Centralized Call & Control Center for Paratransit Services

Recommendation for Approval

June 6, 2016
Centralized Call & Control Center for Paratransit Services

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)
CCC 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

<table>
<thead>
<tr>
<th>Source</th>
<th>Annual Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased ADA Competition (starting in FY20)</td>
<td>$5M</td>
</tr>
<tr>
<td>Non-Dedicated Service Provider (starting in FY17)</td>
<td>$2.7M</td>
</tr>
<tr>
<td>Reducing Service Duplication In Core, Eliminating Zones (starting in FY17)</td>
<td>$5.25M</td>
</tr>
<tr>
<td>More Efficient Routing of Vehicles (starting in FY17)</td>
<td>$4.9M</td>
</tr>
</tbody>
</table>
Centralized Call & Control Center for Paratransit Services

Cost neutral by October 2017, Full ROI by January 2018

Monthly Net Savings/(Cost) Resulting from CCCC

- Phased Implementation Complete
- Full Return on Investment
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
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

- **Initial Outreach & Public Input (2014)**
- **“Go, No Go” Decision (Spring 2016)**
- **Mobilization, Testing, Final Outreach Phase (July – Dec, 2016)**

- **RFP issued (Fall 2015)**
- **Board Recommendation (June 2016)**
- **Phased implementation begins (Jan. 2017), six months sooner than originally anticipated**
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

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Trips</th>
<th>Projected RIDE Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY15</td>
<td>2.1</td>
<td>97</td>
</tr>
<tr>
<td>16</td>
<td>2.1</td>
<td>102</td>
</tr>
<tr>
<td>17</td>
<td>2.1</td>
<td>107</td>
</tr>
<tr>
<td>FY18</td>
<td>2.1</td>
<td>112</td>
</tr>
</tbody>
</table>

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

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

**CCCCC 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
#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

<table>
<thead>
<tr>
<th>Percentage Above or Below the Negotiated Target</th>
<th>Monthly Bonus or Penalty</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.50%</td>
<td>$5,000 penalty</td>
</tr>
<tr>
<td>2.50%</td>
<td>$2,500 penalty</td>
</tr>
<tr>
<td>1.50%</td>
<td>$0</td>
</tr>
<tr>
<td>-1.50%</td>
<td>$0</td>
</tr>
<tr>
<td>-2.50%</td>
<td>$2,500 bonus</td>
</tr>
<tr>
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<td>$5,000 bonus</td>
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## Call Center: Total Contract Amount

### July 2016 – December 2020:

- **Option Year 1:** $9,783,962
- **Option Year 2:** $9,909,760

<table>
<thead>
<tr>
<th></th>
<th>Jul-16-Dec-16</th>
<th>Jan-17-Sep-17</th>
<th>Oct-17-Dec-17</th>
<th>Jan-18-Dec-18</th>
<th>Jan-19-Dec-19</th>
<th>Jan-20-Dec-20</th>
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</thead>
<tbody>
<tr>
<td><strong>Mobilization</strong></td>
<td>$1,550,657</td>
<td>$5,874,464</td>
<td>$2,216,512</td>
<td>$9,292,865</td>
<td>$9,668,264</td>
<td>$9,960,623</td>
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<tr>
<td><em>6 Month</em></td>
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<td><em>3 Months</em></td>
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<td><em>3 Months</em></td>
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<td><em>Operations</em></td>
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<tr>
<td><em>12 Months</em></td>
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<td><em>12 Months</em></td>
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## Projected Net Cost Savings

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<tbody>
<tr>
<td>Improved Run Structures ($4.9M)</td>
<td>$0</td>
<td>$1,225,000</td>
<td>$1,225,000</td>
<td>$4,900,000</td>
<td>$5,022,500</td>
<td>$5,148,063</td>
</tr>
<tr>
<td>Reducing Service Duplication in Core / Elim. Zones ($5.25M)</td>
<td>$0</td>
<td>$1,312,500</td>
<td>$1,312,500</td>
<td>$5,250,000</td>
<td>$5,381,250</td>
<td>$5,515,781</td>
</tr>
<tr>
<td>NDSP-Related Savings ($2.7M)</td>
<td>$0</td>
<td>$0</td>
<td>$675,000</td>
<td>$2,700,000</td>
<td>$2,700,000</td>
<td>$2,767,500</td>
</tr>
<tr>
<td>Increased Competition ($2.6M - $7.3M)</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$2,500,000</td>
</tr>
<tr>
<td><strong>Total Cost Reductions from CCCC</strong></td>
<td>$0</td>
<td>$2,537,500</td>
<td>$3,212,500</td>
<td>$12,850,000</td>
<td>$13,103,750</td>
<td>$15,931,344</td>
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### Net Savings/(Cost) per Period

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<tr>
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</thead>
<tbody>
<tr>
<td>Additional Call Center Costs under CCCC</td>
<td>($1,550,657)</td>
<td>($4,135,747)</td>
<td>($287,314)</td>
<td>($1,285,519)</td>
<td>($1,064,706)</td>
<td>($728,182)</td>
</tr>
<tr>
<td>Projected Cost Reductions from CCCC</td>
<td>$0</td>
<td>$2,537,500</td>
<td>$3,212,500</td>
<td>$12,850,000</td>
<td>$13,103,750</td>
<td>$15,931,344</td>
</tr>
<tr>
<td><strong>Net Savings/(Cost)</strong></td>
<td>($1,550,657)</td>
<td>($1,598,247)</td>
<td>$2,925,186</td>
<td>$11,564,481</td>
<td>$12,039,044</td>
<td>$15,203,162</td>
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### Cumulative Savings/(Cost)

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</thead>
<tbody>
<tr>
<td><strong>Cumulative Savings/(Cost)</strong></td>
<td>($1,550,657)</td>
<td>($3,148,904)</td>
<td>($223,718)</td>
<td>$11,340,763</td>
<td>$23,379,807</td>
<td>$38,582,969</td>
</tr>
</tbody>
</table>

“Additional Call Center Costs” = GCS BAFO costs minus eliminated call center 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

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<tr>
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<tbody>
<tr>
<td></td>
<td>2017-18</td>
<td>2018-19</td>
<td>2019-20</td>
<td>2020-21</td>
</tr>
<tr>
<td></td>
<td>12 Months</td>
<td>12 Months</td>
<td>12 Months</td>
<td>12 Months</td>
</tr>
<tr>
<td></td>
<td>Mobiliz/Trans</td>
<td>Operations</td>
<td>Operations</td>
<td>Operations</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
<th>2020-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staffing Cost of CCCC</td>
<td>$4,087,431</td>
<td>$7,542,991</td>
<td>$7,993,708</td>
<td>$8,474,868</td>
</tr>
<tr>
<td>Equipment and Expenses</td>
<td>$613,115</td>
<td>$1,131,449</td>
<td>$1,199,056</td>
<td>$1,271,230</td>
</tr>
<tr>
<td>Rent</td>
<td>$958,040</td>
<td>$977,201</td>
<td>$996,745</td>
<td>$1,016,680</td>
</tr>
<tr>
<td>Total Added CCCC Cost</td>
<td>$5,658,586</td>
<td>$9,651,641</td>
<td>$10,189,509</td>
<td>$10,762,778</td>
</tr>
</tbody>
</table>

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

- Staffing Cost of CCCC - 2017-18 includes mobilization. For 2019-2021, assumes 6% annual escalation.
- Equipment and Expenses - Based on 15% of staffing cost

### Final BAFO Pricing

**Global Contact Services**
- **Mobilization/Year 1**
- **Year 2**
- **Year 3**
- **Year 4**

<table>
<thead>
<tr>
<th>Cost Category</th>
<th>Jul-16-Dec-16</th>
<th>Jan-17-Sep-17</th>
<th>Oct-17-Dec-17</th>
<th>Jan-18-Dec-18</th>
<th>Jan-19-Dec-19</th>
<th>Jan-20-Dec-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages and Benefits</td>
<td>$669,117</td>
<td>$3,749,321</td>
<td>$1,473,615</td>
<td>$6,056,759</td>
<td>$6,318,371</td>
<td>$6,589,932</td>
</tr>
<tr>
<td>Facility Lease/Utilities</td>
<td>$267,479</td>
<td>$644,577</td>
<td>$222,359</td>
<td>$896,957</td>
<td>$919,381</td>
<td>$942,365</td>
</tr>
<tr>
<td>Other Non-Labor Costs</td>
<td>$501,862</td>
<td>$1,055,512</td>
<td>$360,159</td>
<td>$1,666,752</td>
<td>$1,730,953</td>
<td>$1,707,613</td>
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<tr>
<td>Profit</td>
<td>$112,200</td>
<td>$425,054</td>
<td>$160,378</td>
<td>$672,397</td>
<td>$699,559</td>
<td>$720,713</td>
</tr>
<tr>
<td>Total CCCC Cost</td>
<td>$1,550,657</td>
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