METRO MANAGEMENT RESPONSES TO FISCAL 2001 – FISCAL 2004
STATE REQUIRED PERFORMANCE AUDIT OF THE METROPOLITAN TRANSIT AUTHORITY OF HARRIS COUNTY, TEXAS
FY01 to FY04 Performance Audit

- **Recommendation 1** – Augment the results of the review of METRO’s Transportation Operations with an audit of the maintenance functions

- **Responsible Area** – Operations

- **Response and Action Plan** –
  - Booz-Allen was asked to review maintenance data recording and record keeping, brake testing and deferred maintenance
  - Additional detailed review is under consideration
FY01 to FY04 Performance Audit

- **Recommendation 2** - Identify work rule and contract changes that will enable METRO to achieve the productivity improvements needed to continue to hold operating costs in line

- **Responsible Area** – Human Resources/Labor Relations, supported by Operations

- **Response and Action Plan** –
  - Labor Relations has surveyed management and has developed negotiation proposals to update work rules and contractual terms
FY01 to FY04 Performance Audit

- **Recommendation 3** - Increase BOF superintendents' responsibilities for cost performance

- **Responsible Area** – Operations

- **Response and Action Plan** –
  - Operations has effected organizational changes to increase superintendent responsibilities and cost control
  - Benchmarks will be developed for budget and cost control of absenteeism, unscheduled overtime, and guaranteed time
Recommendation 4 - Evaluate ridership trends and identify opportunities to target new transit markets

Responsible Area – Marketing, supported by Operations/Service Evaluation

Response and Action Plan –
- METRO has contracted with IPSOS to conduct an analysis of ridership issues
- Targeted strategies will be developed and implemented by Marketing and Operations to improve ridership
FY01 to FY04 Performance Audit

- **Recommendation 5** - Implement a strategic plan based on a system of integrated goals and objectives

- **Responsible Area** – Office of Executive Vice President supported by Office of Management and Budget

- **Response and Action Plan** –
  - For FY 2006 METRO’s plans will be formalized into an integrated strategic plan including the business plan, service plan and capital expansion plan
  - Management by Objectives training is currently underway
FY01 to FY04 Performance Audit

• **Recommendation 6** - Enhance performance evaluations by aligning evaluations with system wide success in achieving goals and objectives

• **Responsible Area** – Human Resources

• **Response and Action Plan** –
  – During FY05 we will transition all employees to a common review date and link our performance evaluation practice to the Authority’s and employee’s performance in 2006
FY01 to FY04 Performance Audit

- **Recommendation 7** - Formalize the bus substitution plan for rail service interruptions to minimize impacts on passengers

- **Responsible Area** – Operations

- **Response and Action Plan** –
  - The Bus Bridging Plan will be updated to include the factors noted in the audit. A public guide to address rail service interruptions has been prepared and distributed on all rail cars.
FY01 to FY04 Performance Audit

- **Recommendation 8** - Develop a process that provides accountability and speedier resolution of complaints while relieving superintendents of routine, time-consuming complaint processing responsibilities

- **Responsible Area** – Marketing supported by Operations

- **Response and Action Plan** –
  - Customer Service will develop and coordinate a plan with Operations to provide accountability and faster resolution of complaints
FY01 to FY04 Performance Audit

- **Recommendation 9** - Refine extraboard calculations to consider absences and optimize cost efficiency

- **Responsible Area** – Operations

- **Response and Action Plan** –
  - Some refinements were implemented with the January 2005 Service Change
  - Additional refinements will be implemented for future sign-ups
FY01 to FY04 Performance Audit

- **Recommendation 10** - Investigate opportunities to expand the use of part time operators to control costs

- **Responsible Area** – Operations, supported by Human Resources/Labor Relations

- **Response and Action Plan** –
  - Operations and Human Resources are pursuing opportunities to increase part-time operator staffing levels
FY01 to FY04 Performance Audit

- **Recommendation 11** - Coordinate additional efforts between operations and risk management to reduce workers' compensation and expedite return to work.

- **Responsible Areas** – Operations supported by Finance and Risk Management.

- **Response and Action Plan** –
  - A reduction of 24% of hours lost on workers' compensation has been achieved over the audit period.
  - Operations will coordinate with Risk Management to explore opportunities to further reduce the number and duration of claims.
FY01 to FY04 Performance Audit

• **Recommendation 12** - Revise the employee performance code and work rules to improve progressive discipline and increase staff productivity

• **Responsibility Area** – Operations, supported by Labor Relations

• **Response and Action Plan** – Operations and Labor Relations will revise the work rule book to improve progressive discipline and productivity
FY01 to FY04 Performance Audit

- **Recommendation 13** - Develop indicators to provide a yardstick for measuring individual operator performance

- **Responsibility Area** – Operations

- **Response and Action Plan** –
  - Current indicators will be supplemented by additional indicators in the area of accidents, attendance and workers’ compensation claims
FY01 to FY04 Performance Audit

• **Recommendation 14** - Identify and formalize the operating procedures that currently exist throughout the Authority for managing circumstances with safety implications, and develop a process for creating additional SOPs and EOPs as needs are identified.

• **Responsibility Area** – Operations, supported by Safety.

• **Response and Action Plan** –
  – 78 SOP’s are currently in place with METRORail operations.
  – A process will be developed to incorporate additional SOP’s and EOP’s as required.
FY01 to FY04 Performance Audit

• **Recommendation 15** - Review and modify the rail safety certification program plan to comply with FTA guidelines for transit safety and security certification

• **Responsibility Area** – Executive Vice President Office, Safety supported by Operations

• **Response and Action Plan** –
  – We currently have TxDOT approval of METRO’s system Safety Plan, Rail Safety Certification Plan and Safety Audit Program
  – The FTA Guidelines will be followed and the Rail Safety Certification process will be updated
FY01 to FY04 Performance Audit

- **Recommendation 16** – Review the fare structure with the intent of improving the farebox recovery ratio

- **Responsibility Area** – Finance

- **Response and Action Plan** –
  - METRO’s last fare increase was in 1994
  - Systemwide average fare of $0.48 and base fare of $1.00 are low compared to peer systems
  - Fare recovery ratio is low compared to industry
  - METRO will review fare policy and structure to
    - Simplify structure by reducing number of fare media
    - Improve fare recovery ratio
FY01 to FY04 Performance Audit

- **Recommendation 17** - Leverage upcoming data management capabilities to improve data collection efficiency and quality

- **Responsibility Area** – Information Technology, supported by Operations and Finance

- **Response and Action Plan** –
  - Beginning FY 2002 METRO undertook overhaul of its IT systems
  - Phase 1 included
    - MAPS (2001) – System to support contracts & procurement
Response and Action Plan (cont’d) –

• Trapeze (2004) – Bus scheduling system
• IVOMS (to be completed 6/2005) – Automated vehicle location, automatic passenger counting, bus stop annunciation & signal pre-emption

– When Phase I is completed and successfully interfaced a Phase II with additional improvements will be started; including a centralized database as recommended
FY01 to FY04 Performance Audit

• **Recommendation 18** - Develop and use a centralized database for the preparation of internal and external performance reports

• **Responsibility Area** – Information Technology, supported by Operations and Finance

• **Response and Action Plan** –
  – Beginning FY 2002 METRO undertook overhaul of its IT systems
  – Phase 1 included
    • MAPS (2001) – System to support contracts & procurement
    • SEMA (2002) – System to support Maintenance & Materials management
Response and Action Plan (cont’d) –

- Trapeze (2004) – Bus scheduling system
- IVOMS (to be completed 6/2005) – Automated vehicle location, automatic passenger counting, bus stop annunciation & signal pre-emption

- When Phase I is completed and successfully interfaced a Phase II with additional improvements will be started; including a centralized database as recommended
FY01 to FY04 Performance Audit

- **Recommendation 19** - Continue to identify and implement opportunities to reduce operating costs and improve ridership. Continue to identify and implement opportunities to reduce operating costs and improve ridership.

- **Responsibility Area** – Operations, supported by all other departments.

- **Response and Action Plan** –
  - Created operating task force in June 2004 to improve operating ratio.
  - Poor performing routes eliminated, savings of $13.3 million per year.
  - FY 2005 budget was set at same level as FY2004 – no increases.
  - 107 positions eliminated – savings of $5.9 million.
  - Will continue to focus on improvements.
FY01 to FY04 Performance Audit

• **Recommendation 20** - Institute a change to the official posting location for announcement of board and special meetings

• **Responsibility of Area** – Legal

• **Response and Action Plan** –
  – Effective May 1, 2005, the posting will be done on the first floor of METRO’s new Administration Building
FY01 to FY04 Performance Audit

• **Recommendation 21** - Sponsor legislation to change the performance audit due date to a specified number of months after the end of the authority's fiscal year

• **Responsibility Area** – Government Affairs supported by Legal and Finance

• **Response and Action Plan** –
  - Current state audit due date of February 1st does not give enough time for completion of financial records
  - METRO will sponsor legislation to change the due date to April 1st for future audits