

**POTOMAC AND RAPPAHANNOCK
TRANSPORTATION COMMISSION**

RESOLUTION

MOTION: _____

**RESOLUTION NO. 08-12-____
OFFICIAL COMMISSION MEETING
DECEMBER 4, 2008**

SECOND: _____

**RE: PERFORMANCE OBJECTIVES FOR PRTC ORGANIZATION-AT-
LARGE AND FOR EXECUTIVE DIRECTOR – DECEMBER 2008
THROUGH NOVEMBER 2009**

WHEREAS, each year the Potomac and Rappahannock Transportation Commission adopts pay-for-performance objectives for the organization-at-large for the Executive Director as a motivational tool to guide management efforts and reward potential, exemplary performance; and

WHEREAS, a proposed set of pay-for-performance objectives have been developed by the Commission's Executive Committee in cooperation with the Executive Director; and

WHEREAS, the Commission has reviewed the proposed objectives and supports them as drafted; and

WHEREAS, the objectives have a maximum value of \$110,000 for the organization-at-large and \$25,000 for the Executive Director.

NOW, THEREFORE, BE IT RESOLVED that the Potomac and Rappahannock Transportation Commission does hereby adopt the objectives as described in attachments one and two for the December 2008 through November 2009 period.

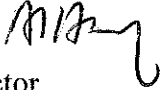


Potomac and Rappahannock
Transportation Commission

14700 Potomac Mills Road
Woodbridge, VA 22192

December 4, 2008

TO: Chairman Jones and Commissioners

FROM: Alfred H. Harf 
Executive Director

RE: Performance Objectives for PRTC Organization-At-Large and for
Executive Director – December 2008 through November 2009

Recommendation:

Adopt the accompanying performance objectives for the PRTC organization-at-large and for the Executive Director for the period December 2008 through November 2009.

Background:

Each year the Commission has adopted “pay-for-performance” objectives for the PRTC organization-at-large and for the Executive Director to guide management efforts and reward potential, exemplary performance. They are proposed for the Commission’s consideration by the Executive Committee in cooperation with the Executive Director, and they are designed to closely resemble certain “incentive” provisions in the PRTC – First Transit contract in recognition of the fact that desired outcomes require collaboration between management and PRTC’s contractor.

The three proposed performance objectives for the organization-at-large (attachment one) have a maximum earnings potential of \$110,000, the same as last year: (1) a “favorable passenger revenue variance” objective (i.e., maximum of \$60,000); (2) a “service performance” objective for low complaint rates (i.e., maximum of \$25,000); and (3) a “service quality” objective measured by the incidence of “excellent” responses to the “overall service quality” survey questions for OmniRide and for OmniLink (i.e., maximum of \$25,000)

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All three proposed objectives mirror the objectives adopted by the Commission last year, except that "farebox-related" complaints are no longer excluded from measurement of the "service performance" objective as we did last year¹.

Continuing the practice that has been operative for the past seven years, the performance objectives proposed for the Executive Director (attachment two) have a maximum collective earnings potential of \$25,000. Three of the five objectives applicable to the Executive Director are identical to the objectives for the organization-at-large (but with smaller payouts), while the others are unique. The three identical objectives account for \$20,000 of the \$25,000 maximum: (1) a maximum of \$10,000 for the "favorable passenger revenue" objective; (2) a maximum of \$5,000 for the "service performance" objective; and (3) a maximum of \$5,000 for the "service quality" objective.

Again as in years past, the other proposed objective(s) (with maximum earnings potential of \$5,000) are unique to the year of evaluation. Two such objectives are proposed: (1) the successful implementation of the new financial management system (financial element only); and (2) the substantial completion of the new park-ride lot across the street from the Transit Center on time and within budget. Each has a recommended value of \$2,500 maximum.

Fiscal Impact:

The "favorable passenger revenue variance" objective is financially self-supporting because it is earned only if passenger revenue favorable variances are substantially greater than the incentive payout. The expense associated with the other objectives has to be budgeted and will be as it has been in past years.

Attachments: As stated

¹ You may recall from last year's discussion that such complaints were excluded because experience with the introduction of new electronic fareboxes/SmarTrip readers elsewhere in the region repeatedly demonstrated that there is a period of acclimation for customers and operators, during which complaints attendant to the roll-out of a new way of collecting fares are invariably arise.

ATTACHMENT ONE

Bonus-related Objectives for the PRTC Organization At-Large
12/08-11/09 Period

NOTE: These objectives are identical to objectives used for the year just ending and for prior years, in keeping with the Commission's long-standing aim of focusing on ridership/revenue gains and measures of service quality/customer satisfaction.

1. Achievement of a favorable passenger revenue variance relative to budgeted passenger revenue for the period December 2008 through November 2009.

<u>Favorable Passenger Revenue Variance</u>	<u>Amount</u>
More than \$50,000 but less than \$101,904	\$10,000
Between \$101,904 and \$203,808	\$20,000
Between \$203,809 and \$305,712	\$30,000
Between \$305,713 and \$407,616	\$40,000
Between \$407,617 and \$474,999	\$45,000
Between \$475,000 and \$550,000	\$50,000
Over \$550,000	\$60,000

2. Customer satisfaction, as measured by low complaint rate for each service type, excluding farebox-related complaints (OmniRide and OmniLink).

- *OmniRide* – Earnings between \$2,500 and \$12,500 for complaint rates ranging between 9.75 and 8.0 complaints per 10,000 passenger trips (interpolated within the range).
- *OmniLink* – Earnings between \$2,500 and \$12,500 for complaint rates ranging between 7.0-5.25 complaints per 10,000 passenger trips (interpolated within the range).

MAXIMUM TOTAL FOR SERVICES COMBINED -- \$25,000

3. High service quality, as measured by "excellent" responses to the "overall service quality" survey question for each service type (OmniRide and OmniLink).

- *OmniRide* – Earnings between \$2,500 and \$12,500 for between 70 and 80 percent of customers rating service "excellent" (interpolated within the range).
- *OmniLink* – Earnings between \$2,500 and \$12,500 for between 73 and 83 percent of customers rating service "excellent" (interpolated within the range).

MAXIMUM TOTAL FOR SERVICES COMBINED -- \$25,000

ATTACHMENT TWO

Bonus-related Objectives for the PRTC Executive Director
12/08-11/09 Period

NOTE: The first three objectives are identical to objectives used for the year just ending and for prior years, in keeping with the Commission's long-standing aim of focusing on ridership/revenue gains and measures of service quality/customer satisfaction. The other objectives dovetail with planned efforts in the coming year.

1. Achievement of a favorable passenger revenue variance relative to budgeted passenger revenue for the period December 2008 through November 2009.

<u>Favorable Passenger Revenue Variance</u>	<u>Amount</u>
More than \$50,000 but less than \$101,904	\$ 2,000
Between \$101,905 and \$203,808	\$ 4,000
Between \$203,809 and \$305,712	\$ 6,000
Between \$305,713 and \$407,616	\$ 8,000
Between \$407,617 and \$475,000	\$ 9,000
More than \$475,000	\$10,000

2. Customer satisfaction, as measured by low complaint rate for each service type, excluding farebox-related complaints (OmniRide and OmniLink).

- *OmniRide* – Earnings between \$500 and \$2,500 for complaint rates ranging between 9.75 and 8.0 complaints per 10,000 passenger trips (interpolated within the range).
- *OmniLink* – Earnings between \$500 and \$2,500 for complaint rates ranging between 7.0-5.25 complaints per 10,000 passenger trips (interpolated within the range).

MAXIMUM TOTAL FOR SERVICES COMBINED -- \$5,000

3. High service quality, as measured by "excellent" responses to the "overall service quality" survey question for each service type (OmniRide and OmniLink).

- *OmniRide* – Earnings between \$500 and \$2,500 for between 70 and 80 percent of customers rating service "excellent" (interpolated within the range).
- *OmniLink* – Earnings between \$500 and \$2,500 for between 73 and 83 percent of customers rating service "excellent" (interpolated within the range).

MAXIMUM TOTAL FOR SERVICES COMBINED -- \$5,000

4. Substantial completion of the new commuter park-ride lot across the street from the Transit Center on-time and within budget

MAXIMUM INCENTIVE VALUE -- \$2,500

5. Completion of the financial element of the new financial accounting system

MAXIMUM INCENTIVE VALUE -- \$2,500