



# STAFF REPORT ACTION REQUIRED

## Stations Transformation

|              |                         |
|--------------|-------------------------|
| <b>Date:</b> | September 28, 2016      |
| <b>To:</b>   | TTC Board               |
| <b>From:</b> | Chief Executive Officer |

### Summary

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Toronto Transit Commission subway stations are the key gateway and transfer point to the TTC network for the 1.8 million customer trips taken every day. As part of the TTC's Five Year Corporate Plan to modernize all aspects of its operation, many incremental improvements have been made to the way TTC stations are run in recent years. The TTC now wishes to fully transform station service by overhauling both job roles and station design. To do so, we will strategically introduce world-class skillsets, efficient processes, and modern assets.

The TTC will progressively move towards the full implementation of the PRESTO smartcard system throughout 2017. This will automate the TTC's fare system, rendering the present fare system obsolete. As a result of the introduction of this innovative technological change, the TTC will no longer require Station Collectors to manage funds and fare media.

Implementation of PRESTO presents the TTC with a unique opportunity to further evolve our stations to meet and exceed customer expectations and set customer service standards to a world-class level. The TTC is presently considering the introduction of a multi-functional, highly skilled, and customer focused Customer Service Agent (CSA) role.

The introduction of a CSA position allows for a wider change of current Stations Department business processes, rules, duties and responsibilities that will meet or exceed current industry best practices while achieving an annual operating cost savings of \$5M at end steady state in 2018. Use of supportive, compatible technology such as electronic keys, tablets, CCTV and zone hubs will further strengthen the Stations Transformation Program.

This report summarizes current customer service opportunities at the TTC, the desired result of the transformation, as well as costs/benefits and payback timeframe for various elements required to bring about this change. It also examines efficiencies and

modernizations inherent in the transformation, along with the value of timing to meet emergent needs of PRESTO, One Person Train Operation (OPTO), and the Wheel-Trans' "Family of Services" program.

## **Recommendations**

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### **It is recommended that the Board:**

1. Adopt the Stations Transformation Program as outlined herein noting that this initiative is part of the new Federal Public Transit Infrastructure Funding Program(PTIF); and
2. Endorse for inclusion the Stations Transformation budget as part of the 2017 TTC operating and 2017-2026 capital budget submission,

## **Financial Impact**

The total estimated capital cost of the Stations Transformation Program is approximately \$50.95M Class 3<sup>i</sup> (Appendix<sup>1</sup>) of which approximately \$45.7M is estimated over the next 10 year period (2017 – 2026). The Stations Transformation Project is included as part of the list of projects identified for PTIF.

The project also includes a \$2.5M one time operating cost for initial customer service training. The investment (per figure 1 below) results in \$5M in annual operating cost savings once the CSA model is implemented and achieves steady state in 2018. The program has approximately a 10-year payback.

The Stations Transformation Program is only possible as a result of the implementation of the PRESTO Farecard which will include a new transaction fee equivalent to 5.25% of the value of fare revenues processed through that system.

The Chief Financial & Administration Officer has reviewed this report and agrees with the financial impact information.

Most of the cost associated with the Stations Transformation Program (per figure 2) is directly related to the implementation and capital improvement of communication systems, customer safety and security alarms, CCTV, and service monitoring/management tools.

Figure 1 - Stations Transformation Costs and Savings

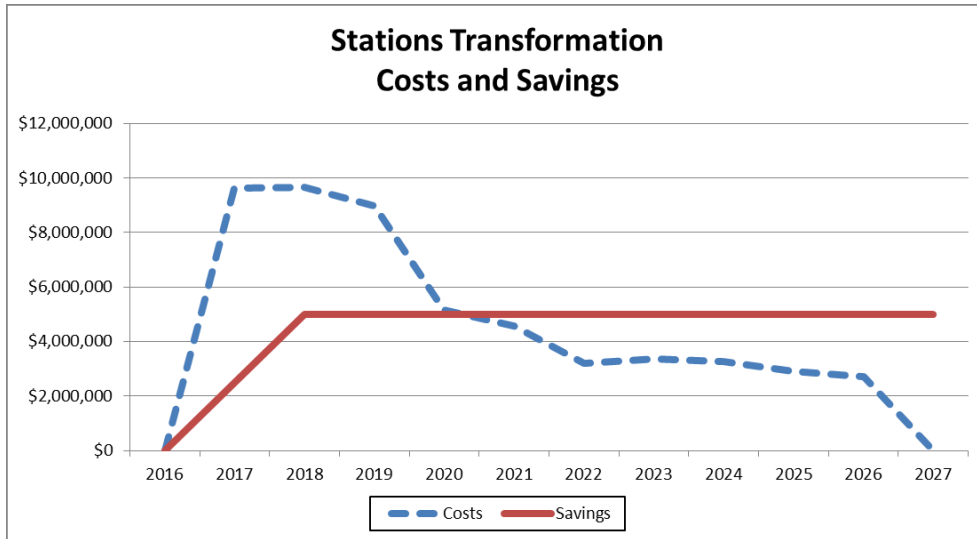


Figure 2 - Table of Total Estimated Capital Costs

|   |                                |                 |
|---|--------------------------------|-----------------|
| • | PRESTO Construction Support -  | \$3.25M         |
| • | Tablets -                      | \$0.50M         |
| • | Booth Conversions -            | \$0.50M         |
| • | Hub Construction -             | \$8.30M         |
| • | CCTV 80 to 100% -              | \$16.07M        |
| • | Electronic Keys -              | \$1.50M         |
| • | PA, PAI Upgrades and Install - | \$18.20M        |
| • | IT Upgrades/Other -            | \$2.50M         |
|   | <b>TOTAL</b>                   | <b>\$50.82M</b> |

## Accessibility and Diversity Impact

Ensuring an accessible service for all customers is one of the TTC's core values and an integral component of the TTC's Customer Charter. The substantial increase in help points and passenger assistance technology throughout the subway system will be designed and installed with accessibility as a requirement. Public address and passenger assistance intercom systems will include provisions for future functionality of induction loop technology for the hearing impaired.

The CSA role will offer one-to-one service for customers facing access barriers when required. Employees will be trained to identify and approach customers in need of assistance and to offer that assistance in a consistently friendly, engaging and professional manner. This training will be developed and delivered with the assistance of the TTC's Advisory Committee on Accessible Transit members.

Stations Transformation technology, processes and staffing will integrate with Wheel-Trans' "Family of Services" initiative, to support changes required pursuant to the Integrated Accessibility Standards Regulation under the Accessibility for Ontarians with Disabilities Act.

## **Issue Background**

In 2013, the Stations Department adopted a local management structure – dividing the subway system into six geographic areas/zones to better manage incident response, customer service, employee performance and station cleanliness. The premise was simple: push accountability towards front line personnel, and provide resources necessary to support their daily delivery of service. Under the new zone structure, we managed details of the business that were previously under-represented (e.g. construction project management, emergency response, system readiness audits, administrative focus, etc.).

Establishing zone hubs and other technology to support local management, and introducing CSAs in the stations will help complete our goal of a modern, customer-centric, efficient environment, and an empowered workforce to obsess about the details of a transit system that makes Toronto proud.

## **Discussion**

### **World-Class Skillset**

While customer service is the responsibility of all employees, we presently envision that a CSA will actively and more routinely directly engage with customers. The CSA will be deployed at a strategic location within each station that is typically in the unpaid area adjacent to the fare vending machines/gates and within the normal flow of customers. This will optimize their visibility and provide the most effective opportunities for customer service, especially to customers facing barriers to access. They will also be mobile, supported by new station zone control rooms (zone hubs), modern technology and a new operational management and control model to provide focused and co-ordinated oversight across all stations. The multifunctional CSA approach has been implemented at various Asian and European metros enabling increased operational flexibility, efficiency, and customer satisfaction. Zone hubs and CSAs also align with proven international best practice found in Boston and London, and current deployment in New York City.

The CSA as a multi-functional, customer centric position, will be responsible for performing duties including, but not limited to:

- Demonstrating in a consistently applied professional manner, excellent customer service by routinely ensuring a reliable, safe, clean and engaging customer experience.
- Maintaining a secure and customer friendly environment by ensuring compliance with all TTC company standards and policies.

- Interacting directly with customers, providing them with assistance, answering questions and addressing concerns.
- Conducting routine, scheduled and detailed station inspections, performing light maintenance and resetting equipment, as required.
- Providing exemplary personal service to customers presented with any accessibility issues while using TTC stations.
- Participating in preparatory emergency measures and responds to emergencies as required.
- Submitting recommendations regarding service performance, regulations, signage, station performance and fault reporting, etc.
- Liaising with customers, tenants, visitors, contractors, co-workers and various levels of management on a regular, consistent basis.
- Performing light cleaning in and around the ticket hall area and provide assistance in clearing snow/slush and water from station entrances and stairs adjacent to the ticket hall.

We will take a modern approach to recruitment for the CSA. Applicants that demonstrate the appropriate qualifications and experience will come from inside and outside the TTC. The TTC's goal is to attract people with specific service industry skills and orientation in order to fully modernize our approach to customer service in stations.

Successful applicants will be given world-class experiential training, developed by external leading expert firms, which will cover all of the facets of this new position with a focus on customer service and customer experience. Station supervisors will also undergo this training, with additional people and performance management training.

Specifically recruited, purpose-trained, and diversely reflective of the community they serve, CSAs will bring our newly minted brand of care, engagement and professionalism to the travelling public in a tangible, visible and personal expression of service every day and every night at each of our 75 (plus) subway stations.

### **Efficient Processes**

Stations Department has developed a new approach to staffing. This includes requirement for all CSAs to be engaged in their work either as assigned incumbents, or as designated flexible resources, able to cover for unforeseen absence at another station in the system.

Employee schedules and assignments are being developed to maximize customer interaction and service. Employee development sessions, health and safety meetings, employee coaching and mentoring, performance reviews, accessibility and diversity training; all necessary elements required to ensure an engaged workforce, will be configured and scheduled in modules. This approach will reduce “down-time” and backfill requirements, further increasing efficiency.

## **Modern Assets**

System security and facility management will improve dramatically with introduction of the Medco XT electronic key/lock system in all stations. This will replace traditional key rings holding dozens of keys – and enable a modern, managed, digitally enhanced supervision and inspection process. An electronic key system offers inspection tracking, asset management, security of non-public rooms, and tracking/analysis of personnel accessing areas of our system. They are programmable against loss and theft, and provide a much greater level of accountability amongst personnel possessing them. Compared to a card access system (approx. \$26M), the electronic key (\$1.5M) is a far more cost effective way to avail ourselves of the advantages of a modernized access system.

CSAs will use tablets loaded with useful applications such as Google Translate, Google Maps, and SeeTorontoNow, to facilitate consistent delivery of quality trip planning and travel information for customers. Tablets will also be a two-way information conduit for CSAs to provide continuous information in support of their customer service mandate.

We will also use tablets to derive greater benefit from the existing asset management system (“MAXIMO”) to better manage our stations and related systems/components. Detailed station information such as last inspection date, scheduled inspection date, fault history, maintenance routines, scheduled maintenance, etc. will be stored in MAXIMO and accessible by every tablet. This ensures consistent station inspections correctly performed, identifies and tracks faults much sooner, and effectively deploys the correct trades teams; correcting faults with fewer visits.

Upgraded Closed-Circuit Television (“CCTV”) equipment and extensive CCTV coverage will modernize the system, and improve customer safety and security. Additional customer help points throughout the system will improve accessibility.

The Stations Transformation Program will also introduce Stations Zone Control Rooms (zone hubs). These will be scaled “communication centre” structures within the TTC subway station network at up to seven locations. Zone hubs will work with Transit Control to provide remote management of all station facilities in support of supervisors and CSAs in the field. Through modernization, the hub supervisor will be able to receive and respond to Passenger Assistance Intercoms (PAIs), station and elevator alarms, general queries, safety and security issues and emergency response situations. Integration of these hubs will be modelled on the successful approach taken by others. Hub efficiency will play a vital role in provision of modern, dependable service throughout system implementation and beyond. They will also provide a much greater degree of future flexibility with station monitoring options and related staffing models.

## **Emergent Needs of Transit in Toronto**

Given rising customer numbers and stakeholder expectations in 2017, the TTC's Stations Department has identified further opportunities to meet and exceed expectations placed upon us in the interest of safety, customer service, and legal responsibility.

As the TTC transitions to OPTO, care and attention to subway passengers must remain a top priority. The TTC must ensure that there are capable, responsible personnel in stations, who can assist with customer care/first aid issues, delay incidents, and other throughput related subway matters. CSAs will help reduce the frequency and duration of subway delays.

The success of Wheel-Trans' "Family of Services" model is related, in part, to the effective launch of well trained, engaged and motivated CSAs in our stations throughout the entire service day. Assistance, information and access to services for customers with a wide range of physical and cognitive abilities are an essential part of any city claiming world-class status.

The TTC will require deep market penetration and customer acceptance of PRESTO, in order to transition customers from current fare media (i.e. tickets, tokens, plastic passes) to a more modern, efficient, smart card payment system. All TTC employees, including product-savvy CSAs will support PRESTO's replacement of the legacy fare/fare media system. The system-wide emergence of PRESTO presents an excellent timeframe in which to introduce our CSA program. The CSA model will also prove to be key in future delivery of messaging and information to our transit customers.

## **Conclusion**

The TTC is committed to modernizing its approach to customer service in stations. There are 1.8 million daily reasons to promote the Stations Transformation Program, and we are prepared to make that investment. We will "spend to save" in order to achieve the expressed benefits of the proposed transformation. With the many operational and administrative efficiencies, customer service improvements, system security and people/asset management enhancements, this investment will pay for itself quantitatively within approximately ten years, and qualitatively – much sooner.

## **Contact**

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## Appendix

<sup>1</sup>Classification based on industry standard AACE (Association for the Advancement of Cost Engineering) guidelines:

| Estimate Class | Level of Project Definition | End Usage                | Expected Accuracy Range             |
|----------------|-----------------------------|--------------------------|-------------------------------------|
| Class 5        | 0% to 2%                    | Concept Screening        | L: -20% to -50%<br>H: +30% to +100% |
| Class 4        | 1% to 15%                   | Study                    | L: -15% to -30%<br>H: +20% to +50%  |
| Class 3        | 10% to 40%                  | Budget Approval          | L: -10% to -20%<br>H: +10% to +30%  |
| Class 2        | 30% to 70%                  | Control Budget or Tender | L: -5% to -15%<br>H: +5% to +20%    |
| Class 1        | 50% to 100%                 | Check Estimate or Tender | L: -3% to -10%<br>H: +3% to +15%    |





# STATIONS TRANSFORMATION

Collie Greenwood  
Head - Stations

Corporate Briefing  
September, 2016





## PROJECT VISION

A world class experience at every Station.

## PROJECT MISSION

- Efficient
- Clean
- Safe
- Engaging

## BACKGROUND

- Introduction of Zones
- Staffing model
- Local accountability
- Front-line focus
- Next Steps...



# MODERNIZATION



September, 2016

TTC Corporate Briefing

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- **Meet and exceed Customer Expectations**
- **Empower employees to own the customer experience**
- **Pro-actively manage risk and assets**
- **Remain financially responsible**





## INDUSTRY OBSERVATIONS

- Current employee composition
- Employee engagement in change
- Unique customer service training
- Team deployment/station ownership
- Options to IT components
- Instill customer service
- Improve efficiency



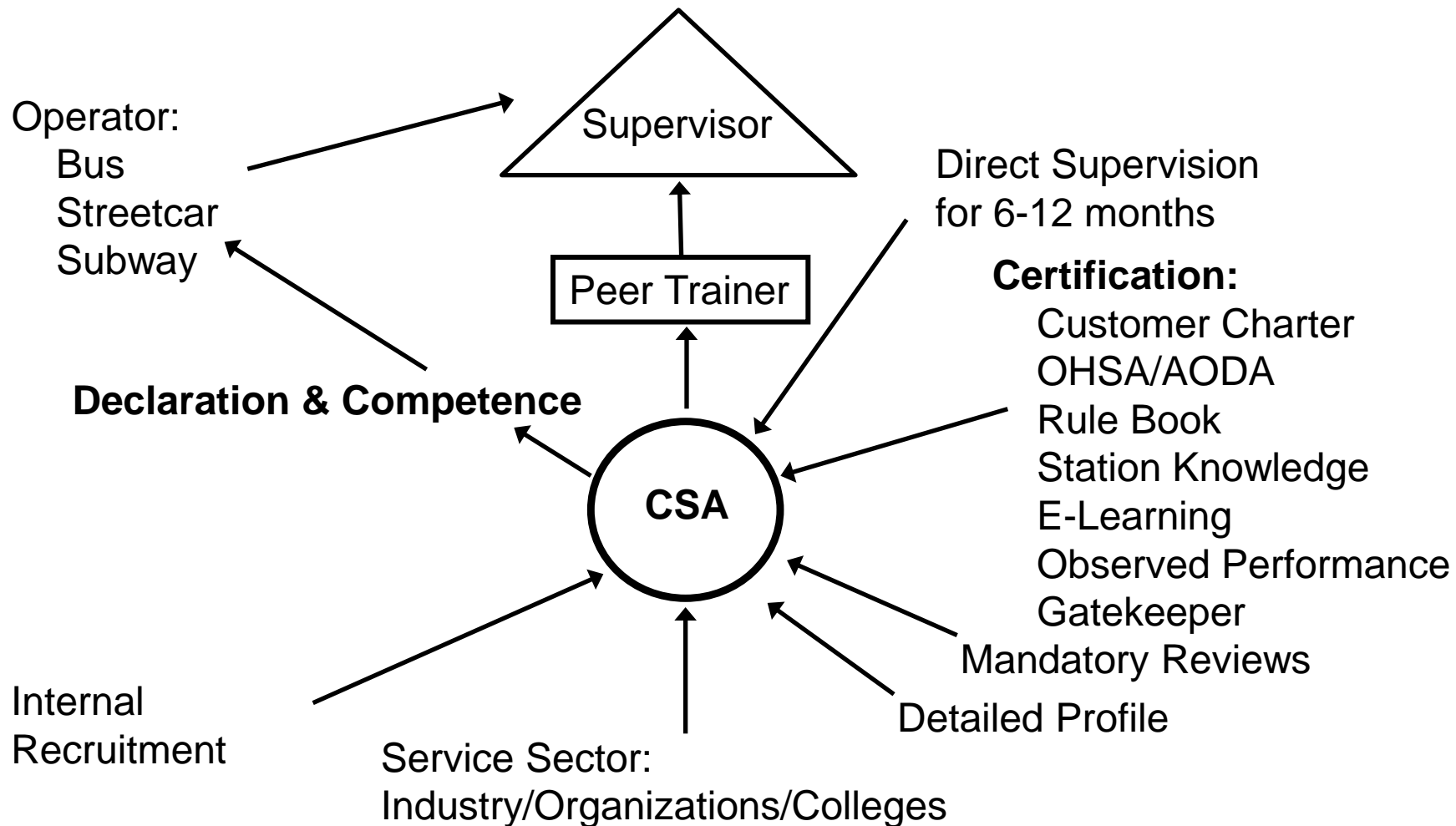


# TRANSFORMATION COMPONENTS





## PROPOSED RECRUITMENT MODEL





- **Recruitment Model**
- **Multi-functional Staff**
- **Improved customer service training**
- **Accessibility**
- **Industry best practices**



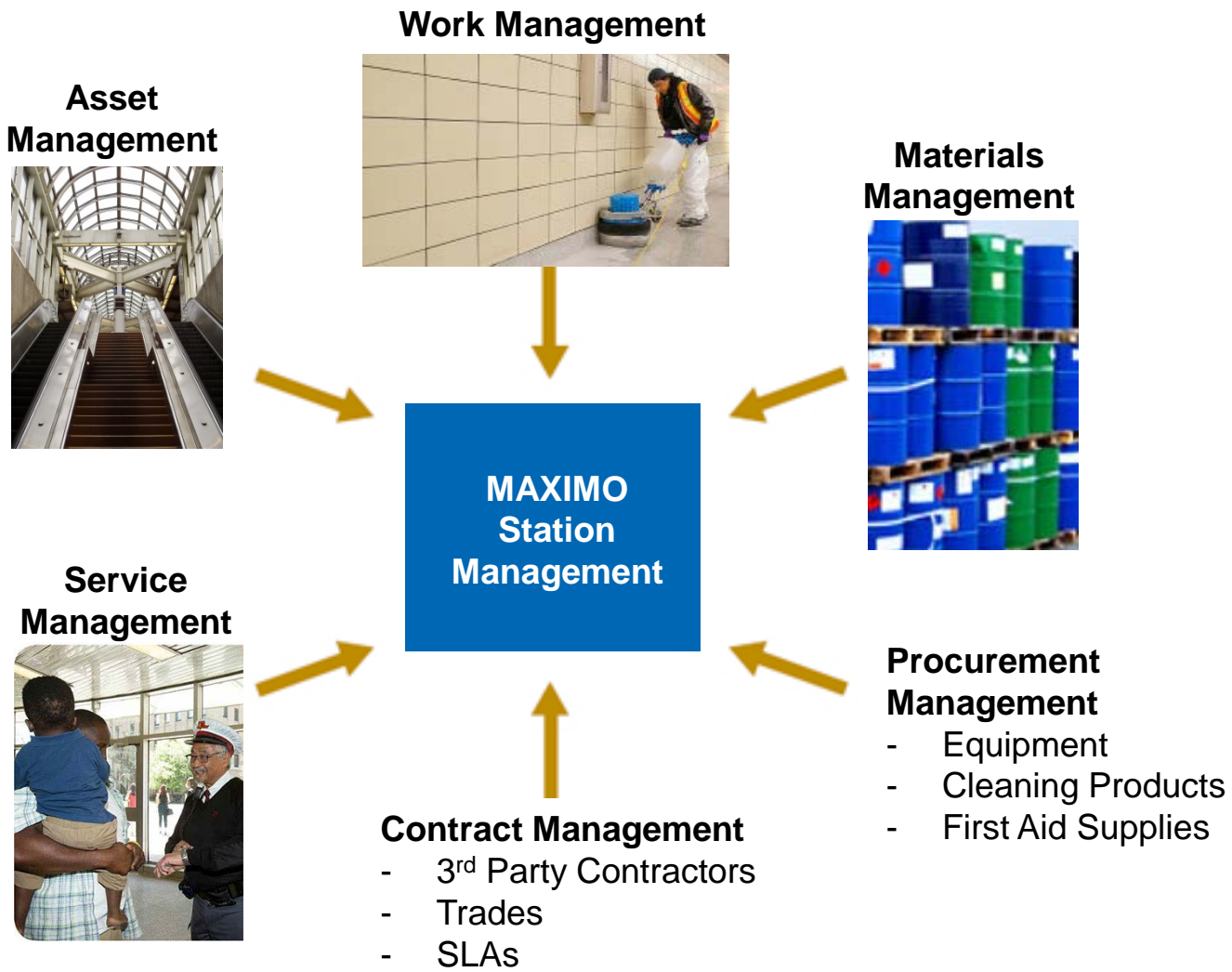




- **HUBS**
- **CCTVs**
- **PAIs (Help Points)**
- **Electronic Keys**
- **Tablets**
- **Risk/Asset Management Software**



# EFFICIENT PROCESSES





## BUDGET IMPACT - CAPITAL COSTS

|                                  |          |                 |
|----------------------------------|----------|-----------------|
| • PRESTO Construction Support -  | \$3.25M  |                 |
| • Tablets -                      | \$0.50M  |                 |
| • Booth Conversions -            | \$0.50M  |                 |
| • Hub Construction -             | \$8.30M  |                 |
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| • Electronic Keys -              | \$1.50M  |                 |
| • PA, PAI Upgrades and Install - | \$18.20M |                 |
| • IT Upgrades/Other -            | \$2.50M  |                 |
| <b>Sub-Total Capital</b>         |          | <b>\$50.82M</b> |

## ONE TIME OPERATING COSTS

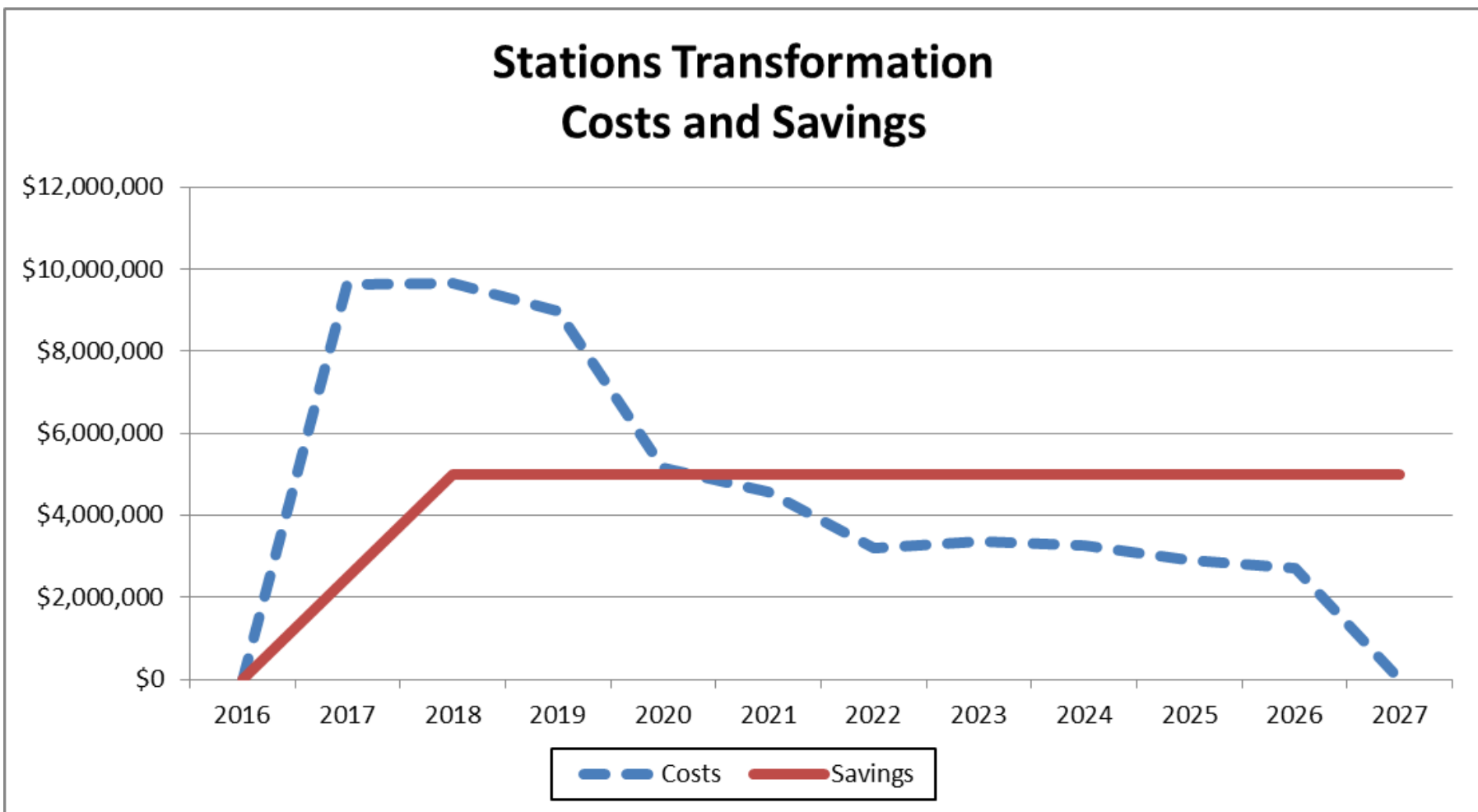
|                                     |                |
|-------------------------------------|----------------|
| • Initial Customer Service Training | \$2.58M        |
| <b>TOTAL</b>                        | <b>\$53.4M</b> |

- **Payback period approximately 10 years**





## Stations Transformation Costs and Savings



# WHY CHANGE?



# WHY CHANGE NOW?



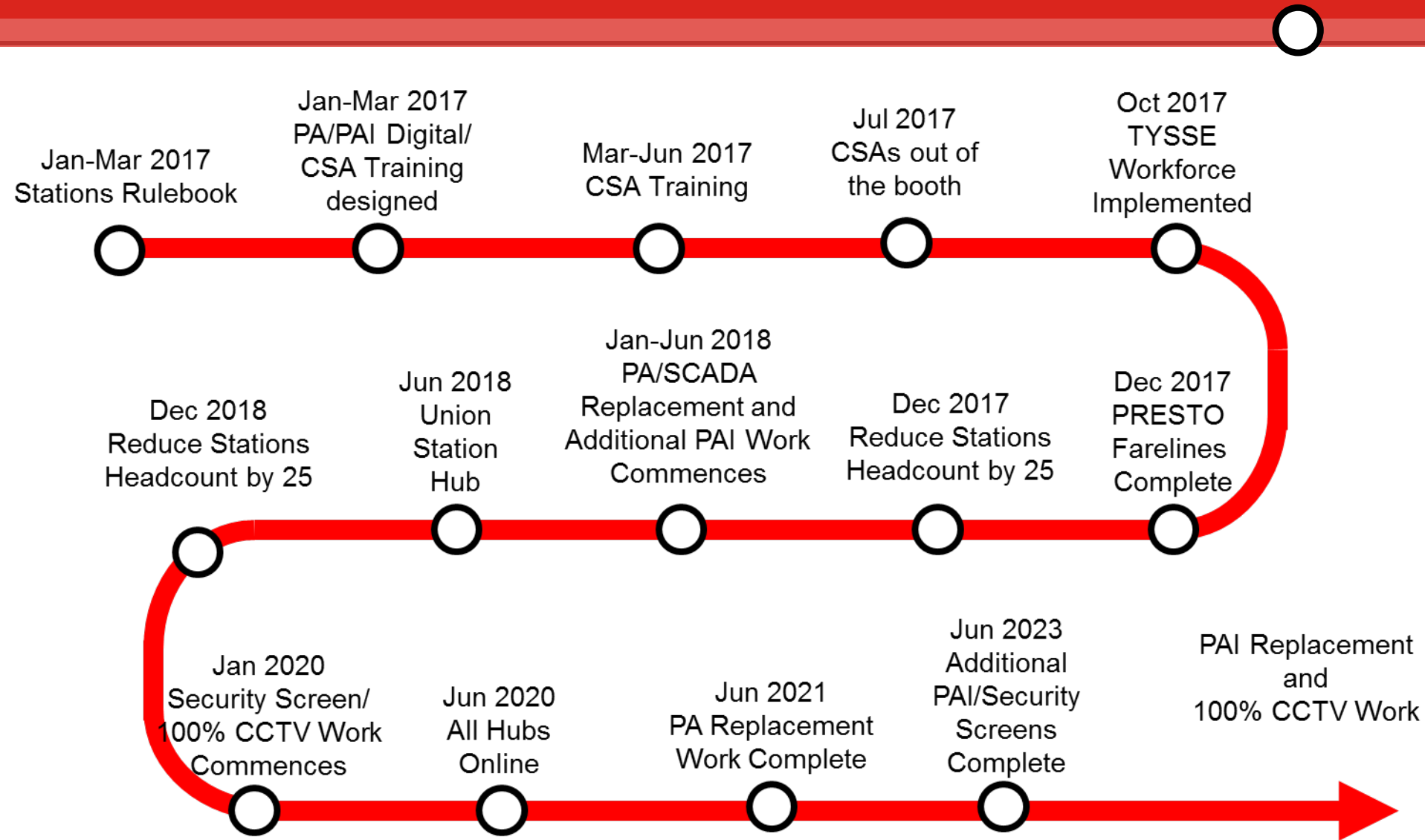
## EMERGENT NEEDS OF TRANSIT IN TORONTO

- PAN-AM Experience
- Increased ridership, even in off-peak
- Increased Customer expectations
- PRESTO
- AODA/Family of Services
- OPTO
- TYSSE





# TRANSFORMATION TIMELINE





**“Provide an efficient and pleasant travel experience, improve our appearance and environment, provide excellent service to people of all abilities in modern stations supported by new technology”**







**QUESTIONS?**

