



Metro

Los Angeles County
Metropolitan Transportation Authority

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**EXECUTIVE MANAGEMENT AND AUDIT
FEBRUARY 18, 2010**

**SUBJECT: UPDATE OF TRANSIT ACCESS PASS (TAP) AND FARE GATE
INSTALLATION**

ACTION: RECEIVE AND FILE

RECOMMENDATION

Receive and file status report on the TAP Program and fare gate installation at Metro Rail stations.

ISSUE

At the September 2009 Board meeting, KMPG presented a management review of the TAP system. Subsequently, the board directed staff to address identified areas of concern, evaluate future gate installation and bring a report back to the Board.

DISCUSSION

Staff first reviewed the KMPG study findings and implemented numerous follow-up actions. The below sections summarize the actions taken by staff in response to these findings.

Response to KMPG Findings

The KPMG report identified several areas of concern: project complexity; goal definition and agreement; project controls; resource requirements; and program costs. Staff has evaluated findings and recommendations from KPMG and conducted additional research among various constituent groups to identify the best path forward for the TAP program. A follow-up meeting was conducted with KMPG to gain further insight into findings. Staff then met with internal stakeholders to obtain input including representatives from UTU, TCU and ATU as well as conducting a bus-operator focus group to gain insight into specific operating issues.

External stakeholders including riders, TAP contractors and municipal operators were also interviewed. TAP questions were included in a Customer Preference Study (Attachment A) to gauge customer perspectives. Meetings were held with Cubic and ACS to review contracts and contract performance. Staff worked through various participating municipal operator punch lists. In particular, staff met with Foothill Transit to address operational issues and regional participation. To further improve communication, the municipal General Managers (GMs) receive monthly TAP briefings and it has been decided a GM workshop should be conducted and is in the process of being scheduled.

Complexity of the TAP program is one of the driving factors of complaints. Operating concerns are compounded by policy issues, which are further compounded by implementation challenges. Staff's new approach is to isolate specific problem areas, break them down, bring in the affected parties and identify a better path forward. Four areas of focus have been identified to address TAP concerns: Customer Issues; Operational Issues; Capital Integration; and Regional Implementation.

Customer Issues

There are four basic areas that have impacted customers with regard to TAP: newness of the system, customer service, distribution and specialized fare programs. From a customer perspective, TAP is a new and different way to purchase fare media and transact with Metro. While TAP was long in development, rollout to the majority of customers went quite rapidly. Conversions of annual, monthly and weekly passes took place over a span of months and culminated with a mass distribution of cards on board buses to convert paper Day Pass users who were the largest segment of our pass market to TAP. Over 500,000 cards were placed into circulation over a four-week period.

The stress on the system was compounded by deficiencies in TAP customer service. In particular, an ill-prepared and incomplete customer service operation was overwhelmed by significant customer demand. Rapid distribution of permanent and temporary cards coupled with program requirements that necessitated that customers possess a TAP card in order to purchase specific fare media, also led to customer issues. These issues were further compounded by the simultaneous conversion of many specialized and reduced fare programs. Overall, processing applications, distributing appropriate cards, educating customers while rolling out multiple programs created confusion.

Staff systematically responded to customer issues. The initial focus was the contracted customer service provider. Staff and consultants worked with the provider to improve responsiveness and repair gaps in service delivery. Working with the vendor network, distribution issues were confronted as they arose. Metro's own customer centers, that faced the brunt of customer ire, adjusted shifts to better serve patrons and established a TAP service area on the plaza level of the Gateway building to assist conversion of temporary cards. A fourth customer service window was added in the East Portal and

telephone information personnel were cross-trained to support the customer centers during the peak sales periods.

Customers have become more acclimated to TAP. As problems subside, TAP continues to gain acceptance among customers. A recent survey indicated 61% of Metro customers have TAP cards. Of that, 24% said they have experienced problems with the card over the last six months yet 59% said they preferred TAP over paper passes.

Operational Issues

Along with customer service personnel, bus operators face the brunt of TAP discontent. While operators did receive training and information, it in no way prepared them for the onslaught of customer questions, concerns and confrontations. By the very nature of the job, bus operators encounter infinite potentially volatile situations throughout the day. In reviewing TAP and its impact on the bus operator, two situations were identified that encompass the vast majority TAP/customer/operator confrontations. The first is a fare dispute due to a lack of visible value on the TAP card. Patrons claim one value and the fare box shows the card to be lacking funds, invalid or inoperable. The second TAP dispute involves a patron who, after putting money in the fare box, requests a TAP card (or some type of fare media) that the operator does not have. Lacking procedures and the appropriate tools to resolve these issues, many operators (to their credit) have been creative in attempting to mitigate customer confrontations.

Staff has drafted procedures to help operators during these situations (Attachment D). The procedures, currently under final review, will enable operators to mitigate customer confrontations. Specifically, an interim procedure will be implemented that allows bus operators to use their hand punch to mark and identify questionable TAP cards and convert existing inter agency transfers into emergency fare media. The procedures that address these situations, as well as other operator issues, are in progress.

Capital Integration

Gating is the most visible TAP capital project currently underway. To date, gate installations have been completed at all underground stations. This includes the complete Red and Purple lines as well as the underground stations on the Gold Line Eastside Extension. The next phase of gate construction will take place on the Green Line with selected Blue Line stations and the remainder of the Gold Line to follow there after. The completion of gating for all 41 stations is now scheduled for June 2010.

Board directed staff to identify costs of incorporating gating into future rail station construction. Including gating in future rail station design efforts would greatly reduce civil engineering construction costs compared to installation after the station is built. Anticipating gate arrays in future station designs and ensuring infrastructures are provided in accordance with building requirements would lower installation costs (provided no additional real estate was required) and better integrate gates into future operating environments. While station requirements differ depending upon

configuration, it is estimated that adding gates to future stations would cost between \$177,000 and \$345,000 per station (Attachment B). Staff is developing construction policies for gating as we move forward with rail expansion.

New fare inspection devices are being reviewed for deployment with input from the Los Angeles County Sheriff's Department. These devices will be smaller than the current hand-held devices yet provide greater information to fare inspectors.

Locking gates requires the complete conversion of all fare media to TAP. A complete conversion includes one-way rail tickets, transfers and Day Passes as well as Metrolink passes. Locked gates also require additional monitoring and service support to manage customer interface. These two factors would impact Metro's operating budget therefore, staff is looking at other models for efficiently operating the gates.

One alternative operating model staff is developing potentially achieves the positive aspects of locking gates without additional operating costs. By switching from a "locked" environment to an "alert" environment, gates can be used as an identifier of fares that require inspection. As a patron passes through a gate they will TAP with a valid card and be identified for valid fare. A patron who passes through a gate with a paper fare or a non-valid TAP card will be identified for inspection. This method still requires fare inspection, as does a partially gated locked system. Gates could still be partially locked if desired. This could enable individual access management of stations and greater security for patrons in off-peak hours.

While the full cost/benefit of this scenario has not been completely analyzed, the potential benefit is that not all fare media would have to be initially converted to TAP, station agents would not be required and fare inspectors could stay at current levels.

Schedule delays have been the biggest concern with capital integration. Reasons ranging from unanticipated civil engineering requirements, to special equipment requests, to audit responses and contract disputes have delayed various capital projects surrounding TAP. As the program normalizes, schedule estimation is becoming more reliable. Gating is now on a predictable track, the central computer is operational and fare equipment has been installed where requested. Technology issues are subsiding and staff is moving closer to authorizing system acceptance.

Regional Implementation

The initial TAP partners are at various levels of participation. Staff has been working with participating municipal operators to identify and correct specific operating issues. Most regional problems appear to stem from the complexity of application. With all its nuances, discounts and fare offerings, Metro maintains a complex fare structure by any

standard. Metro is not alone. Municipal operator fare structures each have their own complexities. When multiple fare structures are combined, the regional system becomes daunting and somewhat unmanageable. Points of contention have arisen from this complex operating environment. The complexities, compounded by the implementation of a new system, customer expectations and operating glitches have created a perception of instability. While the central computer that reconciles regional transactions is reportedly installed and by all indications operating properly, trust in and understanding of the system is still lacking. While staff is scheduling one-on-one meetings to help resolve these issues, a greater regional commitment is desperately needed.

Many municipal operators are taking a wait-and-see approach toward TAP. The thought is to let Metro work through all the problems then join as the system proves its worth. The problem, however, may not be with the system, but with lack of a comprehensive regional approach. The EZ transit pass is an example of successful regional cooperation. Customers and operators alike benefit from this seamless regional system. Expanding on the regional application of the EZ transit pass program may be a workable solution in resolving both seamless travel for the region as well as for TAP. Coupling a regional fare structure and a stored value system for local use on TAP could serve to resolve multiple operating issues as well as provide a superior offering to the region.

While staff works with municipal participants to address their specific needs, the overall seamless regional application of TAP has to remain as a primary goal of the program. TAP must emerge as a program of choice for local operators. It appears that the complexities of implementation coupled with a diverse understanding of its functionality have, at present, muddied the waters for regional implementation. Some participants are making modifications to the existing TAP system while others are taking a wait-and-see approach to the program. For TAP to succeed regionally and fulfill the dream of seamless regional transit, Metro and municipal operators must come together in agreement on a compatible operating system and regional fare structure that still provides local operators independence and flexibility to run their own system.

As staff moves forward to improve TAP performance, alternative approaches continue to surface. Requests have been made to investigate integration of magnetic (mag) striping into the TAP system. The benefits of mag stripes include the low cost of fare media and compliance with some existing fare systems. However, the rationale for excluding mag stripes still remains: mag stripes are a high-maintenance, cost prohibitive system that would be independent from smart cards (i.e. would require two sets of programming). Mag stripes could work if the only purpose was to record a trip with no assigned fare value – such as with Access Services. Another suggestion is adding TRIM (Transfer Reader Issue Machine) units to existing fare box equipment that could provide printed fare media and/or receipts. The same arguments of increased costs, higher maintenance and more potential confusion apply here as well.

Issues aside, staff is working with Cubic and GFI to see if there are solutions to municipal operator requests. While Metro has committed solely to smart card technology it does not mean that the municipal operators must follow suit. Retrofitting for magnetic stripes or adding TRIM units to equipment would be at the discretion (and cost) of each individual municipal operator. The sole requirement is that any system selected would also be TAP enabled for regional compatibility.

Budget

While TAP has endured its share of obstacles and delays, it remains within its board-approved life of project budget. Annual capital expenditures are lagging due to capital project delays and operating expenditures are lagging due to delays in contracting milestones (such as initiation of the gating lease). A budget summary is attached (Attachment C).

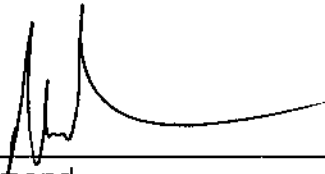
NEXT STEPS

As the TAP program matures, staff will continue to make program modifications to improve operations and efficiencies as well as address concerns identified by KPMG. As decision points come up, staff will bring actions or recommendations to the Board for review or approval.

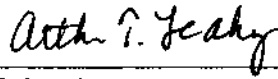
ATTACHMENTS

- A. Customer Preference Survey Results
- B. Light Rail Gating Costs
- C. TAP Budget
- D. Draft Operating Procedures for Handling of TAP Cards

Prepared by: Matt Raymond, Chief Communications Officer



Matt Raymond
Chief Communications Officer



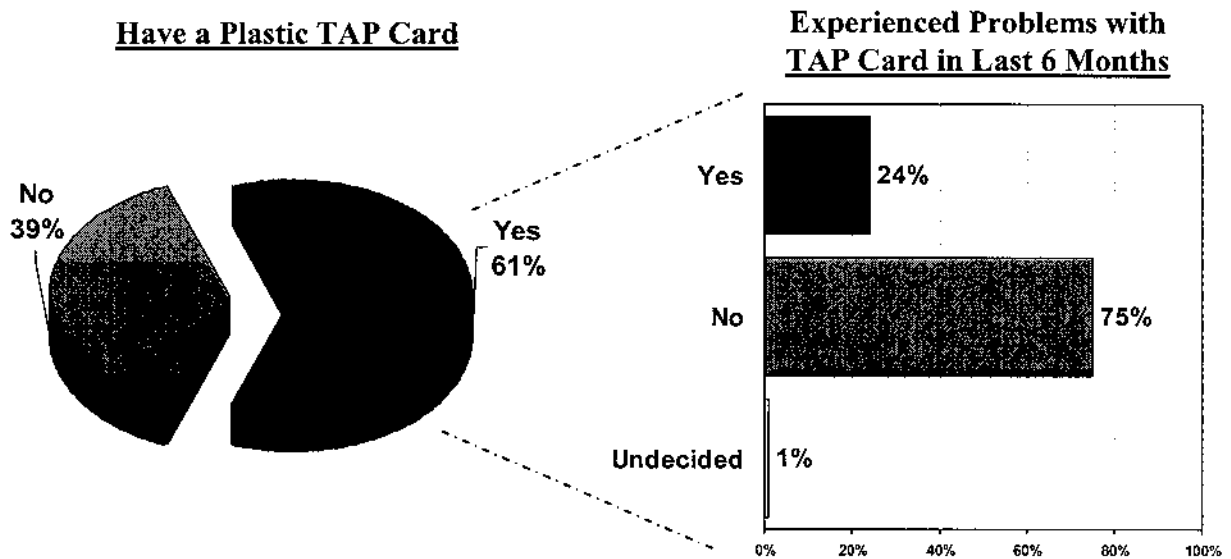
Arthur T. Leahy
Chief Executive Officer

Customer Preference Study

Responses Regarding TAP

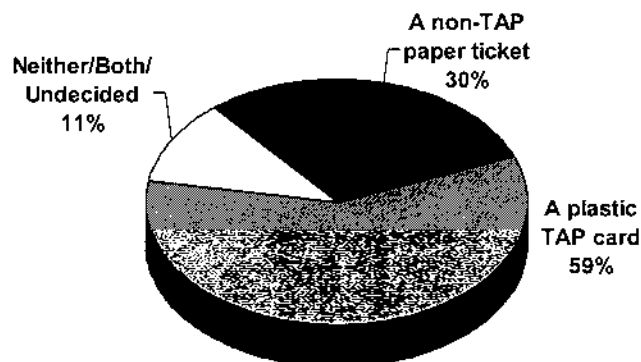
In December 2009, a telephone survey of 400 Metro bus and rail riders was conducted by an outside firm regarding customer preferences on various aspects of Metro service. Several survey questions were included regarding the TAP program. The survey found that six in ten (61 percent) riders have a plastic TAP card. Of this sub-sample, one quarter (24 percent) said they have experienced problems with their TAP card in the last six months (see Figure 1).

Figure 1: Six in ten riders have plastic TAP card and one quarter of those have experienced problems in last six months



By a two-to-one margin (59 to 30 percent), Metro riders prefer a plastic TAP card over a non-TAP paper ticket for their day pass (see Figure 2). Interestingly, even among those who have a TAP card and have experienced a problem with it in the last six months, 62 percent selected a TAP card over a non-TAP paper ticket (62 to 35 percent). Further, those riders who currently have a TAP card and have used a non-TAP paper Metro Day Pass at some point prefer, by a three to one margin (75 to 22 percent), a plastic TAP card over a non-TAP paper ticket.

Figure 2: Almost six in ten riders prefer to have Metro continue with the plastic TAP card rather than go back to a non-TAP paper ticket



Light Rail Gating Costs

- ▶ Civil Costs include
 - Mobilization: Labor associated with station preparation and installation
 - Equipment: Capital costs of gating hardware
 - ▶ Average Green Line \$345K / station *
 - ▶ Average Blue Line \$177K / station *
- * Cost varies considerably depending on station layout (range is from \$90K to \$194K per entrance)

Certain stations cannot be gated without significant redesign to comply with Fire/Life Safety and queuing criteria

- Architectural conditions prevent gating at certain stations
 - Analysis have been performed at existing light rail stations
 - Fire/Life Safety issues prevented gating of Atlantic station (Eastside Extension)
- ▶ Civil costs significantly reduced if gating criteria incorporated into station construction





Los Angeles County Metropolitan Transportation Authority
 Quarterly Variance Report - 2nd Quarter FY2010

Metro

CP#: 200225 Title: Universal Fare Collection System
 Project Manager: Matsumoto, Jane Analysis Prepared By: Joseph Hernandez

Description: The Universal Fare Collection System project is an effort that touches every aspect of MTA operations, regional transit operations and will span several years. Implementation will require coordination of activities among multiple departments and multiple public agencies. Its goal is to replace all Metro Bus and 11 other Municipal Operator fareboxes; all Metro Rail ticket vending machines; vaulting; and revenue reconciliation equipment. It requires replacement of equipment at all fare media locations. It requires the establishment of a regional clearing house.

	Q1 FY10	Q2 FY10
Life of Project Worksheet		
Inception-to-Date Expenditures	90,572,202	90,983,314
Encumbrance Balance	772,368	367,750
Balance of Project Costs	6,262,431	6,255,936
Total Forecasted Expenditures	97,607,000	97,807,000
Board-Approved Life-of-Project	97,607,000	97,607,000
Increase/(Decrease)	0	0

Balance of Project Costs Detail

Contract Close Out Activities	2,230,192	2,230,192	0
Encumbrance Reconciliation	772,368	367,750	400
Labor	7,094	7,094	0
Miscellaneous expense	(7,916)	(7,916)	(5,223)
Professional Services	57,480	57,480	0
Systems - Equipment	2,985,810	2,985,810	(1,571)
USFS Lease and related items (not included in Board)	5,000,000	5,000,000	0
Balance of Project Costs Total	6,262,431	6,255,936	(6,494)

Inception-to-Date	Encumbrance	Forecast to Complete	Total Forecasted Expenditures	Board Adopted Life-of-Project	Increase/ (Decrease)	Report Status
90,983,314	367,750	6,255,936	97,607,000	97,607,000	0	COMPLETED

If you are forecasting an LOP Variance, please explain:

AC - Budget in LOP

If your total forecasted expenditures exceeds the Board-approved life-of-project, please identify your mitigation strategy:

N/A



Metro

Los Angeles County Metropolitan Transportation Authority
Quarterly Variance Report - 2nd Quarter FY2010

CP#: 210094 Title: Metro Rail Celang
Project Manager: Matsumoto, Jane

Analysis Prepared By: Joseph Hernandez

This project was previously scheduled to complete on 12/31/2010. Please update the anticipated completion date below.

06/30/2011

If your anticipated completion date has changed, please explain the reasons for the schedule change and whether this change will impact the life-of-project budget.

The scheduled completion date has changed due to further analysis of gating options including the use of CCTV systems and gate attendants

There is no impact on the LOP budget

Account Group	Encumbrance	Annual Budget	YTD Budget	YTD Actuals	YTD Variance
Salaries & Benefits (FTE-Driven)	0	560,515	279,580	415,498	135,919
Salaries & Benefits (Non-Calc'd)	0	50,000	25,000	56,909	31,909
Acquisitions	1,044	6,000,000	3,000,000	3,162,460	162,460
Parts/Tires Rev. Equip	0	0	0	27	27
Material & Supplies	0	5,000,000	2,500,000	8,043	(2,491,957)
Miscellaneous	0	5,000	2,500	0	(2,500)
Services	233,186	0	0	29,732	29,732
Chargeback - County Counsel	0	0	0	21,886	21,886
Contingency	0	1,000,000	500,000	0	(500,000)
	234,230	12,615,515	6,307,080	3,694,555	(2,612,524)

If your project has an annual budget in the current fiscal year, please explain any YTD variance

The \$2.6M favorable variance is due to non-Cubic equipment (CCTV and other hardware) that is not expected to be procured until a decision is made on the CCTV system



Los Angeles County Metropolitan Transportation Authority

Quarterly Variance Report - 2nd Quarter FY2010

Metro

CP#: 200351

Title: Regional Service Center and Clearinghouse

Project Manager: Matsumoto, Jane

Analysis Prepared By: Joseph Hernandez

Description: 1) Implementation of the Regional Transit Access Pass (TAP) Clearinghouse and service center. 2) Consultant services to provide technical design, program development and implementation oversight of the Regional UFS program.

Life of Project Worksheet	Q1 FY10	Q2 FY10	+/-
Inception-to-Date Expenditures	15,982,056	16,426,367	444,311
Encumbrance Balance	2,494,940	2,050,629	(444,311)
Balance of Project Costs	1,594,682	1,594,682	0
Total Forecasted Expenditures	20,071,678	20,071,678	0
Board-Approved Life-of-Project Increase/(Decrease)	20,071,678	20,071,678	0
	0	0	0

Balance of Project Costs Detail	Q1 FY10	Q2 FY10	Report Status
Adjustment	15	0	(15)
Other expenditure include contingency and misc. ex	809,374	809,374	0
Project Administration	(19,207)	(19,207)	0
Systems/Equipment/Tech support by Cubic/ACS/Booz	804,500	804,515	15
Balance of Project Costs Total	1,594,682	1,594,682	0

Inception-to-Date	Encumbrance	Forecast to Complete	Total Forecasted Expenditures	Board Adopted Life-of-Project	Increase/ (Decrease)	Report Status
16,426,367	2,050,629	1,594,682	20,071,678	20,071,678	0	COMPLETED

If you are forecasting an LOP Variance, please explain:

No change in LOP

If your total forecasted expenditures exceeds the Board-approved life-of-project, please identify your mitigation strategy:

N/A

Please identify milestones reached and other activities worked on during the second quarter of FY2010 and milestones expected to be reached and other activities scheduled to be worked on during the third quarter of FY2010:



CP#: 200225

Title: Universal Fare Collection System

Project Manager: Matsumoto, Jane

Analysis Prepared By: Joseph Hernandez

Please identify milestones reached and other activities worked on during the second quarter of FY2010 and milestones expected to be reached and other activities scheduled to be worked on during the third quarter of FY2010:

TAP Operation worked with Municipal Operators on the installation of their fareboxes and revenue equipment.

Antelope Valley Transit Authority converted to TAP for commuter service in late December 2009. TAP Operations also began the conversion of LA CityRide customers to TAP in late December and continued to meet with Access Services to plan for their conversion in 2010.

This project was previously scheduled to complete on 6/30/2010. Please update the anticipated completion date below:

06/30/2011

If your anticipated completion date has changed, please explain the reasons for the schedule change and whether this change will impact the life-of-project budget.

Completion date has changed due to Municipal operation delays in their conversion of other programs, such as LA CityRide and Access Services. In addition, several support elements of the TAP Service Center have not been completed by ACS.

There is no impact on the LOP budget:

Account Group	Encumbrance	Annual Budget	YTD Budget	YTD Actuals	YTD Variance
Acquisitions	366,231	4,080,523	1,224,157	710,647	(513,510)
Parts/Tires Rev. Equip	1,225	0	0	6,252	6,252
Material & Supplies	294	0	0	29	29
Miscellaneous	0	2,500	1,250	0	(1,250)
Contingency	0	2,234,934	670,480	0	(670,480)
	367,750	6,317,957	1,895,887	716,928	(1,178,959)

If your project has an annual budget in the current fiscal year, please explain any YTD variance

The \$1.1M favorable variance is due to acquisition and contingency expenditures that have not been realized. Acquisition expenditures may be fully realized by end of fiscal year for server equipment needed for hand held validation devices and for additional farebox enhancements. Contingency expenditures would be realized only if necessary.



Los Angeles County Metropolitan Transportation Authority

Quarterly Variance Report - 2nd Quarter FY2010

CP#: 210094 Title: Metro Rail Gating
 Project Manager: Matsumoto, Jane Analysis Prepared By: Joseph Hernandez

Description: Design and installation of Metro Rail Gates

Life of Project Worksheet	Q1 FY10	Q2 FY10	+/-
Inception-to-Date Expenditures	5,170,821	6,935,602	1,764,781
Encumbrance Balance	1,808,750	234,230	(1,574,520)
Balance of Project Costs	14,020,428	13,830,168	(190,260)
Total Forecasted Expenditures	21,000,000	21,000,000	0
Board-Approved Life-of-Project	21,000,000	21,000,000	0
Increase/(Decrease)	0	0	0

Balance of Project Costs Detail			
CONTINGENCY	1,001,759	1,100,000	98,241
ENCUMBRANCE ADJUSTMENT	(1)	0	1
PARTS/MATERIAL	12,582,628	12,258,647	(325,981)
PROFESSIONAL SVCS	7,372	233,186	225,814
PROJECT ADMINISTRATION	428,670	240,335	(188,335)
Balance of Project Costs Total	14,020,428	13,830,168	(190,260)

Inception-to-Date	Encumbrance	Forecast to Complete	Total Forecasted Expenditures	Board Adopted Life-of-Project	Increase/ (Decrease)	Report Status
6,935,602	234,230	13,830,168	21,000,000	21,000,000	0	COMPLETED

If you are forecasting an LOP Variance, please explain:

No change in LOP

If your total forecasted expenditures exceeds the Board-approved life-of-project, please identify your mitigation strategy:

N/A

Please identify milestones reached and other activities worked on during the second quarter of FY2010 and milestones expected to be reached and other activities scheduled to be worked on during the third quarter of FY2010:

Completed gate installation at over 90% of the Red Line rail stations and completed much of the civil work required for gate installation on the Green Line.

Gate installations will continue through out the fiscal year and into late 2010.

Continued discussions with Metrolink and agreed on a plan for design. Continued system testing of regional CDCS.



Los Angeles County Metropolitan Transportation Authority

Quarterly Variance Report - 2nd Quarter FY2010

Metro

CP#: 200351 Title: Regional Service Center and Cleaninghouse Project Manager: Matsumoto, Jane Analysis Prepared By: Joseph Hernandez

Upgraded the CPOS network to new software to address issues with excessive phone connections identified with the Regional 5.1 software and implement an 800 number for the CPOS connection to the Regional computer; Completed Systems Integration Testing at Cubic and initiated regional testing in Metro's lab for the new Regional software; Converted Antelope Valley Transit Authority commuter service to TAP and processed transactions from eight participants in the Regional computer system; Held meetings with LA CityRide and Access Services to plan for their conversion to TAP; Weekly pass products reached about 97% penetration rate; The regular fare monthly passes were at about an 80% penetration rate; Day passes on the bus were at a 100% penetration rate; Senior/Disabled passes were at about a 40% penetration rate; College passes were about 100% converted to TAP; and students were about 5% converted to TAP.

This project was previously scheduled to complete on 6/30/2010. Please update the anticipated completion date below: 06/30/2011

If your anticipated completion date has changed, please explain the reasons for the schedule change and whether this change will impact the life-of-project budget.

The project completion date has changed due to delays by ACS in fully implementing the regional system to support pre-paid benefits, reduced fare programs, and corporate pass programs.

There is no impact on the LOP budget.

Table with 5 columns: Account Group, Encumbrance, Annual Budget, YTD Budget, YTD Actuals, YTD Variance. Rows include Salaries & Benefits (FTE-Driven), Acquisitions, Miscellaneous, Services, and a total row.

If your project has an annual budget in the current fiscal year, please explain any YTD variance. The \$436K favorable variance is due to invoice timing for expenditures related to contract with Cubic for design and installation of Central Data Collection System (CCCS).

MTA
Budget Variance Report
Current Period: DEC-09

Currency: USD
Cost Center=3020 (UFS)

Acct	BUDG	CURRENT QUARTER		YEAR TO DATE		Annual Budget	YOF Budget Expended
		Expenses	Favorable/Unfavorable	YTD Expenses	Favorable/Unfavorable		
NON-CONTRACT							
50132 DL NC-OT AT 1 1/2-BASE RATE	0	204	(204)	204	(204)	0	n/m
50134 DL NC-AS NREBRO	22,000	23,290	(1,290)	46,782	(2,782)	88,000	53.2
50183 OT NC AT TIME & 1/2-FRIM	0	102	(102)	102	(102)	0	n/m
51131 CONTRACTED LABOR-NC-NORMAL	217,127	185,893	31,234	386,549	45,706	868,509	44.7
* TOTAL- NON CONTRACT	219,127	209,489	29,638	435,637	42,618	956,509	45.5
* TOTAL SALARIES & WAGES	239,127	209,489	12.4	435,637	42,618	956,509	
50200 FRINGE BENEFIT							
50213 PB TRAINING PROGRAM	1,250	0	1,250	2,500	2,500	5,000	0.0
50219 PB OTHER BENEFITS	0	33	(33)	33	(33)	0	n/m
53025 FRINGE BENEFITS - NC	90,976	78,730	12,246	162,563	18,388	372,184	43.8
53045 NON WORKTIME - NC	42,999	43,466	(467)	85,998	2,764	171,995	48.4
56101 CHARGEBACK-NORMERS' COMPENSAT	2,493	0	2,493	4,987	4,987	10,077	0.0
* TOTAL-FRINGE BENEFIT	137,718	122,229	15,489	246,830	28,606	560,256	44.1
53001 ALLOCATED FRINGE BENEFIT							
53001 ALLOCATED FRINGE BENEFIT			n/m				n/m
* TOTAL SALARIES, WAGES, & FRINGE	376,845	331,718	45,127	783,691	71,224	1,516,765	
50300 SERVICES							
50316 SERV PROF AND TECH SERVICE	1,121,244	743,471	377,773	2,245,560	863,121	4,491,120	19.7
50310 SERV CONTRACT SERVICES	2,131,404	1,526,879	604,525	4,064,692	1,561,531	8,921,848	17.5
50399 SERV OTHER SERVICES	625	25,247	(24,622)	1,250	(37,568)	2,500	1,553.5
* TOTAL-SERVICES	3,253,273	2,295,597	957,676	6,311,502	3,428,022	13,415,468	18.5

MTA
Budget Variance Report
Current Period: DEC-09

Currency: USD
Cost Center: 3020 (UFS)

Acct	CURRENT QUARTER			YEAR TO DATE			Annual Budget	% of Budget Expended
	Budget	Expenses	Favorable/ (Unfavorable)	YTD Budget	Expenses	Favorable/ (Unfavorable)		
50420 & 50430 TIRES, MAT & SUPPLIES								
50431 M/S BLDG & GROUNDS	30,000	709	29,291	60,000	709	59,291	120,000	0.6
50432 M/S COMPUTER SUPPLIES	1,260,200	1,062	1,259,138	2,527,900	2,341	2,525,559	5,055,800	0.0
50436 M/S OFFICE SUPP/EXPENDELE EQ	1,250	1,522	(272)	2,500	4,040	(1,540)	5,000	80.8
50445 M/S TOOLS & EXPEND EQUIPT	0	5	(5)	0	5	(5)	0	n/m
50499 M/S OTHERS	742,500	13,170	729,330	1,492,500	250,024	1,242,476	2,985,000	8.4
* TOTAL-TIRES, MAT & SUPPLIES	2,013,950	16,468	2,017,482	4,082,900	257,119	3,825,781	8,165,800	3.1
50900 MISCELLANEOUS EXPENSE								
50903 MISC BUSINESS MEALS	225	152	73	450	152	298	900	16.9
50910 ER MILEAGE/PARKING	63	0	63	125	0	125	250	0.0
50915 MISC SEMINAR/COMP FEE	188	0	188	375	0	375	750	0.0
50917 ER BUSINESS TRAVEL	1,250	3,017	(1,767)	2,250	3,241	(991)	5,500	58.9
50960 Contingency-Capital/Construct	696,987	0	696,987	1,170,480	0	1,170,480	3,234,934	0.0
50999 MISC EXPENSES-OTHERS	2,250	0	2,250	4,500	0	4,500	9,000	0.0
* TOTAL-MISCELLANEOUS EXPENSE	700,963	3,169	697,794	1,178,180	3,393	1,174,787	3,251,334	0.1
51100 ACQUISITIONS								
51102 ACQUISITION OF EQUIPMNT	2,847,765	2,534,954	312,811	5,021,647	4,784,376	237,271	12,738,821	37.6
* TOTAL-ACQUISITIONS	2,847,765	2,534,954	312,811	5,021,647	4,784,376	237,271	12,738,821	37.6
** TOTAL DEPARTMENTAL EXPENSE	9,212,796	5,181,906	4,030,890	17,347,920	8,210,835	9,137,085	39,088,180	
EXPENSE TRANSFERS/OVERHEAD ALLOCATI								
51012 ALLOCATED OVERHEAD		3,484	(3,484)	0	3,290	(6,290)		n/m
* TOTAL-EXPENSE TRANSFERS/CH ALLOC		3,484	(3,484)	0	3,290	(6,290)		n/m

MTA
Budget Variance Report
Current Period: DEC-09

Currency: USD
Cost Center-0020 (UFS)

Acct	CURRENT QUARTER			YEAR TO DATE			Annual Budget Expended
	Budget	Expenses	Favorable/ (Unfavorable)	YTD Budget	YTD Expenses	Favorable/ (Unfavorable)	
*** TOTAL-EXPENSES	9,212,786	5,185,390	4,027,406	17,347,920	8,219,125	9,128,795	39,088,188
*** TOTAL WITH DEPRECIATION	9,212,796	5,185,390	4,027,406	17,347,920	8,219,125	9,128,795	39,088,188

**POLICY AND PROCEDURAL GUIDANCE
HANDLING OF TAP CARD ISSUES ON METRO BUS FARE BOX**

POLICY STATEMENT

It is the policy of METRO to collect established fares from customers and to establish procedures to assist them when the fare transaction cannot be completed satisfactorily.

PURPOSE

For some time operators have been struggling to deal with TAP/Fare related situations where the customer loses money into the fare box, a transaction failure occurs, or the card presented is out-of-date, stolen (e.g. Hot listed), or otherwise will not function. Heretofore, Operators could only request that a customer provide contact information and the amount lost so that a refund could be processed. In all cases, the customer would be invited to ride and a base fare would be subtracted from the amount put into the fare box. The latter activity is subject to verification from transaction records. This solution was unsatisfactory to both our customers and to our operators.

This policy provides interim guidance on how to handle certain situations, allows the Operator to give a "fare receipt" to the customer, and defines specific actions that the Operator shall take in order decrease the instances of TAP card abuse and to better serve the riding public. This policy will take effect immediately.

This policy will be updated when a more permanent solution to these issues has been developed and implemented.

APPLICATION

This policy applies to all bus operators and employees that deal directly with our customers when handling fares.

Chief of SBU

Approved: County Counsel or
NA

Adopted: CEO

Effective Date: _____

Date of Last Review: _____

POLICY AND PROCEDURAL GUIDANCE HANDLING OF TAP CARD ISSUES

1.0 GENERAL

Fares and fare media must be safeguarded at all times. It is the responsibility of Metro employees to properly account for fares and to attempt to collect fares at all points of entry to the Metro system.

2.0 PROCEDURE

Exhibits 1 and 2 describe the type of incident confronting the operator and provide guidance on how to resolve each of the situations. Exhibit 1 is a high level summary of the scenario and action and Exhibit 2 provides detailed instructions. Situations covered include:

1. **TAP unit indicates "PASSBACK" (card is valid)**
 - a. The card is valid and this occurs if the customer swipes the card more than one time after a clear signal.
 - b. If the Operator observes a pass back, then quote the fare and follow normal procedures in dealing with a pass back situation.
2. **TAP unit indicates a "READ /WRITE" error.** This occurs when a valid card is not read properly or a customer is using a non-TAP card on the fare box.
 - a. Ask the customer to re-TAP his/her card. If the card works, the card is valid and the customer may proceed.
 - b. If the read/write error persists Operators shall:
 - i. Quote the fare
 - ii. Politely request to see the TAP card
 - iii. Make a single punch in one of the corners of the card and return the card to the customer (See Exhibit 3).
 - iv. If there are already two or more punches on the card, inform the customer that the card is no longer useable and that they will have to obtain a new card. **Retain the card.**
 - v. Allow the customer to ride
 - vi. Return the cards to the Division Manager who in turn will send the confiscated cards to TAP management
3. **Customer has a TAP Card that displays "Hotlist"** on the Operator Control Unit meaning that the customer is holding a canceled, stolen, or otherwise invalid card.
 - a. Politely ask the customer to surrender the card.
 - b. Allow the patron to ride and inform them to contact the TAP Service Center to obtain a new card.
 - c. Operators are required to return all confiscated cards to their division at the end of each assignment

4. **Customer does not have sufficient cash or full fare to purchase a day pass.**
 - a. DO NOT USE THE SHORT FARE OPTION TO LOAD DAY PASS ONTO TAP CARD
 - b. Quote the fare and allow the patron to ride when they are not able to provide the full value of the day pass for their rider class.
5. **Customer is short of cash or a pre-paid pass on TAP card indicates "TOO LOW -\$1.25"; an expired or closed TAP indicates "INVALID on the bus fare box.**
 - a. If the OCU displays a message with TOO LOW and a Dollar Value (e.g. \$0.50), the fare box will automatically deduct the remaining value on the card and indicate the amount remaining to be paid.
 - b. Operator is to quote the remaining fare needed to equal a base fare and ask the customer to make up the difference.
 - c. **In the case that the TAP Card has NO VALUE ("TOO LOW" displays) and there is NO cash value remaining,** quote the fare and permit customer to pay cash.
 - d. If the customer refuses to pay cash after quoting the fare, make a single punch in the card at one of the corners to indicate that the card has no stored value cash and no pass on it.
 - e. If there are already two (2) or more punches on the card, retain the card and quote the fare. The customer has been advised two times before of the lack of funds or validity of the card.
 - f. If this is a regular customer follow normal procedures and notify LASD as necessary.
6. **The customer inserts the value of a day pass (currently \$5 for full fare or \$1.80 for senior/disabled) into the fare box, but the customer has no TAP card. Customer has valid card, the Operator in unable to load a day pass due to malfunctioning fare box or other interference, and the operator verified that the value of the day pass has been inserted into the fare box.**
 - a. The Operator is to issue an "emergency ticket," which will temporarily be the "Metro to Muni" interagency transfer with two punches indicating that it was issued as a fare receipt. The first punch goes onto the black strip punching out the word "NOT" in the phrase "Not Valid on Metro Bus and Metro Rail." The second punch is the specific date in the month that the emergency ticket was issued. Shortly, these TLAC-5 documents will be further modified to include emergency transfers. (See Exhibit 4)
 - b. It is understood the issuance of these TLAC-5 Metro to Muni transfers makes these documents extremely valuable and Operators are required to protect these fare instruments. Keep them in your possession at all times, especially when leaving the coach for any reason.

- c. Advise customer that they must obtain a new TAP card in order to use the system. Indicate that they can obtain one from our customer service centers.
- d. Use the Shift + Number 6 buttons to record the issuance of the fare receipt. **THIS IS MANDATORY AND IS FOR YOUR PROTECTION WHEN ISSUANCE OF THE FARE RECEIPTS AND FAREBOX CONTENTS ARE RECONCILED.**

3.0 DEFINITION OF TERMS

- a. TAP card – a prepaid stored value or renewable device for use by customers to pay fares.
- b. “Metro to Muni” TLAC-5 Interagency transfer – a paper ticket currently issued to customers to transfer onto a participating Municipal carrier within 2 hours of issue
- c. QUERY – the term used for bus operators to initiate an action on their Operator Control Unit (OCU) that displays the amount of cash or Metro Pass on TAP card
- d. “TOO LOW” – the term used for a working TAP card that has neither a valid Metro Pass or adequate stored value cash equivalent to pay the correct fare
- e. “INVALID” – the term used for a TAP card that is either expired or has a closed/retired account
- f. “HOTLIST” – the term used for a TAP card that has been purposely disabled by the TAP Service Center
- g. “READ / WRITE ERROR” – the term used for a TAP card that cannot be read by the TAP unit.
- h. “PASSBACK” – the term used to describe a condition where a customer successfully TAPs his/her card and then attempts to hand off the card to another customer to use. The system will lock out that card for a period of 7 minutes.
- i. “OCU” – the Operator Control Unit which displays fare information and allows the operator to select required control functions to record the fare activity

4.0 RESPONSIBILITIES

Chief Operating Officer Operations – Manages the day to day operation of the Metro Bus and Rail Systems. These activities include management and implementation of fare policy and directives governing the rules and procedures for this element of operations.

5.0 FLOW CHART -- None

6.0 REFERENCES -- None

7.0 ATTACHMENTS

Exhibit 1 - High Level Summary of Fare Scenarios and Operator Action / Response

Exhibit 2 – Detailed Table of Actions for Operators

Exhibit 3 -- Tap Card to Be Invalidated By Operator

Exhibit 4 – Paper ticket “Metro to Muni” Interagency Transfer (TLAC-5) With Punch Locations

POLICY AND PROCEDURAL GUIDANCE HANDLING OF TAP CARD ISSUES

8.0 PROCEDURE HISTORY

None, first issue

EXHIBIT 1 – HIGH LEVEL SUMMARY OF FARE SCENARIOS AND OPERATOR ACTION / RESPONSE

FARE SCENARIO	OPERATOR ACTION/RESPONSE
Repeat READ/WRITE ERROR Display Screen is blank or does not respond to the card tapped on the target Fixed Display – No Change	Punch the TAP card one time in the corner of the card
Money inserted, Customer Does Not Have a TAP card Existing TAP Card Does Not Load	Issue Fare Receipt in the Form of an Existing Inter-Agency Transfer Document; punch date and the word "NOT" in the black stripe where it says "NOT VALID"
TAP Card has two (2) or more punches TAP Card has continuous READ/WRITE Error TAP Card Displays as Hotlist	Politely Request Customer to Surrender Card

EXHIBIT 2 – DETAILED TABLE OF ACTIONS FOR OPERATORS

Operational Issue	Recommended Policy Change	Bus Operator Action
TAP unit indicates "PASSBACK" (Card is valid)	None	<ol style="list-style-type: none"> 1. Allow customer to ride If pass back is observed, quote the fare
TAP unit indicates "READ / WRITE ERROR"	Ask customer to re-TAP card. <ol style="list-style-type: none"> 1. If card works, card is valid & customer may proceed. 2. If read/write error persists, take actions indicated. 	<ol style="list-style-type: none"> 1. Quote the fare 2. Politely request to see the card 3. Make a single punch in one of the corners and return the card to the customer. 4. If there are two or more punches inform the customer that the card is no longer usable and retain the card. Inform the customer to obtain a new card 5. Allow customer to ride. 6. Turn in card to Division Manager
TAP unit indicates "HOTLIST"; the unit "does not respond; the card is not a TAP issued device; the TAP OCU display does not change	Politely request customer to surrender the card	<ol style="list-style-type: none"> 1. Quote the fare and attempt to collect. 2. Accept fare amounts deposited in the fare box. 3. Allow customer to ride 4. Turn in cards collected to Division Manager who will return to TAP office
"Short" Day Pass - rider does not have full fare to buy Day Pass	Do NOT load short DP on TAP - any amount less than full DP fare is short fare.	<ol style="list-style-type: none"> 1. Quote fare 2. Do not load DP on TAP 3. Allow customer to ride

<p>TAP unit indicates "TOO LOW - \$1.25," or "INVALID," or there is NO VALUE on the card.</p>	<p>The fare box will automatically deduct the remaining value on the card and reflect the remaining fare necessary to meet the base fare.</p>	<ol style="list-style-type: none"> 1. Advise customer that card has insufficient fare for the ride. 2. Quote the fare and request customer to make up the difference. 3. Use short fare if no additional fare is deposited. 4. Allow customer to ride
<p>Money inserted, customer does NOT have a TAP card OR Customer has valid TAP card, but can't load Day Pass (possible read/write error)</p>	<p>Issue emergency fare receipt currently in the form of an Inter-Agency Transfer. Future modifications will be made to the instrument.</p>	<ol style="list-style-type: none"> 1. Punch Interagency transfer to punch out the word "NOT" in "NOT VALID" and punch DATE. 2. Press "SHIFT + Number 6" to record transaction

EXHIBIT 3 – TAP CARD TO BE INVALIDATED BY OPERATOR

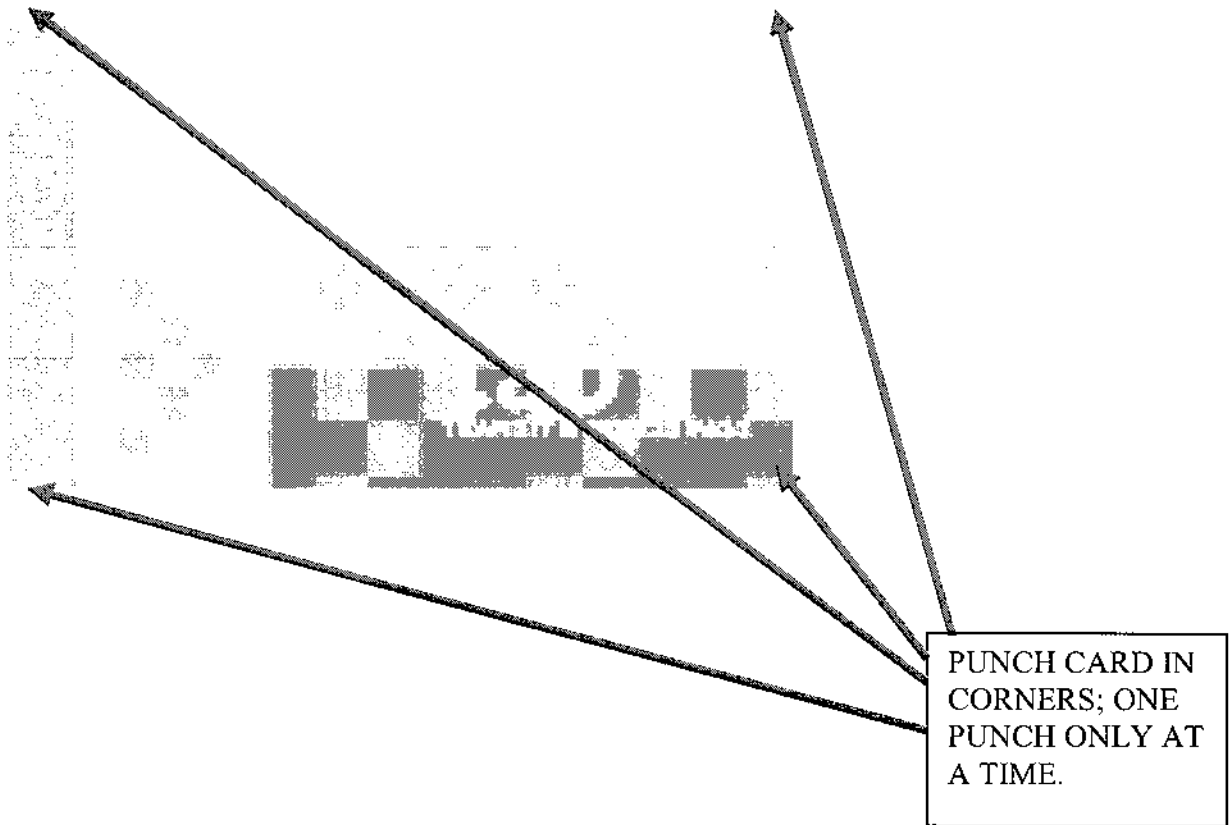


EXHIBIT 4 – METRO TO MUNI TRANSFER WITH PUNCH LOCATIONS



Punch out the word "NOT" and punch the date for which this emergency ticket is valid. A revised document for emergency transfer use will be made available shortly.