Section 8

Organizational Excellence:

Continue the tradition of being a high-performing organization through employee development and efficient business practices.

Objectives:
- People Development
- Processes Improvements
- Systems Efficiencies

Contents

I.   Introduction

OCTA strives to achieve excellence in the organization, by building a culture of quality and accountability that values collaboration and communication and ensures ethical business practices. OCTA endeavors to excel by focusing on all parts of the organization, optimizing the use and effectiveness of resources, and continually improving business operations.

OCTA possesses a fast-moving, solutions-based culture reinforced by an organizational structure of strong divisions and departments operating with a high degree of flexibility. OCTA's strength is its team based cross-functional approach on programs and projects creating an organizational culture that can quickly adapt to emerging opportunities and future uncertainties.

The continued implementation of in-house leadership programs and talent management programs ensure OCTA attracts, retains, and develops staff with the leadership and technical capabilities required of a high-performance organization.

Finally, OCTA possesses the foresight to initiate technologies that will improve business operations throughout the organization that will increase OCTA's ability to function efficiently and deliver outstanding service internally and externally.

The following spreadsheet summarizes the programs and projects which support the primary objectives of the Organizational Excellence Goal Area. High level overviews of each program are discussed in this section and if further information is required, the guiding documents web links are provided.

This section reviews OCTA programs which enhance Organizational Excellence and accomplish our objectives.

Goal Area Objectives	Programs Supporting Objectives	Projects Supporting Programs	Benefit	Service Level Improvement	Pg.#
Organizational Excellence: *continue the tradition of being a high-performing organization through employee development and efficient business practices.*					
Objective 1 - People Development *implement human capital management strategies and systems to achieve the overall mission, objectives, and success of OCTA while meeting the needs of employees and other stakeholders.*					
	Personnel/Workforce				
		All human resource programs	Attract, develop, and retention of high performing individuals.	*Recruit top-talent *Low turnover rate *Develop a performance based organization	260
	Training and Development				
		New employee integration programs	Highly developed promotable workforce.	*Integrate Core Competencies *Increase retention and promotability	261
		Learning Management System	Enhanced employee learning, performance, and development.	Upgrade and revise the Learning Management System	261
		Leadership Development Academy (LDA)	Development of mid-level management leadership abilities through education and experience.	Complete two LDA's per year	261

Goal Area Objectives	Programs Supporting Objectives	Projects Supporting Programs	Benefit	Service Level Improvement	Pg. #
	Compensation				
		Employee compensation and classification program	Competitive compensation based on market value of comparable work.	Complete and implement recommendations from compensation and classification study.	262
	Risk Management				
		*Risk Management *Health, Safety, and Environmental Compliance	Risk identification and mitigation	*Reduce frequency of accidents. *Reduce severity of accidents if they occur. *Provide cost effective insurance coverage. *Reduce workers' compensation claims and related costs.	263

Goal Area Objectives	Programs Supporting Objectives	Projects Supporting Programs	Benefit	Service Level Improvement	Pg.#
Objective 2 - Process Improvement *Improve OCTA processes through a systematic and functional approach to optimize business processes and procedures to achieve increasingly efficient results.*					
	Implement Affordable Care Act (ACA)				
		ACA Implementation as required.	Compliance with provisions of the ACA.	Track personnel hours worked and provide health insurance to individuals working over 30 hours per week.	265
	Collective Bargaining				
		*International Brotherhood of Teamsters *Transportation Communications International Union	Administration of three collective bargaining agreements.	Implement new collective bargaining agreement for coach operators, maintenance employees, and parts and facilities employees in 2014.	266
	Strategic Plan				
		Strategic Planning	Provides OCTA a 5 year plan with centralization of information on goals, strategies, programs, and projects	*Revise the Strategic Plan biennially. *Develop, implement and maintain an interactive OCTA Strategic Plan	267

Goal Area Objectives	Programs Supporting Objectives	Projects Supporting Programs	Benefit	Service Level Improvement	Pg.#
Objective 3 - Systems Efficiencies *Increase alignment of systems and technology with OCTA business needs.*					
	Business Systems				
		Ellipse Software Upgrade	Better integration of Asset and Work Management, Supply Chain Management, Financial Management, and Human Resource Management.	Installation and maintenance of latest Ellipse software.	269
		Records Management Implementation	Standardized records management processes and procedures that can be leveraged by all departments.	Implement a records management solution at OCTA.	270
	Operation Systems				
		HASTUS Upgrade	Workforce optimization and performance assessment, improved analysis of bus scheduling, and improved reporting and data exchange.	Upgrade HASTUS with latest version and retire ACORS and BATS legacy systems.	270
		Fluid Management System (FMS) Replacement	New state-of-the-art fluid management system at five operating bases.	Replace 1999 FMS system with new.	272

II.   Personnel Philosophy

As a high-performing organization, OCTA is committed to attracting, developing, and retaining a diverse and engaged workforce. To accomplish this, OCTA policies ensure consistent selection of top talent, providing promotion opportunities, and competitive compensation.

As a premier employer, OCTA is committed to investing in its workforce, as a result, OCTA enjoys a low employee turnover rate. By initiating a variety of mentor programs, leadership training, and instructional courses, employees have an opportunity to excel and receive promotions and/or merit pay increases. OCTA offers competitive salaries, high-quality health insurance programs, and solid retirement services. OCTA is a workplace of choice by leading the way in employee job safety programs, risk management, and health and welfare programs.

As a performance-based organization, OCTA employees are accountable for delivering and accomplishing the mission of OCTA. To that end, OCTA uses an automated, performance management software system (Halogen) for setting goals, establishing development plans, recording progress toward goal accomplishment, and for writing and completing performance reviews.

With approximately 1,400 employees, the OCTA workforce is the organization's most valuable asset. In order to deliver outstanding service, OCTA will continue to invest in its culture of excellence.

III.   Training and Development

Purpose: OCTA is committed to providing all employees with training and development opportunities. The goal of the Training and Development Department is to assist the OCTA divisions efficiently and effectively by advancing workforce development and maximizing human capital potential, by offering all employees a variety of opportunities to grow and develop.

Goals: The goals of the department include:

(1) Integrate new employees into the OCTA workforce;

- Continue to integrate the core competencies into OCTA's Talent Management process by incorporating them into all parts of the employee life cycle.

- Support programs to advance workforce development and increase retention and promotability.

(2) Help employees master the tasks associated with their current assignments;

- Upgrade and revise the current Learning Management System to provide an integrated system which enhances employee learning, performance, and development.

(3) Enable employees to grow personally and professionally through the development of new skills and knowledge.

- Leadership Development Academy: the first cohort was launched in FY 2013-2014.
- Third cohort of OCTA's Mentor Program was launched.
- Continue developing a succession plan.
- Continue to integrate the core competencies into OCTA's Talent Management process by incorporating them into all parts of the employee life cycle.
- Management Development Academy

IV.   Compensation Philosophy

Purpose: OCTA's primary focus for its employees is that they are competitively compensated for the job they perform based on the market value for comparable work. "At OCTA, salary grade ranges for classifications are based upon the scope and level of responsibility of work performed in comparison to other work performed within OCTA and in comparison to the external market, and salaries paid to employees that reflect the level of responsibilities of the classification and the performance of the individual."[1]

In other words, each job title is placed within a salary grade and each salary grade has a minimum and maximum salary associated with it. Reference the graphic on the right for details.

As an employee changes their job title and/or increases their responsibilities, they move to a new salary grade/range. Salary ranges, rates, and employee benefits are reviewed and considered for adjustment at least annually. This permits OCTA an opportunity to periodically assess the competitiveness of the compensation plan, including the salary structure, and make necessary adjustments to reflect changes in internal equity and labor market conditions.

Goal for compensation in FY 2014: In FY 2014, the Human Resources and Organizational Development (HROD) Division will conduct a compensation survey and provide recommendations on the overall compensation and classification structure and components of OCTA. In addition, the study will include information on the working conditions and any physical requirements on 528 administrative positions as it relates to the Americans with Disabilities Act (ADA) requirements. The study is designed to bring OCTA's compensation methodologies and ADA requirements into alignment with the best practices of the transportation industry, as needed.

---

[1] OCTA Personnel and Salary Resolution, FY 2013 -14, pg. 26
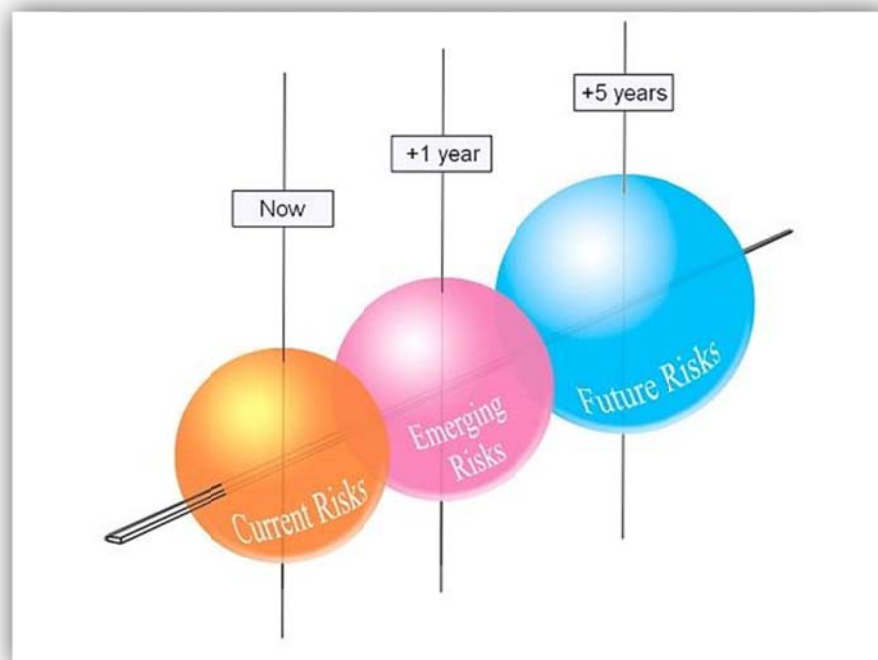
V.   Risk Management

OCTA manages risk by identifying, assessing, and prioritizing risks of different kinds. OCTA manages the following:

- OCTA is a self-insured liability company
- Subrogation
- Workers' compensation programs
- Develops and recommends strategically focused loss control programs to reduce claims losses

Goals for risk reduction: OCTA has four primary goals, (1) reduce the frequency of accidents, (2) when accidents occur, reduce the severity of the accidents, (3) provide cost-effective insurance coverage to protect OCTA's assets and effectively resolve liability claims and reduce liability claims cost and (4) continue to effectively manage OCTA's workers' compensation program and provide quality medical treatment to injured OCTA employees while reducing claims and related costs.

Within HROD, there are two departments most responsible for risk and safety:

(1)   Risk Management Department
(2)   Health, Safety, and Environmental Compliance Department (HSEC).

The two departments work closely together to mitigate risk, prevent accidents, ensure occupational safety, and operational environmental compliance.

OCTA's Risk Management Department is responsible for protecting OCTA's assets and property from the adverse consequences of accidental loss and is directly responsible for in-house adjusting and resolution of all liability claims.

The HSEC Department is responsible for ensuring OCTA's operations are compliant with applicable health, safety and environmental standards, codes, and regulations. As mentioned in the "Stewardship Section" of the Strategic Plan, HSEC provides the following programs:

A. Construction Safety

OCTA is dedicated to developing partnerships with project management and contractors to ensure each construction project is successfully delivered on time, on budget, and with zero safety-related incidents. In doing so, OCTA will drive the implementation of essential programs to ensure regulatory compliance and the safety of each worker involved.

B. Environmental Health and Safety

As a leading steward within Orange County and the State of California, OCTA is committed to ensuring environmental compliance and minimizing the environmental impact of our operations. Whether it's the maintenance required to operate the bus fleet and facilities, or the oversight of wastes generated from construction activities, OCTA will provide necessary resources to mitigate such impacts.

C. Motor Vehicle and Traffic Safety

OCTA is committed to protecting the public, its employees, and its assets from accidental harm and loss. Through the internal Accident Reduction Team, strategies are developed and resources are focused towards accident avoidance, incident investigations, lessons learned, and the implementation of best practices in order to fulfill the commitment by which OCTA abides.

D. Employee Health and Wellness

In order to foster a healthy work environment and provide the tools OCTA employees need to make healthy lifestyle choices, OCTA will continue to offer an award winning wellness program as an additional benefit to its employees. Resources will be dedicated to keeping the healthy, healthy, and aid in influencing the at risk employee population into a healthier state of being. OCTA believes that a well employee leads to personal inspiration and success, and in parallel, fosters an environment of organizational excellence.

VI.   Implement the Affordable Care Act (ACA)

Purpose/Background: The Patient Protection and Affordable Care Act, commonly called the Affordable Care Act (ACA) also referred to as "Obamacare", is a United States federal statute signed into law by President Barack Obama on March 23, 2010. Together with the Health Care and Education Reconciliation Act, it represents the most significant regulatory overhaul of the U.S. healthcare system since the passage of Medicare and Medicaid in 1965.   The ACA includes numerous provisions that take effect between 2010 and 2020.   Many of the provisions listed below have already taken affect and OCTA is fully compliant where applicable. The provisions are summarized below:

- Guaranteed issue prohibits insurers from denying coverage to individuals due to pre-existing conditions.

- Minimum standards for health insurance policies are established.

- Individual Mandate requires all individuals not covered by an employer sponsored health plan, Medicaid, Medicare, or other public insurance programs (such as Tricare) to secure an approved private-insurance policy or pay a penalty.

- Health insurance exchanges will commence operation in every state. Each exchange will serve as an online marketplace where individuals and small businesses can compare policies and buy insurance. The State of California is one of only 27 states that implemented a state-run exchange.

- Medicaid eligibility expanded to include individuals and families with incomes up to 133 percent of the federal poverty level, including adults without disabilities and without dependent children.

- Reforms to the Medicare payment system are meant to promote greater efficiency in the healthcare delivery system by restructuring Medicare reimbursements from fee-for-service to bundled payments.

- Businesses which employ 50 or more people but do not offer health insurance to their full-time employees will pay a tax penalty if the government has subsidized a full-time employee's healthcare through tax deductions or other means. This is commonly known as the employer mandate. In July 2013, however, this provision was unilaterally delayed for one year by the President.

Effect on OCTA: To date, the ACA has had little effect on OCTA's health insurance plans. To insure compliance, OCTA tracks personnel hours worked and provides health insurance to individuals working more than 30 hours per week. The employer mandate, which has been delayed until 2015, is the next milestone OCTA will need to address.

VII.   Collective Bargaining Agreements

The Labor & Employee Relations Department reporting to HROD is responsible for administering three collective bargaining agreements that provide terms and conditions of employment for more than 1,100 represented employees. The department serves as liaison between the unions and management, reviews grievance matters, prepares for and participates in grievance arbitrations and collective bargaining agreement negotiations.

Purpose: The three collective bargaining agreements provide terms and conditions of employment for more than 1,100 represented employees. The three bargaining agreements are:

- **Coach Operators** – Teamsters Union Local 952 – representing regular, extra-board, and part-time coach operators employed by OCTA.   The Teamsters Union, officially known as the International Brotherhood of Teamsters (IBT) is a labor union of truck drivers, chauffeurs, warehousemen, and H elpers of America, whose members are mainly truck drivers.

- **Maintenance** – Teamsters Union Local 952 – representing only mechanics and bus maintenance employees employed by OCTA.

- **Transportation Communications International Union (TCU)** – representing employees engaged in the work of facilities technicians, equipment parts clerks, stock room clerks, senior facilities technicians, and facility assistants employed by OCTA. The TCU is the successor to the union formerly known as the Brotherhood of Railway Clerks.

Collective Bargaining Goals: In 2014, implement new collective bargaining agreements for coach operators, maintenance employees, and parts and facilities employees.

VIII.   Approval and Implementation of the 2014 – 2019 OCTA Strategic Plan

Purpose: The first OCTA Strategic Plan was adopted by the OCTA Board in February 2011 and covered the time period from 2011 to 2016, provided:

- Guidance and balance to OCTA programs and projects.
- Board and OCTA Leadership with goals and objectives for planning purposes.
- Established the familiar organizational values, vision, mission, goals, and objectives.
- Strategic direction for the development of:

  - The Chairman's Annual Initiatives
  - The Annual CEO Initiatives and Action Plan
  - Facilitated the annual budget development

- The Plan started as a performance-based management initiative by defining objectives and performance measures.

Beginning in March 2013, OCTA began rewriting and revising the 2011 to 2016 Strategic Plan. The Strategic Plan was always meant to be revised on a biennial timeframe. Learning from the first effort, the Strategic Plan Version 2 is not just a revision, but an upgrade by integrating all of OCTA's plans. Version 2 creates a consistent vision by integrating OCTA plan goals/strategies into a single Strategic Plan vision. Other benefits include:

  - Centralization of information, as it relates to projects, programs, and budgets.
  - Delineates (five years) programs and projects.
  - Enhances transparency and accountability.
  - Used to develop the Chair and CEO Initiatives, CEO Action Plan, and contribute to budget development.
  - Establish new Performance Measures.

 Goals:

- **Complete and obtain Board approval of the OCTA 2014-2019 Strategic Plan.** The revised 2014 – 2019 Strategic Plan contains an all new structure, providing OCTA a one source document with pertinent information about OCTA and its major programs and projects to be accomplished over a five-year period. The Strategic Plan is referenced so that readers may easily find the source documents, if they require additional information. Once the document has been internally reviewed and approved, it will go to the Executive Committee and the Board of Directors for adoption in 2014.

- **Revise and develop new performance measures.** Starting in 2014, the Management Services Section will initiate, develop, and maintain the new Performance Metrics and reporting systems. The original Strategic Plan 2011-2016, had 96 performance metrics, will be revised and reduced to a number and level which strategically reports on the most influential measures that demonstrates OCTA's performance. The anticipated number of performance metrics is expected to be between 10 and 15, which will be updated on a quarterly basis and reported to the Executive Committee and Board on a quarterly basis.

- **Build an interactive Strategic Plan.** In late 2014, the Management Services Section will begin development, implementation, and maintenance of an interactive OCTA Strategic Plan web presence to be updated on a quarterly basis. This will keep the 2014 -2019 Strategic Plan up to date and provide instant access to information.

IX.   Business Process Improvements

A.   ELLIPSE Software Upgrade

Purpose: Mincom Ellipse is an integrated fleet maintenance; parts inventory management, and purchasing software application. In addition, it is the means used by all departments to initiate procurement requests and tracking of the procurement status.

Ellipse has been built to assist all departments in:

- Maintenance management
- Materials management
- Inventory replenishment needs
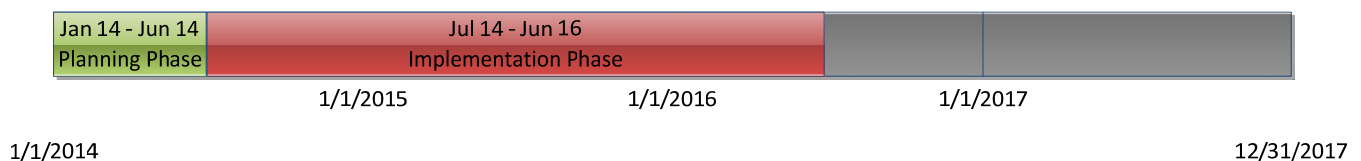- Procurement requests
- Tracking procurement status

The Ellipse software, currently installed at OCTA, is several versions behind the latest and it's time for an upgrade to the latest version.

Benefit: Mincom Ellipse's latest software version has incorporated modules of asset and work management, supply chain management, financial management and human resource management into an integrated foundation. These foundation modules are complemented by business analytics, advanced maintenance and planning and mobile workforce solutions, offering the broadest functionality for OCTA. The benefits for OCTA should include:

- Increasing asset utilization
- Reducing operating costs
- Delivering quality products and services
- Meeting regulatory standards for audit compliance
- Ensuring supply chain availability and visibility
- Mitigating Risk
- Improving productivity

Cost: $2 million

Schedule/Milestone

Jan 14 - Jun 14	Jul 14 - Jun 16		
Planning Phase	Implementation Phase		

| | 1/1/2015 | 1/1/2016 | 1/1/2017 |

1/1/2014   12/31/2017

B.   Records Management Software Implementation

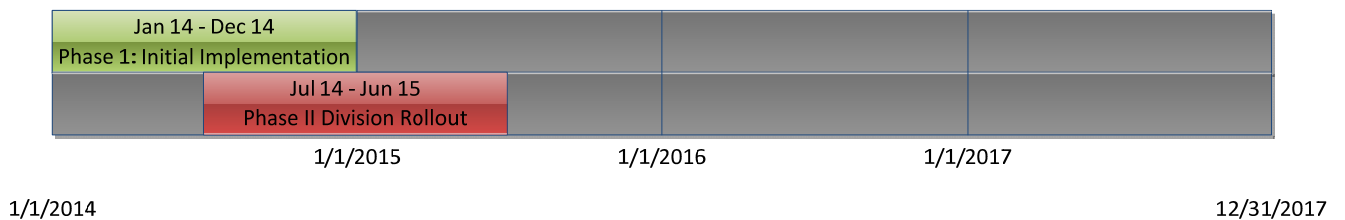**Purpose:** This project will implement a records management solution that:

- Provides the ability to scan and manage inactive records (specifically focusing on converting hardcopies to softcopies and& importing existing softcopies, and data from CDs).

- Provides enough flexibility to support the long-term enterprise content management needs, including eventually (as part of subsequent projects) configuring the system for additional departments' unique records, and migrating that data into this new system.

Benefit: The benefits of implementing this project include:

- Standardizing records management processes and procedures that can be leveraged by all departments within OCTA.

- Saving money, resource time, and physical space that is attributed to storing hard-copies documentation.

- Improving the controls related to managing records and adhering to a records retention policy.

Cost: $230,000, Phase 1
$500,000, estimated cost, phase2

Schedule/Milestones

Jan 14 - Dec 14			
Phase 1: Initial Implementation			

	Jul 14 - Jun 15			
	Phase II Division Rollout			

1/1/2015   1/1/2016   1/1/2017

1/1/2014   12/31/2017

C.   HASTUS Upgrade

Purpose: OCTA uses HASTUS, a proprietary software for bus scheduling and development of driver work assignments.   HASTUS was originally purchased from Le Groupe en Informatique et Recherche Opérationnelle (GIRO Inc.) in 1999. The HASTUS version 2013 upgrade includes several enhancements to the software since OCTA last implemented version 2010.

OCTA implements three service changes per year, and major service change work is performed using HASTUS software. The system supports fixed route bus operations and assists staff in generating all bus schedules and driver work assignments. Data and information generated from HASTUS is also used to support various programs and projects related to the execution and provision of bus service to our customers. This includes generating bus scheduling information for the bus book, bus stop cassette inserts, and the "Text 4 Next" system. In addition, data is exported from HASTUS to the automated vehicle locator, the automated coach operator reporting system, the data warehouse, Google Transit, and the radio communication systems. HASTUS also includes a web component called "Just Click" which can be found on the www.OCTA.net website.
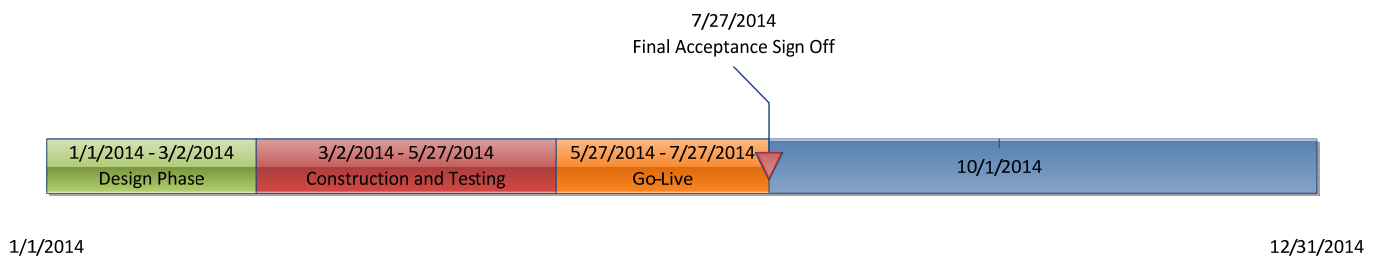
This web feature allows customers to plan trips on-line, 24 hours a day, seven days a week. HASTUS is also used by the OCTA Customer Information Center to respond to customer requests for trip information over the phone.

Benefit: The benefits of the upgrade include improved workforce optimization and performance assessment, improved analysis of scheduling scenarios and strategy comparisons, and improved reporting and data exchange. In addition to these improvements, version 2013 will help staff streamline day-to-day work processes. The HASTUS upgrade will include all improvements made by GIRO Inc. since the 2010 upgrade. GIRO Inc. will provide project management, configuration, algorithm calibration optimized for OCTA's operating and contractual parameters from the collective bargaining agreement with coach operators, data migration, customizations, testing, and training services.

Cost: $248,742

This is a federally-funded procurement. Federal Transit Administration (FTA) guidelines allow for sole source procurements under certain circumstances. The HASTUS software is a proprietary product with data rights restrictions; therefore, it meets the FTA guidelines as the software is available from only one source and no other supplier can meet the requirements.

Schedule/Milestones

7/27/2014
Final Acceptance Sign Off

| 1/1/2014 - 3/2/2014 Design Phase | 3/2/2014 - 5/27/2014 Construction and Testing | 5/27/2014 - 7/27/2014 Go-Live | 10/1/2014 |

1/1/2014   12/31/2014

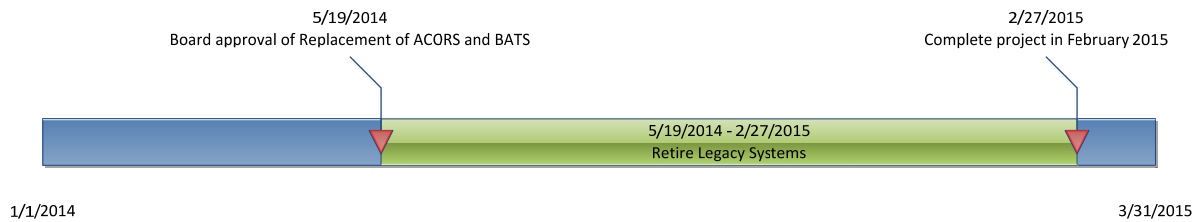### D.   Replace ACORS and BATS with HASTUS Modules

Purpose: OCTA currently utilizes the HASTUS (Horaires et Assignments pour Systems de Transport Urban et Semi-Urban) scheduling application for its bus scheduling. HASTUS creates the schedules that buses will follow every day; it creates the runs that determine what work a given driver will do in a day; and it allows scheduling drivers on a day-to-day basis to make sure every run is covered.

OCTA is currently upgrading the HASTUS scheduling application to version 2013, (see "HASTUS Upgrade" above) followed by the replacement of some legacy systems, Automated Coach Operator Reporting System (ACORS) and Bus Assignment Tracking System (BATS), with additional modules of the packaged software offered by the HASTUS application.

Benefit: Replacing ACORS and BATS with HASTUS will eliminate two legacy systems by combining them into one modern transit scheduling system. This will save OCTA in hardware costs, software costs, upgrade costs, and maintenance costs.

Cost: $1.6 million

Schedule/Milestones

5/19/2014
Board approval of Replacement of ACORS and BATS

2/27/2015
Complete project in February 2015

5/19/2014 - 2/27/2015
Retire Legacy Systems

1/1/2014   3/31/2015

E.   Fluid Management System

Purpose: OCTA currently operates a fleet of buses, ACCESS buses and non-revenue cars, trucks and equipment in excess of 900 vehicles. In order to dispense fuel, oils, and coolants to these vehicles at five operating bases, OCTA utilizes fuel tanks, pumps, hose reels, nozzles and a computerized fluid management system (FMS) that tracks the quantities of dispensed fluids along with logging the bus miles driven.

It also offers a variety of reports used in operations and for federal reporting. The current FMS was installed in 1999. Though state of the art when it was installed, it is labor intensive to keep the system operating in a state of accuracy. Additionally, much of the hardware is now very old and in need of replacement. A recent internal audit called into question the system's accuracy and its ability to safeguard unauthorized access.

In FY 2012-13, a study was commissioned to evaluate the aging FMS. The study concluded that the system should be replaced in its entirety. The second task of the study was to provide budgetary estimates on the cost of replacing the system. The estimate includes a base cost and add-on costs for several desirable options. One example of these options is the fluid pulsars and solenoids. Fluid pulsars are the devices in-line with the fluid hoses that measure the amount of fluid being dispensed. Currently, pulsars are replaced on an as need basis; however, during the consultant's interview, a concern was discovered among maintenance managers over the accuracy of the old system. Since accuracy is a function of the pulsars it would be difficult to hold a contractor to an accuracy performance if the pulsars were not replaced.

This budget would cover the replacement of the FMS at five operating bases and the server hardware at the OCTA headquarters building. It also assumes exercising several study options such as the replacement of all pulsars and solenoids and doubling the available hose reels in four of our operating facilities.

Benefit:
- Minimize the consumption of petroleum based fuels and other fluids
- Assure fuel and other fluids security and accountability
- Minimize the cost of fuel used by the fleet
- Provide safe, convenient fueling access for fleet operations
- Provide reliable and accurate fleet data information (odometer and other meter readings, vehicle diagnostic data)
- Assure conformance with all federal, state, and local regulations
- Record and report fuel usage to other enterprise systems and fleet maintenance

Cost: $4,000,000

Schedule/Milestones

3/15/2014
Project Start

12/3/2014
1st Base Installed

4/8/2015
3rd Base Installed

8/15/2015
5th Base Installed

9/23/2015
5th Base Installed

3/15/2014 - 5/27/20   5/28/2014 - 10/1/2010/1/2014 - 12/12/2014 - 2/4/5/2015 - 4/8/2015 - 6/10/2015 - 8/8/15/2015 - 9/23/2015

Design   Prototype

1/1/2014

2/4/2015
2nd Base Installed

6/10/2015
4th Base Installed

12/31/2015