

**Risk Allocation Matrix (RAM) New Initiatives
Cost Savings and Revenue Generation**

Reference Name	Summary Description	Risk	Basis of Projected \$ Impact	Board Action Required	Estimated Deposits to Internal Savings Account	
					FY17	FY18
CEO AUTHORITY						
Administrative Efficiency						
Payroll System Enhancement	New payroll module allows Metro to complete payroll transactions internally, including printing checks, direct deposit, and processing payroll tax payments	L	Savings from termination of the prior ADP contract	None		\$400,000
Automation of LATAP Sweeps	Automation and in-house electronic files and processing via Oracle FIS	L	Savings equal to the average cost of transmittal fees times the average number of transactions	None	\$20,000	
TVM collections GPS badge tracking	Asset tracking system for revenue collection components, which will facilitate improvements in dispatching practices for TVM collections and servicing	L	Potential savings estimated based on more efficient allocation of resources	None	\$60,000	
Advertisement						
Bike racks on buses	Bike rack advertisements on Metro buses	L	Revenue estimate from advertising contractor, Outfront Media, and accounts for installation costs of \$500K; profit sharing will be recouped at a 75%/25% basis	None	\$200,000	\$462,000
Online advertising	Online ad sales on Metro website	L	Revenue estimate based on current monthly online ad sales	None	\$121,100	\$121,100
Inventory Reduction						
Obsolete Inventory Reduction	Reduce obsolete inventory based on historical annual rate of reduction	L	Estimate based on historical annual rate of reduction in inventory	None		\$1,500,000
Inventory Reduction	Perform comprehensive analysis of inventory to achieve a reduction based on turnover rate	M	Estimate is based on an aggressive target for inventory reduction; actual reduction would depend on results of comprehensive analysis	None		\$15,000,000
Reallocation of Funds						
Cap & Trade - Willowbrook/ Rosa	Use a portion of the Cap and Trade funding in place of existing Prop A and Prop C funding for Blue Line Improvement Projects	L	Assumption that 2/3 of Cap and Trade funds be substituted for Prop A and Prop C funding in the Blue Line Improvement Projects	None	\$25,700,000	
Cap & Trade	Use future Cap and Trade funding to replace Prop A and Prop C funds for projects to be determined	L	Estimate for annual Cap and Trade funds for Metro region	None		\$18,000,000
Evaluate/reduce Prop A Admin	Reevaluate the use of the administration share of all local sales taxes	L	Conservative estimate - currently assessing all departments charging to Operations to determine which can be shifted to Prop A admin funding to free up Operations funds	None	\$10,000,000	\$10,000,000
Realize Expo 2 Savings (Underruns)	Realize ~60% Expo 2 savings this year and increasing % year after year as closeouts are completed	L	TBD - actual amount dependent on Expo completion and closeout	None	TBD	
Repurposing Metro Property						
Host Farmer's Market	Promote business events and other short-term leasing of Metro property	M	TBD - Planning will conduct a study effort to identify properties and evaluate impact and demand	None	TBD	TBD
Performance and Community events at Union Station	Increase paid events at Union Station	L	TBD - Planning will conduct a study effort to identify properties and evaluate impact and demand	None		TBD

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Staffing						
Evaluate consultant use	Perform an agencywide evaluation of consultants vs FTEs to achieve optimum ratio of FTEs to consultants	L	TBD - Include in annual audit plan for detailed investigation of potential savings	None		TBD
Outsource Metro functions to muni operators	Outsource DBE/SBE certification function to other agencies, such as munis and cities	L	TBD - Outreach to municipal operators is needed to determine whether there is interest in this service	None		TBD
Transit Operations						
Adjust bus load standard	Adjust load standard up to 1.4 based on headways and time periods	L	Based on Metro Transit Service Policy suggestion to utilize a sliding load standard between 0.75 and 1.4	None	\$1,290,000	
Consider reducing night rail service	Consider reducing headways from 10 to 20 minutes from 8pm to 12am and replacing with bus service after 12am	M	Estimate is based on reduction in RSH resulting from assumptions in the summary description column	None	\$4,437,000	
Reduce non-revenue vehicles	Terminate leases for underutilized non-revenue vehicles with low usage	L	One-time savings is a result of reduction of 30 vehicles as specified in current replacement plan; ongoing savings based on current budget	None	\$1,021,590	
Line 901 Service Management	Create a shortline terminal of Orange Line buses at Reseda station	L	Estimate is based on reduction of 2 buses, 16 weekday and 8 weekend hours (approximately 5K RSH); would require \$1.2M for paving and striping turnaround zone	None	\$750,000	
Real Time Signal Management	Real time signal management for Orange Line	L	Savings of 1 bus as a result of improved efficiency, plus annual operating costs; would require \$1.2M for software development and testing	None	\$820,000	
Optimization of CNG Facilities	Stop unnecessary usage of 3 (as opposed to 2) compressors at Metro CNG facilities	L	Based on actual energy costs at Division 9	None	\$100,000	
Daytime fueling	Stop unnecessary daytime fueling of buses	L	Based on difference between peak vs off-peak electricity rates per SCE bills paid by Divisions	None	\$200,000	
CNG Tank Replacement	Current process of replacing CNG tanks has potential to normalize bus purchases over a longer period	L	Estimated savings of \$41K per bus times 300 buses	None		\$1,228,000
1% reduction in operating costs	Reduce operating costs by 1% through efficiency measures	L	1% of Operating budget	None	\$14,000,000	
Realign D6 Services	Optimize facility utilization by realigning services for D6 (closing in FY16) to other Divisions	L	Estimated savings based on realigning Division 6 services in FY16	None	\$1,000,000	
Transit Security Improvements						
Increase Fare Inspections	Increase fare inspections	L	Target for increase in fare revenues based on actual systemwide fare per boarding	None	\$8,000,000	\$8,000,000
TOTAL CEO AUTHORITY					\$67,719,690	\$54,711,100
LOW					\$63,282,690	\$39,711,100
MED					\$4,437,000	\$15,000,000

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BOARD ACTION						
Advertisement						
Vehicle wraps	Wrap advertising on light rail and commuter rail vehicles	L	Revenue estimate from advertising contractor, Outfront Media	Advertising Contract	\$200,000	\$200,000
Rail station poster coverage	Increase advertisements in Metro Rail stations systemwide	L	Revenue estimate from advertising contractor, Outfront Media	Advertising Contract		\$300,000
Parking & Metro property wraps	Expand advertisements to all Metro property (potentially separate from current advertising contract)	L	Based on actual MBTA revenues for a similar program, as well as Metro Parking Management Director estimate	Advertising Contract	\$500,000	\$1,000,000
Onboard audio advertising	Onboard audio advertising	L	Actual revenues collected by smaller transit agencies in Kansas, Dayton, and Jacksonville	Operations Policy, Advertising Contract		\$100,000
Digital Ads-system wide	Install digital ad space within transit stations at street level and underground	L	Revenue is an estimate based on amount collected for digital ads by Chicago Transit Authority (CTA)	Advertising Contract		\$660,000
Art space sponsorship/promo	Allow businesses to sponsor art installations within rail stations	L	TBD - Sponsorship policy currently in development	Operations Policy, Sponsorship Policy		TBD
Station & line name sponsorship	Sell naming rights to BRT lines, stations and vehicles	L	TBD - Sponsorship policy currently in development	Operations Policy, Sponsorship Policy		TBD
TAP Card Sponsorship	Allow custom branded TAP cards for long term or short term sponsorship	L	TBD - Sponsorship policy currently in development	Advertising Policy		TBD
Enforcement of Contract Terms						
Special Retention Account	Develop a 5% contract retention for SBE commitment to be released at close-out only if commitment is met	L	Amount is based on an assessment of selected contracts	V/CM Contract Clause		\$1,000,000
Parking						
Paid Pkg Pilot Program	Implement a paid parking program at 5 high occupancy Metro parking facilities	L	Projected revenue increase is based on an estimated 5,000 spaces at \$1.20 per space per day	Parking Program Policy		\$1,500,000
Parking Enforcement Service	Separate parking enforcement from current Metro security program	L	Revenue increase is based on expected number of citations to be issued as a result of the actual number of parking spaces offered	New Contract		\$2,000,000
Reallocation of Funds						
CRA Bond Savings	Retirement of Metro-supporting bonds tied to the Grand Central Square project as a result of the sale of that project	M	Projections from Real Estate based on assumptions about timing of the sale of the Grand Central Square project; amount is over 12 years	Board Adoption to Sell Property		\$1,083,333
Repurposing Metro Property						
Filming on Metro property	Restructure rates for filming on Metro property	L	TBD - Rates are currently being restructured; current revenue is \$275K annually	Contract Modification	TBD	TBD
TOC Asset Map/Strategic Plan	Identify Metro owned property that can be repurposed for revenue generation	L	TBD - Planning conducting assessment of all properties	Board Approval		TBD
Interim Lse Excess Prpty -Pkg	Lease unused Metro owned properties to private parking operators to establish a source of new revenues	L	TBD - Planning is investigating potential impacts	Board Approval		TBD

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Merchant Kiosk	Allow merchants to rent kiosk/cart space at Metro stations and property	L	TBD - Planning conducting assessment of a potential concession program	Board Approval		TBD
Repurpose Division 6	Potential revenues in transit joint development	L	TBD - Dependent on confidential estimates and future developer negotiations	Board Approval		TBD
Sale of unused property	Sell unused Metro property to generate new revenues	L	TBD - Planning conducting assessment of all properties	Board Adoption to Sell Property		TBD
Community Solar Program	Launch a community solar program using the Business Interruption Fund as a model	M	Estimated revenue as a result of energy credits to Metro	Establish Program Policy		\$250,000
Reserves						
Reduce required reserves	Reduce amounts currently kept as reserves while maintaining acceptable, appropriate, and legally mandated levels	M	Total reserves are \$1.5B; proposed reduction includes: - Reducing Workers' Comp & PL/PD Reserves to standard audit-required level of 50% - Reinterpretation of Operating Reserve to exclude Capital Projects - Union Station East reserves	Financial Stability Policy	\$100,000,000	
Station Amenities						
Vending machines	Vending machines throughout Metro system (i.e. Redbox)	M	TBD - Planning conducting assessment of a potential concession program	Operations Policy		TBD
ATMs on Metro System	ATMs throughout Metro system	M	Estimate based on TCRP report; Metro estimate TBD - Planning conducting assessment of a potential concession program	Operations Policy		\$1,000,000
Toll Revenues & Fares						
Group Rate Sales of Transit Passes	Reassess pricing of all programs offering a reduced or group rate for transit passes (RRTP, BTAP, ITAP, and new residential passes requested by Board motions) to determine and establish a pricing policy common to all programs that is equitable & financially sustainable	M	Estimated increase in fare revenues based on current BTAP revenues and ridership data	Public Hearing, Title VI Analysis		\$5,000,000
ExpressLanes Pricing and Guidelines	Consider changes to ExpressLanes program, such as expanding HOV requirement to 3+ passengers, changing guidelines for use of toll revenues, or changing pricing	M	TBD - revenue impacts would be dependent on specific terms of changes	ExpressLanes Policy		TBD
Transit Operations						
Adjust bus load standard	Continue to adjust all headways and time periods to 1.4 load standard based on APTA recommendation	L	Implementation of an "across the board" bus load standard from 1.3 to 1.4	Transit Service Policy		\$2,580,000
Consider reducing duplication between regular bus service and rail/BRT	Consider reducing duplication between bus and rail/BRT by reducing unproductive services and consolidating rapid and local on certain corridors	M	Estimate is based on a reduction of about 40K RSH as a result of consolidation of duplicative service	Public Hearing, Title VI Analysis	\$3,422,800	

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Consolidating and Realigning Divisions	Optimize facility utilization by consolidating Divisions, such as 1, 2, 10, or 13	M	TBD - full potential savings would require extensive assessment of service for each Division; preliminary savings estimated at \$5M per Division	Operations Policy		TBD	
Transit Security Improvements							
Modify terms of insurance requirements	Modify insurance requirements in new Transit Security law enforcement contract	L	Estimate based on current surplus for insurance paid on LASD contract	Transit Security Contract		\$18,000,000	
TOTAL BOARD ACTION					\$104,122,800	\$34,673,333	
					LOW	\$700,000	\$27,340,000
					MED	\$103,422,800	\$7,333,333
TOTAL ESTIMATED RAM NEW INITIATIVES					\$171,842,490	\$89,384,433	