



**Massachusetts Bay
Transportation Authority**

Centralized Call & Control Center for Paratransit Services

Recommendation for Approval

June 6, 2016



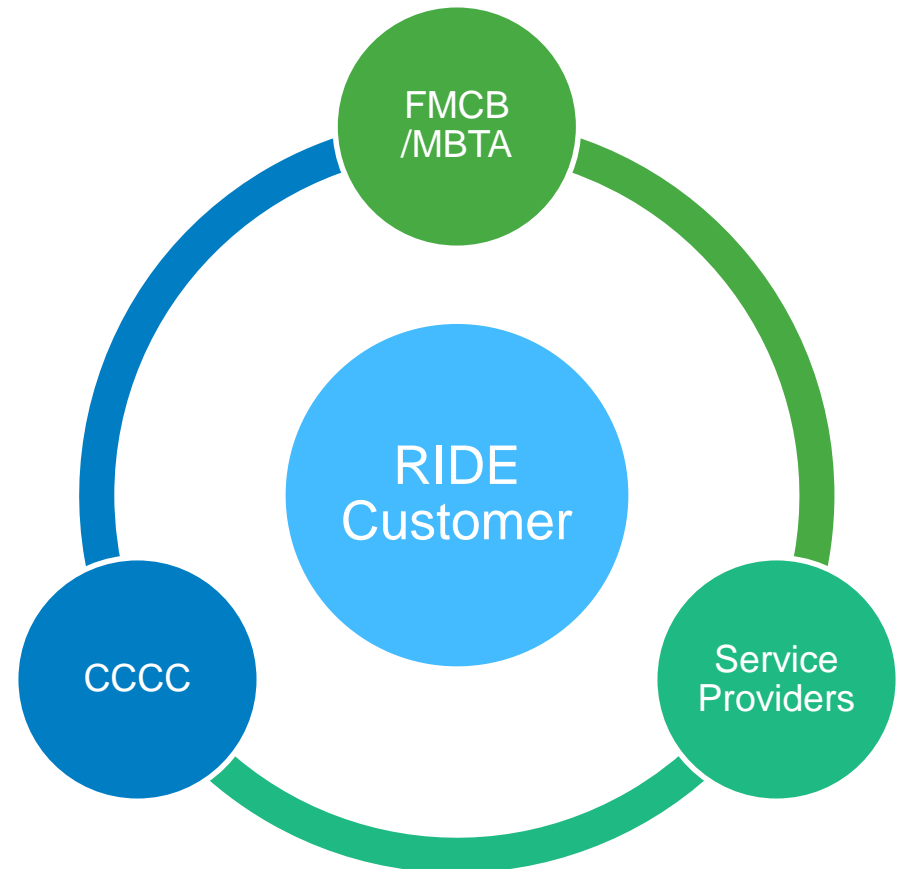
Summary

- Improves customer service; incorporates significant public input
- After full implementation (Q1, FY18), projected average annual operational cost savings: \$12M - \$17M
- Rapid return on investment due to eliminated fixed costs + operational savings
- Thorough and competitive procurement process
- Highly qualified, well vetted, unanimously recommended bidder
- Accelerated timeline and clear next steps
- Net Savings over life of base contract: \$38.5M (through CY 2020)



CCCC Offers: Integrated, Customer Focused Approach & Greater Efficiency

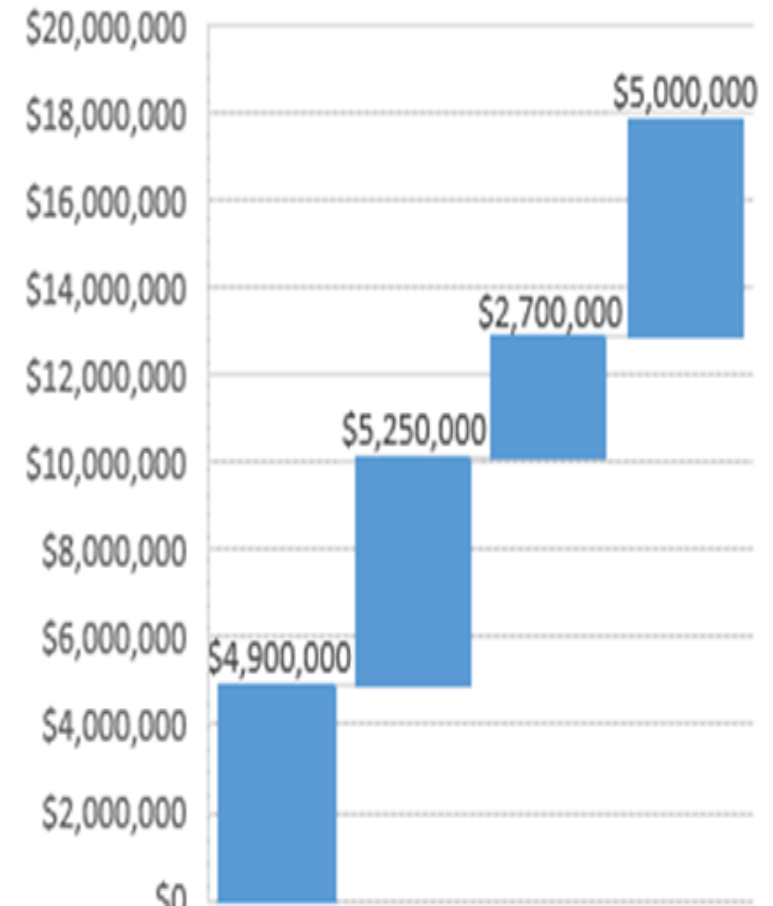
- One point of contact for multiple service providers
- Access to lower fare trips
- Elimination of transfers within RIDE area
- Increased transportation options to improve access to multiple transportation modes
- Helps ensure long term sustainability of high quality service

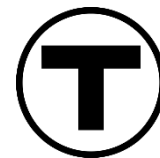




CCCC: Sources of Projected Annual Operational Savings \$12M - \$17M

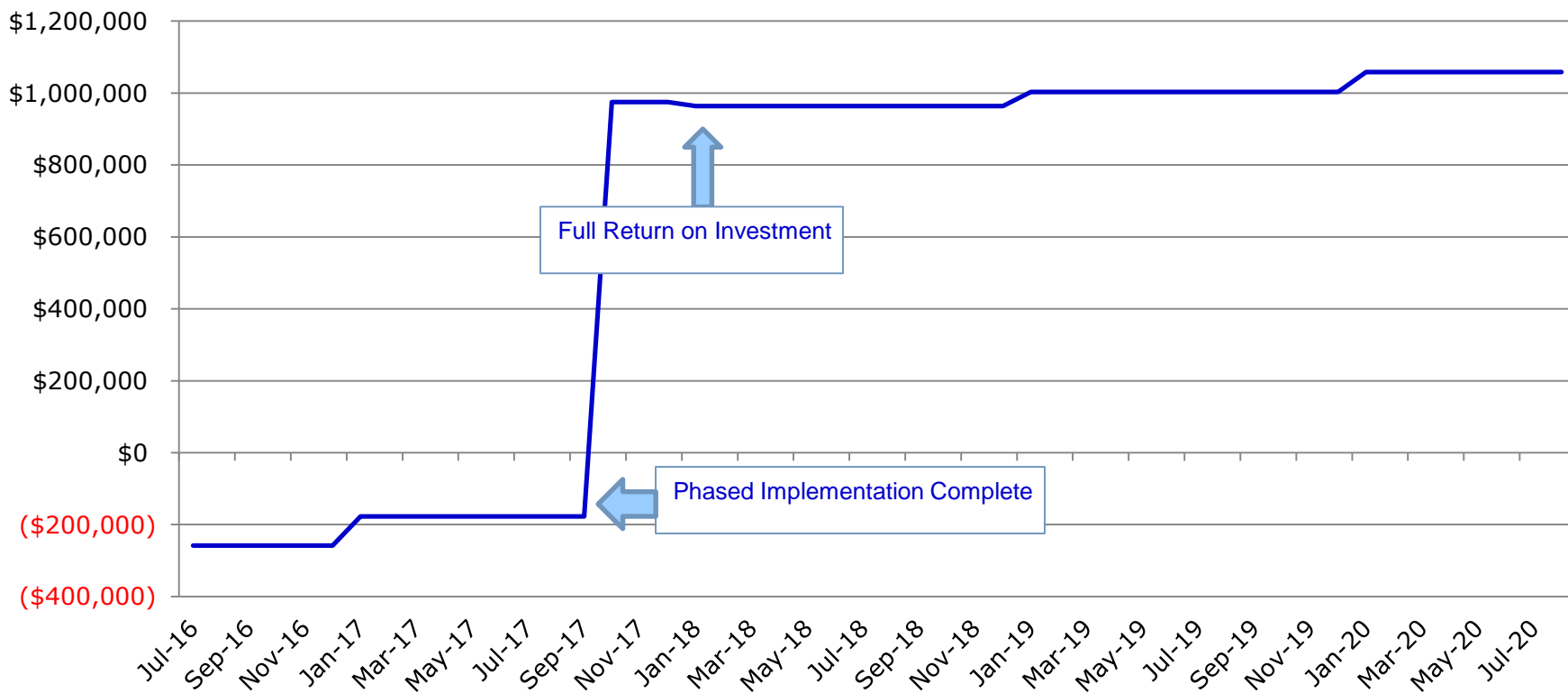
Source	Annual Savings
Increased ADA Competition (starting in FY20)	\$5M
Non-Dedicated Service Provider (starting in FY17)	\$2.7M
Reducing Service Duplication In Core, Eliminating Zones (starting in FY17)	\$5.25M
More Efficient Routing of Vehicles (starting in FY17)	\$4.9M





Cost neutral by October 2017, Full ROI by January 2018

Monthly Net Savings/(Cost) Resulting from CCCC





Strong Selection Committee and In-depth Vetting and Analysis

- Detailed RFP with significant supporting data and technical specifications
- Four proposals received
 - Two at or below Independent Cost Estimate, two above
- Twice weekly meeting with full evaluation team to review technical proposals
- Clarifying questions issued to all four proposers
- Over 50 references checked
- Interviews with all four proposers
- Technical scores finalized
- Cost scores analyzed
- Clarifying questions issued to all four proposers
- Cost scores finalized



Recommendation: Global Contact Services, LLC

- Ranked #1 technical score
- Ranked #2 on cost
- Ranked #1 on combined quantitative scores
- **Unanimous recommendation of entire selection committee**
- Cost reduced further via negotiation, 1.8% below ICE
- Consistently strong references
- Proposed staff transfer from NY along with local hires to reduce implementation risk
- Accelerated implementation by an additional 3 months



GCS: Firm Overview

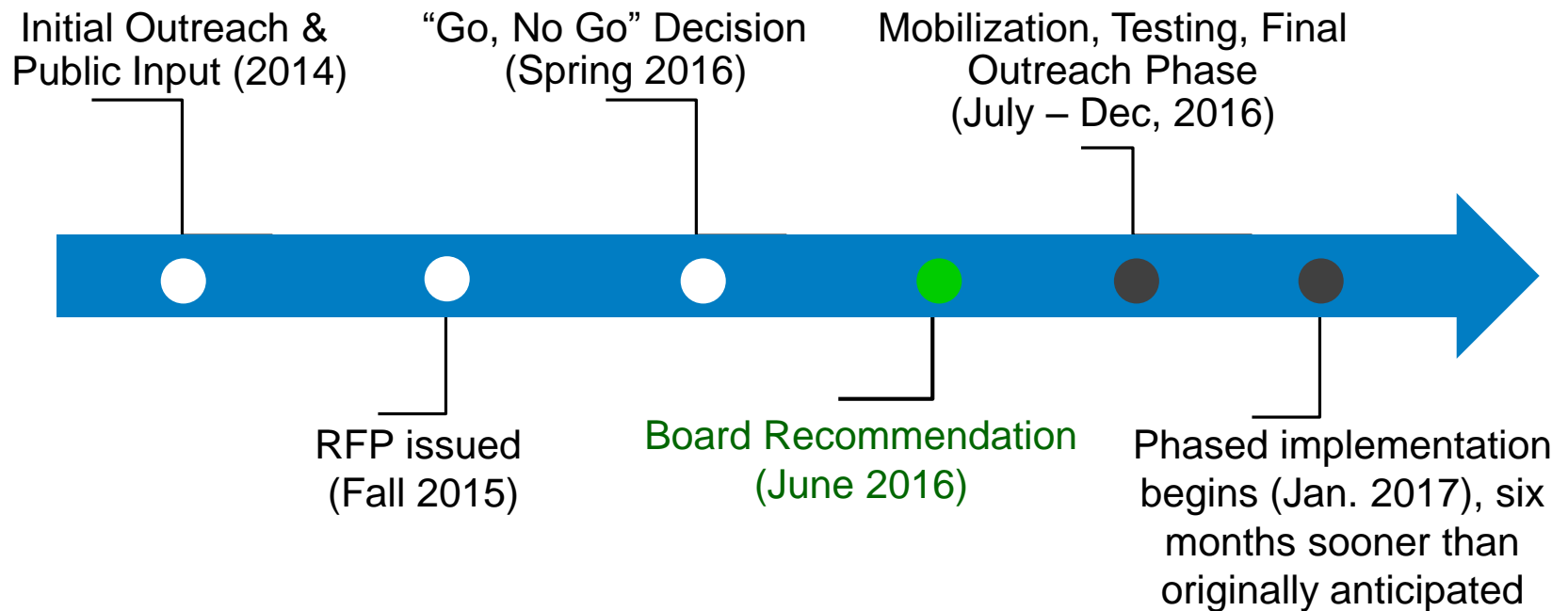
Currently provides call center, reservations, and scheduling, and trip outsourcing services for NYCT

- **Clear technical and HR capacity**
- Strong performer in call center industry
- Experience with MBTA's scheduling software in similar large scale paratransit operation
- Corporate stability and responsiveness
- Enthusiastic reviews from NYCT: early start, winter performance, innovation





Implementation Timeline





Text of Vote

VOTED: That the Fiscal and Management Control Board (the “FMCB”) hereby authorizes the General Manager or his designee to execute a contract, on behalf of the Authority, with Global Contact Services, LLC in the amount of \$38,563,384, in a form approved by the General Counsel, to provide and operate a Centralized Call and Control Center for MBTA paratransit services for the period July 1, 2016 through December 31, 2020.

VOTED FURTHER: That the General Manager is hereby authorized to take any steps deemed necessary and appropriate, to extend the above-referenced contract pursuant to a two-year option period described in said contract, that may be unilaterally exercised by the Authority, commencing January 1, 2021 at an annual cost not to exceed \$9,783,962 for Option Year One and \$9,909,760 for Option Year Two.

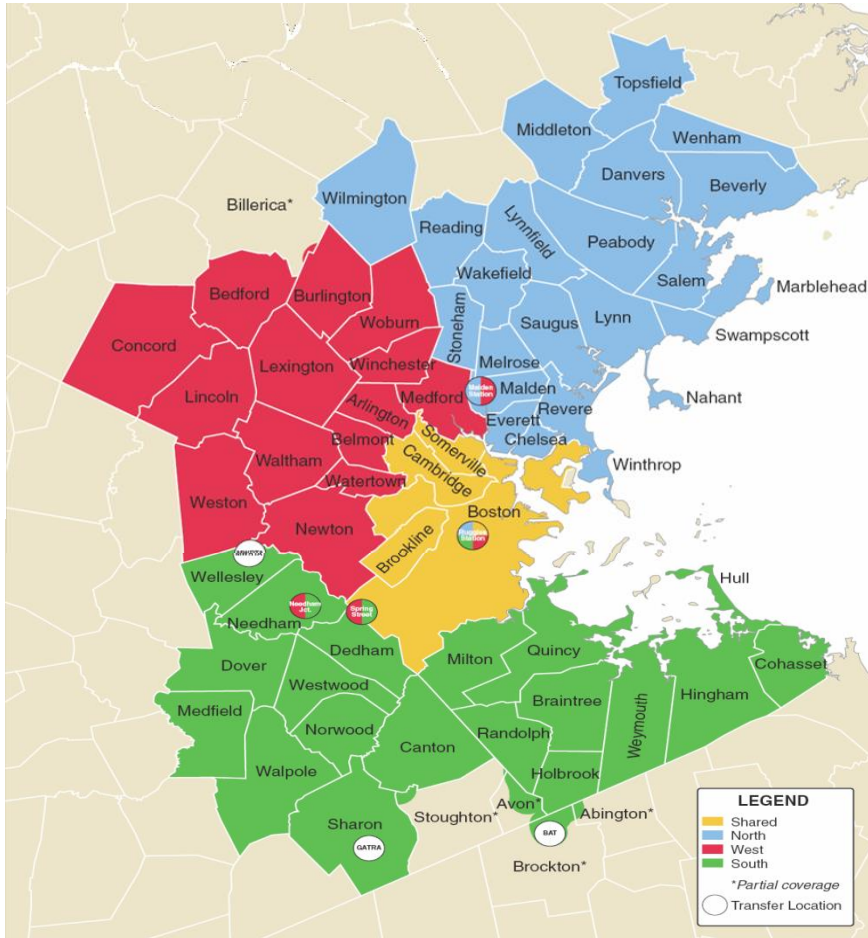


Appendix

- Overview of The Ride
- Characteristics Of Current State
- Sustainability Strategy FY2017 - 2019
- Centralized Call Center Overview and Procurement Approach
- Performance Standards, Incentives, Penalties
- Backup data
- Appendix



Current Ride Statistics



Ridership: 2.1M per year; 6,500 per weekday average

Span and Scope:

- 60 cities and towns,
- Generally 5:00 am – 1:00 am (matching fixed route)
- 7 days/week

Eligibility: Individuals (& Personal Care Assistants) who cannot use fixed route some or all of the time

Fares:

- \$3 ADA trips (within the area mandated by the ADA),
- \$5 non-ADA premium (not required by ADA)



The RIDE – Federal Requirements

The RIDE's goal is to provide high-quality services to the ADA-eligible population in the **most cost effective way possible**

A federally mandated paratransit program

- Customers must qualify under the Americans with Disabilities Act (ADA)
- Complementary transit service to MBTA's fixed routes
- Includes buses, light rail, subway

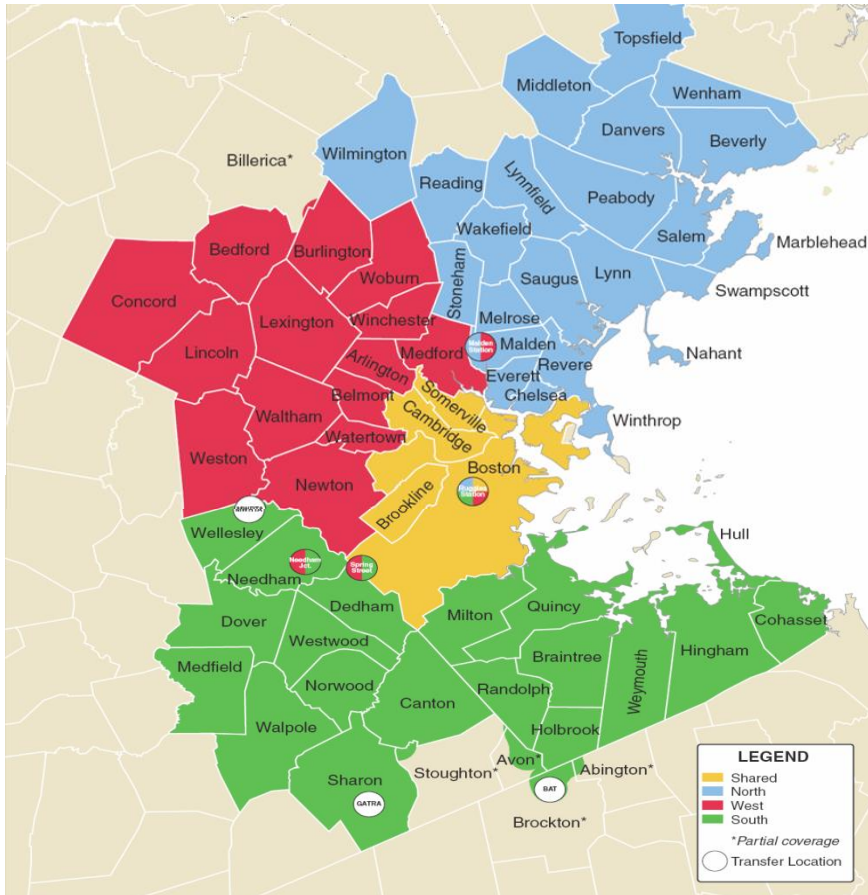
The RIDE is required to provide:

- Next-day reservations
- Origin to destination services within 3/4 mile of fixed route services
- Same span of service as fixed route

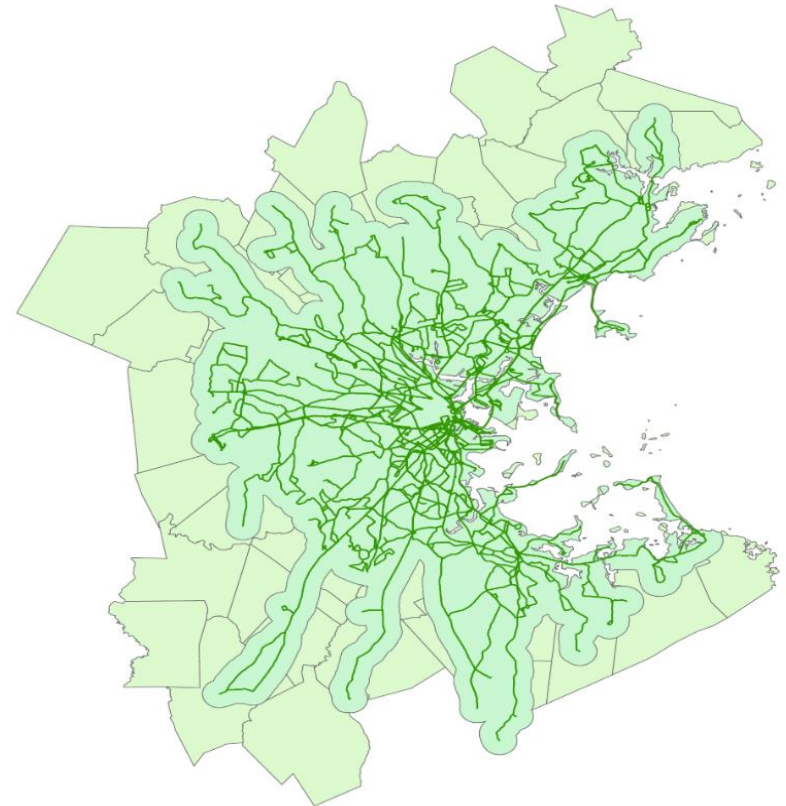


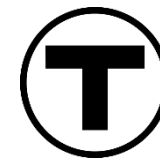
Current service area is substantially larger than required by ADA

Current service area



Required service area at peak service (dark green lines)





The RIDE outperforms national benchmarks in key metrics

Category	The RIDE (avg. of last three FYs)	National Benchmarks
On-time performance	93% (20 minutes)	90% (20 minutes)
Missed trips	.1%	.5%
Reservation window	30 minutes	60 min (FTA maximum)
Phone average hold time	80 seconds	120 seconds



Completed Major Reforms

Completed reforms:

- Eligibility process
- Premium service area
- Procurement of service contracts
- Expanded crossover with HST and non-profits
- Hybrid vehicles
- Subsidized taxi program

Upcoming reforms:

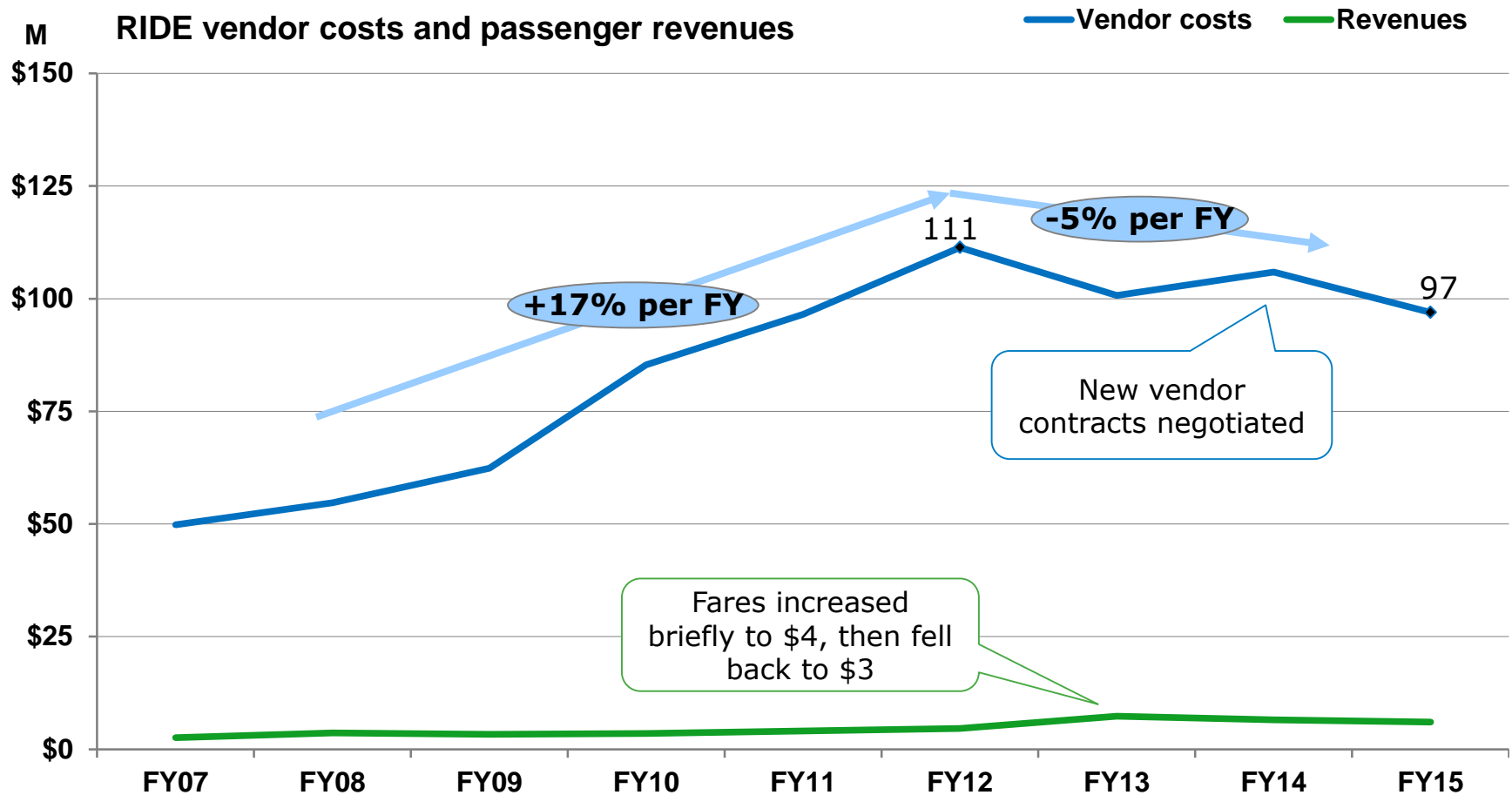
- Centralized call center: reservations, scheduling & dispatch
- Ride sharing subsidized program

RIDE eligibility reform Dec. 2012

- The eligibility process was completely overhauled to **better allocate RIDE resources to passengers who need service under the ADA**
- A phone call as first point of contact rather than an undifferentiated paper application led to **much more accurate determination of eligibility**
- **Acceptance rate has stayed at 95%**, indicating that we are still serving the population that needs this service



Interventions Have Steadied the Historic Growth in Costs



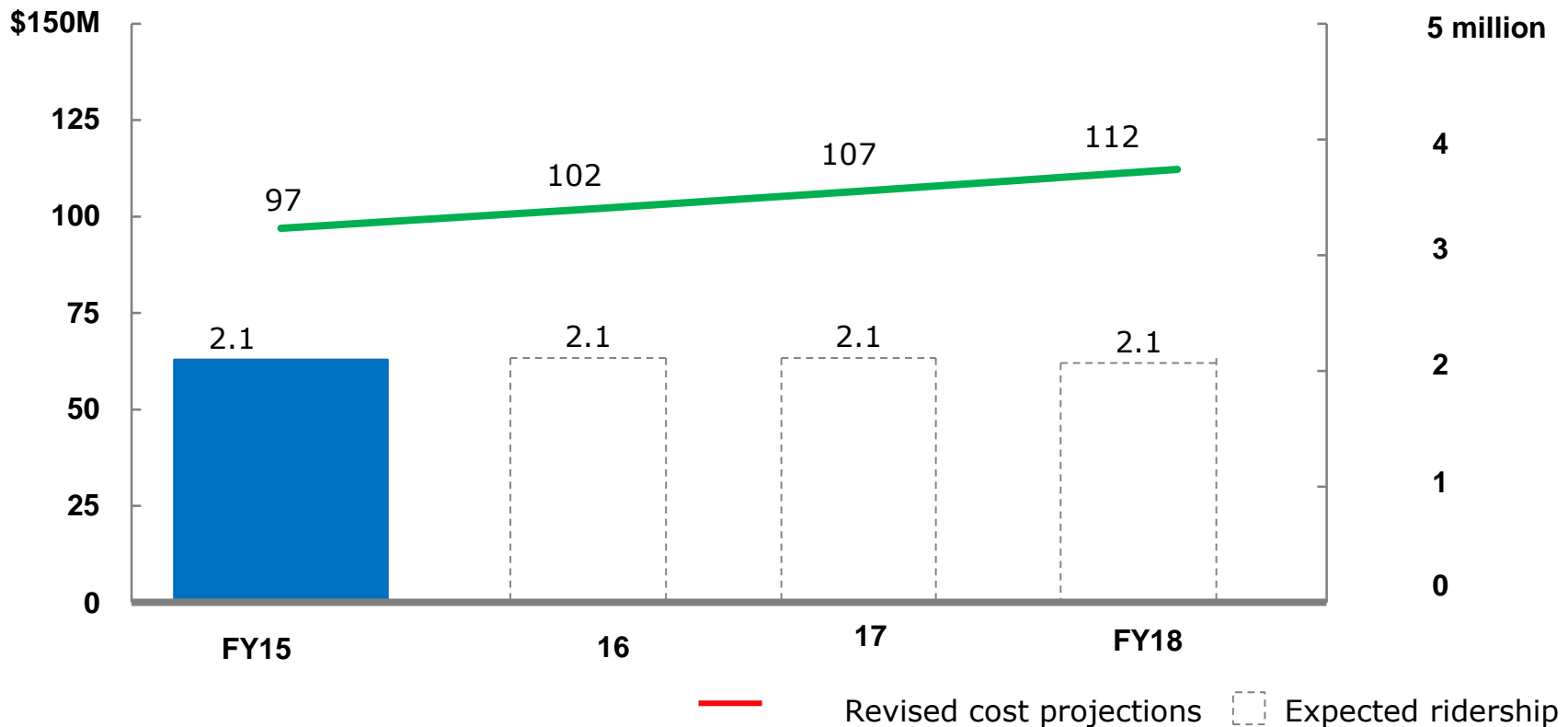
1 3rd party provider costs for trip provision only. Does not include internal MBTA management of contracts, or Office of Transit Access. SOURCE: MBTA internal data and pro-forma budget projections



Even If Ridership Remains Flat, Costs Will Rise Without Continued Reform

Projected
RIDE costs

Number of trips



1 Revised projections assume ~3% cost growth per fiscal year, in line with inflation

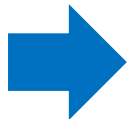


Strategy to Develop Sustainable Paratransit: FY17 – FY19

Strategic Goals:

- Lower total cost per trip
- Sustain customer satisfaction levels (conducting survey)
- Provide customers with flexible mobility options

Achieved by:



- **Centralizing and improving call center and dispatch capabilities via CCCC (Centralized Call & Control Center)**
 - Expanding transportation options for WAVs and sedans
 - Transitioning riders to new service options, where appropriate
 - Improve utilization/efficiency/miles traveled per vehicle
 - Creating competition among service providers



Comparable Agencies

Centralization

- 11 of 14 selected cities use a centralized call center (Baltimore, Dallas, Denver, Houston, New Jersey, New York, Philadelphia, Portland, San Jose, Seattle, Washington DC.)

Outsourced Call Ctr

- 7 of 11 use contracted call center management

Consolidated Functions

- 9 of 11 consolidate reservations, scheduling and dispatching





Goals of CCCC Initiative

1. Implement a New Business Model

- Offer “suite of services” designed to best meet customer needs using a variety of existing transportation resources.

2. Contain Costs

- Contain costs through reduced overhead, enhanced efficiency, and increased competition.

3. Sustain Service and Satisfaction Levels

- Industry leading 97% on-time performance within 30 minute window.
- Phone performance that meets or exceeds private sector benchmarks.

4. Contract Effectively

- RFP designed to minimize risk, maximize competition, leverage best practices. Takes into account current operational strengths and weaknesses.



Projected Impact of CCCC

Cost Reduction Drivers:

- Improved communication regarding customer transportation options
- Elimination of overlap within Core Service Area
- Reduced duplicate and “no show” reservations
- More opportunity for community and RTA partnerships
- Greater efficiency of call center resources
- Shift to “per hour” cost structure for service provision
- Increased competition among service providers



Roles and Responsibilities

MBTA

- Policies and planning
- Retains/oversees contractors
- Access to paratransit software
- Processes complaints
- Processes invoices
- Outreach to riders
- Some vehicle ownership
- Reporting & Dashboards
- Data Backbone

Service Providers

- Fleet Operations
- Road supervision
- Window dispatching
- Vehicle maintenance
- Some vehicle ownership

CCCC Manager (facilities)

- Leasing CCCC facility*
- Hardware and Software* (other than paratransit software)
- Office furniture/equipment*
- Telephone system*
- Radio/dispatch system*

CCCC Manager (operations)

- Establishing run structures
- Booking/scheduling trips
- Change orders/cancels
- Dispatching
- Same-day issues
- Complaint follow-up
- Service Reporting

* MBTA retains option to take ownership



Strategic Approach to CCCC Procurement: Minimizing Risk

#1: Managing Fixed Cost via CCCC

- Current RIDE service (trip provision) contracts anticipate the launch of a Centralized Call and Control Center. Existing call center costs are eliminated and variable costs change from per trip to per hour

#2: Illustrating Key Assumptions

- RFP required detailed cost proposals that allowed selection team to identify areas of potential savings or misallocations

#3: Provide Key Data

- MBTA provided significant amounts of operational and regulatory data to bidders in order to reduce “unknowns” and increase the overall accuracy of bids

#4: Provide Technical Specifications

- MBTA provided in-depth technical specs to ensure that costs reflected the complexity and technological nature of a call and control center



Call Center Vendor Selection Considerations

- A strong background in paratransit dispatch and call center management
- Prior project results with demonstrated improvements in customer service, logistics, as well as cost savings
- Successes integrating multiple operations across a complex urban environment
- Proven ability to implement and maintain a complex set of technologies
- Excellent references from clients similar to the MBTA
- Long term commitment to a close working relationship
- Demonstrated financial stability



Evaluation & Selection Team

- Office of Diversity and Civil Rights
- Chief Administrator's Office
- MBTA Procurement Office
- Legal
- Budget
- Finance
- Consultants (national paratransit experts)
- MBTA call center
- RIDE staff
- Customer representation
(Access Advisory Committee to the MBTA)



Strategic Goal: Improve Overall Service Performance in Call Center

Context:

- Higher standards, incentives and penalties for call center interaction will improve client communication, satisfaction and trip efficiency

Standards:

- Phone performance, late trips, missed trips

Penalties:

- Fined 2/3 cost for late trips
- No payment plus 4/3 fine for missed trips;
- Additional fees for missing monthly cost-per-trip targets

Incentives:

- Bonuses for exceeding monthly cost-per-trip targets



Performance Standards, Incentives, Penalties

Cost Efficiency

- All operating costs, including fixed and variable costs of service providers and the CCCC manager will be included in the calculations
- Based on completed trips by registered passengers on all providers, including non-dedicated providers
- Increments of additional 1% changes above or below the percentages presented in the table will result in an additional \$2,500 in bonuses or penalties for each additional 1% change

Cost Per Trip Incentives Summary	
Percentage Above or Below the Negotiated Target	Monthly Bonus or Penalty
3.50%	\$5,000 penalty
2.50%	\$2,500 penalty
1.50%	\$0
-1.50%	\$0
-2.50%	\$2,500 bonus
-3.50%	\$5,000 bonus



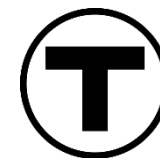
Call Center: Total Contract Amount

July 2016 – December 2020: \$38,563,384

Option Year 1: \$9,783,962

Option Year 2: \$9,909,760

Jul-16-Dec-16	Jan-17-Sep-17	Oct-17-Dec-17	Jan-18-Dec-18	Jan-19-Dec-19	Jan-20-Dec-20
6 Month	6 Month Transition	3 Months	12 Months	12 Months	12 Months
Mobilization	3 Months Operations	Operations	Operations	Operations	Operations
\$1,550,657	\$5,874,464	\$2,216,512	\$9,292,865	\$9,668,264	\$9,960,623



Projected Net Cost Savings

Improved Run Structures (\$4.9M)
 Reducing Service Duplication in Core / Elim.
 Zones (\$5.25M)
 NDSP-Related Savings (\$2.7M)
 Increased Competition (\$2.6M - \$7.3M)
Total Cost Reductions from CCCC

Mobilization (6 Mos.) Jul-16 - Dec-17	Transition (9 Mos.) Jan-17 - Sep-17	Operations (3 Mos) Oct-17 - Dec 17	Operations CY 2018	Operations CY 2019	Operations CY 2020
\$0	\$1,225,000	\$1,225,000	\$4,900,000	\$5,022,500	\$5,148,063
\$0	\$1,312,500	\$1,312,500	\$5,250,000	\$5,381,250	\$5,515,781
\$0	\$0	\$675,000	\$2,700,000	\$2,700,000	\$2,767,500
\$0	\$0	\$0	\$0	\$0	\$2,500,000
\$0	\$2,537,500	\$3,212,500	\$12,850,000	\$13,103,750	\$15,931,344

Net Savings/(Cost) per Period

Additional Call Center Costs under CCCC
 Projected Cost Reductions from CCCC
 Net Savings/(Cost)

(\$1,550,657)	(\$4,135,747)	(\$287,314)	(\$1,285,519)	(\$1,064,706)	(\$728,182)
\$0	\$2,537,500	\$3,212,500	\$12,850,000	\$13,103,750	\$15,931,344
(\$1,550,657)	(\$1,598,247)	\$2,925,186	\$11,564,481	\$12,039,044	\$15,203,162

Cumulative Savings/(Cost)

(\$1,550,657)	(\$3,148,904)	(\$223,718)	\$11,340,763	\$23,379,807	\$38,582,969
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"Additional Call Center Costs" = GCS BAFO costs minus eliminated call center costs



CCCC Implementation: Projected vs. Actual Costs

Independent cost estimate (ICE):

- 36 Months of Operations: \$36,262,514
- Cost per month of Operation \$1,007,292

Final bid price:

- 39 Months of Operations \$38,563,384
- Cost per month of Operation \$988,805

Difference: 1.8% below ICE

Independent Cost Estimate Detail



			Thru Jun-18	Jul-18-Jun-19	Jul-19-Jun-20	Jul-20-Jun-21
Cost Category			2017-18	2018-19	2019-20	2020-21
			12 Months Mobiliz/Trans	12 Months Operations	12 Months Operations	12 Months Operations
Staffing Cost of CCCC			\$4,087,431	\$7,542,991	\$7,993,708	\$8,474,868
Equipment and Expenses			\$613,115	\$1,131,449	\$1,199,056	\$1,271,230
Rent			\$958,040	\$977,201	\$996,745	\$1,016,680
Total Added CCCC Cost			\$5,658,586	\$9,651,641	\$10,189,509	\$10,762,778

Note:

Staffing Cost of CCCC - 2017-18 includes mobilization. For 2019-2021, assumes 6% annual escalation.

Equipment and Expenses - Based on 15% of staffing cost

36 Months of Operations:	\$36,262,514
Cost per month of Operation:	\$1,007,292

Final BAFO Pricing

Global Contact Services
5/20/2016

Cost Category	Mobilization/Year 1		Year 2		Year 3	Year 4
	Jul-16-Dec-16	Jan-17-Sep-17	Oct-17-Dec-17	Jan-18-Dec-18	Jan-19-Dec-19	Jan-20-Dec-20
	6 Months Mobilization	6 Months Mobiliz/Trans	3 Months Operations	12 Months Operations	12 Months Operations	12 Months Operations
Wages and Benefits	\$669,117	\$3,749,321	\$1,473,615	\$6,056,759	\$6,318,371	\$6,589,932
Facility Lease/Utilities	\$267,479	\$644,577	\$222,359	\$896,957	\$919,381	\$942,365
Other Non-Labor Costs	\$501,862	\$1,055,512	\$360,159	\$1,666,752	\$1,730,953	\$1,707,613
Profit	\$112,200	\$425,054	\$160,378	\$672,397	\$699,559	\$720,713
Total CCCC Cost	\$1,550,657	\$5,874,464	\$2,216,512	\$9,292,865	\$9,668,264	\$9,960,623

39 Months of Operations:	\$38,563,384
Cost per month of Operation:	\$988,805