
Citizens Summary

Performance Management

TransitStat

Over the past decade, many organizations have embraced the use of data, statistics, and metrics as their means to exceed customer expectations, as well as achieve operational excellence. Six Sigma and the Balanced Scorecard are popular examples of proven management techniques in the private sector. In government, Performance Stat programs have proven to be very effective tools.

Performance Stat programs are structured continuous management processes, which entail the frequent gathering, reviewing, and analyzing of day-to-day government performance. CompStat, credited as the first government stat program, was developed in the NYPD. Its goals were to infuse timely information and accountability into the police department's management and culture. The program used computer mapping and statistical data to capture crime trends at their highest levels, how many officers were on duty, and where their officers were located during those times. By placing officers at the high crime areas, this technique was widely credited with contributing to the dramatic reduction in New York City's crime levels.

Building on the success of CompStat, the City of Baltimore developed CitiStat. Whereas, CompStat was utilized mainly in police departments, CitiStat brought its tenets and strategies to general government. CitiStat tracks performance in waste collection, road repairs, housing enforcement, etc. The city holds bi-weekly meetings lead by the mayor's executive team to review performance, understand trends, and make necessary adjustments to ensure that immediate and long-term goals are met. Since then, other cities and states have adopted Performance Stat programs, including Maryland, Atlanta, San Francisco, and Washington State. These

governments have reported immediate success with their Stat programs.

In December 2007, RTA adapted the Performance Stat model to a transit environment and titled our program TransitStat. It is a critical link to achieving high-level performance directed towards the Authority's three most critical goals:

- 1. Maintain Financial Health**
- 2. Improve Customer Service**
- 3. Enhance the Image of RTA**

TransitStat is characterized with bi-weekly performance monitoring forums. The TransitStat leadership team includes the Chief Executive Officer (CEO), Deputy General Manager (DGM) – Operations, DGM – Human Resources, Director of Procurement, Executive Director – Internal Audit, and Executive Director – Office of Management and Budget (OMB). In 2009, we incorporated Administrative TransitStat to our already running TransitStat program. Administrative TransitStat focuses on the performance monitoring of the Administrative Departments and the leadership team includes the TransitStat Panel as well as DGM – Finance & Administration, DGM – Engineering & Project Development, DGM – Legal Affairs, and the Director of Marketing & Communications. The meetings are coordinated and directed by OMB. Other members with information pertaining to the topic of interest are also invited. The forum ensures that the people needed to address issues are at the table, therefore expediting action and eliminating excuses.

Citizens Summary

Performance Management

Performance Stat programs' center on four principles:

1. **Provide timely, accurate, and relevant data.**
2. **Analyze data and develop effective solutions that respond to emerging issues.**
3. **Deploy resources quickly to address issues.**
4. **Relentless follow-up and assessment.**

In 2008, we implemented TransitStat in the Authority's Operations Division and identified four target areas: overtime (non-operator), inventory management, service reliability, and District scorecards. In 2009, in addition to the Operation Division, we also implemented Administrative TransitStat. Both programs focused on the FAST approach (a strategic development process):

- **F – Focus** (What will the Authority look like in 1-10 years?)
- **A – Accelerate** (Identify 2-3 operating initiatives would accelerate the movement toward the preferred future)
- **S – Strengthen** (What major organizational objectives might prevent the Authority from moving forward to achieve the goals?)
- **T – Tie it all together** (Integrate the preceding activities and refine them)

We identified the HOT Target Areas for both the Operations and Administrative programs:

Administrative TransitStat:

1. Capital Plan Execution
2. Stimulus Package Execution
3. Customer Service Performance
4. Revenue/Vaulting Procedures
5. Ridership Reporting
6. Purchasing Card Enhancements
7. Employee Injuries
8. Collision Reduction
9. Strategic Healthcare Plan
10. Electricity Audit
11. Healthcare Audit
12. Energy Price Risk Management

Operations TransitStat

1. Paratransit Part-Time Operators
2. Inventory EOQ – Top 50 FAD items
3. Utilities/Energy Conservation
4. Brand Management
5. Training Initiatives
6. Shift Changes
7. Vehicle Reliability
8. Scorecards

Citizens Summary

Performance Management

Successes

In non-operator overtime, the Authority saved \$2.3 million in 2008, compared to 2007. This was achieved through detailed analysis of overtime cost drivers, developing more effective ways to dispense overtime, effectively managing and monitoring the times to complete tasks, and maximizing use of the UltraMain maintenance and material system. The challenge for 2009 was to continue managing the non-operator overtime. Through the third quarter, we maintained the \$2 million savings from 2008 and will continue to manage the non-operator overtime.

Taking a similar approach as the NYPD, our Transit Police Department has reviewed the fare evasion on the Red Line and traffic citations on the HealthLine. Figures PM-5 and PM-6 show the percentage of fare evasion and traffic citations at several stations.

Since July 2008, Vehicle Reliability was added to the District Scorecards. RTA began monitoring the number, cost, and reason for towed vehicles, among other indicators. Since then, RTA has reduced the towing charges by over \$102,000. Figure PM-7 shows the monthly charges of towing for 2008 and 2009.

Starting in July 2008, the Maintenance Planners conducted a comprehensive analysis on maintenance, productivity, and performance of the bus equipment maintenance sections. They compared the labor scheduled with the availability of the buses. They also analyzed failure modes, labor productivity, shift productivity, maintenance effectiveness, and reevaluated the work processes and shift schedules. What they found was that most of the bus maintainers and supervisors were scheduled during the first shift however, most of the buses were available during the third shift.

(Figure PM-8). In order to increase wrench time and optimize the performance standards, the shift times would need to be changed and most of the bus maintainers and supervisors would need to work the third shift (7:30pm to 4:00am). These new shifts were implemented mid 2009 among all the bus districts.

As part of their scorecard, CBM has been monitoring the progress of their safety campaigns by District. Figure PM-9 shows the Safety Campaign for Hayden District.

With the inclusion of Administrative TransitStat, several of the Administrative Departments have been analyzing data and monitoring performance. One Department is Risk Management. One of the areas this Department is monitoring is the number of claims submitted each month, the reason for the claims, and the type of claims. Figure PM-10 displays one of their performance indicators showing the claims that are Medical only and those that are Lost Time only.

Marketing & Communications has been monitoring the performance of the Telephone Information Center (TIC). Figure PM-11 shows one of their indicators – Average Talk Time and Average Speed of Answer. They have significantly decreased their Average Speed of Answer from over 3 minutes down to 1 minute and Average talk time from just under 2 minutes to 1.38 minutes.

Due to high costs of diesel fuel in 2008, RTA positioned itself to mitigate the risk of the volatility through an Energy Price Risk Management Program. This program will enable RTA to reduce its diesel fuel costs from \$16.6M in 2009 to \$9.4M in 2010. Additional information about this program is on PM-12.

Citizens Summary

Performance Management

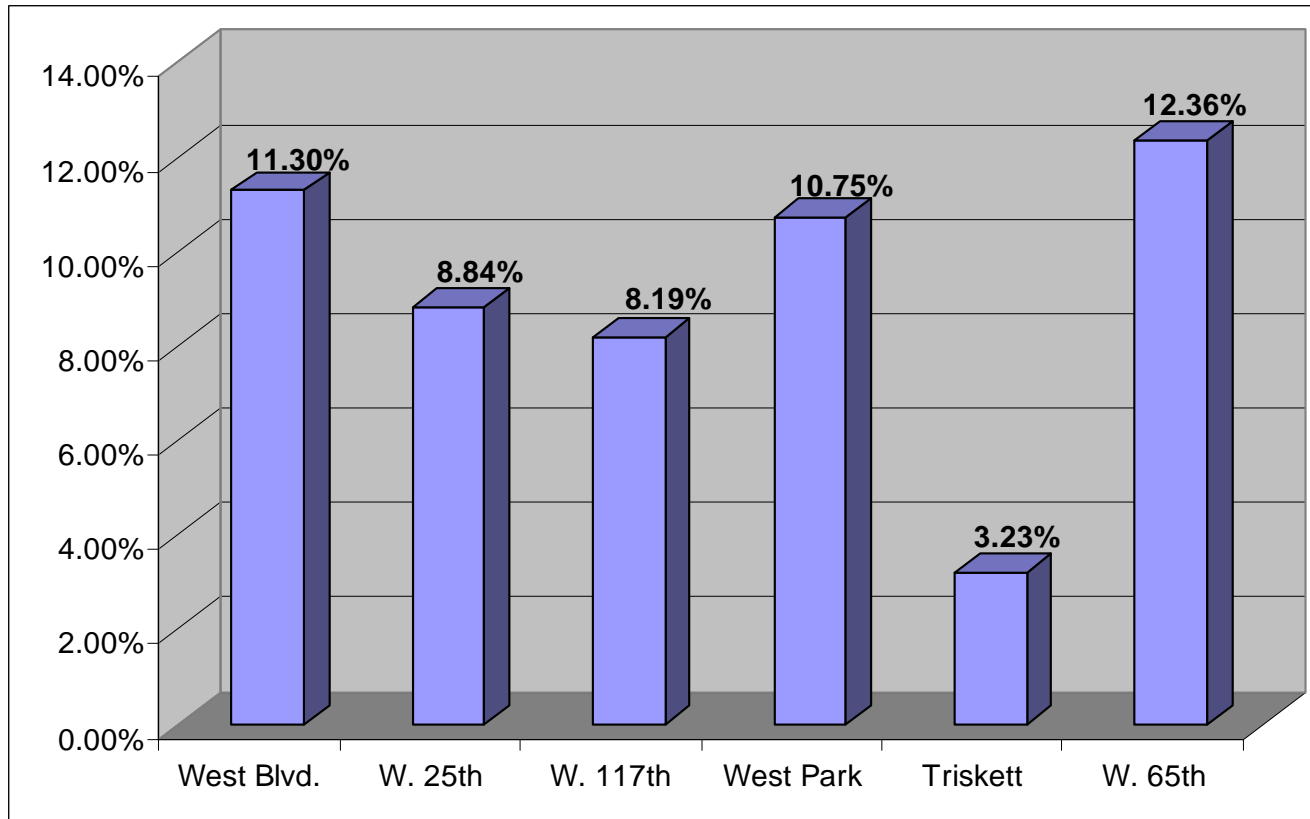
TransitStat Going Forward

In 2010, TransitStat will continue performance monitoring of the Administrative and Operations divisions. We will use the program to focus our actions on critical initiatives that can better position RTA to address impending sales tax and other economic threats. TransitStat is our scorecard and RTA will continue to use its efforts to achieve breakthrough performance.

Citizens Summary

Performance Management

TransitStat
Transit Police
Fare Evasion Comparison
Red Line - 2009



Citizens Summary

Performance Management

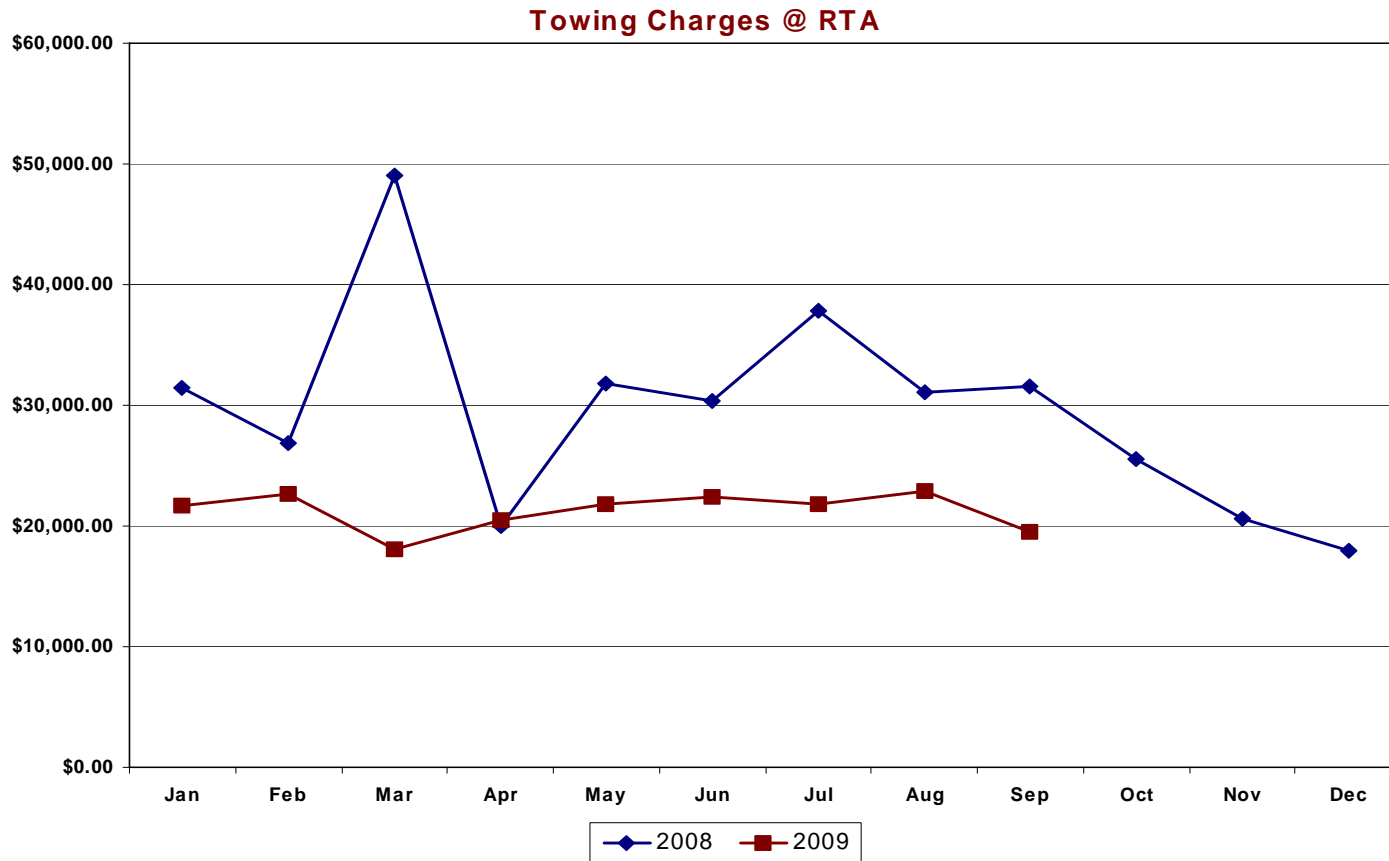
TransitStat
Transit Police
Traffic Citations – Health Line
2009

<u>YTD</u>		
Location	Accidents	Citations
Ontario - Euclid	4	0
E. Roadway - Euclid	3	0
E. 6th - Euclid	4	14
E. 55th - Euclid	3	34
E. 100th - Euclid	4	60

Citizens Summary

Performance Management

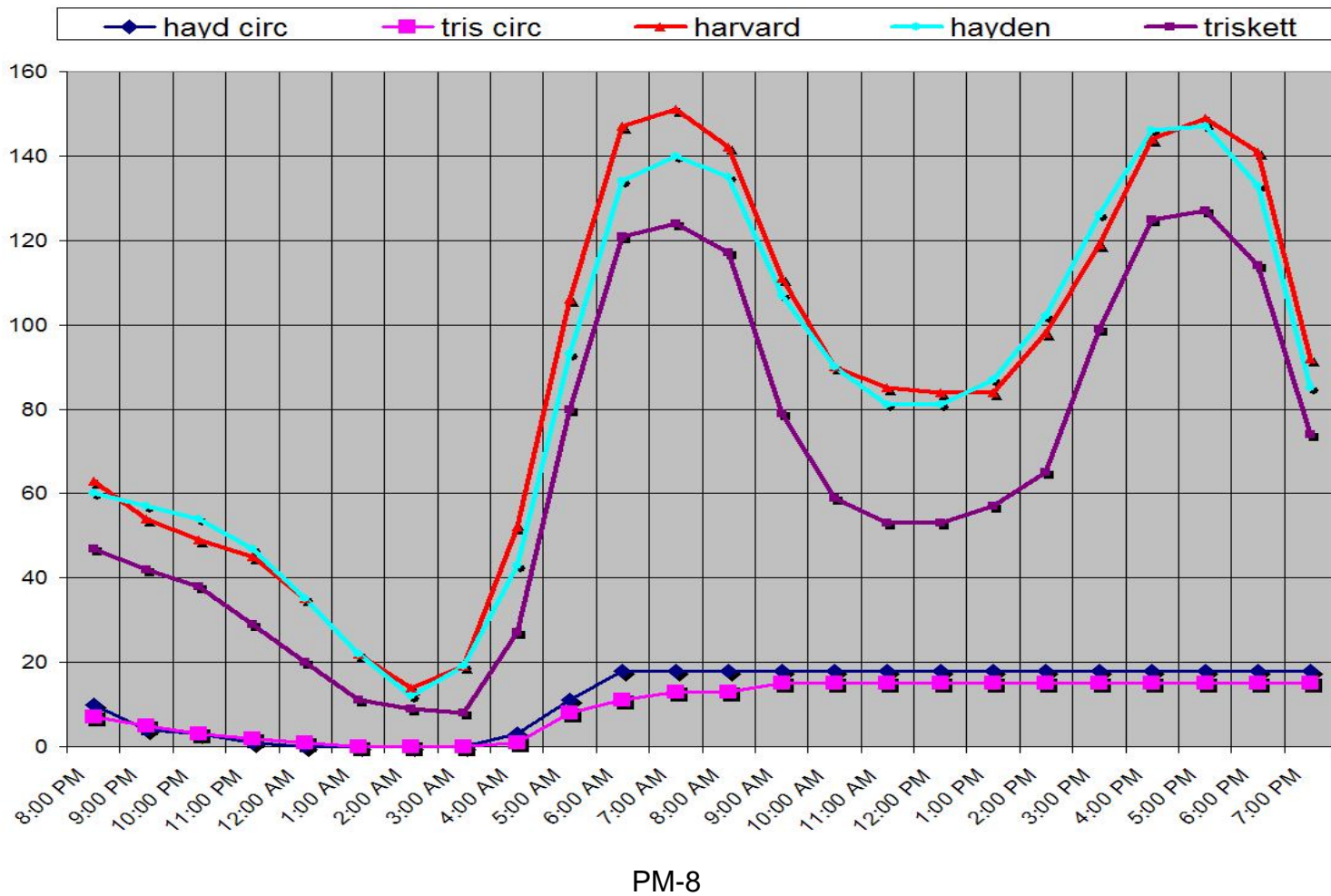
TransitStat
Number of Tows Per Month
2008 vs. 2009



Citizens Summary

Performance Management

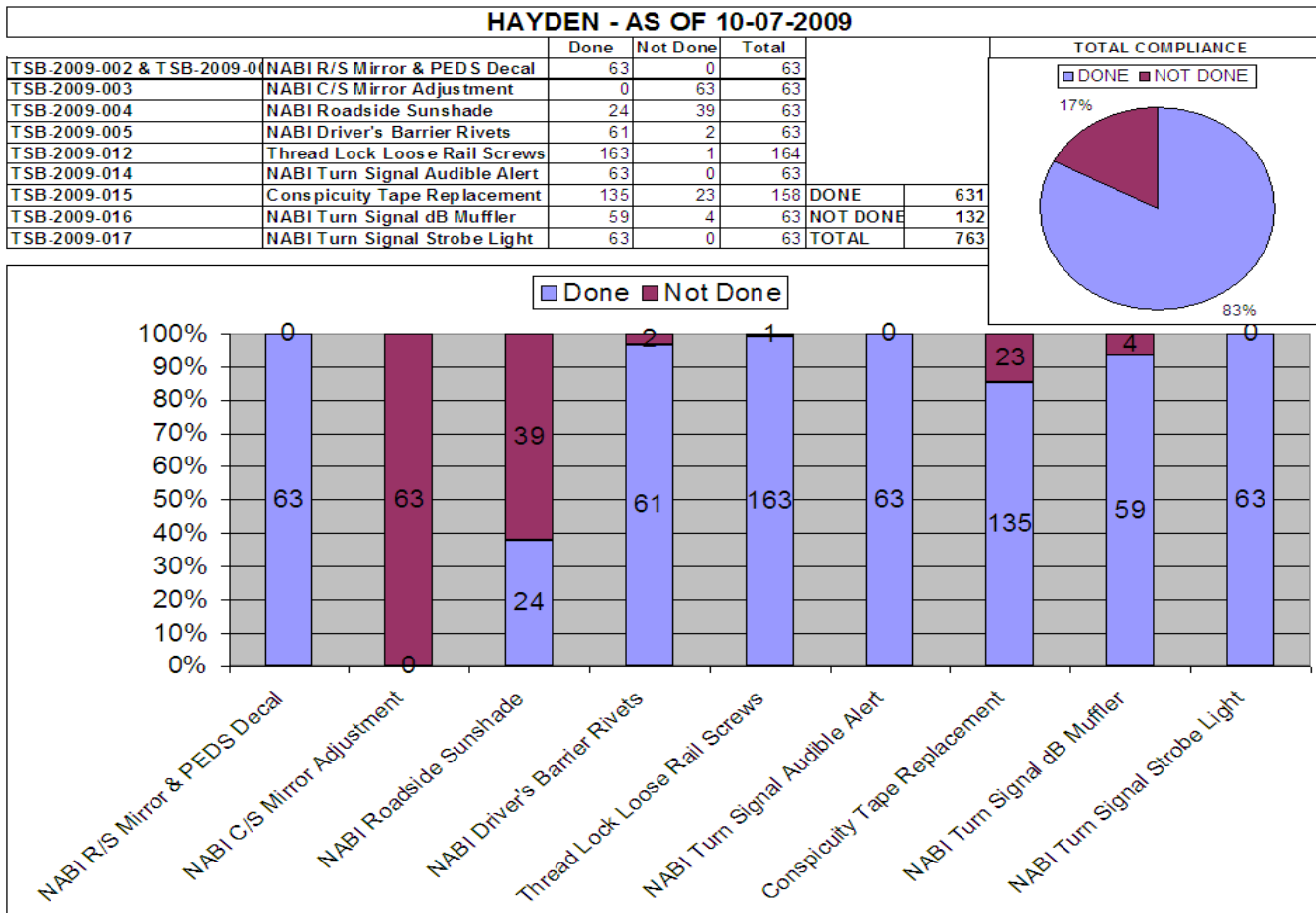
TransitStat
Coaches on Road - Weekday
By Hour



Citizens Summary

Performance Management

TransitStat CBM Safety Campaigns

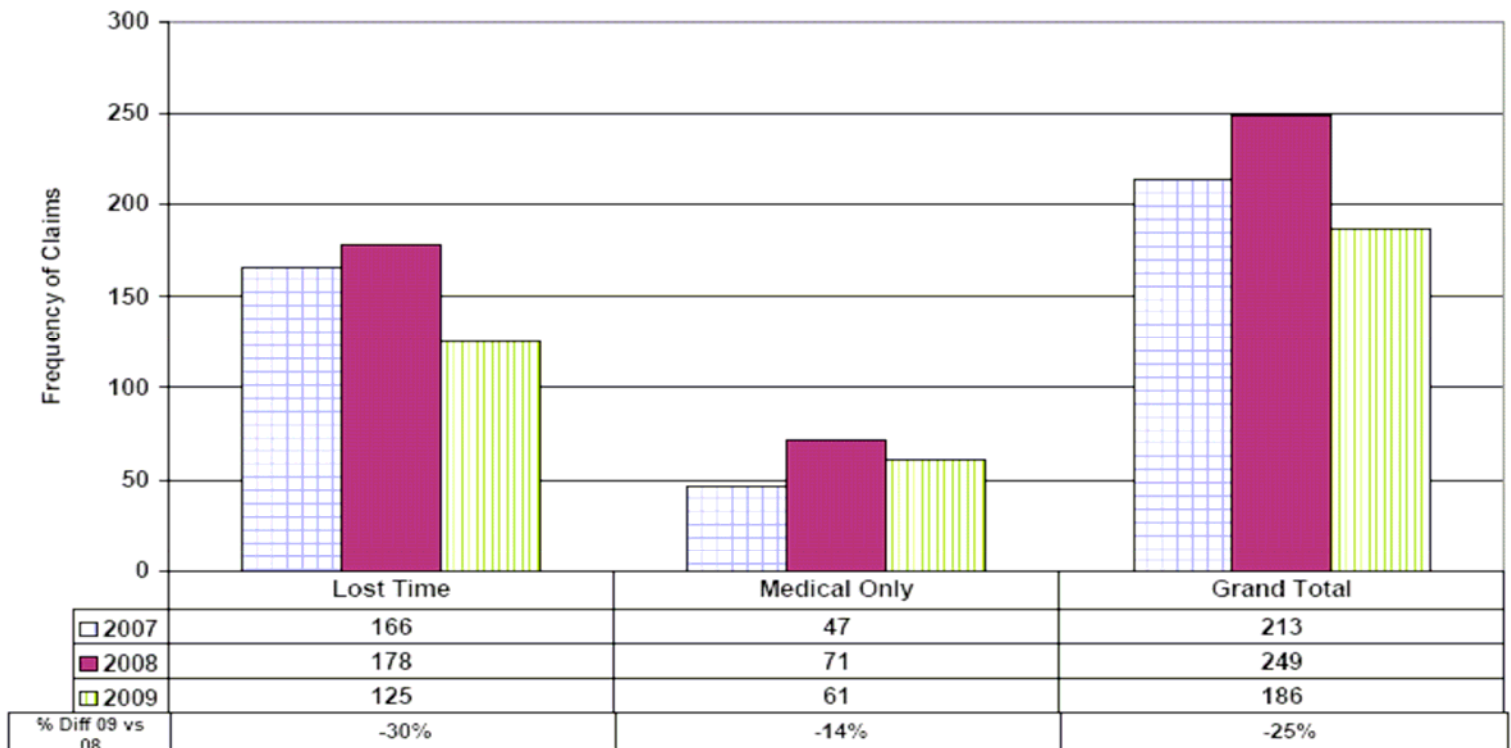


Citizens Summary

Performance Management

Administrative TransitStat Risk Management Lost Time vs. Medical Only Claims

GCRTA Lost Time vs Medical Only Claims 2007 - 2009: YTD Through August

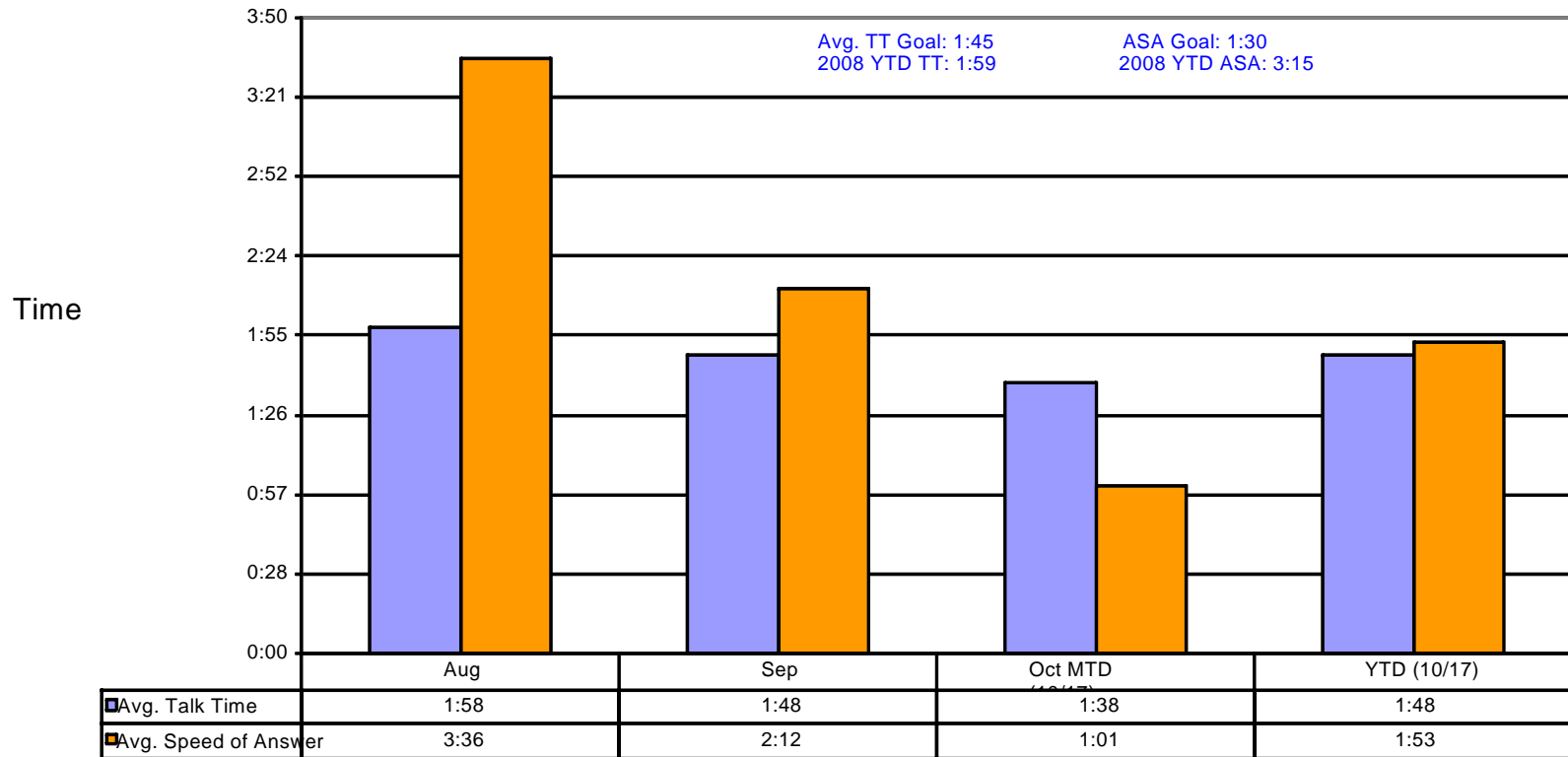


Citizens Summary

Performance Management

Administrative TransitStat Marketing & Communications

Average Talk Times and Speeds of Answer



Citizens Summary

Performance Management

Energy Price Risk Management

In 2008, RTA experienced record highs in fuel cost as well as extreme volatility. The cost per gallon for diesel fuel ranged from \$2.54 to \$4.18. As a result of the high costs, our total diesel fuel expense increased by nearly \$7.4 million, compared to 2007. This amount was \$3.6 million above RTA's 2008 budget. With this as the new reality for fuel, the Authority sought to use tools to ensure better performance in the management of its fuel costs, which resulted in the creation of an energy price risk management program (fuel hedging program).

The fuel hedging program's strategy uses a process:

1. That addresses market opportunities and market risk;
2. That holds the risk of exceeding budget at or below an acceptable level;
3. That uses historical pricing ranges as pricing parameters;
4. That is continuous;
5. That will use a dollar cost averaging tool;
6. That mitigates transaction-timing risk by making numerous smaller volume transactions (i.e. 42,000 gallons per transaction).

The strategy has been accomplished in concert with an Advisor, who is responsible for daily execution of the program, including the execution of transactions, generating reports on the programs status and results, and monitoring the program and energy markets. The hedging instruments include purchases of home heating oil futures (the diesel fuel correlate) traded on the Exchange, as well as, purchases of derivatives with financial institutions that are certified by

the International Swaps and Derivative's Association (ISDA). The RTA policy dictates that the maximum hedge ration will not be more than 90 percent of the forecasted consumption and that hedges can only go out to 36 months in advance.

The Authority began positioning itself in the first quarter of 2009. By April, the Authority had nearly 3.9 million gallons of the 5 million gallon usage, purchased for 2010. The performance objective is to establish a 2010 fuel cost at or below \$2.20 per gallon. Regular reports and tracking are included in the 2009 and 2010 budget execution.

The overall objective of the program is to decrease energy volatility, increase the certainty of future fuel costs, stabilize and control the budget and finally to lower overall long term energy costs.

In 2008, fuel costs were \$19.4 million. Using a firm fixed price contract for 2009, those costs were reduced to a projected \$16.6 million. For 2010, the projected cost for fuel is \$9.390 million with a variance of no more than \$131,000 either way. This meets our objective of stabilizing budgeted costs and then goes on to significantly reduce overall costs. Beyond that, almost 70% of 2011 fuel costs have been hedged and are projected at \$11.3 million.