



Massachusetts Bay Transportation Authority

GM Remarks

Fiscal and Management Control Board

May 22, 2017



Agenda

- Operator Safety and Awareness
- Warehouse and Logistics: Improvement update
- Cash Handling: March and April actuals
- Commuter rail update



Operator Safety and Awareness Initiatives: March 2017 operator campaign

- MBTA launched "Get to Know Your Operator Campaign" in 2017
- 1,000 posters across the system and shared over social media highlighted work of 8 operators
- Over 250 protective barriers installed on new bus fleet to date, MBTA will have 375 in service by year end



I am a son. A brother. And an uncle.
I enjoy watching sports, traveling and spending time with family.
I am also an MBTA subway inspector.
My mission is making your trip a safe one.

This is my journey. I'm happy to help you with yours.

mbusDOT



I am a daughter. A mother. A sister and an aunt.
I enjoy bowling, roller skating and visiting the park with my son.
I am also an MBTA bus driver.
Y puedo ayudarte en español.

This is my journey. I'm happy to help you with yours.

mbusDOT



I am a father. A grandfather. A brother. And a husband of 25 years.
I love to sing, find a great fishing spot and plan a fun vacation.
I am also your MBTA bus driver.
And I'm proud to get you where you're going.

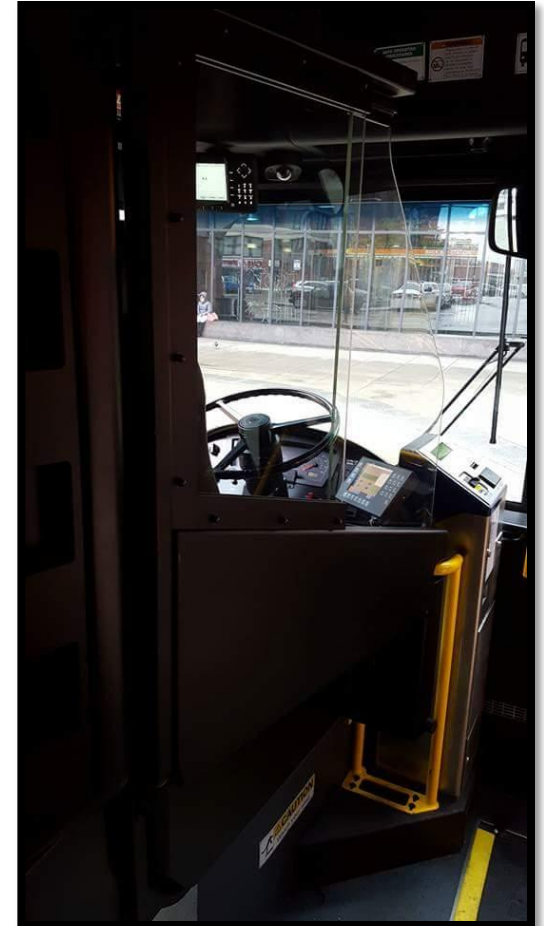
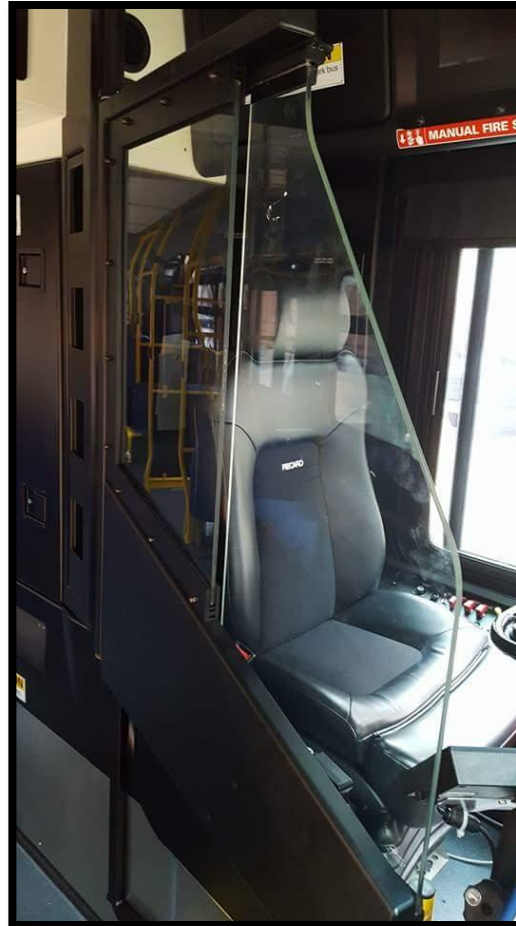
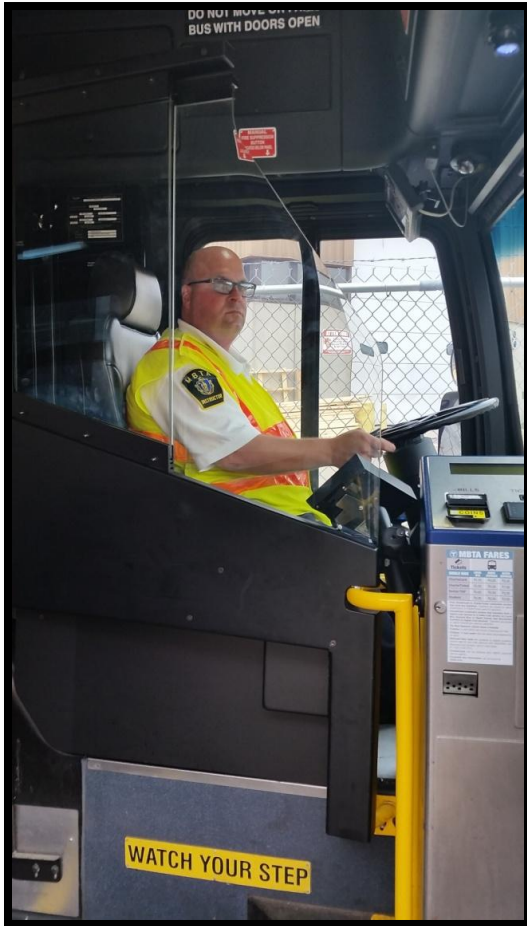
This is my journey. I'm happy to help you with yours.

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Operator Safety and Awareness Initiatives: 250 New Flyer buses have been outfitted with protective barriers





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Warehouse and Logistics Implementation Update

Mancon performing all tasks at or above contract requirement

- ✓ First physical inventory of MBTA parts in 15+ years in process
- ✓ Improved inventory accuracy and part delivery resulting in more efficient operations and stocking of parts
- ✓ 99%+ on-time delivery from Everett central warehouse to garages





Warehouse and Logistics Implementation Update: Mancon performing all tasks at or above contract requirement

Former MBTA-run system

- × 68 hrs+ to deliver parts from Everett central warehouse
- × No physical inventory completed in 15+ years
- × Inaccurate part reconciliation process (Fellsway 31% accuracy)
- × Unorganized stockrooms with limited parts availability
- × Inefficient use of working capital and “stockpiling” of materials

Since 1983

mancon

- ✓ Parts delivered overnight within 10 hours of request
- ✓ Physical inventory of over 28,000 parts to date
- ✓ Consistent reconciliation process implemented (Fellsway complete)
- ✓ Clean and efficient stockroom with streamlined parts availability
- ✓ Improve use of working capital and move toward “just in time” delivery



Internal MBTA team actively managing successful transition

Actively partnering with Mancon and MBTA workforce during transition

- Daily meetings and calls with Mancon
- Regular consultations with MBTA employees and Alliance;
Open door policy in place
- IT transition effort focus with enhanced resources

Early focus on Fellsway garage and Everett central warehouse

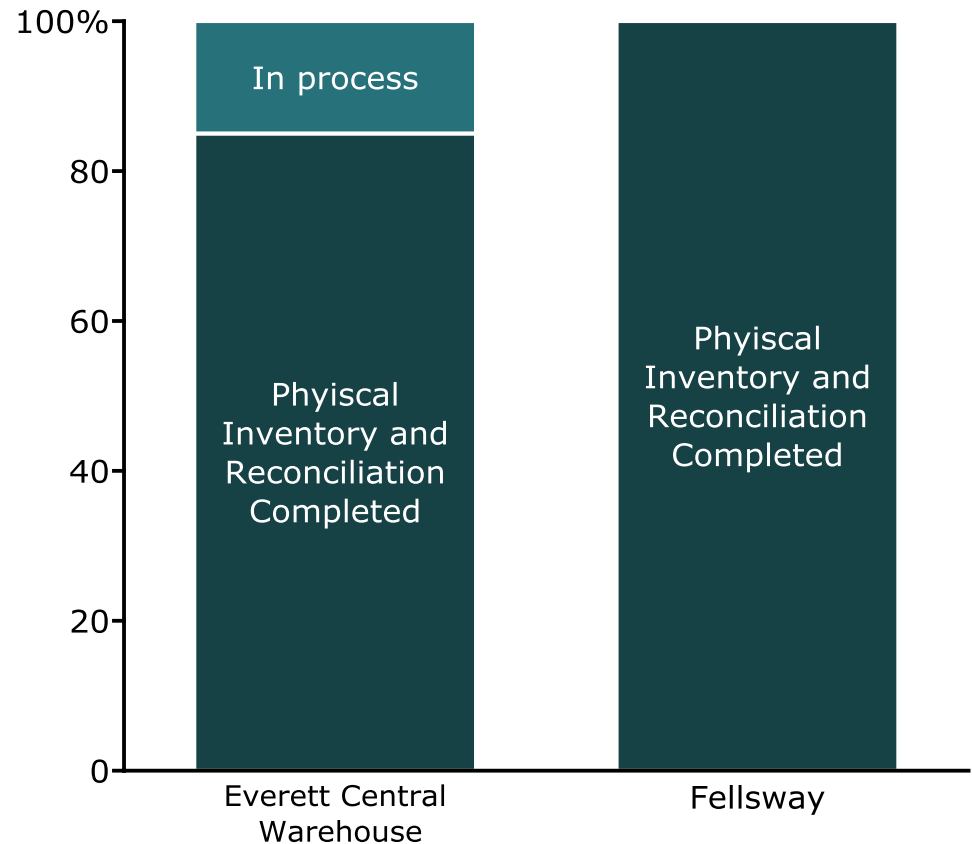
- Fellsway: Test new delivery, logistics and inventory management approach at smaller garage to apply learnings across system
- Everett: Inventory MBTA assets to allow for orderly transition as new Stoughton facility comes on line



Physical inventory of all MBTA facilities in process

- First full physical inventory in 15+ years under way
- As of June 30, 2016, MBTA held an inventory (gross materials and supplies) balance of \$93.6M
- Of this \$93.6M, MBTA estimates \$58.4M is excess or obsolete inventory
- Mancon will enable MBTA to better manage inventory levels and improve reserve estimates

Physical Inventory and Reconciliation
(% Complete)





Fellsway Garage: Inventory and reconciliation complete; accuracy now near 100%

Mancon performed physical inventory of parts in stockroom

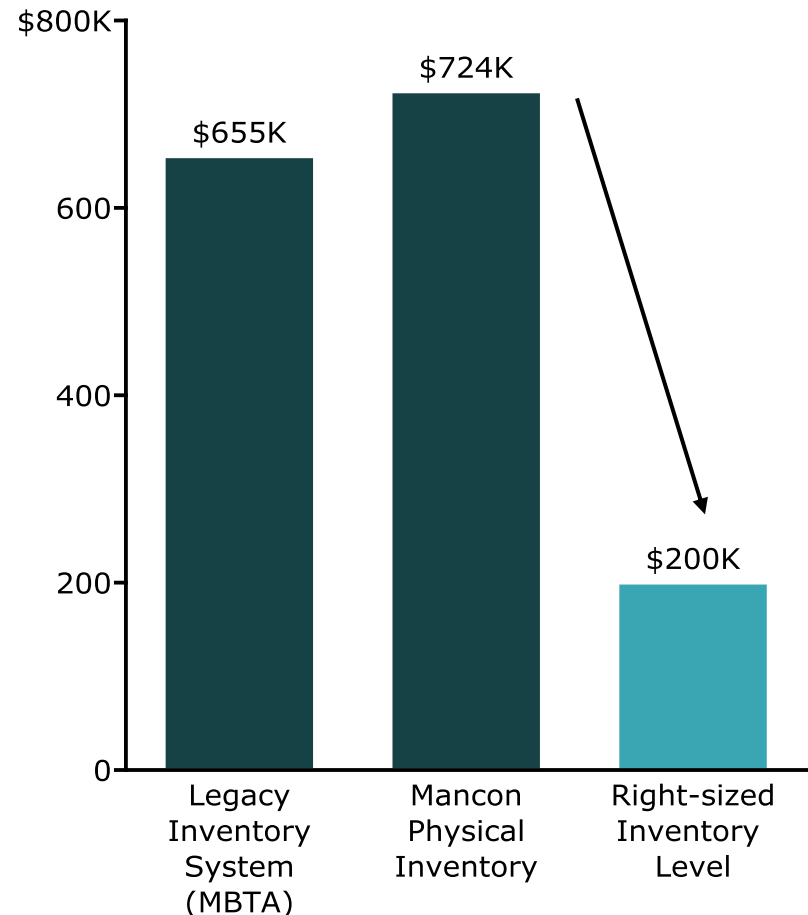
- Hand counted **4,473 parts**
- **21 days to catalogue** all parts and reconcile to MBTA system of record

Under MBTA, Fellsway inventory accuracy was just 31%

New system allows MBTA to:

- ✓ Improve mechanic efficiency by providing the correct parts quickly
- ✓ Optimize purchasing and stocking levels of critical parts
- ✓ More efficient use of working capital

Fellsway Inventory Levels





Fellsway Garage: Reorganized and efficient inventory management

Broken MBTA inventory system

- ✗ Disorganized storage
- ✗ No inventory management
- ✗ No standard stocking levels
- ✗ Lack of standard procedures

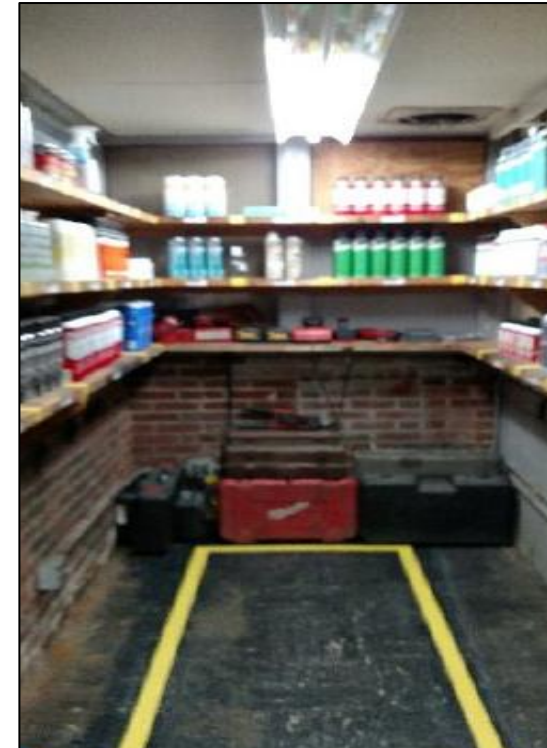
Mancon inventory system

- ✓ Organized storage
- ✓ Accurate inventory mgmt.
- ✓ Optimized stocking levels
- ✓ Standard procedures

Before



After



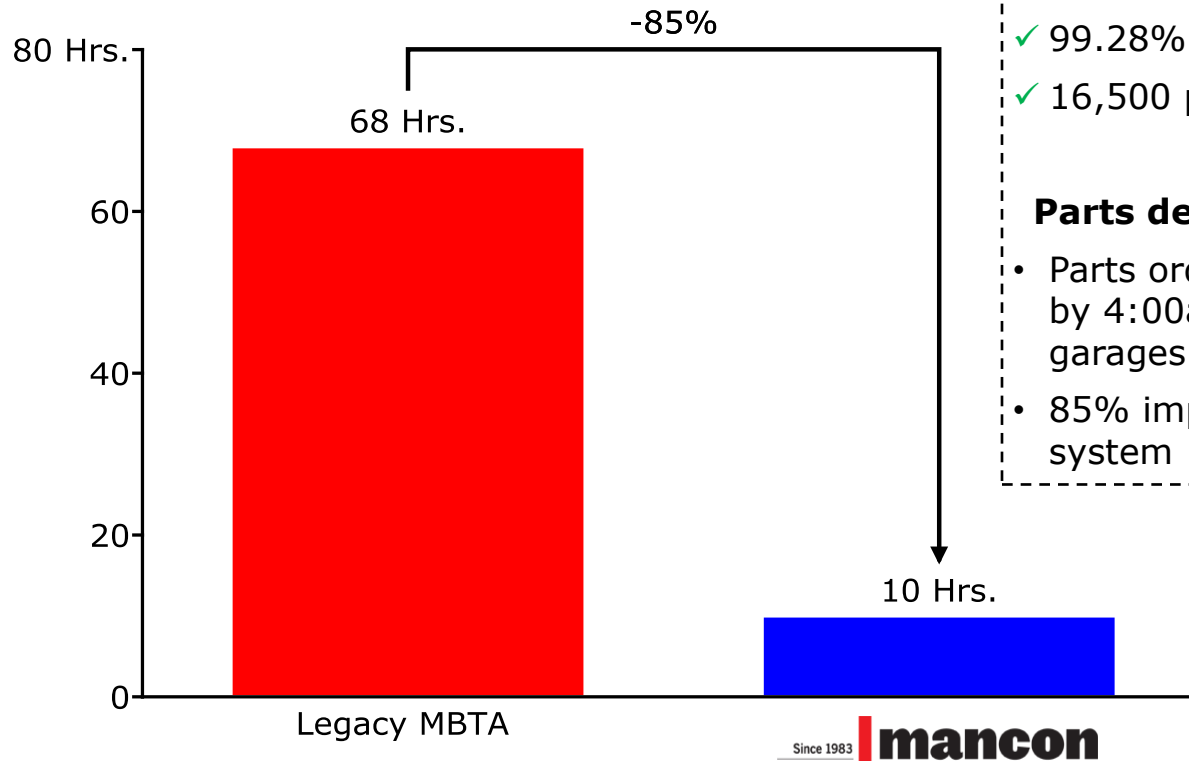
Improved inventory management improves part retrieval time and garage efficiency



Mancon at 99%+ on-time delivery: Standard requests now met 85% more quickly

Time to Respond and Deliver Parts

Hours of Clock Time



Mancon Delivery Performance

- ✓ 99.35% on time delivery
- ✓ 99.28% shipment accuracy
- ✓ 16,500 parts delivered

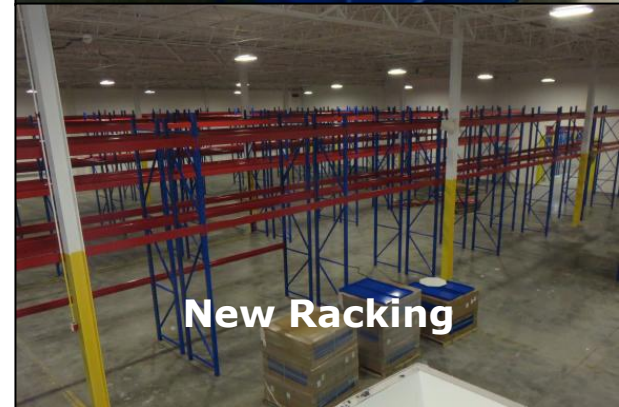
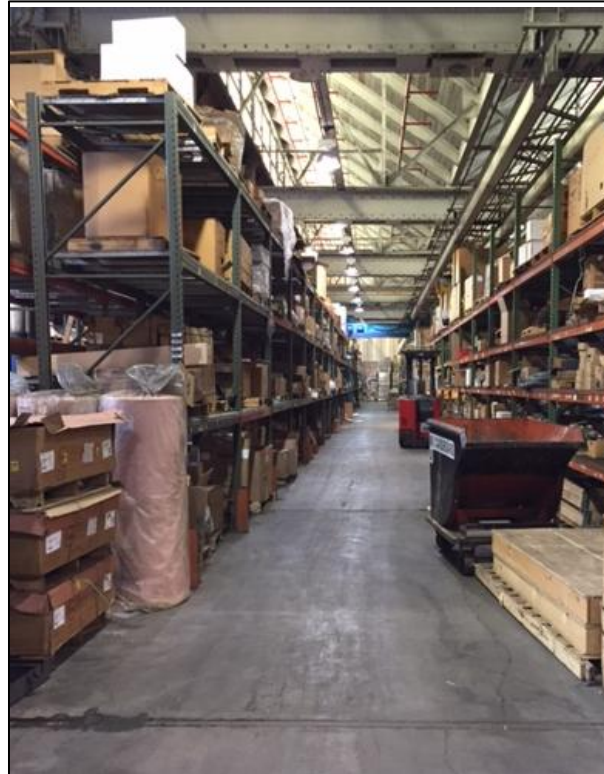
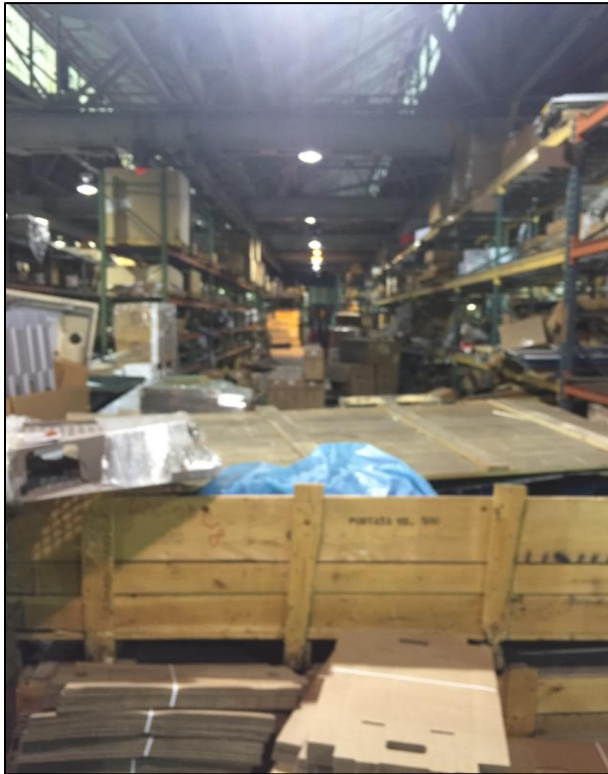
Parts delivery hours of operations

- Parts ordered by 6:30pm delivered by 4:00am next morning across all garages
- 85% improvement over legacy system

Note: Time to Respond and Deliver Parts defined as time from ERP system regeneration to calculate part replenishment request to delivery of the part to the car house or bus garage and put away into inventory.



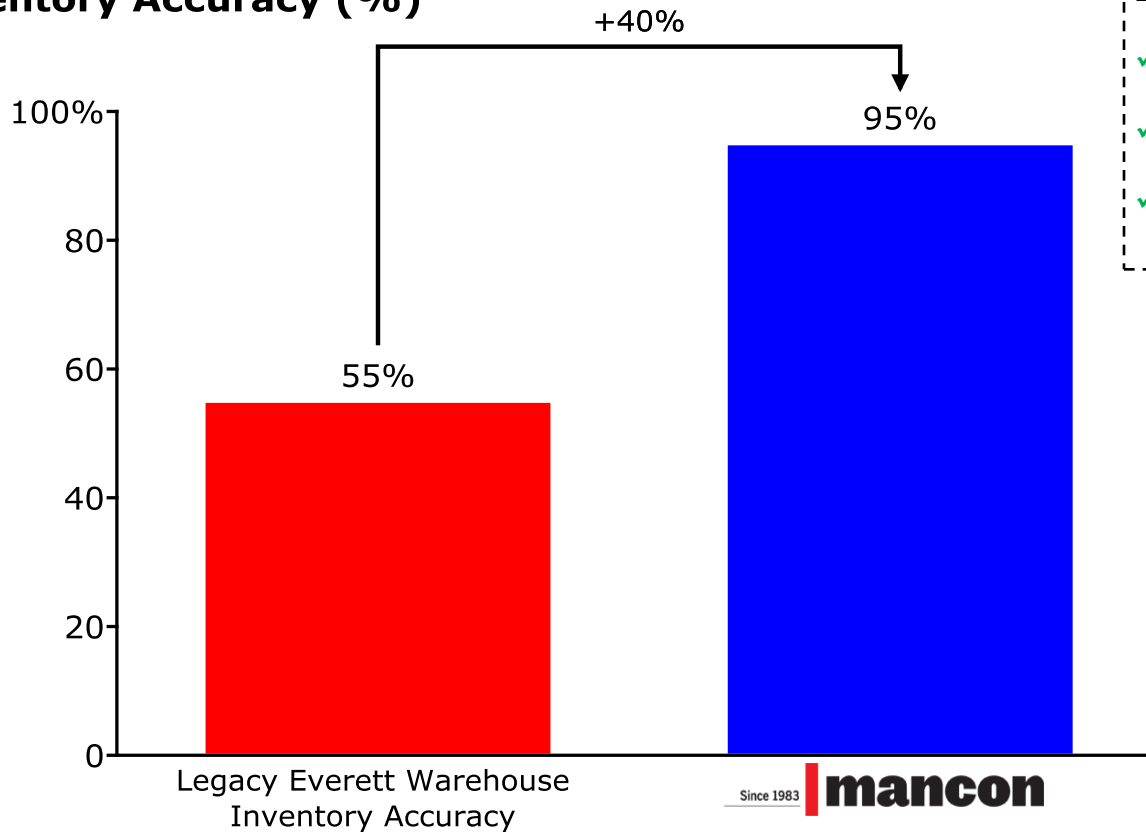
Warehouse Modernization: Better organized, cleaner, and more efficient





Everett Central Warehouse: Inventory accuracy nearly double from legacy

Inventory Accuracy (%)



Inventory accuracy means:

- ✓ Improved mechanic productivity
- ✓ Better, more reliable service
- ✓ More efficient use of working capital

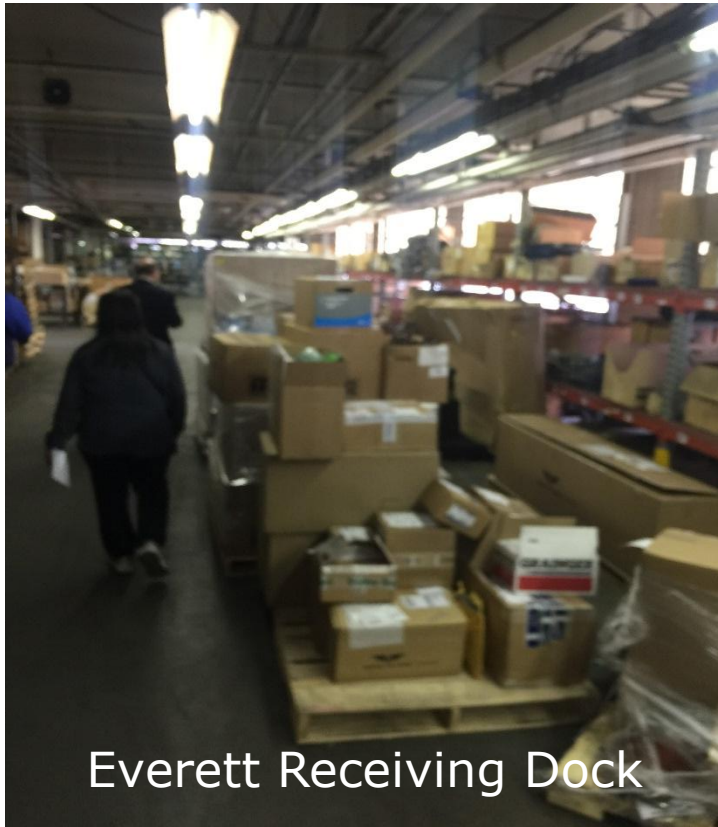
Note: Inventory accuracy defined as 100% of items counted equal exact amount as in the system of record.

Draft for Discussion & Policy Purposes Only



Everett Central Warehouse: Improved parts and materials receiving and storage

Before



Everett Receiving Dock

After

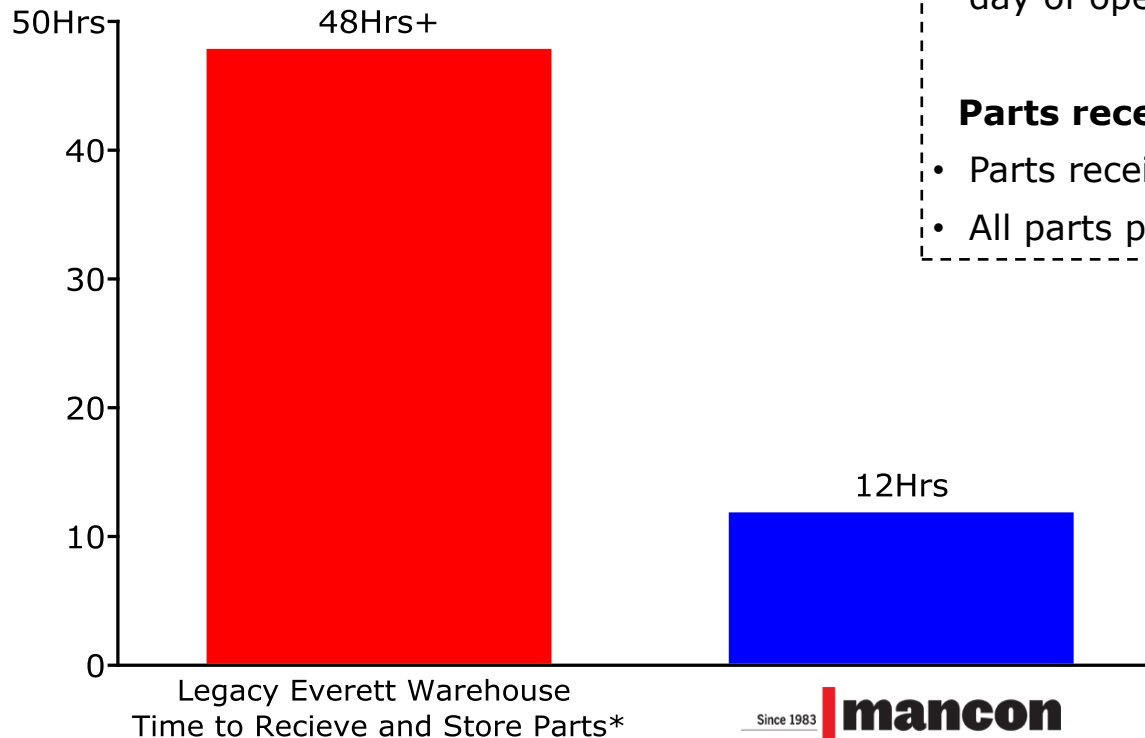


Everett Receiving Dock



Everett Central Warehouse: Receive and store parts and materials in a quarter of the time

Time to Receive Parts (Hours)



Mancon Performance

- ✓ Clear loading dock by 5:00pm every day of operation at Everett warehouse

Parts receiving hours of operations

- Parts received from 7:00am to 2:00pm
- All parts put away by 5:00pm

* Based on Optio Tempore interviews and analysis.

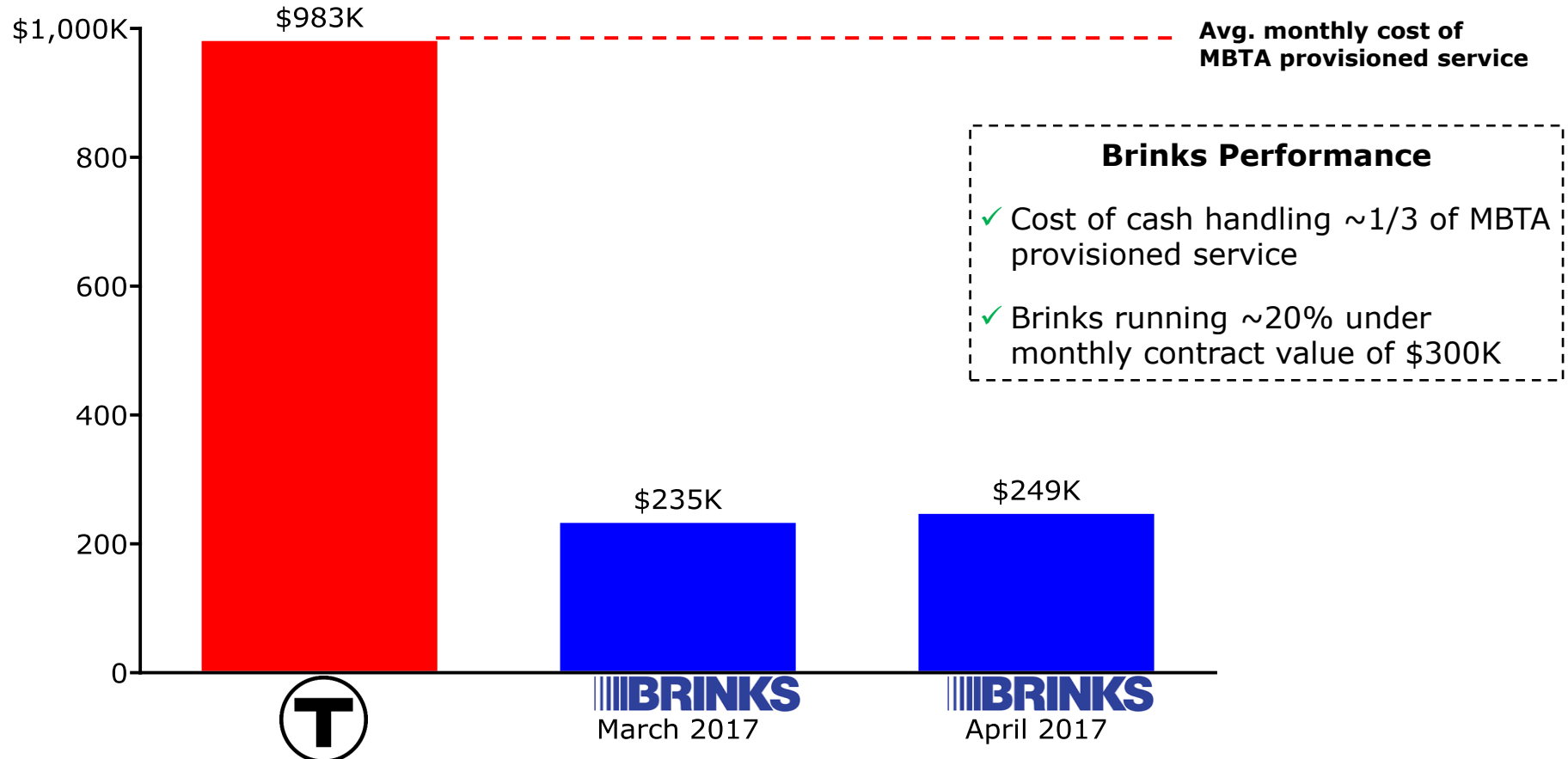


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Brinks Contract Update – March and April

Cost of Cash Handling



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*money room fully loaded

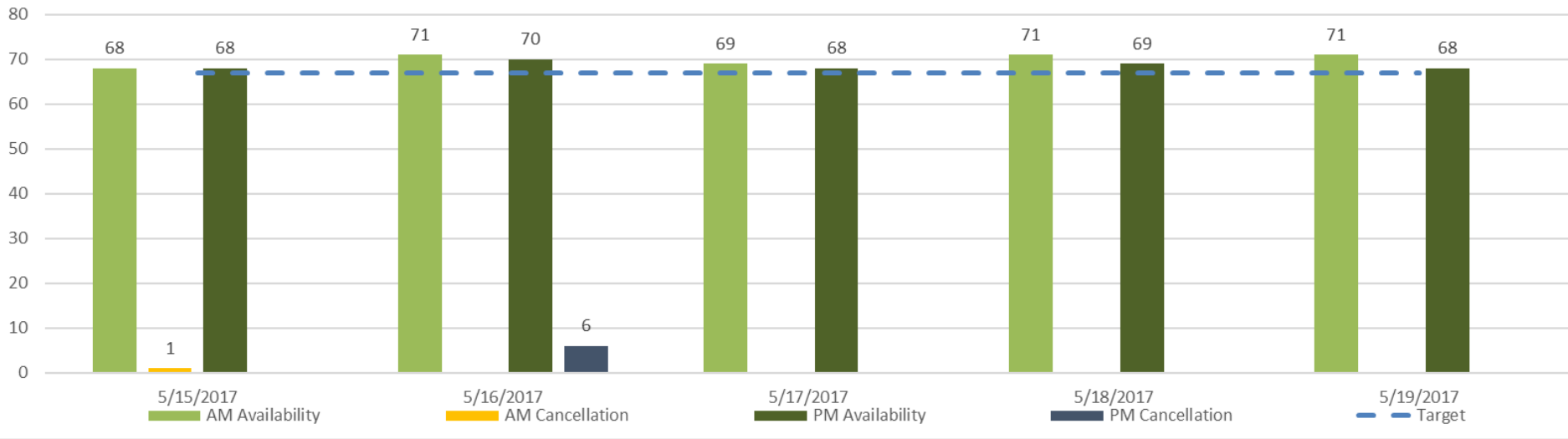
Note: MBTA Money Room did not count Commercial Cash as it went straight to bank for processing/deposit



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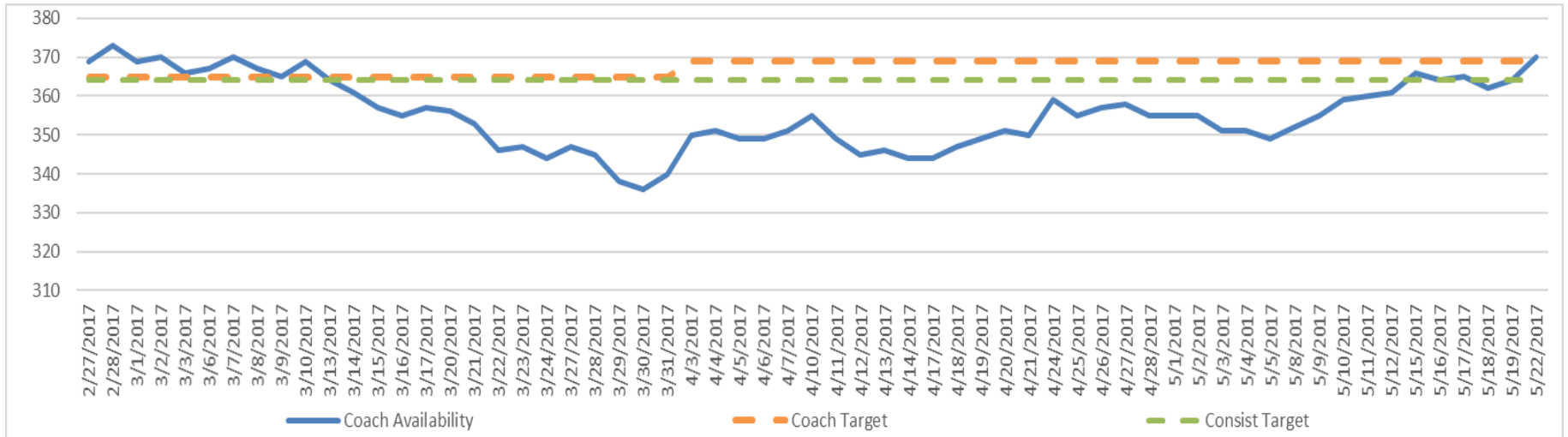
Commuter Rail

Daily loco availability & cancellations last week



Commuter Rail

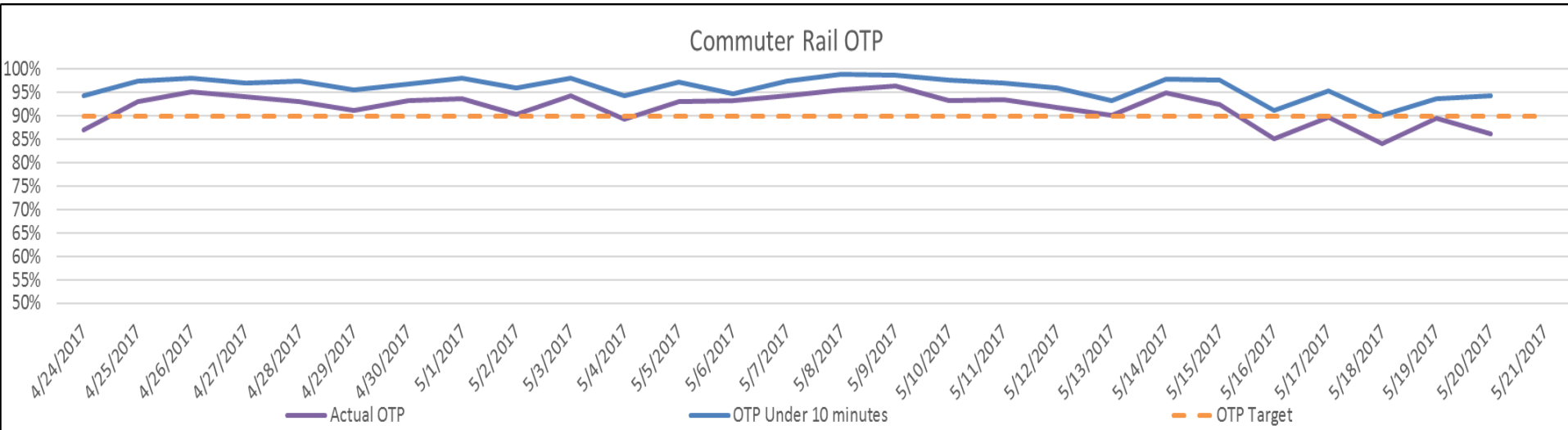
Coach availability



- 369 coaches in service this morning

Commuter Rail

OTP

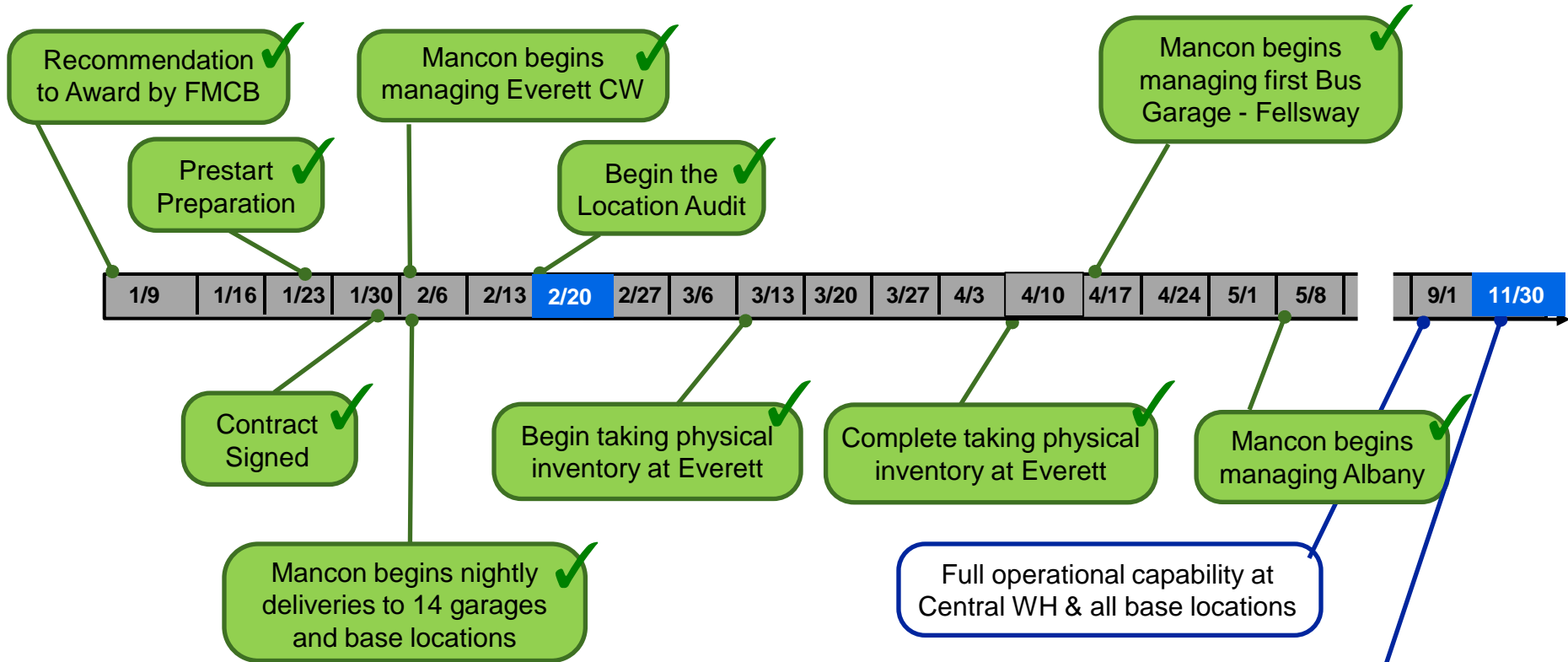




Back up



Mancon Implementation is on Schedule

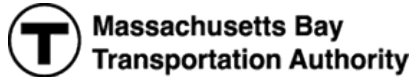


- 5 Year contract with Mancon
- Targeted savings \$64 million
- Implementation timeline: 2/6 through 9/1
- Mancon now operating:
 - Everett & Charlestown Central Warehouse
 - Fellsway & Albany Bus Garage stockrooms
 - Nightly delivery to garages & car houses

Implemented by Mancon



Roles and responsibilities in warehouse and logistics



-
- Manage implementation of new warehouse and logistics processes
 - Enforce contract with Mancon (SLAs and terms of contract)
 - Source and purchase all parts
 - Set inventory levels for central warehouse and garages
 - Coordinate operations with Mancon and MBTA garages



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- Provide warehouse and logistics services to MBTA based on contract
 - Ensure accurate and timely part delivery to garages
 - Inventory and organize legacy Everett warehouse and base locations
 - Maintain and replenish parts in garage stock rooms (Fellsway)
 - Build and operationalize new central warehouse; implement new technology