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Thomas F. Prendergast
Chairman and Chief Executive Officer

RECEIVED
EXECUTIVE CORRESPONDENCE



Metropolitan Transportation Authority

State of New York

JUL 14 2014

OFFICE OF THE STATE COMPTROLLER
THOMAS P. DINAPOLI
COMPTROLLER

July 8, 2014

Honorable Andrew M. Cuomo
Governor of New York State
NYS State Capitol Building
Albany, NY 12224

✓ Honorable Thomas P. DiNapoli
Office of the State Comptroller
633 Third Avenue, 31st Floor
New York, NY 10017

RE: Response to Report #2010-S-63 – Service Diversions for Maintenance and Capital Projects

Gentlemen:

On March 18, 2014, the Office of the State Comptroller issued the above referenced audit report. As required by Section 170 of the Executive Law, I am providing you with the attached response which addresses the recommendations contained in the report.

A copy of the final audit report is attached for your convenience.

Sincerely,

Thomas F. Prendergast
Chairman and Chief Executive Officer

Attachments

The agencies of the MTA

MTA New York City Transit
MTA Long Island Rail Road

MTA Metro-North Railroad
MTA Bridges and Tunnels

MTA Capital Construction
MTA Bus Company



Long Island Rail Road

June 24, 2014

Mr. Thomas F. Prendergast
Chairman and Chief Executive Officer
Metropolitan Transportation Authority
347 Madison Avenue
New York, NY 10018

**Re: 90 Day Response to New York State Comptroller's Report 2010-S-63
Service Diversions for Maintenance and Capital Projects**

Dear Chairman Prendergast:

As required by Section 170 of the Executive Law, detailed below are the updated actions that have been taken to address the recommendations contained in the State Comptroller's Audit of Service Diversions for Maintenance and Capital Projects. Our response dated October 18, 2013 indicated two recommendations were fully implemented, four were implemented and on-going and a final one was on-going. Currently, five recommendations are fully implemented and two are implemented and on-going.

Recommendation No. 1

- **Require executive management approval of significant changes to the Outage Plan.**

LIRR Implementation Status: *Implemented*

As stated in our response dated October 18, 2013, executive management approval is already required for all significant changes to the Outage Plan. All significant Outage Plan changes are approved by the President. These would include major changes to the Outage Plan resulting in a significant impact to customers such as track outages requiring a busing program for an extended period of time. The approval of less than significant Outage Plan changes is delegated to the senior executive management team. The initial version of LIRR's annual Track Outage Plan is subjected to a strict concurrence process up to and including the operating department heads, the Senior Vice President of Operations and the President. Changes to the original Plan are often required to reflect weather impacts, availability of resources and materials, revised budget estimates and the accommodation of multiple projects occurring simultaneously. These proposed changes are discussed at the monthly meetings and agreed to by Executive Management: the Chief Program Officer – DPM, General Manager - Service Planning, Chief Transportation Officer, and Chief Engineer, or their designated representatives – and captured in the meeting minutes kept by the Scheduler from DPM

as per Chief Program Officer Notice DPM-2010-05 Meeting Minutes. After all meetings, the Scheduler modifies the Plan. At the subsequent meeting, these minutes and the subsequent revised version of the Plan are distributed and discussed. Additionally, concerns regarding any change are forwarded to the Senior Vice President – Operations for final resolution.

On top of this internal approval process, major schedule modifications are approved by the President if they require timetable changes, or need to be reported to the MTA Board.

Recommendation No. 2

- **Determine why tracks are not turned over for work in a timely manner and take corrective action.**

LIRR Implementation Status: *Implemented*

As stated in our response dated October 18, 2013, the LIRR has a formal process for determining when it is appropriate for track outages to begin and end, and whether this is accomplished in a timely manner.

Decisions to delay the availability of track on a particular day of a project are driven by the goal of providing efficient train service and ensuring the safety of LIRR customers and employees. Such delays can be due to operating incidents such as late trains (i.e. tracks may need to remain open to accommodate a train running late that needs to move through in order to transport its riders to their destinations).

Whenever a track is not turned over on time, Engineering works with Transportation Services to determine the cause of such delays and investigate any remedial actions that are deemed necessary to mitigate such delays during future projects.

Track Usage meetings occur weekly where departments discuss the need for track outages related to current, on-going projects as well as projects to begin as much as four weeks in the future. The resulting minutes of these meetings include summaries that list the various projects discussed, the track outage times requested by the departments and whether the times are approved or pending approval.

During the course of major projects with extensive track outages, communication from the field to management is continuous via e-mails and phone calls regarding when track is taken out and returned to service as well as the interim status of on-going work. The LIRR's highest priority must be the safety of the workers on the right-of-way. It must ensure sufficient demobilization and clearance time of the employees. If an incident occurs or a project is running late, the appropriate departments are notified so that the impact of the potential late return of a track can be mitigated to the extent possible.

During those cases when a track is returned late, an incident and/or lessons learned report is issued to LIRR Management with follow-up corrective actions.

Meetings between Operations, Safety, and other Senior Staff are routinely held to discuss future construction and maintenance projects requiring track outages and means for obtaining and returning track as expeditiously as possible while avoiding potential impacts to customers.

Recommendation No. 3

- **Require Daily Work Activity Reports to be completed and review them periodically to ensure work is being done, as stated.**

LIRR Implementation Status: *Implemented*

As stated in our response dated October 18, 2013, during a project, the Engineering Department uses a Daily Work Activity / Daily Production Report to monitor and record track maintenance work. The report provides fields to capture times when track is requested and when track is received as well as a Comments section to provide information and/or explanations of events, as warranted. Some information is not required to be captured on the Report depending on the nature of the project, e.g. preparation work related to mechanized ties.

Engineering management personnel reviews each Daily Work Activity Report to ensure all required information is provided completely and accurately. In addition, the Department of Program Management (DPM) receives and reviews the Activity Reports for track outages associated with Engineering's Capital projects to ensure work is being done as planned and completed on time. The daily report identifies the time track is received and returned to service. Management from both departments investigate any deviations or unforeseen conditions impacting the return of service involving track not being made available on time or returned late as identified on the daily report, including taking corrective action.

Recommendation No. 4

- **Ensure logs of buses requested and received are turned over to appropriate management for review.**

LIRR Implementation Status: *Implemented and On-Going*

As stated in our response dated October 18, 2013, the LIRR agrees with this recommendation and has a comprehensive set of procedures in place to ensure that the appropriate level of busing is provided for each outage.

Before a busing program goes into effect, LIRR ensures that it reaches out to its customers to communicate the details of the program including where and when buses will be made available and alternate travel options such as traveling at a different time or along a different branch. These alternative travel options may require busing. To the extent that customers deem these alternative travel options preferable, fewer customers may require busing. Therefore, the fact that at times there may be few passengers riding the buses is in part attributable to LIRR's effectiveness in communicating with its customers in advance of a scheduled busing program.

During a planned outage requiring bus service Customer Services agents, clerks and managers are stationed in the field at bus reporting locations. Customer Services tracks the expected number of buses utilizing Bus Manipulation sheets provided by Service Planning. If during an event Customer Services identifies buses that were ordered but did not arrive it advises the bus company's dispatcher (who is often on-site during a planned event) or Service Planning if the dispatcher is unreachable. Effective immediately, at the conclusion of each event, the Branch Line Manager will canvas the field managers to discern if all busing activity occurred as planned. If all buses ordered were received, the Branch Line Manager will initial the cover page of Service Planning's Busing Plan stating there were no exceptions and forward to Service Planning as documentation supporting the payment of busing invoices in full. If any number of planned buses were not received, the Branch Line Manager will highlight those buses on the applicable pages of the Busing Plan and forward those exception pages to Service Planning as documentation to withhold payment from the vendor, if applicable, for those buses not received. After receiving notification of exceptions Service Planning will:

- Apply exceptions to their review of vendor invoices and dispute charges appearing on the invoice.
- Send exceptions to LIRR Procurement & Logistics - Contracts for investigation as to whether the vendor is in violation of the busing contract.
- Maintain an internal file of all exception issues related to busing contracts to be considered when planning for future programs.

Through field observations provided by Customer Service, Service Planning actively manages busing programs during planned outages by monitoring buses in the Program vs. actual buses used.

To further enhance the procedure of managing busing, the LIRR is in the process of hiring a Busing Coordinator who will take the lead and be responsible for coordinating all aspects of bus call outs (both planned and unplanned) and oversight of bus service provider contracts (24/7). The position will encompass all areas of busing including the

coordination of tasks associated with the oversight of bus service providers, coordinating with field personnel and both internal/external efforts for bus service, auditing bus programs for efficiencies as well as customer service, resolving busing/contract issues, participating on the bus contractor selection committee and ensuring adequate and proper contract language is contained in appropriate contracts. The position will have responsibility and oversight for verification and payment of all bus invoices and ensure that bus service providers are adhering to their contractual obligation. Currently, until the position is filled, the specific duties and responsibilities of the position are currently being distributed between Transportation Services, Customer Services and Service Planning.

Recommendation No. 5

- **Promote and document the use of piggybacking to reduce diversion instances and diversion costs.**

LIRR Implementation Status: *Implemented*

As stated in our response dated October 18, 2013, the LIRR makes every effort to maximize opportunities for piggybacking as discussed and documented during the weekly Track Usage meetings.

Most recently, in 2014, numerous piggybacking opportunities were implemented, including:

- Sperry Rail Testing, replacing the Little Neck Rd. crossing and miscellaneous track maintenance during the same 30 hour track outage on March 14.
- Replacement of mechanized ties and replacement of various other crossings from Riverhead to Greenport from February 24 – May 16.
- Installation of concrete ties and resurfacing of switches in the Queens Interlocking over the weekend of April 5 on the Hempstead Branch during a 48 hour shutdown.

Engineering and DPM continue to examine and coordinate means to optimize opportunities for piggybacking in order to reduce the need for diversions and associated costs. All projects that piggyback outages are identified on the Track Outage Plan and additional opportunities are examined and documented at each weekly track usage meeting.

Recommendation No. 6

- **Develop a method to track diversion costs relating to elements.**

LIRR Implementation Status: *On-Going*

As stated in our response dated October 18, 2013, the LIRR agreed to explore tracking costs at the element level.

LIRR breaks down estimates by task, tracking actual costs for all Capital Program projects including those requiring track outages, e.g. Design and Construction from Project Management, Force Account (LIRR forces) and 3rd Party (Contractors) as well as Force Account Labor and Materials. Other costs are included as needed, e.g. busing, work trains.

Labor costs are captured in the Corporate Time & Attendance Management System (CTAMS) while other costs are captured in the Cost Management Information System (CMIS).

LIRR monitors the progress of work at the element level and finds it more practical to track the aforementioned costs, including actual vs. budget, by task and on an overall project basis, as the work progresses up to and including completion. The Office of Management & Budget and DPM manage the reporting of these costs utilizing reports from CMIS as well as internally prepared reports including the Track Program Progress Report.

DPM continues to investigate the feasibility, practicality, benefit and systems necessary to capture and report on project costs relative to elements of the Track Outage Plan. The LIRR will be holding discussions with the Accounting and IT departments regarding the possibility of developing a more descriptive cost coding and reporting system for isolating service diversion costs that are more consistent with the elements of the Track Outage Plan.

Recommendation No. 7

- **Develop a written strategy which includes procedures for preparing for and communicating with customers regarding all planned service diversions. This strategy should address the number of passengers affected, duration of diversion, alternative transportation arrangements (including busing requirements), advertisement/notification requirements, among other factors.**

LIRR Implementation Status: *Implemented*

➤ **Planned Service Disruptions**

As stated in our response dated October 18, 2013, the LIRR recognizes the importance of effectively communicating information on planned service diversions, and for this reason dedicates vast resources to accomplishing this task. A comprehensive set of practices and protocols, developed after many years of experience and lessons learned exercises, is followed. The level of communication is tailored to the estimated impact of the project.

LIRR Public Affairs has finalized and implement extensive written procedures on levels and types of communication methods to be used with customers regarding all planned service diversions as follows:

- 1) The Production Manager for Corporate Communications routinely receives notifications from the LIRR's Service Planning and/or Engineering departments regarding track work or related maintenance /inspection programs that will result in changes to regularly scheduled service.
- 2) The Production Manager reviews the program with attention to details such as scope/duration of work, number of customers affected, and other pertinent factors in order to formulate a communication strategy in keeping with the scale of the service diversion. When necessary, the Production Manager will consult with relevant departments to finalize the strategy and ensure the appropriate communication elements have been identified.
- 3) The Production Manager will then provide a production schedule identifying the tasks to be undertaken, the responsible department and the result/status of the task (e.g., date completed) to the Assistant Director/Director of Corporate Communications.
- 4) Once approved, the production schedule will be forwarded to the General Manager – Public Affairs for final review/signature.
- 5) Customer communications will range across an array of media vehicles, including but not limited to posters, flyers, brochures, seat drops and press releases; e-mail/text message alerts; on-board and station announcements; and social media postings. Communications will contain details including but not limited to the duration of event, schedule alternatives, and substitute transportation options.

- 5a) With respect to printed material, the Production Manager will consult with the appropriate Branch Line and/or Terminal Manager(s) to determine the quantity of printed material needed to reach the targeted audience.
 - 5b) The Production Manager will coordinate with other key personnel, such as the Director of the LIRR's Public Information Office, to ensure consistency of message across various platforms.
- 6) Upon completion of each program, an updated/finalized version of the production schedule, along with copies of the communication elements utilized, will be archived.
- 7) On a case-by-case basis, the above procedures will also be utilized for situations not related to service diversions, but which also have a customer impact (for example, station renovation projects, elevator replacement projects, etc.)

➤ **Communications with Customers**

Public Affairs staff members will continue to tailor communication campaigns based on factors including but not limited to duration of project, scope of work, ripple effects on other branches, and number of riders affected. The LIRR's communications strategy is built largely around rapidly evolving use of the MTA website, a customer e-mail and text message alert system, and social media to communicate real time information to customers. The riding public's broad and rapid adoption of increasingly sophisticated smartphones and other personal electronic devices has facilitated broader dissemination of LIRR communications. This has helped the LIRR adopt a "know before you go" communications strategy.

As previously communicated, a recent LIRR survey found that 80% of LIRR customers are "satisfied" with LIRR service disruption communications, including 12%, who state they are "very satisfied." When asked how they would most prefer to receive service disruption explanations, 88% of customers prefer electronic media that require a mobile device or computer. Only 12% prefer more traditional methods of communications.

Based on the 2013 Customer Satisfaction Survey results, very high customer satisfaction survey scores were given to boarding station communications pertaining to "Electronic/LED Signs" (89%), and "Station Signage" (88%). In addition, customers indicated higher satisfaction this year related to boarding station communications, specifically "Audio Announcements during Service Disruptions", compared to last year.

MTA Chairman Thomas F. Prendergast
June 24, 2014
Page 9

While recognizing that print notices are essential for certain types of diversions, the communications preference of the vast majority of LIRR customers suggest that the time could be approaching when seat notices may be replaced by more effective electronic communications - depending on the willingness of customers to sign up for e/text alerts, and proactively access other "pushed" information.

We would like to extend our gratitude to the Office of the State Comptroller for conducting this audit. We recognize that state audits can provide important recommendations and insights for strengthening LIRR our operations and maximizing productivity and efficiency. We believe the LIRR's action plan addresses the recommendations of the State Comptroller's Office. Please contact me should you require additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick Nowakowski". The signature is fluid and cursive, with a large initial "P" and "N".

Patrick Nowakowski
President