

**Evaluation of Management and  
Organizational Structure**

**WASHINGTON STATE FERRIES**

**FINAL REPORT**

Conducted by the:



**For the Joint Transportation Committee  
Washington State Legislature**

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# TABLE OF CONTENTS

	<u>Page</u>
1. INTRODUCTION AND EXECUTIVE SUMMARY	1
2. EMPLOYEE RESPONSE RESULTS	7
3. ASSESSMENT OF MANAGEMENT / ORGANIZATIONAL STRUCTURE	15
4. ASSESSMENT OF MANAGEMENT POSITIONS	28
5. ASSESSMENT OF COLLECTIVE BARGAINING AGREEMENTS	48
APPENDIX A – SPAN OF CONTROL STUDIES	59
APPENDIX B – COLLECTIVE BARGAINING AGREEMENTS	60
APPENDIX C – EMPLOYEE SURVEY RESULTS	61
APPENDIX D – WSF RESPONSE TO THE EVALUATION	73



## **1. INTRODUCTION AND EXECUTIVE SUMMARY**

The following chapter provides an introduction to this study as well as an executive summary.

### **INTRODUCTION.**

In August 2011, the Joint Transportation Committee retained the Matrix Consulting Group to conduct an evaluation of the management and organizational structure of Washington State Ferries (WSF). The primary goals and objectives of this evaluation were to identify the appropriate number of management layers, identify effective chain of command and spans of control, and make recommendations to improve the efficiency and effectiveness of management. The WSF has been the subject of numerous reports over the past several years (e.g., Performance Audit, Ferry Finance Study, Governance Study, Management and Support Review). This study represents a focus on the management positions within the organization. To understand the management organization of the WSF and achieve the study's goals and objectives, the project has conducted the following activities:

1. Interviews with more than 70 individuals, including the following:
  - Key elected officials, to obtain their perceptions of how well the WSF is managed, organized, and operated, including the identification of primary issues and potential improvement opportunities.
  - The Secretary of Transportation and the WSDOT Chief of Staff, to understand the overall management, organizational, and operational issues of the WSF, including the past and present efforts to improve how the WSF is operated.
  - More than 60 individual employees of the WSF, including the Assistant Secretary and Deputy Chiefs, the Directors, Managers, and Coordinators, as well as Vessel Captains, Terminal Supervisors and Senior Engineers. This also included site visits and tours of ferry operations.
  - Key staff from the Joint Transportation Committee, the Senate Transportation Committee, the House Transportation Committee, the Governor's Office, and the Office of Financial Management.

2. The collection and review of WSF information from previous studies and reports, and the review of organizational charts, job classifications and descriptions, employee contracts, employee listings, and applicable workload and service level data.
3. An employee survey which was distributed to approximately 1,500 employees at all levels and divisional work units to obtain their perceptions regarding management and structural issues, and input on the potential opportunities for improvement (the survey results have been included in the appendices and specific survey metrics provided in a web-based link in the Employee Response Chapter).

Based on these activities, this document provides the key findings and recommendations regarding WSF management and operations, followed by the initial assessment of organizational spans of control, and ending with the assessment of the collective bargaining agreements which impact management decisions and operational costs.

The remainder of this summary identifies key findings, conclusions and recommendations.

## **EXECUTIVE SUMMARY.**

The primary findings, conclusions and recommendations are summarized below. The chapters within this report should be accessed for a detailed discussion and analysis of each issue and the background behind recommendations.

### **Key Findings from Employee Feedback:**

- Keys strengths observed include: the safety of the employees is perceived a high priority; the working relationship between many work units is good and the processes within those units function well; the clarity of policies and procedures is high; staff understand what performance is expected of them; there are effective training practices and accountability is good.
- As it relates to the political environment, the majority of respondents perceive that there are opportunities for improvement. Over 70% of respondents disagree with the statement that the union and WSF management work effectively

together. Over 70% of respondents disagree with the statement that the legislature, the Governor's Office, and the WSF work effectively together. The results were consistent among all survey respondents at all levels within the Washington State Ferries, although clearly some levels of the organization would be more informed as to the actual interactions among legislators, Governor's staff and WSF management.

- The majority of respondents indicated opportunities for improvement as it relates to defining a clear vision for the future, providing more consistent work direction, and improving teamwork among managers.
- The majority of respondents indicated opportunities for improvement as it relates to improving business processes and working relationships between some work units, and developing more clear lines of communications up and down the chain of command.
- The majority of respondents indicated opportunities for improvement as it relates to re-organizing the structure to promote more efficient use of staff, streamlining management positions and reducing managerial layers.
- The majority of respondents indicated opportunities for improvement as it relates to improving the timeliness of how managers and supervisors provide feedback to the employees and the timeliness of problem resolution.
- With respect to interview results, in some instances the management interviews concurred with overall survey responses, and in other instances differing opinions were offered. By example, management did not typically have issues with respect to lack of vision or a substantive need for improved business processes. These distinctions are further detailed in the Employee Response Results chapter.

### **Additional Significant Findings by Project Team:**

- The level of micro-management and the extent of competing inputs from various stakeholders (e.g., Legislature, customer groups) create a "reactive" organization which is costly and resource intensive.
- There is an imbalance of managerial spans of control, ranging from one-over-one reporting relationships to managing several dozen personnel. Ultimately, however, management re-organization will result in minimal net change in management positions. Additionally, there is a lack of proper management and supervision during certain times of the day / night and at certain WSF locations.
- The WSF Performance Management System (performance evaluations, performance objectives, performance indicators) is not consistently used or fully established throughout the organization. The project team fully supports the

current efforts by the legislature and the Office of Financial Management to establish measurable performance objectives.

- Some administrative tasks performed by managers / supervisors are over emphasized and extremely time-consuming. These include such tasks as auditing personnel pay orders.
- Information technology systems are not effectively utilized in various instances, which impacts management efficiency.
- Many employee contract terms and conditions are uncommon and have a negative impact on the ability for managers to run operations and staff in the most efficient and effective manner possible.
- There are several managerial positions in the WSF that would be classified in many other public sector organizations as professional jobs or supervisory positions (as opposed to managerial).

## **PRINCIPLE RECOMMENDATIONS:**

### **Spans of Control and Supervision**

**Recommendation 1.** In conjunction with other operational, organizational and cultural changes as reflected in this report, consolidation of some managerial functions in the WSF is possible. **Page 18**

**Recommendation 2.** Lower level management / supervisory positions are necessary in some functional areas of the WSF. **Page 18**

**Recommendation 3.** All WSF operations should have an assigned supervisor to manage daily functions, irrespective of the time of day / day of week. This can be an acting supervisor or a dedicated supervisor. **Page 19**

**Recommendation 4.** Those personnel assigned to regularly act in a supervisory capacity should be paid "acting pay" for such service. **Page 19**

**Recommendation 5.** Different supervisory models could be adopted to avoid the need for site-specific supervision. This could include a Supervisor outside of 9-5 in the Operations Center overseeing dispatch on-site and terminal functions remotely. The issue is to ensure that personnel with dedicated responsibility and accountability are assigned to manage/supervise. **Page 19**

## **Performance Management**

**Recommendation 6.** As contractually practical, ensure an annual performance evaluation program is executed for all first-line supervisor positions and above on an annual basis. Properly completed performance evaluations are integral to a broader Performance Management Program. **Page 20**

**Recommendation 7.** Follow-through on the independent Performance Objective Development Initiative. The Governor’s Office should use SMART objectives for the WSF, reported quarterly to key stakeholders, to ensure the organization’s accountability and help minimize legislative operational involvement and inquiry, as practical. **Page 20**

**Recommendation 8.** In concert with the above, develop an Annual Work Plan as part of a broader Performance Management Program, whereby the Governor’s Office can hold the WSF accountable for achievement of certain agreed upon initiatives. These results should be reported to the Legislature. **Page 20**

**Recommendation 9.** To facilitate effective agency-wide Performance Management, contracts should be negotiated whereby manager/supervisor selection is based upon the “most qualified” person, with seniority being utilized as a factor only on “equally qualified” individuals. **Page 21**

## **Contract Management**

**Recommendation 10.** To facilitate efficient and effective WSF operations, contracts should be negotiated with terms and conditions that are equitable to staff while retaining appropriate management rights and flexibility to productively operate the WSF agency. **Page 22**

## **Organization and Operations Related**

**Recommendation 11.** Improve staff / management relations through internal joint teams dedicated to solving major WSF issues. Issues resolution could potentially be focused upon any major initiatives identified in the recommended Annual Workplan. **Page 23**

**Recommendation 12.** The Governor’s Office and WSDOT executive management, in conjunction with WSF executive staff, should establish and agree upon clear performance standards which to evaluate the level of success achieved by the WSF organization in providing services to the public. These performance standards should ultimately be deemed appropriate by WSF stakeholders as representative of a “productively run organization” hopefully limiting their over-involvement in WSF operations. **Page 23**

**Recommendation 13.** Enhance internal operations through internal staff / management teams dedicated to solving major WSF issues. By example, identify time-consuming and repetitive managerial administrative tasks and then re-engineer these processes to reduce administrative burdens. **Page 24**

**Recommendation 14.** If various administrative efforts are deemed mandatory, identify and hire para-professional positions, as practical, to re-allocate these duties, thereby freeing managers to perform core business associated with a management position. **Page 24**

**Recommendation 15.** Ensure all IT projects developed are consistent with a WSF Information Technology Strategic Plan (ITSP); if this is not in place, develop an ITSP. **Page 25**

**Recommendation 16.** All information technology projects should be managed consistent with Engineering-based PMBOK (Project Management Body of Knowledge) standards. **Page 25**

**Recommendation 17.** Re-visit major information technology initiatives that are identified as potential failures or have significant implementation problems and report to WSDOT executives the steps that must be taken to resolve such issues. **Page 25**

**Recommendation 18.** In the mid-term, conduct a comprehensive WSF compensation and classification study specifically defining the roles and responsibilities of all WSF positions and well as compensation recommendations based upon knowledge, skills, abilities and job requirements. This should include Relief Employees as well as On-Call employees. Such studies typically cost \$500-\$1,000 per job classification and could be limited to various job classification layers (e.g., all supervisors). **Page 26**

**Recommendation 19.** Provide adequate (e.g., 40 hours) supervisory training to all new managers and supervisors with regard to expected roles and responsibilities, with particular emphasis in such areas as personnel management. Periodic re-fresher training is encouraged on a bi-annual basis. The cost of such operations is dependent upon the training performed (on-site versus off-site) and whether absent positions resulting from training require overtime coverage. **Page 26**

## **2. EMPLOYEE RESPONSE RESULTS**

As part of the Evaluation of the Management and Organizational Structure of the Washington State Ferries (WSF), the Matrix Consulting Group conducted an employee survey to obtain their respective perceptions on the strengths and opportunities for improvement regarding how the WSF is organized and operated from an overall management and supervisory perspective. Where applicable, these will be juxtaposed against common themes noted during the course of our several dozen interviews. It is important to note the context for which employee surveys are conducted, as they are a “snapshot” in time and reflect only the current perceptions of employees. As indicated elsewhere in this report, the recent negotiations and the concessions made by labor unions (regarding compensation, benefits, etc.), coupled with the continued economic and budgetary challenges, has strained the perceptions of employees, and as a result, additional negativity may be reflected in this survey response.

Further details with respect to the survey can be found in Appendix C of this report. Additionally, raw data and written survey comments (redacted, as necessary, to maintain anonymity of survey respondents) can be accessed electronically at the following links:

<http://dl.dropbox.com/u/8940115/WSF%20Survey%20Data.pdf>

<http://dl.dropbox.com/u/8940115/WSFOpenEndResponses.pdf>

The points below summarize the methodology of the survey distribution:

- The project team distributed (either electronic or paper-based) surveys to approximately 1,500 full-time employees deployed across the system (i.e., headquarters, terminals, vessels, and the maintenance facility).
- Of the 1,500 surveys, 479 employees responded, representing a response rate of approximately 32%.

- Of the 479 completed responses, there were 335 employees indicating their classification as Executive / Manager, Supervisor, or Staff – distributed as follows:

**Table 1 - Respondents per Classification**

<b>Classification</b>	<b># of respondents / # of employees</b>	<b>% of Total Responses</b>
Executive / Manager	27	5.6%
Supervisor	75	15.7%
Staff	233	48.6%
NA	144	30.1%
<b>Total Responses</b>	<b>479</b>	<b>100.0%</b>

- Of the 479 completed responses, there were 328 employees who indicated their work unit – distributed as follows:

**Table 2 - Respondents per Division Unit**

<b>Division Unit</b>	<b># of respondents / # of employees</b>	<b># of Surveys Distributed</b>	<b>% of Responses</b>
Administration / Headquarters	72	297	25%
Operations / Vessels / Terminal Engineering	256	1,224	21%
No Answer	151	NA	NA
<b>Total</b>	<b>479</b>	<b>1,521</b>	<b>31%</b>

To isolate the strengths and opportunities for improvement, the project team categorized the questions and survey results among the following overall categories:

- Political Environment
- Management and Leadership
- Operations and Communications
- Organizational Structure and Staffing Levels
- Performance and Accountability

While there may be some overlap between the categories, this helps isolate the strengths and opportunities for improvement within key areas. Each of the sections below provides a brief summary of the results, with more detailed results tables located within the Appendices. The first section below summarizes the results regarding the overall political environment.

**A. THE POLITICAL WORKING ENVIRONMENT**

The majority of survey respondents perceive the Legislature, the Governor’s Office, the WSF, and the unions as not working effectively together, while the majority of respondents perceive the political bodies (i.e., the Legislature) is overly involved in operations versus providing policy guidance. These inter-organizational relationship and micro-management themes were consistent with many management interviewees and generally reflect a major concern of several interviewees. While these results are not surprising given the various challenges and changes involving the WSF over the past decade (e.g., with the economic challenges, resource cutbacks, lack of stable funding sources, etc.), these results do provide insights as to the potential steps that should be taken to improve the working relationship among these parties that focuses on improving transparency, communication, and collaboration. The responses were generally consistent among the employee classifications, with the majority of employees across the classifications identifying the working relationships among these entities as an issue.

Statement	Strongly Agree	Agree	Disagree	Strongly Disagree	Don't Know / No Response
1. WSF Management provides consistent work direction to ensure effective WSF operations.	5.2%	36.1%	31.7%	22.2%	4.8%
2. Management provides effective leadership and a clear vision of where we are heading as an organization.	3.7%	20.7%	36.9%	34.9%	3.7%
3. I feel well supported by Management in my daily work.	7.2%	33.4%	23.3%	33.2%	2.9%
4. WSF Management takes action on employee ideas to improve operations of the organization.	3.9%	23.5%	29.6%	36.4%	6.5%

**WASHINGTON STATE FERRIES**  
**Evaluation of Management and Organizational Structure**

Statement	Strongly Agree	Agree	Disagree	Strongly Disagree	Don't Know / No Response
5. Management in our organization works well together as a team.	4.4%	22.2%	25.9%	37.9%	9.6%
6. Management regularly engages employees through various communications and keeps them informed.	4.6%	37.7%	33.8%	21.4%	2.4%
7. Management encourages reporting important information up-the-chain-of-command, even if it is bad news.	7.7%	44.2%	23.0%	19.5%	5.5%
8. My immediate supervisor regularly engages employees through various communications and keeps them informed.	24.9%	48.0%	17.8%	7.1%	2.2%
9. The safety of employees in my work unit is a priority to the supervisors and managers of the WSF.	23.8%	47.8%	12.9%	12.4%	3.1%

**B. MANAGEMENT AND LEADERSHIP**

The majority of survey respondents indicated issues and opportunities for improvement relating to the following survey questions in the Management and Leadership Section.

1. Provision of a consistent work direction
2. Definition of a clear vision for the future
3. Provision of stronger support for staff on a daily basis
4. Taking action on employee ideas
5. Improving teamwork among managers
6. Conducting more regular communications with employees

While the above indicates opportunities for improvement, the majority of respondents expressed some positive points in the survey's Management and Leadership questions:

7. The encouragement provided by management to report important information
8. The regular communication provided by the "immediate supervisor" to employees
9. That WSF managers and supervisors have employee safety as a high priority

Regarding management and leadership survey responses: the key issues for which the majority of executives / managers responded in an opposite manner (i.e., more positive manner) from the majority of supervisors and staff were related to management providing consistent work direction, management providing effective leadership and clear vision, management taking action on employee ideas, and management working well together. These survey responses of managers were also consistent with themes discussed during interviews; there were limited instances where managers complained regarding leadership, vision and action on ideas. There were, however, some periodic discussions with regard to improving communication both horizontally and vertically within the WSF organization.

### **C. OPERATIONS AND COMMUNICATIONS**

The majority of survey respondents indicated issues and opportunities for improvement relating to the business and operational processes between WSF work units, improving the working relationship between some WSF work units, as well as developing more clear lines of communications among managers, supervisors, and staff. Although respondents indicated an issue with communication among “some” WSF work units, the majority of respondents agree there is good teamwork and communication among “most” WSF work units. As noted above, improving communications among some work units was noted by some in the interview process, and as quoted by one interviewee, should be better facilitated to avoid the “silo mentality.” Other strengths include the perception that technology is effective and helps productivity, and that business and operational processes within their own respective work unit is efficient and effective.

For this area, the key issues for which the majority of executives / managers responded in an opposite manner (i.e., more positive manner) from the majority of supervisors and staff related to the efficiency and effectiveness of business processes between work units and the clarity of lines of communication across the organization.

#### **D. ORGANIZATION AND STAFFING**

The majority of employee survey respondents perceive the organizational structure as not promoting the efficient use of staff, that the WSF may be “top-heavy” with too many managers and supervisors, and that the overall organizational structure has too many layers of management and supervision. The key issues for which the majority of executives / managers responded in an opposite manner from the majority of supervisors and staff related to the following:

- That the organizational structure was effective and promoted efficiencies (managers agreed with this statement more than supervisors and staff)
- That there is a good balance between the number of managers / supervisors and staff (managers agreed with this statement more than supervisors and staff)
- That there are too many managers / supervisors in relation to the number of staff (staff agreed with this statement more than managers)
- That the organizational structure has too many layers of management and supervision (staff and supervisors agreed with this statement more than managers).

While the survey responses of line staff reflected the above, the interviews with most managers supported their independent survey responses bulleted above. There was some minor concern noted in some interviews that some administrative functions were over-staffed with managers and that overall management staff was excessive. This, however, does not coincide with the project team’s overall management review as discussed subsequently.

#### **E. ACCOUNTABILITY AND PERFORMANCE**

The most significant opportunities for improvement per the survey relate to the timeliness of how managers and supervisors provide feedback to the employees, and to the timeliness regarding issue resolution. Conversely, the survey results for accountability are generally positive, with the majority of respondents highlighting the following:

- Clarity of performance expectations
- Accountability for performance
- Clarity of policies and procedures
- Effective training
- Provision of proper technical work direction and professional supervision
- Emphasizing lessons learned when mistakes are made

As this portion of the survey shows, even though respondents indicate an issue with the timeliness of feedback and issue resolution, the majority of respondents agree that the WSF is meeting many best practices regarding daily performance and operations. The key issues for which the majority of executives / managers responded in an opposite manner (i.e., more positive manner) from the majority of supervisors and staff related to the availability of management to provide timely feedback and the timeliness of problem resolution.

\* \* \* \*

In sum, the results of the survey highlight a number of key challenges and opportunities for improvement:

- Improving the working relationships among the executive, legislative, management, and union entities
- Ensuring the efficiency of management and supervisory staffing / layers, and improving organizational communication

Finally, it is important to note the results of a key indicator – approximately 65% of respondents agree that the WSF is a “good place to work”. This response is distributed by employee classification as follows:

**Table 3 – Response by Job Classification**

		<b>Executive / Manager</b>	<b>Supervisor</b>	<b>Staff</b>
Overall, the WSF is a good place to work.	Strongly Agree	40.7%	21.4%	19.5%
	Agree	51.9%	45.7%	43.7%
	Disagree	0.0%	17.1%	20.9%
	Strongly Disagree	0.0%	8.6%	13.0%
	NA	7.4%	7.1%	2.8%

As the response to this question shows, the majority of employees from each employee classification indicated that the WSF is a good place to work. However, the overall percentage of 65% is slightly lower than typically seen in other public sector organizations (this would appear to be partially the result of recent labor negotiations and concessions as well as the current economic climate).

### 3. ASSESSMENT OF MANAGEMENT AND ORGANIZATIONAL STRUCTURE

When discussing management, the related systems, and the organizational structure for any agency such as the Washington State Ferries (WSF), each entity has unique issues which must be considered when developing an “appropriate” organizational and managerial structure. With respect to “best management practices”, what is the best organizational structure? Best practice definitions are also subject to debate, but can provide appropriate guidance when evaluating organizations. The intent of an organization plan (and the way it is managed) is to establish a clear distinction between the primary functional areas of an organization and then to foster staffing and accountability around a comprehensive sense of purpose for each function. There is no one “correct” template for an organizational structure, which, out of necessity, develops around unique needs.

The purpose of evaluating organizational structure and the attendant management systems is to address questions regarding lines of authority, responsibility, accountability, functionality, and economies of scale. Fundamentally, well-managed organizations are designed to deliver quality and cost-effective services to customers and to maximize management control over such service delivery. Essential components to a well managed and effective organization provide that:

1. **An agency should be organized on a ‘form follows function’ basis with a clear, distinct and comprehensive sense of purpose or mission for each operating unit.** Functions are grouped consistent with their periodic interaction, management systems, delivery of services, and are linked in some way, resulting in functional cohesion.
2. **The organizational structure should foster accountability.** The organizational structure fosters accountability among management, supervisory and line staff.
3. **The plan of organization should enhance communication and coordination.** The number of handoffs/exchanges required among different operating units providing service to the public is minimized. The structure enhances shared knowledge and understanding among divisions with similar mission goals and objectives. The channels of communication are clear and consistent.

4. **Staff resources should be utilized efficiently.** The plan of organization minimizes administrative overhead. Workload can be distributed and shared to maximize the productivity of staff through peaks and valleys and offer cross-utilization capabilities. Processes can be fully standardized to enhance the efficiency and customer responsiveness of services.
5. **The potential of human capital should be maximized.** The plan of organization enhances career development opportunities, training, recruitment and retention.
6. **The services provided to customers should be responsive.** The plan of organization enables staff to provide better and transparent service to the public. Customers are the hub – with the agency designed around them.
7. **Each operating division/section should be placed at a level in accordance with its importance in achieving agency goals.** Divisions have not been placed too high in the agency structure or too low relative to their importance.
8. **The span of control for any manager or supervisor should not exceed the number which can be feasibly and effectively supervised.** The trend is to widen spans of control, although such widening can become ineffective if not closely monitored.
9. **Job classifications reflect the appropriate duties and responsibilities performed.** While consolidation of job classifications (broad-banding) has received increased attention over recent years, job classifications should reflect generally unique duties and responsibilities performed.
10. **The number of layers of management should not result in a tall, narrow configuration for the organization.** Organizations with many layers of supervision are associated with vertical decision-making that is becoming less common due to the need to rapidly effectuate change. Flatter organizations facilitate decentralized decision-making, as more authority for making decisions is given to the front line employees.

The following tables provide a listing and discussion of the predominant issues impacting the WSF management and organizational structure framed by the above principles; essentially these are key findings, conclusions and recommendations based upon the project team's analysis.

**Span of Control and Supervision**

<b>Key Issues and Key Findings</b>	<b>Summary of Project Team's Assessment</b>	<b>Recommendation</b>
<p><u>Issue(s)</u></p> <p>Have management positions changed significantly over the last several years?</p> <p><u>Finding(s)</u></p> <p>Overall, management to line staff proportions and related costs have not changed significantly over the past decade.</p> <p>Numerous full-time on-site consultants previously used by the WSF have been nearly eliminated. These people were on-site and essentially acting as employees, although they were not State employees.</p> <p>Further cuts have been made in FY 2011-2013.</p>	<p>The following data are noted:</p> <ul style="list-style-type: none"> <li>• Management and support operations labor costs in the 1999-2010 timeframe have grown at the same rate as vessel and terminal operations labor costs. In 2010 management and support labor costs were 10 percent of total operations labor costs and the average percentage for the entire 1999-2010 time period is 10 percent.</li> <li>• Executive Management positions decreased over four years and represented 2% of all positions in 2005-07 and approximately 1% in 2009-11. Positions have been reduced from 27.25 FTEs to 11 FTEs from 2005-07 to 2011-13 largely as a result of centralization in WSDOT.</li> <li>• Operations Management and Support positions increased over four years (from 61 to 70.55 FTEs) and represented 4% of all positions in 2005-07 and 5% in 2009-11.</li> <li>• Maintenance Management &amp; Support and Finance &amp; Administration remained at 4% of all positions over the 2005 to 2011 time period (from 61 FTEs to 58.85 FTEs).</li> <li>• Overall Management and Support positions decreased from 149.25 positions in 2005-07 to 145.15 positions in 2009-11 (10% to 9% of total Full Time Equivalents, respectively)<sup>1</sup>.</li> <li>• Since the mid-2000's to the most recent fiscal year budget (FY 2011-13) the total reductions are 29 Ferries FTEs (net cuts) + 17 on-site consultants (net cuts) for a total of 46 full-time equivalent positions cut. New positions were counted against the total, so this is a net number.</li> </ul>	<p>None Noted.</p>

<sup>1</sup> Cedar River Group, 4/1/11 memorandum, page 1-3. These data do not include WSF capital programs where there were additional cuts.

**Span of Control and Supervision – Managerial Control**

Key Issues and Key Findings	Summary of Project Team’s Assessment	Recommendation
<p><u>Issue(s)</u></p> <p>Spans of managerial control are unbalanced, ranging from one-over-one reporting relationships to managing several dozen personnel.</p> <p>There are possible opportunities to centralize some staff functions to streamline or re-allocate management positions.</p> <p><u>Finding(s)</u></p> <p>The WSF organizational structure varies widely with regard to span of control and managerial layers.</p> <p>In a “reactive/responsive culture” such as the WSF, additional management positions and layers are necessary.</p> <p>Additional management positions and layers are regularly necessary when lowest level managers and/or supervisors do not or cannot exert sufficient authority and control.</p>	<p>Best practices typically indicate that there should be no more than five management layers from the lowest first line supervisor to the executive management position of an agency; there are exceptions. The intent of this “flatter organizational structure” is to facilitate communication and drive decision-making to lower levels. When incorporating the WSF in the broader WSDOT organization, the “rule of five” is exceeded in some divisions.</p> <p>Best practice suggests typical mid-level manager to first-line supervisor spans of control range from 1:6 to 1:11 depending upon variables such as the amount of technical, administrative and field work accomplished by the supervisor/manager beyond personnel oversight, the type and complexity of the profession, etc. Executive-level spans of control are typically narrower. Recent trends are to widen span of control.</p> <ul style="list-style-type: none"> <li>• When incorporating the WSF in the broader WSDOT organization, the “rule of five” is exceeded in some divisions. By example, in WSF Operations, the number of layers is <b>seven</b> (ranging from the WSDOT Secretary to the Captain level) or <b>six</b> if only including the WSF organizational structure.</li> <li>• The spans of control in some WSF instances are overly narrow, with some one-over-one reporting relationships (e.g., the Operations Center Port Captain has one direct report).</li> <li>• Conversely, some lower level manager positions have overly extensive spans of control, overseeing dozens of personnel (e.g., Port Captains and Terminal Managers).</li> </ul>	<ol style="list-style-type: none"> <li>1. In conjunction with other operational, organizational and cultural changes as reflected in this report, consolidation of some managerial functions in the WSF is possible (see Chapter 4 for further discussion).</li> <li>2. Lower level management / supervisory positions are necessary in some functional areas of WSF (see subsequent chapters for further discussion).</li> </ol>

**Span of Control and Supervision – Supervisory Assignment and Models**

Key Issues and Key Findings	Summary of Project Team's Assessment	Recommendation
<p><u>Issue(s)</u></p> <p>There is a lack of proper management and supervision outside of the 8am-5pm time period at certain WSF locations (e.g., terminals).</p> <p><u>Finding(s)</u></p> <p>Ferry Terminals do not have dedicated supervision beyond the approximately the 5pm to 2am timeframe.</p> <p>In the Operations Center dispatchers work on a schedule covering 18 hours, 7 days per week. They have no direct supervision during night periods and must rely on the Crew Resource Manager being "on-call." This is despite a Watch Center Supervisor on-site with other duties, who is not cross-trained and has no authority over these dispatch positions.</p>	<p>Some WSF operations do not have the lowest level of management (direct supervisors) available during operating hours outside of 7am to 5pm. Examples include:</p> <ul style="list-style-type: none"> <li>• Terminal supervisors typically conclude shifts at 5pm despite extended (and often busier) operating hours well beyond this time.</li> <li>• There is no dedicated or officially delegated manager in charge at these terminals outside of 7am to 5pm. Senior Sellers typically perform this role, if required, without "acting pay" compensation.</li> <li>• There is no dedicated supervisor in charge of the Operations Center (Dispatch operations) beyond 5pm.</li> </ul>	<p>3. All WSF operations should have an assigned supervisor to manage daily functions irrespective of the time of day / day of week. This can be an acting supervisor, or a dedicated supervisor.</p> <p>4. Those personnel assigned to regularly act in a supervisory capacity should be paid "acting pay" for such service.</p> <p>5. Different supervisory models could be adopted to avoid the need for site-specific supervision. This could include a Supervisor outside of 9-5 in the Operations Center overseeing dispatch on-site and terminal functions remotely. The issue is to ensure that personnel with dedicated responsibility and accountability are assigned to manage/supervise.</p>

**Performance Management**

Key Issues and Key Findings	Summary of Project Team's Assessment	Recommendation
<p><u>Issue(s)</u></p> <p>The WSF Performance Management System (performance evaluations, performance objectives, key performance indicators) is not consistently used or fully established throughout the organizational structure.</p> <p><u>Finding(s)</u></p> <p>The annual employee performance evaluation system is not used throughout the WSF organization. This includes various management / supervisor positions as well as line staff.</p> <p>Additional and appropriate Performance Objectives need to be developed, allowing the WSF management to be held accountable by the executive branch and overseen by the legislative branch, thereby minimizing overt involvement.</p>	<p>Performance evaluations and performance objectives are part of a broader, and important, Performance Management Program.</p> <ul style="list-style-type: none"> <li>• Interviews with WSF managers indicate the performance evaluation system is not used consistently throughout the WSF work units.</li> <li>• 47% of employee survey respondents disagreed with the statement “the performance evaluation system is fair and consistent”; a smaller percentage (37%) agreed with the statement.</li> <li>• While there are certain Key Performance Indicators (KPI) or objectives in place at the WSF (e.g., fairbox recovery rate), there is opportunity to augment these with additional SMART objectives (Specific, Measurable, Achievable, Relevant, and Time-bound).</li> </ul>	<p>6. As contractually practical, ensure an annual performance evaluation program is executed for all first-line supervisor positions and above on an annual basis. Properly completed performance evaluations are integral to a broader Performance Management Program.</p> <p>7. Follow-through on the independent Performance Objective Development Initiative. The Governor's Office should use SMART objectives for the WSF, reported quarterly to key stakeholders, to ensure the organization's accountability and help minimize legislative operational involvement and inquiry, as practical.</p> <p>8. In concert with the above, develop an Annual Work Plan as part of a broader Performance Management Program whereby the Governor's Office can hold the WSF accountable for achievement of certain agreed upon initiatives. These results should be reported to the Legislature.</p>

**Performance Management – Promotional Process**

<b>Key Issues and Key Findings</b>	<b>Summary of Project Team’s Assessment</b>	<b>Recommendation</b>
<p><u>Issues(s)</u></p> <p>The WSF promotion process is problematic for some management positions.</p> <p><u>Finding(s)</u></p> <p>The WSF does not have a consistent practice in place with respect to promotional opportunities. Some “Equivalent Positions” are promoted based upon seniority while others are based upon knowledge, skills and abilities.</p> <p>This promotional approach is largely based on current contractual obligations.</p> <p>WSF management generally concurs that promotions should be merit-based.</p>	<p>Disparate promotional systems and opportunities are not consistent with best management practices and exacerbate problems in any agency’s Performance Management system.</p> <ul style="list-style-type: none"> <li>• Positions such as Staff Chief assigned to Vessel-based Engineering and Terminal Supervisors are promoted based upon performance.</li> <li>• Positions such as Staff Master (Captain) and Watch Center Supervisors (Operations Center) are promoted based exclusively on seniority.</li> <li>• This issue is linked to specific contract language and discussed further in Section 3 of this report.</li> </ul>	<p>9. To facilitate effective agency-wide Performance Management, contracts should be negotiated whereby manager/supervisor selection is based upon the “most qualified” person with seniority being utilized as a factor only on “equally qualified” individuals.</p>

## Contract Management

Key Issues and Key Findings	Summary of Project Team's Assessment	Recommendation
<p><u>Issue(s)</u></p> <p>Many contract terms and conditions associated with several bargaining units are uncommon; these can have a dramatic impact on the way an organization is managed.</p> <p>Certain internal procedures resulting from contracts (e.g. call-back procedures, disciplinary procedures) are cumbersome and hinder managers' ability to effectively operate, and results in excessive operating costs.</p> <p><u>Findings</u></p> <p>There are various major provisions in WSF contracts that have significant impact on either operational discretion exercised by Management or that represent increased costs to operations beyond those typically seen in other public sector employment relationships.</p> <p>Many of these contract terms and conditions were awarded to Unions during arbitrated negotiation procedures and were not considered viable by many in WSF management.</p> <p>Conversely, the contracts are missing other provisions that are consistent with best practices.</p>	<p>Contract terms and conditions can have a dramatic impact on the way an organization is managed and how business is conducted, impacting both operational efficiency and effectiveness. Contracts need to be equitable for both management and staff to ensure productive agency operations.</p> <ul style="list-style-type: none"> <li>• Given the importance of potential deleterious issues related to contract language, it is further detailed in Section 3 of this report.</li> <li>• There are some contract elements, such as "lack of acting pay for supervision" or "pay for additional certifications" that ideally should be incorporated into contract language.</li> </ul>	<p>10. To facilitate efficient and effective WSF operations, contracts should be negotiated with terms and conditions that are equitable to staff while retaining appropriate management rights and flexibility to productively operate the WSF agency.</p>

**Organization and Operations – WSF Culture**

Key Issues and Key Findings	Summary of Project Team’s Assessment	Recommendation
<p><u>Issue(s)</u></p> <p>Multiple and often competing direct input from numerous stakeholders creates a reactive culture and impacts managers’ capabilities to manage efficiently and effectively.</p> <p><u>Finding(s)</u></p> <p>There is a strong perception that the Legislature micro-manages the WSF to its detriment. Micro-management is also perceived as a characteristic of some WSF management positions throughout all levels of the WSF. Internal and external micro-management creates inefficiencies in operations.</p> <p>There is a strong perception of over-involvement by various interested WSF stakeholders (ranging from the Legislature to citizen Ferry Advisory Committees) that overly influence WSF operations. Such involvement can impact the efficiency and effectiveness of the organization. There is a perception that insufficient autonomy exists.</p> <p>There is perceived dissension among union, rank, file, and management that impacts the ability to effectively manage.</p> <p>The outcome of these influences is a reactive/responsive organizational culture that impacts agency personnel requirements (Firefighter Syndrome).</p>	<p>Micro-management definition: <i>To manage or control very closely, as by making decisions about even the smallest details, often so as to be regarded as acting inefficiently or counterproductively.</i></p> <ul style="list-style-type: none"> <li>• Both management and employee survey results indicated a culture of micro-management at the WSF, beginning with the Legislature and including some personnel in various management positions.</li> <li>• There is opinion that various end-user groups, such as the Ferry Advisory Committees, have undue influence on WSF operations impacting its ability to make sound business decisions based upon both service delivery and fiscal realities.</li> <li>• 72% of survey respondents disagreed with the statement “political bodies and WSF staff work effectively together.”</li> <li>• 72% of all survey respondents disagreed with the statement “the Union and WSF management work effectively together”. Interestingly, a smaller proportion (64%) of staff positions shared this position although 1-in-6 had “no opinion.”</li> <li>• 78% of WSF Executives and Managers, and 54% of Supervisors (1-in-5 had no opinion), disagreed with the statement “Political bodies emphasize policy guidance to WSF as opposed to operational input.”</li> </ul>	<p>11. Improve staff / management relations through internal joint teams dedicated to solving major WSF issues. Issues resolution could potentially be focused upon any major initiatives identified in the recommended Annual Workplan.</p> <p>12. The Governor’s Office and WSDOT executive management, in conjunction with WSF executive staff, should establish and agree upon clear performance standards with which to evaluate the level of success achieved by the WSF organization in providing services to the public. These performance standards should ultimately be deemed appropriate by WSF stakeholders as representative of a “productively run organization” hopefully limiting their over-involvement in WSF operations.</p>

**Organization and Operations – Managerial Administrative Workload**

Key Issues and Key Findings	Summary of Project Team's Assessment	Recommendation
<p><u>Issue(s)</u></p> <p>Some administrative tasks performed by manager / supervisor are over-emphasized and extremely time consuming. Administrative duties performed by a number of managers and supervisors are inconsistent with best practices and/or better performed by para-professional positions.</p> <p><u>Finding(s)</u></p> <p>Some of these administrative tasks, such as auditing Pay Orders, were directed from elsewhere in State government and should be re-visited.</p> <p>Such duties impact both staffing needs and the abilities of managers and supervisors to focus on core business as opposed to repetitive administrative tasks.</p>	<p>A key management principle is that <b>staff resources should be utilized efficiently.</b> The organization must allow managers to focus on the core business of managing processes and people while <i>minimizing</i> burdensome administrative tasks.</p> <ul style="list-style-type: none"> <li>• Approximately one dozen middle managers spend 20% to 30% of their time auditing personnel Pay Orders.</li> <li>• Every terminal supervisor audits daily all Digital Video Recording (DVR) Exceptions at the payment booths (of which only a small percentage are terminal employee error) as opposed to programs based on random sampling, Employee Improvement Program efforts or other similar initiatives.</li> </ul>	<p>13. Enhance internal operations through internal staff / management teams dedicated to solving major WSF issues. For example, identify time-consuming and repetitive managerial administrative tasks and then re-engineer these processes to reduce administrative burdens.</p> <p>14. If various administrative efforts are deemed mandatory, identify and hire para-professional positions, as practical, to re-allocate these duties, thereby freeing managers to perform core business associated with a management position.</p>

**Organization and Operations – Information System Technology**

Key Issues and Key Findings	Summary of Project Team’s Assessment	Recommendation
<p><u>Issue(s)</u></p> <p>Information Systems (technology, communications) are not effectively utilized in several instances, reducing managerial efficiency. Various prior information technology (IT) initiatives have not met with desired success or, alternately, have outright failed in their implementation for various reasons.</p> <p><u>Finding(s)</u></p> <p>Information Technology is presently centralized in WSDOT, thereby somewhat restricting WSF control over IT operations.</p> <p>Technology impediments can significantly affect an organization’s ability to manage efficiently and effectively.</p>	<p>The proper use of technologies is a key driver in managing an organization. While effectively implemented technologies can support and supplant staff, failed technology initiatives, or those not implemented effectively, can have a dramatic impact on managerial efficiency. The following serve as WSF technology efforts that have not achieved desirable outcomes for various project management, business integration failures, or other common IT-based shortcomings.</p> <ul style="list-style-type: none"> <li>• A lack of integration between two IT systems: Oracle and AOSS (Automated Operations Support System) software, requires managers to spend extensive time auditing Pay Orders.</li> <li>• The MPET software that tracks inventory, parts, and work orders has inconsistent on-vessel communication linkage to the land-bound communication infrastructure. This causes intermittent connections, periodic lost data, redundant data entry, etc.</li> <li>• The WINDS dispatch software designed to replace other proprietary software has been described by some WSF members as a failed information technology solution. The software, implemented within the past 5 years at an approximate cost of \$2 million, is described as both cumbersome and unmanageable by end users, resulting in some staff using older systems to facilitate their work.</li> <li>• A proprietary customer complaint database is maintained, but not generally used for lessons-learned, disciplinary processes, pattern identification that could lead to operational modifications, etc.</li> </ul>	<p>15. Ensure all IT projects developed are consistent with a WSF Information Technology Strategic Plan (ITSP); if this is not in place, develop an ITSP.</p> <p>16. All information technology projects should be managed consistent with Engineering-based PMBOK (Project Management Body of Knowledge) standards.</p> <p>17. Re-visit major information technology initiatives that are identified as potential failures or have significant implementation problems and report to WSDOT executives the steps that must be taken to resolve such issues.</p>

**Organization and Operations – Management Roles and Responsibilities**

Key Issues and Key Findings	Summary of Project Team’s Assessment	Recommendation
<p><u>Issue(s)</u></p> <p>There is a lack of consensus and understanding regarding some management positions as to their respective roles and responsibilities. Staff Master / Captain positions are not yet fully developed, nor are staff trained, to serve as first-line managers / supervisors in the WSF.</p> <p><u>Finding(s)</u></p> <p>Other supervisory positions in the WSF (e.g., Terminal Supervisor) do not consistently understand or embrace the roles and responsibilities of a supervisor position, particularly related to employee discipline.</p> <p>Lowest level manager and first-line supervisor positions that are untrained, unable, unwilling, or not directed to perform core supervisory duties can affect the roles and responsibilities of upper level managers. Supervisors who do not perform in such roles consistent with best practices can potentially require additional staff resources at managerial levels to compensate.</p>	<p>Lowest level managers and first-line supervisors are near universally regarded as one of the most important “managerial” positions in an agency, providing the critical linkage between staff and “upper management.” Problems at this organizational layer can have a dramatic impact on operations.</p> <ul style="list-style-type: none"> <li>• With the recent “re-class” of Captains to managers, there is a lack of clarity as to their true roles and responsibilities. Many captains do not embrace this job expansion. Limited training has been provided. Formal extension of their duties does not begin until July, 2013.</li> <li>• Many first line supervisors are not delegated, or not contractually obligated to get involved in employee review and/or disciplinary processes. This requires managers to take on this sometimes onerous and lengthy responsibility.</li> </ul>	<p>18. In the mid-term, conduct a comprehensive WSF compensation and classification study specifically defining the roles and responsibilities of all WSF positions as well as compensation recommendations based upon knowledge, skills, abilities and job requirements. This should include Relief Employees as well as On-Call employees. Such studies typically cost \$500-\$1,000 per job classification and could be limited to various job classification layers (e.g., all supervisors).</p> <p>19. Provide adequate (e.g., 40 hours) supervisory training to all new managers and supervisors with regard to expected roles and responsibilities, with particular emphasis in such areas as personnel management. Periodic re-fresher training is encouraged on a bi-annual basis. The cost of such operations is dependent upon the training performed (on-site versus off-site) and whether absent positions resulting from training require overtime coverage.</p>

**Organization and Operations – Managerial Job Classifications**

Key Issues and Key Findings	Summary of Project Team’s Assessment	Recommendation
<p><u>Issue(s)</u></p> <p>Some positions classified as “managers” are performing few managerial functions. They operate as professional classifications.</p> <p><u>Finding(s)</u></p> <p>A review of manager positions indicates that some of them would be classified as professional or supervisory (as opposed to managerial) job classifications in many other public sector agencies.</p> <p>Mis-classification of job positions can inflate (or alternately deflate) numbers related to the total assignments in managerial, professional, para-professional, clerical, and other job classes. In the WSF, the managerial count seems to be partially inflated.</p>	<p>With regard to an organizational and management structure that demonstrates that <b><i>job classifications reflect the appropriate duties and responsibilities performed</i></b>, the organization should ensure position titles and the attendant roles properly reflect a common-practice job classification.</p> <ul style="list-style-type: none"> <li>• One-over-one reporting relationships often (though not always) indicate redundancy in duties and responsibilities—and the possibility of position reduction—or alternately, improperly classified jobs. There are some situations of one-over-one relationships in the WSF.</li> <li>• Some positions, illustrated by the Communications Manager or Communications Systems Manager, are actually supervisor or professional positions in other public sector agencies, not managers.</li> </ul>	<p>20. See recommendation 18.</p>

## **4. ASSESSMENT OF MANAGEMENT POSITIONS**

An evaluation of management positions uses a variety of approaches to determine their necessity. Various best practices as well as academic and professional literature speak to the knowledge, skills, abilities, expectations, roles and responsibilities of manager positions. There is a definitive distinction between managers and other types of positions (e.g., supervisors). While the WSF may need to follow general guidelines and parameters for position classification to remain consistent with other state agencies and entities, it is important that the organization allocate positions and define reporting relationships appropriately for the most effective and efficient operation. Many changes recommended throughout this chapter provide alternative approaches to supervisory spans of control and reporting relationships than currently exist. These have been identified in areas where it has the potential to improve operations, make greater use of supervisory personnel, and limit unnecessary fragmentation of operations.

When comparing the WSF to other organizations and spans of control studies, it should be noted that the WSF is unique in that many of the other organizations (and spans of control studies) are not specific to ferry operations. However, except for the direct ferry operation (and associated crew), the administrative functions of the WSF are no different than other State Agencies or public sector operations. In those areas, the spans of control studies are of greater use in providing comparative information and benchmarks.

The following chapter discusses the methods and outcomes for reviewing the Washington State Ferries management positions. Overall, it should be noted that the WSF appears to broadly define many job classifications as managerial. The impact of this is described throughout this report.

### **4.1. MANAGERIAL SPAN OF CONTROL.**

The evaluation and analysis of an organization's "span of control" can be useful in evaluating the effectiveness and efficiency with which an organization is using one of

its most important, and often most costly, resources – namely supervisory and managerial personnel. Changes in organizational structure, and process changes, can only transform an organization so far; to achieve truly transformational changes in how services are delivered, there are three critical components to service delivery:

- (1) the overall organizational structure must be appropriate and suited to the services provided;
- (2) services provided are performed in an efficient and effective manner; and
- (3) the level of supervision is appropriate to monitor and deliver services, but not overly heavy where managerial / supervisory resources are overused / not fully implemented.

In conducting an evaluation of the spans of control for the Washington State Ferries, the following efforts were undertaken:

- Managerial and supervisory structure was reviewed;
- Ratio of the number of managers / supervisors to employees was calculated for major divisions; and
- Comparisons were made to other comparable spans of control studies and recognized benchmarks.

There is no “one right” span of control for all organizations, or position level. The span of control varies based upon many factors including:

- (1) level of the supervisory position,
- (2) type of positions supervised,
- (3) policies and procedures (standard methods of work) in place within the organization; and
- (4) level of training and skill of individual supervisors.

A span of control appropriate for one organization may be inappropriate for another based upon differing organizational norms and service delivery approaches. While all variables cannot be controlled, general comparisons are appropriate to provide a relative indication of the appropriateness of the managerial structure and spans of control in one organization against other organizations.

#### **(4.1.1) Other Spans of Control Studies.**

Several comprehensive studies of public sector organizations have been conducted across the nation that are widely cited and can provide some contextual basis for use in comparing with the Washington State Ferries organization. These studies typically found that existing spans of control for managerial / supervisory personnel fell within the 1:5 to 1:7 ranges (number of managerial / supervisory personnel per employee). However, given there are national and international efforts to widen spans of control (particularly in down economies) the targeted range for an appropriate average span of control is often cited as in the range of 1:11 to 1:15. These studies provide relevant comparative data, especially those focused on State operations, for use as a general benchmark in evaluating the WSF operations. Consequently, the Matrix Consulting Group looks for potential spans of control issues outside of the 1:6 to 1:11 framework. Several studies also referenced data indicating an overall span of control for private sector operations with an average span of control of 1:11. A complete listing of studies reviewed for this engagement is included in Appendix A.

While the methodologies varied slightly in some of these studies, overall the span of control was calculated as the number of direct reports to managerial / supervisory employees. In all of these studies, the span of control varied significantly by individual supervisor and by department – often ranging from a low of 1 or 2 direct reports to more than 15 at the top end. The one variable in the calculations was how specific entities treated “lead” or “working” supervisory positions. Generally, they are included in the calculation of spans of control only where the supervisory responsibilities are a significant component of their duties. In cases where the supervisory duties are *de minimis*, the positions are excluded from all calculations. Also, seasonal employees were generally excluded from span of control calculations unless they represented a significant number of employees that worked for an extended portion of the year.

#### **(4.1.2) Executive / Management Staffing**

The project team reviewed the level of executive and management positions allocated to the Washington State Ferries. In the 2009-11 biennium, there were 33.05 FTE positions classified as management (defined as those in the W & E Series). With a total staffing of 1,538.92 FTEs, the positions allocated to management represent 2% of overall positions.

#### **(4.1.3) Spans of Control for WSF Work Units**

The project team calculated the spans of control for the administrative functions of the Washington State Ferries organization. While generally information gathered from official organizational charts and employee listings was utilized, in some limited cases modifications were made based upon interviews with directors, where significant changes had occurred in the organization in the intervening time.

The following tables summarize the individual spans of control for each individual operating unit of the Washington State Ferries organization. The charts are presented only for those departments / entities with more than one layer of supervisory personnel and generally document major functional areas. The span of control for each major supervisor / functional area is listed along with potential future areas to review for consideration and evaluation to expand the span of control of individual supervisors or functional areas through organizational change and streamlining of operations.

While specific alternatives and suggestions are provided in Section 1 of this report, some general comments should be kept in mind when considering alternative organizational structures. Future managerial / supervisory streamlining effort should take into consideration whether the managerial / supervisor position is eliminated entirely (producing the greatest cost savings), or whether the “supervisory” functions of two positions are combined, and a portion of the savings is utilized for additional front-line staff. In cases where managers or supervisors are also conducting direct work / functions to provide service, the latter is the approach that should be utilized. Spans of control listed as n/a represent positions with no direct reports.

**(4.1.3.1) Assistant Secretary**

The following table outlines the span of control for the Assistant Secretary's Office:

**Table 4 – Span of Control – Assistant Secretary**

<b>Department / Agency</b>	<b>Overall Span of Control ( 1 : X )</b>
Assistant Secretary – WSF	4.25

The Assistant Secretary serves as the principal executive of the Washington State Ferry System and these numbers are representative of those seen in chief executive offices for operations the size of the WSF.

**(4.1.3.2) Communications**

The following table outlines the span of control for the Communications Office:

**Table 5 – Span of Control – Communications Office**

<b>Division / Organizational Unit</b>	<b>Overall Span of Control ( 1 : X )</b>
Director	4
Sr. Manager – Customer & Comm. Programs	3
• Communications Consultant (Customer Service & Information Manager)	11
• Staff Aide	n/a
• Records Management Supervisor	2
Community Relations and Outreach Manager	n/a
Communications Consultant 3	n/a
<b>Overall Unit Average</b>	<b>3.1</b>

With the exception of the Customer Service and Information Manager, the spans of control within this unit are low and the overall span of control is below the level that

should be targeted for the organization. Consideration should be given to reorganization to expand spans of control in the future and eliminate supervisory personnel overseeing only two or three positions.

**(4.1.3.3) Construction and Operations**

The following table outlines the span of control for Construction and Operations (which includes Operations, Vessels, and Terminal Engineering).

**Table 6 – Span of Control – Construction and Operations**

<b>Division / Organizational Unit</b>	<b>Overall Span of Control ( 1 : X )</b>
Deputy Chief	3
Director of Operations	5
• Senior Port Captain	5
• Comm. Systems Manager	1
• Fleet Safety Training Specialist	n/a
• HR Consultant 3	n/a
• Port Captain North (see Note 1 below)	est. 36
• Port Captain South (see Note 1 below)	est. 36
• Captains (see Note 1 below)	est. 7
• Operations Center Port Captain	1
• Crew Resource Manager	13
• Senior Shoreside Manager	4
• Terminal Manager (2)	14.5
• Terminal Manager South	11.3
• OPS Design / Construction Project Mgr.	n/a
• Operations Dept. Programs Manager	2
• Program Specialist II	1
<b>Operations Unit Average (excluding Deck and Terminal personnel)</b>	<b>2.4</b>
<b>Operations Unit Average (including Terminal Personal)</b>	<b>8.8</b>
Director of Vessel Maintenance	6
• Vessel Design Chief Naval Architect	15
• Senior Port Engineer Vessel Preserv.	5
• Vessel Construction Manager	16
• Business Staff Supervisor	3
• Senior Port Engineer Fleet Maint.	4
• Port Engineer (see note 2 below)	385
• Port Engineer Fleet Maintenance	9
• Eagle Harbor Senior Port Engineer	5
• Eagle Harbor Port Engineer (see note 3)	2
• General Foreman (2 positions non-mgmt)	50
<b>Vessel Unit Average (including Engine Room Crews &amp; Trades positions)</b>	<b>59.6</b>
<b>Vessel Unit Average (excluding Engine Room Crews &amp; Trades positions)</b>	<b>5.8</b>

**WASHINGTON STATE FERRIES**  
**Evaluation of Management and Organizational Structure**

<b>Division / Organizational Unit</b>	<b>Overall Span of Control ( 1 : X )</b>
Director of Terminal Engineering	8
• Construction Maintenance Supervisor	2
• Marine Project Engineer	2
• Transportation Engineer 4	2
• Transportation Engineer 5	4
• Transportation Engineer 3	3
• Transportation Engineer 3	2
• Transportation Engineer 3	1
• Tribal Liaison	n/a
• Design Engineering Manager	3
• Marine Project Engineer	3
• Senior Marine Engineer	1
• Senior Marine Engineer	2
• Senior Marine Engineer	2
• Bridge Engineer 7 (Structural Sup)	7
• Bridge Engineer 7 (Elec Mech Sup)	4
• TE 4 (CADD Level)	2
• Terminal Engineering Program Manager	2
• Transportation Engineer 4	2
• TTE	2
<b>Terminal Engineering Average</b>	<b>1.9</b>
<b>OVERALL Ferries Division Average (including Engine Room Crews &amp; Trades positions)</b>	<b>50.1</b>
<b>OVERALL Ferries Division Average (excluding Engine Room Crews &amp; Trades positions)</b>	<b>2.9</b>

NOTE 1: Total deck personnel of 532 report to the North and South Port Captains through the Vessel Captains. The North and South Port Captains are each responsible for direct oversight of approximately 36 Captains and indirectly, due in part to the unresolved supervisory authority level of Captains, the 532 Deck personnel.

NOTE 2: Total Engine Room staffing of 385 ultimately report to the Port Engineer.

NOTE 3: Total Maintenance staff of 100+ are supervised by two General Foreman positions who report to the Eagle Harbor Port Engineer. In all cases, lead worker classifications were not considered in span of control calculations.

The spans of control for many positions (such as Crew Resource Manager, Terminal Manager, Vessel Design Chief, and Vessel Construction Manager) are generally in alignment with those seen in other organizations and targets established for other State governmental units, there are two areas where spans of control are well outside recognized norms. The spans of control for managerial / supervisory personnel in the Terminal Engineering function are almost universally too narrow and reorganization should be undertaken to increase the span of control from the typical 1:2

or 1:3 seen in this area. Conversely, the spans of control for the Port Captains and Port Engineers are far too broad, with too many direct reports to these individuals.

Overall, efforts should be undertaken to implement a new organizational structure that will address those functional areas with extremely narrow spans of control (i.e., those below 1:5; with particular focus on one over one reporting relationships) and those functional areas with extremely broad spans of control (i.e., those exceeding 1:20). These general guidelines were utilized when developing the specific recommendations for changes in reporting relationships contained in Section 4.3 of this chapter.

#### **(4.1.3.4) Finance and Administration**

The following table outlines the span of control for the Finance and Administration Unit:

**Table 7 – Span of Control – Finance and Administration**

<b>Division / Organizational Unit</b>	<b>Overall Span of Control ( 1 : X )</b>
Deputy Chief	6
Planning Director	2
Program Development & Budget Director	3
• Capital Program Manager	2
• Grants Program Manager	2
• Operating Program Manager	3
Legal Services & Contracts Director	3
• Transp. Planning Supervisor	3
• Contract Coordinator	n/a
• Transp. Tech Eng 5	1
Controller	10
• Fiscal Analyst 5	8
• Facilities Planner 2	1
• Purchasing Agent	n/a
Safety Systems Manager	6
• Training & Development Manager	n/a
• Risk Management / Safety System Mgr	2
• Fleet Safety Coordinator	2
• Company Security Officer & Emer. Mgmt	4
• Environmental Program Manager	n/a
• Safety Specialist	n/a
<b>Overall Finance &amp; Administration Average</b>	<b>2.5</b>

There are a large number of very narrow spans of control, throughout each of the functional units within this Division. This provides an opportunity for alternative

organizational structures that would broaden these spans of control away from the currently common two or three employees supervised by a supervisor. In general, spans of control are too narrow in this area, even given the technical and specialized nature of the work performed; which often results in narrow spans of control. Specific focus should be on expanding spans within the following units: Safety Systems, Legal Services, Program Development and Budget, and Human Resources – where the spans are extremely narrow. Additionally, the span of control of the Controller, while not exceeding benchmarks, includes the oversight of five buyer positions that would more typically report to the Purchasing Agent position in other organizations.

#### **4.2. DISTINGUISHING MANAGERS FROM OTHER POSITIONS.**

When evaluating manager positions, other elements beyond span of control must be examined. For example, the duties and responsibilities of the positions must be strongly considered. Beyond the information gathered by the project team from interviews, we evaluated the 73-page WSF internal document describing such job duties.<sup>2</sup> Additionally, other framing criteria are used to determine the “appropriateness” of management positions. During our review we considered the following frameworks:

- The Supervisory and Managerial category describes positions that exercise independent judgment in determining the distribution of work of at least 2 FTEs, and make decisions or recommendations about 3 or more of the following: hiring, performance ratings, merit increases, promotional opportunities, reclassification requests, written warnings, suspensions, disciplinary actions, and/or resolution of grievances or complaints. Managerial/supervisory jobs should contain these elements and if the job content does not support the definition of a supervisor or manager job standard, the position should be approved for a professional job title. Professionals may achieve and be responsible for many of the same functional responsibilities as a manager or supervisor, but achieve results through their own, personally-performed duties, rather than through the efforts of direct reports.
- With respect to managers and supervisors, a manager is responsible for making significant decisions on what the unit does: its purpose, functions and role, and for making commitments and decisions that require the expenditure of significant unit resources. Managers have a significant, external focus (to the world outside

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<sup>2</sup> WSDOT Ferries Division: Headquarters – Work Assignments 1/20/11

the unit), whereas a supervisor has a more internally focused responsibility for implementing the manager's decisions through the work of subordinate employees. Once a decision is made on what to do, supervisors have a significant role in deciding how to do it; and how to achieve the objective established by the manager. Supervisors often perform the same kind of work that the subordinates do; managers do not do the daily work of the unit as a regular part of their work, they may do it more on an exception basis or in resolving the most difficult problems facing the unit.

- Traditionally, the term "manager" refers to the individuals performing a set of activities typically involved in four general functions, including planning, organizing, leading and coordinating activities. As it relates to supervisors, typically supervision is the activity carried out by supervisors to oversee the productivity and progress of employees who report directly to the supervisors. For example, first-level supervisors supervise entry-level employees. Depending on the size of the organization, middle-managers supervise first-level supervisors, chief executives supervise middle-managers, etc. Supervision is a management activity and supervisors have a management role in the organization.
- There are varied standards to determine exempt status for Fair Labor Status Act (FLSA) purposes that portray what constitutes a Manager / Supervisor versus a professional position.

Using the above information, to include spans of control, historic definitions of managers and supervisors, etc., the following Management Position Review Matrix was developed.

#### **4.3. MANAGEMENT POSITION REVIEW MATRIX**

The Management Position Review Matrix is contained in the following tables, and includes current position information, observations of the project team and suggested outcomes developed based upon information as outlined in this chapter.

**Table 8 – Management Position Review**

<b>POSITION TITLE</b>	<b>Current Actual</b>	<b>Observation</b>	<b>Suggested Outcome</b>
Assistant Secretary	1	<ul style="list-style-type: none"> <li>Executive of WSF.</li> <li>Appropriate spans of control.</li> <li>Diverse duties and responsibilities.</li> </ul>	<ul style="list-style-type: none"> <li>No change.</li> </ul>
Deputy Chief of Ferries Division Operations and Construction	1	<ul style="list-style-type: none"> <li>Member of WSF Executive Management Team.</li> <li>Oversees varied WSF field operations and engineering functions.</li> <li>For executive level position with present duties, has an appropriate span of control at the present 1:3.</li> </ul>	<ul style="list-style-type: none"> <li>No change.</li> </ul>
Deputy Chief for Administration and Finance	1	<ul style="list-style-type: none"> <li>Executive manager of the financial, budget, planning, and administrative processes.</li> <li>Appropriate spans of control.</li> <li>Diverse duties and responsibilities.</li> </ul>	<ul style="list-style-type: none"> <li>No change.</li> </ul>
Director of Communication	1	<ul style="list-style-type: none"> <li>Member of WSF Management Team and serves as PIO.</li> <li>Diverse duties and responsibilities related to Communications and Customer Support.</li> <li>For executive level position with present duties, has an appropriate span of control at the present 1:3.</li> </ul>	<ul style="list-style-type: none"> <li>No change.</li> </ul>

<b>OPERATIONS DEPARTMENT</b>			
<b>POSITION TITLE</b>	<b>Current Actual</b>	<b>Observation</b>	<b>Suggested Outcome</b>
Director of Operations	1	<ul style="list-style-type: none"> <li>Oversees all operations related to deck operations and terminal functions.</li> <li>For executive level position, has an appropriate span of control at the present 1:5.</li> </ul>	<ul style="list-style-type: none"> <li>No change.</li> <li>Consolidation will result in overseeing 4 FTEs.</li> </ul>
Senior Port Captain	1	<ul style="list-style-type: none"> <li>Oversees deck operations, telecommunications and fleet safety.</li> <li>For executive level position, has an appropriate span of control at the present 1:5.</li> <li>Oversight of (Fleet) Safety Training is currently fragmented. Re-locate to Safety Systems Manager responsibility.</li> </ul>	<ul style="list-style-type: none"> <li>Consolidate this position with Operations Center Port Captain (Manager).</li> <li>Re-allocate Safety Training to Finance &amp; Administration Organization.</li> </ul>

**WASHINGTON STATE FERRIES**  
**Evaluation of Management and Organizational Structure**

<b>OPERATIONS DEPARTMENT</b>			
<b>POSITION TITLE</b>	<b>Current Actual</b>	<b>Observation</b>	<b>Suggested Outcome</b>
Operations Center Port Captain	1	<ul style="list-style-type: none"> <li>Oversees Operations Center.</li> <li>Extremely narrow span of control: 1-over-1 reporting relationship overseeing Crew Resource Manager responsible for Center operations.</li> </ul>	<ul style="list-style-type: none"> <li>Consolidate this position with Operations Center Port Captain (Manager).</li> </ul>
Senior Shoreside Manager	1	<ul style="list-style-type: none"> <li>Responsibilities include long range terminal planning, managing terminal operations and staffing, etc.</li> <li>The issue of terminal management and supervision (or lack thereof) has been expressed as an issue by line staff and employee surveys.</li> <li>The level of management over terminal supervisors should be increased, thus increasing the number of Manager positions reporting to the Senior Shoreside Manager.</li> </ul>	<ul style="list-style-type: none"> <li>No change for this position, however, the number of Terminal Managers should be increased by 2 (thus broadening this position's span of control) to enhance terminal supervision.</li> </ul>
Operations Department Program Manager	1	<ul style="list-style-type: none"> <li>Responsibilities include management of the Operations budgets and expenditures, advising the Operations Director on financial decisions, reviewing budget requests, managing vessel and terminal events, contracts, etc.</li> <li>Narrow span of control.</li> <li>This position functions more as a business services or administrative specialist.</li> </ul>	<ul style="list-style-type: none"> <li>Position should be re-classified to a Business Services Specialist to align with other positions in the WSF with similar roles and responsibilities.</li> </ul>
Port Captain (North/South)	2	<ul style="list-style-type: none"> <li>Oversees Vessel Captains and associated deck personnel.</li> <li>Extremely broad span of control with approximately 75 captains reporting to these two positions.</li> <li>Supervised positions are also geographically dispersed.</li> </ul>	<ul style="list-style-type: none"> <li>Recommend two additional Port Captain positions to provide additional management staff over numerous, geographically diverse positions.</li> </ul>
Communications System Manager	1	<ul style="list-style-type: none"> <li>Oversees all WSF communications excluding telephone.</li> <li>Extremely narrow span of control: 1-over-1 reporting relationship overseeing one Sr. Telecommunications Specialist.</li> </ul>	<ul style="list-style-type: none"> <li>Position should be reclassified from Managerial title / classification to supervisory / professional / coordinator position.</li> </ul>

**WASHINGTON STATE FERRIES**  
**Evaluation of Management and Organizational Structure**

<b>OPERATIONS DEPARTMENT</b>			
<b>POSITION TITLE</b>	<b>Current Actual</b>	<b>Observation</b>	<b>Suggested Outcome</b>
Crew Resource Manager	1	<ul style="list-style-type: none"> <li>Oversees Operations Center Dispatchers / Watch Center Supervisors.</li> <li>Broad Span of Control at 1:13.</li> </ul>	<ul style="list-style-type: none"> <li>Position should report to consolidated Sr. Port Captain / Operations Center Captain.</li> </ul>
Terminal Manager (North/South)	2	<ul style="list-style-type: none"> <li>Oversees Terminal Supervisors and associated facility personnel.</li> <li>Extremely broad span of control with approximately 7 terminal facilities each and approximately 40 supervisors reporting to these two positions.</li> <li>Supervised positions and facilities are also geographically dispersed.</li> </ul>	<ul style="list-style-type: none"> <li>Recommend one additional Terminal Manager position to provide additional management staff over numerous, geographically diverse positions.</li> </ul>

<b>VESSEL MAINTENANCE, PRESERVATION AND ENGINEERING DEPARTMENT</b>			
<b>POSITION TITLE</b>	<b>Current Actual</b>	<b>Observation</b>	<b>Suggested Outcome</b>
Director of Vessel Maintenance, Preservation & Engineering	1	<ul style="list-style-type: none"> <li>Oversees all operations related to vessel maintenance, preservation, and engineering functions.</li> <li>For executive level position, has an appropriate span of control at the present 1:6.</li> </ul>	<ul style="list-style-type: none"> <li>No change.</li> </ul>
Vessel Design Chief Naval Architect	1	<ul style="list-style-type: none"> <li>Has an appropriate span of control at the present 1:15; while at the top end of the desired range, this is appropriate since this position supervises professional staff and no operating issues were identified.</li> <li>This approach / structure can be a model for other similar professional staff areas of the WSF (such as other engineering functions).</li> <li>Responsibility for reviewing and providing feedback on vessel design, construction, project management strategies, and deliverables.</li> <li>Although broad span of control, function is more of a design projects manager versus executive management of functional areas.</li> </ul>	<ul style="list-style-type: none"> <li>No change.</li> </ul>

**WASHINGTON STATE FERRIES**  
**Evaluation of Management and Organizational Structure**

<b>VESSEL MAINTENANCE, PRESERVATION AND ENGINEERING DEPARTMENT</b>			
<b>POSITION TITLE</b>	<b>Current Actual</b>	<b>Observation</b>	<b>Suggested Outcome</b>
Vessel Preservation Senior Port Engineer	1	<ul style="list-style-type: none"> <li>Oversees vessel construction unit, construction project management, life cycle costing, and preservation project engineers.</li> <li>Has a span of control of 1:5. While on the lower end of the desired span of control range, one individual supervised oversees 14 staff.</li> </ul>	<ul style="list-style-type: none"> <li>No change.</li> </ul>
Vessel Construction Manager	1	<ul style="list-style-type: none"> <li>Responsible for oversight of all contracts for repair and preservation in private shipyards.</li> <li>Has a span of control of 1:16 overseeing five Vessel Project Engineers and eleven Inspector Specialists. While this span is at the top of recommended range, given similarity of functions performed (only two classifications) and the professional nature of the positions, it is appropriate.</li> </ul>	<ul style="list-style-type: none"> <li>No change.</li> </ul>
Business Staff Supervisor	1	<ul style="list-style-type: none"> <li>Oversees the Vessel Business Group within the VMPE Department.</li> <li>Responsible for the coordination of financial and budget related issues with Finance and Administration Group. Develops, monitors, and administers Departmental budget.</li> <li>Has a span of control of 1:3; oversees Capital Budget Specialist, Work Order Specialist, and Project Administrator.</li> </ul>	<ul style="list-style-type: none"> <li>No change directly. Business support functions across all Departments of the WSF should be standardized at similar pay grades and titles (either managerial or supervisory) if these functions remain decentralized within the operating Departments of the WSF.</li> </ul>
Senior Port Engineer Fleet Maintenance	1	<ul style="list-style-type: none"> <li>Oversees vessel maintenance, vessel systems (engineering: engine room), stores and related operations, including engineering training.</li> <li>Has a span of control given diverse duties and responsibilities.</li> </ul>	<ul style="list-style-type: none"> <li>No change.</li> </ul>
Eagle Harbor Senior Port Engineer	1	<ul style="list-style-type: none"> <li>Supervises Eagle Harbor maintenance operations responsible for maintaining all vessels and terminals.</li> <li>Span of control of 1:5.</li> <li>Oversees 100+ skilled journey craft employees.</li> </ul>	<ul style="list-style-type: none"> <li>No change.</li> </ul>

**WASHINGTON STATE FERRIES**  
**Evaluation of Management and Organizational Structure**

<b>VESSEL MAINTENANCE, PRESERVATION AND ENGINEERING DEPARTMENT</b>			
<b>POSITION TITLE</b>	<b>Current Actual</b>	<b>Observation</b>	<b>Suggested Outcome</b>
Eagle Harbor Port Engineer	1	<ul style="list-style-type: none"> <li>Responsible for planning, scheduling, and completion of vessel and terminal maintenance plans in conjunction with Fleet Port Engineer and Terminal Maintenance Engineers. Also supervises various safety, training, and confined space programs for staff.</li> <li>First line manager for labor disagreements or issues with 100+ craft employees.</li> <li>While overseeing, two foreman positions, serves as only management position for the craft employees.</li> <li>Direct span of control of 1:2; indirect of 1:100+.</li> <li>Eagle Harbor operation is one where total management staffing appears lean.</li> </ul>	<ul style="list-style-type: none"> <li>Recommend one additional Port Engineer to provide additional managerial / supervisory staff. Crafts should be split between two Port Engineer positions to provide reduced spans of control.</li> </ul>
Port Engineer Fleet Maintenance	2	<ul style="list-style-type: none"> <li>Oversees Watch /Staff Chief and associated engine room personnel.</li> <li>Extremely broad spans of control.</li> <li>Supervised positions geographically dispersed.</li> <li>One port engineer also supervises stores/warehouse.</li> </ul>	<ul style="list-style-type: none"> <li>Recommend two additional Port Engineer Fleet Maintenance positions to provide additional management staff over numerous, geographically diverse positions.</li> </ul>

**WASHINGTON STATE FERRIES**  
**Evaluation of Management and Organizational Structure**

<b>TERMINAL ENGINEERING DEPARTMENT</b>			
<b>POSITION TITLE</b>	<b>Current Actual</b>	<b>Observation</b>	<b>Suggested Outcome</b>
Director of Terminal Engineering	1	<ul style="list-style-type: none"> <li>Oversees all engineering operations related to terminal engineering responsibilities.</li> <li>For executive level position, has an appropriate span of control at the present 1:8 (although some positions are presently vacant).</li> </ul>	<ul style="list-style-type: none"> <li>No change.</li> </ul>
Environmental / Permit Manager	1	<ul style="list-style-type: none"> <li>Responsible for WSF environmental / permitting functions, including oversight of assigned staff and consultants.</li> <li>Relatively narrow span of control of 1:3.</li> </ul>	<ul style="list-style-type: none"> <li>Function should be relocated as unit under Construction / Maintenance Manager.</li> <li>Position should be reclassified from Managerial title / classification to supervisory / professional position.</li> </ul>
Terminal Engineering Program Manager	1	<ul style="list-style-type: none"> <li>Responsible for leading, developing and managing the budget and project controls and business analysis for the Terminal Capital Construction Program.</li> <li>Appropriate spans of control.</li> <li>This is an appropriate level of management given the size and complexity of engineering projects, as well as the necessity to track budget expenditures extensively.</li> </ul>	<ul style="list-style-type: none"> <li>No change.</li> </ul>
Design Engineering Manager	1	<ul style="list-style-type: none"> <li>Responsible for ensuring the Terminal Engineering Design programs are delivered with scope, schedule, and budget as established by legislation.</li> <li>Appropriate spans of control.</li> <li>Oversees diverse and complex functions of civil design, bridge and structures, and mechanical and electrical groups.</li> </ul>	<ul style="list-style-type: none"> <li>No change.</li> </ul>

**WASHINGTON STATE FERRIES**  
**Evaluation of Management and Organizational Structure**

<b>COMMUNICATIONS DEPARTMENT</b>			
<b>POSITION TITLE</b>	<b>Current Actual</b>	<b>Observation</b>	<b>Suggested Outcome</b>
Sr. Manager Customer & Communications Programs	1	<ul style="list-style-type: none"> <li>Responsible for WSF customer service, customer complaint and records management functions.</li> <li>Relatively narrow span of control of 1:3 personnel but broad duties and responsibilities overseen.</li> </ul>	<ul style="list-style-type: none"> <li>No change.</li> <li>Given broad span of control of Call Center Supervisor over multi-shift, regular and seasonal operations, one additional supervisor should be added, thereby expanding span of control of Sr. Manager.</li> </ul>
Community Relations and Outreach Manager	1	<ul style="list-style-type: none"> <li>Responsible for many WSF communications initiatives.</li> <li>Indirectly supervises two personnel who have direct reporting to Director position.</li> </ul>	<ul style="list-style-type: none"> <li>Position should be reclassified from Managerial title / classification to supervisory / professional position.</li> </ul>

<b>FINANCE AND ADMINISTRATION DEPARTMENT</b>			
<b>POSITION TITLE</b>	<b>Current Actual</b>	<b>Observation</b>	<b>Suggested Outcome</b>
Capital Program Manager	1	<ul style="list-style-type: none"> <li>Position is responsible for development of budget requests and management / monitoring of approved WSF Capital programs.</li> <li>Narrow span of control of 1:2.</li> </ul>	<ul style="list-style-type: none"> <li>Positions of Capital Program Manager and Grants Program Manager should be consolidated into one Managerial / Supervisory position overseeing both grants and capital programs. Other position should be converted to Grants Administrator position as non-managerial classification.</li> </ul>

**WASHINGTON STATE FERRIES**  
**Evaluation of Management and Organizational Structure**

<b>FINANCE AND ADMINISTRATION DEPARTMENT</b>			
<b>POSITION TITLE</b>	<b>Current Actual</b>	<b>Observation</b>	<b>Suggested Outcome</b>
Grants Program Manager	1	<ul style="list-style-type: none"> <li>Position is responsible for grants program for the WSF, including researching grant opportunities, application development, monitoring, and administration of awarded grants (for compliance with grant terms and conditions).</li> <li>Narrow span of control of 1:2 (with one position vacant).</li> </ul>	<ul style="list-style-type: none"> <li>Positions of Capital Program Manager and Grants Program Manager should be consolidated into one Managerial / Supervisory position overseeing both grants and capital programs. Other position should be converted to Grants Administrator position as non-managerial classification.</li> </ul>
Planning Director	1	<ul style="list-style-type: none"> <li>Responsibility over near-term service planning vessel scheduling, long-term route long-term planning, management of the tariff structure, data maintenance, etc.</li> <li>Narrow span of control with 1 Transportation Planning Specialist and 1 Staff Aide as direct reports.</li> <li>Compared to other "WMS3" positions in the WSF, this position is functioning more as a special program manager or a principal analyst function.</li> </ul>	<ul style="list-style-type: none"> <li>Reclassify the Planning Director position as a professional job classification, with function reporting to Deputy Chief of Administration &amp; Finance.</li> </ul>
Operating Program Manager	1	<ul style="list-style-type: none"> <li>Responsible for the development and preparation of budget requests and the management and monitoring of program delivery for the WSF operations.</li> <li>Narrow span of control with only 2 full-time equivalents as direct reports.</li> <li>Opportunity to increase and enhance responsibilities by re-allocating the planning function under this position.</li> </ul>	<ul style="list-style-type: none"> <li>No change.</li> </ul>
Legal Services and Contracts Director	1	<ul style="list-style-type: none"> <li>Responsibilities include serving as a liaison to the Attorney General's Office on coordination of legal issues to mitigate risks, conducting analysis of legislative impacts, processing contracts, etc.</li> <li>Appropriate spans of control given the specialty and complexity of the function.</li> </ul>	<ul style="list-style-type: none"> <li>No change.</li> </ul>

**WASHINGTON STATE FERRIES**  
**Evaluation of Management and Organizational Structure**

<b>FINANCE AND ADMINISTRATION DEPARTMENT</b>			
<b>POSITION TITLE</b>	<b>Current Actual</b>	<b>Observation</b>	<b>Suggested Outcome</b>
Controller	1	<ul style="list-style-type: none"> <li>Responsibilities include ensuring compliance with accounting and administrative requirements, ensuring internal controls, acting as the liaison for the internal and external audits, managing the purchasing function, etc.</li> <li>Broad span of control; the Buyer positions should report directly to the Purchasing Agent.</li> <li>Position has significant responsibilities over complex administrative processes and a breadth of staff.</li> </ul>	<ul style="list-style-type: none"> <li>No change. However, the Buyer positions should report to the Purchasing Agent to lessen the broad spans of control.</li> </ul>
Safety Systems Manager	1	<ul style="list-style-type: none"> <li>Oversees various safety, risk management, and security programs for the WSF operation.</li> <li>Span of control of 1:6 is appropriate given the nature of the duties and the variety of functions performed.</li> </ul>	<ul style="list-style-type: none"> <li>No change.</li> </ul>
Training & Development Manager	1	<ul style="list-style-type: none"> <li>Responsible for the WSF training programs to comply with federal, state, and international requirements. Oversees training program planning, development, implementation, and evaluation.</li> <li>Does not supervise any positions.</li> </ul>	<ul style="list-style-type: none"> <li>No change in reporting relationship.</li> <li>As with other functional area leads in the Safety Unit; all positions should be reclassified to professional positions (i.e., Coordinator) rather than managerial positions.</li> </ul>
Risk Management Safety Systems Project Manager	1	<ul style="list-style-type: none"> <li>Responsible for the WSF Risk Management activities, including employee accident investigations, occupational and health programs and prevention activities, site visits / facility and vessel inspections, etc.</li> <li>Narrow span of control of 1:2.</li> </ul>	<ul style="list-style-type: none"> <li>No change in reporting relationship.</li> <li>As with other functional area leads in the Safety Unit; all positions should be reclassified to professional positions (i.e., Coordinator) rather than managerial positions.</li> </ul>

**WASHINGTON STATE FERRIES**  
**Evaluation of Management and Organizational Structure**

<b>FINANCE AND ADMINISTRATION DEPARTMENT</b>			
<b>POSITION TITLE</b>	<b>Current Actual</b>	<b>Observation</b>	<b>Suggested Outcome</b>
Fleet Safety Coordinator	1	<ul style="list-style-type: none"> <li>Responsible for the WSF occupational and operational safety programs. Provides technical assistance and advice on compliance with various safety regulations.</li> <li>Narrow span of control of 1:2.</li> </ul>	<ul style="list-style-type: none"> <li>No change. Position is already classified as professional coordinator position.</li> </ul>
Company Security Officer & Emergency Management Coordinator	1	<ul style="list-style-type: none"> <li>Responsible for the WSF security plans and emergency plans, including Emergency Operations Center. Oversees security of all WSF facilities and vessels.</li> <li>Narrow span of control of 1:4.</li> </ul>	<ul style="list-style-type: none"> <li>No change. Position is already classified as professional coordinator position.</li> </ul>
Environmental Program Manager	1	<ul style="list-style-type: none"> <li>Provides advice and guidance on environmental issues impacting the WSF operations, including air, effluent discharge, trash and stormwater. Maintains operational permits and ensures compliance with permit requirements / conditions.</li> <li>This program manager position has no staff reports.</li> <li>Some duplication may exist with other WSF positions (e.g., the Environmental / Permit Manager).</li> </ul>	<ul style="list-style-type: none"> <li>No change in reporting relationship.</li> <li>As with other functional area leads in the Safety Unit; all positions should be reclassified to professional positions (i.e., Coordinator) rather than managerial positions.</li> </ul>
Safety Specialist	1	<ul style="list-style-type: none"> <li>Responsible for various safety programs, including hearing conservation, respiratory protection, medical evaluation programs, accident/injury reporting, etc.</li> <li>Does not supervise any employees.</li> </ul>	<ul style="list-style-type: none"> <li>Position should report directly to the Risk Management / Safety Systems position, as duties are similar and should be coordinated.</li> </ul>

Upon review by the WSF of this Evaluation by the Matrix Consulting Group, WSF executive management does not concur with some of the observations noted in this report. While minor adjustments were made based on additional feedback, substantive alterations to the project team’s observations were not made, as we support our initial findings, conclusions and recommendations. The WSF responses to this evaluation are included in Appendix D.

## **5. ASSESSMENT OF COLLECTIVE BARGAINING AGREEMENTS**

The project team conducted a review of the existing labor contracts currently in effect that cover employees of the Washington State Ferries operation. This evaluation was designed not to evaluate all contract terms for appropriateness, but to identify major provisions that had a significant impact on either operational discretion exercised by Management or that represented increased costs to operations beyond those typically seen in other public sector employment relationships.

It is important to note that during the last round of negotiations with the labor unions, many improvements in contract language were implemented that provided WSF Management relief from prior restrictions. Efforts to continue relaxing overly restrictive language should continue and input from WSF Executives and Managers regarding their priorities in contract language changes should be given appropriate consideration by the State's labor negotiators. The project team understands and fully recognizes that much of the contract language is outside of the direct control of the WSF Management since contracts are negotiated by the Governor's Office and final terms and conditions are often the result of compromise and/or imposed or agreed to through mediation / arbitration. However, the terms and conditions noted are ones where additional changes can improve the ability of the WSF to more fully control and manage costs and operational practice in the future compared to current conditions.

The project team reviewed ten current collective bargaining agreements that apply to the WSF operation and cover employees of the WSF. A complete listing of these contracts is included in Appendix B of this report. In evaluating the collective bargaining agreements and in discussions with staff during the data collection phase, several general observations regarding the collective bargaining agreements were developed, including:

- (1) Key provisions are generally consistent across bargaining units (or within reasonable ranges), providing ease of administration;

- (2) A need exists to have consistency across bargaining units throughout the entire State of Washington operations. However, some level of distinction is appropriate for operations unique to the Washington State Ferries organization; and
- (3) Cost structures are increased due to many contract terms that provide pay structures and “penalties” that exceed generally recognized provisions in public employment.

These observations lead to general approaches or recommendations that the project team believes would better serve the WSF for the future, including:

- (1) Continued focus should be placed on ensuring contract terms represent and are in alignment with provisions contained throughout the industry – both public and private sector;
- (2) Washington State Ferries Management should have greater input into the development and negotiation of contract terms that impact their operations; and
- (3) Greater flexibility should be sought on key terms that impact Ferry operations and management’s ability to direct operations. This should further expand upon the changes and increased flexibility incorporated in recent collective bargaining agreements, to maximize the ability of managers to manage and eliminate unnecessarily restrictive terms and conditions of employment.

The following table provides for key issues, subject areas, and representative language samples from selected collective bargaining agreements, that demonstrate either the limitations placed on managerial discretion and/or that represent an increased cost structure for operations. Language varies from contract to contract, the examples selected are provided as “representative language” documenting the limitation or requirements. For each issue, the project team has provided comments and/or a recommendation for future consideration. These examples are intended to be illustrative of the terms of agreements. This is not a complete representation of all the terms of agreements, nor does it quantitatively assess the cost or impact of those agreements.

**Table 9 – Collective Bargaining Agreement Illustrative Issues**

<b>Topic</b>	<b>Representative Contract Language &amp; Operational or Cost Impact / Future Alternatives to Consider</b>
<b>Peer Review Committee</b>	<p><b>Language:</b> Article 11: “When management recognizes an employee whose level of performance, or conduct, is below standard, the PRC will be convened to decide upon a strategy to correct and raise the employee’s performance or conduct.” (FASPAA)</p> <p><b>Impact/Alternative:</b> This provision unduly limits managers’ abilities to take prompt or appropriate action, since it requires a meeting of this group prior to management taking any corrective or disciplinary action, or requires concurrence with management’s decision on a corrective action plan.</p>
<b>Selection and Hiring of Terminal Supervisors</b>	<p><b>Language:</b> Art. 13: “Provisions provide for joint review of applicants by committee of management and terminal supervisors (3 each) and final selection from top three candidates.” (FASPAA)</p> <p><b>Impact/Alternative:</b> This limits the ability of management to select “most qualified” candidate, which may include subjective factors as well as objective factors.</p> <p>At a minimum, consideration should be given to selection from a “pool of qualified applicants” or utilization of an expanded selection method allowing selection from the top 5 (rather than top 3).</p>
<b>Selection of Employees</b>	<p><b>Language:</b> The various contracts include many requirements for how positions are filled or individuals selected, including many which utilize seniority as a major factor.</p> <p><b>Impact/Alternative:</b> The WSF should work with the respective unions to expand flexibility on selections to allow greater use of selection by the “most qualified” individual, with seniority being utilized as a factor only on “equally qualified” individuals. Management action / determination would be subject to normal grievance procedures.</p>

<b>Topic</b>	<b>Representative Contract Language &amp; Operational or Cost Impact / Future Alternatives to Consider</b>
<b>Overtime rates</b>	<p><b>Language:</b> Art 17.02: "...For time worked in excess of one (1) hour, overtime will be paid in one (1) hour increments.</p> <p>Employees required to work more than one (1) shift without a break shall be paid as follows: ...  c. The third shall be at two and one-half (2 1/2) times the straight time rate..." (FASPAA)</p> <p><b>Impact/Alternative:</b> Requiring payment for small fractional hours in full hour increments increases overtime costs. Consideration should be given to paying, in 1/2 hour increments.</p> <p><b>Language:</b> Art. 17.05: "Employees called back to work after completing a scheduled shift and released prior to starting their next scheduled shift shall be paid at the overtime rate with a minimum of eight (8) hours with the exception of Drug/Alcohol testing. For Drug/Alcohol testing, the employee will be reimbursed actual time worked with a minimum of five (5) hours call out at the overtime rate. Should the employee be scheduled to return to work the following day and they do not receive a minimum of eight (8) hours off (inclusive of travel time), they will be relieved the following day without loss of pay. If the Employer is unable to relieve the employee they will continue to be compensated hour for hour at the overtime rate until they are relieved or at the completion of their next shift." (FASPAA)</p> <p><b>Impact/Alternative:</b> The requirement to pay overtime at either an eight hour or five hour minimum pay per call out should be reconsidered, as this is both costly and not standard practice. Consideration should be given to reducing these limits to four and three hours respectively.</p>
<b>Overtime Rates</b>	<p><b>Language:</b> Article 10: "...For time worked in excess of one (1) hour, overtime will be paid at one and one half (1 1/2) the employee's straight time rate of pay, in one (1) hour increments.</p> <p><b>Impact/Alternative:</b> Requiring payment for small fractional hours in full hour increments increases overtime costs. Consideration should be given to paying in 1/2 hour increments.</p>

Topic	Representative Contract Language & Operational or Cost Impact / Future Alternatives to Consider
<p><b>Overtime Rates</b></p>	<p><b>Language:</b> <u>10.02</u>: Year round employees, excluding Relief employees, who are called in to work on a scheduled day off and have a minimum of eighty (80) non-overtime compensated hours in the work period will be compensated at the overtime rate of pay. In addition, they will receive three (3) hours of pay at their straight time rate of pay regardless of the length of the overtime shift or the hours actually worked.</p> <p><u>10.03</u>: Relief and On-Call employees that work an additional day beyond a defined eighty (80) hour work period and have a minimum of eighty (80) non-overtime compensated hours in a work period, will be compensated at their overtime rate of pay. In addition, they will receive three (3) hours of pay at their straight time rate of pay regardless of the length of the overtime shift or the hours actually worked. On-call employees with less than 80 hours compensated time will not receive the three (3) additional hours pay (see examples below).” (IBU)</p> <p>“Management will endeavor to see that all Engineer Officers receive scheduled days off but Engineer Officers returning to work on a regularly scheduled day off shall receive a minimum of eight (8) hours pay at the overtime rate. Employees who are called in to work on a scheduled day off and have a minimum of eighty (80) non-overtime compensated hours in the work period, will be compensated at the overtime rate. In addition, they will receive three (3) hours of pay at their straight time rate of pay regardless of the length of the overtime shift or hours actually worked.” (MEBA)</p> <p><b>Impact/Alternative:</b> A required three hours of straight time in addition to pay for actual hours worked is a unique provision. Consideration should be given to elimination of this requirement, as employees are paid at time and half for overtime hours and have minimum call back pay provisions already.</p>
<p><b>Call Out Pay / Minimum Call</b></p>	<p><b>Language:</b> “<u>10.04</u>: Employees called to work prior to commencing their regular scheduled shift shall receive the overtime rate of pay in increments of one (1) hour for early call-out. Early call-outs shall not be on a daily or regularly scheduled basis. This rule does not apply to WSF training (Rule 29.05). All call-outs exceeding four (4) hours shall be paid a minimum of eight (8) hours pay at the overtime rate.</p> <p>...</p> <p><u>10.06</u>: Employees called back to work after completing a scheduled shift and released prior to starting their next scheduled shift shall be paid at the overtime rate, with a minimum of eight (8) hours.</p> <p>...</p> <p><u>10.08</u>: Employees called back to work on their scheduled assigned days off will receive a minimum of eight (8) hours pay at the overtime rate. This section shall not apply to part-time employees.” (IBU)</p> <p>Article 13: “All Engineer Officers when called to work shall receive a minimum of eight (8) hours pay. Work time shall begin as provided otherwise in this Agreement.” (MEBA)</p> <p><b>Impact/Alternative:</b> An eight hour minimum exceeds typical call back restrictions. Consideration should be given to a four hour minimum on call back, with payment for actual hours worked if time exceeds four hours.</p>

Topic	Representative Contract Language & Operational or Cost Impact / Future Alternatives to Consider
<p><b>Work / Overtime on Holiday</b></p>	<p><b>Language:</b> Art. 22.02: “Employees shall receive double their regular rate of pay when called back to work on a scheduled day off that falls on one of the above listed holidays in addition to compensation provided for under this section. (...one extra day’s pay for holiday not worked).” (FASPAA)</p> <p>Article: “Whenever an employee is called back or required to work on a regularly scheduled day off which falls on a holiday, each such employee shall be entitled to an additional two (2) days pay.” (FASPAA / IBU)</p> <p><b>Impact/Alternative:</b> These provisions essentially provide pay at the rate of 3x normal hourly rates for individuals called back on a holiday on a day off. This results in substantially increased costs over which management has limited control. Consideration should be given to reducing to double time or at a maximum 2.5x the straight hourly rate.</p>
<p><b>Compensatory Time</b></p>	<p><b>Language:</b> Article 23.03: “No more than two hundred forty (240) hours of such compensatory time off may be accumulated by each employee. All accumulations beyond two hundred forty (240) hours shall be paid in cash, and all accumulated compensatory time off shall be taken prior to retirement.”</p> <p>Article 1.28: “Compensatory Time Accrual Caps  Employees may accrue a maximum of four hundred (400) hours of compensatory time for overtime hours worked. Employees may also accrue a maximum of four hundred (400) hours of compensatory time for hours worked on a holiday. Consistent with other provisions of this agreement, employees shall be paid in cash for any hours that exceed a four hundred (400) hour cap.” (IBU)</p> <p>Article 19: “Compensatory time is not vacation (annual) leave as provided elsewhere in the Agreement but is considered deferred compensation for time already worked. Therefore, in addition to any rights to or restrictions on the accumulation of vacation or annual leave, however termed, only compensatory time accumulated within twenty-four (24) months preceding separation of employment and not actually taken by the employee nor paid out during that period, shall be paid in full amount that is owed to the employee. Compensatory time on the books for more than twenty-four (24) months (earned) prior to separation shall be paid in full amount that is owed to the employee, however, shall not be credited to the employee’s pension calculation.” (MEBA)</p> <p><b>Impact/Alternative:</b> Compensatory time becomes an unfunded liability to the organization when accrued. Hours are earned at the rate of pay in place at the time of earning but paid at the rate of pay applicable at the time of use – which if several years in the future can greatly increase the costs of this time.</p> <p>While limits have been put into place on total accruals, at 240 or 400 hours, these are extremely high. Consideration should be given to reducing total accrual to no more than 120 days (3 weeks) and to instituting reasonable provisions that require use of compensatory time prior to vacation leave or alternately within 2 years of earning.</p>

Topic	Representative Contract Language & Operational or Cost Impact / Future Alternatives to Consider
<p><b>Vacation Accrual Bank</b></p>	<p><b>Language:</b> Article 24.04: “Vacation leave is accumulated to a total of three hundred twenty (320) hours after which time, if not taken, it shall lapse month by month. At no time can an employee have more than three hundred twenty (320) hours accumulated vacation credit nor, upon the employee’s retirement, shall any provision of this Article conflict with RCW 41.50.150 (Department of Retirement Systems).” (FASPAA)</p> <p>Article 18.04: “18.04 Vacation leave may be accumulated to a total of three hundred twenty (320) hours. If not taken by the employee’s anniversary date following the accrual of three hundred twenty (320) hours, the amount in excess of three hundred twenty (320) hours shall lapse.” (IBU)</p> <p>Article 18 (i): “Each employee shall be entitled to accrue vacation leave not to exceed three hundred twenty (320) hours. Any Engineer Officer eligible for retirement who has accumulated more than two hundred forty (240) hours vacation leave shall take all accumulated leave over two hundred forty (240) hours prior to starting the employee’s retirement. The intent and purpose of this Section is that no Engineer Officer may retire with more than two-hundred-forty (240) hours accumulated leave credits upon retirement.” (MEBA)</p> <p><b>Impact/Alternative:</b> The ability to accrue vacation to 320 hours (representing over 2 years accrual), is outside the norm of typically carry-over practices seen in either the public or private sector. It is more generous than most public sector agreements, and significantly more generous than private sector agreements.</p> <p>A more typical carry-over provision is one year’s accrual plus one week. This is based on the premise that vacation is accrued to be utilized by the employee for time away from work to “refresh”, generally within year of earning. Consideration should be given to reducing carry-over allowances to one year’s accrual plus one week (40 hours).</p>
<p><b>Specialty Pay</b></p>	<p><b>Language:</b> Article 17.02: “The use of the following power tools entitles the user to one dollar (\$1) per straight time hour increments: chipping hammers, scrapers, wire brushes, spray painting equipment, jitterbugs, and deck grinders. The increment for overtime hours will be two dollars (\$2) per hour.” (IBU)</p> <p><b>Impact/Alternative:</b> While specialty pay is not uncommon for use of selected equipment / tools, the payment should be established at a flat rate per hour that is applied based upon the employee’s earning rate at the time of performance (i.e., straight time or time and a half). Payment of double the rate of specialty pay when on overtime is not justified. It should be paid at 1 1/2 times (\$1.50) the specialty pay rate.</p>

<b>Topic</b>	<b>Representative Contract Language &amp; Operational or Cost Impact / Future Alternatives to Consider</b>
<b>Bereavement Leave</b>	<p><b>Language:</b> Article 25.04: “Sick leave up to ten (10) days in any one instance may be claimed and taken for a death in the immediate family, or to attend the funeral of a member of the employee’s family,” (FASPAA)</p> <p>Article 21.04: “Sick leave up to ten (10) days in any one instance may be claimed and taken for a death in the immediate family, or to attend the funeral of a member of the employee’s family,” (IBU)</p> <p>Article 27: “Sick leave up to five (5) days in any one instance may be claimed and taken for a death in the immediate family of an Engineer Officer to attend the funeral of a member of the Engineer Officer’s immediate family which shall include the following relatives:…”</p> <p><b>Impact/Alternative:</b> Bereavement leave is more typically provided in increments of either three (3) or five (5) days for death of a family member, with additional time allowable through the use of vacation leave. The State’s provisions to allow ten (10) days exceeds normal practices seen in other public and private agreements nationally.</p> <p>Consideration should be given to reducing to three or five days for bereavement leave paid with sick leave.</p>
<b>Sick Leave Buyback</b>	<p><b>Language:</b> Article 25.14: “Year around Supervisors who work as scheduled in the calendar quarter (January 1 to March 31; April 1 to June 30; July 1 to September 30; October 1 to December 31) will have the option of receiving a cash payout of sick leave that was accrued during that quarter on the following basis: …” (FASPAA)</p> <p><b>Impact/Alternative:</b> The utilization of cash-out provisions for unused sick leave is a program that is increasingly being eliminated as it is ineffective in either reducing sick leave usage or having a benefit to the organization. It increases costs of operations will little off-setting benefit to the employer.</p> <p>Consideration should be given to the elimination of this practice.</p>
<b>Crew Requirements</b>	<p><b>Language:</b> Article 7: “7.04: Except in cases of emergency and for movements within the vicinity of Eagle Harbor, when any vessel is not manned in accordance with the minimum manning schedules of unlicensed personnel in the Deck Department, the wages of the position(s) shall be divided equally among the employees performing the work of the unfilled position(s). If a crew shortage occurs on a holiday, the holiday rate of pay shall apply.” (IBU)</p> <p><b>Impact/Alternative:</b> While additional compensation for performing additional duties is a common practice (when those duties fall outside an individual’s job description), the provision to split pay of a vacant position is unique and exceeds what compensation would typically be provided in other agreements.</p> <p>Consideration should be given to changing this provision to increase pay at a flat dollar amount per hour (if duties fall outside the employee’s classification).</p>

Topic	Representative Contract Language & Operational or Cost Impact / Future Alternatives to Consider
<p><b>Penalty Pay</b></p>	<p><i>Language:</i> Article 28: "<u>28.02</u>: If an employee comes in physical contact with sewage while exercising due care in the performance of their duties, the employee shall receive a two (2) hour minimum.</p> <p><u>28.03</u>: When required to clean-up excrement, and/or vomit as well as blood: One-half (1/2) hour minimum. The clean-up of blood does not include the emptying of sani-cans in the women's rest rooms but requires that employees actually must clean or remove blood spillage or bloody items that are otherwise not in lined containers and where there is actual physical contact with the spillage or bloody items.</p> <p><u>28.04</u>: Employees who are Drug/Alcohol sampling certified on each July 1, will receive a one-time payment of one thousand dollars (\$1,000). This payment will be dispersed on the July 25 paycheck. This provision will remain in effect unless the certification program is discontinued. " (FASPAA)</p> <p>Article 28: "<u>28.01</u>: Penalty pay shall be at the straight-time rate of pay and shall be paid in addition to whatever rate of pay (straight-time or overtime) is being paid when penalty work is performed. Except for the items specified below, penalty time shall be paid for time actually worked with the minimum payment of one-half (1/2) hour and in one-half (1/2) hour increments thereafter.</p> <p><u>28.02</u>: Opening, entering, and working in sewage holding tanks. Two (2) hour minimum.</p> <p><u>28.03</u>: Cleaning up any leakage or spillage of sewage from tanks, piping or pumps, or if employee comes in physical contact with sewage while exercising due care in the performance of their duties. Two (2) hour minimum.</p> <p><u>28.04</u>: Manually transferring drums, and/or caustic and hazardous labeled container on or off the vessel, at any location. One-half (1/2) hour minimum.</p> <p><u>28.05</u>: When required to clean-up excrement, and/or vomit as well as blood: One-half (1/2) hour minimum. The clean-up of blood does not include the emptying of sani-cans in the women's restrooms but requires that employees actually must clean or remove blood spillage or bloody items that are otherwise not in lined containers and where there is actual physical contact with the spillage or bloody items." (IBU)</p> <p><b>Impact/Alternative:</b> The various contracts include differing types of "penalty" pay that typically provide additional compensation, at straight time rates, for completion of duties that are viewed as "undesirable" but necessary for operations. Additionally, many of the penalty pays impose minimum payment periods of one-half to two hours per incident.</p> <p>The State should give consideration to incorporating these duties, unpleasant as they are, as necessary duties of selected positions to maintain a safe working / operating environment and eliminate additional pays for them. Alternatively, a lower compensation rate should be provided based upon a set additional dollar amount per hour that is less than the full hourly rate. Payment should be made for actual hours performing the duty in 1/2 hour increments.</p>

<b>Topic</b>	<b>Representative Contract Language &amp; Operational or Cost Impact / Future Alternatives to Consider</b>
<b>Penalty Pay</b>	<p><b>Language:</b> Article 8: “(a) Penalty pay shall be at the straight time rate of pay and shall be paid in addition to whatever rate of pay (straight time or overtime) is being paid when penalty work is performed.            (b) Engineer Officers standing a regular watch and performing the following heavy repair work shall receive a minimum of four (4) hours pay at the penalty rate while performing such work:            (1) Pulling pistons            (2) Pulling liners            (3) Rolling out main bearings            (4) Pulling heads” (MEBA)</p> <p><b>Impact/Alternative:</b> The State should give consideration to incorporating these duties, unpleasant as they are, as necessary duties of selected positions to maintain a safe working / operating environment and eliminate additional pays for them. Alternatively, a lower compensation rate should be provided based upon a set additional dollar amount per hour that is less than the full hourly rate. Payment should be made for actual hours performing the duty in 1 hour increments.</p>
<b>Severance Pay</b>	<p><b>Language:</b> Article (varies): “It is hereby agreed that any claims for severance payment to any employee who may lose employment because of the abandonment of routes due to the construction of bridges or tubes replacing the then existing ferry routes (excepting the Lofall - Southpoint and Salsbury Point - Shine routes), and of the application of seniority provisions under the present Labor Agreement, including consideration of residence of individual and locale of employment offered, shall be based upon the principle of one (1) month’s pay for each year of service.” (FASPAA / IBU)</p> <p>Article 24: “It is hereby agreed that any claims for severance payment to any Engineer Officer who may lose employment because of the abandonment of routes due to the construction of bridges or tubes (replacing the then-existing ferry routes) and of the application of seniority provisions under the present labor agreement, including consideration of residence of individual and locale of employment offered shall be based upon the principle of one (1) month's pay for each year of service.” (MEBA)</p> <p><b>Impact/Alternative:</b> The imposition of a “severance” payment to employees whose positions are eliminated due to route abandonment (change in service levels) provides a benefit typically unseen in public sector employment.</p> <p>The State should give consideration to the elimination of these provisions.</p>

Topic	Representative Contract Language & Operational or Cost Impact / Future Alternatives to Consider
<p><b>Training Pay</b></p>	<p><b>Language:</b> Article 32: “The WSF has the option to provide training at the work site of the employee or an alternate location. The procedures below are adopted for governing pay practices relative to the WSF sponsored training.  A. The WSF shall provide a minimum of five (5) days notice to employees except in emergency situations when employees are requested to attend ferry system sponsored training classes. If employees are not provided five (5) days notice, the employee will have the right to refuse the class.  ...  C. Employees shall be paid a minimum of their scheduled shift hours for that day for attending training classes. The overtime provision shall apply to training classes exceeding the above noted scheduled shift hours.  ...  E. Employees required to attend training classes on their day or days off shall be paid the overtime rate of pay.  F. Employees attending training classes shall have at least eight (8) hours, excluding travel time, between the completion of their last work shift and the beginning of training classes.” (FASPAA)</p> <p>Article 29: “<u>29.05</u>: WSF has the option to provide training at the work site of the employee or an alternate location. The procedures below are adopted for governing pay practices relative to WSF sponsored training.  A. WSF shall attempt to provide a minimum of ten (10) days written or verbal notice to employees when employees are requested to attend ferry system sponsored training classes. When training notification is less than ten (10) days, WSF shall give consideration to employees special scheduling considerations, i.e. prior made medical appointments, child care responsibilities, transportation, etc, and shall make attempts to reschedule the employee to remaining classes in the current training season. If employees are not provided five (5) days notice, the employee will have the right to refuse the class.  ...  F. Employees working on Friday Harbor or Orcas tie-up vessels shall be covered for the entire two (2) day tour to attend training classes.  ... (IBU)</p> <p><b>Impact/Alternative:</b> These provisions, contained in many of the agreements, impact the ability of the WSF to effectively and efficiently schedule training without significant notification periods and costs incurred.</p> <p>Requiring both advance notice of 5 or 10 days, and the requirement for full-day pay for partial-day training should be reconsidered unless the employee is not able to return to work.</p> <p>Employees scheduled on off-duty days should be paid for actual time spent in training (at overtime rate if it is applicable) with a guaranteed minimum of four (4) hours.</p>

## **APPENDIX A – SPAN OF CONTROL STUDIES**

The studies reviewed for background information and comparison to the Washington State Ferries operation (grouped first by State studies followed by other public sector studies) and their overall span of control findings are summarized in the following points:

- **State of Connecticut (2011):** The average span of control was 1:6 compared to national average of state governments' 1:12 ratio.
- **State of Oregon (2011):** An evaluation by the SEIU determined the span of control ratio of supervisors to employees to be 1:7.7.
- **State of California (1997):** Determined the average span of control was 1:6.1, with the span of control for the Department of Transportation at 1:5.95.
- **State of Iowa (1996):** Concluded the average span of control was 1:10 in 1996, a positive change from the 1:7 of 1991.
- **State of Texas (1996):** Found the average span of control was 1:4.6. State law targets a 1:11 manager to employee ratio.
- **National Performance Review (1996):** Calculated that the average span of control for federal workers was 1:7 in 1993, and set a target of transitioning to a span of control for federal managerial / supervisory personnel of 1:15.
- **Johnson County, KS (2011):** The average span of control was 1:5.2.
- **Tacoma, WA (2005):** Found the average span of control was 1:5.4.
- **Palo Alto, CA (2004):** Determined the average span of control to be 1:5.9.
- **Kansas City, KS (2002):** Found the average span of control was 1:4.6.
- **Seattle, WA (1996):** Calculated the average span of control at 1:5.9.
- **King County, WA (1994):** Identified an average span of control of 1:5.6.
- **Portland, OR (1994):** Calculated an average span of control of 1:6.5.

## **APPENDIX B – COLLECTIVE BARGAINING AGREEMENTS**

Collective bargaining agreements reviewed as part of this study included the following:

- Ferry Agents, Supervisors, Project Administrator’s Association (FASPAA), effective July 1, 2011 through June 30, 2013
- Inland boatmen’s Union of the Pacific (IBU), effective July 1, 2011 through June 30, 2013;
- District No. 1 – PCD, Marine Engineers’ Beneficial Association (Licensed Engineer Officers), effective July 1, 2011 through June 30, 2013;
- District No. 1 – PCD, Marine Engineers’ Beneficial Association (Unlicensed Engineer Room Employees), effective July 1, 2011 through June 30, 2013;
- Puget Sound Metal Trades Council, effective July 1, 2011 through June 30, 2013;
- Masters, Mates, & Pilots Marine Operations Watch Supervisors, effective July 1, 2009 through June 30, 2011;
- District No. 1 – PCD, Marine Engineers’ Beneficial Association (Licensed Engineer Officers), effective July 1, 2011 through June 30, 2013;
- International Organization of Masters, Mates & Pilots Licensed Deck Officers, effective July 1, 2011 through June 30, 2013;
- Office and Professional Employees International Union Local No. 8 (OPEIU), effective July 1, 2011 through June 30, 2013; and
- Service Employees International Union Local No. 6 (SEIU), effective July 1, 2011 through June 30, 2013.

## **APPENDIX C – EMPLOYEE SURVEY RESULTS**

This study process included an employee survey, which was distributed to approximately 1,500 employees at all levels and divisional work units, to obtain their perceptions regarding management and structural issues, and their input on the potential opportunities for improvement. The project team distributed (either electronic or paper-based) surveys to approximately 1,500 full-time employees deployed across the system (i.e., headquarters, terminals, vessels, and the maintenance facility). Of the 1,500 surveys, 479 employees responded, representing a response rate of approximately 32%.

The survey asked for responses related to six different areas, and the responses to each of those areas are summarized below.

### **A. THE POLITICAL WORKING ENVIRONMENT**

The table below summarizes the responses to questions regarding the working relationships among the Legislature, the Governor’s Office, and the WSF, as well as the unions.

<b>Statement</b>	<b>Strongly Agree</b>	<b>Agree</b>	<b>Disagree</b>	<b>Strongly Disagree</b>	<b>Don't Know / No Response</b>
1. Union and WSF management work effectively together.	1.8%	14.4%	28.5%	43.6%	11.7%
2. Political bodies (i.e., Legislature, Governor’s Office, and WSF staff) work effectively together.	1.3%	10.0%	28.5%	43.1%	17.0%
3. Political bodies emphasize policy guidance to WSF as opposed to operational input.	3.1%	14.8%	25.5%	29.5%	27.1%

The following table provides the results to these statements, per the employee classification:

		<b>Executive / Manager</b>	<b>Supervisor</b>	<b>Staff</b>
1. Union and WSF management work effectively together.	Strongly Agree	3.7%	0.0%	1.4%
	Agree	22.2%	22.9%	16.7%
	Disagree	48.1%	32.9%	22.2%
	Strongly Disagree	18.5%	34.3%	42.1%
	NA	7.4%	10.0%	17.6%
2. Political bodies (i.e., Legislature, Governor's Office, and WSF staff) work effectively together.	Strongly Agree	3.7%	1.4%	1.4%
	Agree	25.9%	11.4%	9.7%
	Disagree	48.1%	31.4%	23.1%
	Strongly Disagree	14.8%	40.0%	43.1%
	NA	7.4%	15.7%	22.7%
3. Political bodies emphasize policy guidance to WSF as opposed to operational input.	Strongly Agree	0.0%	5.7%	3.8%
	Agree	18.5%	20.0%	11.8%
	Disagree	55.6%	27.1%	19.9%
	Strongly Disagree	22.2%	27.1%	28.0%
	NA	3.7%	20.0%	36.5%

**B. MANAGEMENT AND LEADERSHIP**

The table below summarizes the responses relating to statements concerning the overall management, leadership, and supervision of the WSF.

<b>Statement</b>	<b>Strongly Agree</b>	<b>Agree</b>	<b>Disagree</b>	<b>Strongly Disagree</b>	<b>Don't Know / No Response</b>
1. WSF Management provides consistent work direction to ensure effective WSF operations.	5.2%	36.1%	31.7%	22.2%	4.8%
2. Management provides effective leadership and a clear vision of where we are heading as an organization.	3.7%	20.7%	36.9%	34.9%	3.7%
3. I feel well supported by Management in my daily work.	7.2%	33.4%	23.3%	33.2%	2.9%
4. WSF Management takes action on employee ideas to improve operations of the organization.	3.9%	23.5%	29.6%	36.4%	6.5%
5. Management in our organization works well together as a team.	4.4%	22.2%	25.9%	37.9%	9.6%
6. Management regularly engages employees through various communications and keeps them informed.	4.6%	37.7%	33.8%	21.4%	2.4%
7. Management encourages reporting important information up-the-chain-of-command, even if it is bad news.	7.7%	44.2%	23.0%	19.5%	5.5%
8. My immediate supervisor regularly engages employees through various communications and keeps them informed.	24.9%	48.0%	17.8%	7.1%	2.2%
9. The safety of employees in my work unit is a priority to the supervisors and managers of the WSF.	23.8%	47.8%	12.9%	12.4%	3.1%

**WASHINGTON STATE FERRIES**  
**Evaluation of Management and Organizational Structure**

The following table provides the results to these statements per the employee classification:

		<b>Executive / Manager</b>	<b>Supervisor</b>	<b>Staff</b>
1. WSF Management provides consistent work direction to ensure effective WSF operations.	Strongly Agree	25.9%	2.8%	4.5%
	Agree	63.0%	43.7%	36.7%
	Disagree	11.1%	31.0%	32.6%
	Strongly Disagree	0.0%	19.7%	19.9%
	NA	0.0%	2.8%	6.3%
2. Management provides effective leadership and a clear vision of where we are heading as an organization.	Strongly Agree	19.2%	4.2%	3.6%
	Agree	38.5%	25.4%	21.4%
	Disagree	42.3%	45.1%	36.8%
	Strongly Disagree	0.0%	25.4%	33.6%
	NA	0.0%	0.0%	4.5%
3. I feel well supported by Management in my daily work.	Strongly Agree	25.9%	4.4%	9.3%
	Agree	63.0%	48.5%	33.8%
	Disagree	11.1%	22.1%	23.1%
	Strongly Disagree	0.0%	23.5%	30.1%
	NA	0.0%	1.5%	3.7%
4. WSF Management takes action on employee ideas to improve operations of the organization.	Strongly Agree	19.2%	4.2%	4.1%
	Agree	53.8%	32.4%	22.2%
	Disagree	19.2%	29.6%	30.8%
	Strongly Disagree	0.0%	26.8%	34.8%
	NA	7.7%	7.0%	8.1%
5. Management in our organization works well together as a team.	Strongly Agree	29.6%	4.2%	3.2%
	Agree	40.7%	28.2%	24.5%
	Disagree	25.9%	35.2%	22.3%
	Strongly Disagree	3.7%	31.0%	40.0%
	NA	0.0%	1.4%	10.0%
6. Management regularly engages employees through various communications and keeps them informed.	Strongly Agree	14.8%	5.8%	4.1%
	Agree	55.6%	47.8%	37.2%
	Disagree	25.9%	24.6%	33.0%
	Strongly Disagree	3.7%	20.3%	23.4%
	NA	0.0%	1.4%	2.3%
7. Management encourages reporting important information up-the-chain-of-command, even if it is bad news.	Strongly Agree	33.3%	10.0%	6.9%
	Agree	55.6%	54.3%	43.8%
	Disagree	11.1%	18.6%	19.4%
	Strongly Disagree	0.0%	11.4%	23.0%
	NA	0.0%	5.7%	6.9%

**WASHINGTON STATE FERRIES**  
**Evaluation of Management and Organizational Structure**

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		<b>Executive / Manager</b>	<b>Supervisor</b>	<b>Staff</b>
8. My immediate supervisor regularly engages employees through various communications and keeps them informed.	Strongly Agree	33.3%	15.9%	28.1%
	Agree	63.0%	55.1%	43.8%
	Disagree	3.7%	23.2%	17.5%
	Strongly Disagree	0.0%	4.3%	7.8%
	NA	0.0%	1.4%	2.8%
9. The safety of employees in my work unit is a priority to the supervisors and managers of the WSF.	Strongly Agree	44.4%	35.7%	22.2%
	Agree	55.6%	51.4%	47.2%
	Disagree	0.0%	5.7%	13.9%
	Strongly Disagree	0.0%	5.7%	13.0%
	NA	0.0%	1.4%	3.7%

**C. OPERATIONS AND COMMUNICATIONS**

The table below summarizes the responses relating to statements concerning the overall operations and communications of the WSF.

<b>Statement</b>	<b>Strongly Agree</b>	<b>Agree</b>	<b>Disagree</b>	<b>Strongly Disagree</b>	<b>Don't Know / No Response</b>
1. The business / operational processes between WSF work units is efficient and effective.	2.9%	31.6%	31.3%	23.1%	11.1%
2. There are clear lines of communication among managers, supervisors, and staff.	3.1%	28.8%	33.9%	27.0%	7.1%
3. There are some significant working relationship difficulties among some WSF work units.	28.8%	48.0%	11.1%	4.2%	8.0%
4. There is good teamwork and communication among most WSF work units.	8.2%	41.6%	25.4%	18.1%	6.6%
5. Our overall use of technology is effective and helps, rather than hinders, our productivity.	9.3%	40.6%	25.7%	17.7%	6.7%
6. The business / operational processes within my own work unit are efficient and effective.	12.2%	47.2%	17.7%	17.1%	5.8%

The following table provides the results to these statements, per the employee classification:

		<b>Executive / Manager</b>	<b>Supervisor</b>	<b>Staff</b>
1. The business / operational processes between WSF work units is efficient and effective.	Strongly Agree	7.4%	1.4%	3.3%
	Agree	55.6%	35.7%	28.5%
	Disagree	25.9%	38.6%	33.6%
	Strongly Disagree	11.1%	15.7%	21.5%
	NA	0.0%	8.6%	13.1%
2. There are clear lines of communication among managers, supervisors, and staff.	Strongly Agree	16.0%	1.4%	2.8%
	Agree	60.0%	38.0%	27.1%
	Disagree	20.0%	42.3%	32.2%
	Strongly Disagree	4.0%	16.9%	30.4%
	NA	0.0%	1.4%	7.5%
3. There are some significant working relationship difficulties among some WSF work units.	Strongly Agree	11.1%	30.0%	28.7%
	Agree	51.9%	51.4%	46.3%
	Disagree	33.3%	11.4%	8.8%
	Strongly Disagree	3.7%	1.4%	6.0%
	NA	0.0%	5.7%	10.2%
4. There is good teamwork and communication among most WSF work units.	Strongly Agree	18.5%	7.0%	9.8%
	Agree	59.3%	53.5%	36.7%
	Disagree	18.5%	26.8%	27.9%
	Strongly Disagree	3.7%	12.7%	17.2%
	NA	0.0%	0.0%	8.4%
5. Our overall use of technology is effective and helps, rather than hinders, our productivity.	Strongly Agree	18.5%	12.7%	9.7%
	Agree	40.7%	49.3%	41.2%
	Disagree	40.7%	25.4%	21.8%
	Strongly Disagree	0.0%	12.7%	19.0%
	NA	0.0%	0.0%	8.3%
6. The business / operational processes within my own work unit are efficient and effective.	Strongly Agree	22.2%	15.7%	11.1%
	Agree	59.3%	61.4%	45.8%
	Disagree	14.8%	10.0%	20.8%
	Strongly Disagree	3.7%	10.0%	14.8%
	NA	0.0%	2.9%	7.4%

**D. ORGANIZATION AND STAFFING**

The table below summarizes the responses to statements relating to the overall organization and staffing of the WSF.

<b>Statement</b>	<b>Strongly Agree</b>	<b>Agree</b>	<b>Disagree</b>	<b>Strongly Disagree</b>	<b>Don't Know / No Response</b>
1. Our current organizational structure promotes the efficient use of Division staff.	3.8%	21.6%	30.3%	29.0%	15.4%
2. There is a good balance between the number of managers / supervisors and staff.	2.4%	21.6%	23.6%	47.5%	4.9%
3. There are not enough managers / supervisors in relation to the number of staff.	3.8%	5.8%	32.1%	51.6%	6.7%
4. There are too many managers / supervisors in relation to the number of staff.	47.3%	20.0%	19.3%	6.9%	6.4%
5. Our organizational structure has too many layers of management and supervision.	47.0%	23.8%	16.6%	4.9%	7.7%
6. The amount of work is well balanced among all Division units and functions.	2.4%	26.3%	29.6%	19.6%	22.0%

**WASHINGTON STATE FERRIES**  
**Evaluation of Management and Organizational Structure**

The following table provides the results to these statements, per the employee classification:

		<b>Executive / Manager</b>	<b>Supervisor</b>	<b>Staff</b>
1. Our current organizational structure promotes the efficient use of Division staff.	Strongly Agree	19.2%	4.2%	3.3%
	Agree	61.5%	29.6%	18.3%
	Disagree	15.4%	32.4%	29.6%
	Strongly Disagree	3.8%	22.5%	30.5%
	NA	0.0%	11.3%	18.3%
2. There is a good balance between the number of managers / supervisors and staff.	Strongly Agree	7.7%	4.2%	2.8%
	Agree	46.2%	23.9%	24.1%
	Disagree	38.5%	32.4%	19.9%
	Strongly Disagree	7.7%	38.0%	46.8%
	NA	0.0%	1.4%	6.5%
3. There are not enough managers / supervisors in relation to the number of staff.	Strongly Agree	25.9%	10.0%	0.0%
	Agree	14.8%	7.1%	4.7%
	Disagree	51.9%	37.1%	30.7%
	Strongly Disagree	7.4%	40.0%	57.5%
	NA	0.0%	5.7%	7.1%
4. There are too many managers / supervisors in relation to the number of staff.	Strongly Agree	3.7%	40.0%	49.5%
	Agree	7.4%	20.0%	18.2%
	Disagree	48.1%	27.1%	19.6%
	Strongly Disagree	37.0%	10.0%	4.7%
	NA	3.7%	2.9%	7.9%
5. Our organizational structure has too many layers of management and supervision.	Strongly Agree	0.0%	39.4%	47.9%
	Agree	18.5%	28.2%	21.9%
	Disagree	55.6%	22.5%	16.3%
	Strongly Disagree	25.9%	5.6%	3.7%
	NA	0.0%	4.2%	10.2%
6. The amount of work is well balanced among all Division units and functions.	Strongly Agree	7.7%	1.4%	1.9%
	Agree	42.3%	25.4%	27.0%
	Disagree	26.9%	33.8%	30.7%
	Strongly Disagree	7.7%	18.3%	20.0%
	NA	15.4%	21.1%	20.5%

**E. ACCOUNTABILITY AND PERFORMANCE**

The table below summarizes the responses to statements relating to overall accountability and performance.

<b>Statement</b>	<b>Strongly Agree</b>	<b>Agree</b>	<b>Disagree</b>	<b>Strongly Disagree</b>	<b>Don't Know / No Response</b>
1. Management is regularly available to provide timely feedback on potential issues.	4.9%	31.1%	36.9%	24.5%	2.6%
2. The performance evaluation process is fair and consistent for personnel in my work unit.	4.7%	32.5%	21.1%	26.0%	15.7%
3. Problems and issues are resolved in a timely manner in my work unit.	7.3%	34.8%	28.8%	25.3%	3.8%
4. Management provides clear performance expectations for my job.	6.4%	52.4%	21.8%	17.3%	2.0%
5. Personnel within my work unit are held accountable by management for their performance.	10.2%	43.4%	22.1%	20.6%	3.8%
6. My work unit has clear, well-written policies and procedures to guide my day-to-day work.	13.6%	59.6%	17.6%	5.8%	3.6%
7. I receive the training I need to do an effective job in my work unit.	11.3%	57.6%	19.6%	8.2%	3.3%
8. My immediate supervisor provides proper technical work direction and professional supervision.	26.0%	45.1%	14.4%	11.3%	3.1%
9. When mistakes are made, my immediate supervisor emphasizes lessons learned rather than placing blame.	22.2%	41.6%	16.7%	13.3%	6.2%

**WASHINGTON STATE FERRIES**  
**Evaluation of Management and Organizational Structure**

The following table provides the results to these statements, per the employee classification:

		<b>Executive / Manager</b>	<b>Supervisor</b>	<b>Staff</b>
1. Management is regularly available to provide timely feedback on potential issues.	Strongly Agree	18.5%	7.2%	4.6%
	Agree	63.0%	37.7%	33.5%
	Disagree	18.5%	34.8%	34.4%
	Strongly Disagree	0.0%	20.3%	23.4%
	NA	0.0%	0.0%	4.1%
2. The performance evaluation process is fair and consistent for personnel in my work unit.	Strongly Agree	22.2%	4.4%	5.1%
	Agree	55.6%	35.3%	35.2%
	Disagree	11.1%	8.8%	20.8%
	Strongly Disagree	7.4%	30.9%	25.9%
	NA	3.7%	20.6%	13.0%
3. Problems and issues are resolved in a timely manner in my work unit.	Strongly Agree	18.5%	8.6%	7.9%
	Agree	63.0%	38.6%	34.3%
	Disagree	18.5%	21.4%	30.1%
	Strongly Disagree	0.0%	27.1%	23.1%
	NA	0.0%	4.3%	4.6%
4. Management provides clear performance expectations for my job.	Strongly Agree	22.2%	2.9%	6.4%
	Agree	51.9%	60.3%	55.5%
	Disagree	22.2%	19.1%	18.8%
	Strongly Disagree	3.7%	17.6%	15.6%
	NA	0.0%	0.0%	3.7%
5. Personnel within my work unit are held accountable by management for their performance.	Strongly Agree	22.2%	10.0%	9.3%
	Agree	66.7%	41.4%	41.7%
	Disagree	3.7%	22.9%	25.0%
	Strongly Disagree	7.4%	22.9%	19.4%
	NA	0.0%	2.9%	4.6%
6. My work unit has clear, well-written policies and procedures to guide my day-to-day work.	Strongly Agree	18.5%	15.7%	12.6%
	Agree	70.4%	61.4%	57.7%
	Disagree	11.1%	18.6%	18.1%
	Strongly Disagree	0.0%	2.9%	6.5%
	NA	0.0%	1.4%	5.1%
7. I receive the training I need to do an effective job in my work unit.	Strongly Agree	18.5%	9.9%	11.1%
	Agree	66.7%	53.5%	61.1%
	Disagree	7.4%	31.0%	15.7%
	Strongly Disagree	3.7%	2.8%	8.3%
	NA	3.7%	2.8%	3.7%

**WASHINGTON STATE FERRIES**  
**Evaluation of Management and Organizational Structure**

		<b>Executive / Manager</b>	<b>Supervisor</b>	<b>Staff</b>
8. My immediate supervisor provides proper technical work direction and professional supervision.	Strongly Agree	48.1%	20.0%	28.2%
	Agree	29.6%	48.6%	45.8%
	Disagree	18.5%	18.6%	12.5%
	Strongly Disagree	3.7%	7.1%	11.1%
	NA	0.0%	5.7%	2.3%
9. When mistakes are made, my immediate supervisor emphasizes lessons learned rather than placing blame.	Strongly Agree	33.3%	17.1%	24.4%
	Agree	55.6%	47.1%	40.6%
	Disagree	7.4%	15.7%	17.1%
	Strongly Disagree	0.0%	11.4%	11.1%
	NA	3.7%	8.6%	6.9%

## APPENDIX D – WSF RESPONSE TO THE EVALUATION

The following reflects the formal response of the WSF to this report, provided to the JTC both through memorandum and duplicated herein.

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January 30, 2012

To: Honorable Mary Margaret Haugen, Chair, Joint Transportation Committee  
Honorable Mike Armstrong, Joint Transportation Committee  
Honorable Judy Clibborn, Joint Transportation Committee  
Honorable Curtis King, Joint Transportation Committee

Subject: Management Response to Matrix Consulting Group Report  
“Evaluation of Management and Organizational Structure”

Dear Members of the Committee:

Thank you for the opportunity to respond to the findings and recommendations in the JTC management study of Washington State Ferries (WSF). The report provided valuable insights and was helpful in a number of areas. The following comments do not respond to each recommendation, but rather focus on general areas of agreement or concern with the report.

### Areas of Agreement

1. *Performance Management*: The consultants state that the performance evaluation system is not used consistently throughout WSF work units. We would value the opportunity to expand our ability to provide feedback to our employees. WSF has two performance management systems in place, one for WMS and classified employees and one for OPEIU employees. Evaluations for those employees are done once per year using these systems.

2. *Annual work plan and performance measures*: The consultants recommend that WSF develop an annual work plan as part of a broader performance management program. We agree that an annual work plan would be useful. WSF, working with an ad hoc committee established by the Governor’s office, has established performance measures and targets which are in addition to the measurements reported quarterly in the department’s Gray Notebook publication. We have also hired a performance management specialist to assist in data collection and reporting. We hope that this new emphasis on performance of the system will lead to a higher level of trust in WSF and consequently lessen the need to have as much direct involvement in management. The finding that WSF is a reactive organization is consistent with findings in other studies.

3. *Supervisory Training:* We agree that people who are assuming new supervisory duties should have supervisory training. It is unclear to us whether we can afford a full week's worth of training as recommended. A week's worth of overtime for Captains would cost \$296,000. The statutory change that makes Captains managers of the vessels was approved in the 2011 legislative session and will not go into effect until July 1, 2013. We have been in conversations with the new bargaining unit representing Captains and expect a training program will be developed and delivered prior to that date.

4. *Lack of Supervision at Some Locations:* We agree that there is a lack of supervision during some hours of operation at some locations, and agree that it would be desirable to remedy this. We have previously requested budget authority for this purpose but those requests have not been approved because of the cost. Those cost concerns are still present.

#### Issues Identified with the Report

1. *Relationship between WSF Management and the Legislature and Governor's office:* The report says this is an area that needs to be improved. We have worked specifically on this issue over the past few years and believe we have very positive and constructive relationships with both the legislature and the Governor's office.
2. *Compensation/Classification Study:* We estimate such a study would cost approximately \$150,000 and be duplicative of the salary study done by OFM every biennium and previously done by the Marine Employees Commission.
3. *Management Positions review:* The report makes recommendations on consolidating some positions, adding a number of new positions, and reclassifying other positions. We will consider the modifications suggested. Two immediate observations: first, while we appreciate the recommendation to add management positions and paraprofessionals, we do not believe we should do so at this time for budgetary reasons; second, we specifically disagree with consolidation of the Senior Port Captain and the Operations Port Captain positions and reclassifying the Planning Director position. If implemented in full, the management position recommendations would increase WSF's budget by over \$2 million per biennium. At a time when the ferry system is facing a \$1.3 billion deficit over the next 10 years, we need to economize on operating costs as much as possible. While some of the changes would be beneficial, we don't think they're as high a priority as maintaining service levels and keeping fares as low as possible.
4. *Observations regarding IT:* This unit does not report to Ferries.
5. *Recommendations regarding labor contracts:* The report makes a number of observations about marine labor contract provisions that make management's options less flexible than they could be. We will continue to work with our fleet employees to reach agreements that benefit both parties, while recognizing that they have recently contributed a significant amount toward reducing operating costs.

#### Closing Comments

While the study did not specifically address ferry system efficiency, we would like to note that WSF has eliminated over \$40 million in annual costs over the past 3 biennia. Expenses have been reduced in the areas of consultant usage, ferries division staff, capital program support, the capital program, and maintenance and operations, all while continuing to deliver outstanding operating results by any measure that could be applied to

ferry systems. Our bargaining units have stepped up to be part of the solution to our financial crisis, having agreed to set aside increases in pay they won in arbitration decisions for the FY2009-11 biennium as well as reductions in compensation of \$10 million annually for the FY2011-13 biennium. We believe our relationships with ferry communities, legislators, and the Governor's office have greatly improved, and the Ferries Division has been fully integrated into the Department of Transportation. Internal teams within Ferries work on solving complex issues such as on-time performance, operating schedules, vessel scheduling, and the new reservation system. We have delivered three new 64-car ferries on schedule and under budget. In short, we believe there is much to celebrate in our accomplishments.

Again, thank you for the opportunity to respond to the report. Please let me know if you have any questions.

Sincerely,

David Moseley  
Assistant Secretary, Ferries Division

cc: Gene Baxstrom, Staff, Joint Transportation Committee  
Mary Fleckenstein, Staff, Joint Transportation Committee  
Paula Hammond, Secretary of Transportation  
Steve Reinmuth, Chief of Staff  
David Dye, Deputy Director  
Jean Baker, Deputy Chief, Administration & Finance  
George Capacci, Deputy Chief, Operations and Construction  
Jennifer Ziegler, Governor's transportation policy staff