

**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

FY01 to FY04 Performance Audit

- **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
 - SEMA (2002) – System to support Maintenance & Materials management

FY01 to FY04 Performance Audit

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** –
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FY01 to FY04 Performance Audit

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FY01 to FY04 Performance Audit

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