federal funding opportunities.
3. Foster and maintain relationships and enhance internal and external communications with/for diverse audiences.

Communications

2017 Challenges

1. Secure necessary resources to expand the communications program with the implementation of Measure M.
2. Redirect and coordinate the agency's various communications efforts through the Communications Department.
3. Coordinate communication and outreach efforts for cross-over projects within communities.

Systems Security and Law Enforcement

2016 Accomplishments

1. Established a task force to address homelessness on the Metro system and developed Metro's Homelessness Action plan that emphasizes:
 - Multi-disciplinary outreach services to address housing, mental health and substance abuse.
 - Training Metro 's front line personnel to recognize persons in need of assistance and referring them to services.
 - Partnering with existing social service agencies to address homelessness from a holistic perspective.
2. Significantly increased the system-wide security presence through additional fixed posts.
 - Established a new 24/7 CCTV surveillance team to facilitate real-time monitoring of key transit hubs
 - Doubled security staffing at train stations, platforms and bus hubs
3. Crafted a comprehensive Transit Policing Request for Proposal (RFP) that believe provides a new foundation for rider safety and security.

Systems Security and Law Enforcement

2017 Goals

1. Develop an industry leading transit security training program, that looks to serve and protect both riders and employees.
2. Increase partnerships with law enforcement agencies within Metro's service area to improve system safety and security.
3. Improve Metro's system-wide physical security program to address longstanding gaps in access control, CCTV surveillance and intrusion detection.

Systems Security and Law Enforcement

2017 Challenges

1. Improving the customer experience by enforcing Metro's Code of Conduct.
2. Effectively managing the workload and eliminating unnecessary overtime.
3. Improving customer perception of security.

Information Technology Services

2016 Accomplishments

1. Completed several initiatives in support of the Customer Experience Transformation Program:
 - Installed cellular connections on 150 buses as a pilot project.
 - Implemented Verizon, Sprint and T-Mobile cellular service along segments of the subway tunnels, in conjunction with the Operations Department.
 - Implemented a new next generation “Open” Trip Planner.
2. Installed and activated voice, network, data and security communication technology in the newly constructed facilities.
3. Completed key technology assessments and plans, including the Fleet Technology Strategic Plan; Cyber Security Assessment and a Technology Governance Program Pilot.

Information Technology Services

2017 Goals

1. Implement/upgrade several key mission critical business systems:
 - HASTUS scheduling and daily dispatching system
 - TAP payment system
 - In house payroll system
 - Business Intelligence financial, operations and security dashboards.
2. Provide cellular service from three major carriers on the entire Purple Line by spring of 2017. Activate cellular service on the Red Line to North Hollywood by the end of the calendar year.
3. Complete several technology assessments and plans:
 - IT Strategic Plan
 - Maintenance and Material Management Requirements Definition for new system
 - IT State of Good Repair assessment

Information Technology Services

2017 Challenges

1. Preparing to address the increased workload demands supporting Measure M.
2. Addressing exponential growth in Electronically Stored Information.
3. Succession planning for aging workforce and recruiting hard to fill technical skill set positions.

Countywide Planning and Development

2016 Accomplishments

1. Planning, Programming, and Grants Management
 - Adoption by Board of Measure M Ordinance and Expenditure Plan
 - Finalized Full Funding Agreement, TIFIA loan and \$1B in other grants
2. Major Project Achievements – Real Estate, Joint Development and Transit Corridors
 - Resolution of Grant Central Market – Proceeds of \$24.8M
 - Delivery of all required parcels for Crenshaw and Purple Line Segment 1
 - Airport Metro Connector/96th Street Station – completed project definition and environmental clearance for transition to Program Management
 - Purple Line Section 2 – completed Supplemental Environmental Report in support of pending Full Funding Grant Agreement
3. Active Transportation
 - Launch of Downtown Los Angeles Bikeshare Pilot
 - Adoption of Active Transportation Strategic Plan



Countywide Planning and Development

2017 Goals

1. Complete all Measure M Guidelines for adoption by the Board
2. Launch significant new Long Range Transportation Plan efforts
3. Advance design and any needed environmental clearance for major transit corridor projects including:
 - East San Fernando Valley (Van Nuys Blvd) Corridor
 - West Santa Ana Branch LRT
 - Gold Line Eastside LRT Extension
 - Crenshaw Northern LRT Extension
 - Vermont, North Hollywood to Pasadena and Northeast San Fernando Valley BRT
 - Orange Line Grade Separations and other improvements
 - South Bay Green Line LRT Extension
 - Inglewood/NFL Stadium Rail Connector

Countywide Planning and Development

2017 Challenges

1. Allocate FY2017 resources to complete major planning priorities given new Measure M demands.
2. Manage expanded partner agency and public participation in the implementation of Measure M.
3. Attract and retain talented planning and real estate workforce.

Agency-wide Emerging Challenges and Priorities for 2017

1. Continued fiscal discipline despite the perceived windfall of Measure M.
 - Risk Allocation Matrix (RAM) Implementation
 - Service and Fare Media Optimization
2. On time, on budget – Program Management and Planning
 - Pushing back on requests for changes and modifications that delay projects.
 - Realizing vision for Los Angeles Union Station
 - Further implementation of Annual Program Evaluation initiative.
 - Accelerating projects through OPERATION Shovel Ready (impacting projects county wide).

Agency-wide Emerging Challenges and Priorities for 2017 cont.

- Streamlining contract award/administration/processes on major projects.
- Improve community outreach and relations associated with environmental and construction activity.
- Continue improving partnerships to improve construction permitting processes. (TIGER Teams)
- Implement lessons learned on mega projects, i.e., early identification of underground utilities, setting LOP's accurately and timely with proper due diligence.
- Move even more aggressively on TOC's and Value Capture opportunities.

Agency-wide Emerging Challenges and Priorities for 2017 cont.

3. Further Enhance the Ridership Experience

- Increasing ridership by enhancing system security (includes passenger and employee safety).
- Continue installation of cellular service in the subway tunnels.
- Asset management and State of Good Repair
- ADA Compliance
- Better understanding the communities and customers we serve.
- Increased technological advancement to benefit the rider (outward facing).

Agency-wide Emerging Challenges and Priorities for 2017 cont.

4. Workforce Development/Performance Management
 - Continue Merit-Performance based accountability.
 - Succession planning at all levels.
 - Reaching into our communities to identify, assess, train and put people to work (WIN-LA).
 - Further strengthen safety culture.
 - Building career pathways (entry to exit).
5. Implementing innovation in all areas and creating a culture of innovative thought.

General State of the Agency

- Very sound, with development of a learning and accountability culture.
- Prepared for positive and transformative change.
- Tremendous safety culture developing.
- Sense of pride, progressive mindset, and performance-based.
- Innovative and private sector friendly.
- More strategic versus simply task oriented.
- Investing in people.
- An understanding that transformation is at hand and a belief that the best is yet to come here at LA Metro.

Q&A