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Nathaniel P. Ford Sr. | Executive Director/CEO

May 18, 2010

David Chiu,
President
San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place, City Hall
San Francisco, CA 94102-4689

Dear President Chiu:

As a follow-up to the San Francisco Municipal Transportation Agency's (SFMTA) initial response to the limited scope performance audit which was submitted on Monday, May 10, please find attached, a more in-depth review and analysis of the audit report.

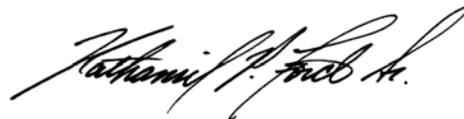
Once again, on behalf of the Agency, we like to extend our sincere appreciation to you and the members of the Board for your steadfast interest in the SFMTA, specifically our governance, and the performance of our Muni operations.

If you have any questions, please contact either of us; Tom Nolan at 415.701.4505 or Nathaniel Ford at 415.701.4687.

Sincerely,



Tom Nolan,
Chairman



Nathaniel P. Ford Sr.
Executive Director/CEO

Cc: Mayor Gavin Newsom
SFMTA Board of Directors
SFMTA Citizen Advisory Council
City Controller's Office

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EXECUTIVE SUMMARY

On May 12, 2010, the San Francisco Board of Supervisors held a hearing regarding the audit findings and recommendations of the San Francisco Municipal Transportation Agency's (SFMTA) Performance Audit. The SFMTA prepared a general response and committed to providing an in-depth review and analysis of the complex issues such as transit operator schedules and overtime. The following is an overview of the findings and actions taken by the SFMTA:

Response to Finding #1 – Scheduling results in excessive costs

- It is not necessarily the scheduling that is inefficient, it is the work rules that limit the flexibility to allow more efficient scheduling.
- Use of part time operators is a useful tool, but industry review has shown that maximizing part time use is not necessarily the most cost effective solution.
- Savings from reduced over time need to be balanced with costs associated with part time use, recruiting, hiring, attrition, benefits, etc.
- Pay to platform figures should not be used for comparative purposes with other agencies; the pay to platform ratio considers a number of different factors, such as scheduling, work rules, peak to base, service requirements, and operator agency configuration.

Response to Finding #2 – Unscheduled absenteeism and overtime is not managed

- Absenteeism is tracked and reported daily. Reports are developed by type of absence and by division.
- SFMTA is strengthening the Return to Work program to reduce long term absences. The program is also used to determine when operators will be available to return to work and allows for better work force planning.
- SFMTA reduced unscheduled leaves by 1% for FY2009 (9.25% for FY2009, 10.25% for FY2008).
- Overtime expenditures have been reduced over the last three years (FY2008 - \$29.4M, FY2009 \$28.9M, FY2010 (Projected) \$27.6M)

Response to Finding #3 – The Board should strengthen its processes

- The SFMTA Board is governed by the City Charter, in addition to the Rules of Order.
- The Strategic Plan, which was developed two years ago, is the framework which business decisions are made.
- All actions presented to the Board support one or more of the goals defined in the Strategic Plan.
- While the SFMTA Board does receive training, it does agree that additional training in governance would be beneficial and furthermore believes that such training would be beneficial for other City commissions and board.

- It is appropriate that the Five-Year Strategic Plan should be updated and reviewed biannual in conjunction with the budget process.

Response to Finding #4 – The Board should increase its oversight of TEP implementation, financial reporting and risks

- The TEP is integral to the SFMTA’s business planning and is the road map by which all service delivery decisions are made.
- The recommendation to form an audit committee will be seriously considered by the SFMTA Board.
- As a City Department, the Controller’s office is responsible for audits of the SFMTA. The SFMTA does work with the Controller to formulate and prioritize audits.
- The City Controller is also responsible for risk assessments. As with audits, the SFMTA will work with the Controller’s office to conduct risk assessments.

During the period covered by the audit, the SFMTA made prudent business decisions that saved the agency in excess of **\$24 million dollars**. Most of the savings are related to the efficient and effective management of the existing labor work rules related to the Extra board and Force Totals provisions of the MOU.

The following sections of this report will discuss how transit operators schedules are managed, impact of work rules, an analysis of the extra board, analysis of force totals, comparative analysis of the use of part-time operators in various transit agencies, and a comparative information of the most efficient transit agencies in the Bay Area.

SECTION 3 - COMPREHENSIVE REVIEW & ANALYSIS (Transit Operators Schedules & Overtime)

DEFINITIONS

Available Operator Force: is defined as the number of operators *on the property, trained, and ready to work*.

Authorized Absences: Vacation, holidays, jury duty, maternity, sick leave, bereavement, personal leave (Other Paid time off).

Blocks: A schedule of work to fill in the Regular Days Off (RDO) for the operators assigned to the scheduled runs. This work includes five (5) consecutive days of different hours, routes or lines.

Driving Time: No operator can drive more than 10 hours within a 12-hour range (period).

Extra Board: A rotating schedule (roster) of operators who are scheduled to be available to fill in for operators who are on vacation, sick leave, or who otherwise are not available to cover their scheduled assignments.

Force Totals: In accordance with the Memorandum of Understanding, the Available Operator workforce shall be no less than 1872 including the Extra Board of 27.5% of the number of scheduled runs and blocks. Part-time Operators can not exceed 12% of total workforce (according to the ASO).

Formula for Full-Time Operators: Total number of Run and Blocks plus 27.5% Extra Board = Total Number of Full-Time Operators

Lunch Period: Operators assigned to work requiring six (6) or more hours of continuous work will receive twenty (20) minutes of straight time pay in lieu of a lunch period.

Night Duty: Any work performed after 6:00 p.m. or prior to 6:00 a.m.

Overtime: The basic hour of labor shall be eight hours per day. For all hours worked in excess of eight hours, operators shall be paid one and one half times the straight time rate.

Part-time Operator: Transit operator employed on a continuing basis for less than full-time as defined for regular operators. Said operator can not work more than 25 hours per week or five hours on a weekday; or eight hours on a weekend day or four days per week for part-time operators scheduled to work on both Saturday and Sunday.

Regular Operator: Transit operator employed on a regular, full-time continuing basis whether assigned to a regular run or to the extra board.

Report and Collection (R/C): Ten minutes when an operator reports, starts, or ends a run or collection from a division. Ten minutes for LRV, 35 minutes for a 2-car LRV, and 15 minutes for a PCC.

Regular Day Off (RDO): An operator required to work on his or her regular days of in any scheduled work week shall be paid no less than eight (8) hours work. Operators working on RDO will be paid time and a half for such work only if the operator has worked 40 hours in the same work week, or has authorized absences in addition to working time in the same work week totaling 40 hours.

Runs (Scheduled): A schedule of work consisting of five (5) consecutive days of the same hours, routes or lines.

Split Time: If a regular split run is not completed within a range of 10 hours, time and one-half will be paid for all time in excess of said 10 hours. No operator shall work more than 12 hours (unless the operator agrees).

Straight time: 8 hours per day

Travel Time: Time travel from a relief point away from the home division to the home division, or the opposite.

Time Off Between Scheduled Work: Minimum of eight hours off between shifts

Trippers: A segment of a scheduled Run (Short Run).

Work Time: Time as platform employees, operating a transit vehicle, or collection work. Time on report, time spent as a witness, business-related court appearances, standby time on split or fill-in (make-up) time, training time, travel time between relief points and home division, attend special meetings, time for Department of Motor Vehicles during regular work hours, three hours of medical exam time for license, reporting, lunch period (20 minutes).

1 - SFMTA PART-TIME OPERATORS

1.1 - 1980 – 1981 Initial Implementations of Part Time Operators

The SFMTA implemented part-time operators during 1980-81 in compliance Ca.SB602 and after collective bargaining enabling work rule creation and after subsequent successful arbitration. During this time, part-time operators (PTO) were assigned to part-time runs (short runs) and to the part-time Extra board. MOU provisions governed the wage rate and benefits of PTO, maximum PTO, maximum work/pay hours, and minimum guarantee. PTOs were employed through standard CCSF civil service hiring procedures and offered full-time (regular operator) status upon vacancy attrition.

Conversion of operators from part-time to full-time status was offered and scheduled in conjunction with the new operator training to achieve FTO force total compliance. Long-term PTOs were offered permanent civil service status pursuant to the MOU provisions. PTO positions were eliminated and converted to full-time upon the implementation of service reductions in 2005.

1.2 - September 2005 Service Modifications - Elimination of Part-Time Operators

In April 2005, the SFMTA Board of Directors approved \$13.5 million in service modifications to the Muni Railway with an effective date of September 2005. The FY 2006 budget was predicated on the implementation of the service modifications between September 2005 and June 2006. The service modifications included adjustments to headways, line and route restructuring, reduction of evening services, and labor efficiencies. The labor efficiencies included reducing the amount of overtime built into scheduled run, eliminating non-driving operator work assignments, and eliminating the 40 Standby Runs.

Most of the service modifications were implemented with the exception of the elimination of the 40 standby runs. After careful consideration, it was recommended to eliminate all other non-driving work assignments and retain the 40 standby runs to perform non-driving assignments to support the transit system and expand those operators responsibilities to include implementing the service modifications and utility support functions such as assisting with preparing the fleet, cable car boarding, school bus driving, special events coverage, responding to emergency situations, etc.

As a result of the service reductions, the staffing levels for FTOs were reduced from 1,933 to 1,862 which resulted in the elimination of 71 FTOs positions. In addition, all PTOs positions (58) were eliminated from the budget.

1.3 - December 2009 Service Modifications - Re-introduction of Part-Time Operators

In April 2009, the SFMTA Board of Directors approved service modifications, which were later modified by the Board of Supervisors, based upon the review of the SFMTA's budget. The proposed service modifications were to take effect on October 3, 2009. The service modifications included discontinuing routes, eliminating route segments, ending routes earlier and reducing service frequency; and service enhancements such as increasing frequency on crowded routes, expanding limited-stop service and restructuring routes to make new or more direct connections. The service enhancements also included running time adjustments on approximately 60 percent of the weekday schedules and 35-40 percent of the weekend schedules.

To achieve the proposed service modifications, in April 2009, the SFMTA planned to reintroduce part-time operators concurrent with the fall 2009 proposed service changes. The scheduled runs and blocks included 109 part-time runs, as well as 1,207 full time runs and 363 full time relief blocks for a total of 1,570. SFMTA management aggressively began to develop the proposed service modifications by revising schedules of runs and blocks; issuing job announcements to hire part-time operators in addition to contacting current full-time applicants to ascertain their interest in part-time employment and identify applicants for the operator training program. While SFMTA efforts would have improved the efficiency of transit operations, the reintroduction of the part-time operators was challenged by the Transport Workers Union (TWU) 250-A.

1.3.1 - Article 13 MOU - Force Totals

In July 2009, the legal counsel for TWU Local 250-A sent a letter to the Chief Operating Officer (COO) for the Muni Railway stating that SFMTA management took unilateral action and ignored its legal duty under the Meyers Milias Brown Act with its intent of part-time operator reintroduction. The letter cited Article 13 - Force Totals (Sections 132 and 133) of the MOU regarding the minimum full-time force levels. In addition, the legal representative requested that SFMTA immediately rescind the announced schedule changes and any plans for part-time transit operator recruitment until the Agency met its legal obligations under the MOU.

Article 13 - Force Totals states the following:

Section 132. The Union and the SFMTA agree that there shall be an Available Operator Force equal to the number of scheduled runs and blocks plus an extra board equal to 27 1/2 % of the of the number of scheduled runs and blocks. "Available Operator Force" is defined as the number of operators on the property, trained and ready to work as assigned. As of the date of ratification of this MOU, there are 1468 scheduled runs and blocks. It is the intention of both parties that all runs and blocks be staffed.

Section 133. The Union and the SFMTA further agree that an Available Operator Force of 1872 shall be in place no later than January 1, 2001, and shall be maintained for the period of the MOU.

Section 134. If the Available Operator Force level herein provided falls below 1872 operators for more than 30 days following January 1, 2001, the MUNI shall immediately initiate the process of converting sufficient part-time operators to full-time status to attain the Available Operator Force total.

NOTE: The Available Operator Force Totals (1872) refers to the full-time operators and is calculated based upon the Total Number of Run and Blocks (1468) plus a 27.5% Extra Board (404).

1.3.2 – Force Total Analysis

The December 2009 proposed service modification were based upon the Transit Effectiveness Project (TEP). The proposed service modifications were efficiently designed to streamline the delivery of services, as well as, integrate service enhancements into the transit system. Overall, the service modifications resulted in 214 additional runs and blocks being added to the transit system. In order to reintroduce the 109 PTOs into the system, the SFMTA was required to hire an additional 133 FTOs to staff up the Extra Board in compliance with the Force Total provision of the MOU. The cost of hiring the additional FTOs for the Extra Board was approximately \$11.5M and the proposed savings for the PTOs was \$4.7M. If the SFMTA had complied with the MOU Force Totals provision, it would have created an additional financial burden of approximately \$6.8M to the Agency.

Exhibit 1 - Force Total Analysis (December 2009 Service Modifications)

	Part-time Runs	Full-time Runs	Total Runs	Relief Blocks	Total Runs & Relief Blocks	Full-Time Runs & Blocks	Extra Board %	Total Extraboard Operators	Total Operators Needed
MOU - Avail Ops	0	1468	1468		1468	1468	27.5%	404	1,872
Proposed - No Part Time	0	1316	1316	366	1682	1682	27.5%	463	2,145
Proposed - W/ Part Time	109	1207	1316	368	1684	1575	27.5%	433	2,008
Extra Board - 8.6.09	0	1331	1331	380	1711	1711	19.7%	337	2,048
Additional Operators	0	1331	1331	380	1711	1711	27.5%	471	2,182
Difference							-7.8%	133	
Avg Annual Salary	86,946							133	\$11,563,818
Proposed Part-Time Savings	43,473							109	\$4,738,557
Efficiency (Savings)									\$6,825,261

Although reintroduction of PTOs into the system would have presented an opportunity to reduce direct service unit costs and improve system reliability, the additional cost (\$11.5M) of staffing up the Extra Board with FTOs to meet the force totals in the MOU would have been inefficient and costly to the Agency. The business decision to delay the reintroduction of PTOs into the transit system resulted in savings and other efficiencies as outlined below:

- Labor Surplus - Hiring an addition 133 full-time operators would have been excessive for the number of scheduled runs and blocks needed to for the system.
- Labor Practices - The process would have set precedence with labor unions for maintaining a full-time workforce without adequate demand for work.
- Legal Costs – Mitigated potential legal costs.
- Operations - Delaying the implementation of the December 2009 service modifications would have had an adverse impact on system reliability and the operating budget.

In summary, SFMTA Management made a prudent business decision not to reintroduce the part-time operators into the transit system under the provisions of the current MOU. The MOU language in Article 13 – Force Totals must be revised to address the ambiguity associated with the interpretation of the work force total only then can part-time operators effectively be re-introduced into the Muni transit system without a union challenge.

1.3.3 – Extra Board Analysis

The Extra board is a principal tool of managing unscheduled overtime, and it has generally been maintained by the Scheduling staff that 18% is the recommended minimum and 27.5% is the optimal. However, as indicated in the chart above, maintaining levels below the optimal 27.5% provides a savings to the Agency. Conversely, significantly low levels of the Extra board will affect overtime costs. The key to managing overtime and the Extra board is finding the right balance of manpower needed to support the system.

On page 63 of the auditors' report, Table 4.8 – Extra board Calculations as of March 2010 is incorrect. As stated above, the number of FTOs required for the Extra board is based upon 27.5% of the total number of runs and blocks. The percentage was developed based upon combination of historical workload information and data from comparable properties. Over the years, the SFMTA has modified its service levels which changed the number of full-time operators and Extra Board needed to operate the transit system. On average, the SFMTA has not maintained a fully staff Extra board which has resulted in significant savings to the Agency.

On page 64 of the auditors report, it incorrectly states that *"Muni does not maintain accurate data on the number of available transit operators."* SFMTA does maintain an accurate accounting of all positions within the Agency. This information is used to determine the total available workforce and manage the Extra board.

Run 410: Operator #1 collects his/her vehicle (#3805) and starts the shift at 4:49 a.m. and drives for a continuous 8 hours and four minutes and ends shift at 1:03 p.m. At the end of the shift, Operator #1 prepares any necessary administrative reports. This run does not have any standby time.

Work Rules:

- Straight Time: 7:09 hours
 - 20-minute lunch
 - 10-minute report and collection time
- Straight Night Differential [Any hours worked prior to 6:00 a.m.]: 1:11
- Overtime (Any time excess of 8 hours): 0:14

Exhibit 4 – Transit Operator’s Schedule (10 hours or More - W/Split Shift)

Run #	Run Range	Vehicle No.	Plat Form	R/C	Travel All	SB	Lunch	Straight Time	Straight Night Diff	O.T Reg	O.T. Night Diff	Total Time Paid	RDO
485	12:00	1480	6:16	0:10	0:08	2:00	0:20	8:20	0:00	0:58	1:02	10:20	Sat, Sun
		974	3:09	0:10	0:07	0:00	0:00	0:00	0:00	0:00	0:00		Sat, Sun
2:00													

Note: Run Range includes platform time, report time, travel time, and standby time. The Run Range does not include the lunch time

Run 485: Operator #1 collects his/her first vehicle (#1480):

- AM Peak - Starts the shift at 7:02 a.m., drives continuous for 6:16 hours, uses 0:08 minutes to travel back to the yard, and uses 0:10 minutes to prepare report. The Operator ends the AM Peak shift by approximately 1:36 p.m. and is assigned to **unpaid** standby time for 2:00 hours.

Operator #1 collects his/her second vehicle (#974):

- PM Peak - Starts the shift at 3:36 p.m., drives continuous for 3:09 hours, uses 0:07 minutes to travel back to the yard, and uses 0:10 minutes to prepare report. The Operator ends the PM Peak shift by approximately 7:02 p.m.

Work Rules:

- Straight Time: 8:20 hours
 - 20-minute lunch
 - 20-minute report and collection time
 - 15-minute travel time
- Overtime (Any time excess of 8 hours): 2:00 hours
 - 58 minutes at regular overtime - (1.5)
 - 1:02 at night time shift differential rate [after 6:00 pm] - (1.62)
- Standby Time (first two hours unpaid): 2:00 hours of **unpaid** standby time.

Exhibit 5 – Transit Operators' Schedule (10 hours or More - W/Split Shift)

Run #	Run Range	Vehicle No.	Plat Form	R/C	Travel			Lunch	Straight		O.T. Reg	O.T. Night	Total Time Paid	RDO
					All	SB			Time	Night Diff				
490	12:00	1482	6:40	0:10	0:00	2:00	0:20	8:20	0:00	0:50	1:10	11:43	Thu, Fri	
		3816	1:19	0:00	0:28	1:23	0:00	0:00	0:00	0:00	0:00			
3:23														

Note: Run Range includes platform time, report time, travel time, and standby time. The Run Range does not include the lunch time

Run 490: Operator #1 collects his/her first vehicle (#1482):

- AM Peak - Starts the shift at 7:10 a.m., drives continuous for 6:40 hours and uses 0:10 minutes to prepare report, ending the AM Peak shift at approximately 2:00 p.m. The Operator returns to the yard and is assigned to **unpaid** standby time for 2:00 hours.

Operator #1 collects his/her second vehicle (#3816):

- PM Peak – Starts the shift at 4:00 pm, uses 0:28 minutes for travel time, drives continuous for 1:19 hours. The Operator ends the driving time at approximately 5:51 p.m. Although the Operator ended the PM Run around 5:51 p.m., he/she was placed on standby in case they are needed for any additional driving assignments during the PM peak hours (**4:00 p.m. – 8:00 p.m.**)

Work Rules:

- Straight Time: 8:20 hours
 - 20-minute lunch
 - 10-minute report and collection time
 - 28-minute travel time
- Overtime (Any time excess of 8 hours): 2:00 hours
 - 50 minutes at regular overtime - (1.5)
 - 1:10 hour at night time shift differential rate [after 6:00 p.m.] - (1.62)
- Standby Time (first two hours unpaid): 1:23 hour
 - 2:00 hours of unpaid standby time
 - 1:23 hours of paid standby time

Exhibit 6 – Transit Operators' Schedule (10 hours or More - W/Split Shift)

Run #	Run Range	Vehicle No.	Plat Form	R/C	Travel			Lunch	Straight Time	Straight Night	O.T. Reg	O.T. Night	Total Time Paid	RDO
					All	SB								
496	11:54	1474	3:29	0:10	0:08	2:00	0:20	8:20	0:00	0:11	1:43	13:16	Sun, Mon	
		923	2:55	0:10	0:00	3:02	0:00	0:00	0:00	0:00	0:00			
5:02														

Note: Run Range includes platform time, report time, travel time, and standby time. The Run Range does not include the lunch time

Run 496: Operator #1 collects his/her first vehicle (#1473):

- AM Peak - Starts the shift at 7:49 am, drives continuous for 3:29 hours, uses 0:08 minutes to travel back to the yard, and uses 0:10 minutes to prepare report. The Operator ends the AM Peak shift at approximately 11:36 p.m. and is assigned to **unpaid** standby for 2:00 hours.

Operator #1 collects his/her second vehicle (#985):

- PM Peak – Starts the shift at 1:36 pm, stands by for 3:02, at 4:38 p.m. starts driving for 2:55 hours. The Operator ends the PM shift at approximately 7:43 p.m. (including time to prepare reports). In this case, the Operator is on standby awaiting a mid-day peak (2:00 pm – 4:00 pm) work assignment.

Work Rules:

- Straight Time: 8:20 hours
 - 20-minute lunch
 - 20-minute report and collection time
 - 8-minute travel time
- Overtime (Any time excess of 8 hours): 1:54 hours
 - 11 minutes at regular overtime - (1.5)
 - 1:43 hour at night time shift differential rate [after 6:00 p.m.] - (1.62)
- Standby Time (first two hours unpaid): 3:02 hours
 - 2:00 hours of unpaid standby time
 - 3:02 hours of paid standby time

Note: Run 496 would be appropriate for the use of part-time operators. The Run could be divided into three trippers to cover the AM Peak, Mid-day Peak, and PM Peak.

2.2 – Non-Driving Assignments – Utility Support Personnel (40 Standby Operators)

In 2005 the service reductions proposal included the elimination of all 40 Standby Non-driving assignments. However, after careful consider, it is was determined that some level of non-driving assignments was needed to support the yards, collect vehicles, support special events, and respond to accidents and emergency situations within the system. While the SFMTA agrees that it can reduce the number of Standby assignments, it would be unrealistic to assume that a transit agency of this size and complexity can operate without the use of “dedicated” utility support personnel. Therefore, the SFMTA disagrees with the total savings identified in the auditors report related to the 40 standby personnel in the amount of \$1,215,645. The SFMTA estimates that at least 50% of this amount (\$607,823) would be needed to provide utility support services for the Agency. The SFMTA will further evaluate the percentage of utility support personnel required to support the SFMTA, based upon industry standards.

3 - PEER COMPARISON

3.1 - Background

The relevance of part-time labor to transit is a consequence of the peaked nature of the service demands of the transit market. For many transit agencies, high proportions of services are provided to meet the demands of during morning and evening commuters. To provide this service, transit agencies need more operators during the peak periods.

The time from the start of the morning peak to the end of the evening peak is too long to be served by an operator working a conventional eight-hour shift. Without using part-time operators, transit agencies have resolved this scheduling dilemma by using a combination of split shifts (which require payment of spread premiums), overtime, and guaranteed pay (which guarantees eight hours of pay even if an operator works a shorted schedule).

Part-time operators can reduce the cost of providing peak-period service because they are subject to less restrictive work rules than full-time operators. Most U.S. transit agencies have introduced part-time operators as a way to schedule and operate service more effectively and thereby reduce operating costs. For transit agencies with highly peaked schedules, part-time operators can help to improve schedule efficiency by providing greater flexibility for cutting runs than are possible under the work rules regarding split shifts, overtime, and pay guarantees that apply to fulltime operators.

Seattle Metro (now King County Metro), with a peak/base ratio of nearly 3:1, pioneered the use of part-time labor in 1977–78. In comparison, SFMTA’s peak/base ratio is considerably lower. The highest ratio is 1.79, at Kirkland; systemwide, the average is 1.42.

Exhibit 7 – SFMTA Peak/Base Ratio

BY DIVISION	BASE	PEAK	RATIO	PEAK/BASE
FLYNN	61	99	61:99	1.62
KIRKLAND	63	113	63:113	1.79
WOODS	112	152	14:19	1.36
POTRERO	85	98	85:98	1.15
PRESIDIO	56	92	14 : 23	1.64
CABLE CAR	26	26	1:1	1.00
GREEN	107	144	107:144	1.35
SYSTEM TOTALS	510	724	255:362	1.42
BY MODE				
MOTOR COACH	236	364	59:91	1.54
TROLLEY COACH	141	190	141:190	1.35
ALL RUBBER TIRE	377	554	377:554	1.47

Source: SFMTA Service Planning

In developing the part-time program, Seattle Metro designed it to take advantage of people who wanted part-time work, to supplement their primary income or who for other reasons (e.g., homemakers, students) did not want full-time work.

A 1985 report by the Transportation Research Board observed that three of four labor contracts permit the use of part-time operators.¹ This was confirmed recently by a review of the 2008 National Transit Database (NTD), which showed that 343 (78.5%) of the 437 transit agencies that reported directly operated service data used part-time operators.

For some transit agencies, part-time operator wages and fringe benefits are lower than those of full-time operators. This is not the case at SFMTA. While it is less expensive to have a part-time operator operate a 3.5-hour piece of work than to pay a spread premium to a full-time operator to operate two 3.5-hour pieces of work within the allowed spread, any two SFMTA operators with the same seniority (regardless of full- or part-time status) are paid at the same pay rates and receive the same benefits.²

Some agencies also report intangible costs and benefits associated with part-time operators. A 1985 Transportation Research Board report: “On the organizational side, no unusual costs associated with use of PTOs were identified. PTOs have proven to be as reliable as, or even more so than, full-time operators; they have not created unusual supervisory costs; and there have been relatively few problems between part-time and full-time operators. Instead of creating a permanent force of PTOs, as had been anticipated, most of the PTOs who were hired really wanted full-time work.”³ Recent discussions with transit agencies’ staff have indicated that managing part-time operators continues to be challenging and some have minimized the use of part-time operators or are phasing them out (e.g., SEPTA, SCVTA). Some of these challenges result from morale issues (e.g., part-time operators who would prefer to work full-time); others include difficulty hiring part-time operators, especially in a healthy economic environment.

The literature on part-time operators also discusses some of the tangible disadvantages of using part-time operators. A 2001 Transportation Cooperative Research Program (TCRP) report discusses research on factors that can offset the financial benefits of scheduling flexibility provided by part-time operators.⁴ In some cases, that study found higher accident rates, absenteeism, and turnover.

¹ “Review of the Use of Part-Time Transit Operators and Methods for Assigning Part-time Work,” Transportation Research Record 1013, 1985.

² SFMTA does achieve some savings in variable benefit costs by using part-time operators (variable benefits are paid based on the number of hours worked; fixed benefits are paid regardless of the number of hours worked).

³ “Part-Time Transit Operators: Experience and Prospect,” Transportation Research Record 1013, 1985.

⁴ Part-Time Operators: The Trends and Impacts, prepared by Charles River and Associates (TCRP Report 68), 2001.

3.1.2 - Transit Industry Data

Based on the 2008 National Transit Database (NTD), of the 437 transit agencies that reported directly operated service to NTD, 343 of them (78.5%) used part-time operators.

Of the 11 peer agencies identified for SFMTA, nine of them used part-time operators in 2008. The two agencies that did not were Santa Clara VTA and Salt Lake City UTA. The percentages of directly operated, vehicle operations hours (excluding maintenance and administration hours) that were operated by part-time operators in 2008 by agency are as follows:

Exhibit 8 – Peer Agency Use of PTOs

Transit Agency	Part-time as a % of Total Hours
SFMTA	0.0%
King County Metro	17.3%
CTA	10.7%
Miami-Dade	8.8%
Los Angeles Metro	8.4%
MARTA	7.7%
BART	4.9%
RTD (Denver)	4.1%
SEPTA	1.5%
WMATA	1.3%
SCVTA	0.0 %
UTA	0.0 %

3.1.3 - Peer Comparison

Representatives at select peer agencies were contacted for comments on part-time operator use. Their comments are summarized in the table below, and a more detailed explanation follows:

Exhibit 9 – Peer Agency Comparison

Operator	MARTA		LACMTA		BART		WMATA	
	Fulltime	Parttime	Fulltime	Parttime	Fulltime	Parttime	Fulltime	Parttime
Number of Operators	1221	215	3910	615	378	42	2436	78
% of Total (by Headcount)	85%	15%	86.4%	13.6%	90.0%	10.0%	96.9%	3.1%
Hourly wage rates	13.28 - 19.54	13.28-13.68				10% premium	\$15.61-\$26.03	
Benefits		Not available		Lower sick and vacation time accruals		no vacaton		Part timers get fewer benefits
Training	6 weeks, same training		Same training		Not available		8 weeks, Same training	
Assignments	Routes / Extra Board / first pick on extra work	Assigned "trippers" - second pick on extra work after extra board & FT	Shifts defined as full time or part time per contract. Extraboard	Shifts defined as full time or part time per contract.	Shifts defined as full time or part time per contract. Extraboard. Priority on extra work	Shifts defined as full time or part time per contract.		Part timers used on Am and PM peaks, no weekends
Turnover		very high		Difficulty recruiting and retaining		lower turnover		Difficult to track since part time transition to full time or other positions
Work rules - e.g.,								
Overtime allowed?	yes	no	yes	yes, on days off, if full time operators offered first	yes	no	yes	No, except in rare cases and with a notice to Union.
Use FT before PT?	yes - on extra work	PT may "mark up" for a schedule	yes		Not available		Yes, for overtime	PT do have picked work on a regular basis.
Operators hire in as PT?	yes		Not available		yes		No.	
Constraints on use of PT?		max 25 hours per week		max 36 hours a week/ 6hrs 59 min per day		max 25 hours a week 5 hrs weekday, 10 hours weekend		max 30 hours a week
Cap on #/% of PT?		30 % of FT		980		15% of operators and station agents		15% of total FT
Other		No		guaranteed 2.5 hours, straight shifts		No.		No minimum time

MARTA: MARTA reports having 1,221 FTOs (85%) and 215 PTOs (15%) – these are individual operators, not full-time equivalents (FTEs). Operators are hired as PTOs before progressing to full-time. As such, the hourly wage rates tend to be lower for PTOs. The starting wage is the same for both full- and part-time operators; the top rate is higher for FTOs (\$13.28 - \$13.68 for PTOs, \$13.28 - \$19.54 for FTOs). There is no difference in training requirements.

FTOs are assigned to routes and have the first pick on extra work. PTOs are assigned “trippers” and have the second pick on extra work after the extra board and FTOs. Turnover is higher for PTOs than for FTOs.

FTOs are allowed to work overtime; PTOs are not. PTOs may work a maximum of 25 hours per week. The number of PTOs is capped at a maximum of 30% of the number of FTOs.

Los Angeles County Metro: Operators are hired as PTOs before progressing to full-time. Depending on attrition and retirement, this progression could take as little as 6 to 8 months and as much as 2 to 3 years. Operators may choose to remain as PTOs rather than accept a fulltime position. There is no difference in training requirements.

PTOs qualify for half their years of service in terms of benefits, and accrue sick time and vacation time at much lower rates. Medical coverage is the same.

Metro defines separate fulltime shifts and part-time shifts, per the union contract. Within each category, shifts are bid on seniority. Only FTOs can be on the extra board.

Historically, Metro has sometimes had difficulty recruiting its PTOs, and retention was difficult. But in the last 1-1/2 years, due to the economy, recruitment and retention of PTOs have not been issues. This may change when the recession ends.

FTOs may work overtime; PTOs may work overtime only on days off if available FTOs are offered the extra work first. PTOs are generally assigned AM peak and PM peak trippers to reduce the outside spread time.

PTOs are guaranteed 2.5 hours of work on a working day, and are capped at 6 hours 59 minutes of work in a day. Each PTO workday must be a straight shift. PTOs typically work from 18 hours to 36 hours per week (average is 28 hours per week); the maximum allowed is 36 hours per week. The cap on the number of PTOs at Metro is 980 systemwide.

Positives of PTOs:	More schedule flexibility; can work part-time operators early or late with not a lot of restrictions on guarantees. They are paid for only what they work.
Negatives of PTOs:	Can't split part-time operator shift on a work day. Overall part-time operators are a net financial benefit for Metro.

BART: BART reports having 378 full-time operators (90%) and 42 part-time operators (10%). Part-time operators are paid a 10% premium on hourly wage rates, in lieu of lower benefits such as no vacation time. Medical benefits are the same for full- and part-time operators.

Operators are hired as part-time operators before progressing to fulltime. Depending on attrition, retirement, and service changes, this progression could take as little as 3 to 6 months and as much as 3 to 4 years. Operators may choose to remain as part-time operators rather than accept a fulltime position. There is no difference in training requirements.

BART defines separate full-time shifts and part-time shifts. Within each category, shifts are bid on seniority. Only fulltime operators can be on the extra board; fulltime operators have priority for extra work.

Part-time operators typically work 20-25 hours per week; the maximum allowed is 25 hours per week. Part-time operators may work up to 5 hours per weekday and up to 10 hours per weekend day.

Full-time operators are allowed to work overtime; part-time operators are not. The number of part-time operators cannot exceed 15% of the combined number of fulltime operators and station agents. Part-time operators are not allowed to work on test track or test trains.

In BART's experience, part-time operators tend to have lower turnover.

Positives of part-time operators:	More schedule flexibility, enables cost efficiencies on both weekdays and weekends.
Negatives:	More complicated collective bargaining agreement. Extra administration time in managing two separate staff rosters and bidding runs. Somewhat more challenging for field supervision in monitoring where employees are running. Also, if a part-time operator is absent, the absence is typically backfilled with a fulltime operator from the extraboard, which is expensive.

SEPTA: SEPTA reports that they are phasing out use of part time operators due to the administrative burden of recruiting, retaining and scheduling the operators.

4 - COST BENEFIT ANALYSIS

4.1 – Part Time Operator Cost implications

Many, but not all transit agencies use part-time operators in an effort to cut schedules more effectively so they can operate service more efficiently. Agencies that can use part-time operators do not maximize their allowable use of part time operators. The definition, work rules, caps on work time and other aspects of part-time are unique to each agency, each reflecting the needs of the agency, political environment (i.e. Right-to-Work State) and the negotiated work rules. The complexity and cost of using part-time staff was noted by those interviewed. PTOs often have similar benefits, but are more difficult to recruit and retain. The scheduling and oversight of part-time staff is higher. Also, some agencies define the shifts, whether full time or part time, and then have separate sign ups. Part time is especially useful for agencies with a high peak to base ratio; SFMTA is typically flatter than most agencies, having heavy ridership throughout the day.

As recommended by the TEP, the SFMTA did consider and planned to introduce part-time operators in 2009. Using Trapeze, SFMTA staff estimated a need for 5% part-time operators (in comparison to the 12% allowed). However, SFMTA was unable to comply with the 27.5% Extra board requirement and use of part-time operators was not implemented. Article 11 of the MOU between SFMTA and the TWU includes provisions pertaining to part-time operators, and SFMTA is continuing to evaluate how to reintroduce part-time operators into the system. This

process will take into consideration the current terms and any new terms of the MOU, as well as, factors such as the availability of people interested in working part-time and costs to implement part-time operators, including service rescheduling, maintaining a part-time Extra board, recruiting, hiring and training staff, as well as safety issues. Changes like these may result in cost savings, but there will also be costs associated with implementing change. It is also noted that if the SFMTA hires part-time operators, they would have less seniority than full-time operators and would be more vulnerable to layoffs.

In addition, the use of part-time operators to operate the two pieces of work that comprise a split shift is only one of the tools available to transit agencies for scheduling service more efficiently. Part-time operators could also be used to operate trippers, which are short blocks of work, usually made up of one or two runs. In addition, the SFMTA could restructure the schedule Runs for straight time.

Use of part time operators is a useful tool, but not a panacea to eliminate overtime and maximize efficiency. SFMTA will investigate several scenarios to determine the optimum balance of all scheduling options available including using a combination of part-time operators, trippers, and straight time runs.

4.2 – Cost Per Passenger Comparison – Bay Area Transit Agencies

According to the FY 2008-2009 data reported to the Metropolitan Transportation Commission (MTC), the SFMTA ranks number one (#1) in transit operation efficiency as compared to the other Bay Area transit agencies. The comparative information is presented below:

RANK	AGENCY	PASSENGERS: 2008-2009/ 2007-2008/ Percent Change	2008-2009: Farebox Revenue/ Total Revenue/ Total Costs	Cost Per Passenger	Employees (FTE)	Executive Director/CEO
1	San Francisco Municipal Transportation Agency (MUNI)	227,891,000 221,213,000 3.0%	\$151,563,000 \$151,563,000 \$670,027,000	\$2.94	3,633	Nathaniel P. Ford Executive Director/CEO
2	San Francisco Bay Area Rapid Transit (BART)	114,868,000 115,433,000 -0.5%	\$318,094,000 \$512,345,000 \$520,535,000	\$4.53	3,380	Dorothy Dugger General Manager
3	Alameda-Contra Costa Transit District (AC Transit)	70,134,000 70,311,000 -0.3%	\$54,903,000 \$321,188,000 \$323,111,000	\$4.61	2,224	Mary King Interim General Manager
4	Santa Clara Valley Transportation Authority (VTA)	46,330,000 44,610,000 3.9%	\$36,184,000 \$325,645,000 \$325,827,000	\$7.03	2,006	Michael Burns General Manager
5	San Mateo County Transportation District (SamTrans)	15,311,000 14,942,000 2.5%	\$17,325,000 \$142,950,000 \$109,029,000	\$7.12	634	Michael Scanlon CEO
6	Peninsula Corridor Joint Powers Board (Caltrain)	12,692,000 11,960,000 6.1%	\$43,353,000 \$89,726,000 \$89,726,000	\$7.07	111	Michael Scanlon CEO
7	Golden Gate Bridge, Highway & Transportation District	9,221,000 9,461,000 -2.5%	\$25,895,000 \$98,044,000 \$97,880,000	\$10.61	479	Celia Kupersmith General Manager
8	Central Contra Costa Transit Authority (County Connect)	4,322,000 4,565,000 -5.3%	\$5,011,000 \$32,263,000 \$32,263,000	\$7.46	266	Rick Ramacier General Manager
9	Eastern Contra Costa Transit Authority (Tri Delta Transit)	2,823,000 2,731,000 3.4%	\$2,590,000 \$19,020,000 \$18,633,000	\$6.60	185	Jeanne Krieg CEO
10	Livermore-Amador Valley Transit Authority (LAVTA)	2,411,000 2,301,000 4.8%	\$2,482,000 \$16,665,000 \$15,829,000	\$6.57	147	Paul Matsuoka Executive Director
11	Western Contra Costa Transit Authority (WESTCAT)	1,410,000 1,444,800 -2.6%	\$1,886,000 \$8,526,000 \$7,874,000	\$5.58	63	Charles Anderson General Manager
12	Alameda Ferry Services	543,000 604,000 -10.1%	\$2,742,000 \$5,719,000 \$5,719,000	\$10.53	Not Reported	Ernest Sanchez Ferry Service Manager
13	Union City Transit	482,000 454,000 6.2%	\$399,000 \$3,188,000 \$3,188,000	\$6.61	47	Wilson Lee Transit Manager

4.3 – Review of Audit Report Cost Savings Recommendations

The auditor's report indicates that the SFMTA would recognize \$3,090,645 annually if the following recommendations were implemented:

- \$1,215,645 in reduced transit operator standby pay
- \$500,000 in salary costs for six transit operators currently serving as union representatives
- \$1,375 in estimated reduced unscheduled overtime costs

The SFMTA disagrees with the estimated savings as stated by the auditors. The SFMTA made prudent business decisions that resulted in significant savings of \$24,304,955: The following is an overview of the estimated annual savings for the Agency:

- \$16,871,871 – Extra board savings
- \$ 607,823 – Add back of partial costs for utility support services
- \$ 6,825,261 – Force Totals (Not implementing Part-Time Operators)