



Orange County Transportation Authority Managing Through the Recession



Impacts of Recession

- Significant decline in sales tax revenue
- High unemployment
- Reduced bus and rail ridership
- Lower usage of 91 Express Lanes
- External funds jeopardized (STA)
- Favorable bidding environment
- Low interest rates

Freeway Program

- Advanced Construction Projects
- Secured Low Bids
- Locked-in Attractive Financing
 - Historically Low Borrowing Costs
 - Build America Bonds
- Leveraged External Revenues
- Created Jobs

Freeway Program – Bid Savings

Route	Project	Engineer's Estimate	Low Bid	Savings	
57	Orangethorpe to Yorba Linda	\$ 47.1	\$ 28.6	\$ 18.5	39%
57	Yorba Linda to Lambert	\$ 50.3	\$ 29.0	\$ 21.3	42%
91	241 to 71	\$ 58.6	\$ 35.6	\$ 23.0	39%
405	22 Interchange	\$ 117.2	\$ 65.8	\$ 51.4	44%
405	605 Interchange	\$ 150.4	\$ 101.8	\$ 48.6	32%
		\$ 423.6	\$ 260.8	\$ 162.8	38%

91 Express Lanes Program

- Traffic volumes reduced
- Congestion Management toll policy required toll decreases
- Since 2008, 48 reductions have occurred during peak hours

Rail Program

- Metrolink Service Expansion Program
 - Capital Improvements
 - Utilized external funds
 - Federal Funds
 - STIP
 - Proposition 1B
 - Proposition 116
 - Operations
 - Revised future service levels
 - Lowered from 76 trains per weekday to 59 trains per weekday

Bus Program

- Cost Reductions
 - Service cuts – 20%
 - Administration
 - 47 admin positions
 - Benefit reductions
 - Overtime
 - Temp Help/Extra Help/Contract Staff
 - Professional Services
 - Marketing
 - Information Technology
 - Discontinuation of Services/Work Absorbed by Staff
 - Fuel Savings

Bus Program – Cost Reductions

	FY 2008-09	FY 2009-10	FY 2010-11	Total	
Service Reductions	\$ 10,654,545	\$22,044,990	\$ -	\$ 32,699,535	Service Reductions
Administrative Staff	-	-	3,464,241	3,464,241	Admin
Contracted Staff/Temp Help/Interns	25,000	494,068	588,666	1,107,734	Admin
Unscheduled Overtime	-	-	888,965	888,965	Admin
Administrative Benefits	-	198,613	-	198,613	Admin
Fuel Savings	-	-	4,400,545	4,400,545	Price Reduction
Supplies	749,200	-	457,705	1,206,905	Business Practice
Travel/Training/Mileage	150,403	-	258,882	409,285	Business Practice
Legal Services	-	231,149	-	231,149	Business Practice
Hiring Costs - Ads, physicals, background checks	40,000	100,000	65,000	205,000	Business Practice
Revenue Room Closure	-	200,000	-	200,000	Business Practice
CEA Vehicle Lease	-	-	169,950	169,950	Business Practice
Security Services	-	-	140,033	140,033	Business Practice
Coin Counting/Armored Vehicle Leases	135,000	-	-	135,000	Business Practice
Outside Services	615,016	-	79,710	79,710	Business Practice
Janitorial Services	-	-	-	615,016	Discontinued/Absorbed by Staff
Bus Stop Cleaning	-	120,000	480,000	600,000	Discontinued/Absorbed by Staff
Revenue Vehicles Repairs/Maintenance	-	430,000	-	430,000	Discontinued/Absorbed by Staff
Contingency Fleet Service	-	-	389,600	389,600	Discontinued/Absorbed by Staff
Mobility Training Services	350,000	-	-	350,000	Discontinued/Absorbed by Staff
Bus Stop Improvements	-	247,000	-	247,000	Discontinued/Absorbed by Staff
Software/PC Hardware	100,000	50,000	-	150,000	Discontinued/Absorbed by Staff
Hardware/Software Annual Maintenance	551,150	-	1,372,729	1,923,879	IT
CNG Operations & Maintenance Lease	-	145,800	-	145,800	IT
Marketing/Outreach	300,000	-	1,209,420	1,509,420	Lease
Customer Information Center/Pass Processing	371,000	135,500	63,000	569,500	Marketing
Printing	-	446,400	-	446,400	Marketing
Bus Cassette Program	51,000	-	112,780	163,780	Marketing
	-	130,000	-	130,000	Marketing
Total	\$ 14,092,314	\$ 24,973,520	\$ 14,141,226	\$ 53,207,060	

Bus Program – Cost Avoidance

- Administrative Wage Freeze
- Zero Increase Collective Bargaining Agreements
 - Coach Operators
 - Maintenance
 - Transportation Communication International Union
- Health Care – Increased Employee Contributions
- Contracting Fixed Route Bus Service
 - 30% of service to be contracted by FY 2013-14

Process Improvements

- Reduced Board Committee Meetings
- Developed Digital Agendas
- Developed Strategic Plan
- Transit System Study
- Utilized Traditional Capital Funds for Operating Purposes
- Developed the Text 4 Next Program
- Increased Dollar Threshold for Price Reviews
- Shortened Contracting Process for A&E Contracts
- Updated All Internal Policies and Procedures
- Developed a New Travel Policy with Per Diem Rates
- Completed All Outstanding Performance Reviews
- Implemented a Common Review Date
- Reduced Backlog Related to Service Awards

Summary

- Bus and Rail service are sustainable
- Rail capital improvements are on schedule
- Freeway Projects are being delivered early
- M2 Early Action Plan is on schedule and has been expanded
- 91 Express Lanes continues to meet objectives

Next Steps

- Stay the course on contracting out bus service
- Complete Transit System Study
- Track Performance Metrics in the Strategic Plan
- Explore fully electronic Board and Committee Agendas
- Implement recommendations from External Affairs Efficiency Study