



New York State Office of the State Comptroller
Thomas P. DiNapoli

Division of State Government Accountability

Selected Aspects of the Paratransit Call Center Operations

Metropolitan Transportation Authority - New York City Transit



Report 2015-S-17

November 2016

Executive Summary

Purpose

To determine whether the contractor operating the MTA-New York City Transit's Paratransit Call Center was in compliance with the terms of its contract, and if not, whether the Paratransit Division took the appropriate actions. Our audit covers the period from the beginning of the contract, April 2013, through November 2015.

Background

The Metropolitan Transportation Authority (MTA) is a public benefit corporation that provides transportation services in and around the New York City metropolitan area. One of the MTA's six constituent agencies, New York City Transit (Transit), provides paratransit service within New York City, as required under Section 223 of the Americans with Disabilities Act of 1990. This service, called "Access-A-Ride" (AAR), is operated by Transit's Department of Buses, Paratransit Division (Paratransit) and serves approximately 150,000 eligible customers. Transportation is provided through numerous separate contracts with various private transportation firms, as well as reimbursed taxi services.

Transit negotiated a contract with GCS, a staffing/call center operations contractor (or contractor), to operate the Paratransit Call Center (Call Center). The contract was signed on December 18, 2012 and remains in effect for five years at an estimated cost of \$152.9 million, with an option for two one-year extensions at a cost of over \$87 million. The contractor began providing service in April 2013. The main functions of the Call Center include Travel Planning (i.e., handling calls to make, change, or cancel reservations) and Travel Services (i.e., dispatch coordination and customer information).

Key Findings

- The contract stipulates that Paratransit shall assess a \$25 credit against the contractor for each call handling error that occurs in months when the error rate exceeds .01 percent and recoup from the contractor any additional costs incurred due to those errors. The contractor's error rate was greater than .01 percent in every month from May 2013 to May 2015. However, Paratransit did not assess the appropriate penalties, totaling \$395,925 as of May 2015. Also, Paratransit did not calculate the costs incurred to provide the AAR customers transportation due to the contractor's call handling errors.
- The contract also provides for credits against the contractor for deficiencies in service levels. According to MTA officials, Paratransit staff calculated these credits incorrectly. Further, using a different methodology, MTA officials claimed that the contractor sufficiently complied with call handling standards. However, we found that the data that the MTA used for this analysis was incomplete and did not support the MTA's conclusion.
- The contractor's Quality Assurance program was not carried out in accordance with the contract. As a result, Paratransit had limited assurance that its standards for quality service delivery to its customers were met.
- The contractor did not ensure that all staff received proper new hire and recurrent training and that it received signed non-disclosure agreements from employees, as otherwise required.

- Paratransit did not approve management-level employees hired and their qualifications, as required by the contract.

Key Recommendations

- Process the credits of \$395,925 against the contractor for the period from April 2013 to May 2015, when the error rate exceeded the .01 percent in the contract.
- Review the contractor's performance for call handling/service level in consultation with the MTA Office of Auditor General and, based on call data and other records, make a final determination and document the results including credits to be assessed, if any, for the period April 2013 to May 2015.
- Require the contractor to comply with the Quality Assurance terms in the contract and to document compliance.
- Require the contractor to: ensure that all newly hired Associates attend all training and that staff receive recurring training, as needed; and document training by including the training sign-in sheets in the contractor's monthly invoice package.
- Monitor, review, and approve all managerial staffing changes including additions and deletions and maintain appropriate documentation for such changes. Document how each person met the qualifications for the position, if they did not meet the educational requirements.

Other Related Audits/Reports of Interest

[Metropolitan Transportation Authority: New York City Transit – Practices Used by the Transit Adjudication Bureau to Collect and Account for Fines and Fees \(2015-S-33\)](#)
[Metropolitan Transportation Authority: New York City Transit – Subway Wait Assessment \(2014-S-23\)](#)

State of New York
Office of the State Comptroller

Division of State Government Accountability

November 3, 2016

Mr. Thomas Prendergast
Chairman and Chief Executive Officer
Metropolitan Transportation Authority
2 Broadway
New York, NY 10004

Dear Mr. Prendergast:

The Office of the State Comptroller is committed to helping State agencies, public authorities, and local government agencies manage their resources efficiently and effectively. By so doing, it provides accountability for tax dollars spent to support government operations. The Comptroller oversees the fiscal affairs of State agencies, public authorities, and local government agencies, as well as their compliance with relevant statutes and their observance of good business practices. This fiscal oversight is accomplished, in part, through our audits, which identify opportunities for improving operations. Audits can also identify strategies for reducing costs and strengthening controls that are intended to safeguard assets.

Following is a report of our audit entitled *Selected Aspects of the Paratransit Call Center Operations*. This audit was performed pursuant to the State Comptroller's authority as set forth in Article X, Section 5 of the State Constitution and Section 2803 of the Public Authorities Law.

This audit's results and recommendations are resources for you to use in effectively managing your operations and in meeting the expectations of taxpayers. If you have any questions about this report, please feel free to contact us.

Respectfully submitted,

Office of the State Comptroller
Division of State Government Accountability

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Background

The Metropolitan Transportation Authority (MTA) is a public benefit corporation that provides transportation services in and around the New York City metropolitan area. One of the MTA's six constituent agencies, New York City Transit (Transit), provides paratransit service within New York City, as required under Section 223 of the Americans with Disabilities Act of 1990. This service, called "Access-A-Ride" (AAR), is operated by Transit's Department of Buses, Paratransit Division (Paratransit). AAR is a "demand-response" service in which an eligible customer reserves a trip in advance to a destination within the service area covered by public buses and subways.

Paratransit manages the AAR program for approximately 150,000 eligible registrants (AAR Customers). Transportation is provided through numerous separate contracts with private transportation firms, as well as through reimbursed taxi services.

Transit negotiated a contract with GCS, a staffing/call center operations contractor (or contractor), to operate the Paratransit Call Center (Call Center). The contract was signed on December 18, 2012 and remains in effect for five years at an estimated cost of \$152.9 million, with an option for two one-year extensions at a cost of over \$87 million. The contractor began providing service in April 2013.

The main functions of the Call Center include Travel Planning (handling calls to make, change, or cancel reservations) and Travel Services (dispatch coordination and customer information). Other customer services, such as eligibility, complaints/commendations, or requests for subscription (i.e., repeat travel, such as a daily ride to work), are handled by Paratransit staff. The Call Center is located within Paratransit's headquarters in Queens, where Transit provides the contractor's staff with space and access to computer systems, phones, and Paratransit's Avaya Call Management System. AAR Customers call Paratransit's toll-free number and then press a number to speak to the appropriate unit of the Call Center or Paratransit. The Call Management System routes the calls and keeps statistical information regarding each call for reporting purposes. Paratransit records each call so it can be retrieved in the event of a dispute or for quality improvement efforts.

In addition to Travel Planning and Travel Services, the contractor maintains a Quality Assurance (QA) Unit, which performs reviews of Call Center interactions, as required by the contract. QA reviews are also conducted by each Team Leader, who reviews the members of his/her team monthly.

Audit Findings and Recommendations

We identified several areas where the contractor was not in compliance with the contract. For example, the contractor's call handling error rate was greater than the .01 percent specified in the contract. In addition, Paratransit did not process credits totaling \$395,925 as of May 2015, or calculate and recover the costs of providing AAR Customers with transportation due to the contractor's errors. The contract also provides for credits against the contractor for deficiencies in service levels. However, according to MTA officials, Paratransit officials calculated these credits incorrectly. Using a different methodology, the MTA claimed that the contractor sufficiently complied with call handling requirements. Nevertheless, we concluded that the data that the MTA used for this analysis was incomplete and did not support the MTA's conclusion. Further, the contractor's QA program was not carried out in accordance with the contract. As a result, Paratransit had limited assurance that standards for quality service delivery to customers were met. We also found that the contractor did not ensure that all staff received proper training and signed the required non-disclosure agreements.

Call Handling

Error Rates

The contract requires the contractor to provide error-free data entry, accurate travel information, and professional customer service. Errors can include erroneous cancellations, flawed travel information, and mistakes on: dates, trip times, number of riders, addresses, cross street names, equipment codes, bus routes, or subway station information. The contract stipulates that Paratransit shall assess a \$25 credit against the contractor for each error that occurs in months when the error rate exceeds .01 percent and recoup from the contractor any additional costs incurred due to those errors. From April 2013 to May 2015 the rate of errors and unprofessional telephone manner incidents reported in the Issue Resolution Forms (IRFs) attributed to the contractor exceeded .01 percent in every month, ranging from .05 percent of the total calls in May 2013 to .12 percent in May 2015.

The total number of errors in this time period was 15,837, but Paratransit did not assess the \$25 credit per occurrence, or \$395,925. In addition, it is Paratransit's practice to approve a taxi, black car service, livery, or voucher authorization resulting from the contractor's errors. However, Paratransit has not charged the contractor for costs to provide transportation to AAR Customers as provided for in the contract. We requested the total cost associated with contractor errors over the life of the contract, but Paratransit could not provide this information because it does not keep track of it.

In response to our preliminary findings, Paratransit acknowledged that the contractor was not in compliance with the terms of the contract, but stated it will not assess any deficiencies against the contractor for past performance due to the sampling methodology. In December 2015, Paratransit officials indicated that going forward they will determine the most efficient sampling methodology and ensure that credits are applied when necessary. However, when we followed

up on their response on March 11, 2016 (or three months later), officials did not provide any information regarding the new sampling methodology they would use.

Service Levels

Under the contract, the contractor must answer 95 percent of all incoming calls within a daily average of 180 seconds over the course of the month. If the contractor falls short of that standard in any month, Transit shall take a credit against the contractor's invoice for that month. The Performance Deficiency Credits may be waived if Paratransit's Project Manager determines that substantial issues with ADEPT (the routing and scheduling software used for Paratransit's operation) had a material impact on the contractor's ability to perform. We reviewed Paratransit's methodology for reviewing and approving the contractor's invoices for the period April 2013 through May 2015. Based on Paratransit's review, the contractor was subject to credits of \$54,071 for four months, February through May 2015.

We recalculated the credits due using Paratransit's methodology for the audit scope period. Our analysis determined that on many occasions the contractor did not achieve the level of services required by contract terms, and therefore, Paratransit could have assessed credits totaling \$1.95 million. The difference between Paratransit's and our calculations was largely attributable to credits Paratransit waived for certain reasons (such as bad weather) that were not among the contract's prescribed justifications for waiving credits. Also, Paratransit did not include Spanish language calls in its level of service reviews.

In response to our preliminary finding, MTA officials stated that the methodology Paratransit used to process the contractor's invoices and determine deficiencies for the 26-month period was incorrect, as it relied on improper interpretation of the contract. Using a new contract interpretation, MTA officials recalculated credits and determined the contractor's performance was not deficient, and therefore not subject to any credits. MTA officials further advised us that as of November 2015, Paratransit would use this method to determine performance, and Spanish language calls would be included. Paratransit subsequently sent the contractor a revised payment letter, dated December 24, 2015, which included an explanation of their new methodology for calculating credits.

We requested the data that the MTA used to support its conclusion. Paratransit provided the data of the contractor's performance. We also requested, but did not receive, the detailed statistics for all calls received to verify the summary statistics provided by Paratransit. Nonetheless, we determined that the performance data was incomplete and did not support the MTA's position that the contractor's performance met the contract requirements. Specifically, the period April 1, 2013 through October 31, 2015 comprised 944 days. For 480 of them, the call data provided was missing at least one of the four call queues. (Note: Travel Services and Travel Planning each have an English and a Spanish queue.) In addition, contrary to the MTA's assertion that the contractor never failed to meet the required performance standards, there were six days when the average time to answer a call was greater than three minutes for all calls.

Without complete and accurate data to support the MTA's conclusion, there is no assurance

that the contractor was in compliance. At the closing conference, a Paratransit official stated that detailed statistics were not available. However, an MTA official stated complete data will be collected going forward.

Recommendations

1. Process the credits of \$395,925 against the contractor for the period from April 2013 to May 2015, when the error rate exceeded the .01 percent limit in the contract. For periods subsequent to May 2015, assess credits when the error rate exceeds the .01 percent limit, as provided by the contract.
2. Review the contractor's performance for call handling/service level in consultation with the MTA Office of Auditor General and, based on call data and other records, make a final determination and document the results including credits to be assessed for the period April 2013 to May 2015.
3. Compile complete call data, determine if the contractor has been in compliance each day, and document the results, including all events that materially impact performance for each day.
4. Track the cost of services to AAR Customers due to the contractor's errors and recover the amounts from payments to the contractor.

Quality Assurance

The contract requires the contractor to establish a QA program that: monitors and evaluates a minimum of 2 percent of calls; provides individual feedback on staff performance as well as counseling and coaching to underperforming staff members; investigates 95 percent of identified trip errors; reviews call and error trends; and assists with new hire training. However, we found that the contractor's QA program was not in accordance with the contract. As a result, Paratransit had limited assurance that its standards for quality service delivery to its customers were met.

Quantity of Calls Monitored

We reviewed call monitoring reports provided by the contractor and found that for the period of May 2013 through May 2015 the contractor met the 2 percent requirement in only two months: October 2014 (2.12 percent) and January 2015 (2.04 percent). In the other months, the call monitoring rate ranged from .12 percent in May 2013 to 1.93 percent in June 2014.

In addition, Travel Services calls were not included in the statistics until April 2014, one year into the contract, and therefore all calls were not included in the QA program. According to a contractor employee, monitoring was done for both Travel Planning and Travel Services, but prior to April 2014, monitoring was less formal for Travel Services and was not documented. As detailed subsequently in the report, the Team Leaders did not meet their monthly monitoring goals, which impacted the contractor's attainment of its overall goal.

Paratransit officials agreed that the contractor met the goal in only two months, but remarked that the design and development of an effective QA program requires time. However, the contractor was already two years into the five-year contract at the time of our review, and an effective program should have been in place already. Paratransit also believes that the statistics from the IRFs should be included in these counts. However, the IRF process is distinct from the QA process. QA monitoring assesses a portion of the calls made to ensure that quality requirements will be met. The IRF, on the other hand, is a process to determine the number of calls where the contractor made an error in a reservation or customer information.

Call Quality Review

Both the QA Unit staff and Team Leaders monitor calls for quality. According to the QA Manager, each Team Leader should monitor at least 200 calls per month for Travel Services and 240 calls per month for Travel Planning. The QA Unit does not have an official target, but together with the Team Leaders, these reviews comprise the effort to monitor at least 2 percent of calls. From January 2015 to September 2015 the QA unit reviewed 49,559 calls. Of those calls, 8,012 involved use of the Language line (translator is required), and the evaluations of these calls were not scored. Of the remaining 41,547 calls monitored by the QA unit, 20,502 received a failing grade. In addition, the Team Leaders reviewed 50,285 calls, of which 7,980 received a failing grade.

However, our review of the evaluations completed by 31 Team Leaders during this period showed they met the monthly target of 200 calls in just 124 (46 percent) of their combined 267 months. To the extent that each Team Leader does not reach the monthly evaluation target, the contractor is at risk of not meeting the contract terms.

To monitor the Associates' handling of the calls, QA and Team Leaders use one of three forms that include the criteria for evaluating calls. These forms have multiple sections, covering different aspects of the call, such as greeting, gathering trip information, and closing. A passing score is 85 percent; however, an Associate can "auto-fail." An "auto-fail" is a situation in which failing to meet one critical measure can cause an automatic failure. The Team Leader is responsible for providing coaching and follow-up when the evaluation indicates the Associate needs to improve.

We initially examined 105 QA monitoring forms for evaluations conducted on May 5, 2015, for both Travel Planning and Travel Services. None of the 105 monitoring forms provided written feedback to Associates that could be used to help develop training and coaching to improve performance.

We then reviewed a statistical sample of 228 QA monitoring forms (114 from the QA Unit and 114 from the Team Leaders) for the period of January 2015 through September 2015. For the evaluations conducted by QA staff, 61 (54 percent) of the Associates evaluated failed; 11 of them scored 0 percent. Only 17 of these 61 failing Associates had any written evaluator's comments. For the evaluations conducted by Team Leaders, 16 (14 percent) of the Associates evaluated failed; five of them scored 0 percent. We determined that only five of the 16 Associates had any written evaluator's comments, but there was no documentation on any of the forms to indicate whether the Associate received any coaching or if any feedback was provided.

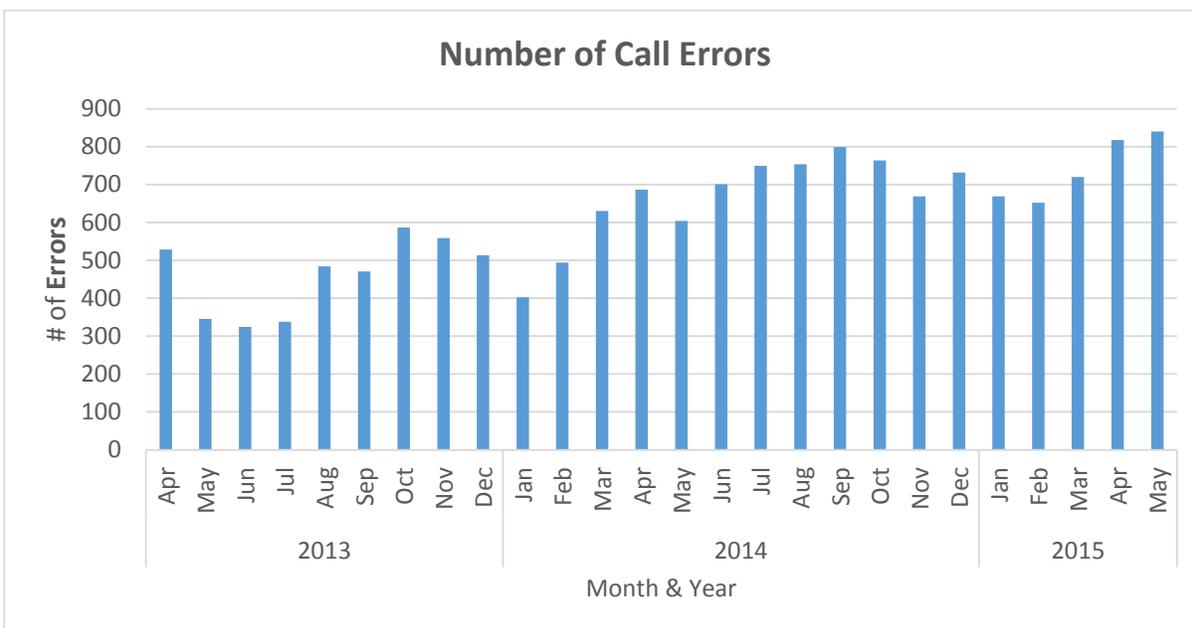
When we informed the contractor that the evaluation forms lacked information on feedback to the Associates, the contractor stated that additional information would be in the “operations file” prepared for each Associate. We examined the operations files for the 16 Associates who failed evaluations by Team Leaders. There was evidence that feedback occurred (e.g., a One-on-One Monthly Feedback Review sheet, a memo, or a log indicating coaching occurred) for eight of these Associates. However, files of seven Associates had no documentation that any feedback was given, and the remaining Associate was terminated.

The QA Unit also monitors the calls that are made to the Language lines (in which a translator is required for the call). There are no forms for these evaluations; instead, an entry is made on a spreadsheet. The contractor’s spreadsheet showed that 8,012 calls were monitored, but were not scored. The monitoring protocol includes determining if the Associate followed the correct script and if policy and procedures were followed. The spreadsheet showed there were 1,860 calls wherein Associates did not follow the correct script and 1,974 calls wherein the Associates did not follow policy and procedures. However, there was no indication that these Associates received any feedback or coaching regarding these deficiencies.

At the closing conference Paratransit stated that the system used for evaluations has been upgraded and that this will improve the process of documenting that feedback was given to an Associate.

Review of Call and Error Trends

The contractor creates monthly trend analysis reports of errors and graphs the results. However, there is no documentation to support that the trends are reviewed, as otherwise required by the contract. We reviewed the pattern in errors from April 2013 through May 2015, and noted that it hit a low of 325 in June 2013, after which it began to increase and reached a high of 840 in May 2015, as shown in the following bar graph:



A contractor official stated that the contractor performed call trend analysis, but provided no documentation of such analysis. Further, Paratransit did not require the contractor to provide any evidence that it performed the required trend analyses, reviewed call and error trends, or addressed these trends.

In addition, the contractor is required to investigate 95 percent of identified trip errors. There were 15,839 recorded trip errors for the period April 2013 through May 2015. Paratransit reviewed these trip errors and referred them to the contractor for follow-up. However, there was no indication that the contractor performed any follow-up. According to a contractor official, the contractor investigates 100 percent of the errors attributed to it. Again, however, the contractor provided no documentation of such investigation.

At the audit's closing conference, Paratransit officials indicated that they meet with the contractor management monthly and review the contractor's statistical operations reports. Paratransit stated that it will keep minutes of these meetings to demonstrate that trends were reviewed and were addressed.

Recommendation

5. Require the contractor to comply with the QA terms in the contract and to document such compliance.

Contract Administration

Training

The contractor is required to train all new Associates and to provide recurrent training to current Associates. According to a contractor official, new Associates receive three weeks of training, the first two in a classroom setting followed by one week of classroom/practical experience in the Call Center. At the end of 2015, the contractor changed its practice of having new Associates take calls for short periods of time while paired with an experienced Associate. Under the new procedure, new hires answer calls on the Call Center floor in a separate area, with the trainer present.

During the last week of training, the Associates take a teacher-graded exam. This exam is returned to the Associates so that they can see where they need to improve. New Associates who fail this test transition onto the floor and receive additional on-the-job training. For Associates who have been on the job, recurrent training occurs on a one-on-one basis, as needed.

We reviewed the new Associate training sign-in sheets for a random sample of 55 of 543 Associates on staff as of July 2015. These sign-in sheets were part of the invoices the contractor submits to Paratransit. We also reviewed the operational files of the Associates. We were advised that 15 of the 55 Associates in our sample worked for the previous Call Center contractor and did not need the full training program; instead, they were required to attend two training classes. However, we found that six (of the 15 with prior experience) were not listed on the sign-in sheets for these

classes, although they were listed on the start-up invoice for Associates who were trained in March 2013. The contractor did not submit any training sign-in sheets to Paratransit for these Associates, although it was paid \$8,100 (6 Associates @ \$1,350 each) for their training.

We reviewed training sign-in sheets for the remaining 40 Associates and found:

- 26 Associates had sign-in sheets for 15 or more days; but
- 14 Associates had sign-in sheets for fewer than the minimum required 15 days (ranging from 5 to 14 days).

In addition, only four Associates' operational files contained the teacher-graded exams administered at the end of training. We believe that retention of the tests helps document the satisfactory completion of training. In addition, it would permit review of a class's results to determine the effectiveness of the training provided. Moreover, we were informed that there is no formal recurring training provided. The Team Leaders may sit down with associates to coach them in improving certain aspects of their work, but they are not required to document these occurrences.

The contractor prepared a curriculum for staff training, but neither the contractor nor Paratransit could demonstrate that the curriculum and training materials were approved by Paratransit, as indicated. Moreover, we also found that the QA Unit does not actively assess "New Hire" training. Without such assessment, there is limited assurance that issues consistently noted during call monitoring are adequately addressed through training. The contractor was unaware of this contract requirement.

In response to our preliminary findings, Paratransit stated a Command Center Analyst will review the spreadsheets submitted by the contractor, as part of its monthly invoice, to ensure newly hired associates receive the required 15 days of training. Additionally, Paratransit will require the contractor to provide documentation of recurring training and the topics that are addressed. Lastly, Transit will request MTA Audit Services to evaluate Paratransit's contract management practices to ensure contract provisions are monitored effectively and efficiently.

Work Force Management

The contractor is required to staff the Call Center with a sufficient number of Associates to handle the anticipated call volume, and it uses scheduling software to determine the number of staff needed. The contractor's managers advised us they review the forecasts produced by the scheduling software and make adjustments based on call data, seating capacity, and staff availability. Further, differences between the number of Associates forecast and the number actually scheduled by the contractor are reviewed and adjusted for attendance factors, including leaves and absences, lateness, and attrition. In addition, gaps resulting from terminations or increased call volume are addressed by creating schedules for new employees in current and future training classes to cover the gaps. Contractor management added that any other significant gaps are addressed by soliciting additional hours from the staff through changes in Associates' breaks, lunch periods, or extended work hours.

We selected seven days between October 2013 and September 2015 to assess whether the contractor followed the procedures described to fill the gaps in the number of Associates needed to handle calls. At least once during each day, the number of Associates required by the software was higher than the number of Associates scheduled to work. Specifically, of the 336 half-hour time slots available over the course of the seven days, 111 time slots (33 percent) had fewer Associates scheduled than the software otherwise indicated. Of these 111 time slots, 60 (54 percent) had shortages of 20 percent (about 67 Associates) or more relative to the number calculated by the software. For example, a 4:30 p.m. time slot required 274 Associates on a particular day, but only 172 Associates (or 102 [about 37 percent] less than the software indicated) were scheduled to work.

We requested the contractor document how it achieved the contract's staffing requirements. The contractor provided documentation of the steps taken to address the staffing shortfall for only one of the seven selected days. No support was provided for the other six days. We also requested documentation to support the contention that the contractor creates schedules for new employees to address gaps caused by terminations or increased call volumes. However, the contractor did not provide the requested information.

We further determined that there is material risk that the contractor did not have a sufficient number of workstations to accommodate the number of Associates needed on certain days. According to the software's projections, the Call Center required 354, 339, and 320 Associates to handle the anticipated call volume on three of the seven days in our sample. On November 5, 2015, we walked through the Call Center and counted 301 workstations available for the contractor's Associates. Of the 301 workstations, 10 were reserved for handling hotline calls and another 10 to 35 were reserved for Team Leaders and other managers. According to the contractor, the number of workstations changed over the period of the contract, increasing to 290 on September 14, 2015 and then to 299 on October 14, 2015. Thus, in late 2015, less than 300 workstations were available for Associates' work use, although well over 300 Associates could be needed relative to the anticipated call volume.

A Paratransit official indicated that the contractor was asked how many workstations it needed at the start of the contract. However, the contractor and Paratransit could not produce the original communication. The contractor's representative indicated that additional workstations were requested in writing, but no supporting documentation was provided to us. In addition, Paratransit officials could not provide any communications it received regarding additional workstations.

Per their June 2, 2016 response to our preliminary findings, Paratransit officials believe that the contractor generally provided sufficient staffing for its operations. In addition, officials stated that the contractor recently added 120 stations, thereby increasing capacity to 381 stations, which officials believe is sufficient to meet peak requirements. Nevertheless, based on this data, at some point in the contract period, there were apparently only 261 (381 – 120) available stations, which was significantly below the apparent peak requirement.

Non-Disclosure Agreements

The confidentiality of AAR Customers is very important, and the contract contains specific confidentiality provisions. In particular, the contract requires that all contractor employees sign a non-disclosure agreement, and that these documents must be submitted to the Paratransit Project Manager.

However, the contractor provided the required signed non-disclosure agreements prior to starting work for only 8 of the 55 Associates sampled. We also noted that the contractor provided a different form (a confidentiality/call monitoring and recording agreement) for 52 of the 55 Associates. However, 32 of the 52 agreements were not signed at the time the employees were hired, and 6 were signed over 19 months after the employees started working. Further, the non-disclosure agreement and the confidentiality/call monitoring and recording agreement were different, and thus could not be substituted for each other. Also, Paratransit did not require the contractor to submit copies of the non-disclosure agreements for each employee as required by the contract. As such, Paratransit provided system access to the contractor's employees without signed non-disclosure agreements.

In response to our preliminary findings, Paratransit officials stated that the contractor will provide, as part of its monthly invoice package, a listing of all employees who began employment and their respective non-disclosure forms. In addition, the contractor's records will be audited quarterly to ensure the forms are maintained. Any contractor employee who has not signed a non-disclosure agreement will be denied access to the system.

Call Center Management Appointments

The contractor's management structure has four positions (Project Manager, Assistant Project Manager, Operations Manager, and Training Coordinator). The contract requires managers to meet certain qualifications for employment. These qualifications include both work and educational experience (including a baccalaureate degree in business or transportation management), although acceptable equivalents could suffice. Since the beginning of the contract, there have been 13 people in these positions, including one Project Manager, two Assistant Project Managers, four Operations Managers, and six Training Coordinators. Five of these 13 employees were transitioned over from the previous contractor. However, the contractor's documents show that none of the 13 employees had a baccalaureate in business or transportation management (or acceptable equivalent), as otherwise required by the contract.

Paratransit stated that Transit vetted the résumés of prospective management staff and found their education and experience exceeded what the position warranted. Candidates were then interviewed by Transit officials, who purportedly ensured that the candidates met the contract's requirements and then approved or disapproved hiring them. However, Paratransit did not provide any documentation to support that these steps were taken at the time the managers were hired. Paratransit officials also did not provide a definition of "acceptable equivalent," so it is unclear that any of the 13 managers actually met the alternative standard.

Per the contract, Paratransit's Project Manager must approve the hiring of candidates for the management positions. At the time of our fieldwork, a Paratransit official told us that Paratransit's Project Manager verbally approved the hiring of managers; however, there was no documentation of these approvals. Officials further indicated that since March 2015, approvals or disapprovals for new management employees are conveyed via email.

Recommendations

6. Require the contractor to: ensure that all newly hired Associates attend all training and that staff receive recurring training, as needed; and document training by including the training sign-in sheets in the contractor's monthly invoice package.
7. Require the contractor to:
 - Document the matching of the number of Associates required to handle the calls with the Associates' work schedules to demonstrate efforts made to address Call Center staffing needs and maintain documentation of the actions taken daily to adjust staffing;
 - Provide, in writing, the number of workstations required for Associates to carry out Call Center activities; and
 - Submit the required non-disclosure agreement form to Paratransit's Project Manager for all current and active employees, prior to accessing customer information.
8. Monitor, review, and approve all managerial staffing changes and maintain appropriate documentation of such changes. Document how each person met the qualifications for the position, particularly if they did not meet the educational requirements.

Audit Scope and Methodology

The objective of our audit was to determine whether the contractor was in compliance with selected contract terms with the Paratransit Division to operate the AAR Call Center, and if not, whether Paratransit took the necessary actions. The audit covered the period from the beginning of the contract, April 2013, through November 2015.

To accomplish our objective, we interviewed Paratransit officials to obtain an understanding of the internal controls related to the Call Center contract, and we conducted interviews with Paratransit and the contractor's management officials and staff.

We reviewed policies, procedures, and guidelines related to the operation of the Call Center. We reviewed the training curriculum offered to new Associates and their class attendance, the QA process, and invoices and documentation for the Call Center statistics from the Avaya Call Management System for the period of April 2013 through May 2015. We reviewed the Issue Resolution Forms to determine if the contractor met the .01 percent error rate threshold. We selected a statistical sample of 114 of the 49,559 QA reviews, and a separate random sample of 114 of the 50,285 Team Leader QA reviews to determine the extent of the reviews conducted and

whether Associates received appropriate feedback on their reviews. Our samples were chosen using a 95 percent confidence level, with a precision of ± 4 percent and with an expected rate of occurrence of not over 5 percent.

We conducted our performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

In addition to being the State Auditor, the Comptroller performs certain other constitutionally and statutorily mandated duties as the chief fiscal officer of New York State. These include operating the State's accounting system; preparing the State's financial statements; and approving State contracts, refunds, and other payments. In addition, the Comptroller appoints members to certain boards, commissions, and public authorities, some of whom have minority voting rights. These duties may be considered management functions for purposes of evaluating organizational independence under generally accepted government auditing standards. In our opinion, these functions do not affect our ability to conduct independent audits of program performance.

Authority

The audit was performed pursuant to the State Comptroller's authority as set forth in Article X, Section 5 of the State Constitution and Section 2803 of the Public Authorities Law.

Reporting Requirements

We provided a draft copy of this report to MTA officials for their review and formal comment. We considered the MTA's comments in preparing this report and have attached them in their entirety to it. In their response, MTA officials generally concurred with the overall intent of our recommendations. In certain instances, officials asserted that the controls in question were already in place, and they indicated actions that will be taken to address several other recommendations. Our rejoinders to certain MTA comments are included in the report's State Comptroller's Comments.

Within 90 days after the final release of this report, as required by Section 170 of the Executive Law, the Chairman and Chief Executive Officer of Metropolitan Transportation Authority shall report to the Governor, the State Comptroller, and the leaders of the Legislature and fiscal committees advising what steps were taken to implement the recommendations contained herein, and where the recommendations were not implemented, the reasons why.

Contributors to This Report

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Vision

A team of accountability experts respected for providing information that decision makers value.

Mission

To improve government operations by conducting independent audits, reviews and evaluations of New York State and New York City taxpayer financed programs.

Agency Comments

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Thomas F. Prendergast
Chairman and Chief Executive Officer



Metropolitan Transportation Authority

State of New York

September 30, 2016

Ms. Carmen Maldonado
Audit Director
The Office of the State Comptroller
Division of State Government Accountability
59 Maiden Lane – 21st Floor
New York, NY 10038

Re: Draft Report #2015-S-17 (Selected Aspects of the Paratransit Call Center Operations)

Dear Ms. Maldonado:

This is in reply to your letter requesting a response to the above-referenced draft report.

I have attached for your information the comments of Veronique Hakim, President, New York City Transit, which address this report.

Sincerely,

A handwritten signature in blue ink that reads "Thomas F. Prendergast".

Thomas F. Prendergast
Chairman and Chief Executive Officer

c: Donna M. Evans, MTA Chief of Staff

Attachments

The agencies of the MTA

MTA New York City Transit
MTA Long Island Rail Road

MTA Metro-North Railroad
MTA Bridges and Tunnels

MTA Capital Construction
MTA Bus Company

Memorandum



Date September 30, 2016
To Thomas F. Prendergast, Chairman and Chief Executive Officer, MTA
From Veronique Hakim, President, NYC Transit *WK for VH*
Re Selected Aspects of the Paratransit Call Center Operations Report 2015-S-17

This memorandum outlines our review and comments to the subject Draft Report concerning Paratransit Call Center Operations. As you know, NYC Transit is committed to providing high quality, safe, and cost-effective service to our customers. In 2015, Access-A-Ride (AAR) provided over 6.3 million trips, supplying enhanced mobility to more than 144,000 residents of New York City.

Paratransit has a robust monitoring plan in place for the call center contract. The Following are our responses to the Draft Report recommendations.

Recommendation 1: Paratransit has an established process to monitor GCS performance and calculate credits based on performance metrics. The GCS process in place was not in complete accordance with all stipulations in the contract. While GCS’s performance drastically improved over that of the prior vendor, they did not achieve all of the required benchmarks as provided for in their contract. Accordingly, Paratransit is seeking recoupment of \$395,925 in credits for the period ending May 2015, and will assess credits for future periods as appropriate. Paratransit will analyze performance data stringently, and where warranted, seek retroactive credits. Paratransit will also identify and, as appropriate, seek credits as part of its normal course of business.

Recommendation 2: Paratransit is working with the MTA Office of Auditor General to improve contract review management practices and determination of meaningful performance benchmarks.

Recommendation 3: Paratransit already monitors call center data for compliance with the contract on a monthly basis and maintains appropriate documentation. Monitoring data on a daily basis is impractical because it does not align with the monthly billing cycle, which is the basis for assessing liquidated damages in accordance with the contract.

Recommendation 4: Paratransit has begun tracking the cost of services to AAR Customers due to the contactor’s errors and is seeking credits from GCS.

Recommendation 5: Paratransit already requires GCS to comply with the Quality Assurance terms in the contract and maintain appropriate documentation.

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| * Comment 1 |
| * Comment 2 |
| * Comment 3 |

*See State Comptroller’s Comments on page 21

Recommendation 6: As part of the monthly invoice, GCS already provides copies of training sign-in sheets and a separate spread sheet delineating the date specific training occurred for all newly hired Associates. A Command Center Analyst reviews the spread sheets to ensure newly hired Associates receive the required 15 days of training. We will require GCS to enhance this process by documenting recurring training and counseling for significant or recurring errors.

Recommendation 7: Paratransit believes GCS has generally provided sufficient staffing for Call Center operations and there is limited business benefit for GCS to document daily actions taken to adjust staff schedules. In the event negative indicators regarding call response time are detected, staffing documentation is readily available for analysis.

As previously indicated in our preliminary response, Paratransit has reconfigured Call Center seating, creating 120 additional seats, for a total of 381 available seats. The peak GCS seating requirement is 326, which has been provided for by Paratransit.

GCS employees will continue to sign non-disclosure forms prior to accessing customer information. As part of their monthly invoice package, GCS will provide a listing of all employees who began employment and their respective non-disclosure forms. Paratransit will perform quarterly audits of GCS records to ensure these forms are maintained.

Recommendation 8: Paratransit will continue to monitor, review and approve managerial staffing changes. While Paratransit will not maintain documentation (resumes and applications) for all managerial candidates, GCS will maintain documentation on each person meeting the qualifications for a position, including candidates who did not meet the education requirements.

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| * Comment 4 |
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State Comptroller's Comments

1. The MTA's response only partially addressed the recommendation. The MTA did not detail its plans to formally review and document whether credits should be assessed for the period April 2013 through May 2015.
2. We did not recommend that Paratransit monitor the Call Center for daily compliance. Rather, we recommended that Paratransit "compile" the detailed statistics for all calls received to verify the summary statistics provided by the contractor. The information in question is needed to review the contractor's performance as part of the monthly payment process.
3. Although the MTA replied that it already requires the contractor to comply with the QA terms in the contract, we identified multiple issues with the contractor's actual compliance, as detailed in the report. For example, the audit determined that the contractor met the 2 percent requirement for call monitoring in only 2 of the 24 months reviewed.
4. We question the MTA's assertion. In fact, during the audit fieldwork, the contractor could not readily provide documentation illustrating how it used scheduling software to staff the Call Center, and Paratransit did not have pertinent information to help analyze call response times and identify related Call Center staffing issues. It is, therefore, unclear if the method indicated by the MTA sufficiently addresses this problem.