



King County Metro Action Plan

American Public Transportation Association (APTA) Peer Review

King County Metro Action Plan in response to American Public Transportation Association (APTA) Peer Review Report

Category	#	Recommendation	Status	Metro Action Plan
	FA1	The panel recommends that Metro and King County re-visit current policies pertaining to discounted fares and fare rates, including differential rates for premium services and DART services.	Under King County Council Review	Fare policy report (transmitted 8/6/14) describes Metro's existing fares, policies that guide Metro's fare policy, and various potential fare change options. Currently under King County Council review. We welcome the opportunity to discuss the policy impacts in more detail with the council during the budget process.
Fare Policy	FA2	Consideration should be given to a paratransit fare structure that is consistent with ADA and which would thereby encourage greater use of fixed transit route services.	Under King County Council Review	Fare policy report (transmitted 8/6/14) describes Metro's existing fares, policies that guide Metro's fare policy, and various potential fare change options. These policies and possible changes are currently under King County Council review. During the March 2015 fare change, Access fares will increase twice as much as fixed route fares. Fixed route fares will increase by \$0.25 and the Access fares will increase by \$0.50. We welcome an opportunity to discuss the policy impacts in more detail with the Council during the budget process.
	FA3	Review Farebox Recovery Policy Ratio: The 25% farebox recovery ratio minimum for bus service is lower than Metro's peers.	Under King County Council Review	Metro's 2013 farebox recovery was at 29%, well above Metro's target of 25%. Fare policy report (transmitted 8/6/14) describes Metro's existing fares, policies that guide Metro's fare policy, and various potential fare change options. Fare policy changes are currently under King County Council review.
	FI1	Review Transit Revenue Stabilization Reserve: There is no qualified target amount for this reserve. Typically, uses of operating reserve funds requires notification to/or approval of the governing body.	Winter 2015	The Executive's Proposed 2015/2016 Budget includes a proposal for a level of funding for the existing Revenue Stabilization Reserve. The proposal is to use 50% of one year's worth of sales tax for the Revenue Stabilization Reserve; this is designed to address the risk that comes with a volatile funding source such as sales tax. This will also be major element of the upcoming Fund Management Policy review.
Financial	FI2	Review Revenue Fleet Replacement Sub-Fund Target: While the panel acknowledges it did not explore Metro's fleet replacement in depth, the target minimum of 30% of the projected fleet replacement costs for the entire revenue vehicle fleet appears to be high. Most transit agencies utilize federal capital grants to pay for 80% or more of revenue vehicle costs. 80% grant funding implies the need for a 20% local reserve/ match. The panel encourages Metro to review its current revenue fleet replacement strategy and sub-fund target to ensure that it is appropriately aligned to Metro's needs and effective industry practices.	Winter 2015	A Fund Management Policy Review will be completed in early 2015. This review was identified by both the King County Executive and the King County Council as an important step to understanding transit finances. This review will consider, among other things, the appropriate level of funding for fleet replacements. Unlike many transit agencies, Metro uses federal funds to support preventive maintenance activities and does not use the funds exclusively for fleet purchases. Federal funds are used on preventative maintenance to provide additional flexibility and to make use of those funds more consistent over time. The current policies were adopted in 2011.
	LA1	The panel recommends that Metro continue its efforts to develop labor contract proposals that address current inefficient work rules and eliminate inefficient position classifications as well as to align wages with comparable national transit agencies.	Interest Arbitration- Winter/Spring 2015	King County is now preparing for binding interest arbitration with the ATU Local 587 after two failed contract votes among its members. Metro is partnering with ATU and Local 17 on the PACE initiative, that includes a focus on workforce development and may provide opportunities to develop proposals for job classification modernization. For example, one recommendation is review whether labor agreements hinder career development by preventing work across job classes.

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Labor	LA2	Consideration should be given to regularly explore contracting out opportunities as a general cost-efficiency measure as well as an alternative to future service elimination.	Winter 2014-2015	Metro currently contracts DART, paratransit, and Community Access Transportation (CAT) services and continues to explore cost effective ways to provide services through programs such as Alternative Services. Metro's proposed budget includes a new approach to alternative services that can replace and/or augment services that have been or will be cut, or that are otherwise inefficient for fixed route service. Further contracting out of fixed route service would require collective bargaining with ATU.
	LA3	Additionally, the panel encourages Metro to continue its efforts to work with labor to explore opportunities to further reduce and control health care costs as such costs could negatively impact the budget and service levels.	Union Agreements in place through 2016	King County has entered into agreements with the majority of its unions to actively manage employee benefits through a Joint Labor-Management Insurance Committee (JLMIC). The committee reviews trends and costs on an ongoing basis, and adjusts the plan to support and incentivize employee health, contain costs, and leverage the size of County's benefit plan in the health care marketplace. This arrangement has the support of both the County and the majority of unions, including ATU 587, and the parties intend to continue this innovation.
	OP1	The panel recommends that Metro and Sound Transit continue to explore opportunities for planning and management synergies/integration between the two organizations.	In Progress	Metro and Sound Transit published the Transit Integration Report on September 10, 2014 laying out a new, and invigorated vision for service and program integration that can, over time, yield "efficiency dividends." The full report is available on the King County Metro website in the Accountability Center or at http://metro.kingcounty.gov/am/accountability/other.html . Metro and Sound Transit have already commenced the next steps moving forward on improving integration on planning, customer products, facility improvements, and other operational functions. An annual Integration Report will be published in collaboration with the other transit agencies in the region.
Operations	OP2	While the panel acknowledges Metro's efforts to review maintenance costs, this effort could be further supported through an independent review by experienced transit maintenance professionals focusing on the overall Metro vehicle maintenance functions. Within this review of maintenance practices, also evaluate potential opportunities to contract for basic services and in support of highly technical systems.	APTA VM Peer Review - December 2014	Metro's Vehicle Maintenance (VM) section is becoming deeply involved in Lean practices and other business improvement techniques aimed at reducing costs and improving outcomes. Metro's proposed budget includes about \$2 million in annual savings associated with initial work. Metro will undergo a VM peer review with APTA in early December 2014 to better understand how Metro's practices align with industry standards, with a final report due in Winter 2015.
	OP3	Review staffing levels and functions of the Metro Design and Construction group for appropriate alignment to current and projected capital program requirements. Staff levels appear to be high in relation to the current level of capital projects.	Winter/Spring 2015	Metro has addressed the panel's suggestion regarding Design and Construction (D&C) in its proposed budget through an initiative to improve project delivery. There are many pieces to this initiative including a new project management reporting system and standardization through the Capital Project Management Work Group. Metro does not currently have a routine and comprehensive way to gather performance information on capital project delivery. The Capital Management and Reporting System (CMRS) will provide Metro with the ability to look at all aspects of project delivery and develop reports on project resourcing, schedule and budget. An element of the initiative is also to evaluate the staffing in the Design and Construction Group to ensure that it is appropriate to meet the needs of the organization. This review is consistent with the recommendation of the APTA review panel.

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	OP4	The panel encourages Metro to review its current structure and strategies for staffing the operations control center functions to functionally change from a "radio control center" to a "service management center".	In Progress	In 2010 with the launch of the A RapidRide, Metro began a pilot project for active service management with RapidRide. Metro is currently evaluating this recommendation and has begun reaching out to peer agencies within International Bus Benchmarking Group to better understand the relationships between field operations and the control center. Past reviews have found Metro's control center to be understaffed compared to peers. Metro's proposed budget also merges the Control Center and Service Quality (field supervision) units.
Paratransit	PT1	Consideration should be given to appropriately sizing or pricing services that exceed ADA requirements. The panel notes that there are now many transit agencies across the country that are currently offering free fixed route services to qualified ADA individuals and their companions.	For Policy Consideration	The APTA recommendations are consistent with the findings in the 2009 King County Metro Performance Audit that would reduce costs but also remove service for some current Access customers and is not in Metro's proposed budget. Addressing this recommendation is a policy decision of King County policy makers; we welcome the opportunity to discuss this policy further.
Performance Management	PM1	The panel encourages Metro to regularly review the amount and types of data it generates to ensure that the data is consistent with the changing needs and performance metrics of the organization. Metro's performance management practices would be further strengthened by prioritizing its performance measures and ensuring compliance throughout all divisions.	In Progress	Metro recognizes the need to identify the key performance indicators. Metro produces a Strategic Plan Progress Report which evaluates 61 performance measures on an annual basis. Metro is addressing these recommendations as a part of the Executive direction to identify priorities and a visual tracking system through Tier Boards and Performance Measures of Emphasis (PMEs). With the 2015-16 Metro Business Plan staff will be developing action plans that roll up into the PMEs.
	PM2	The panel encourages Metro to review strategies for reducing the current wait times for customers accessing the Metro call center.	October- November 2014	Metro is addressing this recommendation as a part of the Executive direction for Customer Service Panel. Since the early 1990's, Metro has dramatically reduced its call center staffing while concentrating on new and innovative ways to connect people with information via electronic communications. Recent increases in wait times are due to longer customer assistance calls about ORCA.
	PO1	While the panel recognizes that Metro has a strong service planning function, the organization would benefit from an external comprehensive operations analysis (COA) or comparable analysis to ensure that service levels and route configurations are optimized for their respective markets.	2014-2015	Metro has industry leading service guidelines, taking into account industry best practices. COAs are typically reserved for agencies that do not have a service development function as robust as Metro's. The annual Service Guidelines Report provides similar analysis to that of a COA. The next scheduled guidelines update is in Spring 2015. Through the proposed service reductions process, Metro will significantly restructure service in areas throughout the county, addressing this recommendation. Past comprehensive restructuring projects have yielded positive ridership and productivity improvements, but require extensive public participation. The long range plan, as proposed in the Executive's 2015/2016 budget, will provide an opportunity to analyze service levels on corridors.
	PO2	The panel recognizes that Metro staff is developing recommendations for alternative services delivery especially in lower productivity areas. The panel strongly recommends that Metro staff continue to place a high priority on exploring new performance measures for alternative services.	2015	Metro proposed an expanded Alternative Services Plan in the 2015/2016 budget. Alternative Services seek to provide cost-effective and innovative transit options for rural King County. This flexible transit option is responsive to community need, providing the right size, scale, and type of service. By working with a community partner, Metro is able to provide alternatives to fixed route bus service in less-populated areas. If approved by King County Council, this expanded program would address the recommendations of the panel.
Policy Directives	PO3	Continue to evaluate opportunities to revise Metro service guidelines to compare service productivity by service type as this enables a more appropriate analysis of services.	2015-2016	Starting this year, Metro staff will be working with county leaders and stakeholders to evaluate this recommendation as part of the next Service Guidelines update scheduled for Spring 2015. Additionally, Metro proposed funding for a long range plan in its budget; this plan will also provide an opportunity to review different types of services and productivity measures.

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	PO4	<p>The panel recommends that Metro and King County re-visit its policies that prohibit advertising on transit shelters which thereby prohibit the contracting-out of shelters and consider the merits of introducing an “adopt a bus shelter” program. Also evaluate whether building transit shelters in-house is more cost effective than buying pre-built from a supplier.</p>	In Progress	<p>Metro supports this recommendation, but understands that outdoor advertising is prohibited by law in all cities in King County. The city of Seattle continues to evaluate possibilities for outdoor advertising.</p>
	PO5	<p>It is clearly evident to the panel that Metro has been given more policy directives than most other transit agencies in the country. There needs to be a re-evaluation and prioritization of the current myriad of mandated policy initiatives. This would enable Metro staff to have more opportunity to focus on delivering safe, reliable, effective and efficient transit services. Within this review, also consider the merit of policies that would support and provide greater flexibility for management decision-making and thereby enhance capabilities for management responsiveness and effectiveness.</p>	TBD	<p>Metro supports the efforts to evaluate, catalog, and streamline Metro’s policies to be consistent with the King County Strategic Plan. Metro is subject to many policy directives, some of which compete or conflict with one another and create cost burdens for the agency.</p>