

Legislative Mandate

The California Public Utilities Code (PUC) Section 99246, included in the Transportation Development Act (TDA), requires Metro to conduct an independent performance review of all Los Angeles County Transit Operators receiving TDA Article 4 funds, as well as operators receiving Proposition A funds in lieu of TDA funds. The review is conducted every three years, and Metro must send a Certificate of Completion to the California Department of Transportation (Caltrans), so that Metro may receive and allocate TDA and State Transit Assistance (STA) funds for Los Angeles County.

The three-year period reviewed encompasses the period from July 1, 2015 through June 30, 2018. The performance review included a review of the following:

- *Compliance with PUC* - ensuring compliance with applicable PUC requirements.
- *Data Collection and Reporting* - verification of TDA data collection and reporting procedures.
- *Prior Review Recommendations* - reporting on implementation of the prior triennial performance review recommendations.
- *Performance Trends* - summaries of performance indicators for the review period.
- *Functional Review* - high-level review of key functional areas surveyed as part of the process of conducting the review, resulting in suggestions for operational and management improvements.

Municipal Operators

Summary of Key Findings

The municipal operators were generally in compliance with the requirements set forth in the PUC. The most common compliance-related issues or issues in addressing prior triennial performance review recommendations included the following:

- *Data consistency* – the consistency of data reporting was an issue for many of the operators, but most of these issues related to timing differences in when reports were submitted and definitional differences in how certain categories of metrics were defined by the different agencies.
- *Farebox Recovery Ratio* – in prior reports, some municipal operators had recommendations related to raising their farebox recovery ratio in lieu of using local subsidies. However, in many instances, the municipal operators made a policy decision not to raise bus fares in an effort to maintain affordable transit options for their services.

Key Challenges

The most common challenges faced by the municipal operators related to two key issues:

- *Declining Fixed Route Ridership* – over the last several years, most municipal operators have experienced some level of decline in their fixed route ridership. The general consensus on the reasons for the decline include increased car ownership, easier access to drivers' licenses, stable gas prices and increased use of micro-transit options such as Uber and Lyft.
- *Challenges in Recruiting and Retaining Bus Operators* – many municipal operators indicated that in the current labor market, they have been experiencing greater challenges in recruiting and retaining bus operators and, to a lesser degree, bus maintenance staff.

Key Accomplishments

Each operator had their own unique set of accomplishments during the review period. Listed below is one key accomplishment for each operator:

- *AVTA* -- issued purchase orders for 80 new all-electric zero emission buses, becoming the first transit agency in the United States to commit to an all-electric fleet. The new buses will all be on site by the end of 2019.
- *Arcadia* -- conducted a comprehensive review of its ridership from FY17 in an effort to make adjustments to the newly implemented fixed route and demand response system. Recommended changes to the system included schedule modifications, bus stop relocations and additions, and route extensions.
- *Beach Cities Transit* – added Beach Cities Transit general and senior/disabled monthly passes to TAP and posted promotional information on the use of mobile validators on fixed route services.
- *Burbank* -- completed a comprehensive operational analysis. The report provides a line-by-line analysis with recommendations for each route. The report reviewed, among other things, ridership levels, running times, and on-time performance.
- *Claremont* -- underwent a comprehensive assessment of its services in FY17. The goal of the assessment was to document the service characteristics of riders and the nature of their trips, identify gaps in services, areas of unmet need or latent demand.

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- *Commerce* -- added a new “Purple Route” during the review period which operates Monday through Friday through the heart of the City serving shopping areas, the Citadel and City Hall, among other locations.
 - *Culver City* – in collaboration with Culver City Unified School District on safe routes to school, Culver CityBus expanded marketing outreach to develop a dynamic transit video to increase education and awareness of transit programs.
 - *Foothill Transit* – assumed operation of Lines 190, 194 and 270 from Metro, representing Foothill’s largest service expansion in 14 years.
 - *Gardena* – conducted a fare analysis to address restructuring options for increasing revenues, while adding regional TAP fare integration and incentives.
 - *Glendale* -- began the process of building a new maintenance and operations facility which should provide significant benefits to the maintenance and storage of the Beeline vehicles.
 - *La Mirada* -- conducted a competitive bid process for its transit services and executed a four-year contract with MV Transportation to provide its demand response services.
 - *LADOT* – conducted over 40 public meetings and engaged more than 1,600 members of the public in completing a systematic evaluation of each DASH and Commuter Express route, and the Cityride paratransit program.
 - *Long Beach Transit* -- conducted a comprehensive operational analysis in 2017, its first in 13 years which included a number of short-, medium- and long-term service recommendations.
 - *Montebello* -- implemented a new scheduling software and hired a management analyst to review routes on an on-going basis to improve productivity.
 - *Norwalk* -- in 2016, assumed operation of Metro Line 270, renaming it Route 7 and realigning it to operate between El Monte Station and Norwalk’s Green Line Station.
 - *Pasadena* – in 2017, was awarded the Outstanding Transportation Agency by the California Association of Coordinated Transportation, the largest state transit association in the country.
 - *Santa Clarita* -- began the process of developing a ten-year Transportation Development Plan to address the needs and transportation dynamics within the

Santa Clarita Valley. The City began the process in April of 2018 and it is expected to be completed in 2019.

- *Santa Monica* – in 2016, received the American Public Transportation Association Silver Status award for Sustainability.
- *Torrance* – in 2018, developed the Torrance Transit Mobile App, in partnership with Google Maps, to allow patrons to access real-time bus information from smart phones and computers.

Metro Operations

Summary of Key Findings

Metro Operations met all compliance requirements with respect to the PUC. Additionally, Metro's data reporting was largely consistent with minor inconsistencies being the likely result of timing differences in the submission of reports or noted inconsistencies in category definitions by the reporting agencies. Metro Operations complied with all prior triennial performance review recommendations.

Key Challenges

Similar to the municipal operators, Metro Operations struggled with both a decline in fixed route ridership as well as difficulties in recruiting and retaining both bus operators and maintenance staff. In addition, due to delays in procuring and receiving new buses, Metro took approximately 340 buses out of retirement for a period of time during the review period as a means of maintaining its bus fleet at appropriate levels.

Key Accomplishments

Metro Operations had a series of significant accomplishments during the review period including the following:

- Metro opened Division 13, a state-of-the-art bus maintenance and operations facility. The new facility will accommodate 200 CNG buses, fueling equipment and transportation offices for staff. The facility was, in part, funded by \$53.2 million in federal funding which contributed to the \$120 million total cost.
- Metro began a collaborative entitled the Regional Ridership Improvement Task Force to address the issue of declining ridership from a regional perspective. Metro brought together seventeen different transit agencies from the region to review ridership and travel trends.
- Metro initiated a comprehensive look at the future of transit within Los Angeles County entitled the NextGen Bus Study. The study is, in part, a response to the regional decline of bus route ridership in Los Angeles County.

Countywide Performance

The following is a summary of total system trends for Municipal Operators and Metro Operations. The importance of these trends is to show the general change in performance related to the overall system.¹ The key takeaway from these metrics is that ridership declines are impacting overall efficiency and productivity of the overall system.

Ridership

Overall, ridership for both the Municipal Operators and for Metro Operations declined over the review period. While some demand response systems and Metro’s light rail system showed ridership gains, virtually all of the fixed route systems had a decline in ridership which impacted the overall system numbers. The following charts show the aggregate ridership numbers and the percentage change since the FY 2015 base year:

Municipal Operators				
Total System -- Unlinked Passengers				
FY15	FY16	FY17	FY18	% Change
119,992,290	110,970,815	101,880,973	96,618,965	-19.48%

Metro Operations				
Total System -- Unlinked Passengers				
FY15	FY16	FY17	FY18	% Change
457,355,979	386,981,387	407,153,682	394,361,657	-13.77%

Vehicle Service Hours

Overall, Vehicle Service Hours showed a small rise for Municipal Operators while Metro Operations experienced relatively stable numbers. The following charts show the aggregate vehicle service hours and the percentage change since the FY 2015 base year:

Municipal Operators				
Total System -- Vehicle Service Hours				
FY15	FY16	FY17	FY18	% Change
4,208,475	4,367,319	4,455,602	4,537,714	7.82%

¹ It is important to note that these numbers reflect the “total system” for the Municipal Operators which includes both fixed route and demand response services. Likewise, the numbers for Metro Operations include fixed route, heavy rail and light rail.

Metro Operations				
Total System -- Vehicle Service Hours				
FY15	FY16	FY17	FY18	% Change
8,066,619	8,130,883	8,084,889	8,030,689	-0.45%

Cost Per Passenger

Cost per passenger rose sharply for both Municipal Operators and Metro Operations during the review period, a reflection of the decrease in ridership numbers experienced almost across the board by the agencies. The following charts show the aggregate cost per passenger and the percentage change since the FY 2015 base year:

Municipal Operators				
Total System -- Cost Per Passenger				
FY15	FY16	FY17	FY18	% Change
\$3.90	\$4.32	\$5.07	\$5.72	47.0%

Metro Operations				
Total System -- Cost Per Passenger				
FY15	FY16	FY17	FY18	% Change
\$3.07	\$4.07	\$4.28	\$4.51	46.9%

Cost Per Vehicle Service Hour

Cost per vehicle service hour rose for both Municipal Operators and Metro Operations during the review period. The following charts show the aggregate cost per vehicle service hour and the percentage change since the FY 2015 base year:

Municipal Operators				
Total System -- Cost Per Vehicle Service Hour				
FY15	FY16	FY17	FY18	% Change
\$111.06	\$109.64	\$115.92	\$121.89	9.75%

Metro Operations				
Total System -- Cost Per Vehicle Service Hour				
FY15	FY16	FY17	FY18	% Change
\$174.15	\$193.79	\$215.46	\$221.31	27.08%