

SANBAG Commuter Rail and Transit Committee

June 21, 2012



Study Overview

- What is a COA?
 - Outside assessment of a transit provider that analyzes operations, maintenance, administration and revenue with the goal of making recommendations for improvement to the agency.
 - Often times, the COA is also coupled with the development of a Short Range Transit Plan, as is the case here.
 - Looks at best practices from other transit agencies as the basis for making recommendations for improvement.

Study Overview

- Why prepare a COA of Omnitrans?
 - It is consistent with SANBAG's responsibilities as a County Transportation Commission under Public Utilities Code.
 - All of the San Bernardino County transit providers have recently completed or are in the process of completing COAs.
 - The need for a COA examining Omnitrans was identified in an August, 4, 2010 Board item that provided information on the financial assumptions used by Omnitrans in support of its Project Construction Grant Agreement with the FTA.
 - At that time, SANBAG expressed concern to Omnitrans that the financial assumptions did not reflect the broader array of projects and transit goals in San Bernardino outside of Omnitrans.
 - The COA's goal is to work with the net revenue available to Omnitrans and develop a strategy for delivering the best service possible within these constraints.

Study Overview

- Why prepare a COA of Omnitrans?
 - Items of Concern Expressed to Omnitrans in 2010
 1. Long term use of State Transit Assistance Funds for operations
 2. Access services and the Consolidated Transportation Services Agency (CTSA)
 3. Future distribution of Local Transportation Funds (LTF)
 4. LTF contingency for long term operations
 5. Use of CMAQ
 6. Availability of Measure I for revenues
 - Structural Changes to SANBAG's Transit Program
 1. Measure I 2010-2040 contains different funding formulas
 2. SANBAG formally created and designated a CTSA in the Valley
 3. Ramp-up of Redlands Rail program

Study Overview

- What is the COA scoped to address?
 - An existing conditions analysis of Omnitrans
 - A financial analysis of Omnitrans, including key areas such as administration, maintenance, and operations
 - Assessment of service policies and standards
 - Consideration of alternative methods for providing service, including outsourcing all or parts of Omnitrans
 - A recommendation on the route types and frequency of service to be provided by Omnitrans
 - Short Range Transit Plan to provide for operating and capital investment for a 10 year period.

Study Overview

- What the COA is not scoped to address?
 - The Redlands Rail program
 - Metrolink Rail program
 - Gold Line Rail program
 - Other BRT routes beyond the E Street sbX
 - Other SANBAG projects
 - Other San Bernardino County transit operators
 - Adopted SANBAG policy or allocation decisions

Study Overview

- Collaboration between Omnitrans and SANBAG
- Three phase study
 - Phase I: Overview and analysis of existing transit service
 - Phase II: Development of alternatives
 - Phase III: Action plan and implementation program

Project Status

- Phase I completed sections
 - Service overview
 - Service policy analysis
 - Initial public outreach
 - Non-user survey
 - Congruency and coverage analysis
 - Route network issues and opportunities
- Phase I sections to discuss today
 - Financial analysis
 - Administrative functions
 - Alternative service delivery
- Phase II
 - Unconstrained route network developed
 - Outreach received regarding unconstrained route network

Task 2: Financial

COA Task 2 and Technical Memo 2

- Objective - evaluate the relationship of existing service and capital improvements to anticipated local, regional, State and federal funding
 - Future annual operations and maintenance (O&M) and capital cost estimates developed in conjunction with Omnitrans
 - Projected funding levels developed with SANBAG staff

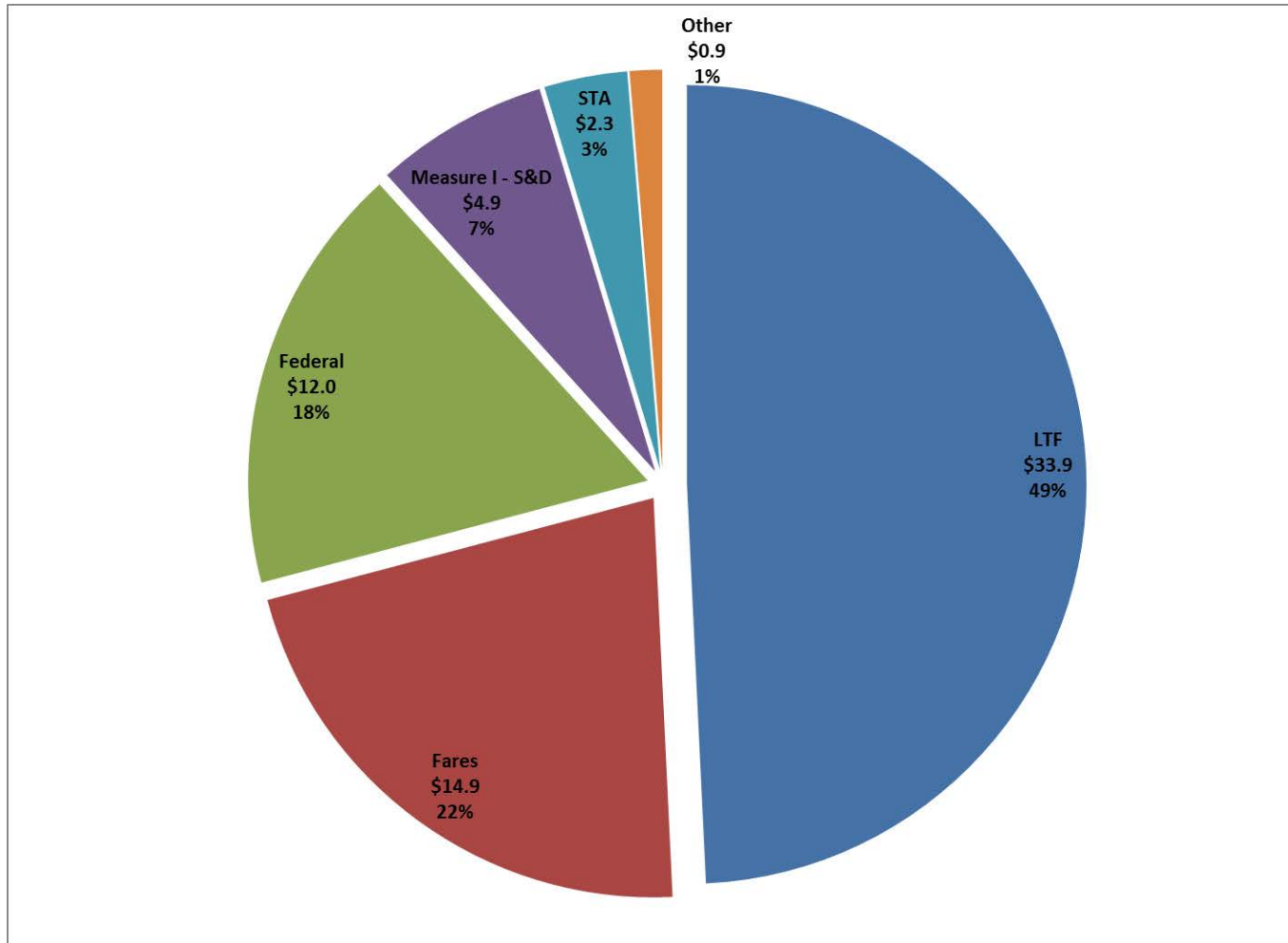
Financial Analysis

- Scenarios to be evaluated
 - Baseline Scenario (Tech Memo 2): existing service levels and capital program held constant compared to funding projections
 - Alternative Service Scenarios (Pending Tech Memo): future system-wide service concepts to reflect funding projections and/or modifications to the Baseline Scenario based on preferred service concepts.

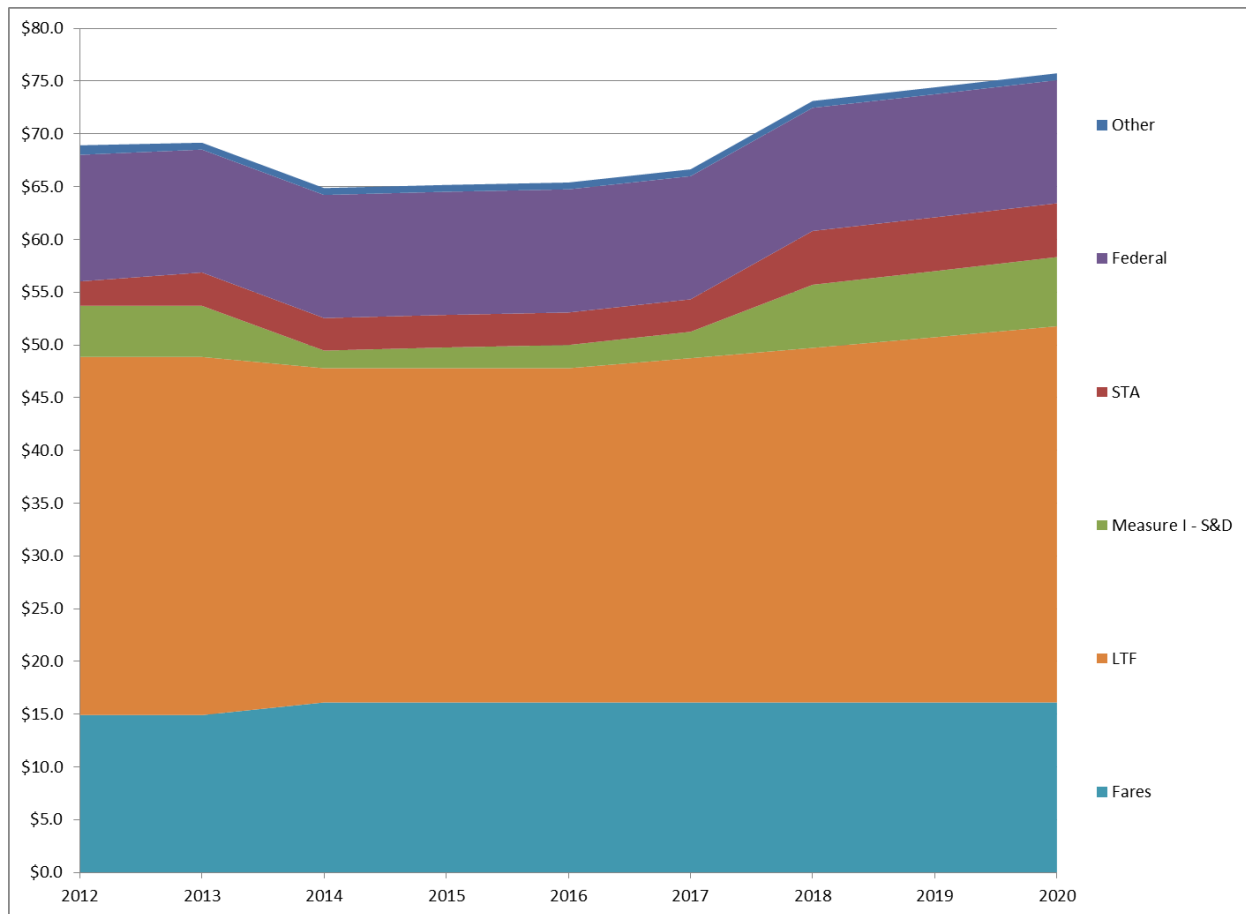
Revenues Considered

- Consistent with Measure I Ten Year Delivery Plan
 - Local Transportation Fund (LTF)
 - Measure I: Senior and Disabled (S&D) Fund
 - State Transit Assistance Fund (STA)
 - FTA Section 5307 Funding
- Other Sources
 - Fare Revenue
 - Advertising Revenue
 - Proposition 1B PTMISEA
 - Other Federal Funding

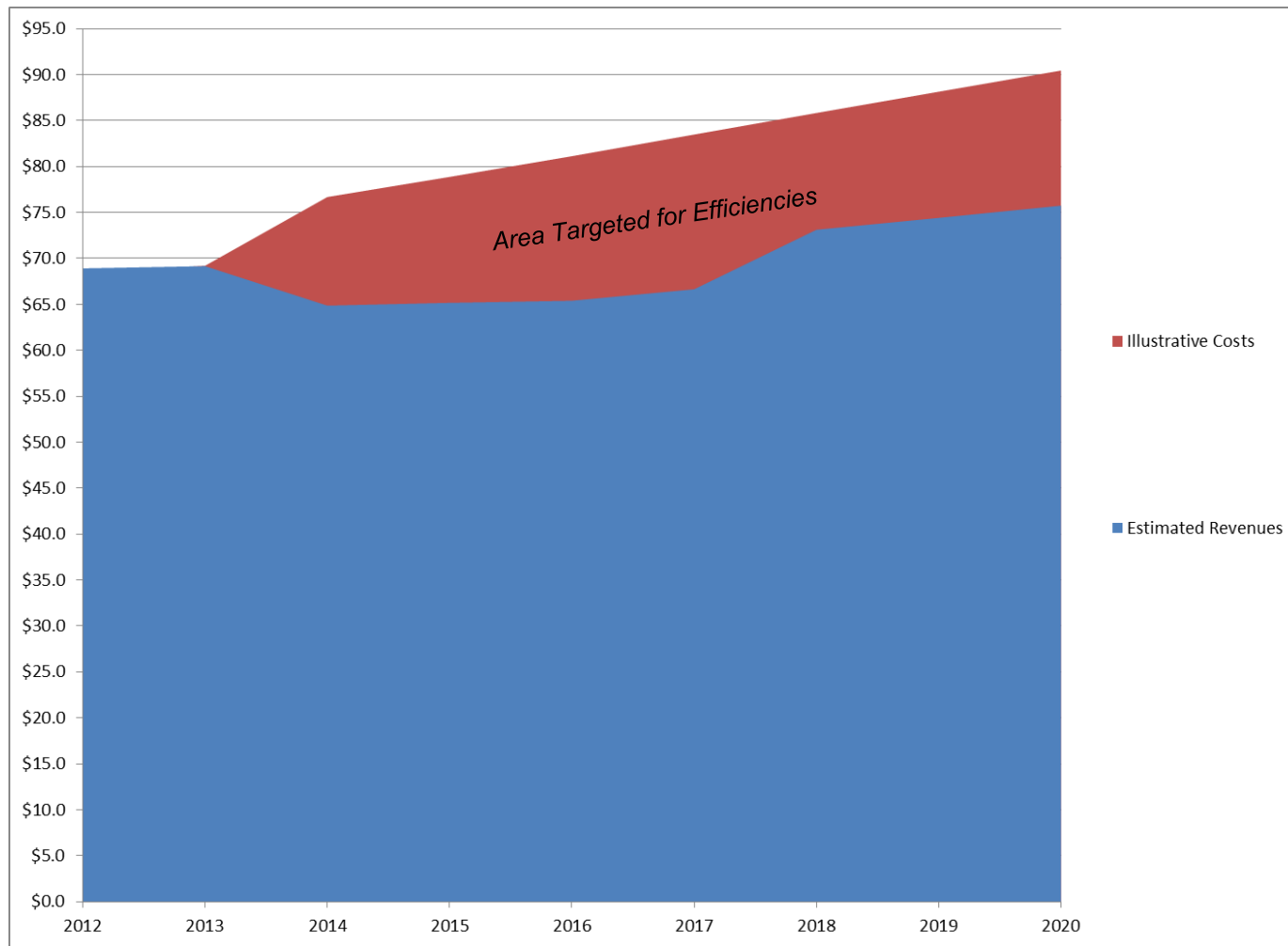
FY 2012 Budget Operating Revenues



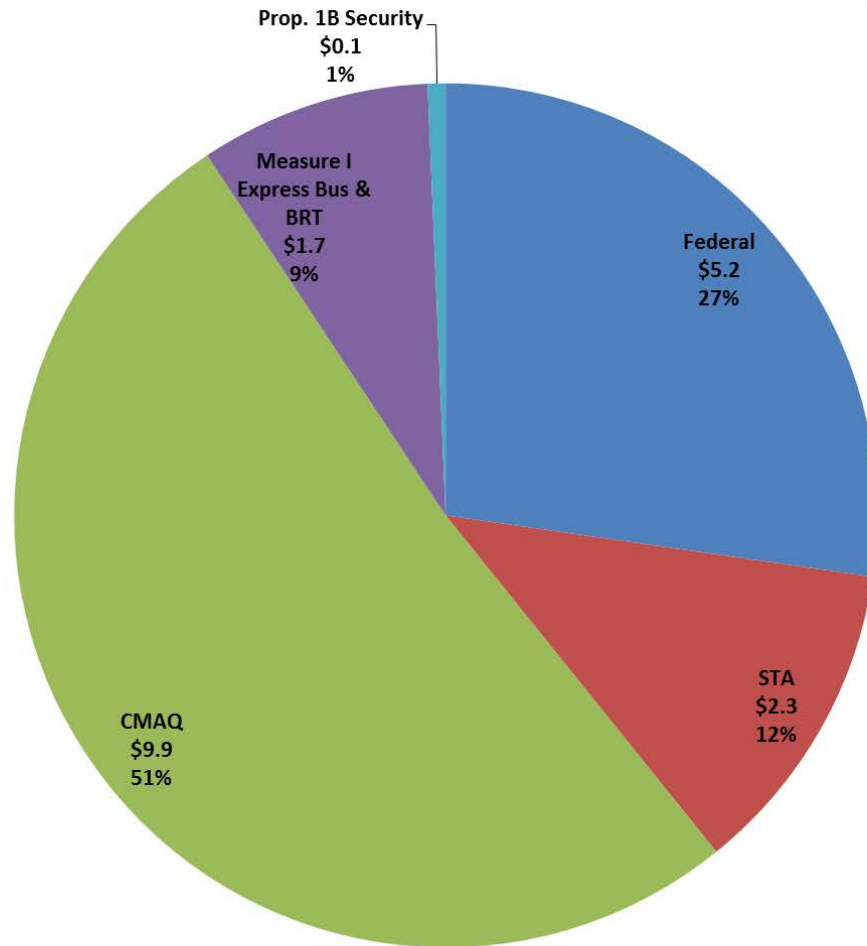
Revenue Projections



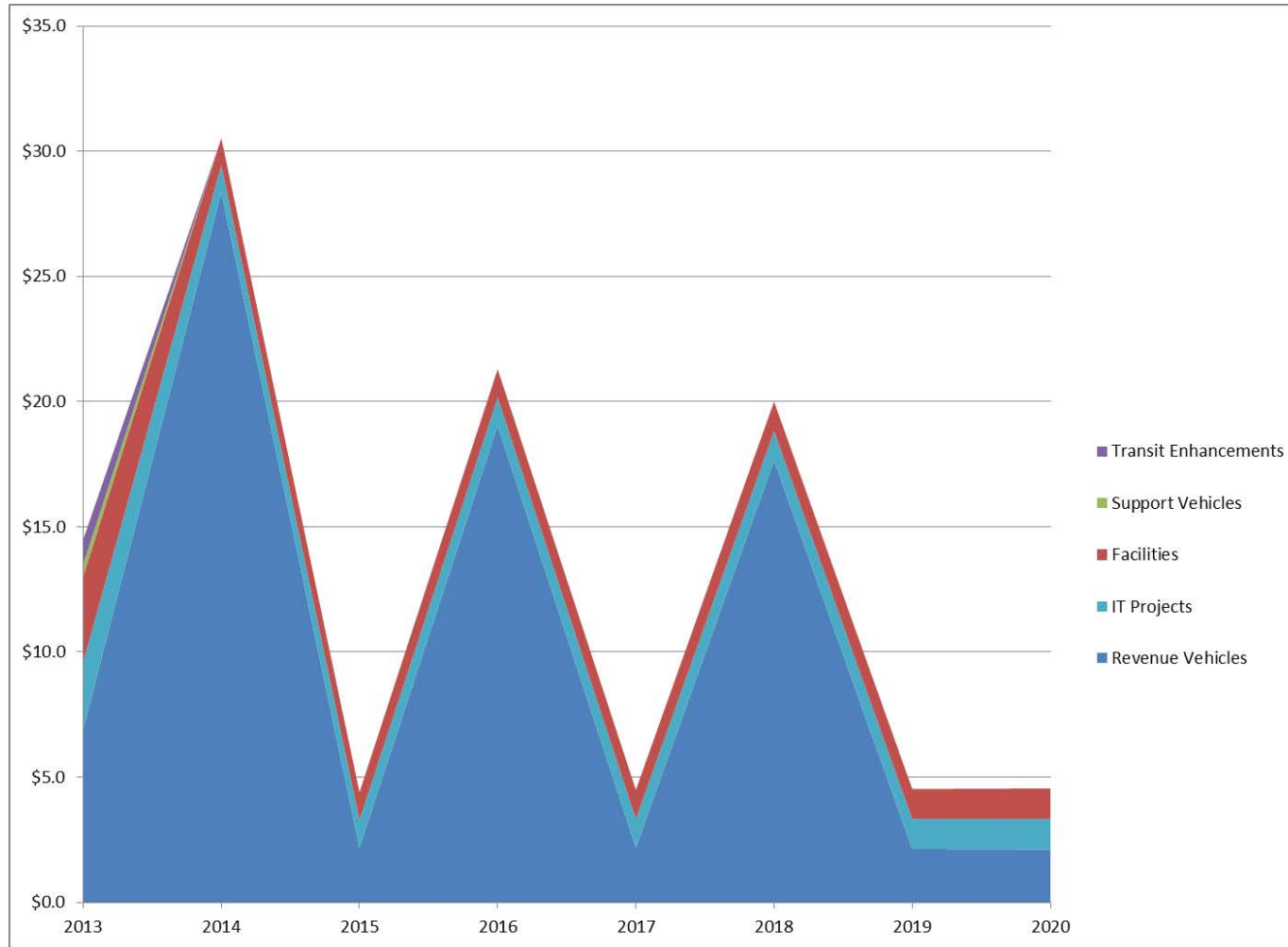
Baseline Costs & Revenues



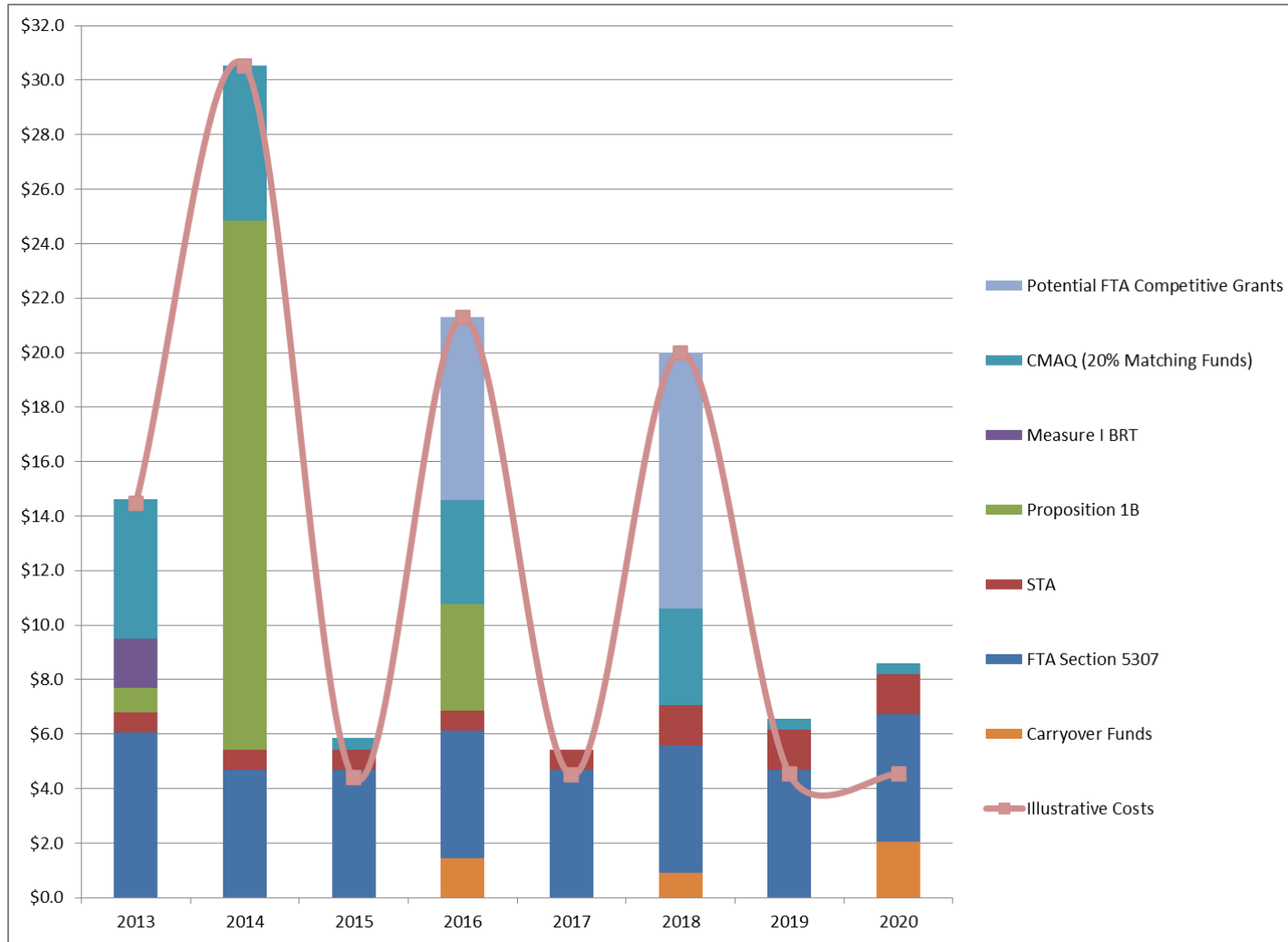
FY 2012 Budget Capital Revenues



Illustrative Capital Costs



Illustrative Funding Scenario



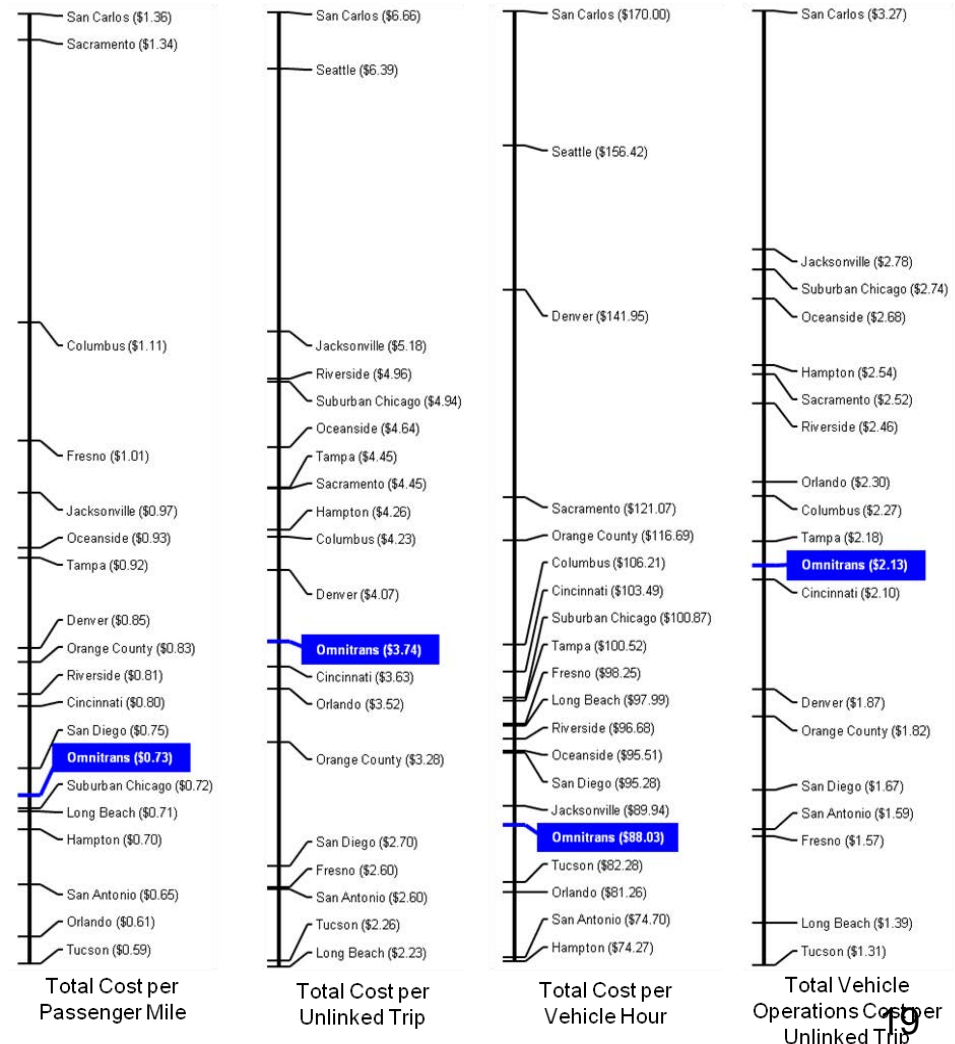
Task 5: Administration

COA Task 5

1. Compare Omnitrans to peer systems using Thermometer Chart analysis and agency surveys
2. Update 2010 benchmarking study
3. Review Omnitrans' staffing, management, and organizational structure
4. Review wage scales and benefits

Thermometer Chart Analysis

- Thermometer Chart Analysis is a technique for comparing transit service agencies based on a variety of metrics
- Omnitrans was compared to 22 agencies across the United States based on National Transit Database (NTD) 2009 statistics



Thermometer Chart Findings

- Based on the thermometer chart analysis, the following general observations were made regarding Omnitrans operations compared to the other agencies in the peer analysis:
 - Omnitrans General and Administration (G&A) costs are lower than the average
 - Omnitrans G&A costs as a percent of all funds are lower than the average
 - Omnitrans cost to provide service are lower than the average
 - Average vehicle efficiency
 - Lower than average deadhead
 - Average schedule efficiency
 - Average vehicle utilization
 - Demand response is better than the average in efficiency

Update of 2010 Benchmarking Report

- A benchmarking study was conducted by J Lewis & Associates on over 100 transit systems in the western U.S. using 23 operating/cost metrics in August 2010
- The updated benchmarking report adds an additional 8 metrics and includes all states in the continental United States
- From the updated benchmarking report, the following general observations are made about Omnitrans operations:
 - Expense is below the average relative to service delivered (total expense per hour or mile)
 - Demand responsive expense is lower than the average, but increasing.
 - Vehicle operator wage rate is higher than average
 - Total vehicle operations cost are average
 - Administrative expense are lower than average
 - Low expenditures on outside services

Task 6: Alternative Service Delivery

Institutional structure of paratransit planning, development, and delivery

- CTSA/VTrans
- Omnitrans facility development
- User-side subsidy

Analysis of outsourcing

- Administrative opportunities
- Service delivery opportunities

Institutional structure of paratransit planning, development, and delivery

- Consolidated transportation services agency
 - Allows for managing the growth of Omnitrans Access ADA service by coordinating social service agency trips
 - Examples: Sacramento Paratransit, Inc. and San Luis Obispo Ride-On Transportation
 - Success with diverting Access trips to Pomona Valley Workshop and will expand to other agencies
- Omnitrans facility development
 - Large Omnitrans projects should be coordinated with SANBAG to take advantage of their program management expertise and experience
- User side subsidy
 - Contract with taxi company directly to provide low density services (OmniLink)
 - Taxi vouchers for subsidized taxi trips

Pros and Cons of Outsourcing

- While the positives and negatives of outsourcing transit services depend on the size of institution and the amount of contracted service, there are some general observations that have been made:
 - Pros*
 - Competitive nature of private industry will keep costs lower than public industry can support
 - Private companies are more likely to use innovative technologies or practices that reduce costs and increase productivity
 - Cons*
 - Lower level of customer service by private companies
 - Loss of operational control
 - Lower level of service quality by private companies

**Sources: Reich, Stephen L. and Janet L. Davis, 2011; Teal, 1985; Scholl, 2006*

Outsourcing Potential

- 3 functional areas: administration, maintenance, service (Omnitrans continuously evaluates opportunities for administration and maintenance outsourcing)
- 3 scenarios for outsourcing service
 - Weekend only on lightly used routes (63, 80, 82)
 - West Valley Facility routes
 - All fixed route services

Next Steps

Finalize Phase I

Phase II Draft Plan

- Resource constrained plan
- Ridership and fare projections

Phase III Final Plan

- Final plan
- Presentation to SANBAG and Omnitrans
- Scheduling
- Implementation