

MTA Business Service Center

MTA Finance Committee

October 26, 2016



BSC scope will increase with non-core procurement consolidation

Consolidation
in Progress

Human Resources

- Employment
- HRIS
- Benefits
- Training

Operations

- Customer Management Center
- Document Management Center
- Business Process Management

Governance & Administration

- Budget
- Communications
- Facilities
- Quality Assurance



Procurement

- MTA HQ Procurement
- All Agency initiatives & Strategies

Finance

- Accounting
- Accounts Payable
- Accounts Receivable
- Payroll

MTA HQ IT

- PeopleSoft Support
- Infrastructure administration
- PeopleSoft administration
- PeopleSoft 9.2 upgrade
- Break-fixes, enhancements



Evolution of priorities

Guiding Principles: Standardization, Simplification & Savings

2011 - 2015

- Stabilization
- Transparency
- Customer Service
- Accuracy
- Standardization

2016 - 2017

- Enhancing Employee and Client Experience
- Partnering with the Agencies
- Enabling Mobile
- Adding Functionality



Our service delivery relies on agency involvement at three levels

BSC Steering Committee

Strategic



**FSCM Governance
HCM Governance**

Operational



**Agency and BSC leadership to facilitate
organizational change management**

Tactical/Project

BSC met direct cost benchmarks

BSC serves 72,238 employees, 48,236 retirees & 65,000 vendors

For Core BSC Transactions Service Efficiency Trends*:		Annual 2014	Annual 2015	Annual 2016 (E)	2012 BSC Goal**	Industry Benchmark***
Cost per Invoice	\$12.70	▲ \$14.21	▼ \$13.21	\$16.09	★	<\$5.85
Cost per Paycheck	\$4.02	▼ \$3.86	▲ \$4.04	\$5.12	★	<\$5.00 ★
# of Invoices per Accounts Payable FTE	14,947	▲ 15,072	▲ 18,687	9,396	★	>15,693 ★

*Analysis uses BSC Direct & Indirect Costs. Benchmarks from Accenture in 2010 and a State of Ohio Hackett Study from 2008

**Goal established in 2010 by Accenture during the formation of the BSC

***Cost per Invoice and Cost per Paycheck benchmark provide by Accenture. The # of Invoices per Accounts Payable FTE used by Accenture, but references the Middle Performer data based on 2008 State of Ohio Hackett Benchmark Study - <https://procure.ohio.gov/pdf/BenchmarkReport.pdf>



BSC Generates Savings and Avoids Unnecessary Costs

BSC generates savings 3 ways:

- Streamlined and automated processes allowed for consolidation of personnel from the Agencies
 - \$14.3 million in recurring annual savings
- BSC performs functions that original plan assumed would stay at the Agencies
 - \$2.5 million in annual savings to the Agencies
- By consolidating various computer systems into just one PeopleSoft platform, the MTA saves by not having to periodically update and replace Agency legacy systems
 - \$84.5 million in savings every 5 years



PeopleSoft 9.2

A user friendly platform that we can extend...



PeopleSoft Upgrade: Phase I successfully completed in January

Upgrade PS 9.2 Human Capital Management (HCM) and Enterprise Learning Management (ELM)

- Reduced Agency customizations by 24%
- Harmonized and simplified processes across MTA Agencies
- Significantly improved end user experience
- Introduced a new BSC portal with improved employee and manager self-service capabilities
- Maintained the highest level of Oracle production support



New Portal: An enhanced user experience

- Modern design and easier navigation
- Employee Self-Service tailored to user's personal data, benefits coverage, and payroll information
- Manager Self-Service for HCM and Payroll enable's managers to monitor employee activities

The screenshot displays the 'My MTA Portal' interface. At the top left is the MTA logo and the text 'My MTA Portal'. Below this is a navigation menu with icons and labels for: My Personal Information, My Benefits, My Time, My Pay, My Verification of Employment, My Tax Favored Programs, My Talent Management, My Learning, My Job Search, My BSC Applications, My Time Approvals, My Work Schedule, and My Team Learning.

The main content area is divided into several sections:

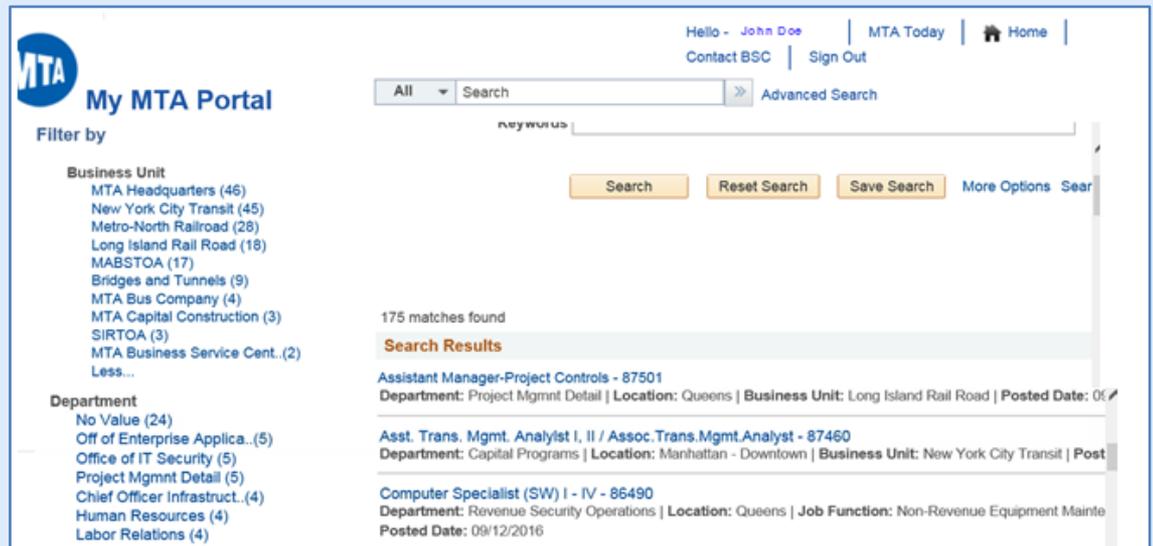
- My Benefit Providers:** A table listing benefit plans with columns for Name, Type, Form, and Contact.
- Beneficiary Information on My MTA Portal:** A blue box with a 'Read More' button.
- My Service Request:** A table with columns for Created, SR ID, Area, Sub Area, and Status.
- My Team Learning:** A table with columns for Name, Course, Reqd, Status, Due date, and Type/SubType.
- Report Lists:** A table with columns for Name, Description, Database, and Creation Date and Time.

The MTA logo is also visible in the bottom left corner of the slide.

Recruitment Is Easier

- All MTA hiring processed through PeopleSoft
- All-agency visibility to postings
- Online job applications
- Applicants can view their job application status in real time
- Automated applicant screening

BSC processes
42,000 job
applications and 500
new hires each
month

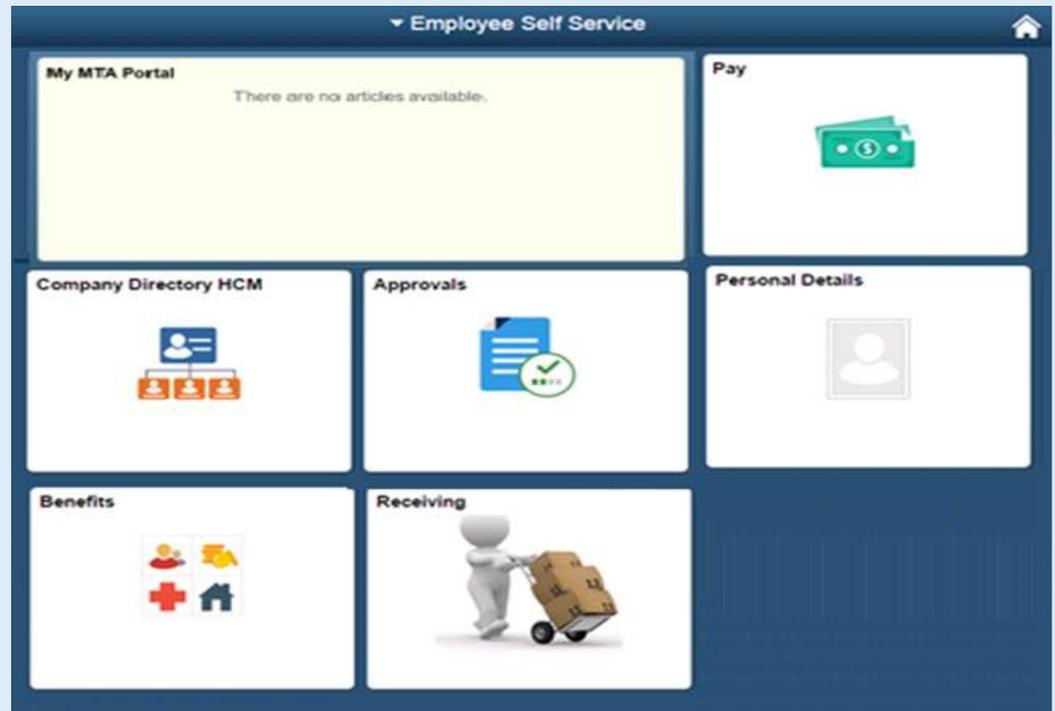


The screenshot shows the 'My MTA Portal' search results page. At the top right, there is a user greeting 'Hello - John Doe' and navigation links for 'MTA Today', 'Home', 'Contact BSC', and 'Sign Out'. Below this is a search bar with a dropdown menu set to 'All' and a search input field containing 'keywuuus'. To the right of the search bar are buttons for 'Advanced Search', 'Search', 'Reset Search', 'Save Search', 'More Options', and 'Search'. On the left side, there is a 'Filter by' section with two categories: 'Business Unit' and 'Department'. The 'Business Unit' list includes: MTA Headquarters (46), New York City Transit (45), Metro-North Railroad (28), Long Island Rail Road (18), MABSTOA (17), Bridges and Tunnels (9), MTA Bus Company (4), MTA Capital Construction (3), SIRTOA (3), and MTA Business Service Cent..(2). The 'Department' list includes: No Value (24), Off of Enterprise Applica...(5), Office of IT Security (5), Project Mgmt Detail (5), Chief Officer Infractu...(4), Human Resources (4), and Labor Relations (4). The main content area shows '175 matches found' and a list of search results. The first result is 'Assistant Manager-Project Controls - 87501' with details: Department: Project Mgmt Detail | Location: Queens | Business Unit: Long Island Rail Road | Posted Date: 06/12/2016. The second result is 'Asst. Trans. Mgmt. Analyst I, II / Assoc. Trans. Mgmt. Analyst - 87460' with details: Department: Capital Programs | Location: Manhattan - Downtown | Business Unit: New York City Transit | Posted Date: 09/12/2016. The third result is 'Computer Specialist (SW) I - IV - 86490' with details: Department: Revenue Security Operations | Location: Queens | Job Function: Non-Revenue Equipment Maintenance | Posted Date: 09/12/2016.

PeopleSoft on Mobile Devices

Current secure and encrypted mobile device capability:

- View personal information
- View benefits
- View paycheck
- ★ Receipting for inventory
- ★ Requisition approval



New functionality as-of Nov 2016

PeopleSoft Upgrade: Phase II is on schedule for November

Upgrade PS 9.2 FSCM and PS 9.1 EPM

- 36% reduction in customizations
- With additional functionality:
 - Two new Procurement modules
 - » Strategic Sourcing
 - » eSupplier
 - MTA Marketplace online site for purchases across agencies
 - Mobile approvals and receiving
 - Enhanced BSC Portal for Finance & Procurement users and a dashboard for BSC workload tracking



Core Finance Modules: Stable and easier to maintain

Objective: A minimally customized PeopleSoft platform enables business processes standardization

- Core FSCM had a reduction of 7,000 queries or approximately 45%.
- Increase reliance on delivered functionality was realized in Asset Management and Accounts Receivable.
- In Treasury continue to expand the use of the Deal module for managing liquidity.





Procurement Implementation

Through the **Procurement implementation**, two new modules, *Strategic Sourcing* and *eSupplier*, will be deployed to streamline and automate the procurement process, and existing functionality will be improved. Key objectives:

- Design and deploy improved, standardized core procurement processes
- Implement new Strategic Sourcing and eSupplier modules along with improvements to the ePro and Purchasing modules
- Introduce a user friendly self service MTA Marketplace for transactional procurements
- Implement additional functionality to help streamline the procurement process and improve spend control (e.g., workflow)

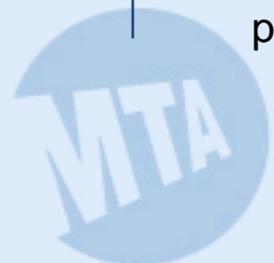
Key Changes to Supplier Processes

Strategic Sourcing Internal Portal

- Create and manage all procurements electronically
- Utilize vendor rotation to promote competition
- Collaborate electronically
- Reuse bid factors across events
- Integrate procurement processes across PeopleSoft
- Standardize procedures and processes across modules

eSupplier External Portal

- Search for and respond to MTA procurements
- View purchase orders
- Maintain basic profile information
- Register to be a bidder
- Select categories to be notified about



MTA Vendor Portal



MTA My MTA Portal

Coming this fall...for MTA Suppliers and Bidders
A new way of doing business with the MTA

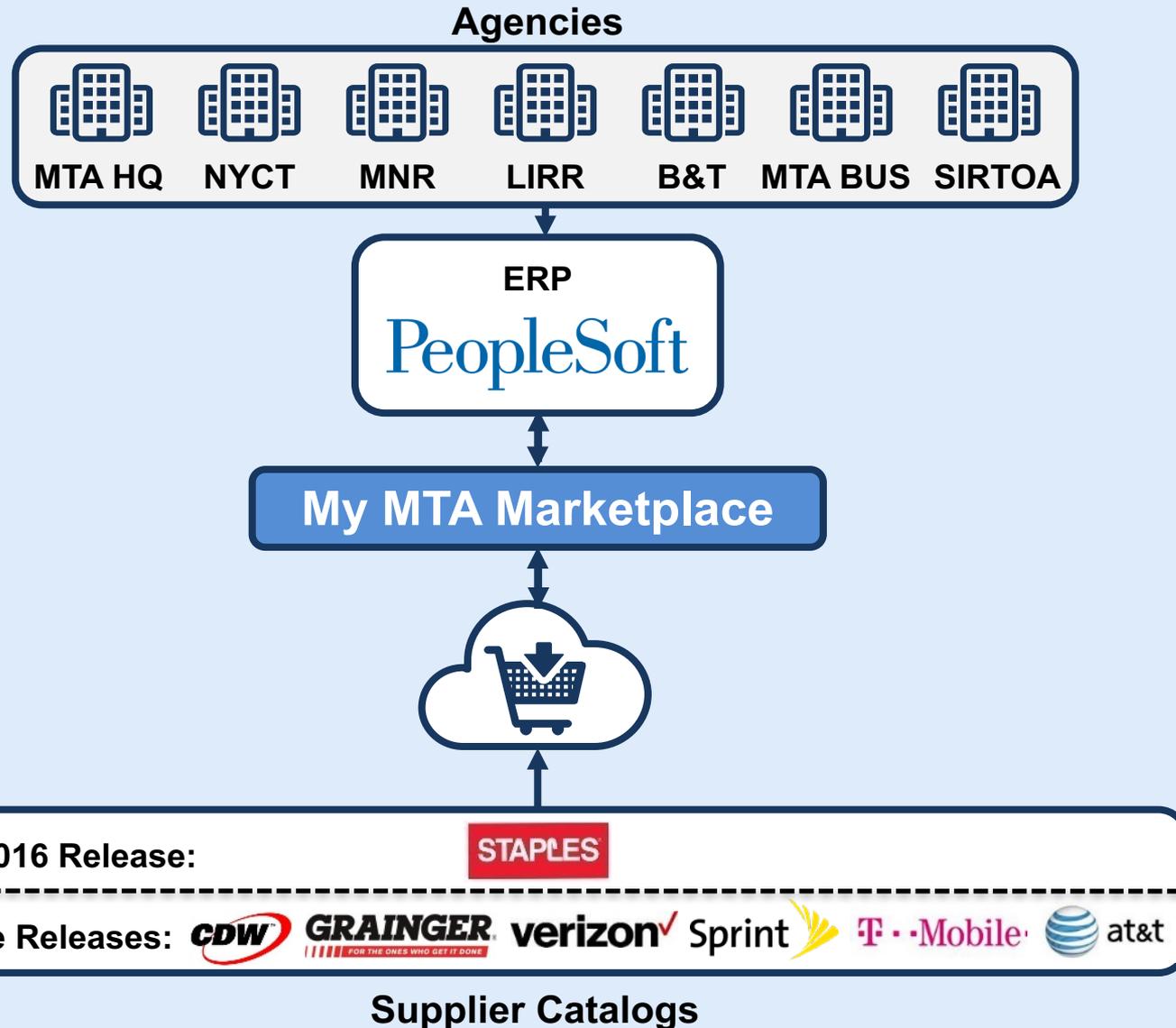
[Read More](#)

- > Employees / Retirees Sign In
- > Vendor Sign-in & Registration
- > Employment
- > Contact the BSC
- > First-Time User Password Setup

Using the MTA Vendor Portal, Benefits to Suppliers include:

- **Search for procurement opportunities across all Agencies**
- **Respond to sourcing events online**
- **Self-service management of company/contact information**
- **Receive invitations to procurement events digitally**
- **View purchase orders and associated payment and invoice status**

MTA Marketplace: Standardized Catalog Ordering



Summary

- ✓ Reached a stable level of transactions and performance
- ✓ PS 9.0 provided the foundation for transition to Shared Services
 - * We are moving a better and more user friendly platform
- ✓ PS 9.2 implementation enables new integrated technologies, automation and functionality preparing the BSC for future initiatives:
 - Portal: Personalized User Experience
 - Vendor Portal: Data Sharing via Self-Service
 - Mobile: On-the-go Processing
 - Dashboard: Consolidated View of Workload
 - MTA Marketplace: Standardized Catalog Ordering



Appendix



Upcoming Initiatives



Operations:

Business Process Management (BPM)

Objective: Implement a BPM unit to optimize business processes by using industry practices to develop models, metrics and analysis to improve operations.

Accomplished Activities

Build the organizational foundation:

- Staff selection and hiring
- Developing methodology for demand intake and prioritization

Future Initiatives

Targeted improvements:

- Capital Processes
- Time Management
- Travel & Expense
- Benefits claims billing

Operations

Organizational priorities focus on Customer Management Center.

New IVR

Upgrade:

- Improved call routing and reporting with the upgraded Interactive Voice Recognition and Automated Call Dispatching System.

Workload Management

New Functionality:

- Implemented industry best-practices tool for workload management. Will assist in leveraging staff scheduling and assignment based upon historical call volumes.

Knowledge Management

New Program:

- Began to implement a Center of Excellence focused on enabling functional and business process knowledge within CRM for increased First Call Resolution.

Quality Assurance

New Program:

- Implement a practice to understand the user experience and enable a formal process and provide a forum for ongoing training, coaching and development within the BSC service centers.

Procurement

Organizational priorities address current technology needs and are building the organizational foundation while generating savings and efficiencies.

Category Management

Generate savings:

- Generate savings to gain momentum and fund transformation initiatives
- Initial savings target \$12m
- *\$18m savings reached for FY2016*
- *\$37m projected annualized savings for FY2017 - 2020*

Non-Core Consolidation

Build the organizational foundation:

- Begin centralization of non-core procurement to the BSC
- Support the newly formed IT Organization assuming 30% increase in requisition processing
- Fill 15 MTA Procurement vacancies

Payroll

Organizational priority is on system availability and statutory compliance

Payroll Timing and Frequency

Simplification:

- Successfully migrated MTA Bus from a weekly to a bi-weekly payroll cycle, which increased efficiency, and minimized production risks.
- Continue to look for these opportunities to increase productivity and organization within BSC Payroll.

FLSA Law

Compliance:

- Adhering to regulatory requirements, working with Agencies on changes in the FLSA law effective 12/1/2016.

Human Resources

Organizational priorities focus on utilizing PeopleSoft Automation to improve the user experience and drive efficiency

Benefits Enrollment

Leverage PeopleSoft Automation:

- New Hires, Life Changes and Open Enrollment
- Enable functionality for self-service
- Enhanced employee experience, improved processing time and reduction in administrative costs

Onboarding

Leverage PeopleSoft Automation:

- Automate eForms for New Hire Onboarding to improve user experience.
- Explore potential to automate Onboarding via Workflow in order to become more efficient.



Accomplishments since last Finance Committee update



Operations:

Customer Management Center upgrade

- Completed Siebel CRM upgrade - BSC Call Center tool for creating and tracking inbound requests for service. Improvements Include:
 - Ability to migrate Interactive Voice Response system to Voice Over IP eliminates aging infrastructure
 - Faster response time
 - Stabilized environment
- Expanding role of CMC to support the new Procurement modules.



Human Resources: Benefits Administration in 2016

Self-billing:

- Self-insured and fully insured carriers
 - 643,000 enrollments covering 200,000 members
- Health & Welfare funds completed
- Union payments completed
- Remaining self billing opportunities will be realized with NYCT medical carrier selection and implementation

Results:

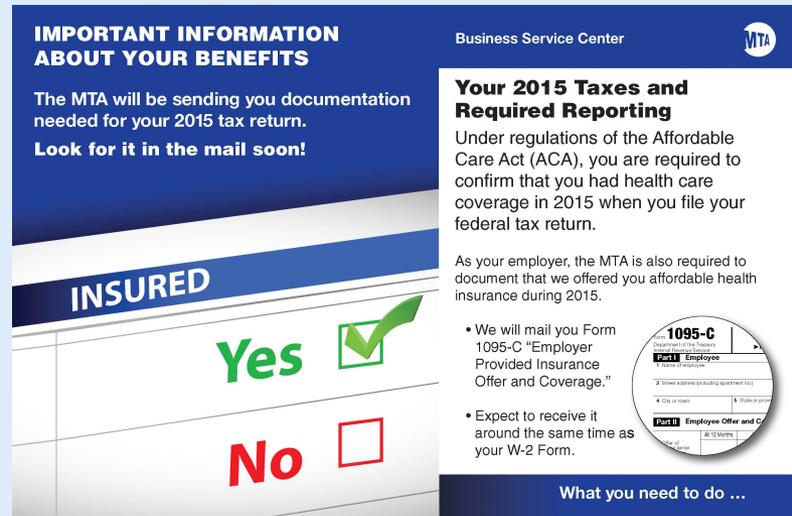
- Shifted administrative efforts from MTA to the vendors
- BSC self-billing now accounts for over \$840 million, annually
- Reduction in discrepancies from 7,000 to 3,000, annually(43%)



Human Resources: New Requirement for Benefits Admin

Affordable Care Act (ACA):

- Fully complied with first year IRS requirements
- Produced and mailed over 120,000 IRS 1095 ACA associate forms for 2015 coverage.
- IRS employer filings completed by the June 30, 2016 deadline.



IMPORTANT INFORMATION ABOUT YOUR BENEFITS

The MTA will be sending you documentation needed for your 2015 tax return.
Look for it in the mail soon!

Business Service Center 

Your 2015 Taxes and Required Reporting

Under regulations of the Affordable Care Act (ACA), you are required to confirm that you had health care coverage in 2015 when you file your federal tax return.

As your employer, the MTA is also required to document that we offered you affordable health insurance during 2015.

• We will mail you Form 1095-C "Employer Provided Insurance Offer and Coverage."

• Expect to receive it around the same time as your W-2 Form.

INSURED

Yes

No

1095-C
Employer Provided Insurance Offer and Coverage

What you need to do ...

NYCT prescription drug carrier implemented:

- Approx. 150,000 members were successfully moved from Optum and UHC to Express Scripts effective 4/1/2016.



Procurement: Non-Core Consolidation In-Progress

Accomplishments to-date:

- New organization has been designed to support the enhanced methodologies that will be employed for Procurement
- Agency consensus reached on headcount
- Identified population of non-core contracts
- Completed Hay evaluation on incoming positions
- Labor negotiations are on-going



Finance:

More Efficient Payments

Oracle Forms Recognition (OFR)

- Will allow invoice data (Address, Account Number, Amount Due) to automatically be populated in PeopleSoft voucher
 - Being implemented as part of PeopleSoft 9.2 Upgrade
 - Target is 50% of BSC vouchers populated with no manual intervention

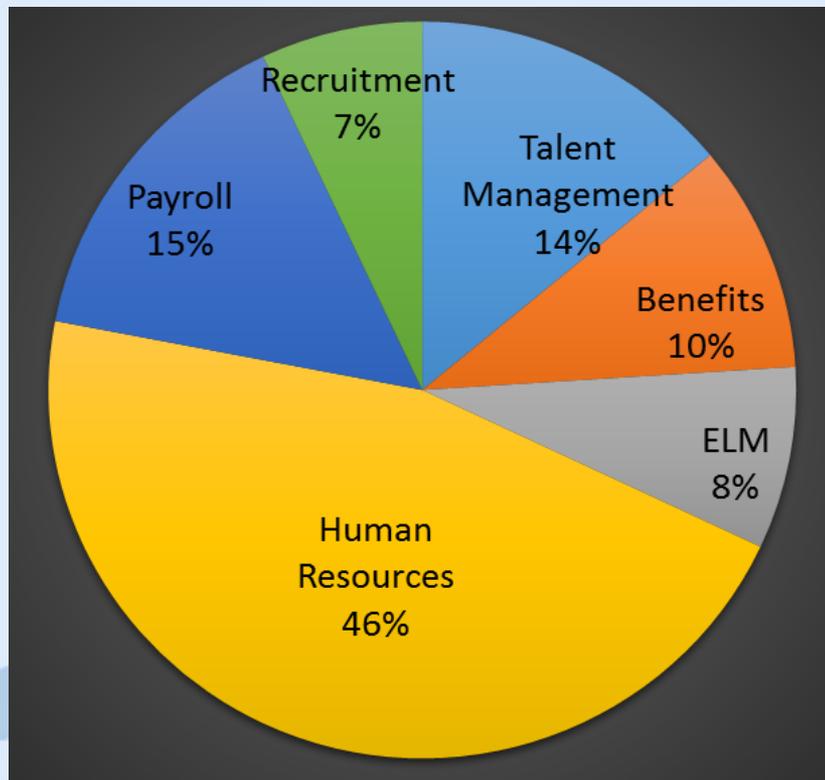
Early Payment Program (EPP)

- Provides incentive to vendors to offer discounts to MTA on invoices paid prior to due date:
 - 2016 Savings: \$126,734 (YTD)
 - 2015 Savings: \$ 51,376 (July to December 2015)



Reduced Customization and Maintenance Complexity in HCM by 24%

Customizations Removed by HCM Area



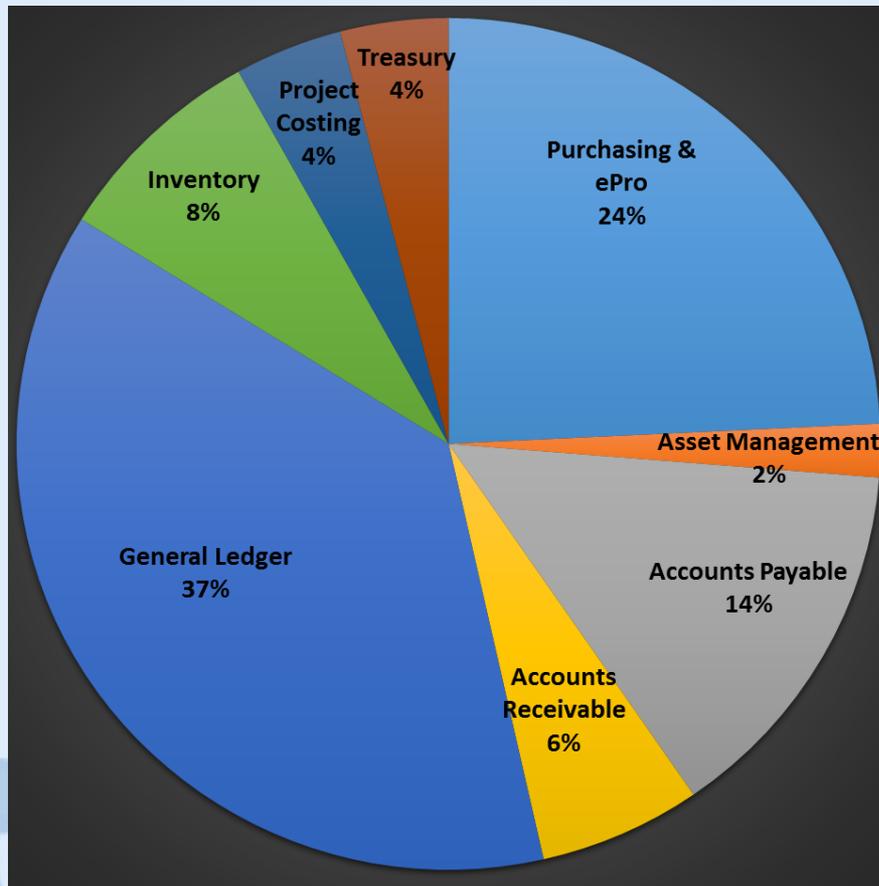
- Overall reduction in customizations of 24%
- Core HR realized a 46% reduction in customizations
- Talent Management 14% reduction in customizations as a result of process standardization
- Over 2,600 queries removed making production system more efficient



Fewer customizations means the MTA can optimize IT resources

Reduced Customization and Maintenance Complexity in FSCM by 36%

Total Customizations Removed by FSCM Area



- Eliminated 178 customizations (36%)
- Query and report reduction achieved
- New modules (eSupplier & Strategic Sourcing) and the new My MTA Marketplace added 65 new customizations