



**Massachusetts Bay
Transportation Authority**

Centralized Call & Control Center for Paratransit Services

Recommendation for Approval

June 6, 2016



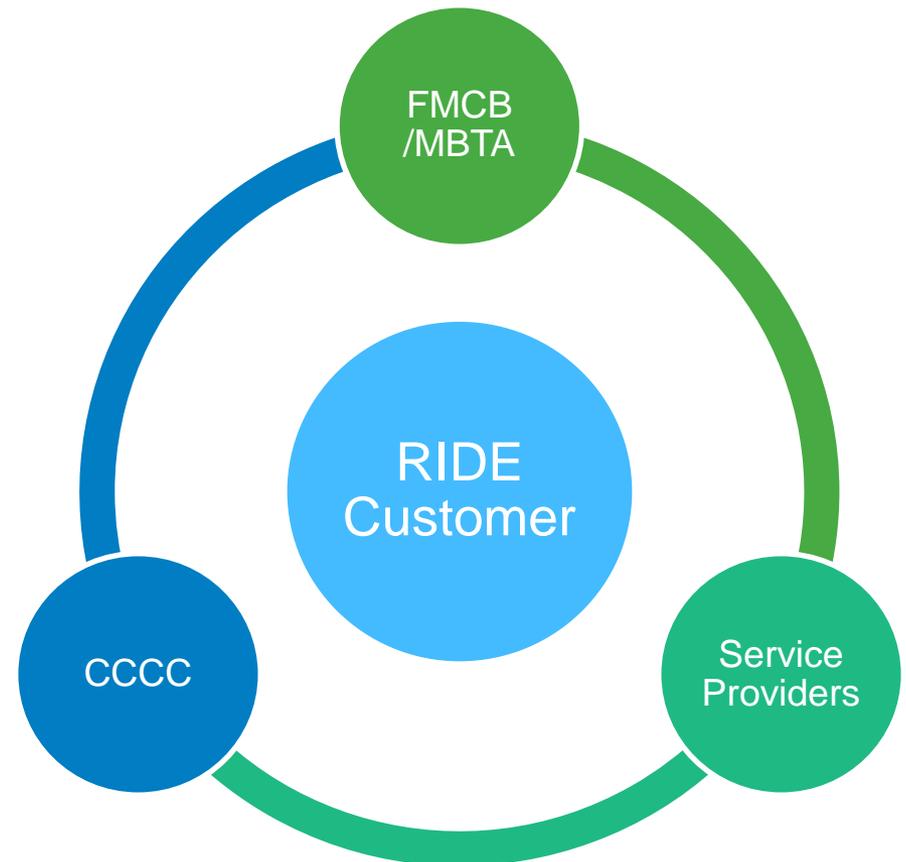
Summary

- 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

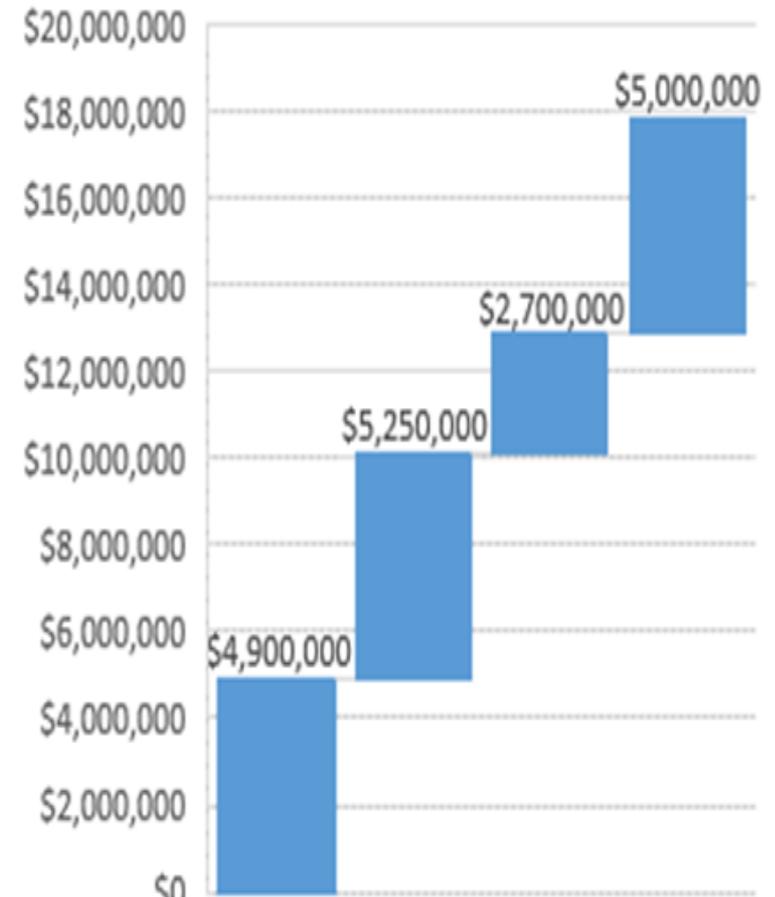
- One point of contact for multiple service providers
- Access to lower fare trips
- Elimination of transfers within RIDE area
- Increased transportation options to improve access to multiple transportation modes
- Helps ensure long term sustainability of high quality service





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

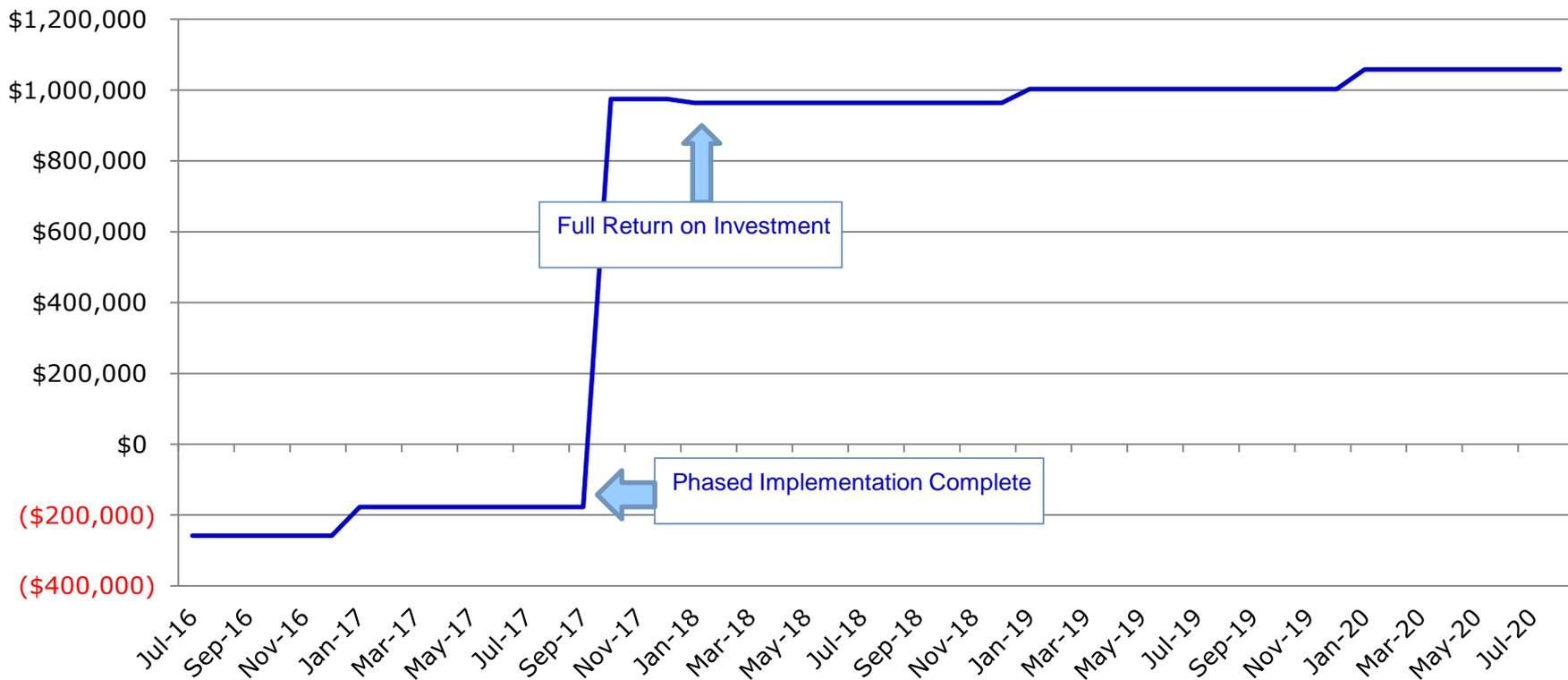
Source	Annual Savings
Increased ADA Competition (starting in FY20)	\$5M
Non-Dedicated Service Provider (starting in FY17)	\$2.7M
Reducing Service Duplication In Core, Eliminating Zones (starting in FY17)	\$5.25M
More Efficient Routing of Vehicles (starting in FY17)	\$4.9M





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

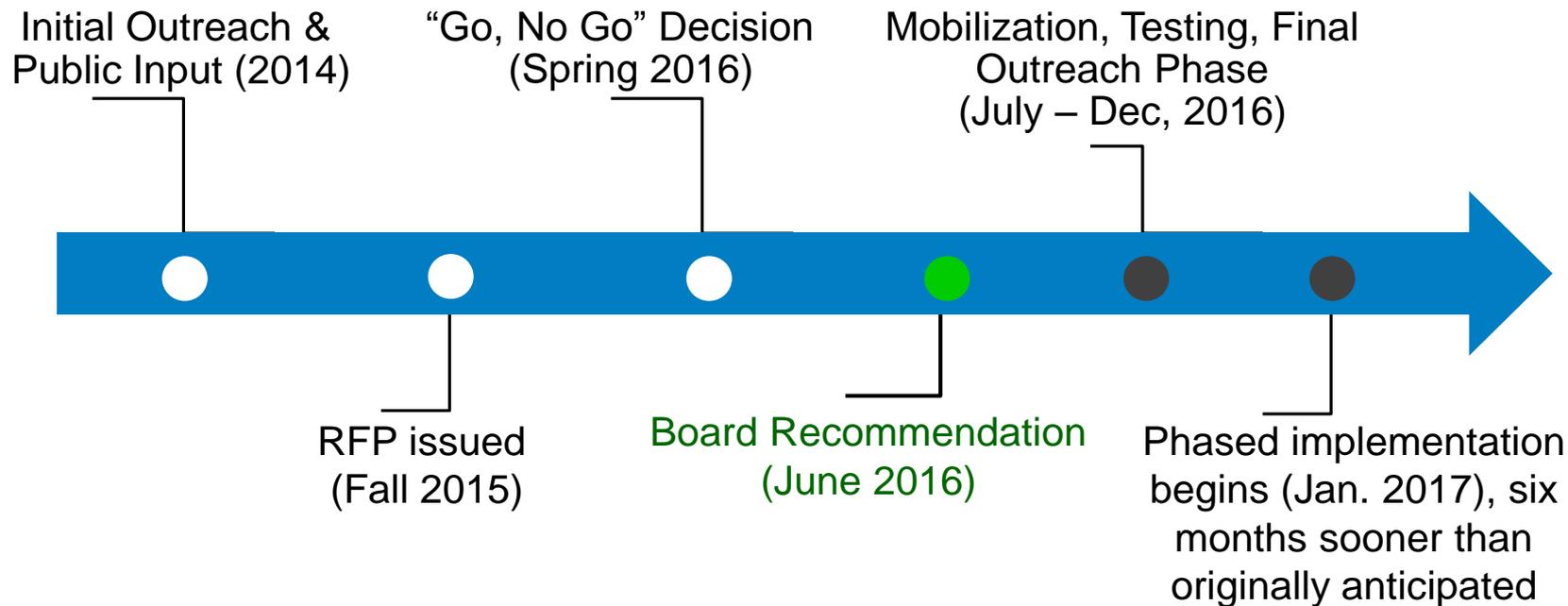
Currently provides call center, reservations, and scheduling, and trip outsourcing services for NYCT

- **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



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



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:

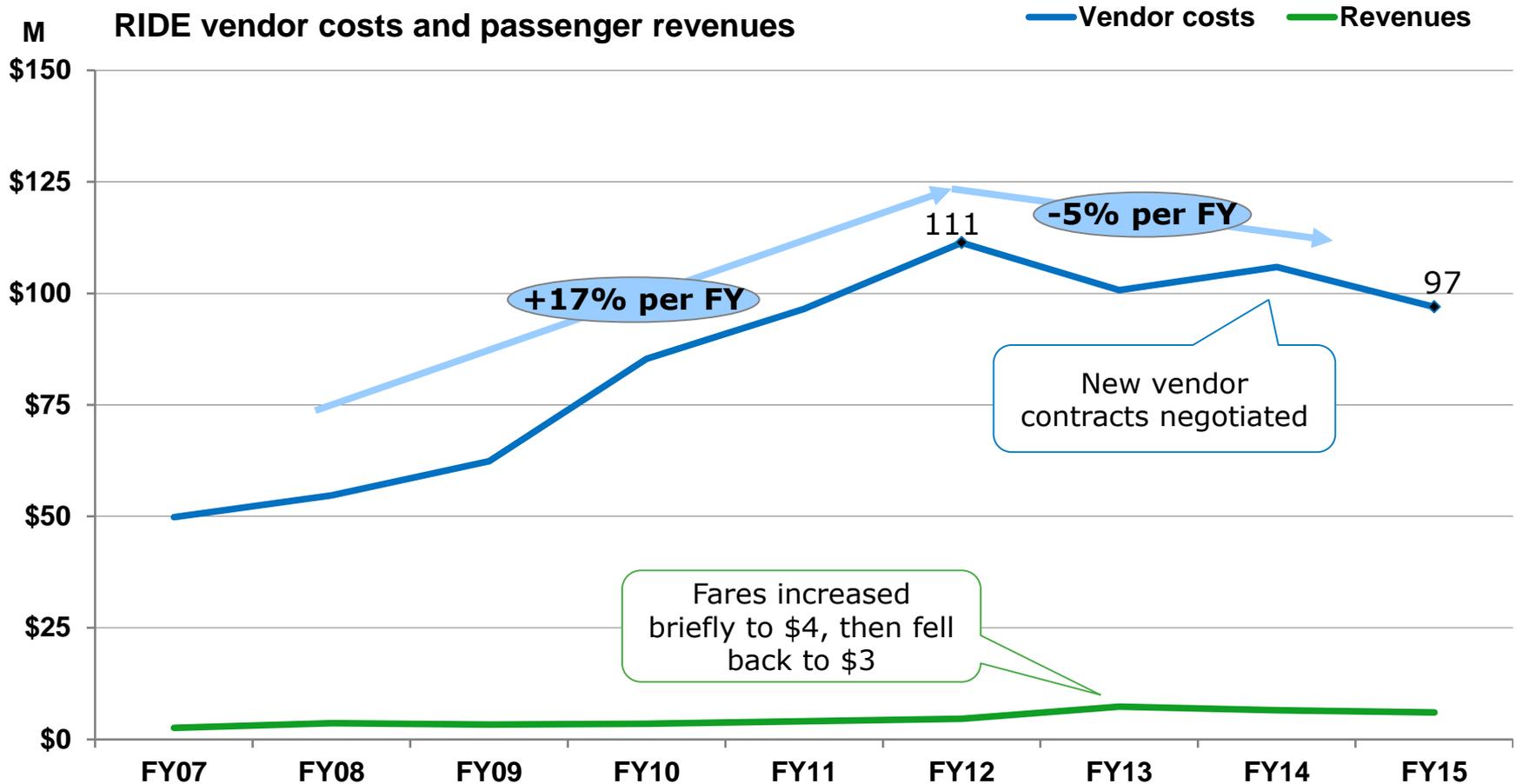
- Centralized call center: reservations, scheduling & dispatch
- Ride sharing subsidized program

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



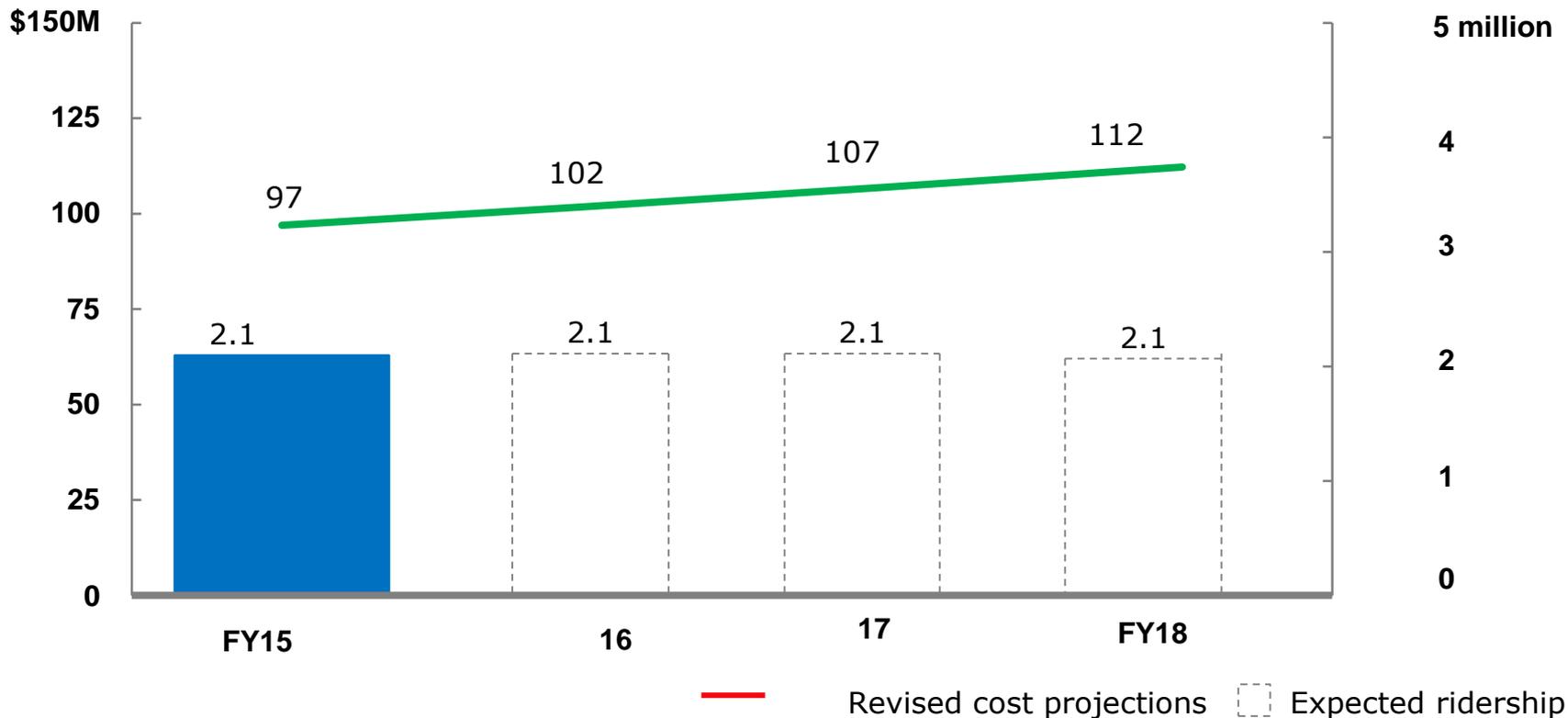
1 3rd party provider costs for trip provision only. Does not include internal MBTA management of contracts, or Office of Transit Access. SOURCE: MBTA internal data and pro-forma budget projections



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

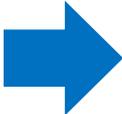


Strategy to Develop Sustainable Paratransit: FY17 – FY19

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

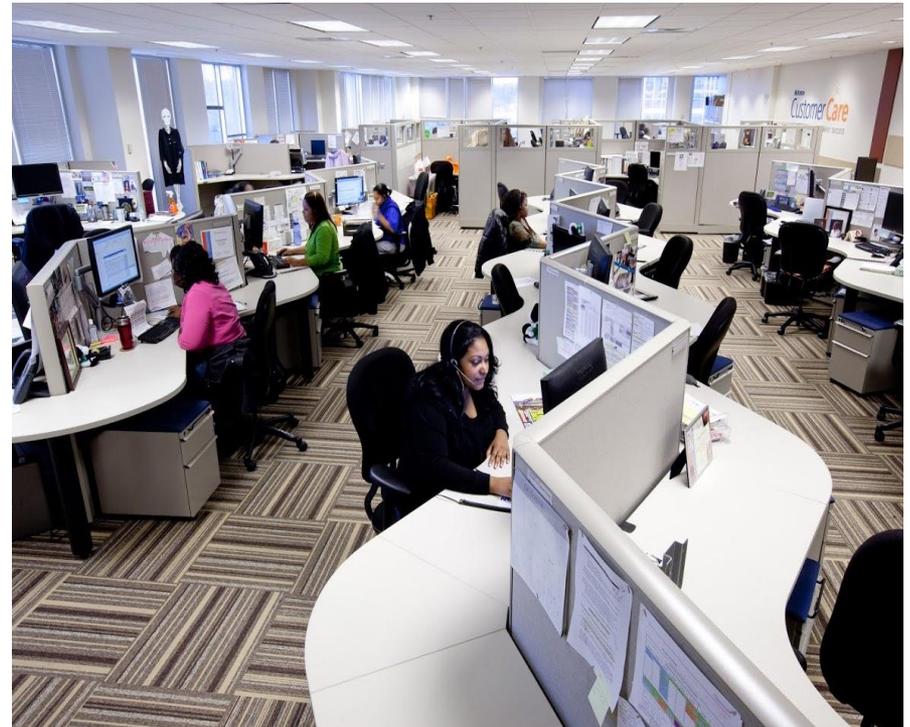
- 11 of 14 selected cities use a centralized call center (Baltimore, Dallas, Denver, Houston, New Jersey, New York, Philadelphia, Portland, San Jose, Seattle, Washington DC.)

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

	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
Improved Run Structures (\$4.9M)	\$0	\$1,225,000	\$1,225,000	\$4,900,000	\$5,022,500	\$5,148,063
Reducing Service Duplication in Core / Elim. Zones (\$5.25M)	\$0	\$1,312,500	\$1,312,500	\$5,250,000	\$5,381,250	\$5,515,781
NDSP-Related Savings (\$2.7M)	\$0	\$0	\$675,000	\$2,700,000	\$2,700,000	\$2,767,500
Increased Competition (\$2.6M - \$7.3M)	\$0	\$0	\$0	\$0	\$0	\$2,500,000
Total Cost Reductions from CCCC	\$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	(\$1,550,657)	(\$4,135,747)	(\$287,314)	(\$1,285,519)	(\$1,064,706)	(\$728,182)
Projected Cost Reductions from CCCC	\$0	\$2,537,500	\$3,212,500	\$12,850,000	\$13,103,750	\$15,931,344
Net Savings/(Cost)	(\$1,550,657)	(\$1,598,247)	\$2,925,186	\$11,564,481	\$12,039,044	\$15,203,162

<u>Cumulative Savings/(Cost)</u>	(\$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



Cost Category			Thru Jun-18	Jul-18-Jun-19	Jul-19-Jun-20	Jul-20-Jun-21
			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