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Delta Organization & Leadership

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City of Ottawa Transit Services Phase I: Organization and Governance Diagnostic Review



Report Outline

- **Project purpose and approach**
- Setting the context
- Key issues, gaps and opportunities
- Criteria for success
- Organizational and governance options
- Next steps
- Appendices
 - A Comparator research
 - B Background documents reviewed
 - C Interviews and focus groups
 - D Summary of diagnostic findings



Project Context

An independent review of OC Transpo's organization and governance was requested.

- City of Ottawa's public transit services are operated by OC Transpo and have two rapid transit systems: Transitway (bus rapid transit network), and the O-Train, a diesel-powered light rail line
- Transitway is one of the most extensive and successful implementations of bus rapid transit, and since 2001 Ottawa has operated a light rail transit system (O-Train) as a pilot for a full rollout of light rail transit technology
 - LRT had been an important component of the master transportation plan and the decision not to proceed with the north-south priority LRT project has created many questions around the long-term vision for Ottawa's transit system
- Recent discussions (including the *Moving Ottawa* report of June 2007) have discussed the question of whether the transit authority should be separate from the municipal government
- The separation of the transit authority from the overall municipal government is cause for major debates among politicians and administration, as to what are the advantages and drawbacks of this situation – an independent review has been requested that would cover:
 - Governance, roles and responsibilities
 - Overall organization macro-structure
 - Impacts on operational planning process

Project Deliverables

In Phase I, OW conducted a diagnostic of current governance systems and organization to identify preliminary improvement ideas, and evaluate a limited subset of these ideas. Phase 2 will focus on proposing the future state recommended and preparing implementation.

Project Deliverables

Project Objectives

- Map and evaluate the current organization and governance
- Identify and prioritize issues
- Understand the impact of current problems on performance and effectiveness
- Identify opportunities to refine the governance systems, organization and macro-processes to improve performance

Phase 1

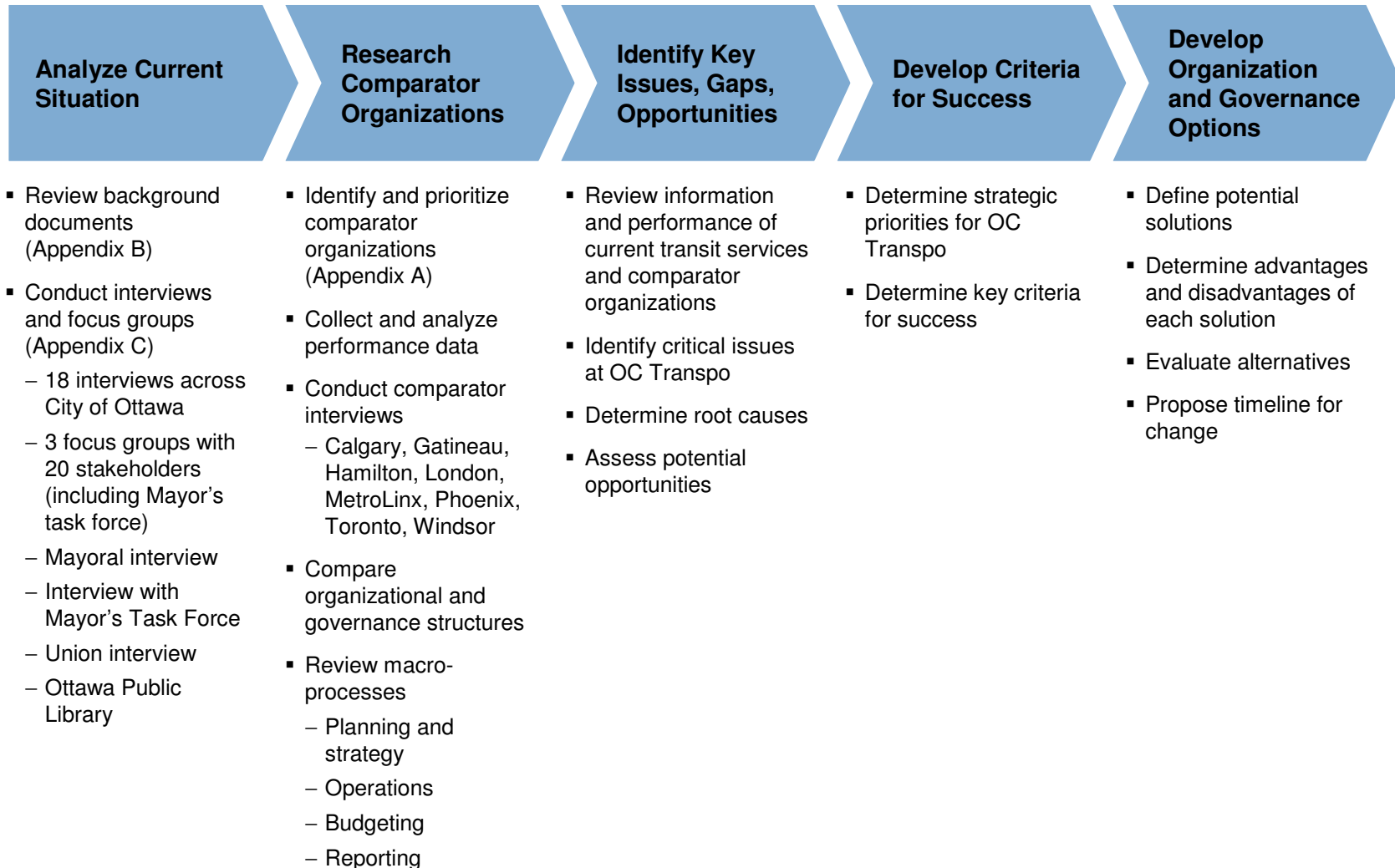
- Mapping of “as-is” governance systems and organization
- Mapping of macro-processes including roles and responsibilities, high-level steps, information flows and key interfaces
- Identification of key issues: performance, coordination issues, bottlenecks, and improvement opportunities
- Comparator research
- Improvement ideas, screening of options, and impact analysis

Phase 2

- Redesigned governance systems and organization for greater effectiveness and performance
- Quick actions identified and implementation launched
- Suggestions for improved performance and systems
- Benefits and business case for broader processes and organizational changes
- Identification of change management issues and roadblocks
- Transition and communication plans

Project Approach

The team used a five-step approach in Phase 1 of the project.





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Transit Context

Improving public transit performance has been identified by Ottawa citizens and Canadians nationwide as one of the top priorities for city governments.

Ottawa: Service Priorities (Top 10)

Ottawa Citizen Survey, 2007

Program	% Citizens Want Increase
Transit services	59%
Social housing	51%
Long-term care	48%
Road and sidewalk maint	45%
Public health	44%
Garbage and recycling	42%
Parking and traffic management	40%
Childcare	40%
Land-use planning, zoning and building permits	33%
Economic development	32%

Canadian Cities : Gaps between Performance & Priority

Infrastructure Canada: Quality of Life Benchmarks, 2005

Quality of Life Benchmark	Improvement Priority Rank
Affordable housing	1
Modern infrastructure	2
Good public transit	3
Quality schools	4
Services for immigrants	5
Efficient composting and recycling	6
Thriving business community	7
Thriving high technology sector	8
Green spaces and parks	9
Well preserved historic buildings	10
Highly educated people	11
Active arts/cultural community	12
Easy access by air, rail or road	13
Good sports/recreational facilities	14
Diversity	15

Sources: "National Overview of Findings from a National Survey on the Quality of Life in Canadian Communities ", Infrastructure Canada, March 2005, "2007 Ottawa Citizen Survey", Decima Research, 2007.

OC Transpo: Current Context

Delivery challenges, performance issues and significant pressure for change are creating a difficult operating environment for OC Transpo today.

Delivery Challenges	Performance Issues	Pressure for Change
▪ Distributed decision-making framework that doesn't easily support accountability ▪ Very involved governing body (Transit Committee) ▪ Complex macro decision processes across strategy/planning, operations, budgeting, and reporting ▪ Historic organizational evolution without clear accountability framework since 1999 ▪ Challenges associated with ongoing relationships across Service Level Agreements (SLAs) ▪ Two delivery models – distributed bus organization vs. integrated rail organization (within Transit Services)	▪ Low customer and employee satisfaction ▪ Deteriorating financial performance ▪ Relatively low performance versus comparator transit organizations – R-C ratio – Customer satisfaction	▪ Lack of shared vision and mission for the future ▪ Mayoral and Councillor desire for change: – 2006-2010 Council governance review ▪ Heightened public awareness and increased public expectations ▪ Union commentary ▪ Current transportation review – Transportation Master Plan update and long-term vision for rapid transit ▪ Federal regulations – E.g. Health and safety ▪ Long term opportunity to service network of communities

▶ **With ambitious transportation goals for Ottawa, OC Transpo's organization and governance is critical to 'get right'**

OC Transpo: Perspectives

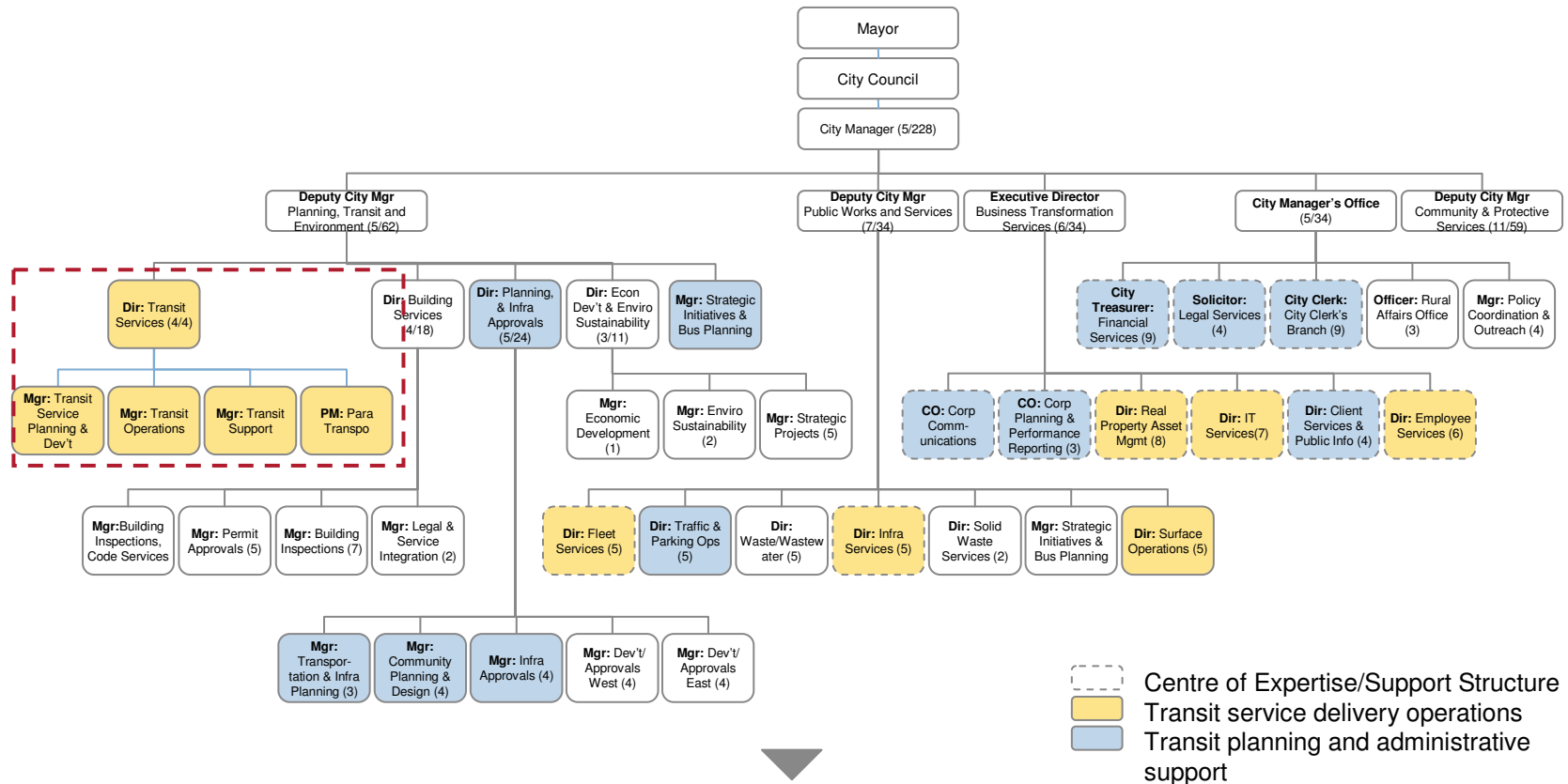
Current stakeholders (and comparator transit organizations) recognize some of the organizational and governance questions OC Transpo is facing.

	Quotes from Stakeholders
Organizational Commentary	▪ <i>'The organization needs a sense of focus and single mission, which is confused when the employees are spread out around different departments'</i> ▪ <i>'We know the SLAs for some of the COEs don't work today, we just don't know how to fix them'</i> ▪ <i>'There is no accountability for asset efficiency (fleet/buildings), e.g., we don't agree who owns fleet. Fleet Services provides fleet but OC Transpo pays with no input to the process'</i> ▪ <i>'Success in a COE system is purely driven by personalities. There doesn't seem to be any enforcement of the SLAs themselves' – Comparator Transit Organization (with a COE model)</i>
Governance Commentary	▪ <i>'The Committee should be focused on big picture items like policy and budget issues only, while Transit Services department should be focused on the business of getting people from A to B in the most effective and efficient manner possible'</i> ▪ <i>'The most successful organizations [in the City] seem to make decisions outside of Council/Committee'</i> ▪ <i>'Being inside the City provides the benefit of being able to get things done; we don't have to work through the political structure'</i> ▪ <i>'Governance should be about setting targets and the delivery should be managed by the department/ commission'</i> ▪ <i>'Director (Alain Mercier) can't answer Transit Committee's questions because he doesn't have control, so they [Committee] go into the weeds and the cycle continues'</i> ▪ <i>'If I was a public servant near retirement [who wanted to avoid accountability], I'd want to be a part of the largest, fragmented municipal department possible' – Comparator Transit Organization</i>
Overall Commentary	▪ <i>'Ottawa has some unique issues it needs to consider, including its geographic size, juxtaposition to Gatineau, potential for NCC to get involved, and how it wants to grow'</i> ▪ <i>'Amalgamation is still not complete, we have 300 systems that still don't talk to each other'</i> ▪ <i>'There is a perception that transit is paralyzed – it's not that bad, but we need a clear roadmap for the future'</i> ▪ <i>'It's [Ottawa] probably got the most issues to deal with at the moment' – Comparator Transit Organization</i>

Source: Oliver Wyman interviews.

Transit Services Current Organizational Structure

Transit services are delivered through a complex organizational structure with operational, planning, and administrative support areas spread across four city departments.

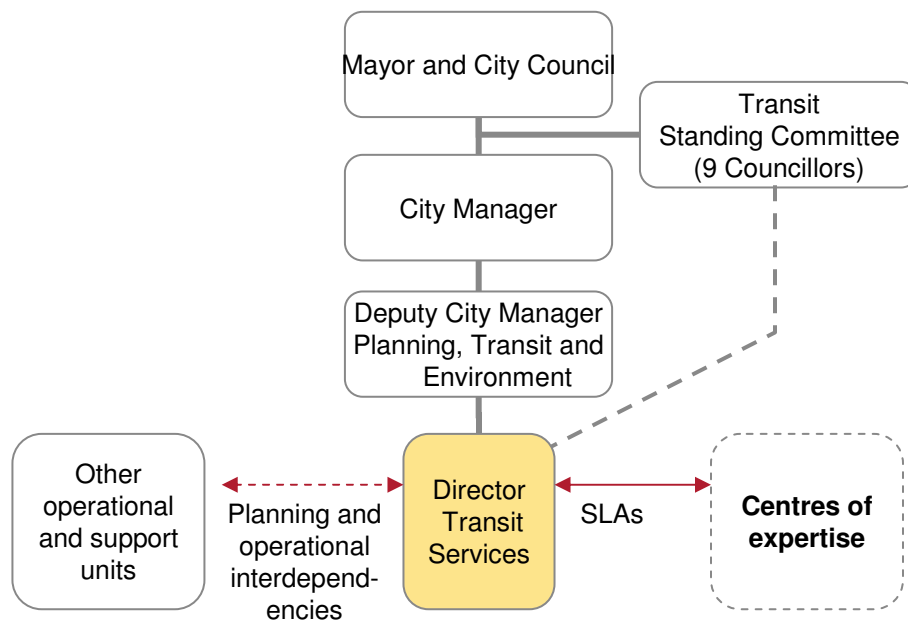


Organizational Implications

- Distributed decision-making leads to a lack of accountability
- Control of key operational execution is separated from transit control
- Ongoing communication requires significant effort across multiple stakeholders
- Federal oversight could reduce potential cost savings associated with consolidated operations
- Complex planning and budgeting processes

Transit Services Current Governance Structure

The Transit Committee of nine (9) councillors is challenged today with the scope of issues it covers, and the perception that it gets too involved in day-to-day activities

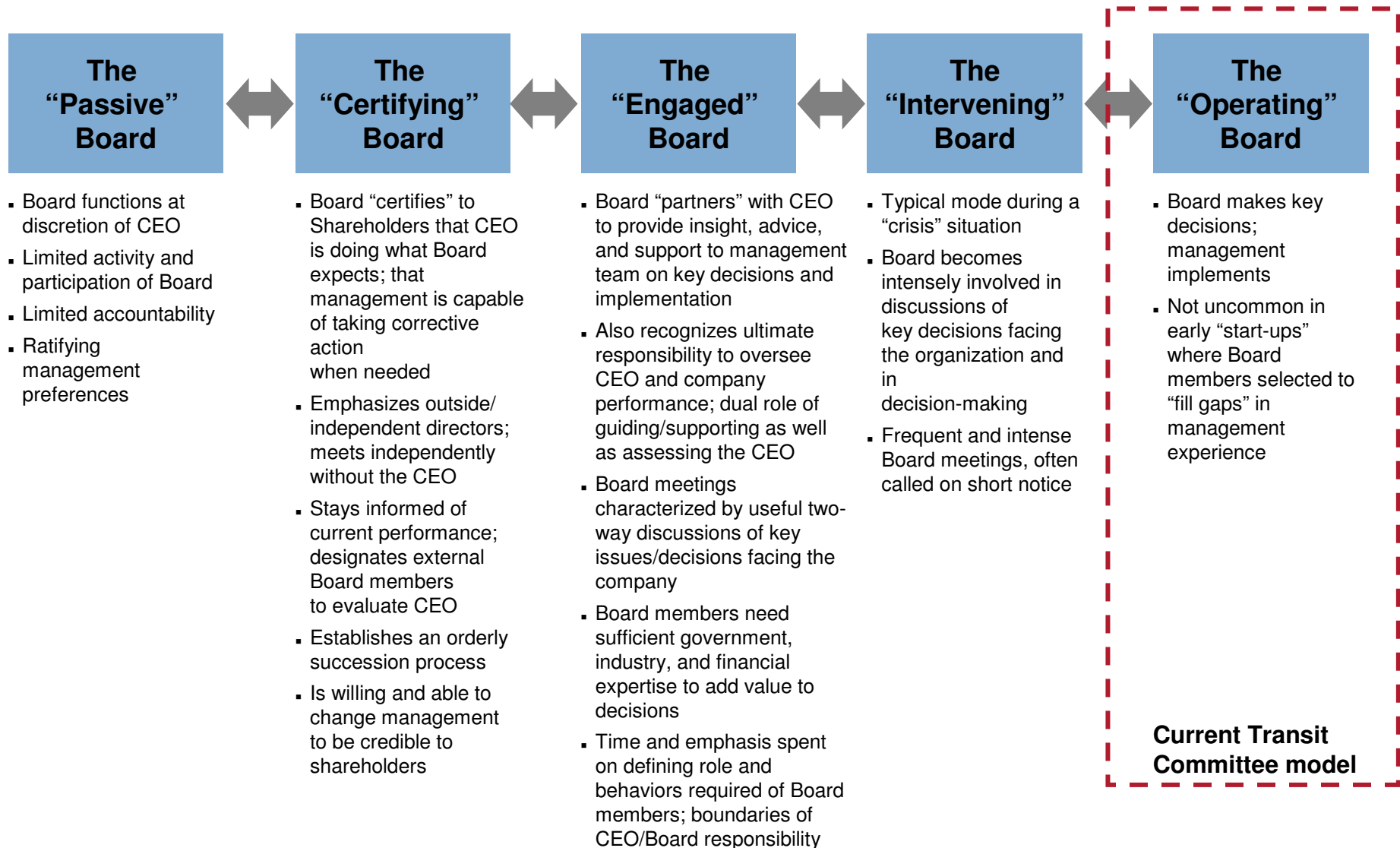


Commentary

- Transit Committee is made up of same councillors as Transportation Committee
 - Provides consistency of approach
 - Ensures holistic view of transportation overall
 - However, can mean sometimes issues get moved aside given time limitations of Wednesday session
- Objectives within Terms of Reference are clear
 - Guidance and Direction provide significant latitude in Transit Committee's role and involvement in day-to-day operations
- There is a perception that the committee is not working as well as it could; some would describe it as 'dysfunctional'
 - May be more the result of its Councillor constituency than its Terms of Reference

Current Level of Board/Committee Engagement

Today, the Transit Committee acts as an operating board.



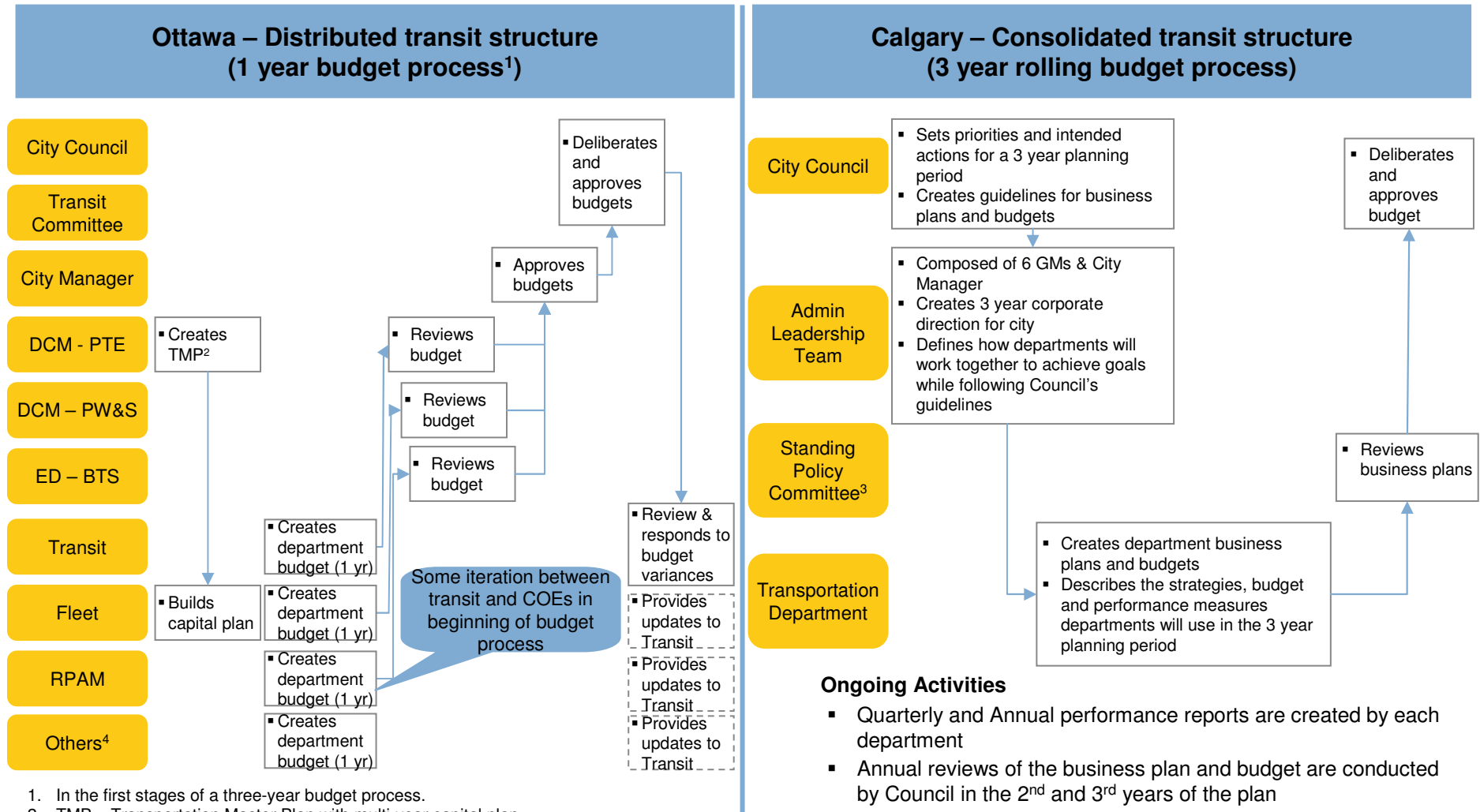
Complexity across Processes

Four key processes were evaluated across City of Ottawa Transit Services and other comparable transit agencies.

	Description		Current State in Ottawa	Alternatives to Consider
Strategy and Planning	- Operating and capital planning usually with 1, 3-5 and 10+ year time horizons - Aligned with Transportation Master Plans	➤	25 year Transportation Master Plan managed outside Transit - Plans for 5-10 year operational/ tactical planning within Transit Services - Life cycle asset management for fixed and rolling assets managed outside Transit	- Integrated (within same department/commission) capital planning with operating targets and long-term goals - Long-term planning managed by team comprised of both transit and planning expertise
Operations	- Daily operational execution across modes, fleet, assets, labour etc. - Success measures include financial sustainability, on-time performance	➤	- Fragmented, complex operational execution across Transit Services and supporting COEs for bus operations - Single, integrated operations across rail (within Transit Services) - Multiple and competing missions and visions - Few performance metrics communicated	- Coordinated operations to support accountability - Within department or commission structure - Key operational units share common vision / mission - Ongoing detailed, proactive performance measurement
Budgeting	- Process by which annual operating budgets and long-term plans are drawn - Considers time horizon	➤	- Each COE owns its own budget which is reported up and approved at the City-level, but not managed/controlled by transit 1 year budgeting (moving toward 3 year budgets) - Transit does not control capital	3 year rolling operating budgets - Transit Services has ownership of all operating and capital budgets (i.e. final authority over spending plans) - Approved by Board/Council
Reporting and Interaction	Reviews process and of reporting and problem solving across the organization	➤	- Distributed reporting across Transit Services and COEs (including fleet, RPAM, etc.) - Client relationship model built via SLAs - Limited “refresh” or review of SLA terms, delivery quality, or scope of services	- Clear lines of accountability across Transit Services - Defined roles and process maps across reporting structures

Macro Decision Process – Case Study: Budgeting

A distributed municipal structure creates bureaucratic obstacles to prioritizing transit funding and lacks some of the advantages associated with a consolidated structure (e.g. Calgary).



1. In the first stages of a three-year budget process.

2. TMP = Transportation Master Plan with multi-year capital plan.

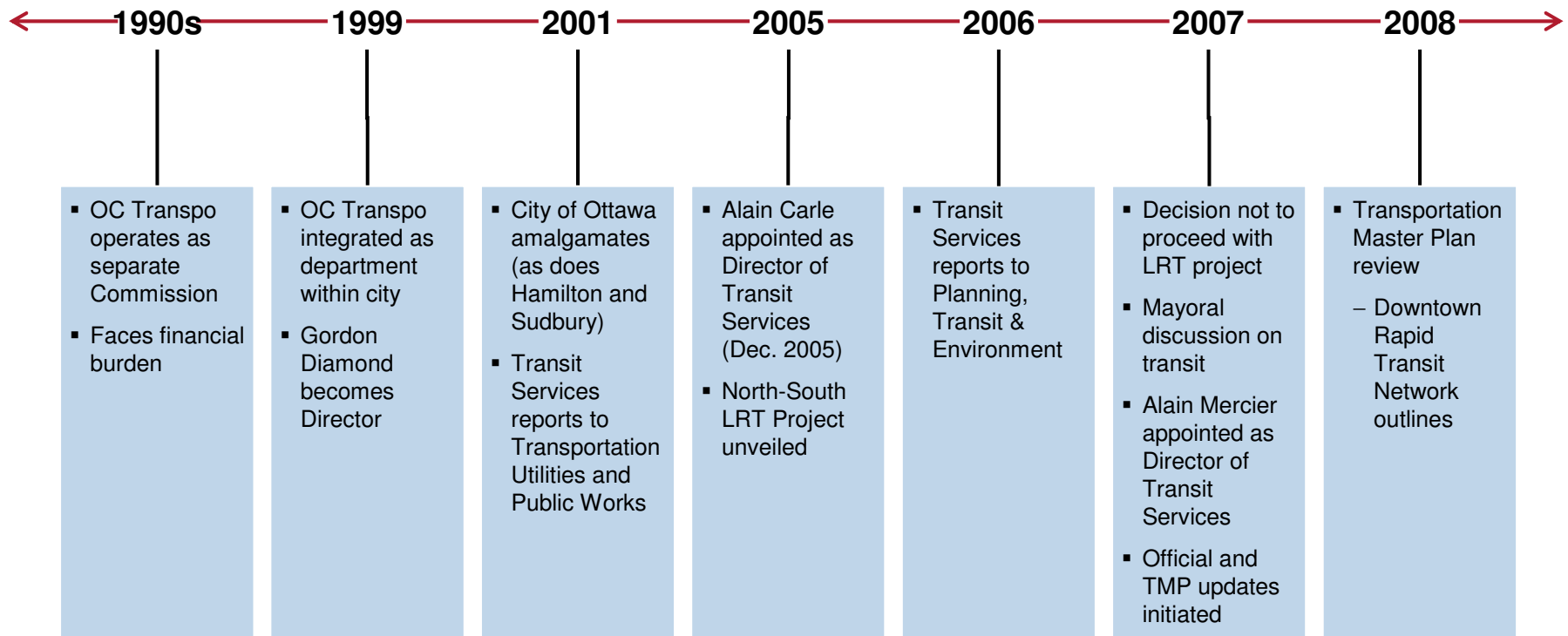
3. Land Use, Planning & Trans. / City Council.

4. Includes COEs and other departments.

Sources: Calgary Corporate Overview 2006-2008; "Corporate Direction 2006-2008", Administrative Leadership Team; Budget Presentation to Council, Interviews.

Recent Organizational Changes

Since its inception, OC Transpo has continued to experience ongoing change and upheaval in its operations.

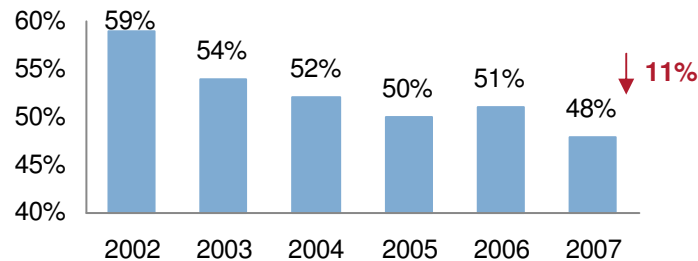


- ▶ *“Our combined service used to be better. OC Transpo used to be much easier to deal with, but now that it’s all across the city it’s extremely difficult to coordinate services”*
 - Société de Transport de l’Outaouais (STO)

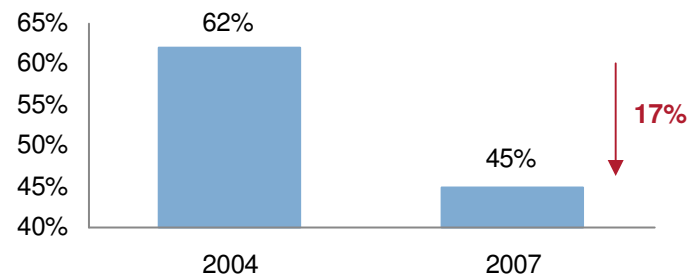
Deteriorating Performance

Transit performance has recently deteriorated both financially and in the quality of service delivery.

Financial Performance: R/C Ratio



Service Delivery: Customer Satisfaction



Consistent Commentary on Existing Challenges

- “Transit demand is not being met, customer dissatisfaction is rising and costs are escalating”
 - Moving Ottawa Report
- “Internally, there is a disconnect between what staff say (positively) about the organization versus what they really think (negatively)”
 - Employee Survey
- Employee statements¹ with the lowest scores (out of 10) in the survey included:
 - ‘Transit Services is an organization that pays a great deal of attention to employee input and feedback’ (4.9 out of 10)
 - ‘All of the areas within Transit Services work together as a team’ (5.0 out of 10)
 - ‘Other areas of the city work as a team to help Transit Services succeed’ (5.2 out of 10)

1. From 2007-2008 Employee and Customer Research Study, OC Transpo, 2007.

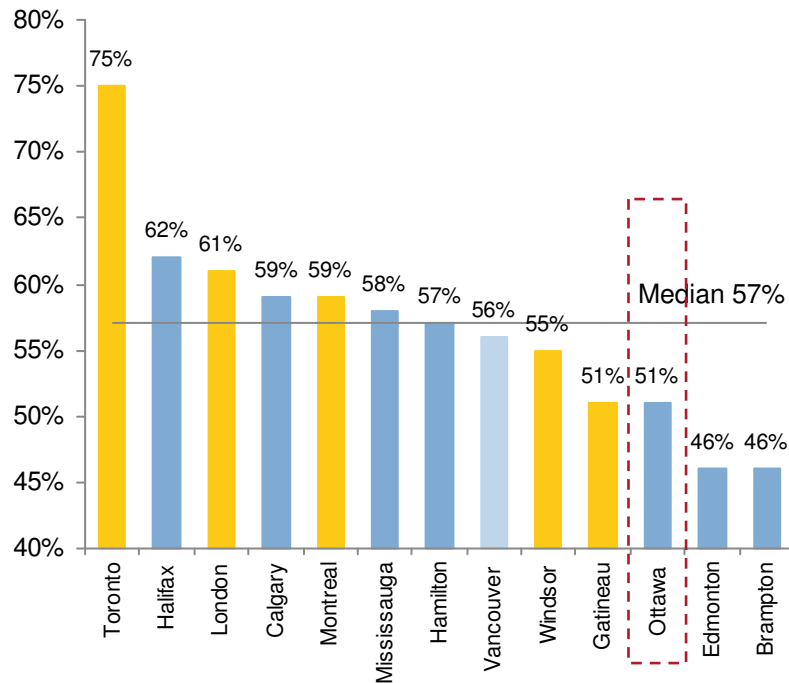
Sources: “2007 Ottawa Citizen Survey”, Decima Research, 2007; “Ontario Urban Transit Factbook”, CUTA 2003-2006; 2007-2008 Employee and Customer Research Study, OC Transpo, 2007; Report to Transit Committee, November 15, 2007.

Comparator performance: Financials

Ottawa's R-C Ratio is low relative to comparable cities...

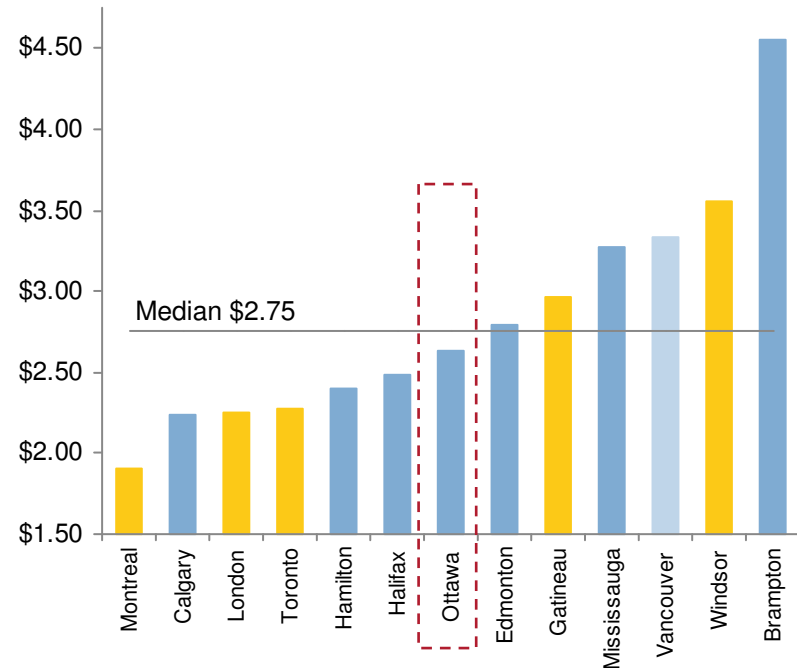
Cost Recovery (R/C Ratio)

Operating Revenues / Direct Operating Costs



Cost Effectiveness

Direct Operating Costs / Passenger Trip



	Toronto	Halifax	London	Calgary	Montreal	Mississauga	Hamilton	Vancouver	Windsor	Gatineau	Ottawa	Edmonton	Brampton
Ridership ¹ (M)	444.5	18.1	18.7	87.9	363.3	29.0	21.2	165.1	6.1	16.5	91.8	57.5	10.1

- Municipal department
- Transit commission
- Regional agency

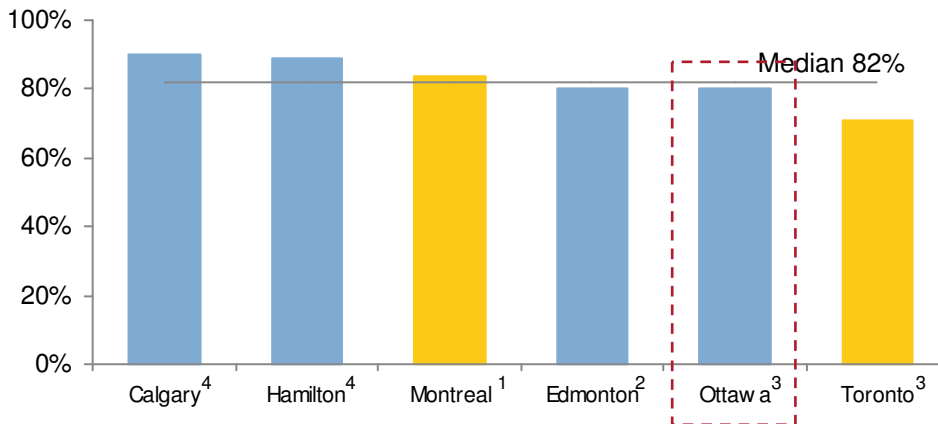
1. Regular Service Passenger Trips.
Source: CUTA 2006.

Comparator Performance: Service

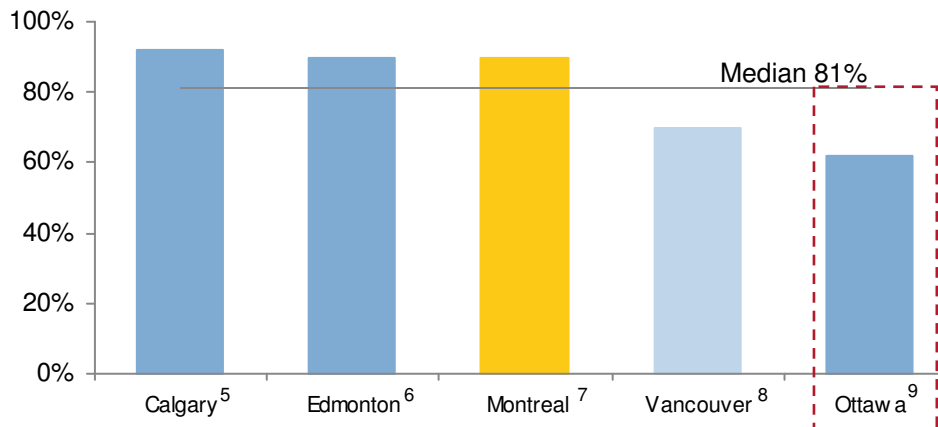
... and its service and satisfaction levels are below the median.

On-time performance

Mode: Bus



Customer Satisfaction



Commentary

- Customer satisfaction in Ottawa is the lowest of all cities in Canada (among those regions that currently track customer satisfaction)
- Ottawa's on time performance could be improved

- Municipal department
- Transit commission
- Regional agency

1. Based on -1, +3 minutes. 2. Based on -5, +1 minutes. 3. Based on -3, +3 minutes. 4. "Schedule adherence". 5. % of customers with Satisfactory to Excellent ratings for "Overall Service Quality Performance." 6. % of customers satisfied with the services offered. 7. % of customers satisfied with services offered. 8. Overall performance between 7-10 point customer satisfaction scale. 9. % satisfied with the job the city is doing in public transit (on 7 point scale).

Sources: 2006 Calgary Customer Survey, Hamilton Advanced Public Transportation Systems Benefits 2006, Montreal 2006 Annual Report, 2007 Edmonton (ETS) Business Plan, Ottawa Q3 2006 Report to Council, 2003 Toronto Transit Commission Key Performance Measures Review, STM Today – Part A, Q3 2007 Customer Satisfaction Survey, 2004 Ottawa U&A Survey.

Pressure for Change

There has recently been significant pressure from external stakeholders to improve the delivery of transit services.

Downtown Rapid Transit Network	Mayor's Message Shaping the Future of Ottawa Transit From the Core Out
Welcome	
Background & Study Process	
Study Schedule	Making the right transit choice for Ottawa is the most important decision that City Council will make during its term.
Consultation	
White Papers	Over the past year, we have taken some exciting steps in developing a transit vision for the City of Ottawa. Our approach has been to develop a long-term plan that addresses the city's main areas of congestion. We are looking to build a network from the core out — addressing downtown congestion and determining the best way to serve communities in the west, south and east.
Streeter Survey	
Interactive Workshop	
Transportation Vision	Council has refocused and identified priority areas, including building a downtown transit tunnel, completing the Transitway, implementing rapid transit using the Cumberland Transitway alignment, and implementing light rail transit to the southeastern growth area.
Existing Rapid Transit Network and Downtown Bus Routes	
Population and Employment Growth	We have included and incorporated thoughts from many people including residents, community groups, transportation experts, and businesses. The result of our combined efforts is the development of a series of options for the Downtown Rapid Transit Network that will provide Ottawa with a rapid transit system that is convenient, fast and will serve our City for generations. On March 3, we will proudly present these options to you.
Existing and Future Travel Desire Lines	
Transit Share of Motorized Travel	
Developing Downtown Transit Solutions	We look forward to your feedback on these options. Your continued involvement and public ownership of this process will ensure its success. To incorporate your thoughts, we have organized a series of Open Houses across the city from March 3-6. Not only will you have the opportunity to review the options, but also to participate in discussions at each of these Open Houses. Residents can also provide comments online at ottawa.ca/beyond2020 , through email at plan@ottawa.ca or by calling 3-1-1.
Surface Options	
Elevated Option	

- Council motion to focus on governance
- Decision not to proceed with North-South LRT
- Transportation Master Plan underway
- Moving Ottawa Task Force recommends commission structure
- Public perception and media reports around poor service levels
- Union leadership commentary about mismanagement

The current pressure is compounded by outstanding questions around the potential expansion of transit services at a regional level.



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Diagnostic Findings and Key Issues

The findings surfaced several key organizational and governance issues.

Key Organizational and Governance Issues

- 1 Ottawa lacks a shared vision for transit
- 2 The role of Council, the Transit Committee and City management in transit planning and operations is not well defined, understood and/or reflected in behaviours
- 3 A single point of accountability is lacking for OC Transpo
- 4 There is a need to consider the broader National Capital Region in the planning and delivery of transit services
- 5 Views on the structure and governance of OC Transpo are polarized and could be divisive



A summary of diagnostic findings has been included in Appendix D

1 Ottawa lacks a shared vision for transit

Description

- Recent history and context for transit has created a constant state of changes in priorities and direction
- LRT had been an important component of the Transportation Master Plan and the decision not to proceed with LRT has created many questions around the long-term vision for Ottawa's transit system
- The Mayor's Task Force presented one point-of-view on the long-term vision for transit
- Through the development of the Transportation Master Plan, Council will clarify its vision

Consequences for Transit Services

- A gap exists between the long-term policies in the master plan and the transit operating plan
- It is challenging for Transit Services and its partners within the City (e.g., Fleet Services) to make tactical operating decisions and longer-term investment decisions without a clear master plan
- Without clear direction it is a challenge to define and report against measures of success for OC Transpo

2 The role of Council, the Transit Committee and City management in transit planning and operations is not well defined, understood and/or reflected in behaviours

Description

- Council and Transit Committee want a focal point for all things related to transit but feel they are faced with multiple points of accountability and no clear answers
- City management want a Transit Committee that provides overall vision and strategic direction, and sets a policy framework for OC Transpo, leaving operational planning and decision-making to staff

Consequences for Transit Services

- Transit Committee frustrated with slow response and lack of accountability for operational and customer service issues
- Perception that Transit Committee is “in the weeds” around transit operational issues and representing the best interests of their individual constituency and not the longer-term interests of Ottawa as a whole
- The longer-term vision for transit is unclear and creates uncertainty for making both short- and long-term transit investments

3 A single point of accountability is lacking for OC Transpo

Description

- Since transit was brought into the City and integrated as part of amalgamation, accountability for various components of transit operations and associated budgets is distributed across departments and Centres of Expertise (COEs)
- The 'felt experience' to date is that the effectiveness of a COE- Transit Service relationship is dependent on the level of effective collaboration between individuals. The service level agreement is not considered to be effective in driving accountability
 - *"It comes down to personalities"*

Consequences for Transit Services

- Fragmented transit service processes, slow decision-making and a transit service delivery model that is perceived to be "absolutely broken"
 - e.g., three departments making decisions on snow removal
 - e.g., unclear accountability for bus fleet performance (e.g., availability)
- Accountability without authority. The Director of Transit Services has accountability for transit services but lacks operational and budget authority over key areas of service delivery such as bus fleet and transit facilities.
- Transit Services aspires to be the "implementer of Ottawa's Transit Plan" but is limited to a role of "chief scheduler" and "manager of transit budget"
- Transit costs continue to rise, the revenue-cost ratio is not reaching targeted levels, and there is no single point of accountability and authority for the most significant component of the City's operating budget
- Morale and sense of community for those who are part of the transit service delivery model has deteriorated since amalgamation
- There is fear that deep transit expertise is on the decline with the separation of functional areas (e.g., IT applications) from transit operations

4 There is a need to consider the broader National Capital Region in the planning and delivery of transit services

Description

- Inter-city and inter-provincial transit will be critical to supporting effective regional growth
- Currently there is no formal governance structure between OC Transpo, Société de transport de l'Outaouais (STO) and higher levels of government
- The mandate of the National Capital Commission (NCC) is currently under review including a coordinating role in inter-provincial transit initiatives

Consequences for Transit Services

- With potential expansion, planning and operational linkages with STO will need to be strengthened
- Impending decisions with respect to the NCC mandate will determine how to interact with the body
- Ottawa will need to work with surrounding municipalities who want to create operating connections with OC Transpo

5 Views on the structure and governance of OC Transpo are polarized and could be divisive

Description

- Within Council and within City management opinions are divided on:
 - Transit supported by COEs vs. Transit as a more consolidated structure
 - Transit that operates as an entity within the City vs. one that is independent and arms-length
- Often the sentiment expressed is that “anything would be better” than the current structure rather than full consideration of the pros and cons of optional structures

Consequences for Transit Services

- Gaining acceptance for proposed changes to Ottawa’s transit structure and governance will be a significant challenge
- A weighing of the pros and cons of alternative transit structures needs to be fully considered in light of the unique needs around OC Transpo
- The business case for any proposed changes will have to show value and benefits related to key performance indicators – revenue-cost ratio, ridership, and customer satisfaction



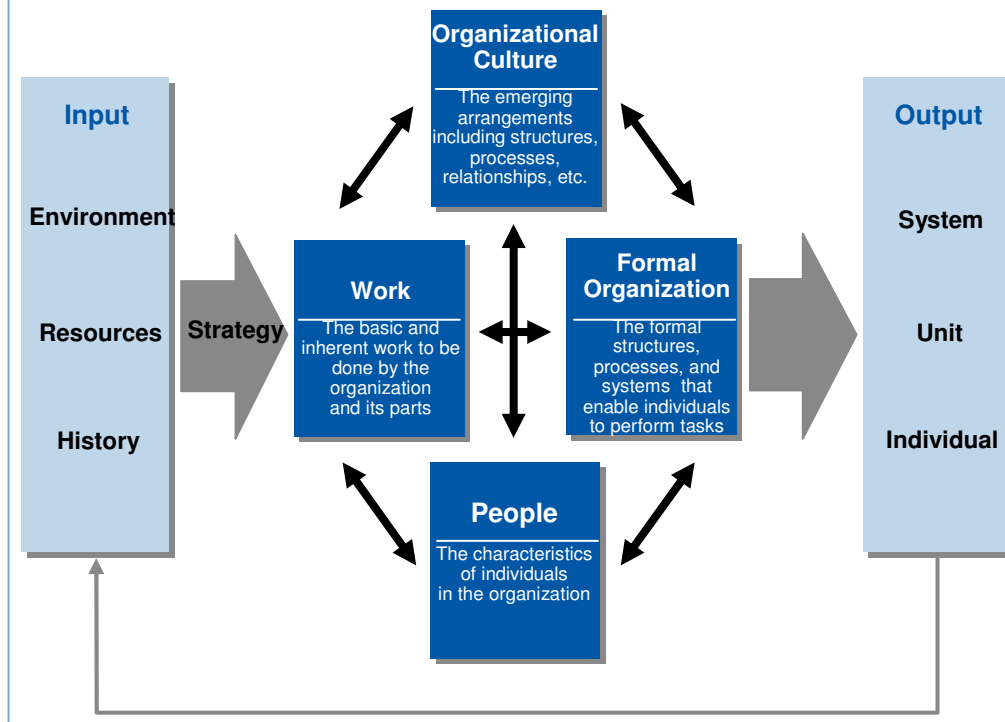
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Criteria for Success - Purpose

Define the things that OC Transpo must do exceedingly well to succeed:

Organizational Effectiveness Framework



Provide a basis for the analysis and evaluation of each option and a 'roadmap' for decision-making:

- How will each design option support or enhance success across each criteria?
- What impact will each design option have on the successful delivery of transit services?

Criteria for Success – OC Transpo

Key criteria for success were identified to evaluate each organizational and/or governance option.

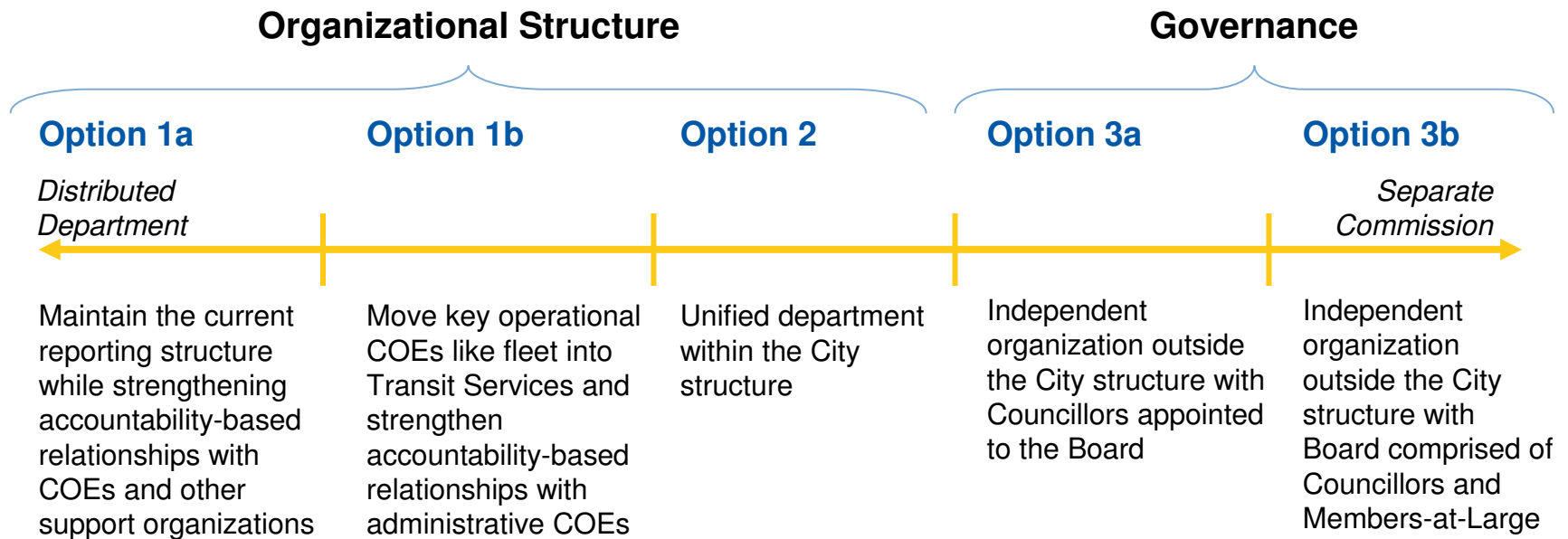
Criteria for Success	Commentary
Help the City achieve long-term priorities and outcomes for transit	▪ Support priorities including: ease of mobility, accessibility, environmental efficiency, economic efficiency, revenue, and ridership ▪ Bring to bear relevant expertise in planning and management of operations for transit
Align with the scope and scale of operations and the importance of the program within the City's context	▪ Build operational flexibility to respond to changing environment and market demands ▪ Recognize transit as the most significant component of Ottawa's budget and a top priority for Ottawa citizens ▪ Provide for potential expansion and growth, which could require stronger planning and operational linkages with STO, surrounding municipalities and higher orders of government
Ease of access to municipal capital	▪ Provide ability to prioritize and fund transit expansion via municipal sources ▪ Internalize debt risk management
Provide effective risk management	▪ Require accountability, expertise and effective coordination for compliance with federal regulations, in addition to managing all aspects of enterprise risk
Support increased transparency and public accountability	▪ Respond to increasing public expectations regarding transparency and accountability in managing public operations and in the use of public funds ▪ Support greater transparency and prescribed reporting as required by law (including Ontario Municipal Statute Law Amendment Act, 2006 Bill 130) on service delivery and improvements in service effectiveness and efficiencies
Strengthen culture of service excellence	▪ Build employee morale and sense of community for staff who need to work together to deliver customer service excellence in transit services
Improve customer experience	▪ Support common goals and common culture for higher standards of customer service including planning efficiency, service reliability, asset availability, accessibility, safety
Provide for ease of implementation	▪ Consider amount of change from current model and level of risk associated with implementation, including organizational risk



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High-Level Overview of Options

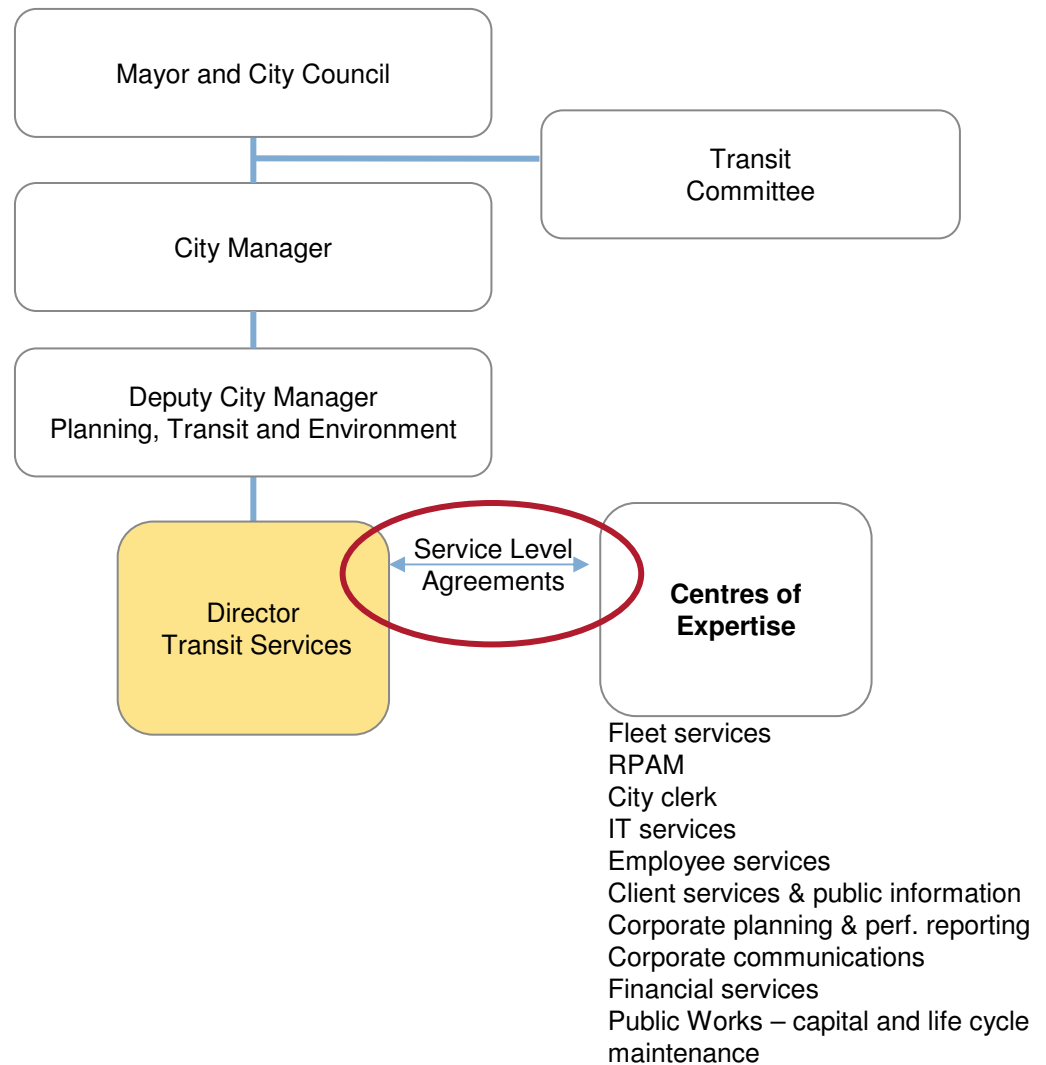


Each option is described in detail, including advantages and disadvantages of each, on the following pages.

Option 1a – Maintain the current reporting structure while strengthening accountability-based relationships

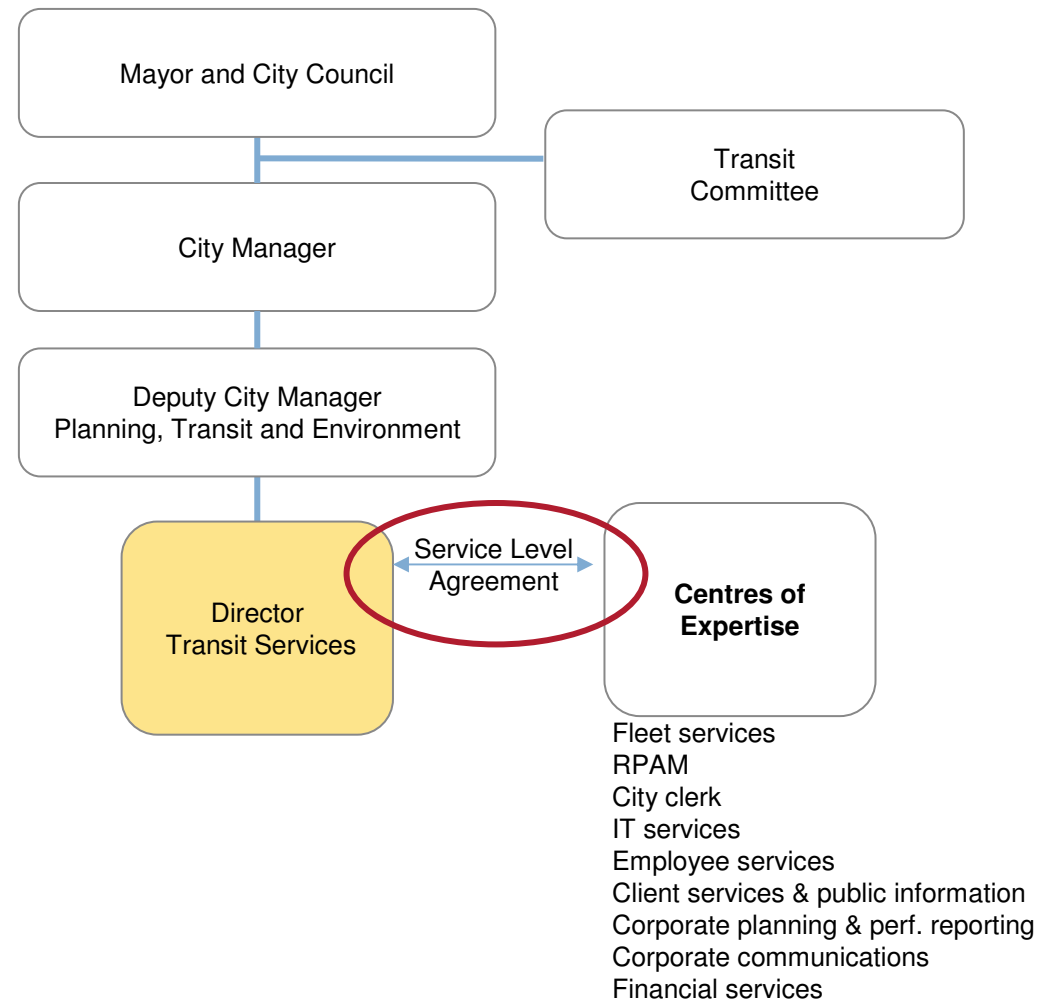
Highlights of Option 1a

- **Longer-term operational plan** (3-5 year) and funding strategy approved by Council; budget approved annually
- A **planning function** exists within Transit Services to translate high-level master plan into longer-term and annual operational plans
- COEs have clearly defined terms of reference, including accountabilities and authorities for transit related services
- **SLAs** with COEs are prepared and **refreshed regularly** (e.g., annually)
- Accountability increased through SLAs (defined outcomes and KPIs)
- Transit services **signs off** on all transit-related **budgets** in COEs
- Regular **reporting of performance** for Transit Services and COEs
- **Terms of reference** clarified for Transit Committee



Option 1a – Maintain the current reporting structure while strengthening accountability-based relationships

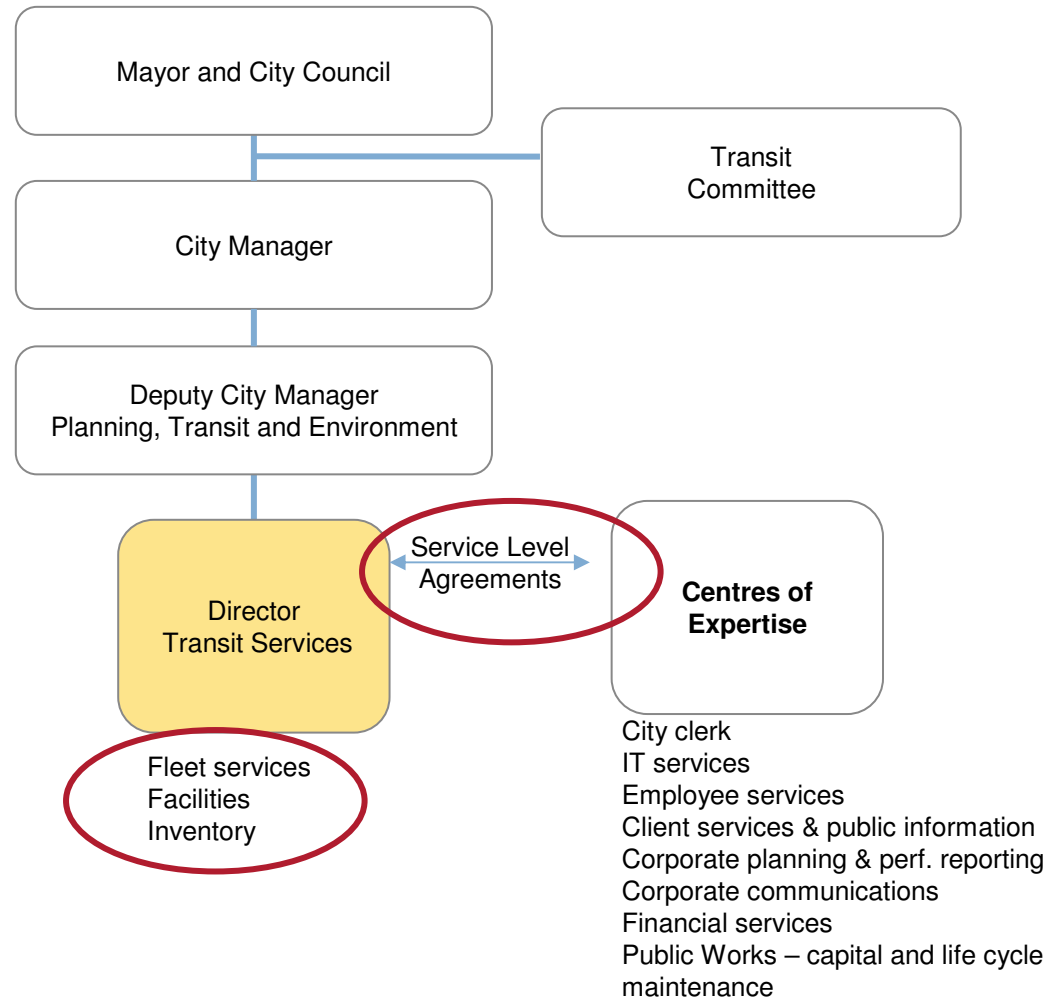
Pros	▪ COE benefits of efficiencies and standardization are better balanced with transit priorities through the SLAs and regular updates ▪ Integration of transit operations with planning and environment through the DCM ▪ Easy to implement
Cons	▪ Complex service delivery model and may not fully address accountability issue ▪ Dependency on COEs and other departments slows decision-making and reduces operational flexibility ▪ Council attention to transit priorities may be traded off against other City programs and services ▪ May not address the desire for more strategic and policy direction from the Transit Committee rather than a tactical operational focus ▪ Does not improve morale or sense of community



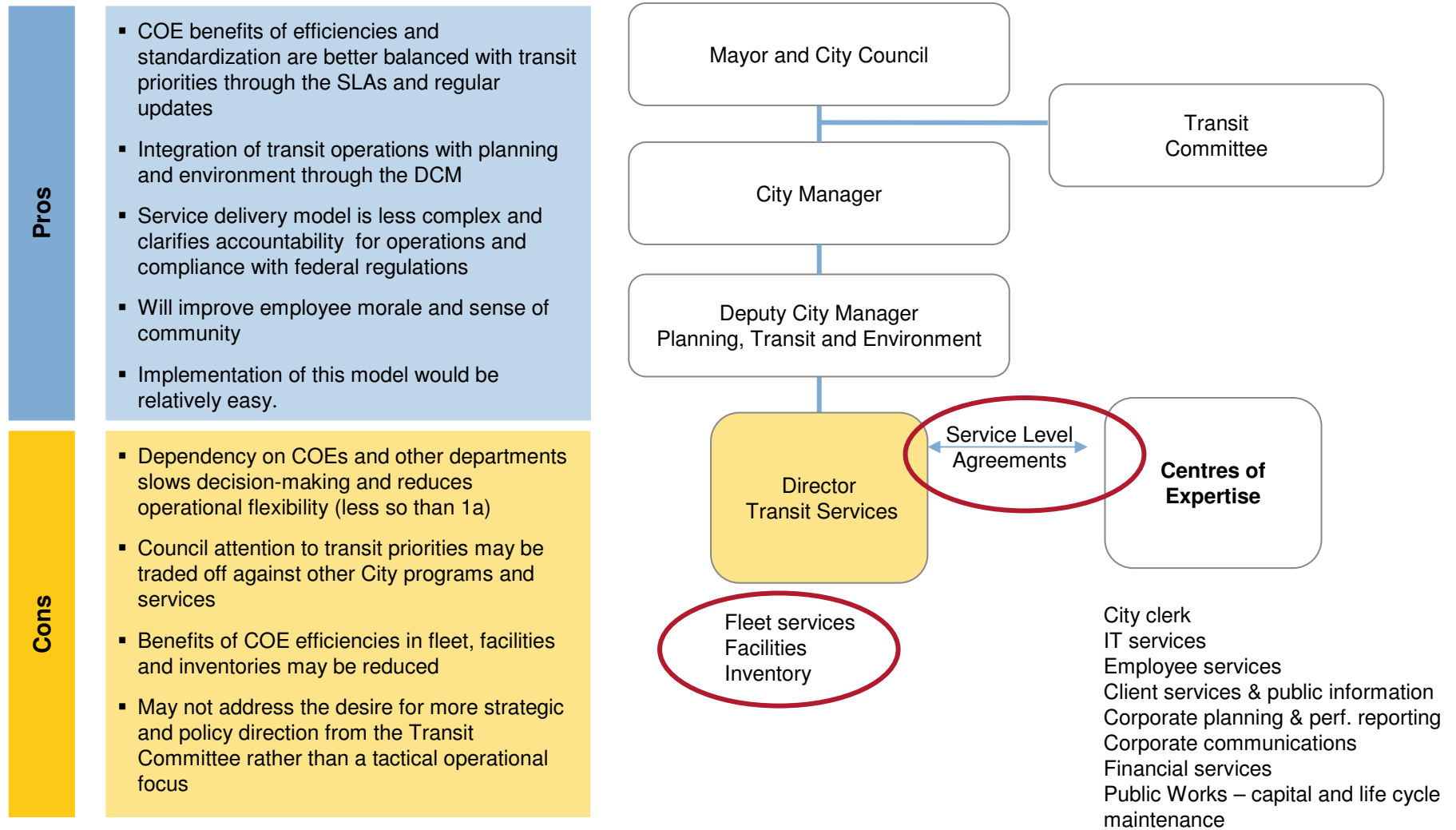
Option 1b – Move key operational COE like fleet into Transit Services and strengthening accountability-based relationships with administrative COEs

Highlights of Option 1b

- Similar to 1a but key components of transit operations (e.g., fleet, facilities, stores) are brought into Transit Services



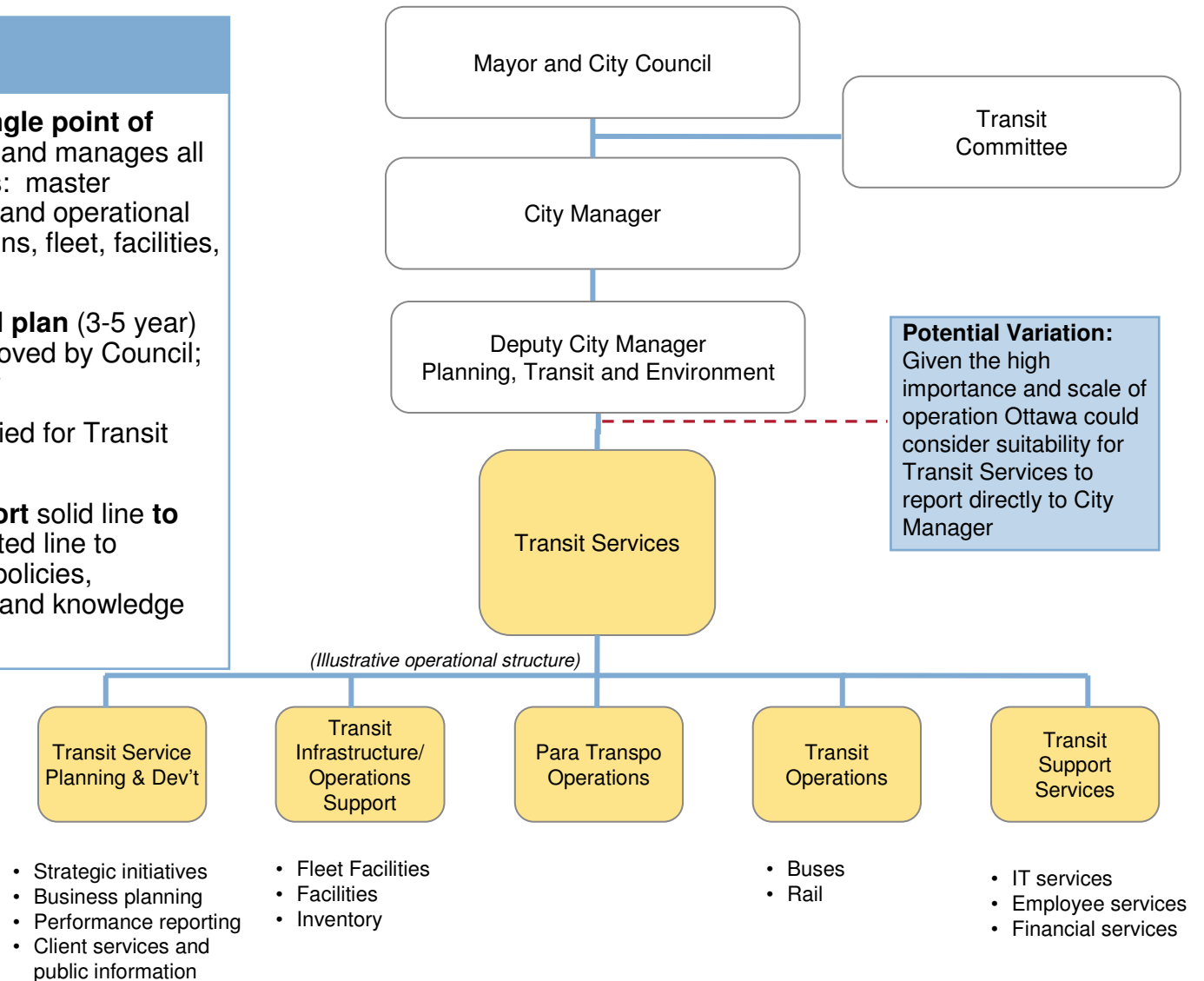
Option 1b – Move key operational COE like fleet into Transit Services and strengthening accountability-based relationships with administrative COEs



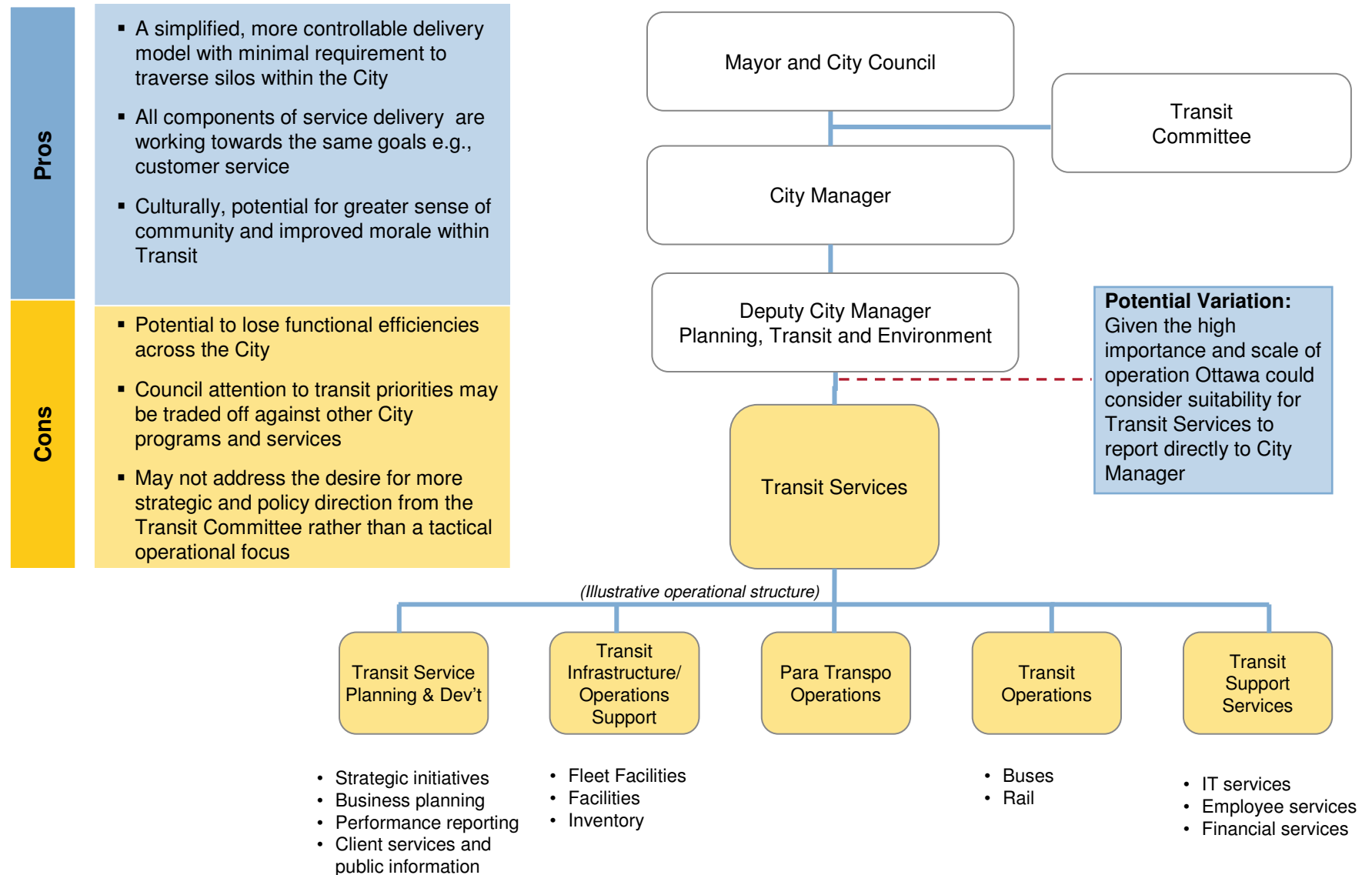
Option 2 – Unified department within the City structure

Highlights of Option 2

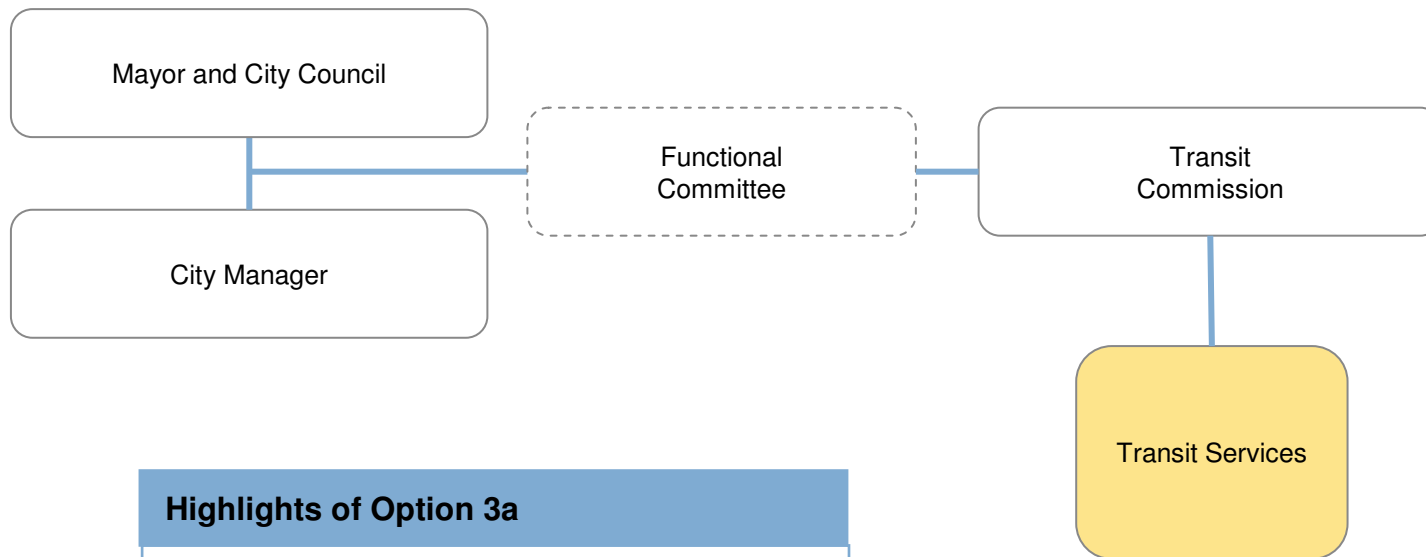
- Transit Services is the **single point of accountability** for transit and manages all aspects of transit services: master planning, 3-5 year capital and operational plans, budgeting, operations, fleet, facilities, and support services
- Longer-term operational plan** (3-5 year) and funding strategy approved by Council; budget approved annually
- Terms of reference** clarified for Transit Committee
- IT, HR, and Finance report solid line to Transit Services** and dotted line to respective COEs around policies, standards, best practices and knowledge sharing



Option 2 – Unified department within the City structure



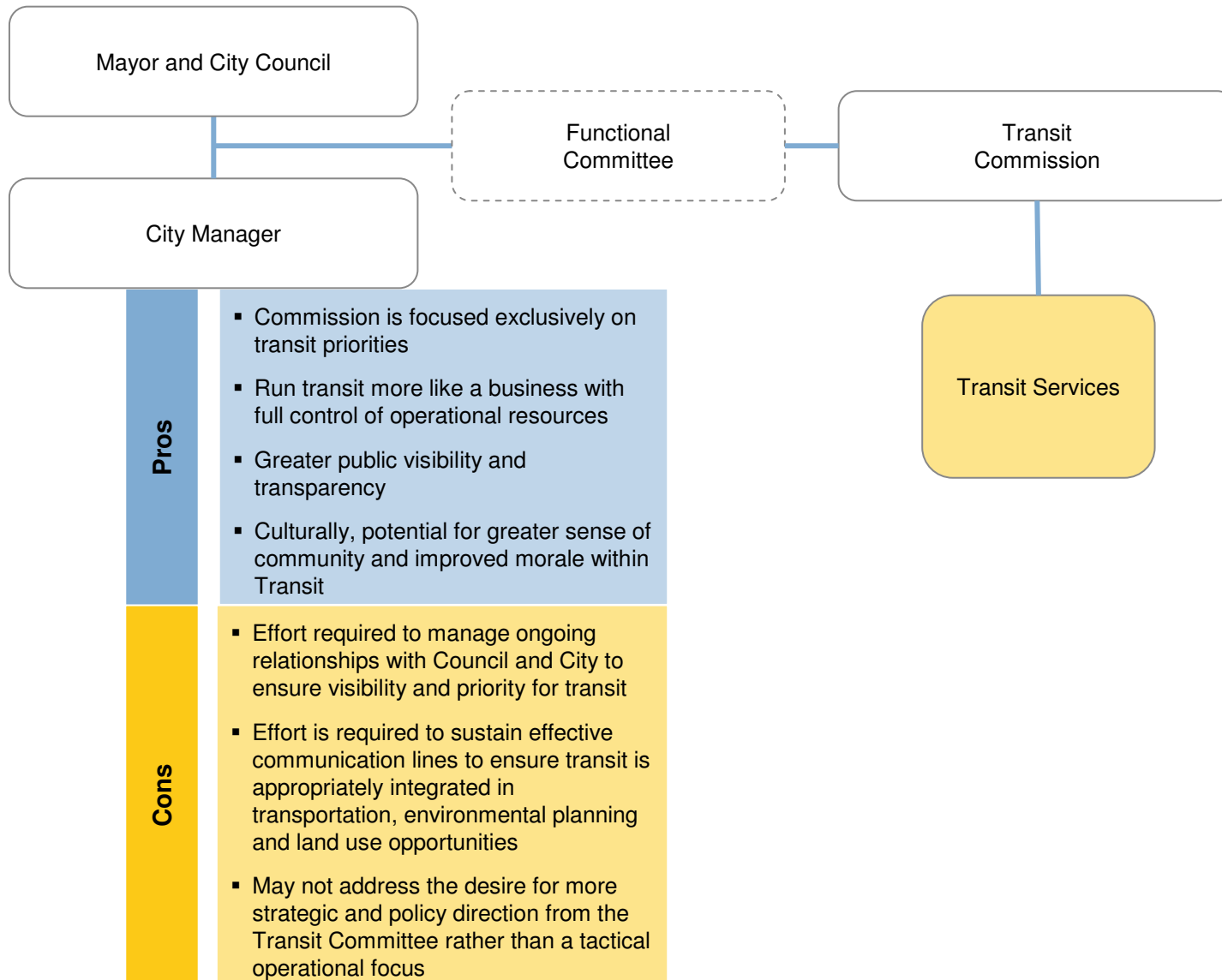
Option 3a – Independent organization outside the City structure



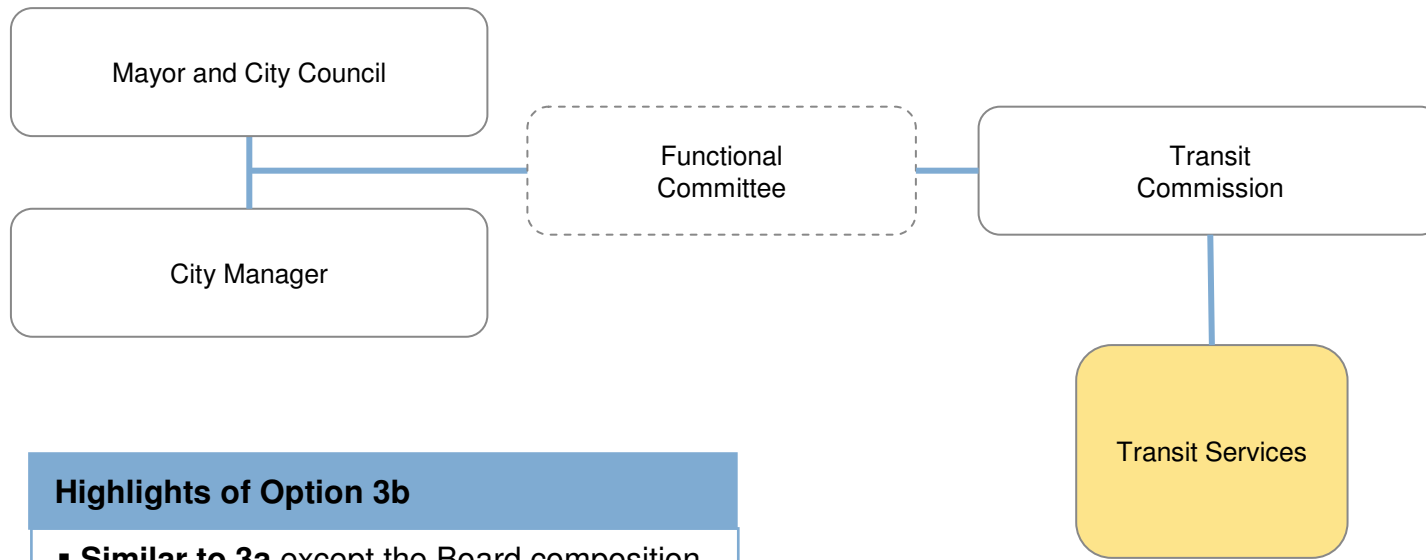
Highlights of Option 3a

- **Arms-length** organization governed by City policies and funding, accountable for all transit services - transit planning, budgeting, operations
- Board members are **elected officials**
- May choose to **purchase administrative services** from the City for efficiencies and synergies
- **Key links** established with senior management and City planning

Option 3a – Independent organization outside the City structure



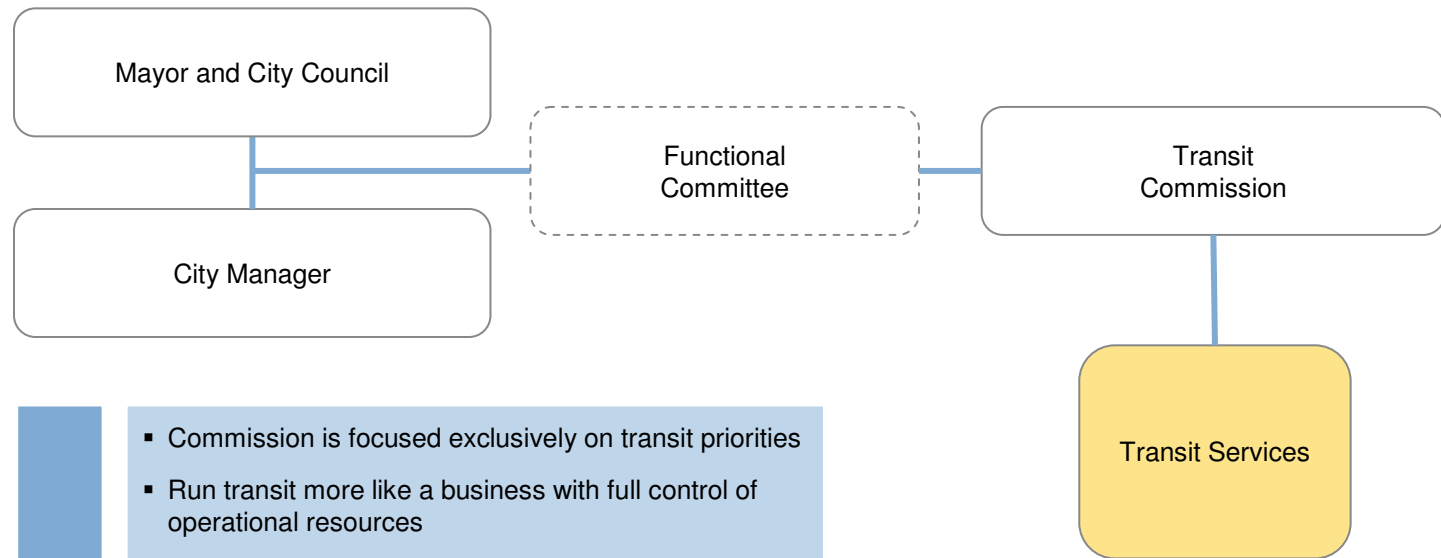
Option 3b – Independent organization outside the City structure with mixed Board composition



Highlights of Option 3b

- **Similar to 3a** except the Board composition combines **elected officials** with **directors-at-large**
- Criteria used to screen and appoint **Directors-at-large** based on experience and expertise related to the priorities and direction of OC Transpo (e.g., Transportation, Finance, Economics, Environmental Policy, Marketing)

Option 3b – Independent organization outside the City structure with mixed Board composition



Pros

- Commission is focused exclusively on transit priorities
- Run transit more like a business with full control of operational resources
- Greater public visibility and transparency
- Culturally, potential for greater sense of community and improved morale within Transit
- Members-at-large bring to bear relevant expertise and continuity to the governance of transit

Cons

- Effort required to manage ongoing relationships with Council and City to ensure visibility and priority for transit
- Effort is required to sustain effective communication lines to ensure transit is appropriately integrated in transportation/environmental planning

High-Level Analysis

Each option was evaluated against the criteria for success.

Criteria for Success	Organizational Structure			Governance	
	Option 1a	Option 1b	Option 2	Option 3a	Option 3b
▪ Help the City achieve long-term priorities and outcomes for transit	✓	✓	✓	✓✓	✓✓✓
▪ Align with the scope and scale of operations and the importance of the program within the City's context	✓	✓✓	✓✓✓	✓✓✓	✓✓✓
▪ Ease of access to municipal capital	✓✓✓	✓✓✓	✓✓✓	✓✓	✓✓
▪ Provide effective risk management	✓	✓✓	✓✓✓	✓✓✓	✓✓✓
▪ Support increased transparency and public accountability	✓	✓✓	✓✓	✓✓✓	✓✓✓
▪ Strengthen culture of service excellence	✓	✓✓	✓✓✓	✓✓✓	✓✓✓
▪ Improve customer experience	✓	✓✓	✓✓	✓✓✓	✓✓✓
▪ Provide for ease of implementation	✓✓✓	✓✓✓	✓✓	✓	✓

✓✓✓ High
 ✓✓ Medium
 ✓ Low

Note: Overall results could be affected by weighting the individual criterion.



Conclusions

- The existing distributed accountability model, as reflected in Option 1a, doesn't provide the most efficient or effective transit service delivery and therefore, should not be further considered as a viable option to move forward
- The operational components of transit asset maintenance (e.g., fleet, stations, parts) should be immediately consolidated in order to improve the quality of transit service provided to the City
- The other options, including the potential change in the overall governance structure, should be further analyzed as part of the planned Phase 2 of the review, which will:
 - Provide opportunity for discussion and debate around each of the options
 - Support “quick hit” improvements
 - Recommend specific and aligned process improvements
 - Develop critical performance metrics of success
- Consensus on organizational design may be first step; governance options may be included as part of a larger governance discussion



Report Outline

- Project purpose and approach
- Setting the context
- Key issues, gaps and opportunities
- Criteria for success
- Organizational and governance options
- **Next steps**
- Appendices
 - A Comparator research
 - B Background documents reviewed
 - C Interviews and focus groups
 - D Summary of diagnostic findings



Next Steps: Value of an Independent Commission

Analysis of the unique differences between Option 3a and Option 3b are the focus Phase 2.

- Phase 1 (high-level identification and prioritization of options) concluded that a commission structure has the greatest potential for success in the Ottawa context
- Our recommendation is that the potential value of an independent commission should be the focus of Phase 2
- A commission structure will support:
 - Board accountability without council requirement to focus on detail (control without day-to-day management)
 - Exclusive focus on transit priorities and outcomes
 - Potentially running transit more like a “business”
 - Potentially reduce time consuming debate at Council on day-to-day operational matters and concerns
 - Clearer line of sight and access for public to the transit decision makers
 - Reducing layers of management, and inherent costs, in priority setting, decision making and responding to issues
 - Potentially increasing flexibility in dealing with operational and capital matters outside the administrative parameters and requirements of the city
- Key benefits of a mixed board composition to build on include:
 - Independent members can bring relevant expertise to complement the elected member perspective
 - Independent members can provide continuity to the governance of transit in situations of electoral change
 - Independent members may better balance achievement of short and long-term goals



Report Outline

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Profiles

Key benchmark transit systems representing a variety of organizational structures were selected based on their size and modes of transit.

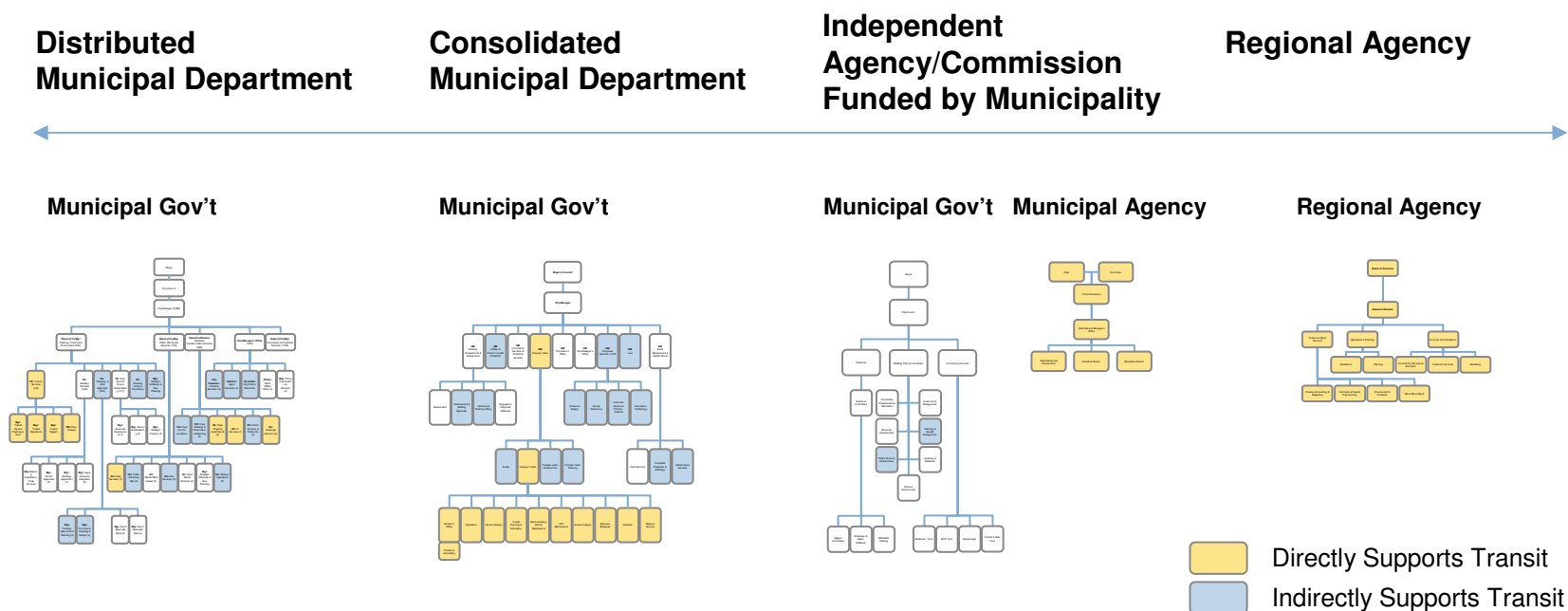
	Municipal Department							Transit Agency/Commission					Regional Agency	
	Calgary	Ottawa	Edmonton	Mississauga	Hamilton	Brampton	Halifax	Toronto	Montreal	London	Gatineau	Windsor	GO Transit	Vancouver
Service Area Population	992k	770k	730k	704k	441k	414k	311k	2,503k	1,874k	346k	258k	216k	5,000k	2,181k
Population Growth	2.4%	1.0%	1.9%	1.8%	0.6%	5.9%	0.7%	0.2%	0.5%	0.9%	1.3%	0.7%	1.8%	1.2%
Service Area (km ²)	745	413	700	179	227	267	250	632	501	166	589	121	8000	1800
Modes	Bus, LRT	Bus, LRT	Bus, LRT	Bus	Bus	Bus	Bus, Ferry	Bus, LRT, HRT	Bus, HRT	Bus	Bus	Bus	Rail	Bus, LRT, Rail, Ferry
Ridership (M) ¹	87.9	91.8	57.5	29.0	21.2	10.1	18.1	444.5	363.3	18.7	16.5	6.1	48.3	165.1

▶ **Ottawa is the only major Canadian city to have transit organized into distributed municipal Centres of Expertise.**

¹ Regular Service Passenger Trips.
Source: CUTA 2006 Factbook, NTD 2006 Database

Structure and Governance

Transit organizations vary in their organizational structure and relationship with local governments.



Description

- | | | | |
|--|---|--|---|
| <ul style="list-style-type: none"> ▪ Key transit functions managed by dispersed city departments ("Centres of Expertise") | <ul style="list-style-type: none"> ▪ Consolidated city department handles key transit functions ▪ Relies on other departments for admin support | <ul style="list-style-type: none"> ▪ Integrated agency responsible for all key transit functions and admin ▪ Receives funding from city and higher levels of government ▪ Integrated planning with city | <ul style="list-style-type: none"> ▪ Regional agency with broad powers to plan and operate regional transit ▪ Typically have a dedicated funding source |
|--|---|--|---|

Benchmark Cities

- | | | | |
|--|---|--|--|
| <ul style="list-style-type: none"> ▪ Ottawa | <ul style="list-style-type: none"> ▪ Calgary, Edmonton, Halifax, Hamilton, Mississauga, Brampton | <ul style="list-style-type: none"> ▪ Toronto, Montreal, Windsor, London, Gatineau | <ul style="list-style-type: none"> ▪ Translink (South BC), Metrolinx/GO Transit, St. Louis, Phoenix |
|--|---|--|--|

Structure and Governance

Distributed Municipal Department	Consolidated Municipal Department	Independent Agency/Commission Funded by Municipality	Regional Agency
			
Advantages			
▪ Large cost base ▪ Easily integrated into city-wide planning	▪ Large cost base ▪ Integrated planning and operations ▪ Single point of accountability for transit ▪ More flexibility in new initiatives	▪ Integrated planning and operations ▪ Single point of accountability for transit ▪ Governance board dedicated to transit	▪ Integrated planning and operations ▪ Single point of accountability for transit ▪ Governance board dedicated to transit ▪ Dedicated funding brings stability to long-term plans
Disadvantages			
▪ Functional silos impair integrated transit planning and operations ▪ No single point of accountability for transit as a whole ▪ Misaligned incentives may lead to service deterioration ▪ Lack of flexibility in new initiatives ▪ Direct Council involvement in transit operations	▪ Direct Council involvement in transit operations	▪ Arms length relationship with the city requires good lines of communication ▪ Independence tied to Council's degree of control over funding	▪ Arms length relationship with the city requires good lines of communication to leverage shared opportunities

Organizational Structure: Quotes

General Managers of both transit commissions and departments perceived a distributed municipal department structure as inefficient and lacking in accountability.

- “Specialized transit bodies tend to be more effective and efficient... At the bare minimum you need operations, planning, plant and equipment and maintenance under the same roof”
– General Manager of Transit Commission
- “If I was a public servant near retirement [who wanted to avoid accountability], I’d want to be a part of the largest, fragmented municipal department possible”
– General Manager of Transit Municipal Department
- “As a commission, dealing with a municipal transit department is slow because they have to go through their municipal government for everything”
– General Manager of Transit Commission

Source: Interviews with transit General Managers

Performance Metrics

Ottawa transit has done well to promote service utilization with high municipal investment, but trails other major Canadian cities in cost recovery and customer satisfaction.

	Municipal Department							Transit Agency/Commission					Regional Agency			
	Calgary	Ottawa	Edmon- ton	Missi- ssauga	Hamilton	Brampton	Halifax	Toronto	Montreal	London	Gatineau	Windsor	GO Transit	Van- couver	St. Louis	Phoenix
Cost Recovery R/C Ratio	59%	51%	46%	58%	57%	46%	62%	75%	59%	61%	51%	55%	91%	56%	23%	29%
Municipal Funding / Capita	\$79	\$182	\$119	\$53	\$59	\$48	\$55	\$68	\$119	\$45	\$73	\$48			\$114	\$50
Cost Effectiveness Operating Cost / Passenger Trip	\$2.24	\$2.63	\$2.79	\$3.27	\$2.40	\$4.55	\$2.48	\$2.28	\$1.91	\$2.25	\$2.96	\$3.56	\$5.42	\$3.33	\$3.53	\$2.71
Cost Efficiency Operating Cost / Rev Vehicle Hr	\$93	\$102	\$89	\$84	\$74	\$77	\$71	\$113	\$119	\$76	\$101	\$80		\$108	\$96	\$70
Service Utilization Passenger Trips / Capita	89	119	79	41	48	24	58	178	194	54	64	28	10	76	49	32
Amount of Service Rev Vehicle Hrs / Capita	1.8	2.3	2.5	1.4	1.5	1.3	1.8	3.4	2.5	1.5	1.3	1.1		2.3	1.6	1.1
Operational On-time performance		80%	80%		89%			71%	84%						92%	88%
Customer Satisfaction	92%	61%	90%						90%					70%	84%	
Modal Split (peak hr)		22%		13%	10%	8%		32%	34%	8%	11%					

Sources: CUTA 2006 Factbook, NTD 2006 Database, City transportation plans and annual reports

Funding Sources

Operating Funding	Municipal Department							Transit Agency/Commission					Regional Agency			
	Calgary	Ottawa	Edmon- ton	Missi- ssauga	Hamilton	Brampton	Halifax	Toronto	Montreal	London	Gatineau	Windsor	GO Transit	Vancou- ver	St. Louis	Phoenix
Revenue	\$115.8	\$123.4	\$74.1	\$54.9	\$28.9	\$21.0	\$27.9	\$760.8	\$406.3	\$25.6	\$25.1	\$12.0	\$238.5	\$308.2	\$40.8	\$38.6
Fares	\$109.8	\$120.2	\$68.8	\$52.5	\$28.2	\$20.6	\$26.9	\$737.3	\$392.7	\$25.0	\$24.0	\$11.4	\$234.3	\$301.5	\$38.4	\$27.0
Advertising	\$4.5	\$2.2	\$4.4	\$2.4	\$0.7	\$0.4	\$0.3	\$14.8	\$11.6	\$0.5	\$0.4	\$0.3	\$1.8	\$6.7		
Other	\$1.5	\$1.0	\$2.2	\$0.4	\$0.1	\$0.3	\$0.7	\$30.6	\$12.3	\$1.1	\$2.4	\$0.3	\$11.1	\$1.3	\$6.1	\$38.7
Municipal	\$78.6	\$139.8	\$87.1	\$37.4	\$25.8	\$19.8	\$17.0	\$170.8	\$223.1	\$15.4	\$18.9	\$10.4	\$0.0	\$0.0	\$114.3	\$76.9
Provincial	\$2.3	\$17.2	\$0.0	\$2.6	\$0.9	\$5.2	\$0.0	\$91.6	\$0.1	\$0.7	\$0.0	\$1.5	\$29.3	\$0.0	\$1.4	\$6.9
Federal	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$17.8	\$7.8
Other	\$0.0	\$0.0	\$0.0	\$0.0	\$0.1	\$0.0	\$0.0	\$0.0	\$58.1	\$0.7	\$4.5	\$0.0	\$0.0	\$371.3	\$2.4	\$11.5
Total	\$196.7	\$280.4	\$162.5	\$95.2	\$55.8	\$46.3	\$44.9	\$1,045	\$697.8	\$43.4	\$50.3	\$23.9	\$276.4	\$680.8	\$180.3	\$169.0

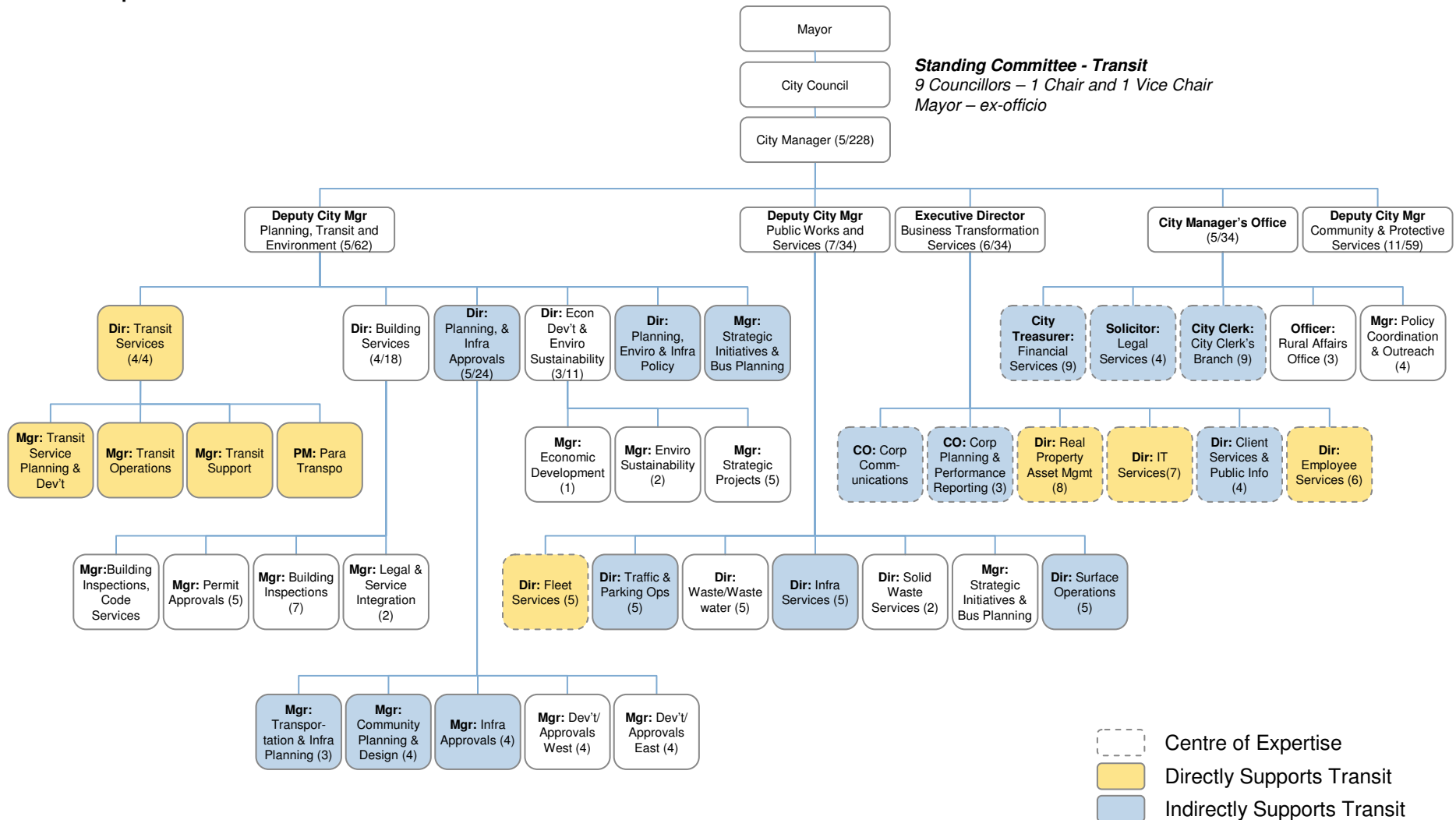
% of Operating Funding

Revenues	59%	44%	46%	58%	52%	46%	62%	74%	59%	60%	52%	50%	89%	45%	23%	27%
Fares	56%	43%	43%	55%	51%	45%	60%	72%	57%	59%	49%	48%	87%	44%	22%	19%
Advertising	2.3%	0.8%	2.7%	2.5%	1.2%	0.9%	0.6%	1.4%	1.7%	1.3%	0.9%	1.3%	0.7%	1.0%	0.0%	0.0%
Other	0.8%	0.4%	0.5%	0.0%	0.1%	0.1%	1.6%	0.9%	0.3%	0.3%	1.4%	1.2%	0.9%	0.0%	1.4%	8.1%
Municipal	40%	50%	54%	39%	46%	43%	38%	16%	32%	36%	38%	43%	0%	0%	63%	45%
Provincial	1%	6%	0%	3%	2%	11%	0%	9%	0%	2%	0%	6%	11%	0%	1%	4%
Federal	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	10%	5%
Other	0%	0%	0%	0%	0%	0%	0%	0%	8%	2%	9%	0%	0%	55%	1%	7%

Source: CUTA 2006 Factbook, NTD 2006 Database

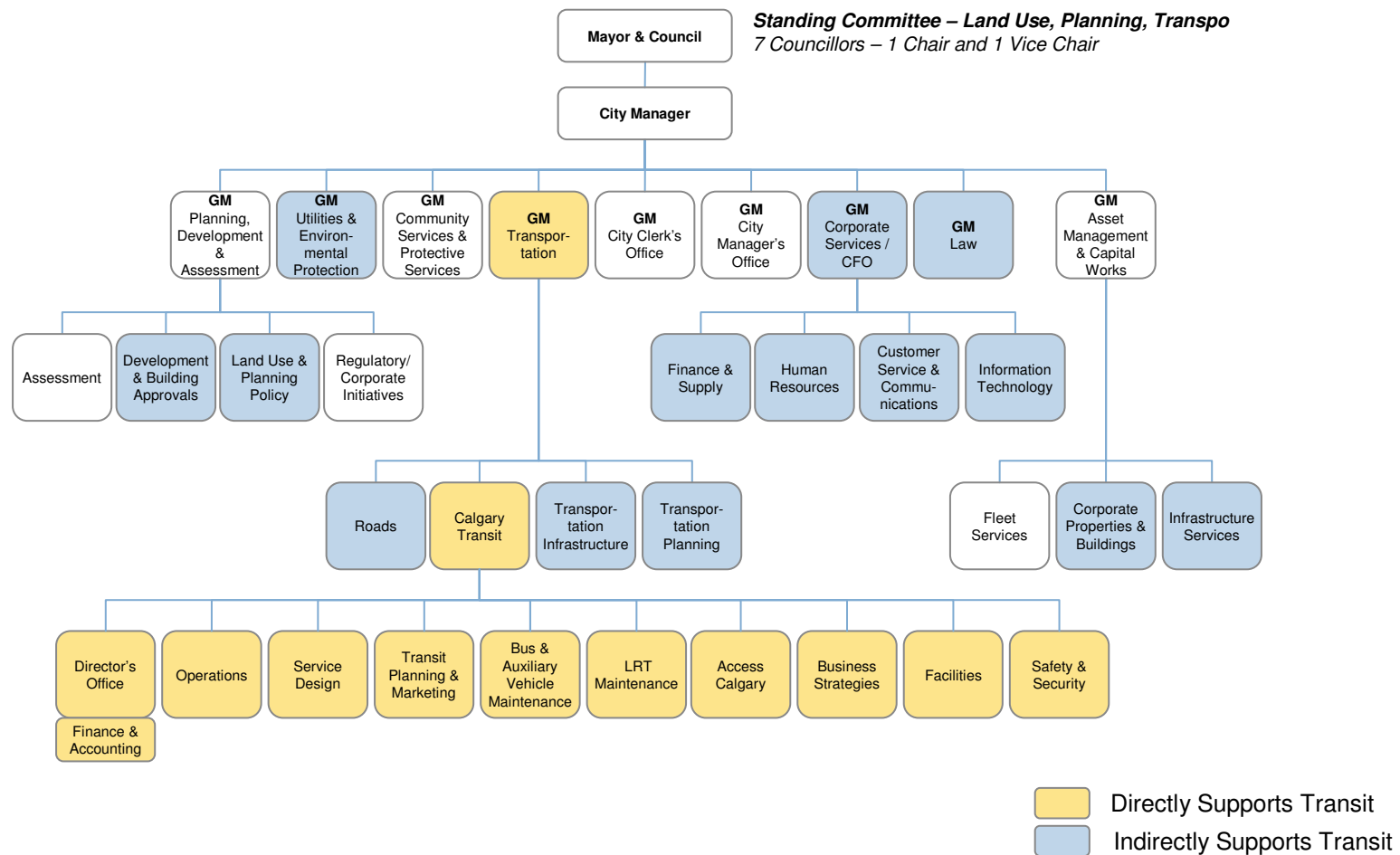
Ottawa's Transit Organization

Transit Services are delivered through a complex organizational structure with operational, planning and administrative support areas spread across four city departments.



Calgary's Transit Organization

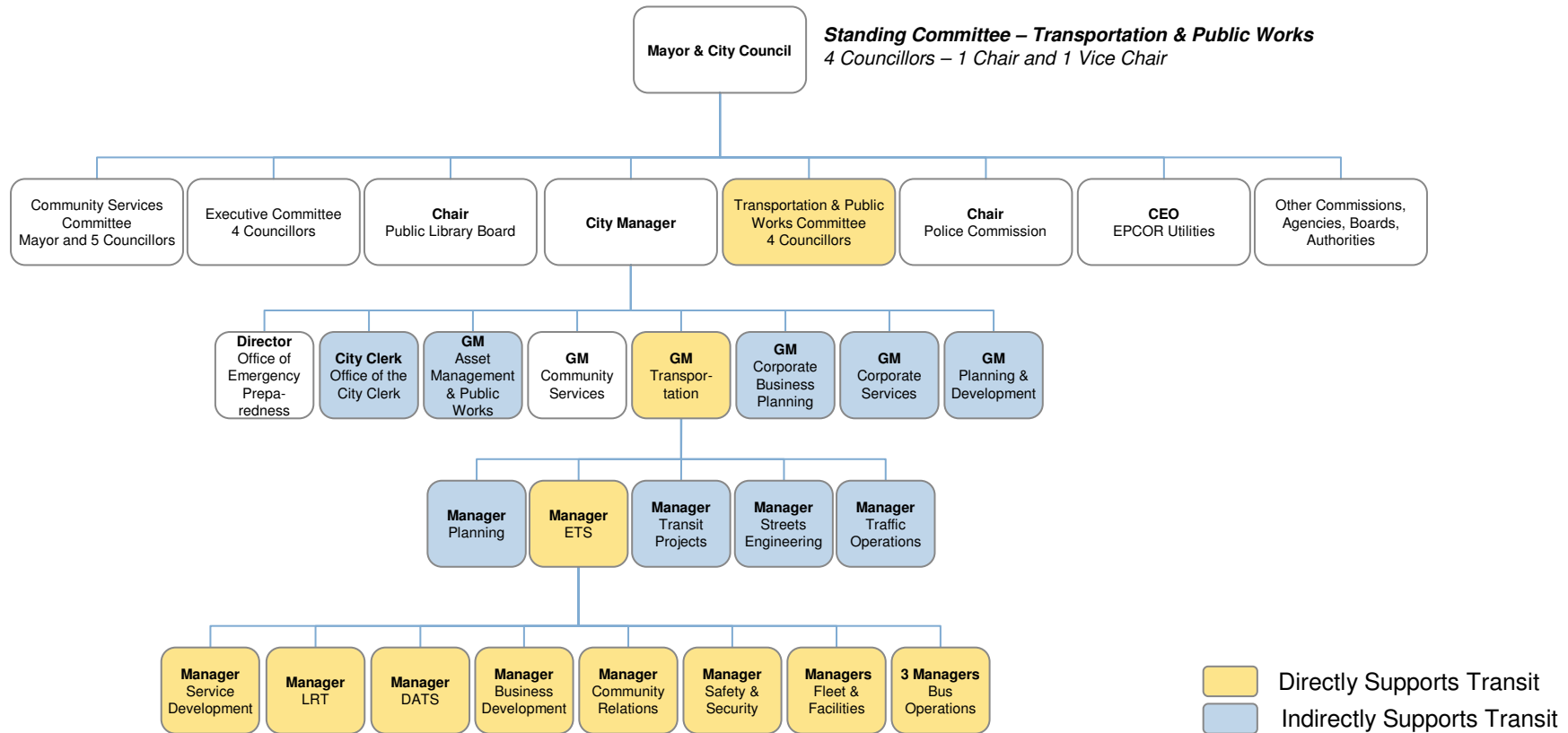
Calgary Transit operates as a division of the transportation department.



Sources: Calgary City Org Chart; Calgary Transit Website; Calgary 2008 Budget

Edmonton's Transit Organization

ETS operates as a division of the transportation department within the corporation of the city of Edmonton.

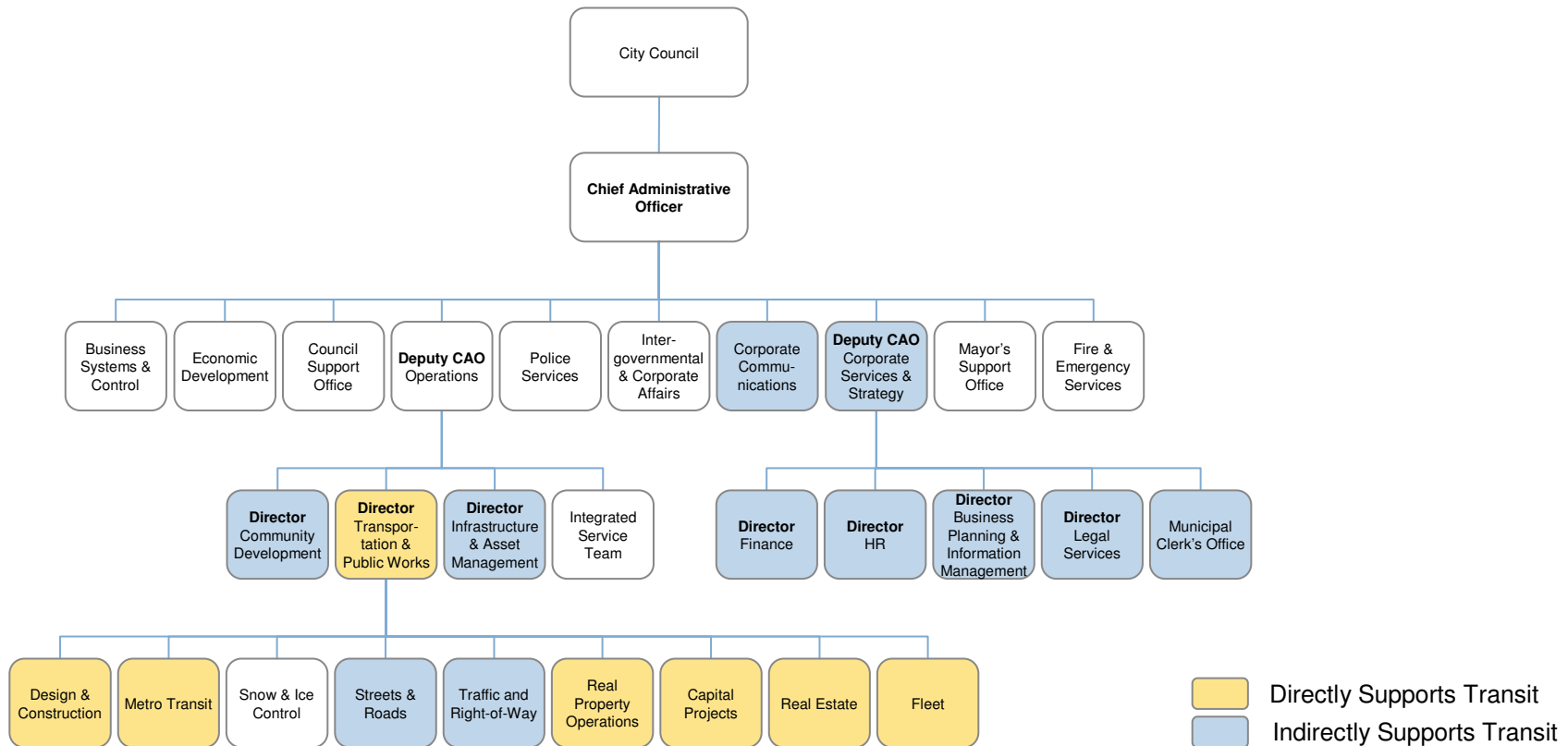


► **The Transportation and Public Works committee makes recommendations on transit policy, budget and direction to Council, while ETS is responsible for implementing Council's decisions**

Sources: Edmonton Transit Business Plan 2007; Transportation Department Business Plan; Edmonton City web site

Halifax's Transit Organization

Metro Transit operates as a division of the Transportation & Public Works department within Halifax's municipal government.

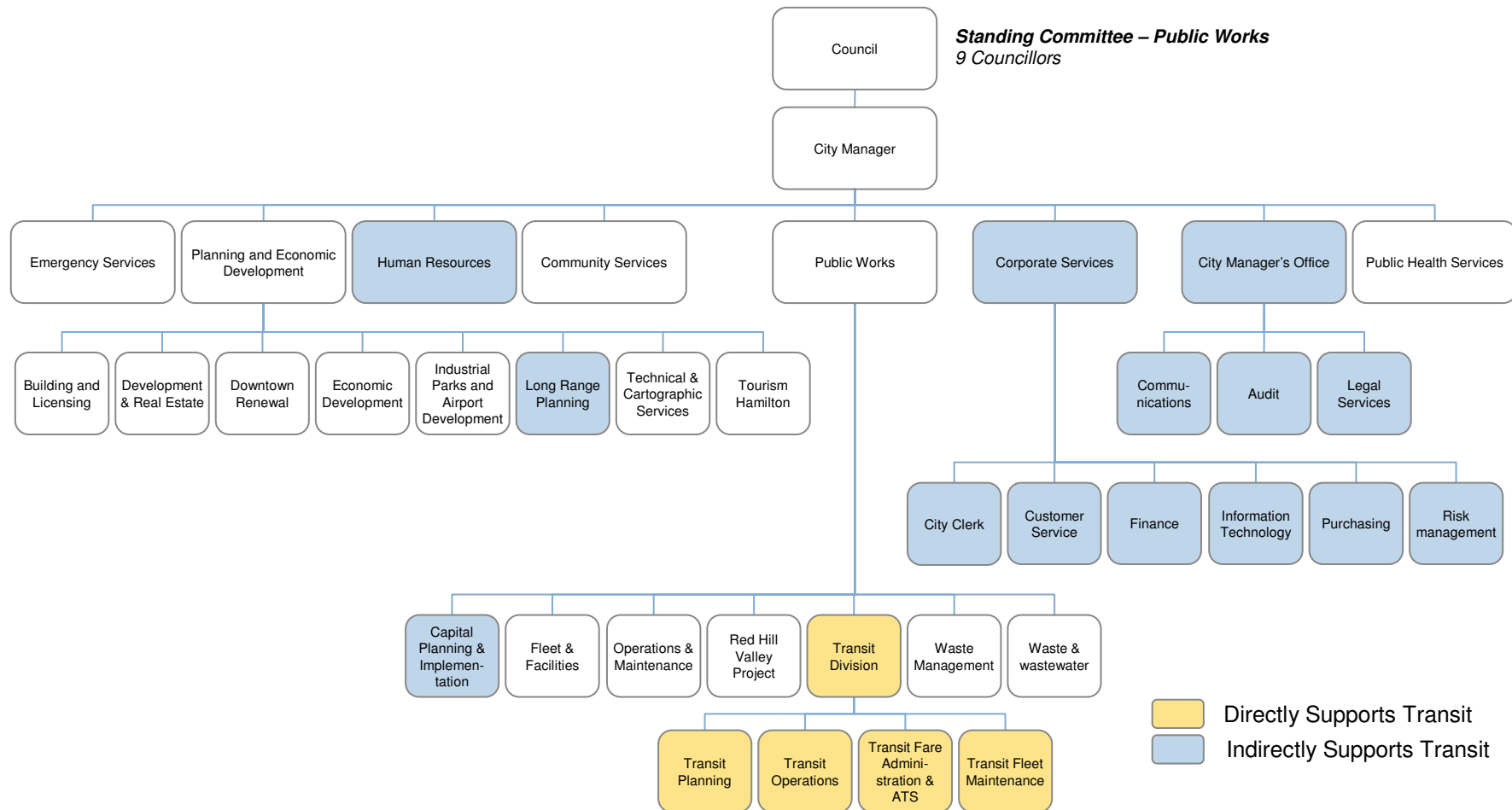


► **Metro Transit's operations services are shared with the Transportation and Public Works department**

Sources: Halifax City Org Chart; Halifax Metro Transit Website; Halifax 2008 Budget

Hamilton's Transit Organization

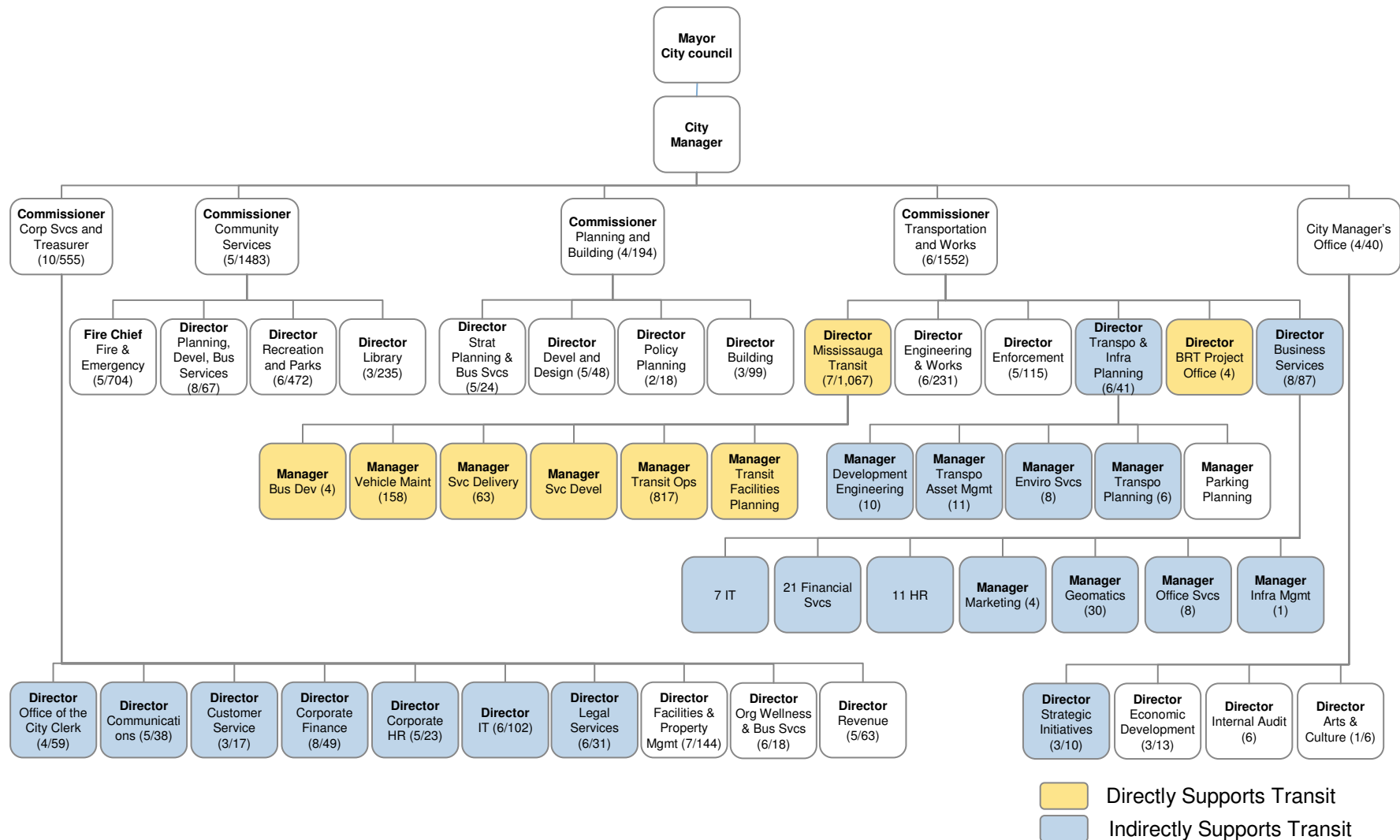
Hamilton Street Railway operates as a division of the Public Works department within the City of Hamilton.



Sources: Hamilton Budget s 2006-2008; Hamilton city web site

Mississauga's Transit Organization

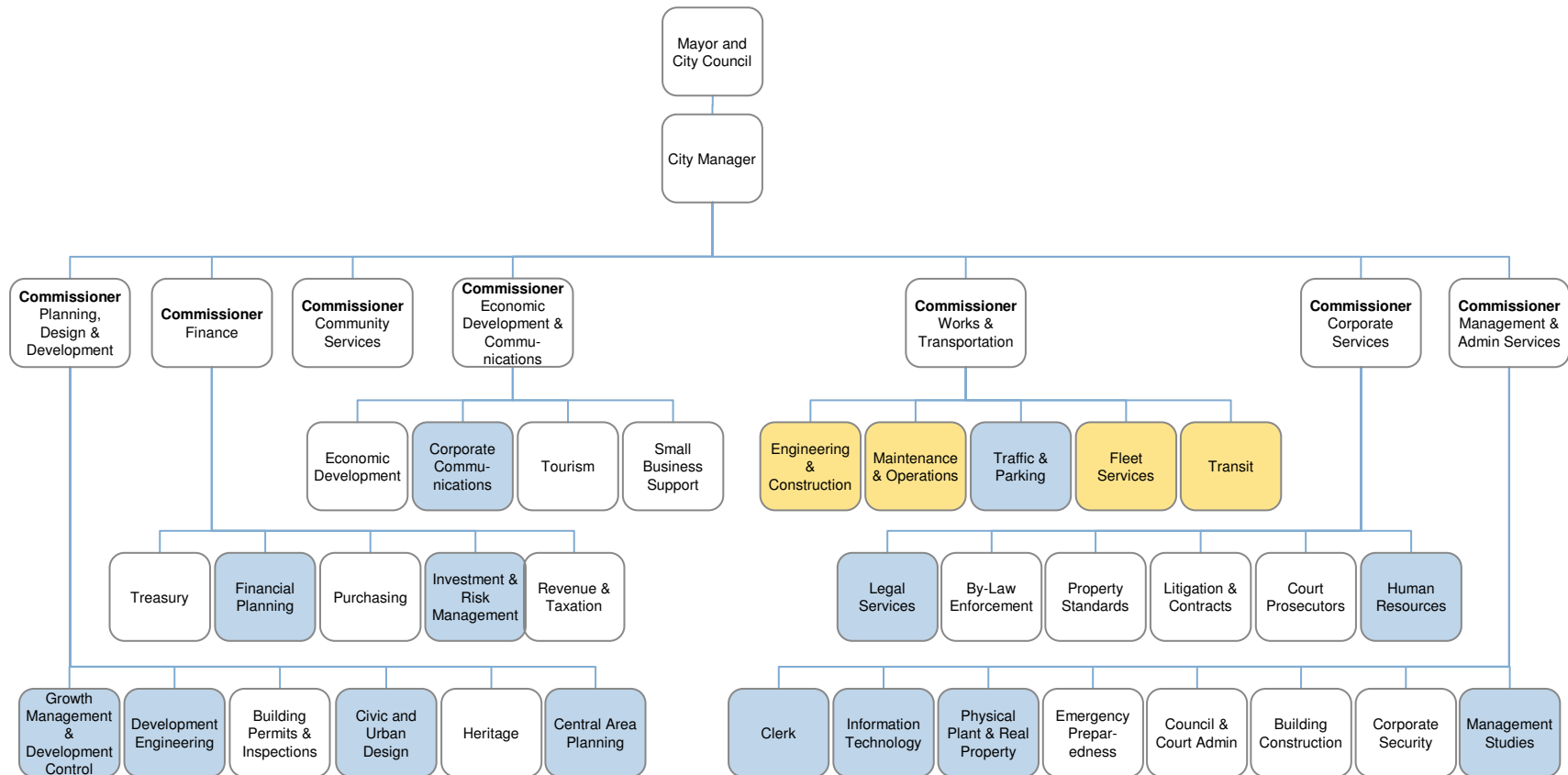
Mississauga Transit operates as a division of the Transportation and Works department.



Source: Mississauga Budget 2008

Brampton's Transit Organization

Brampton Transit operates as a division of the Works and Transportation department.



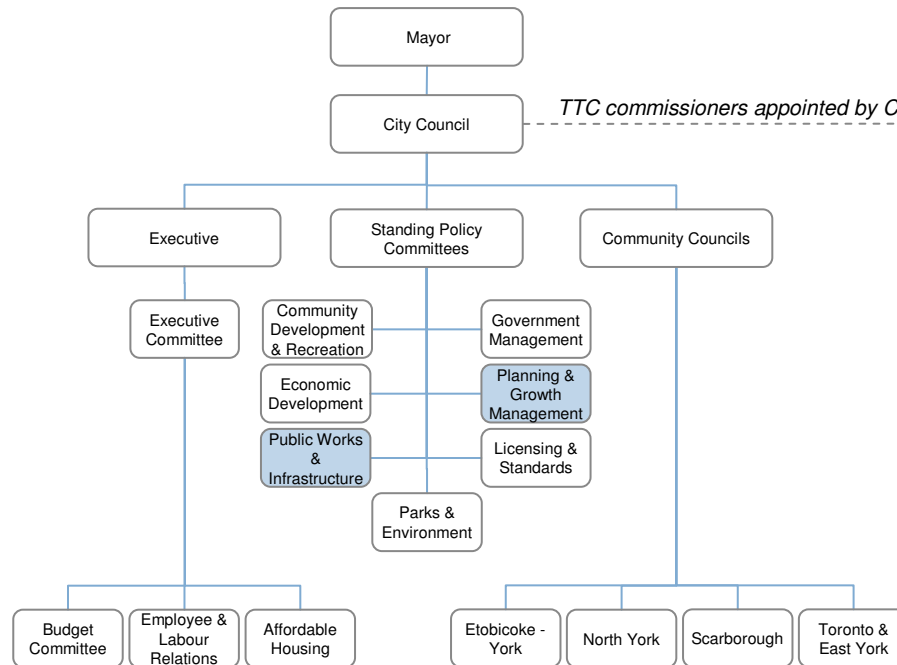
Directly Supports Transit
 Indirectly Supports Transit

Source: Brampton Budget 2008

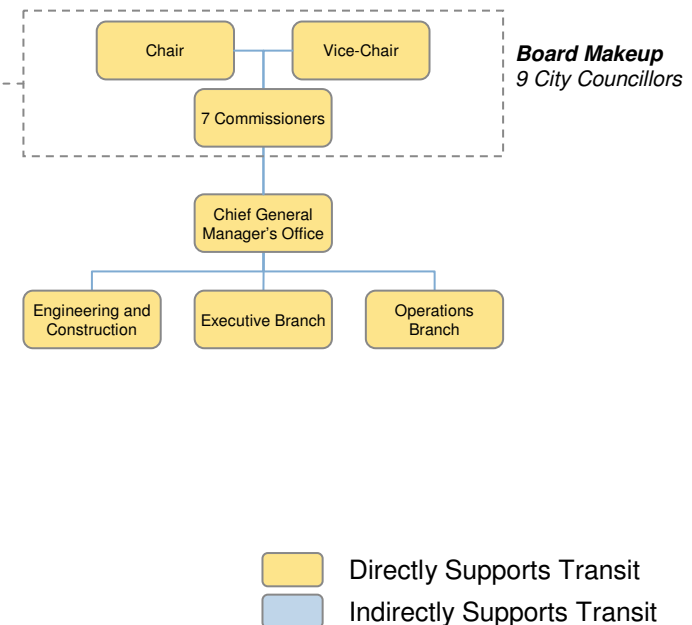
Toronto's Transit Organization

The TTC operates as an independent commission which plans, constructs, operates and maintains the public transit infrastructure.

City of Toronto Organization



Toronto Transit Commission (TTC) Organization



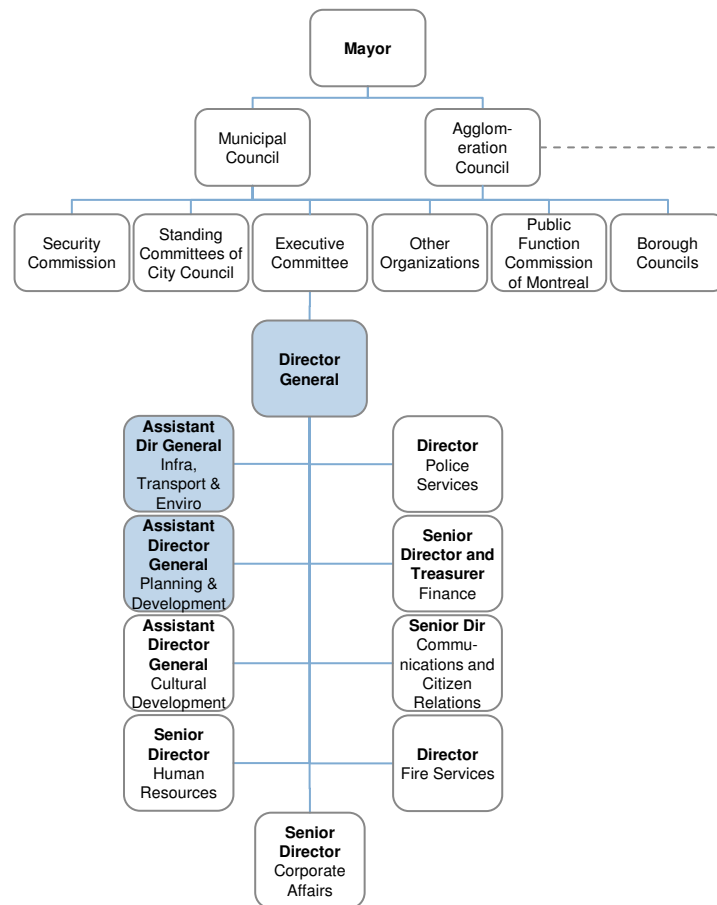
The TTC operates independently from City Council, but is dependent on it to fill funding gaps

Sources: "The Track Ahead: Organization of the TTC under the new amalgamated City of Toronto", Richard M. Soberman, 1997; TTC 2006 Budget ; City of Toronto website

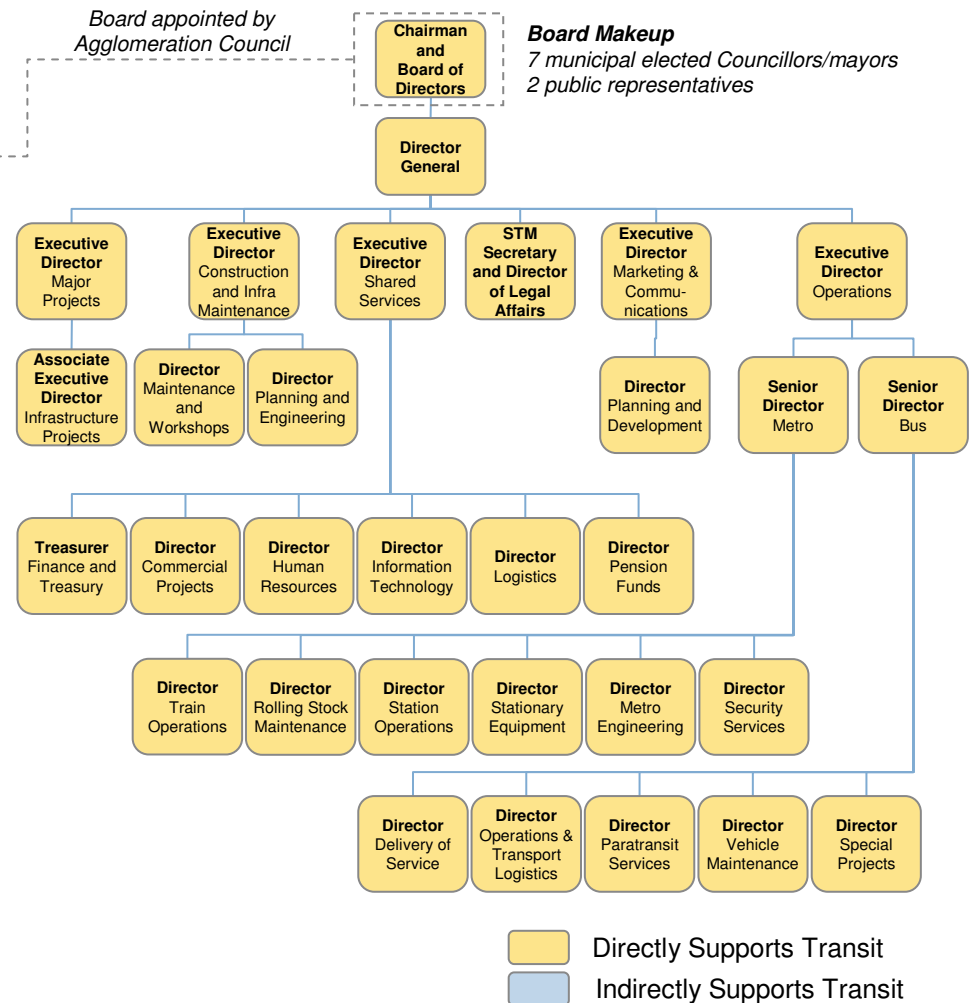
Montreal's Transit Organization

The STM is an independent agency and is responsible for developing and operating an integrated public transit system within the island of Montreal.

City of Montreal Organization



Société de transport de Montréal Organization

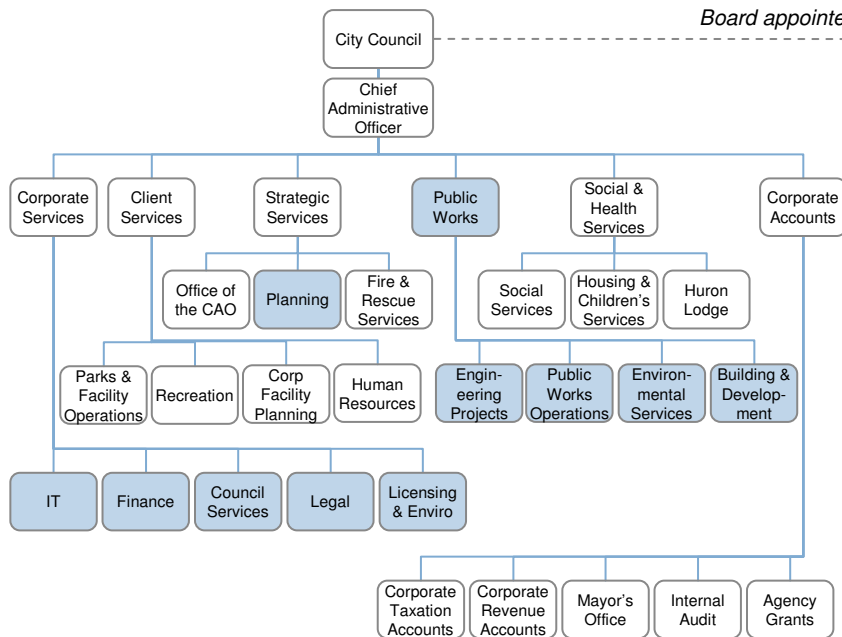


Sources: Montreal City Org Chart; STM Annual Report 2006

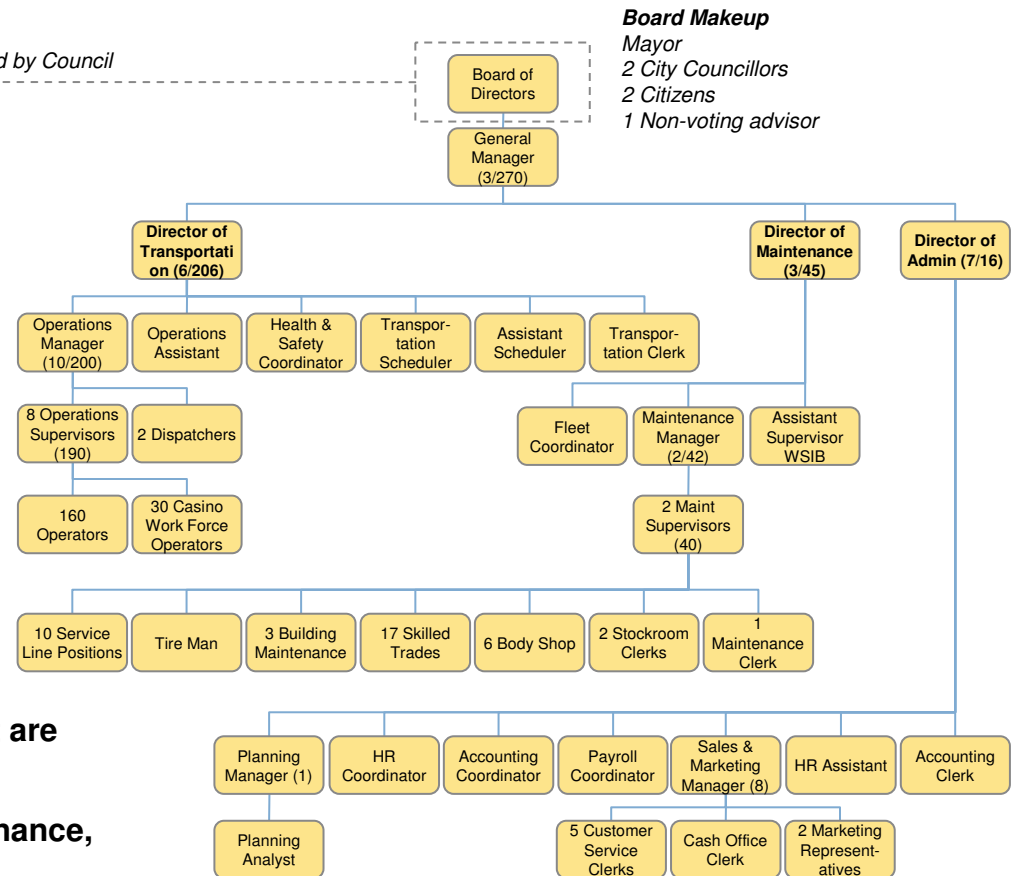
Windsor's Transit Organization

Windsor Transit is an independent agency that is responsible for planning, developing, marketing, and operating the public transit system in Windsor.

City of Windsor Organization



Windsor Transit Organization



Board Makeup

Mayor
2 City Councillors
2 Citizens
1 Non-voting advisor

The policies and budget for Windsor Transit are ultimately set by City Council

► Transit purchases corporate services (IT, Finance, Legal, etc) from the City

Transit GM participates in CAO's senior team meetings

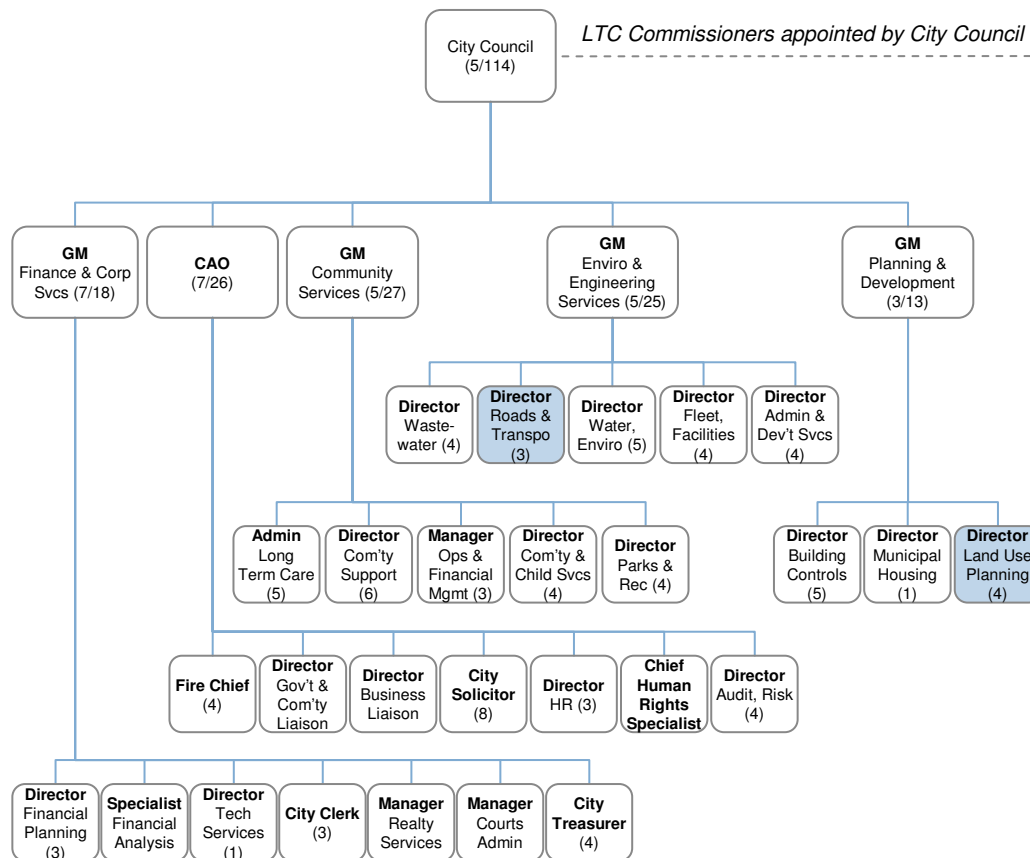
Sources: Windsor City Org Chart 2008; Windsor 2006 and 2008 Operating Budgets

Directly Supports Transit
Indirectly Supports Transit

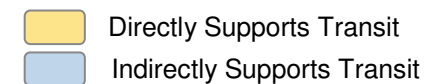
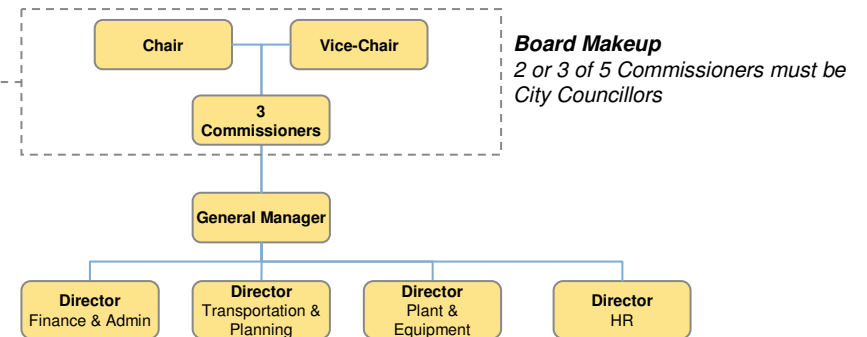
London's Transit Organization

The LTC is responsible for the operation, repair, control and management of the local transportation system of the municipality on behalf of the City of London.

City of London Organization



London Transit Commission (LTC) Organization

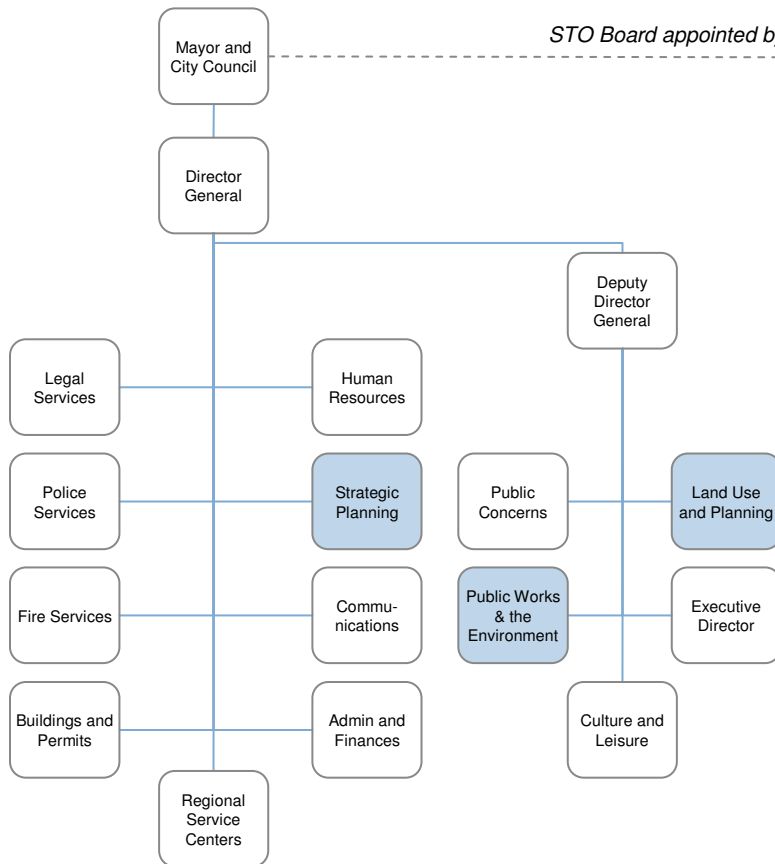


Sources: London City Org Charts; LTC Web site; London City Budget 2007

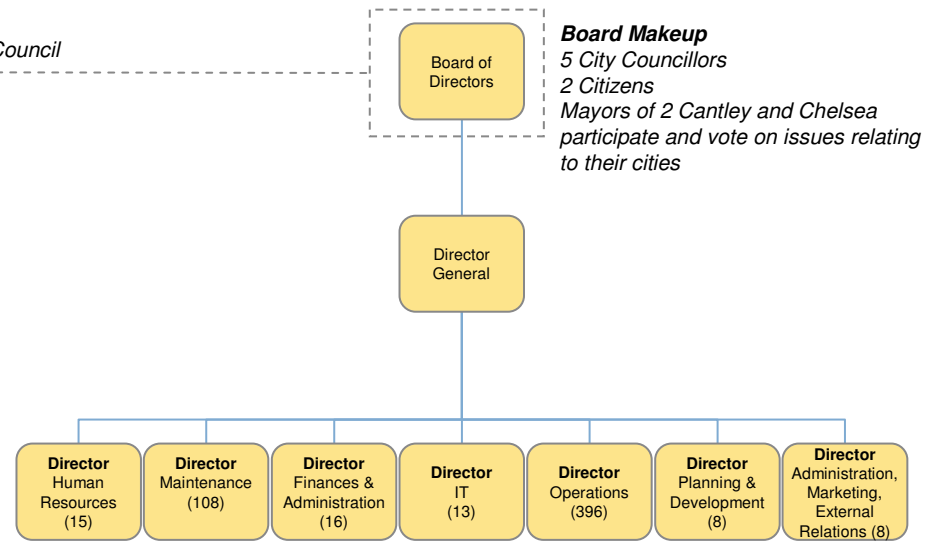
Gatineau's Transit Organization

STO is an independent public corporation which provides public transit services to the city of Gatineau.

City of Gatineau Organization



Société de Transport de l'Outaouais (STO) Organization



Board Makeup

5 City Councillors

2 Citizens

Mayors of 2 Cantley and Chelsea participate and vote on issues relating to their cities

Source: STO 2008 Budget and Annual Report

 Directly Supports Transit
 Indirectly Supports Transit

St. Louis' Transit Organization

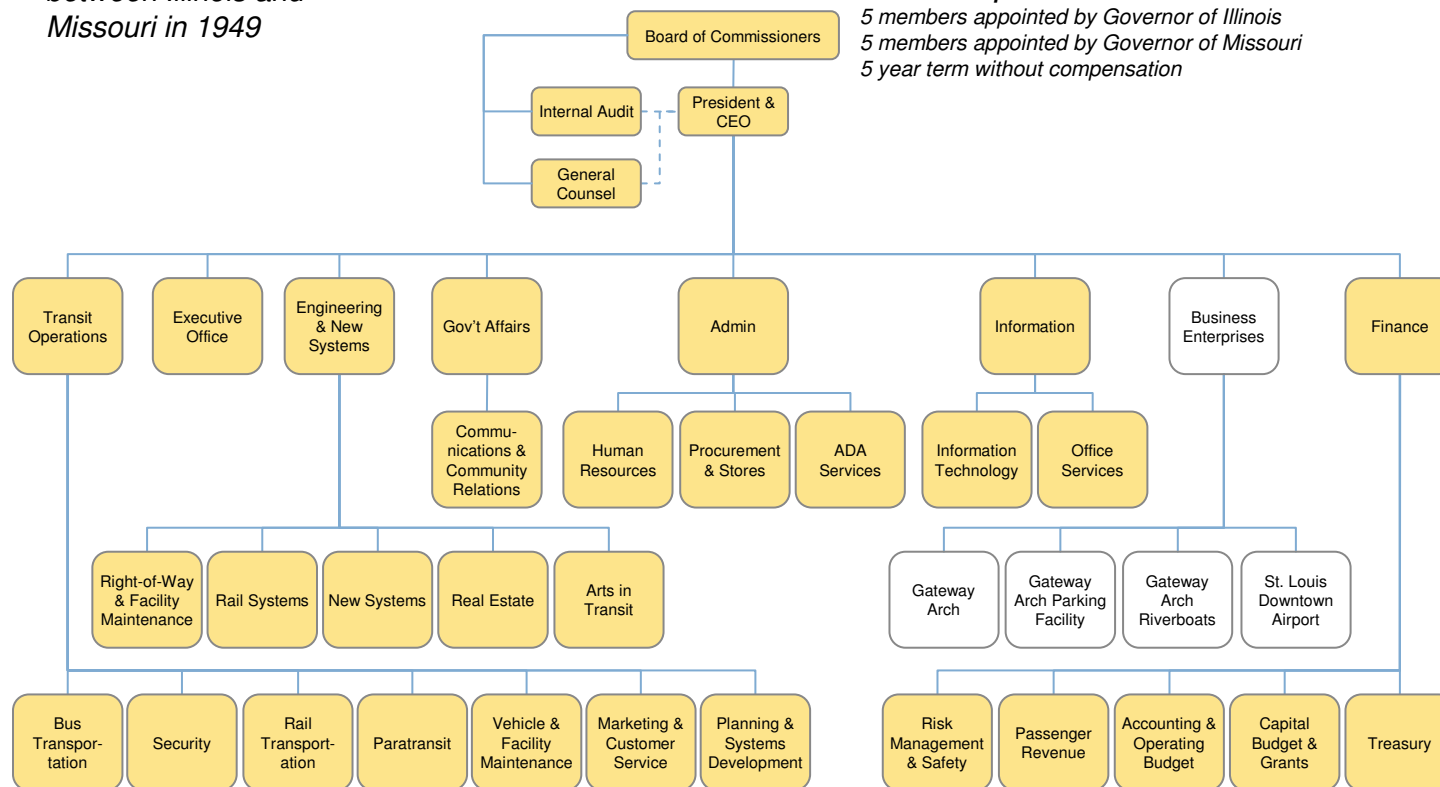
Metro's has broad powers to cross local, county, and state boundaries to plan, construct, maintain, own, and operate facilities to enhance the quality of life in the region.

Metro Organization

- Created by a compact between Illinois and Missouri in 1949

Board Makeup

5 members appointed by Governor of Illinois
5 members appointed by Governor of Missouri
5 year term without compensation



Directly Supports Transit
 Indirectly Supports Transit

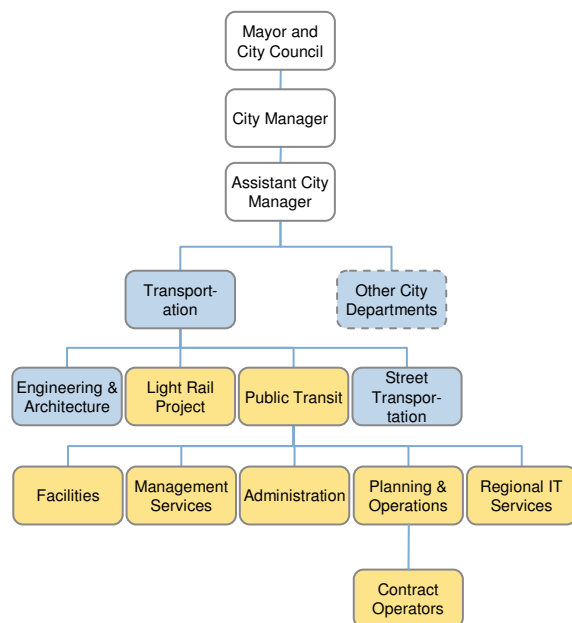
Source: Metro 2007 Strategic Plan and Budget

Phoenix's Transit Organization

Phoenix, along with other cities in Maricopa county, operates its transit department under the umbrella of the Valley Metro Regional Planning Transportation Authority.

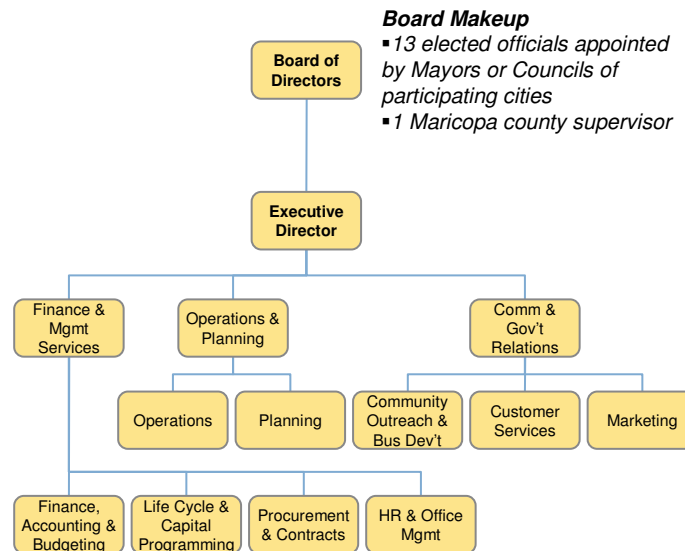
Phoenix Transit

- Municipal department under the city of Phoenix
- Funded primarily by 0.4% sales tax in Phoenix, and funds from RPTA
- Runs 73% of all bus routes of Valley Metro



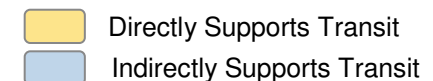
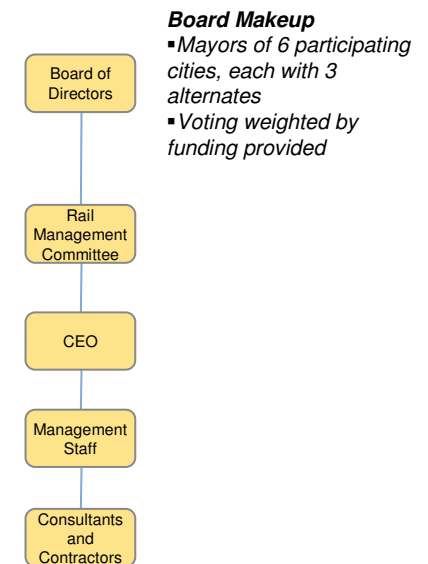
Valley Metro RPTA

- Regional body that provides centralized planning, marketing and customer service
- Funded by 0.5% county sales tax
- Runs a few inter-city and smaller local bus routes



Valley Metro Rail

- Public corporation responsible for the planning and operation of LRT (opening in 2008)
- Funded by the RPTA and member cities



Cities providing bus service in the RPTA: Phoenix, Tempe, Glendale, Scottsdale, Mesa, Chandler
Source: 2007 RPTA Annual Financial Report; RPTA Metro Strategic Plan; 2007 Phoenix City Budget

Case Study: Hamilton Street Railway

The integration of HSR as a fragmented municipal organization led to rapid service deterioration due to the unique needs of transit that were not being addressed.

HSR integrated into the city as a fragmented municipal model

2000

- Transit functions were fragmented among centralized city departments
 - Fleet services
 - Real asset management
 - Purchasing
 - HR
 - IT
 - Finance/Admin
- Transit retained bus ownership because it was best positioned to lower the total cost of ownership

Service deteriorates

2000-2002

- Fleet availability decreased from 99.9% to 98% and routes were cancelled
 - Centralized fleet maintenance department was focused singularly on cost savings
- Centralized HR personnel could not negotiate special transit labour contracts and operator costs increased by 20%
- Specialized transit needs for IT and Finance/Admin were also very poorly addressed by centralized departments

HSR moves to a consolidated municipal model

2003-2007

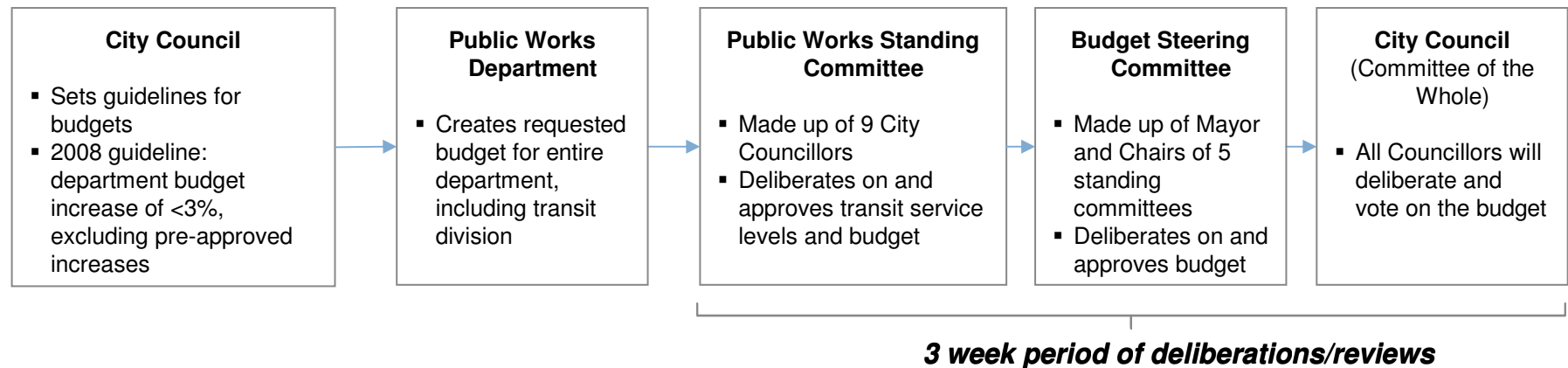
- Fleet maintenance brought back under transit and availability increased to earlier high levels
- Dedicated IT, HR and Finance employees were added which report directly to Transit

► **HSR provided the best service when it had more control over its core functions**

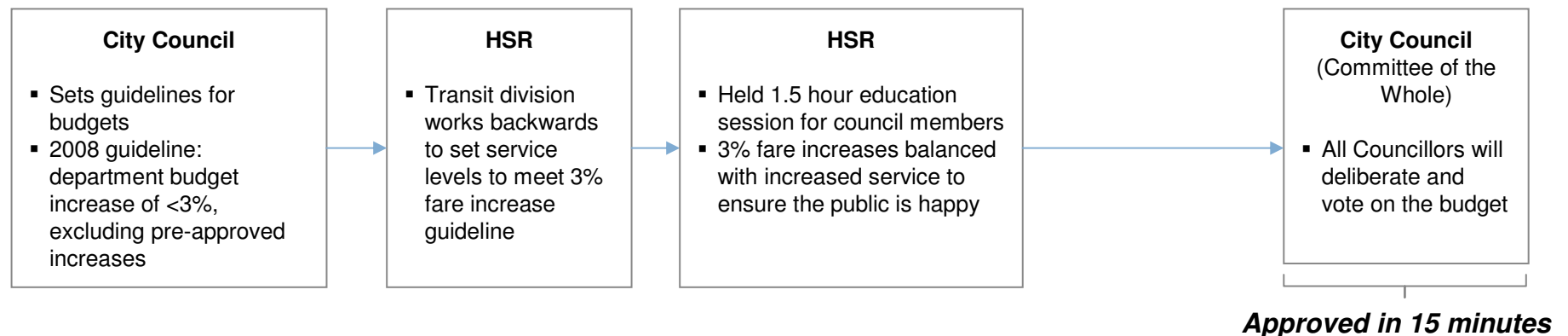
Case Study: Hamilton Street Railway

HSR has recently trialed a budget process which successfully gave it more direct control over its transit budget and efficiently meet Council guidelines.

Traditional Operating Budget Approval Process



2008 Transit Operating Budget Approval Process – Outside Traditional Process

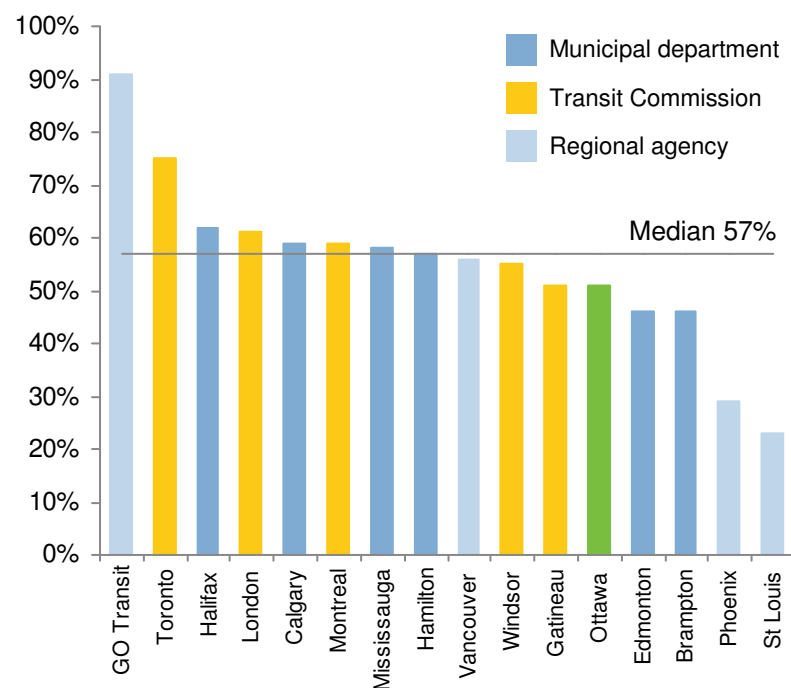


Financial Management: R/C Ratio and Municipal Operating Contribution

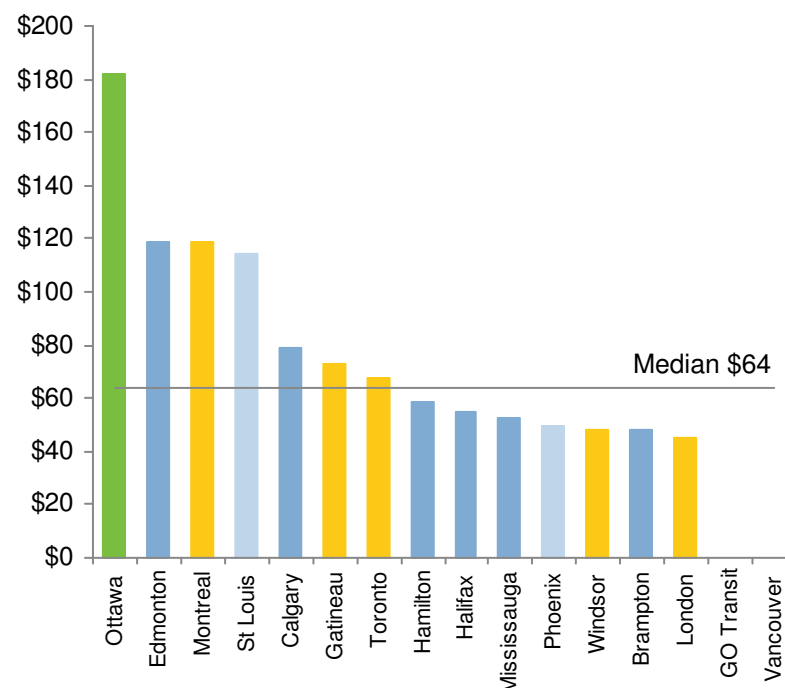
The Ottawa municipal government spends far more on transit per capita than any other comparison city partly because OC Transpo has one of the lowest cost recovery ratios.

Cost Recovery (R/C Ratio)

Operating Revenues / Direct Operating Costs



Municipal Operating Contribution / Capita



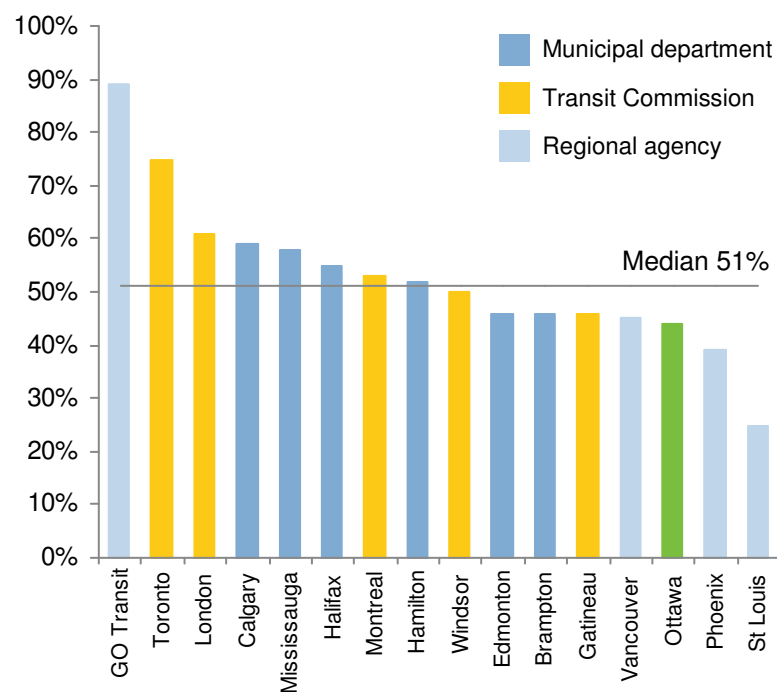
Source: CUTA 2006 Factbook, NTD 2006 Data

Note: US data includes specialized services

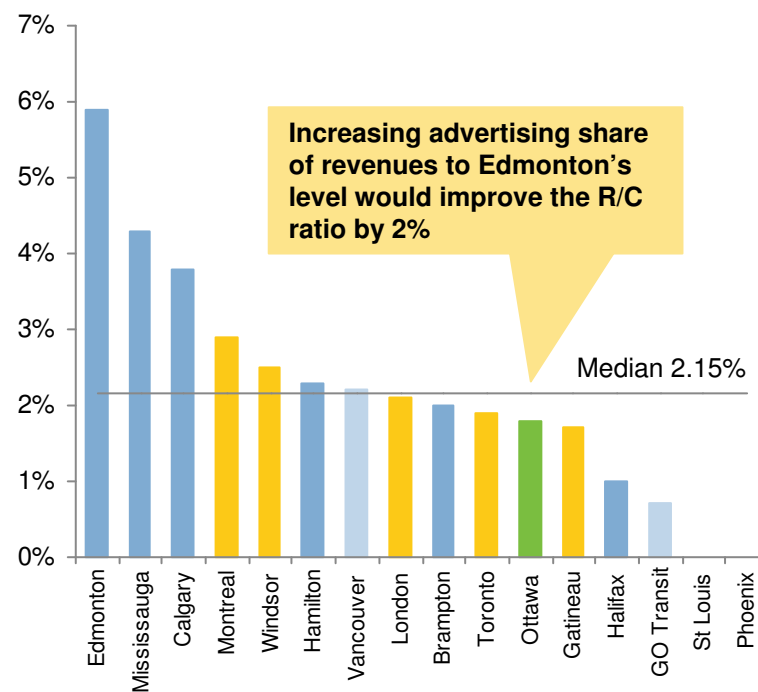
Financial Management: Operating Revenues

Ottawa should look to increase its advertising revenues to raise its relatively low % of funding from revenues.

% of Operating Funding from Operating Revenues



% of Operating Revenues from Advertising



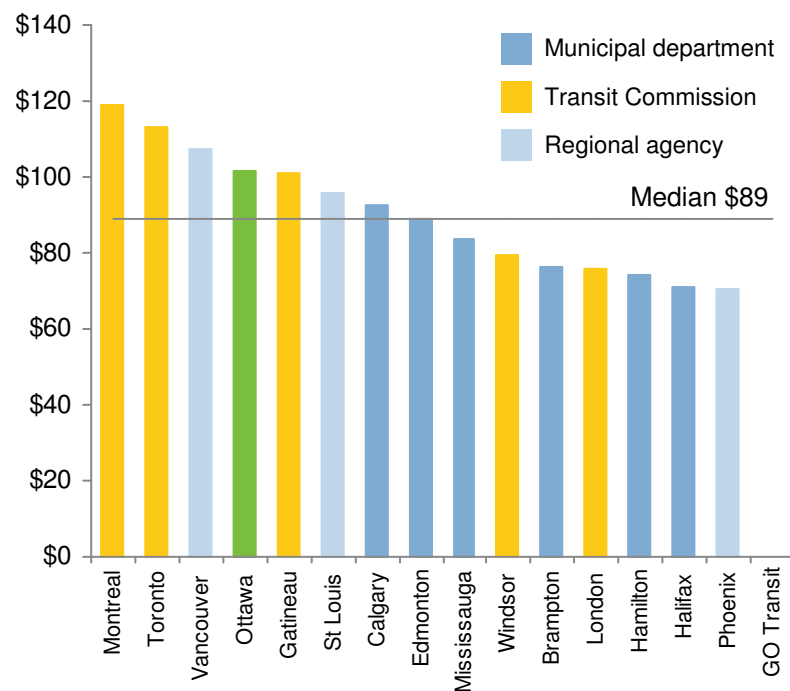
Source: CUTA 2006 Factbook, NTD 2006 Data. US data for advertising not included
Note: US data includes specialized services

Financial Management: Cost Efficiency and Cost Effectiveness

Ottawa has one of the lowest cost efficiencies among comparison cities

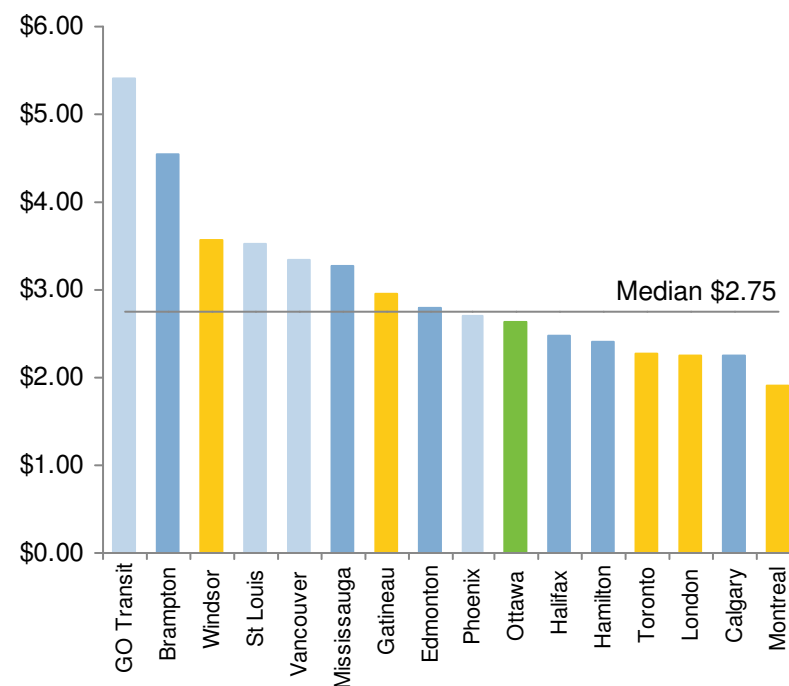
Cost Efficiency

Operating Costs / Total Vehicle Hours



Cost Effectiveness

Direct Operating Costs / Passenger Trip



Source: CUTA 2006 Factbook, NTD 2006 Data

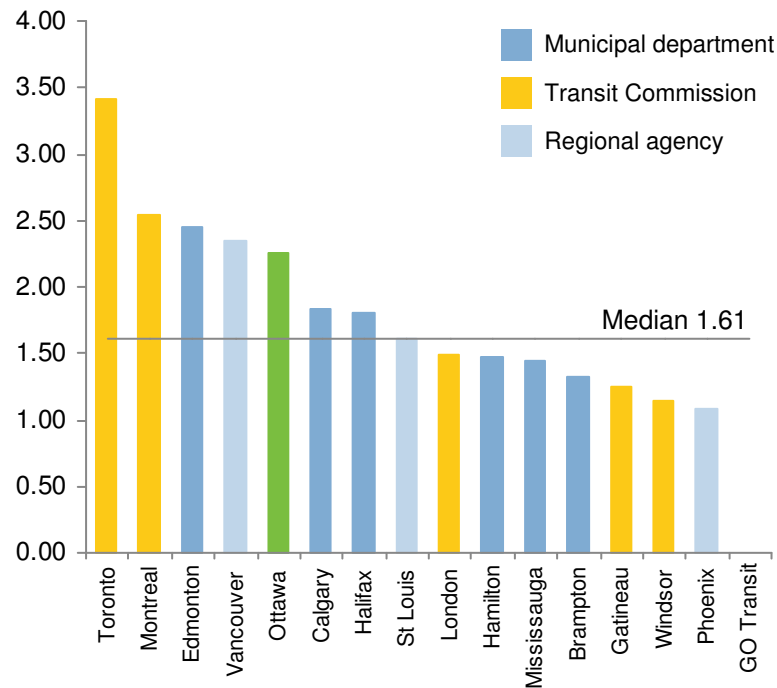
Note: US data includes specialized services. Montreal and Toronto have HRT, which increases the average cost per vehicle hour.

Service Delivery

Ottawa has provided a relatively high amount of service to its constituents, but on-time performance has been low relative to comparators

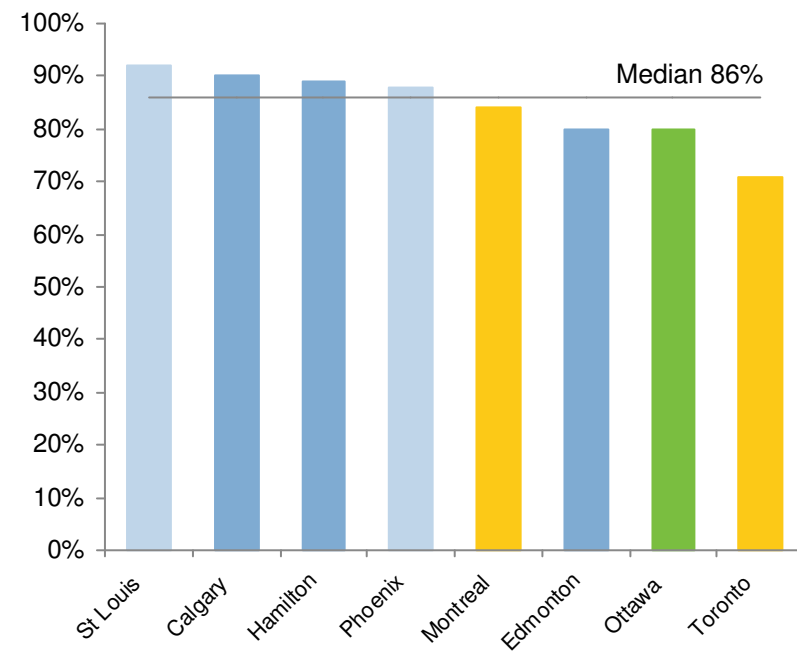
Amount of Service

Revenue Vehicle Hours / Capita



On-time performance

Mode: Bus



Source: CUTA 2006 Factbook, NTD 2006 Data, Various annual reports for on-time performance

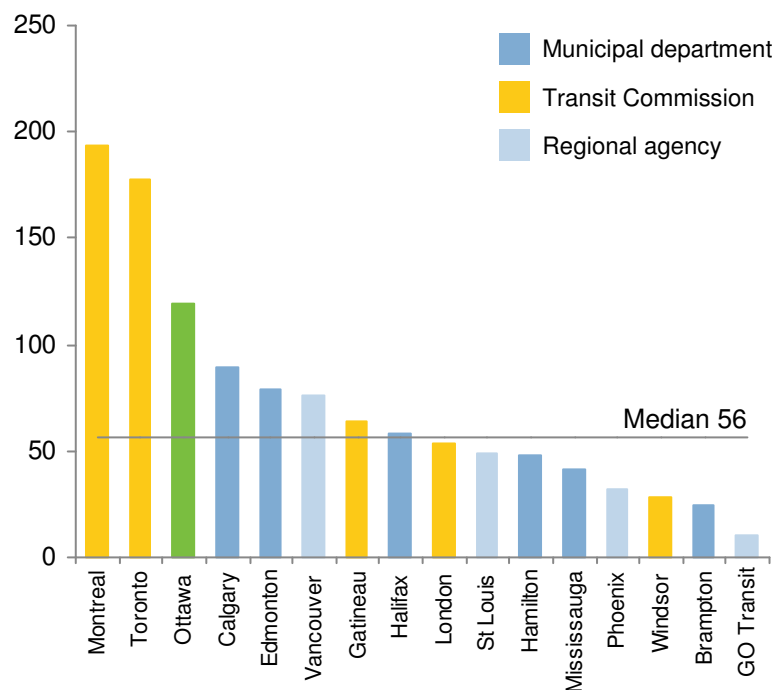
Note: US data includes specialized services

Community Utility: Amount of Service and Customer Service

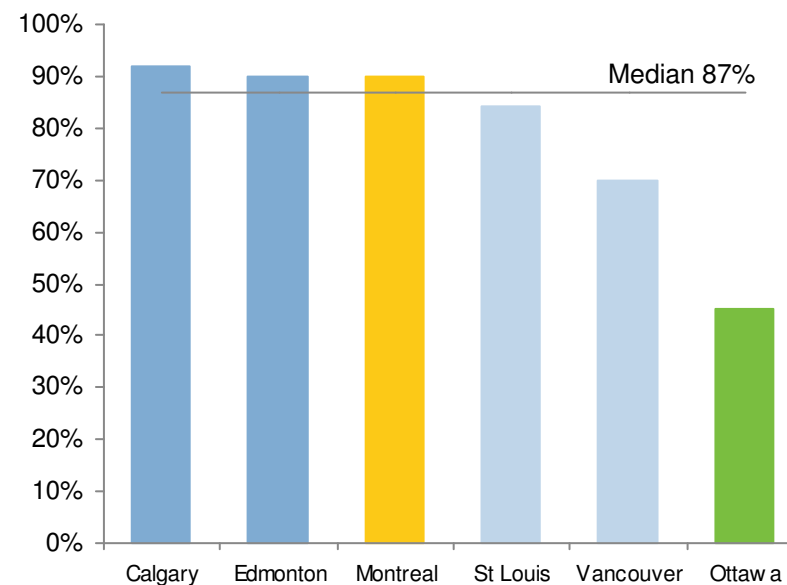
Ottawa's transit utilization is high, but only 45% of customers are satisfied with transit services

Service Utilization

Passenger Trips / Capita



Customer Satisfaction



Source: CUTA 2006 Factbook, NTD 2006 Data, Various annual reports and surveys for customer satisfaction (years from 2005-2007)

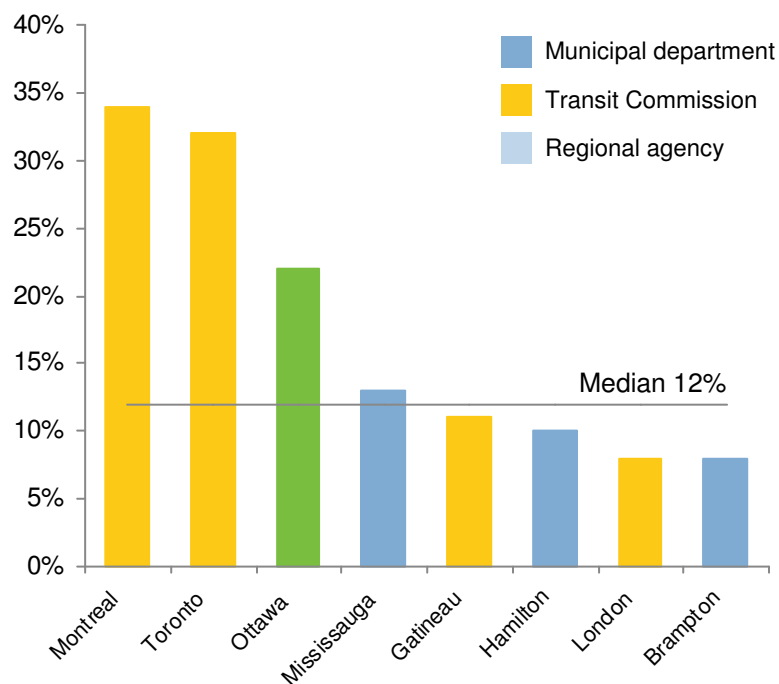
Note: US data includes specialized services

Community Utility: Modal Split

OC Transpo must be aggressive to reach its target 30% modal split by 2021

Modal Split

Transit Share of Motorized Trips in Peak Hours



Source: Transportation Tomorrow Survey, 2006; Ottawa O-D Survey, 2005; Montreal 2007 Transportation Plan



Report Outline

- Project purpose and approach
- Setting the context
- Key issues, gaps and opportunities
- Criteria for success
- Organizational and governance options
- Next steps
- **Appendices**
 - A Comparator research
 - **B Background documents reviewed**
 - C Interviews and focus groups
 - D Summary of diagnostic findings



Background Documents Reviewed

1. Achieving a 50 percent revenue-cost ratio by 2010: Strategies and Action Plan
2. City of Ottawa organization charts
3. Service Level Agreement between Fleet and Transit Services 2003
4. City's budget
5. Report "A Focus on Customer Service Excellence: Findings and Action Plans"
6. Individual Contribution Agreement
7. City of Ottawa Office of the Auditor General 2005 Annual Report
8. KPMG/IBI Report "OC Transpo Comprehensive Review – The Way Ahead: Becoming the Best of the Best"
10. 'Moving Ottawa: The Mayor of Ottawa's Task Force on Transportation Report' June 2007
11. December 2007 Employee Survey Results
12. Canadian Urban Transit Association – Urban Transit Statistics 2005 & 2006
13. Planning, Transportation and the Environment Departmental Strategic Plan 2008-2010
14. Customer (& Employee) Focus Group Study for OC Transpo August-September 2007
15. Key Internal Business Objectives for Transit Services (5 year goals) August 2007
16. OC Transpo Service Diagram (March 2008)
17. APTA May 2007 Results
18. Centres of Expertise Audit
19. Transportation Master Plan, 2003
20. OMBI, Performance Benchmarking Report, 2006
21. City of Ottawa Quarterly Performance Report(s)
22. Various City reports across customer satisfaction and on-time performance



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Interviews and Focus Groups Held February - March 2008

Interviews

- Mayor Larry O'Brien
- Eric Lamoureux
- Alex Cullen
- George Bedard
- Marianne Wilkinson
- Rainer Bloess
- Jacques Legendre
- Maria McRae
- Kent Kirkpatrick
- Richard Hewitt
- Nancy Schepers
- Stephen Finnamore
- Alain Mercier
- Barbara Clubb
- Rick O'Connor
- Phil Andrews
- Barry Robinson
- Douglas Moore

Focus Groups

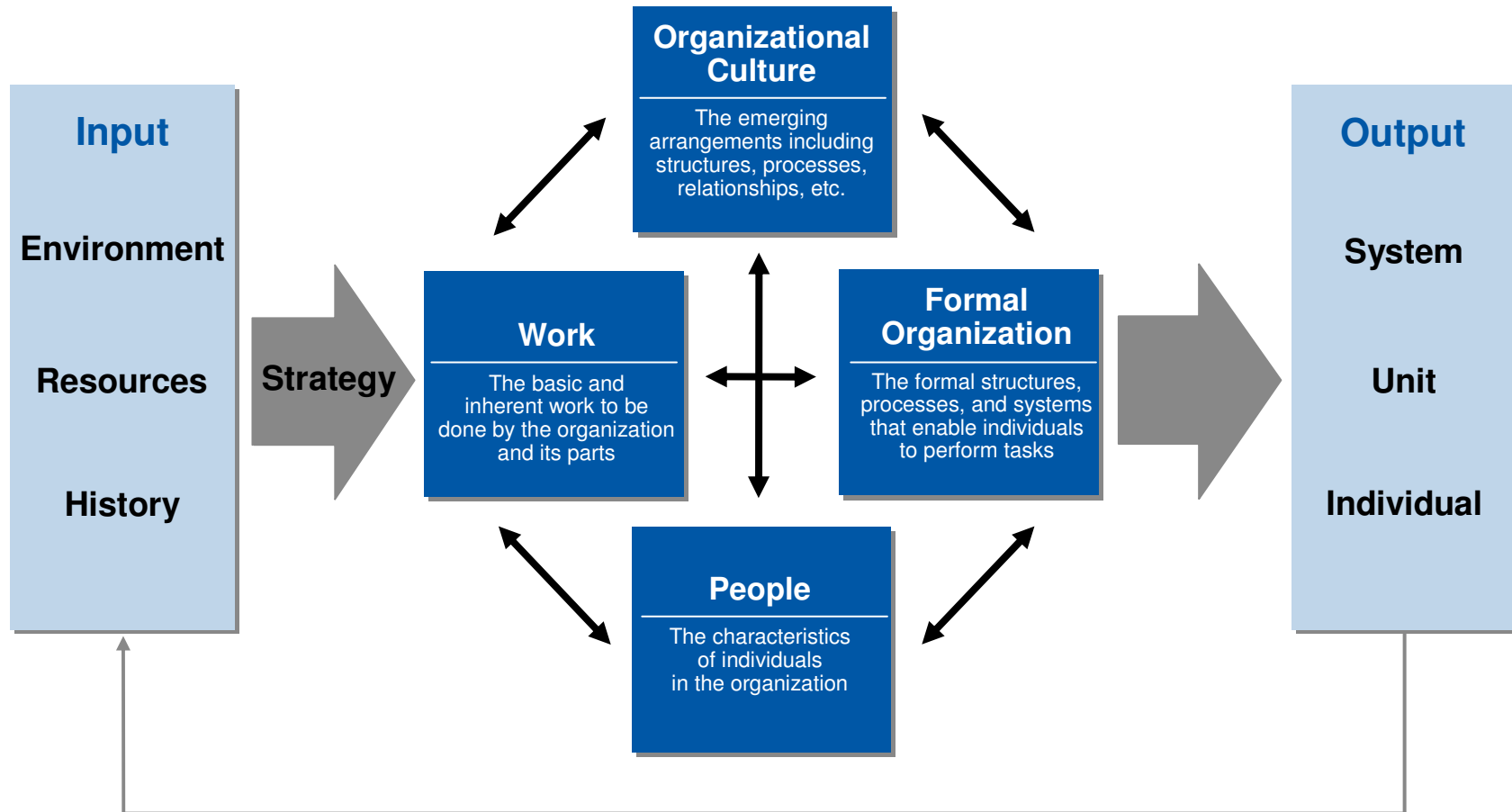
- Mayor's Task Force for Transportation
 - David Collenette
 - Harry Gow
 - Roger Beauchesne
 - Hanif Patni
 - Terry Findlay
 - Hume Rogers
 - Susan Brownrigg-Smith
- Fleet
 - Ron Gillespie
 - Ken Wetzel
 - Phil Eagen
 - Don Dinelle
- Transit Services
 - Alain Mercier
 - Vincent Patterson
 - Bob Goody
 - John Jenson
 - John Donaldson
 - Patrick Larkin
 - Pat Scrimgeour
 - Joel Koffman



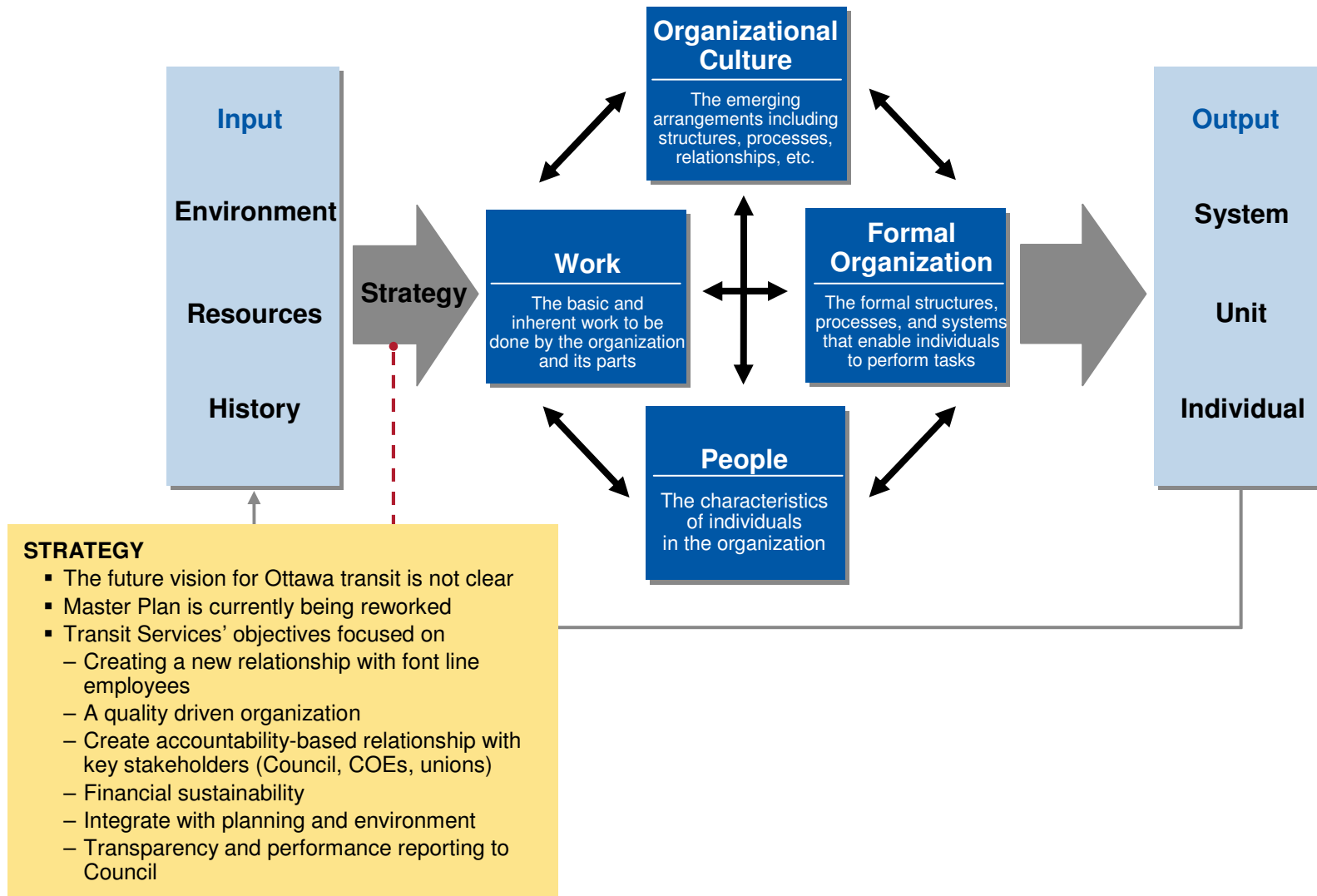
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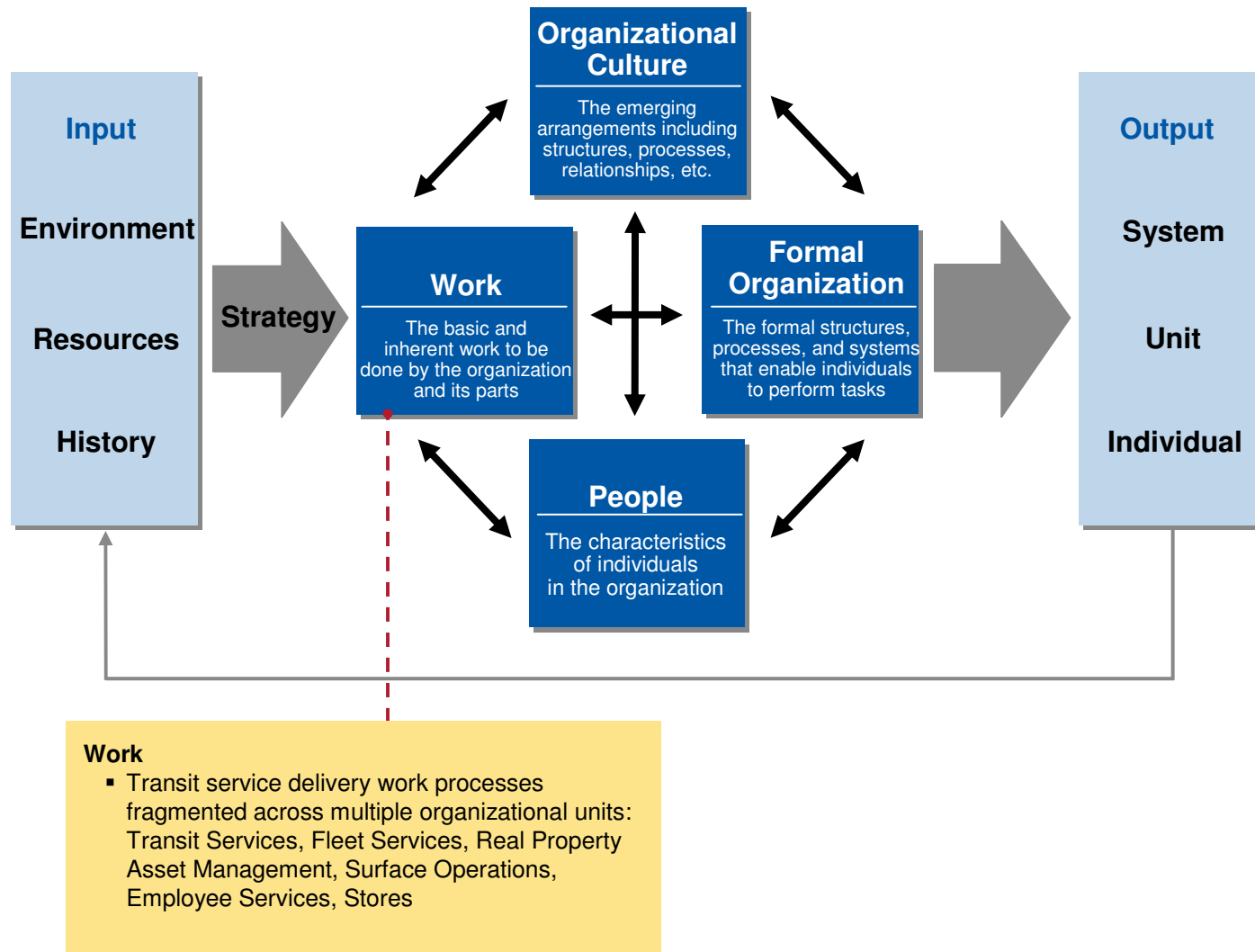
Key Organizational Components



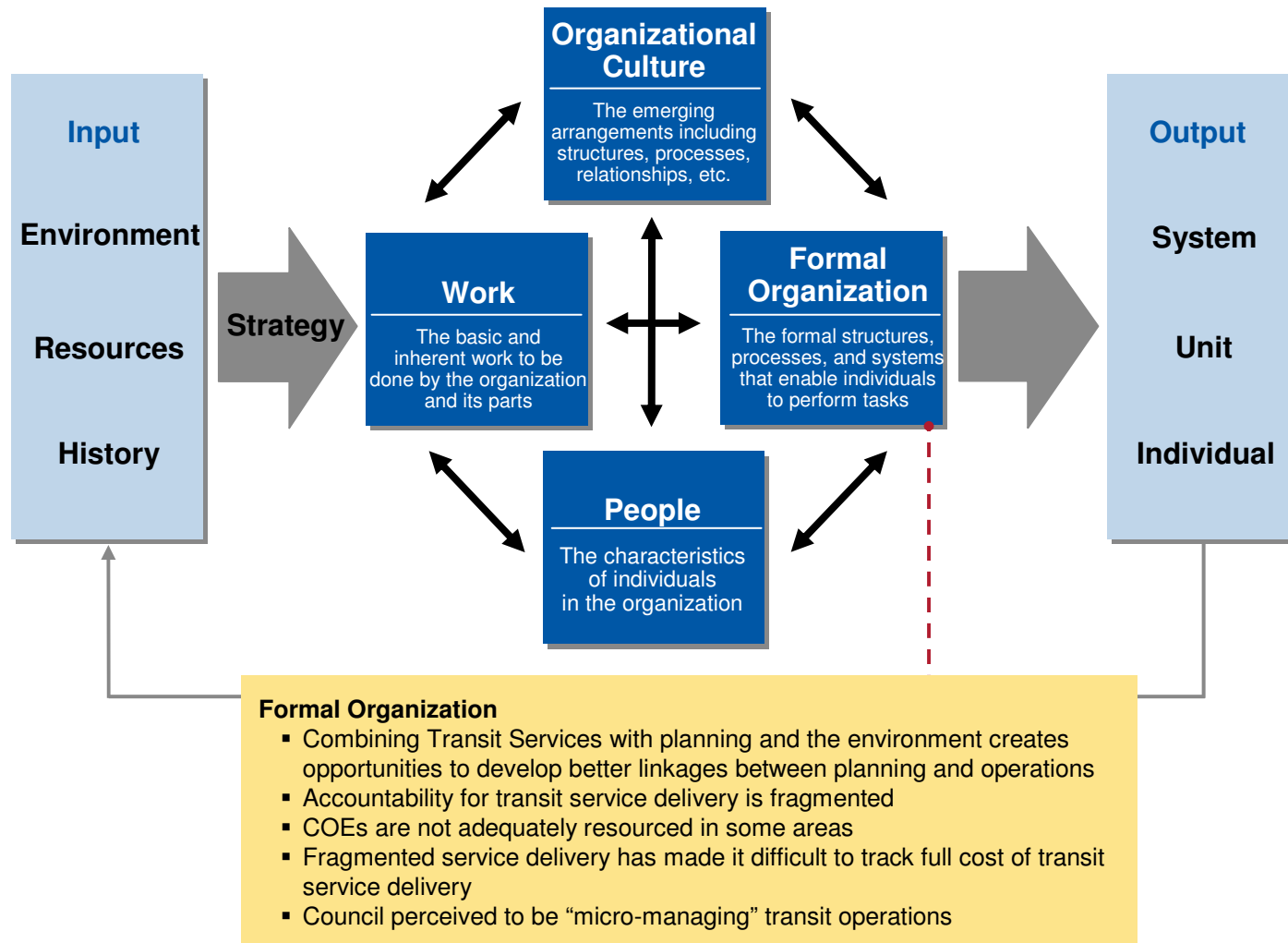
Key Organizational Components



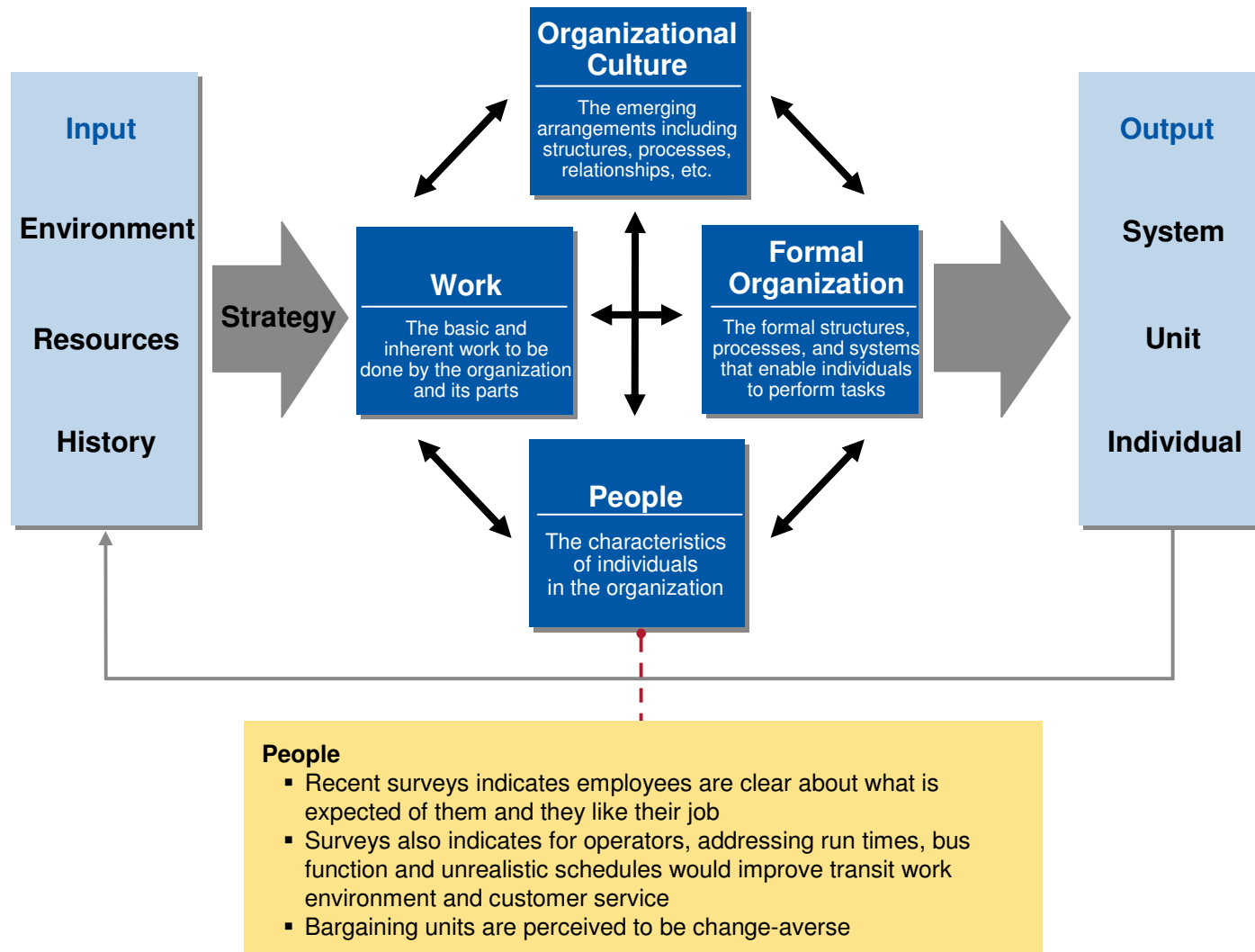
Key Organizational Components



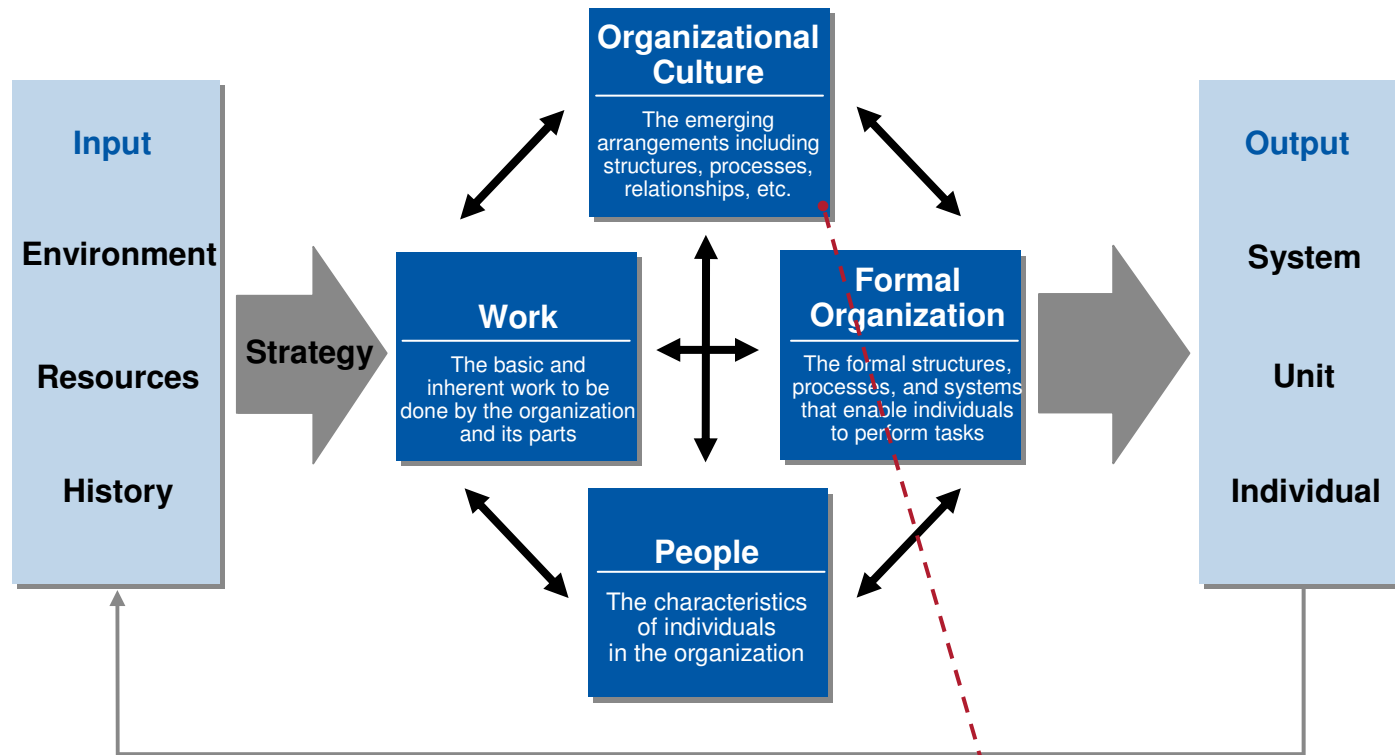
Key Organizational Components



Key Organizational Components



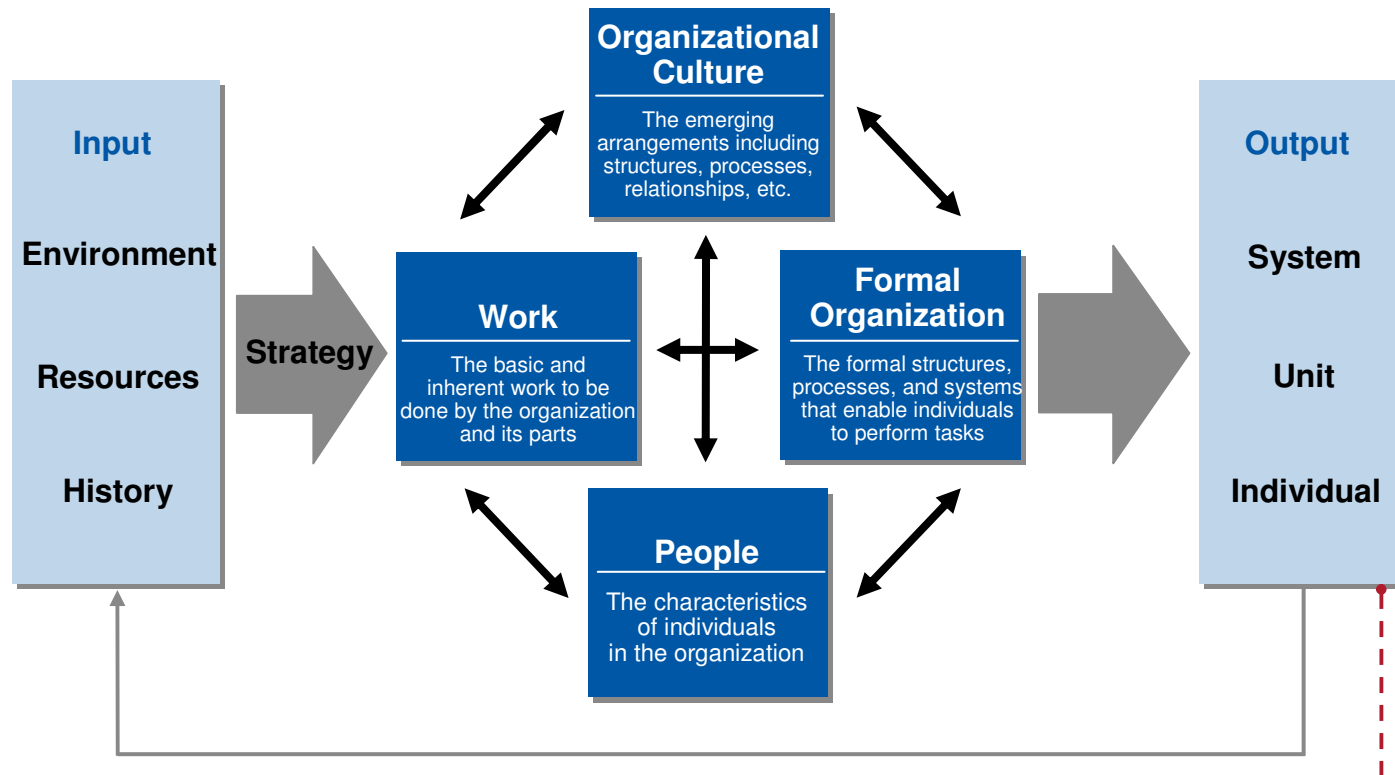
Key Organizational Components



Organizational Culture

- Morale and sense of community for those who are part of the transit service delivery model has deteriorated (particularly Fleet) since the integration of transit functions across the City
- Fragmentation of transit functions across the City is a barrier to creating a client service culture
- Transit Services Director's recent efforts to engage workers viewed positively

Key Organizational Components



Performance

- Rider-ship levels are high
- Rising costs putting pressure on the RC ratio and the need to find efficiencies in the service delivery model
- 2007 Decima citizen survey indicates transit is viewed as a key issue **and** a key priority for Ottawa citizens
- Customer satisfaction with transit services is falling – 17% drop between 2004 and 2007

OLIVER WYMAN



MARSH MERCER KROLL
GUY CARPENTER OLIVER WYMAN