



**Massachusetts Bay  
Transportation Authority**

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## **Call Center RFP Update**

**FMCB**

**May 1, 2017**



# FMCB February 2016

## Initial Focus: Corporate Services

### Goals for Flexible Contracting



- **Focus on Core Mission:** Control of long term pension and retiree health
- **Customer Service Improvement:**
- **Technology:** Partner with firms with contemporary technology and free
- **Speed:** Improve agility or reduce p
- **Flexibility:** Improve ability to resp
- **Scalability:** Improve efficiency by services quickly – create more var
- **Business Risks:** Reduce business r
- **Integration:** Collaborate with best



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### Initial Focus: Corporate Services



- Automated Fare Collection Technology and Cash Handling Operations
- Marketing Communications (Charlie Store retail operations, Marketing and Web Services, Call Centers)
- Materials Management and Warehouse Logistics
- Third Party Administration of Employee Leave Deferred Compensation Programs
- Cleaning and Elevator Maintenance (currently outsourced)
- Transit Police Dispatch
- Telecom Spend Management

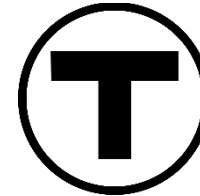


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## Agencies Outsourcing Customer Care Services

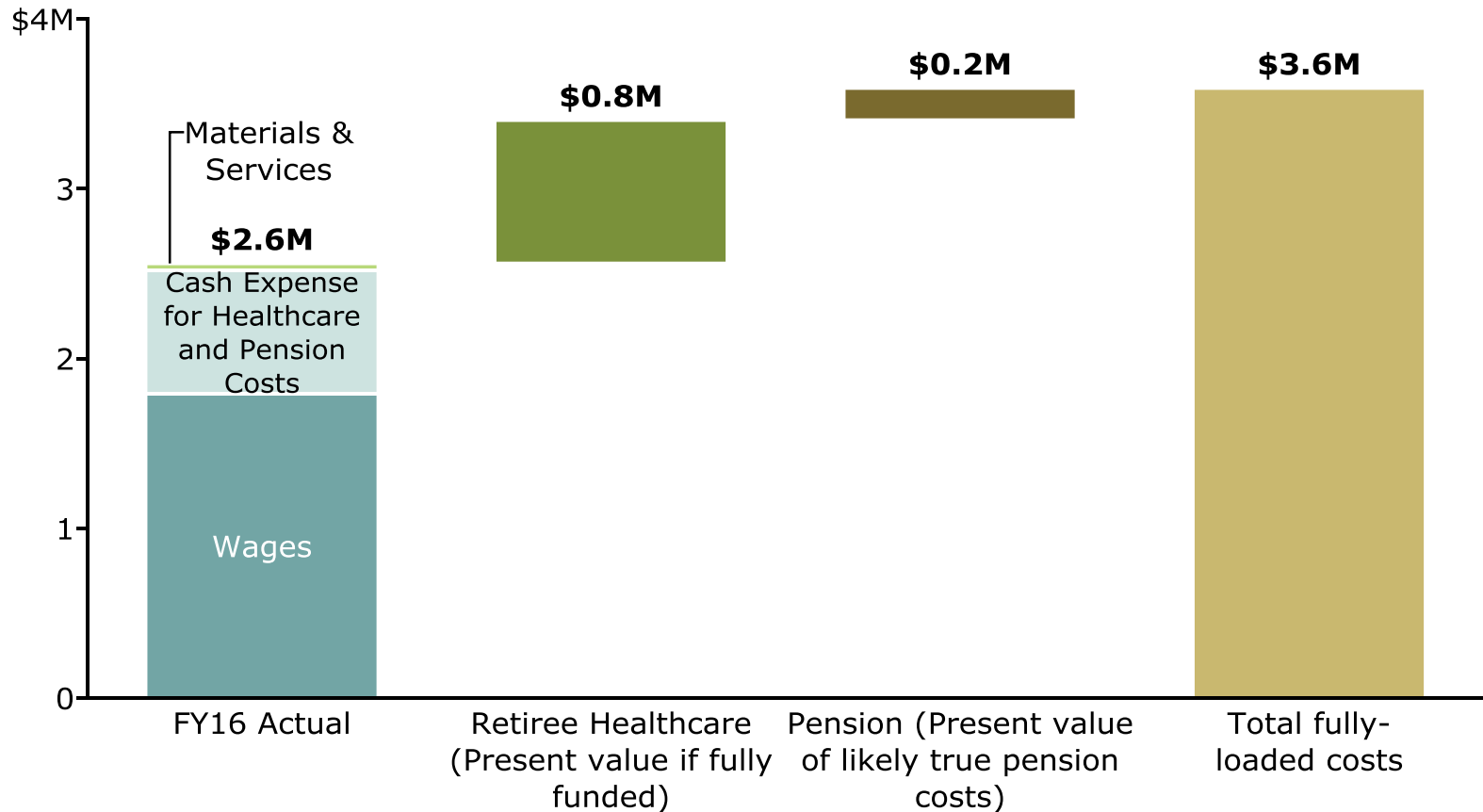




## Call Center Operating Costs

**Fully loaded FY16 call center expenses totaled \$3.6M**

FY16 Expenses



Note: Same methodology used as KPMG outlined in Money Room Review

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## Call Center Background and Update

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- **October 2016: MBTA received an Innovation Proposal that expressed interest in providing call center services currently performed by MBTA's Customer Communications Department**
- **November 2016: Approval from FMCB to release an RFP for customer contact services**
- **December 2016: Release of RFP**
  - › We received eight responses to the RFP
  - › Four bidders were interviewed
  - › Pricing was opened for two bidders
- **Today: Selection committee unanimously recommends to FMCB to pursue final contact negotiations with GCS**



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## Summary from Evaluation Committee recommendation

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- ✓ Strong track record of performance with MBTA and other public agencies (GCS operates new call centralized call center for THE RIDE near Wellington Station)
- ✓ Strong technical performance, including enhanced self-service options and live updates of bus times
- ✓ Dedicated account manager to work exclusively with MBTA
- ✓ Strong transition team with clear timeline and actions
- ✓ Clear understanding of MBTA system and challenges
- ✓ Clear pricing advantage over other bidders



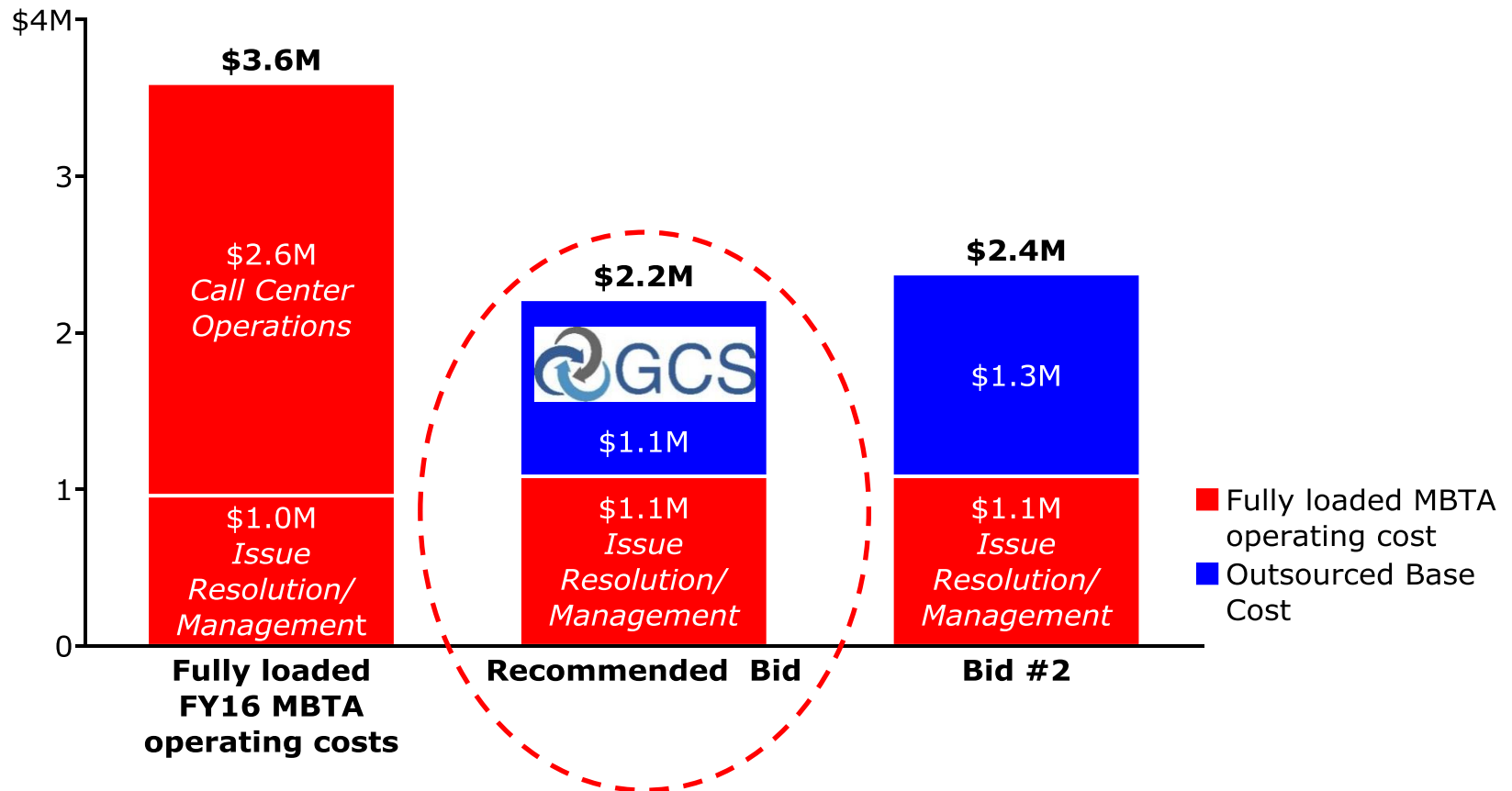
## GCS has experience in the transit industry, customer service, and the MBTA

CLIENT	SERVICE TYPE	DESCRIPTION	CONTRACT TERMS
	Customer Service Center	<ul style="list-style-type: none"><li>Multi-site customer service and sales for insurance and ancillary products</li></ul>	<ul style="list-style-type: none"><li>Month to month</li><li>\$5-10M over three years</li></ul>
	Customer Service Center	<ul style="list-style-type: none"><li>Multi site customer service and sales for bank related products</li></ul>	<ul style="list-style-type: none"><li>Month to month</li><li>\$5-10M over three years</li></ul>
	Back Office Operations	<ul style="list-style-type: none"><li>Data entry</li><li>Image modification</li><li>Website data capturing</li><li>Interviews and background checks</li></ul>	<ul style="list-style-type: none"><li>\$1-2M annual contract</li></ul>
	Paratransit Scheduling and Dispatch Center	<ul style="list-style-type: none"><li>Centralized call and dispatch center for The RIDE paratransit service</li><li>Multi-Language</li><li>Scheduled and on-demand service</li><li>Meets ADA and other federal, state and local regulations and mandates</li></ul>	<ul style="list-style-type: none"><li>\$42M over 5 years, with two additional option years</li></ul>
	Paratransit Service Center	<ul style="list-style-type: none"><li>Center handles over 30,000 calls and emails each day for the 170,000 Access-a-Ride passengers</li><li>Complex scheduling to meet demand peaks</li><li>Multi-Language</li><li>Meets ADA and other federal, state and local regulations and mandates</li></ul>	<ul style="list-style-type: none"><li>5-year contract, with two option years worth \$200-300M</li></ul>



## Selection Committee recommends the MBTA partner with GCS

First-year fully loaded base operating cost of call center







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## **Corporate services modernization**

### **Customer Call Center**

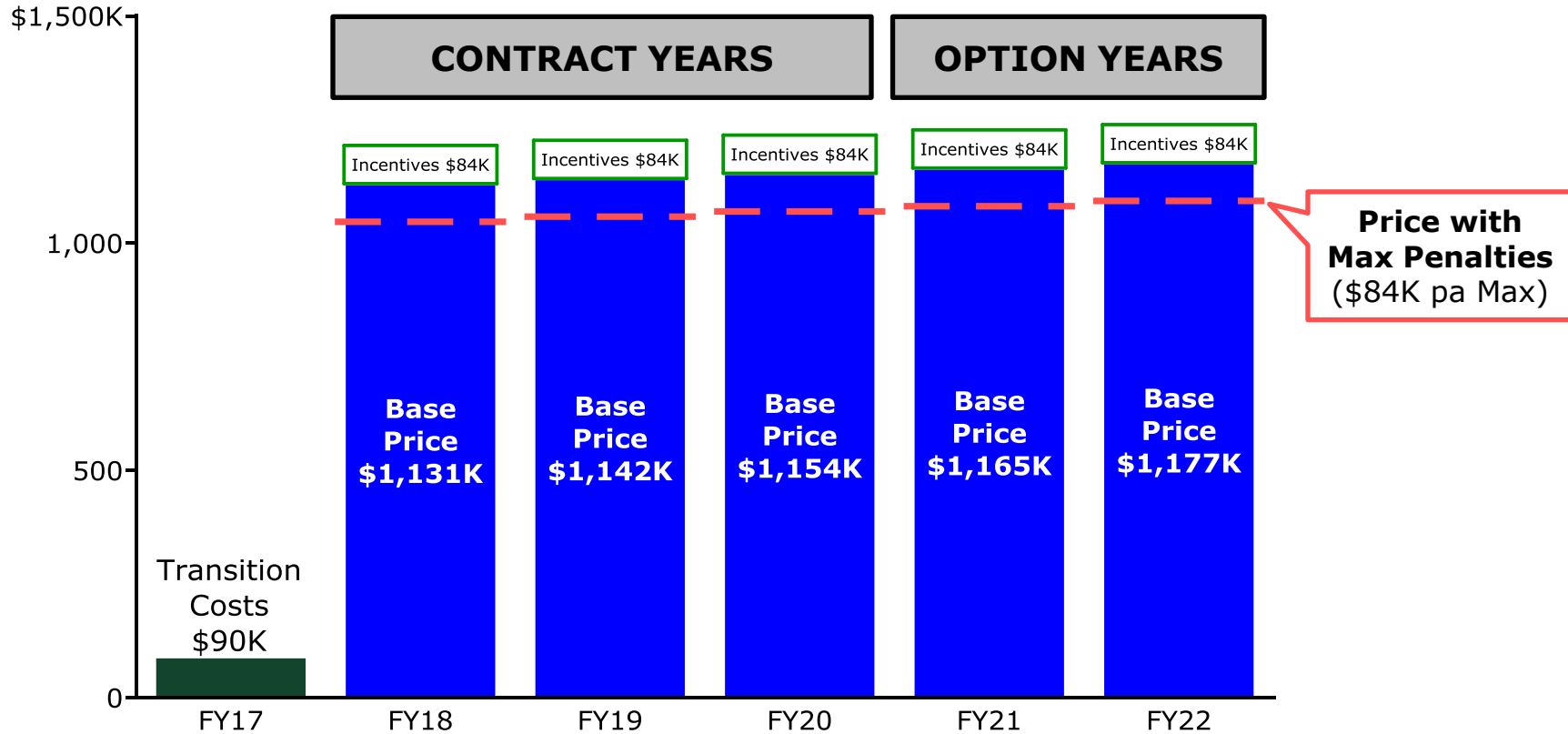
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- 1. MBTA will shift internal focus to customer issue resolution and service delivery improvement**
- 2. Leverage state-of-the-art call center technologies**
  - Potential to implement voice recognition software, improved call routing, and other advances
  - Technological improvements will continue to reduce call volume
    - › Mobile applications and improved automated call services reduce need for call center representatives
- 3. Flexible staffing model allows vendor to adjust capacity based on customer demand**
  - Fixed fee model incentivizes vendor to create robust self-service options for callers
  - Penalties and incentives set for vendor to meet demand peaks during service disruptions, emergencies, and weather disruptions



# GCS has proposed 1% annual cost growth over life of contract, below MBTA revenue growth

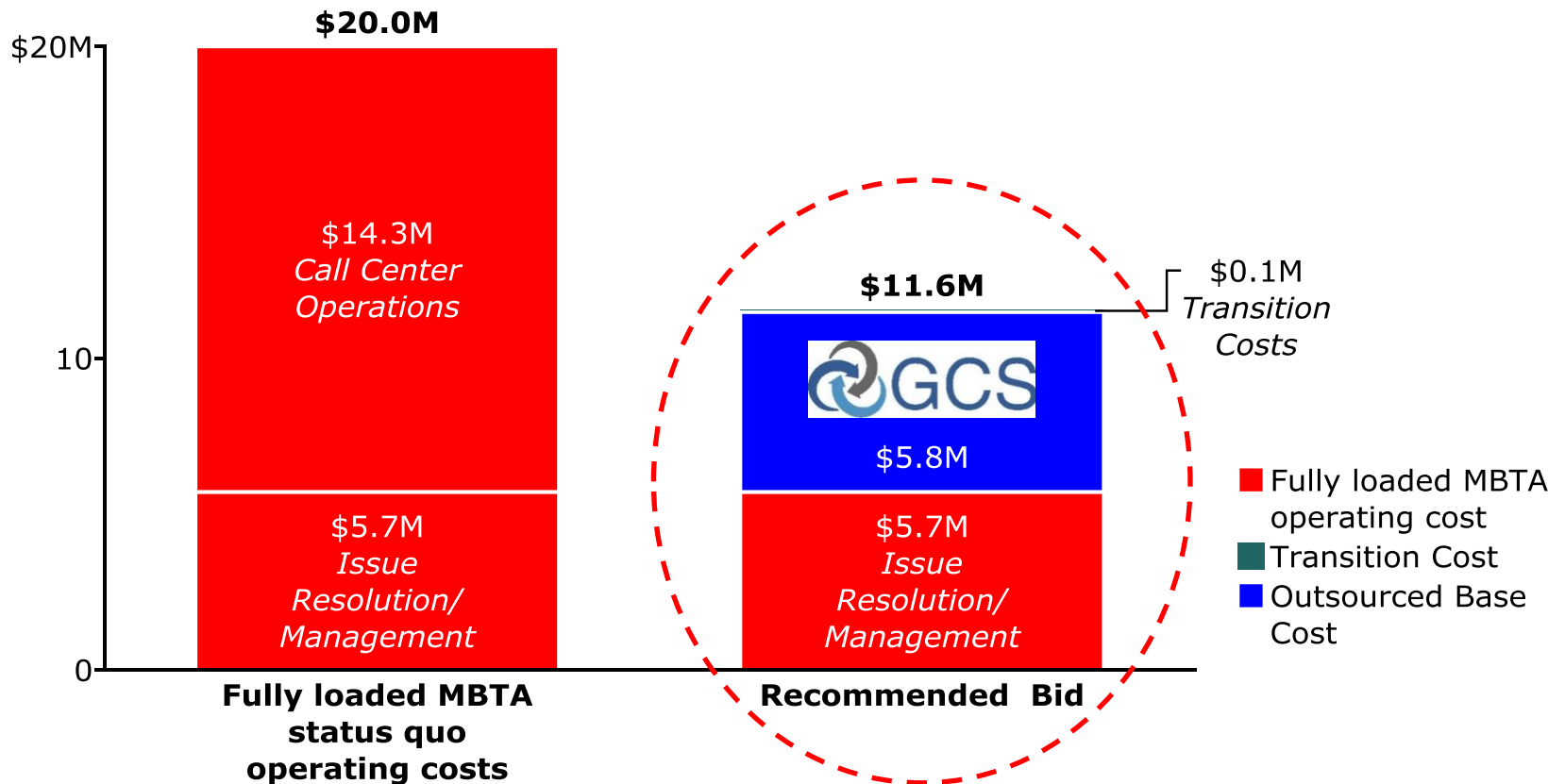
Annual Contract Costs





## GCS proposal cuts Customer Call Center costs by more than half, totaling \$8.5M over five years

### 5-year fully loaded base operating cost of call center



Note: MBTA internal costs assumed to grow at 2.5% per year; Bid costs grow per proposed schedule