



Video Transcript

Value-for-Money Audit: Metrolinx Operations and Governance (2020)

As part of our 2020 Annual Report, we performed a value-for-money audit of Metrolinx Operations and Governance.

Metrolinx is a government agency that operates GO Transit trains and buses in the Greater Toronto and Hamilton Area, and the Union Pearson (UP) Express. It is tasked with planning and rolling out PRESTO its fare system across the GTHA, and manages a contractual arrangement with an external service provider for PRESTO's operation.

As of December 31, 2019, Metrolinx employed about 4,100 full-time staff. In 2019/20, Metrolinx's total operating costs were \$1.15 billion. From 2015/16 to 2019/20, Metrolinx had an 80% or \$187 million increase in expenses that was subsidized by the province.

We looked at Metrolinx's train and bus operations, how they manage PRESTO, as well as their processes for estimating the cost of light rail transit projects and the overall governance of the organization.

We found that Metrolinx's on-time performance for GO trains has been between 92% and 95% during the last five years, and for buses approximately 95%. This is comparable to transit agencies in other jurisdictions. While overall on-time performance for trains and buses is positive, Metrolinx could continue to focus on improving routes where there are more delays and cancellations.

Metrolinx established the Service Guarantee Program, which refunds customers for delayed and cancelled trains. The program was developed to improve customer satisfaction and drive customer loyalty, but customer satisfaction with the claim submission process has been low.

Metrolinx is highly dependent on its service provider – Accenture – for developing and running PRESTO. When PRESTO services expanded after 2012, Metrolinx engaged Accenture for additional work worth over \$1.7 billion under the existing agreement, without competitive procurements. Since the launch of PRESTO in 2010, riders still do not have integrated fares across the Greater Toronto and Hamilton Area, and the ability to use their own debit or credit cards to tap and pay.

We also looked at cost estimates for some of Metrolinx's LRT projects. We found that the \$5.5-billion cost estimate for Hamilton LRT was reasonable. Two prior cost estimates used to obtain the government's approval in earlier years were understated and not public. The Ministry of Transportation and Metrolinx were aware as early as 2016 that the cost for



Hamilton LRT would be higher than the \$1 billion committed in 2015 – this was also not made public.

Our report contains **13** recommendations, consisting of **26** actions, including that Metrolinx:

- Consistently identify and analyze the root causes of all train delays and cancellations
- Track bus delays and cancellations, and detail the reasons
- Review the Service Guarantee Program and address customer feedback on the claim process
- Ensure PRESTO contracts are awarded using a competitive process, and
- Work with Infrastructure Ontario to estimate the cost of LRT projects using industry best practices.

Regarding Metrolinx governance:

- Stagger board member appointments, and
- Update the Memorandum of Understanding to reflect current Metrolinx-government responsibilities.