

MTA Business Service Center

MTA Finance Committee

November 13, 2018

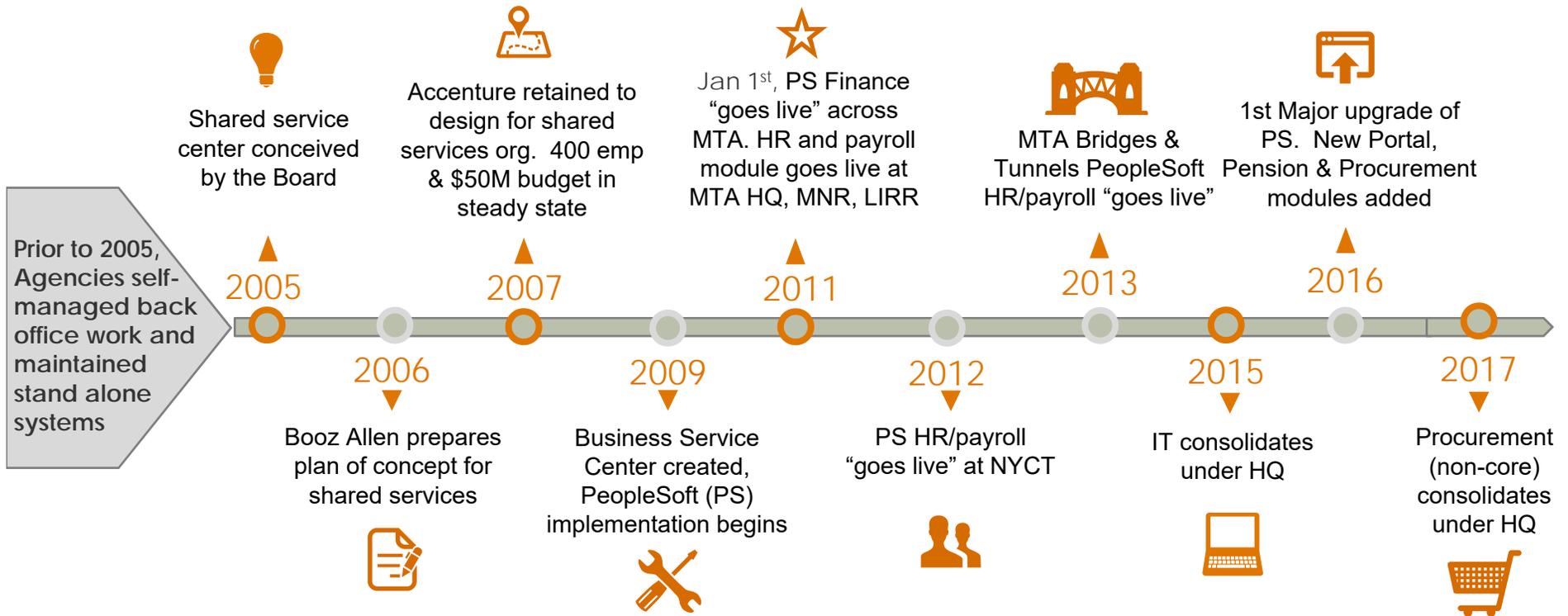


Agenda

- ❑ BSC Services Overview
- ❑ Current and Future Projects



History of the BSC: Our Timeline



Evolution of BSC Priorities

**Our
Guiding
Principles**

Standardization, Simplification & Savings

2019-2021

2016-2018

2011-2015

- Stabilization
- Transparency
- Customer Service
- Accuracy
- Standardization
- Credibility

- One Platform
- Automation
- Portal
- Recruitment
- Enabling Mobile
- Training
- Marketplace
- Pension Integration

- Lowering error rates by going digital
- Simplifying onboarding and off boarding



Today's Scope at the BSC: Includes Non-Core Procurement

Human Resources

Donald Jackson - 59 Positions

- Employment
- HRIS
- Training
- Walk-In Centers

Procurement HQ

David Ross - 112 Positions

- MTA HQ Procurement
- All Agency Initiatives & Strategies
- P2P Implementation
- MTA Procurement Council

Operations

Mike Moran - 49 Positions

- Business Process Management
- Benefits

Finance

James Sirna - 132 Positions

- Payrolls
- Accounting
- Accounts Payable
- Accounts Receivable
- Treasury, Asset Management & Project Costing

Governance & Administration

Joseph Vartolone - 69 Positions

- Customer Management Center
- Document Management Center
- Strategy
- Budget
- Communications
- Facilities
- Quality Assurance
- Metrics and Reporting
- Steering/Governance
- Audit/Compliance

MTA HQ IT

Reuben Banaag(Acting) - 79 Positions

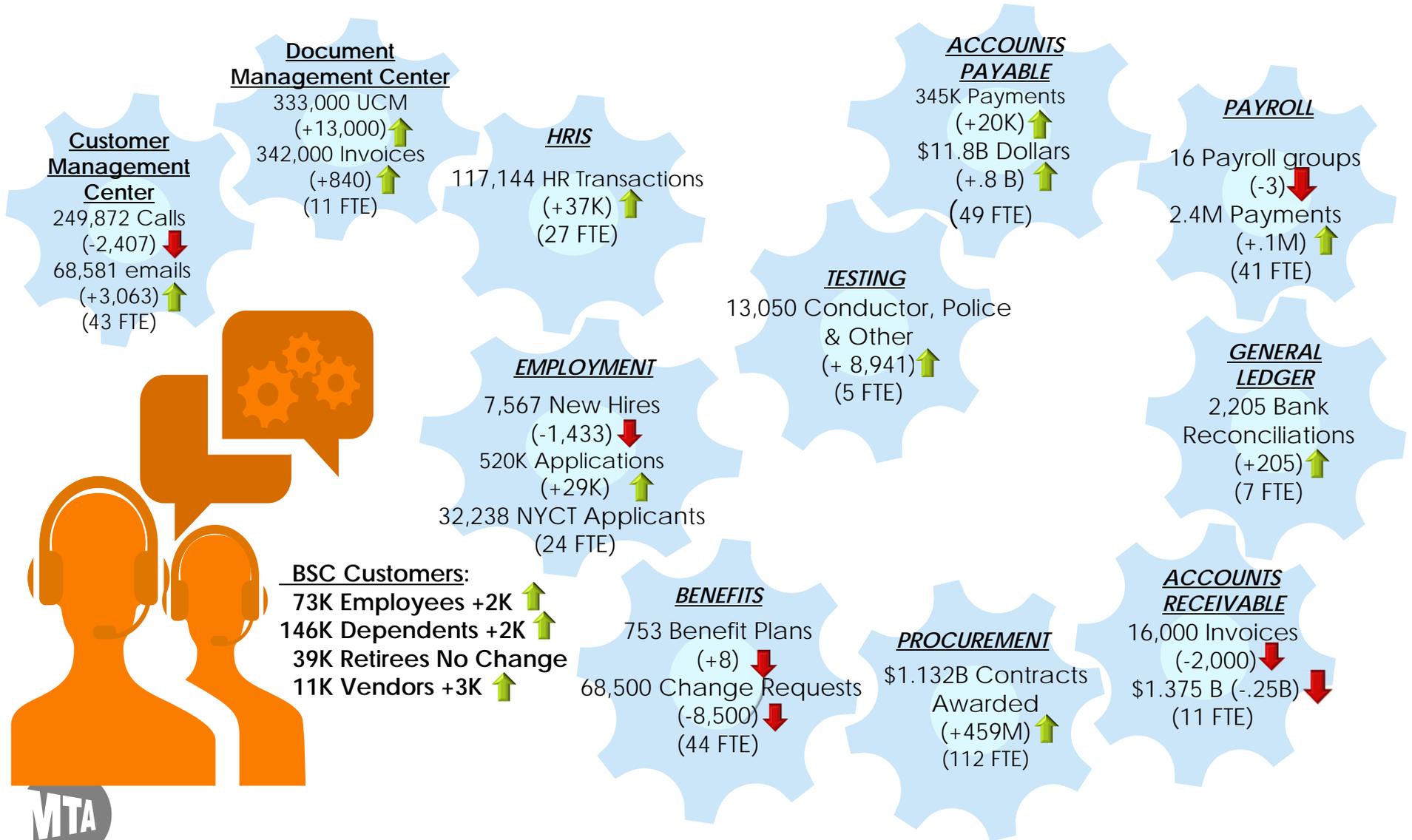
- PeopleSoft Support
- Infrastructure administration
- PeopleSoft administration
- PeopleSoft 9.2 upgrade
- Break-fixes, enhancements



Staff:
500 Positions

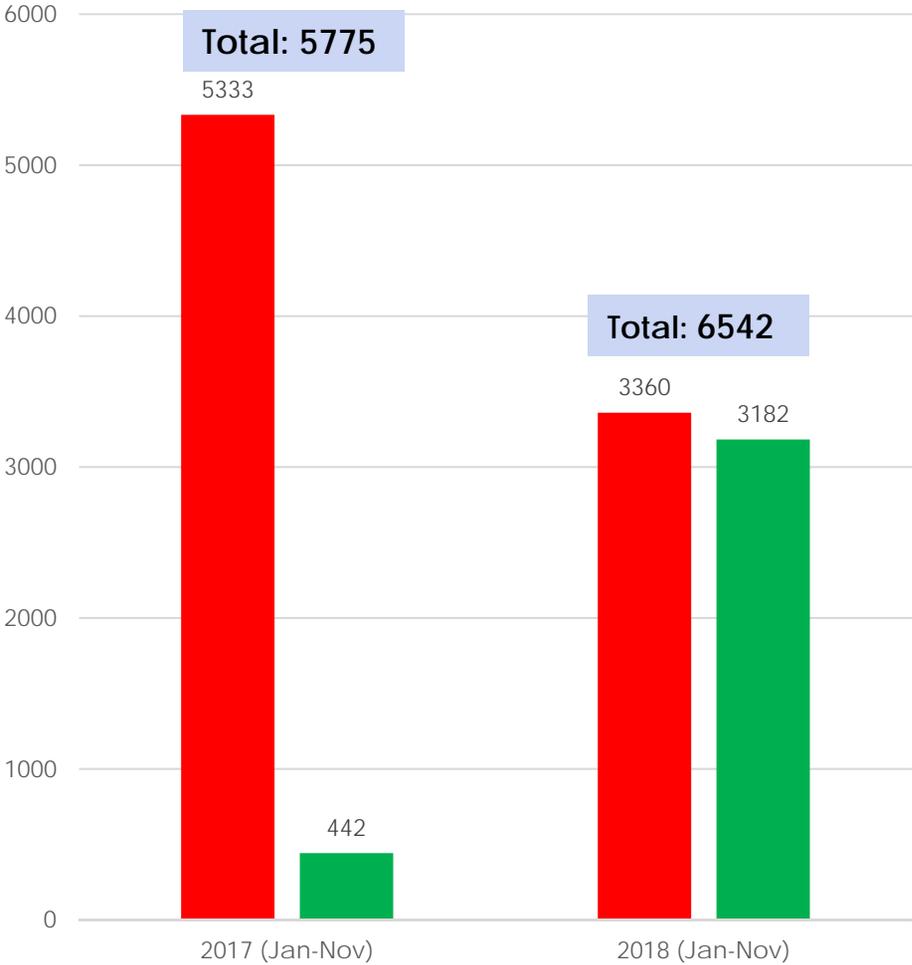


Our Annual Workload

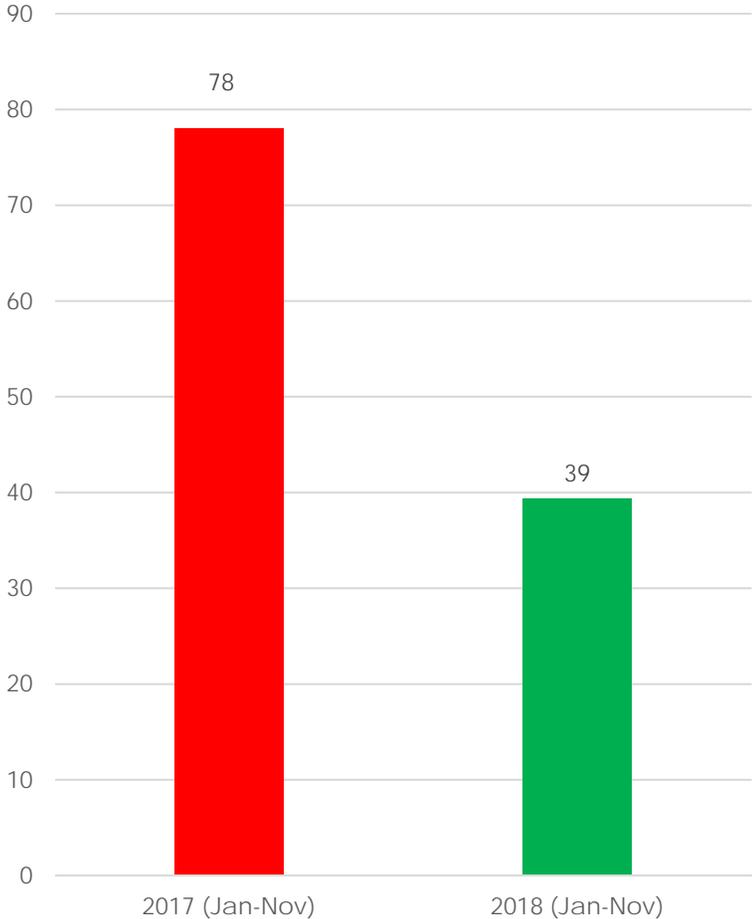


Order Throughput and Velocity

Purchase Orders Created



Days to Process (Req Approval- PO Approval)



Marketplace

- ❑ **Staples:** Go-live December 2016 – All Agencies
 - ❑ 21,118 Purchase Orders totaling \$11.08 million issued to date
- ❑ **W.W.Grainger:**
 - ❑ LIRR: Go-live November 2017 - Purchase Orders issued to date: 722, Totaling : \$1.1 million
 - ❑ MNRR: Go-live April 2018 - Purchase Orders issued to date: 564, Totaling \$599K
 - ❑ BRTUN: Go-live May 2018 - Purchase Orders issued to date: 26, Totaling : \$86K
- ❑ **CDW-G:** Go-Live May 2018 – MTAHQ - Purchase Orders issued to date: 61, Totaling : \$1.2 million
- ❑ **Quality and Assurance Technology :** Dell product catalog Implementation began July 12th
 - ❑ Dell assignment to Quality and Assurance Technology (an MBE) is complete
 - ❑ System Testing is complete
 - ❑ Go-Live 4th Quarter – Pending Dell revisions to the catalog list with updated models and pricing.

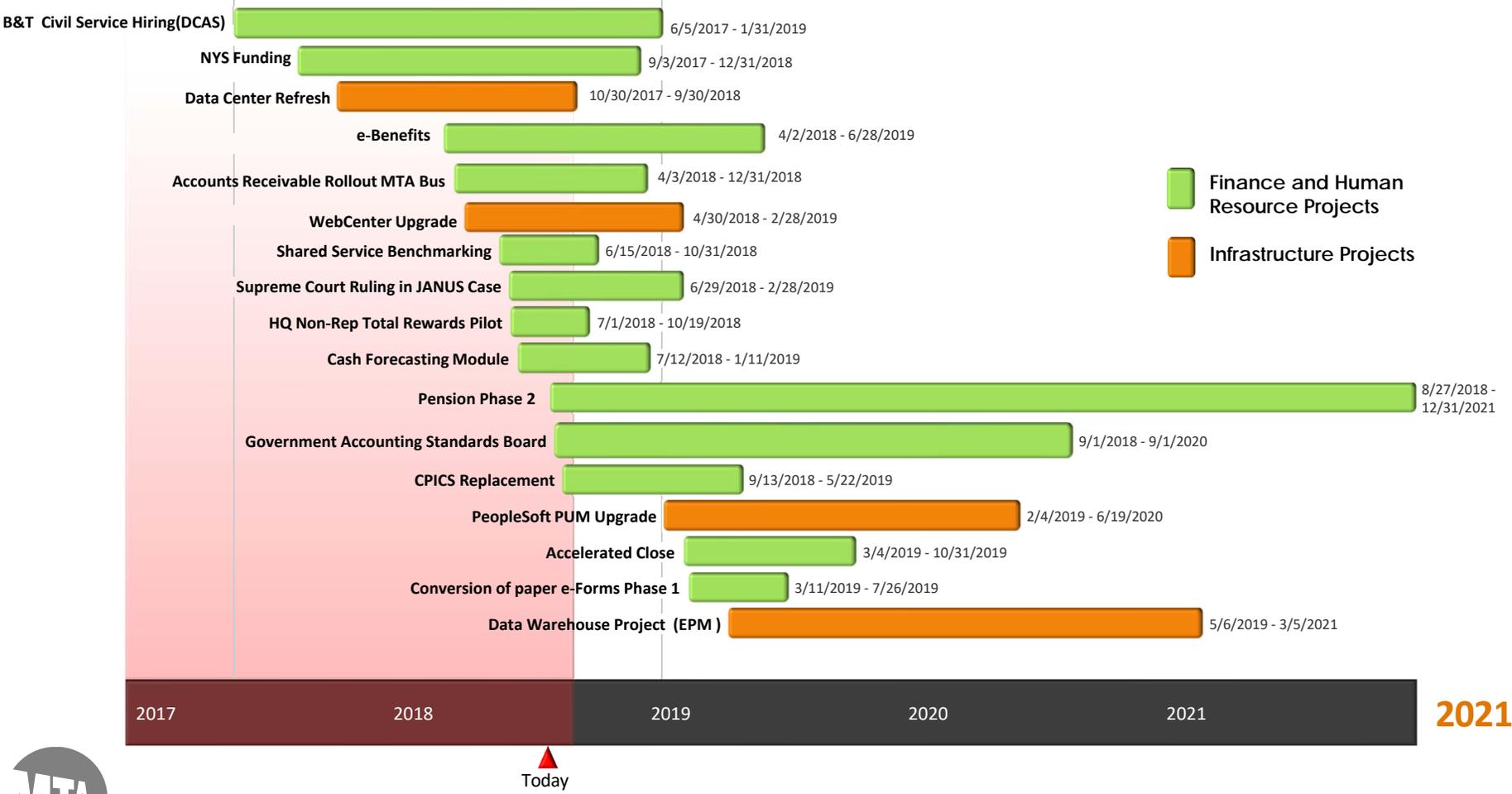


2017-2018 Procurement Strategic Priorities

- Fill Vacant Positions
 - All vacancies were posted but filling key positions has been a challenge.
- Achieve Back-Log Steady State
 - Throughput and velocity have both increased.
- Increase Vendor Portal Registrations and Improve Utilization
 - Quarterly outreach to vendors via email and outreach done for MWDBEs and SDVOBs
 - Increased use of electronic solicitations makes the vendor portal more relevant
- Increase Adoption of PeopleSoft 9.2 Functionality
 - Added contract end dates to PeopleSoft
 - 100% utilization of Strategic Sourcing module for bids since mid-year
 - Implemented Contract Release function, Auto Dispatch and Auto Close
- Expand number of Vendor Catalogues in the MTA Marketplace
 - Added Grainger and CDW to Staples in the Marketplace
 - Dell is awaiting a contract assignment
- Update Procedures and Processes
 - Four new procedures have been completed by Procurement and approved by Compliance. Asking for Legal review before posting.
- Refined Organization Structure & Retained Functions



BSC Project Portfolio



Project Definitions

B&T Civil Service(DCAS) - Bridges and Tunnels (B&T) is required to adhere to New York State laws for hiring employees from civil service lists. Human Resources (HR) requests Civil Service Lists from NYC Department of Citywide Administrative Services (DCAS) which are released in the form of a Certification Package to the agency. The current B&T process is manual, time consuming, and labor intensive. This project is to extend the NYCT process to B&T in order streamline and automate B&T Human Resources' operations for processing candidates from Civil Service lists.

NYS MOU - NYS has agreed to fund certain agreed upon projects upfront with the agreement that there is more transparency regarding the flow of cash from NYS thru the MTA to supplier working on those projects. Several systems had to be modified including PS however this was accomplished and resulted in NYS funding the MTA with \$300 million earlier this year. The funding will continue in quarterly installments based on project progress.

Data Center Refresh - Engineered Systems, Tapeless Backup & Relocate Disaster Recovery (DR) Facility to Albany

e-Benefits - Implementing e-Benefits will empower MTA employees by enabling them to manage their Benefits themselves. They will be able to make elections or modify their Benefits during Open Enrollment and when they have Life Event changes. The MTA will experience a reduction in the volume of Benefits information that has to be processed by the BSC and to respond to calls placed to the CMC. The implementation of e-Benefits should also result in more timely capture of data vis-à-vis Life Events changes.

AR Rollout for MTA Bus - The Accounts Receivable module is not fully utilized by all Agencies. This project's aim to roll out AR to all Agencies beginning with MTA Bus. Other Agencies will follow based on their preparedness.

Web-Center Upgrade - This upgrade will replace existing document and invoice repository and provide a web-based Content Management system to securely capture, process, share and route digital forms and invoice across the enterprise via a centralized platform.

Shared Services Benchmark - The Benchmarking project will measure current BSC operational performance compared to Peers that will identify project opportunities to develop a business case leading to an actionable roadmap.

Supreme Court Ruling in Janus Case - In July the Supreme Court ruled the represented employees had the right to choose not to pay Union Dues. BSC has been working with Labor Relations to administer these changes after reconciling the records of the Union with those with the BSC. This work is ongoing and should be completed shortly.

HQ Non-Rep Total Rewards Pilot - Produce and enable a view of employee total compensation reporting through the PS portal to build employee awareness of complete compensation package and other fringe benefits that the MTA provides. Goal is to drive employee engagement and retention.



Project Definitions

Cash Forecasting Module - MTA decided to implement the PS Cash Forecasting Module to assist in planning for future liquidity. This is scheduled to go live later this year.

Pension Phase II - Now that the version 9.2 PeopleSoft Pension Administration system has been successfully implemented, this Phase II MTA Pension Administration Project will convert and implement the Staten Island Rapid Transit Operating Authority (SIRTOA), Manhattan and Bronx Surface Transit Operating Authority (MaBSTOA) DB Pension Plans, MTA Bus Pension Plans and Long Island Rail Road (LIRR) closed plans into the centralized PeopleSoft system at the MTA BSC to facilitate the automated management of the DB Plans at MTA.

Government Accounting Standards Board - The accounting board changes how lease accounting is handled effective for Financial statements issued after 1/1/2020. For the MTA that would mean Q1 2020 implementation. We are working on an all Agency reporting strategy through HQ's comptroller's office.

CPICS - This project is to enhance current systems at the MTA (Peoplesoft and KRONOS) in order to replace the NYCT CPICS system. CPICS is a RAMIS-based mainframe application that is no longer supported by the vendor but was supported by one in-house employee who has now retired. The primary function of the Capital Project Information and Control Systems (CPICS) is to aggregate CPM labor charges by PSE# and submit all CPM Engineering Force Account (EFA) labor charges to the NYCT Capital Accounting System (CAS) for billing and reimbursement. EFA charges accounts for approximately one third of NYCT's reimbursable force account labor; for 2017, which was \$92 million exclusive of overhead.

PUM Upgrade - Upgrade the current PeopleSoft environment to the latest available release. The BSC is working with the Agencies to determine priorities of new available Modules and Features.

Accelerated Close - MTA continues to accelerate the timeliness in which the Financial Statements are available to the Board.

Conversion of Paper to e-Forms Phase 1 - The project will consist of creating a paperless E-forms strategy and platform that enables MTA employees, retirees, and supplier's online entry, and collection of data via an electronic form that is accessible from the Portal or Mobile devices.

Data Warehouse (Enterprise Performance Management) - This project will replace legacy EPM data warehouse and enable Business intelligence (BI) technology to analyze data and presenting actionable information to help MTA leadership, and end users towards making informed business decisions based on current and historical data.



Appendix



Notable Procurements – IT

Description	Contract	Current Status
Ultra-Wide Band Technology	Radio technology that uses high-bandwidth communications to provide sensor data collection for control systems and precision train locating and tracking applications.	Phase 2 of Proof of Concept Pilots awarded. Pilots to be completed by end of 4 th quarter 2018.
All-Agency Electronic Project Management System	Software package used for design and construction project management, document storage, and stakeholder collaboration.	Contract approved by the Board in July. Award anticipated 4 th quarter 2018.
Data Center Operations & Management Services	Service contract to manage all aspects of data center operations and maintenance, including mainframe and midrange environments at 3 MTA sites.	RFP process is ongoing. Proposals under review.



Notable Procurements - Operations

Description	Contract	Current Status
Maintenance Repairs & Operations	Streamlined Marketplace purchases of a wide-range of maintenance materials including building supplies electrical items.	Proposals received, oral presentations held.
Fleet Maintenance and Repair of Non-Revenue Vehicles	Network of vehicle service shops.	All-Agency RFP to be advertised by December 2018.
Water & Water Cooler Purchases	Supply and delivery of water and water coolers for various facilities.	Awarded September 2018.
Uniforms	Supply and delivery of uniform garments.	16-month time extension awarded October 2018. All-Agency RFP being developed.
Fire Safety (Alarms and CCTV)	Fire safety and communication equipment installation at 20 LIRR locations.	Solicitation is under development for award in 2019.



Notable Procurements – HR/Benefits

Description	Contract	Current Status
Benefits Programs	All-Agency Vision Benefits	Step 1 prequalification completed.
	All-Agency Dental Benefits	RFP being developed. Award anticipated 4 th quarter 2019.
	Dental Benefits for NYC Transit Employees, Retirees and Dependents from SSSA and TSO Local 106	RFP being developed. Award anticipated 1 st quarter 2019.
	MetroNorth Medical and Prescription Benefits	Step 1 prequalification completed.
No-Fault, Workers Compensation, General, Auto-Liability Programs	Medical Bill Review, Workers' Compensation PPO and Pharmacy Benefits	RFP advertised September 2018. Award anticipated 4 th quarter 2018.
Pension Phase 2	Independent Validation and Verification Consultant	Awarded to PriceWaterhouse Cooper in March 2018.
	System Implementation	Contract with IBM approved by the Board in July. Award pending.



Notable Procurements – Marketing

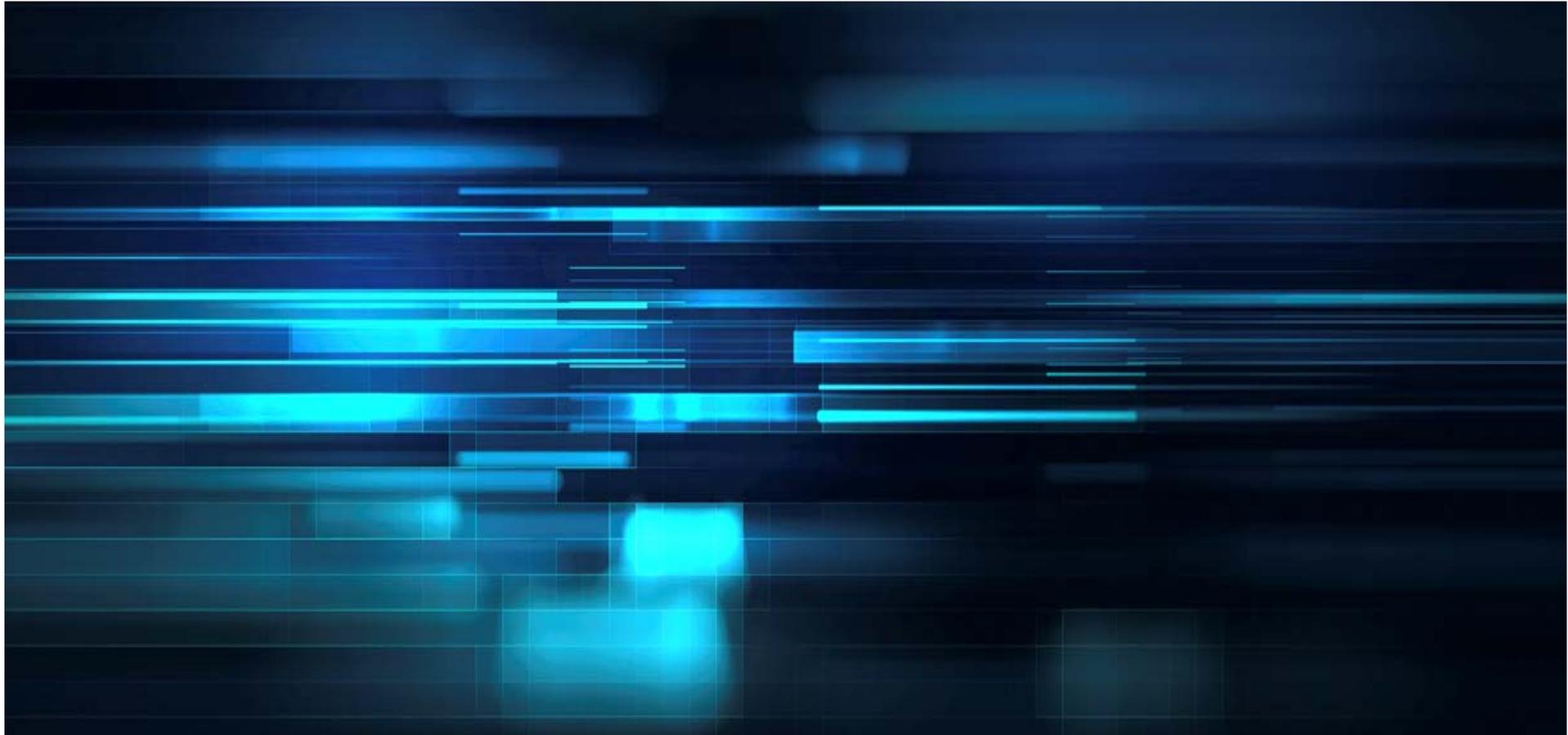
Description	Contract	Current Status
On-Call Market Research	Series of consultants to provide a variety of marketing services on a mini-bid basis.	Contracts approved at February Board. Eight of the 10 awardee contracts executed.
Creative Advertising, Marketing Planning, Media Buying & Classified Advertisements	A full service marketing contract focusing on strategy development and branding using existing and new technologies and media. Examples of services include branding, general advertising, promotions, employee communications, direct mail, social media, classified/legal and recruitment ad placement.	RFP process is ongoing. Oral presentations held, technical evaluations ongoing. Award anticipated 1 st quarter 2019.



Notable Procurements – Finance

Description	Contract	Current Status
Comprehensive Banking Services	The selected bank(s) will provide cash management, deposit services, customized lockbox services and custodial securities services.	All-agency RFP issued. Proposals due in November.
Corporate Credit Card Program	Procurement cards, cardless accounts, travel cards and travel services cardless accounts for business use.	All-agency RFP being developed. Award is anticipated 2 nd quarter 2019.





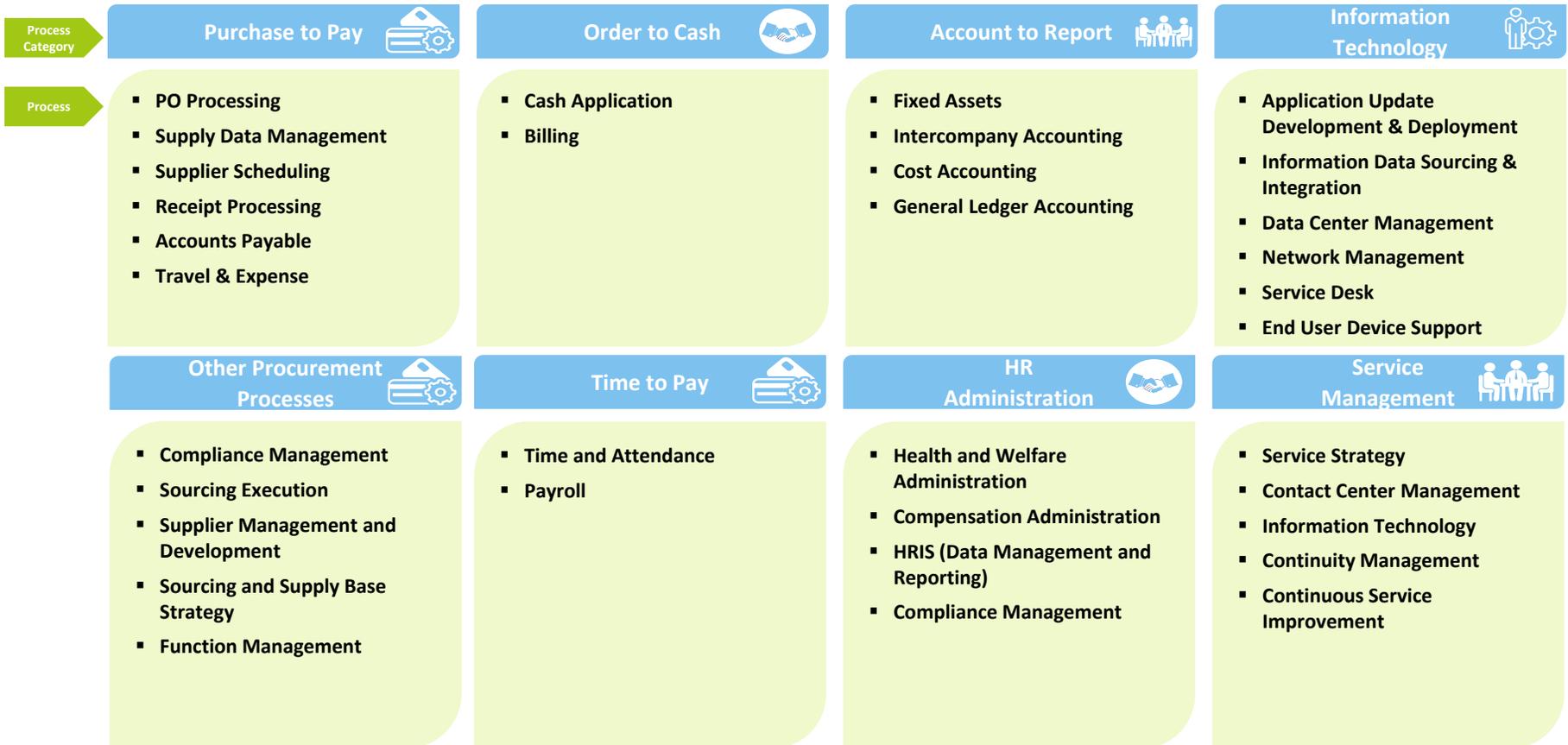
BSC Benchmark – Cross-functional
Summary

Finance Committee

November 13, 2018



Hackett's BSC benchmark taxonomy ensures an apples-to-apples comparison



BSC Overall Observations

Cross-functional

Category	Rating	Observation
Overview		<ul style="list-style-type: none"> Overall, the BSC has been working hard to meet business demands, but faces several challenges (e.g., complexity driven by the large number of collective bargaining agreements, lack of some technology components, a limited level of standardization) BSC Management team received positive feedback in executive interviews with a noted mindset at trying to improve processes across the MTA and BSC There is a lack of clarity across MTA about what the BSC is responsible for
Cost, staffing		<ul style="list-style-type: none"> In the Towers, staffing levels are generally lower than comparison groups Worker to supervisor ratio is higher in most processes The IT Tower relies on a lot of contractors to meet business demand for project work In most Towers, we heard about some individuals with extensive knowledge. Need to develop others on the team to minimize risk related to business continuity Due to location in New York City, the average labor costs per FTE are higher than comparison groups in all processes
Technology enablement		<ul style="list-style-type: none"> While PeopleSoft provides a standardized platform, there are also many legacy applications that feed data to PeopleSoft. This creates support complexity for IT Some manual processes remain across the BSC. Many examples of processes that get started with a form but then have to be entered manually into the system or scanned No knowledge management system in place to document expected actions/steps for common transactions

 Leading Performance
  Achieving Performance
  Lagging Performance



BSC Overall Observations

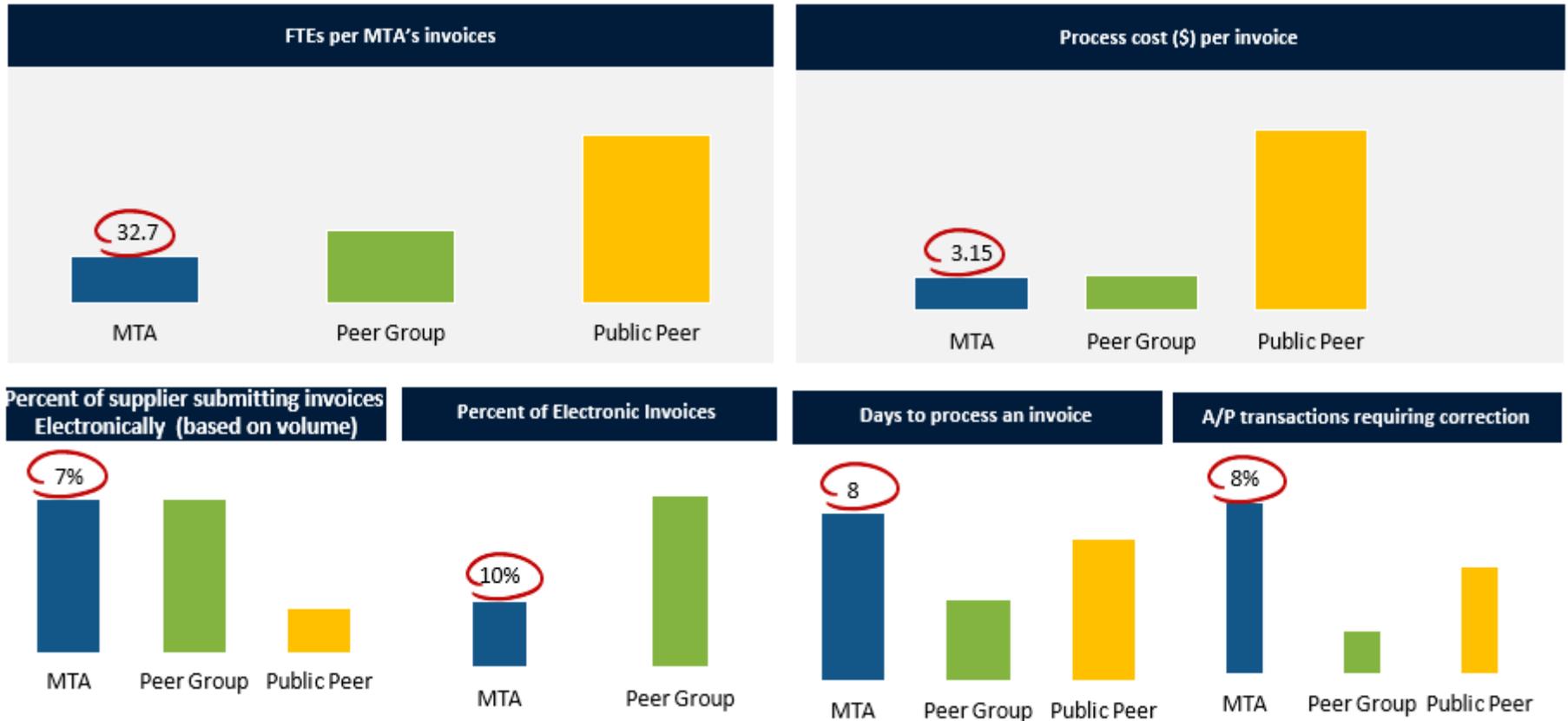
Cross-functional

Category	Rating	Observation
Best practices assessment		<ul style="list-style-type: none"> Improvements have been recognized in the GL Close process, but there is ongoing desire to do more. Interviews suggested that non-standard processes drive the close cycle. Across the Towers and CMC, manual transactional processes exist that challenge efficiency, timeliness and quality Across the Towers and CMC, process documentation and standardization are incomplete Gaps exist across BSC resources in terms of training/knowledge
Stakeholder perception		<ul style="list-style-type: none"> Gaps in desired customer service orientation of BSC resources/staff Lack of follow-up on issues/tickets Concerns over “bench strength” at BSC Inconsistent quality/completeness of transactions done at BSC

 Leading Performance
  Achieving Performance
  Lagging Performance



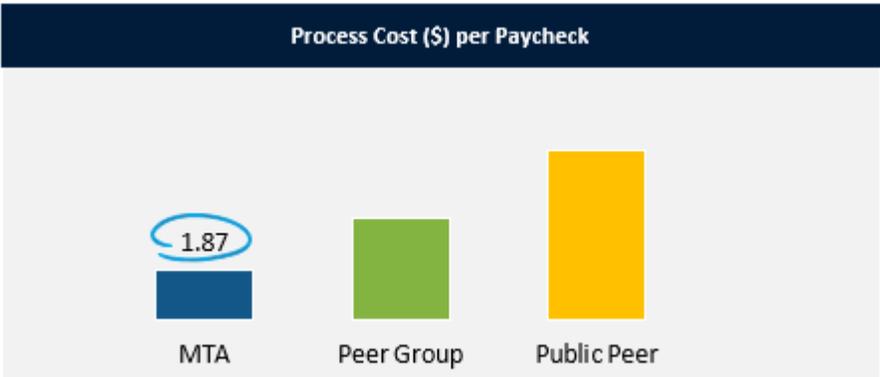
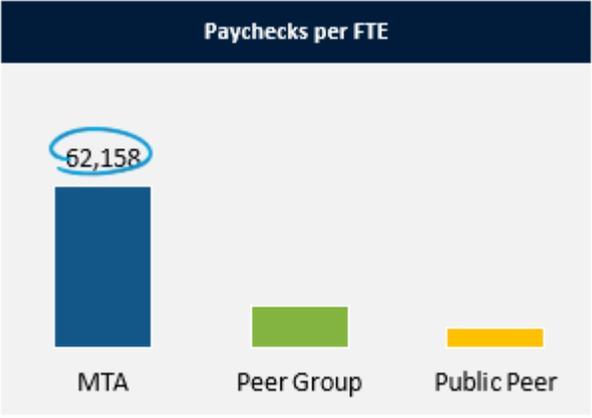
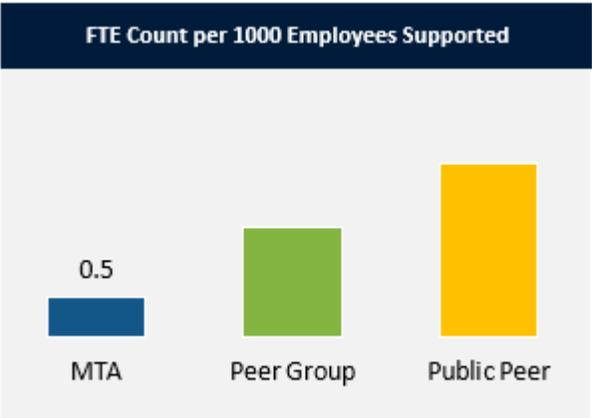
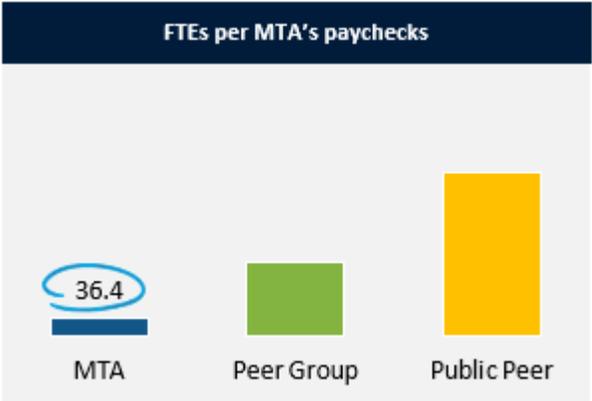
BSC's Accounts Payable process is highly efficient; staffing levels and productivity metrics such as Invoices per FTE are outperforming others



Effectiveness measures such as error rates, days to process an invoice, and percent of total electronic invoices reveal an opportunity to improve automation

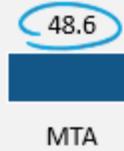


Payroll Administration staffing levels are below others and highly efficient

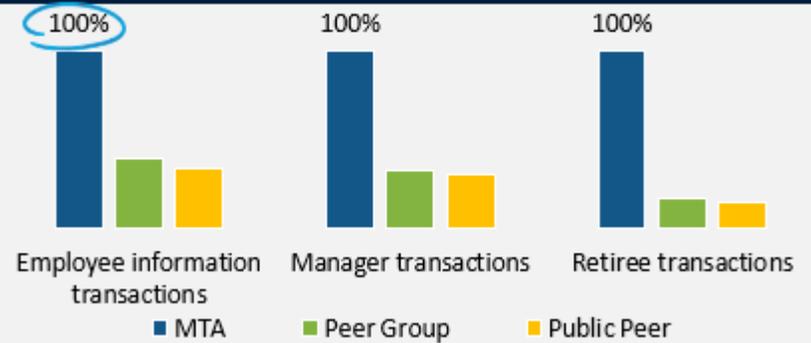


MTA BSC's HRIS process

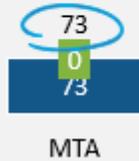
FTEs per MTA's employees



Automation



Process cost per employee



Error rate

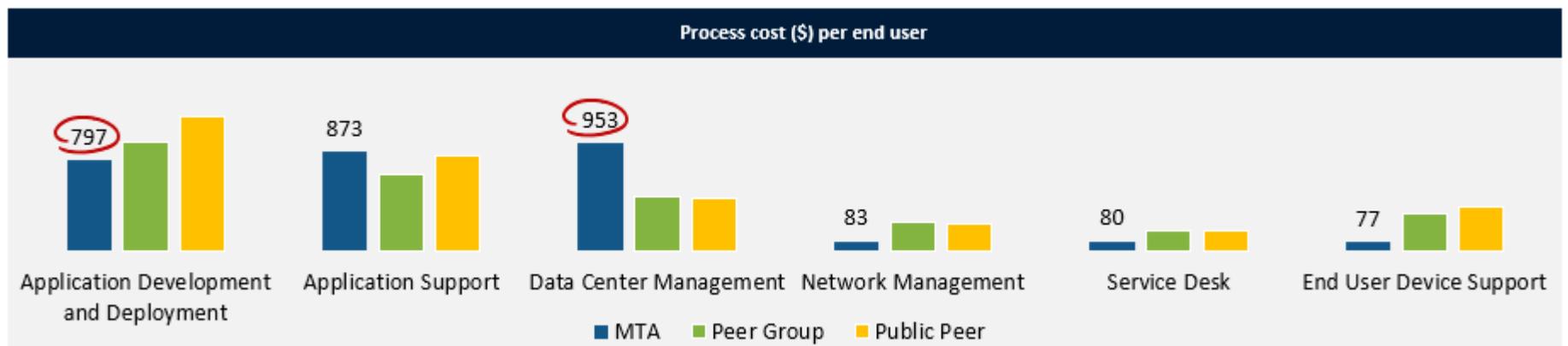
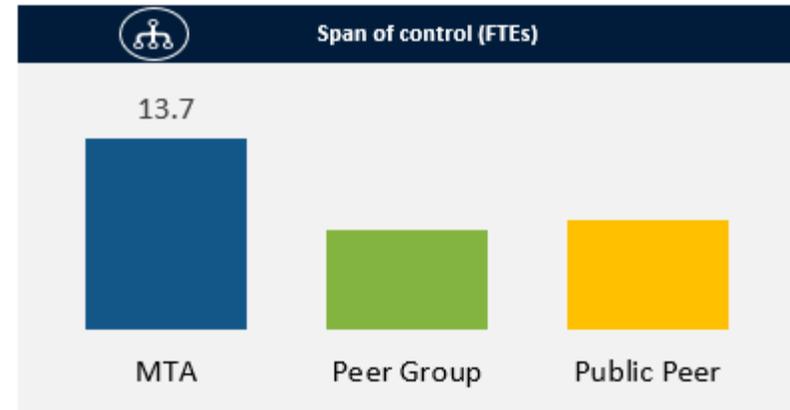
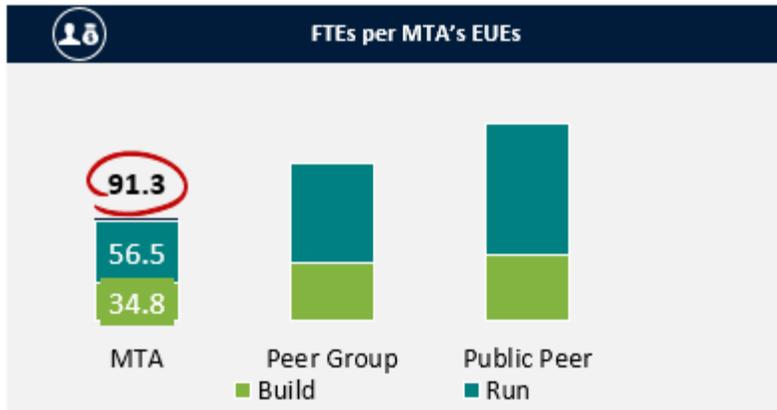


The MTA reported error rate represents errors across MTA that impact work performed in the BSC.

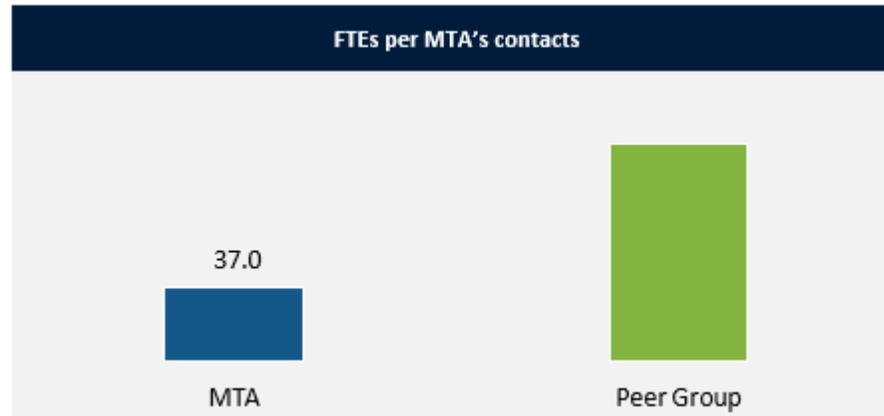
* Corresponds to Hackett's Data Management and Compliance processes (combined).



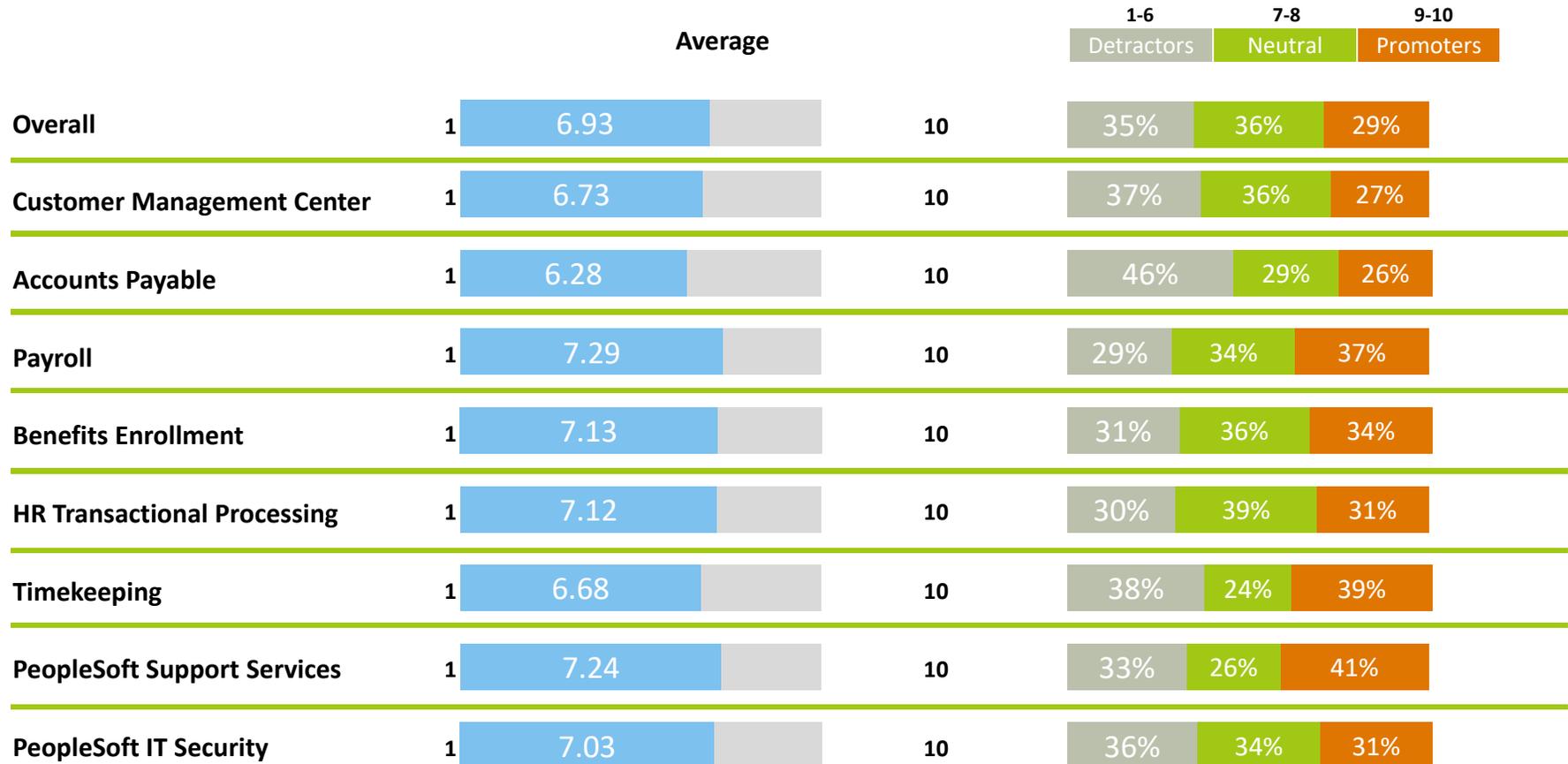
BSC IT has fewer FTEs compared to Peers and other Public sector peers



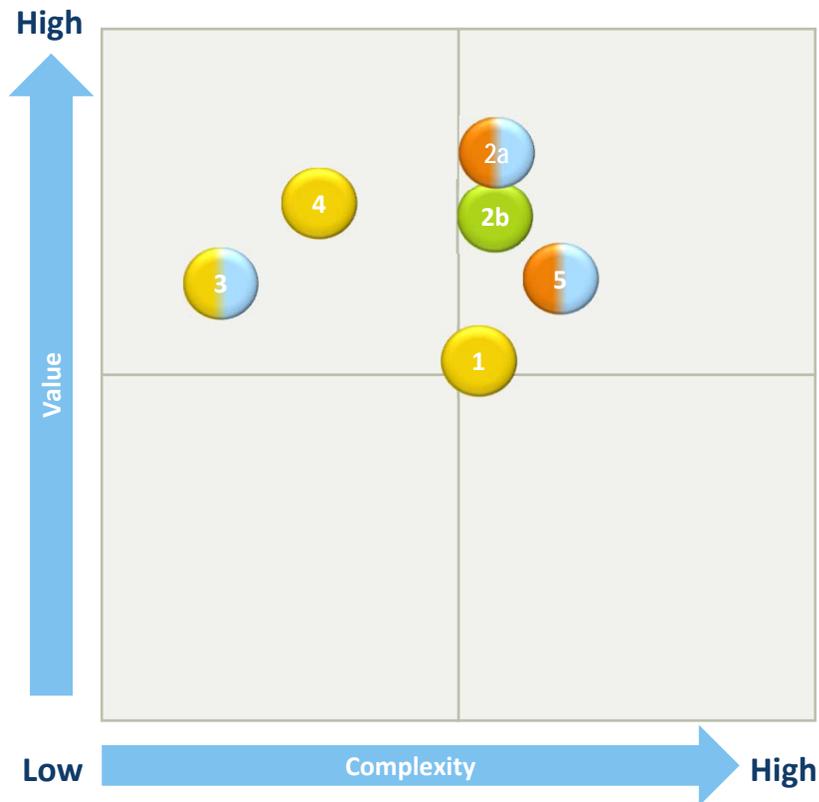
BSC Employee Contact Center productivity measures are similar to Peers although cost per contact is higher, due to labor rates



Stakeholder Survey Overall Satisfaction



MTA Business Service Center Enterprise Initiatives



● Technology Initiative
 ● Process Initiative
 ● People/Organization/Governance

ID	Initiatives
1	Develop talent management strategy with a focus on developing "bench strength" at the BSC
2a	Develop knowledge management approach/system
2b	Document procedures to drive consistency, knowledge and enable training of new resources
3	Broaden CMC training/knowledge to allow them to answer more questions directly rather than routing to Towers
4	Evaluate and improve customer service orientation of BSC through development of customer satisfaction survey
5	Continue to evaluate technologies to help automate highly manual, rules-based processes





www.thehackettgroup.com

Statement of Confidentiality and Usage Restrictions

This document contains trade secrets and information that is sensitive, proprietary, and confidential to The Hackett Group the disclosure of which would provide a competitive advantage to others. As a result, the information contained herein, including, information relating to The Hackett Group's data, equipment, apparatus, programs, software, security keys, specifications, drawings, business information, pricing, tools, taxonomy, questionnaires, deliverables, including without limitation any benchmark reports, and the data and calculations contained therein, may not be duplicated or otherwise distributed without The Hackett Group Inc.'s express written approval.