



Award of Wheel-Trans Reservations Call Centre Overflow Contract

Date: September 24, 2020
To: TTC Board
From: Deputy CEO - Operations

Summary

The purpose of this report is to recommend improvement in the service levels for Wheel-Trans customers who book trips by telephone through the Wheel-Trans Reservations Contact Centre. Specifically, the recommendation is to improve the current service level of an average wait time of 15 minutes, to a service level of a maximum of a two-minute wait time. This report further recommends to achieve this improved service level the TTC award a contract to a third-party to provide overflow call services for a period of five years with the option to extend the contract for an additional five years.

The overall customer improvements to the service level and the implementation of a third-party contract will result in: 1) increased call handling capacity to address abandoned calls; 2) improved customer experience by reducing the call wait time; and 3) increased flexibility to handle varying call volumes (e.g. call influx is anticipated when Family of Services becomes mandatory in 2021).

With 39,000 active customers, Wheel-Trans is the third largest paratransit service in North America, carrying over 15,000 customers on peak days (pre-COVID-19). Wheel-Trans customers are required to book their trips online or via the telephone in order to access paratransit services. In 2019, the Reservations Contact Centre received approximately 3,200 calls per day with an average call wait time/call back time of 21 minutes and maximum average wait time of two hours, with instances of three-hour wait times. In 2020, the average wait time and average maximum wait time has decreased to 2.8 minutes and 30 minutes respectively largely due to reduced demand due to COVID-19.

At the July 14, 2020 Board meeting, the TTC advised the Board we were engaged in exploring options to reduce the wait time to a maximum of two minutes. The financial summary of this report outlines the costs of our current business model and resources, the costs associated with meeting the improved service level with internal resources, and the costs associated with the recommendation of a third-party contract for overflow call services.

In summary, the new service level can be achieved by either TTC supplementing its internal resources by hiring 42 additional Reservationists for a total workforce of 87

Reservationists or through the recommended option of implementing a contract with a third-party to provide overflow call services.

When considering the option of hiring additional Reservationists, the analysis takes into account the requirement of a new facility lease, increased supervision, labour costs and required technology upgrades totalling \$50.2 million over a five-year period. In comparison, a contract with a third-party to provide overflow call services to support in-house Reservations has a cost of \$29.7 million, resulting in cost avoidance of an estimated \$20.5 million. In addition, the average cost of a call handled by the third party is \$3.33 which is significantly lower than the average cost of a call handled by a Reservationist at \$6.87 cost per call, while offering a service level guarantee.

Table 1: In-house versus second sourcing comparison to deliver service enhancements

(\$Millions)	2021	2022	2023	2024	2025	Total
TTC Direct Delivery	9.5	9.7	10.0	10.3	10.7	\$50.2
Second Sourcing	7.7	6.7	5.9	4.9	4.5	\$29.7
Cost Avoidance	(1.8)	(3.0)	(4.1)	(5.4)	(6.2)	(\$20.5)

When comparing the option of a third-party contract to the status quo, there is a budget impact of \$4.7 million over five years to maintain the current workforce with a modest attrition rate while also improving the service levels to a maximum call wait time of two minutes.

Table 2: Status quo scenario comparison with second sourcing

(\$Millions)	2021	2022	2023	2024	2025	Total
Status Quo	5.0	5.0	5.0	5.0	5.0	\$25.0
Second Sourcing	7.7	6.7	5.9	4.9	4.5	\$29.7
Cost / (Savings)	2.7	1.7	0.9	(0.1)	(0.5)	\$4.7

While the TTC will rely on attrition to reduce costs over time, we have seen attrition rates higher than expected due to ridership impact from COVID-19. This has resulted in an acceleration of savings in the amount of \$0.7 million in 2020 with further savings of \$5.5 million anticipated over five years based on historical attrition data. The overall cost differential supports the plan to not fill vacancies as we assess the performance of the third-party contractor in delivery of the service standards.

Recommendations

It is recommended that the TTC Board:

1. Approve the change in the service level for call wait times for the Wheel-Trans Reservations Contact Centre from an average of 15 minutes to a maximum wait time of two minutes.
2. To achieve the improved service levels, authorize the award of the Wheel-Trans Reservations Contact Centre Overflow service contract to TELUS Communications Inc. on the basis of the highest total weighted score, in the upset limit of \$18.8 million for a duration of five years from Notification of Award, with an option to extend for an additional five years beyond the initial five-year term.

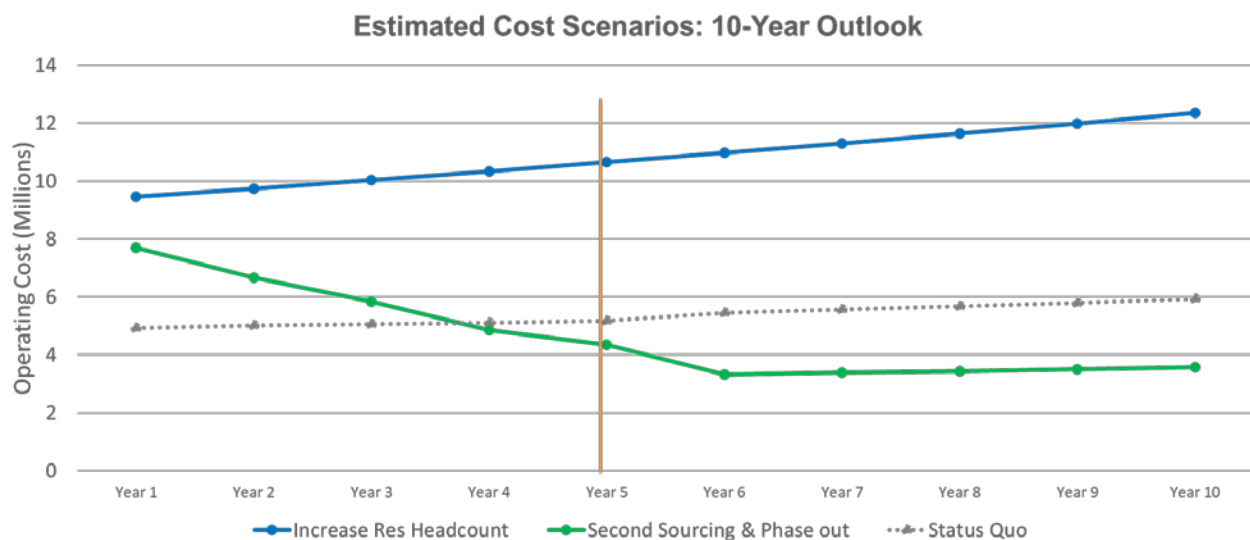
Financial Summary

To achieve the aforementioned objectives, two main alternatives were considered.

1. Expansion of in-house resources reflected below as “TTC Direct Delivery”
2. Use of a second source contract, to augment internal resources. Estimated costs for these two alternatives are summarized in the following table:

Table 3: Estimated Final Cost Scenarios

	Status Quo	TTC Direct Delivery	Second Sourcing
Call Wait Time Service Level	15 minutes	2 minutes	
5-Year Estimated Cost	\$25.0M	\$50.2M	\$29.7M
10-Year Estimated Cost	\$54.0M	\$108.5M	\$46.6M



*Based on Class 5 estimates

The cost components of the direct delivery option are outlined in the table below and include the addition of 42 resources above current strength to provide the peak capacity required to handle all calls within 2 minutes.

TTC Direct Delivery Option: Achieve two-minute wait time with internal resources only (87 Reservationist staff total):

Table 4: TTC Direct Delivery Estimated Final Cost Over 5 Years

(\$Millions)	2021	2022	2023	2024	2025	Total
Current Labour (45 positions)	5.0	5.0	5.0	5.0	5.0	\$25.0
New Hires (42 positions)	3.8	4.0	4.3	4.6	4.8	\$21.5
IT Upgrades	0.7	0.7	0.7	0.7	0.7	\$3.5
Facility Lease	0.05	0.05	0.05	0.05	0.05	\$0.25
Total	9.55	9.75	10.05	10.35	10.55	\$50.25

The alternative to the direct delivery option is to use a second source contract to augment existing resources. Should the contract resources meet performance expectations, call capacity currently provided by in house resources would gradually transition to contract resources.

Second Sourcing Option: Achieve two-minute wait time with the award of the contract to a third-party:

Table 5: TTC Direct Delivery Estimated Final Cost Over 5 Years

(\$Millions)	2021	2022	2023	2024	2025	Total
In-house and attrition replacement service						
Reservationists (incl. benefits)	3.7	3.4	2.7	1.9	1.1	12.8
Anticipated attrition replacement cost	0.8	0.9	1.3	1.6	2.1	6.7*
Total base cost	4.5	4.3	4.0	3.5	3.2	\$19.5
Call overflow from reduction of abandoned calls	0.7	0.8	0.8	0.8	0.9	4.0
Call wait time reduction	1.0	0.8	0.6	0.4	0.2	3.0
Projected call increase from mandatory FOS	1.3	0.6	0.3	0.0	0.0	2.2
Performance Incentive	0.2	0.2	0.2	0.2	0.2	1.0
Growth and Customer Service Enhancement	3.2	2.4	1.9	1.4	1.3	\$10.2*
Total Annual Budget Requirement	7.7	6.7	5.9	4.9	4.5	\$29.7

*Note: \$10.2M + \$6.7M = \$16.9M upset limit net HST rebate

Significant cost avoidance of \$20.5 million over the five years would be realized when comparing the TTC Direct Delivery option to the Second Sourcing option. Initially this

contract will provide an overflow function, with the goal of reducing call wait time to two minutes, handling additional calls that are currently abandoned and to establish the capacity required to handle additional call volumes anticipated through mandatory Family of Services in 2021. Utilizing an external service to handle the overflow calls is more cost efficient than to hire additional reservationists as the current average in-house cost per call is approximately \$6.87 while the provider's rate is an average of \$3.33 over the five-year term.

Contract Upset Limit:

This report requests upset limit authority of \$18.8 million, inclusive of HST or \$16.9 million net of HST rebate, for the provision of Wheel-Trans Reservations call centre overflow contract services for a five-year term. The upset limit is based on the anticipated call volumes and committed per call pricing under this contract, as summarized in *Table 6*. Of the \$16.9 million, \$10.2 million is allocated toward service enhancements, while \$6.7 is the result of transferring more calls to the vendor due to gradual attrition.

Table 6: Upset Limit Breakdown

	2021	2022	2023	2024	2025	Total
Cost (\$ million)						
Anticipated attrition replacement	0.8	0.9	1.3	1.6	2.1	6.7
Call overflow from reduction of abandoned calls	0.7	0.8	0.8	0.8	0.9	4.0
Call wait time reduction	1.0	0.8	0.6	0.4	0.2	3.0
Projected call increase from mandatory FOS	1.3	0.6	0.3	-	-	2.2
Performance Incentive	0.2	0.2	0.2	0.2	0.2	1.0
Total Cost	4.0	3.3	3.2	3.0	3.4	\$16.9
Authority requested, net of HST rebate						\$16.9
Rebatable portion of HST						\$1.9
Contract Authority, inclusive of rebatable HST						\$18.8

*The contract includes minimum guarantee payments of up to \$1.3 million per year or up to \$5.5 million, net of HST rebate over the life of the contract. Minimum guarantee will not apply during the COVID-19 pandemic or until call volumes increase to 2,500 per day for three consecutive weeks.

Budget Impact:

The 2020 Operating Budget, approved by the Board on December 16, 2019 and City Council on February 19, 2020 includes \$5.0 million for internal reservationist and call centre functions, as shown in *Table 7*. The combined internal and contract requirements are anticipated to exceed this amount in the first three-years due to increased anticipated call volumes handled by the third-party to achieve the service level target and to address call increase from mandatory Family of Services.

Table 7: Budget increase/decrease compared to previous year

(\$Millions)	2021	2022	2023	2024	2025	Total
2020 Budget @ 45 Reservationist incl. benefits	5.0					\$5.0
Reservationists (incl. benefits)	3.7	3.4	2.7	1.9	1.1	12.8
Contract Authority, net of HST rebate	4.0	3.3	3.2	3.0	3.4	\$16.9
Total Annual Budget Requirement	7.7	6.7	5.9	4.9	4.5	\$29.7
Budget increase/(decrease) from prior year	2.7	(1.0)	(0.8)	(1.0)	(0.4)	(\$0.5)

As reservationist attrition occurs, Wheel-Trans will not fill vacant roles in the short term with the intent to augment the TTC's Wheel-Trans Call Centre activities currently performed by TTC employees with third party delivery. However, no long term decisions have been made.

The \$5.5 million in savings anticipated over the five-year term from the reduction of in-house Reservationist costs will be used to offset the increased cost of customer service improvements. Net savings will be realized starting in 2024, but over the course of the initial five-year term, there will be a cost increase of \$4.7 million to improve average wait time to two minutes and build increased call volume handling capacity.

Table 8: Budget Impact

(\$Millions)	2021	2022	2023	2024	2025	Total
Savings from Attrition	(0.5)	(0.7)	(1.0)	(1.5)	(1.8)	(\$5.5)
Growth and Customer Service Enhancement	3.2	2.4	1.9	1.4	1.3	\$10.2
Anticipated Cost/(Savings) for Reservationist Function	2.7	1.7	0.9	(0.1)	(0.5)	\$4.7

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

Equity/Accessibility Matters

A reliable transit network is critical for customers relying on TTC services to get to work, school, access health services, participate in recreational and cultural services, and more. Transit that is accessible, safe, reliable, and that grows with or ahead of the population, will help improve health outcomes, economic prosperity and equity throughout the city of Toronto, regionally and nationally.

By 2025, the TTC's conventional services will be fully accessible as per the Accessibility for Ontarians with Disabilities Act (AODA).

The TTC's Legal Department, Fairness Monitor and internal staff ensured the procurement process was open, fair, competitive and transparent. The RFP ensures the highest quality service for Wheel-Trans customers and cost-effectiveness for Toronto tax payers. Furthermore, proponents were evaluated based on their knowledge and training procedures involving the AODA and their history and experience in serving customers with disabilities. Their scores in these categories were a factor in the selection of the successful proponent.

Decision History

At its meeting on July 14, 2020, the TTC Board had before it an update on the Wheel-Trans Transformation Program. The report and presentation contained a Contact Centre review which outlined the average and maximum wait times, as well as the peaks in call volumes that may occur throughout the day.

Report:

[https://www.ttc.ca/About the TTC/Commission reports and information/Commission meetings/2020/July 14/Reports/4 Wheel Trans Transformation Program 2020 Update.pdf](https://www.ttc.ca/About%20the%20TTC/Commission%20reports%20and%20information/Commission%20meetings/2020/July%2014/Reports/4%20Wheel%20Trans%20Transformation%20Program%20Update.pdf)

Presentation:

[https://www.ttc.ca/About the TTC/Commission reports and information/Commission meetings/2020/July 14/Reports/Decisions/2045.4 Staff Presentation Wheel Trans Transformation Program.pdf](https://www.ttc.ca/About%20the%20TTC/Commission%20reports%20and%20information/Commission%20meetings/2020/July%2014/Reports/Decisions/2045.4%20Staff%20Presentation%20Wheel%20Trans%20Transformation%20Program.pdf)

Issue Background

The TTC is committed to providing continuous, safe, reliable and efficient service to Wheel-Trans customers while remaining fiscally responsible to the taxpayer. There are currently three ways that a Customer can book a ride with Wheel-Trans:

1. Reservations Contact Centre;
2. Online self-booking website;
3. Rideline (IVR) automated phone system.

The two most popular ways that customers book rides are through the Reservations Call Centre or Online self-booking website options, with the usage of each being split about evenly. A very small percentage of customers (less than 5%) use Rideline (IVR). The industry average for online booking is approximately 10-15% of trips; Wheel-Trans at nearly 50% use of the online system is therefore significantly higher than average.

Average and Maximum Call Wait times and Call Abandonment

The average call wait time in 2018 was 15 minutes, which increased in the first half of 2019, but stabilized after an increase in staffing levels in the second half of 2019.

	Period 1-6, 2019	Period 7-12, 2019
Average call wait time	>35 minutes	5 minutes
Maximum average wait time	>3 hours	1 hour
Abandonment rate	35%	23%

In 2019, customers waited on the line or for a call back for an average of 21 minutes, with maximum average wait time of two hours. However, there were times that customers had to wait three hours to get in touch with a Reservationist. In 2020, the

average wait time and average maximum wait time has decreased to 2.8 minutes and 30 minutes respectively during periods one through seven, due to the impact of COVID-19.

Contact centre industry experts state that the global metric for average wait time is 28 seconds with an abandonment rate of 5-8%. According to the Canadian Marketing Association, many contact centres aim to answer 80% of calls within 20 or 30 seconds. Note that these statistics are not specific to public transportation. It is evident that the Wheel-Trans contact centre does not meet these standards and maintaining the existing Reservations Contact Centre structure would put the desired level of service at risk, as well as hinder customers' ability to book urgent trips.

The number of calls processed by the Reservations Contact Centre continues to be on the rise and the increase in Toronto's aging population is an important factor to consider given that 74% of Wheel-Trans customers are over the age of 65.

As shown in Appendix 1A, population groups 65 and over will increase between 63% and 133.5% from 2012 to 2036. The increasing age of the population has a direct impact on the number of Torontonians with a disability, with between 35% and 55% of those over age 65 living with a disability, compared to under 20% for those aged 45-65 (Appendix 1B).

Call Volume and Staffing

In 2019, the Contact Centre received 1,178,036 calls with approximately 2,000 calls handled and 1,200 abandoned per day. The Wheel-Trans Reservations workforce in 2019 consisted of 40 employees in the first half of the year and then 50 employees in the second half of the year to handle these calls. The average daily workforce consists of 23 employees during the week and 14 employees on the weekend.

It is important to note that although the number of abandoned calls per day decreased to an average of 743 for the second half of 2019 once staffing levels increased, this is still an unacceptably high number.

Ridership Impact

While demand has been flat over the past two years (it was forecasted to grow by 1% from 2020-2021), the COVID-19 pandemic has led to a drastic decrease in ridership over the past several months. Nevertheless, 2021 ridership is estimated to be at 92% of 2019 levels (Appendix 2) and notwithstanding the impacts of the pandemic, the TTC's course to augment reservation services remains important in order to adequately service the vulnerable population that Wheel-Trans services support.

Eligibility and Family of Services (FOS) Impact

The pool of potential customers has also increased due to changes in eligibility for Wheel-Trans service, as required by the AODA. Eligibility has expanded to include any disability that prevents use of the conventional system for all or part of a customer's journey. Additionally, there is a new conditional category of eligibility for individuals where barriers prevent consistent use of conventional services. This led to 4.1 million customer rides in 2017, a 7% increase over 2016. Eligibility criteria expansion can

contribute to the increase in call volumes not only due to potential increase in demand but also due to general inquiries, as reservations calls are not limited to booking trips.

Should there be demand growth in the future, FOS enables customers to move their Wheel-Trans trips to fixed route conventional transit. Although 36% of customers indicated they also used conventional transit in 2019, this wouldn't fully offset potential demand growth and once FOS becomes mandatory in 2021, it may contribute to higher call volumes. The Wheel-Trans 10-Year Strategy implements options to best schedule a trip that meets customers' abilities that combines the conventional system where possible. However, this still requires interactions between Reservationists and customers to book the trip and communicate any potential change in route.

Telephone System

As part of the 10-Year Strategy, in July 2018 Wheel-Trans introduced a new telephone system that provided the capability of an unlimited call queue and the option for a call-back feature to address common customer complaints at that time. Prior to this change, callers in the queue were capped at 90 and there was no call-back option. This resulted in many calls being deflected, which left customers frustrated by the inability to enter the queue. The unintended consequence of the unlimited call queue was that it greatly increased the amount of callers able to enter the queue and wait for a Reservationist, which in turn increased average wait times.

Since the change in telephone systems, customers no longer experience many instances of deflected calls. However, now that more customers can enter the queue, they experience longer wait times. Customers who are unable to reach the Reservations Contact Centre due to long wait times are left either unable to make the trip they wanted or must find alternate means of travel. We are unable to quantify the likely number of missed opportunities on a given day, or annually. This is an alarming possibility for those customers that rely on Wheel-Trans as their only means of attending important medical or other appointments.

Performance Standards

The TTC has set specific performance standards in the contract, which are much higher than the current achieved results. The overflow provider will be required to meet these standards. If they do not, financial penalties will be applied to the contract. It should be noted that these performance standards are in line with industry standards.

If the TTC's recommendation to enhance service levels is not approved, we anticipate seeing a rise in customer service complaints related to the Reservations Contact Centre from our customers, members of the Advisory Committee on Accessible Transit (ACAT) and City Councillors. This represents a serious reputational risk for the organization and an undesirable experience for Wheel-Trans customers.

The Benefits

The implementation of the service standard improvement and a third-party contact centre call overflow solution will result in the following:

- Improved customer experience by eliminating long wait times and reducing the average wait time to a target of two minutes;
- Greater flexibility to meet demand should it rise or fall;

- Estimated cost avoidance from overflow concept versus internal TTC hires will total approximately \$20.5 million in the first five years.

The RFI and the RFP Process

In 2019, Wheel-Trans retained Stantec Inc. to assist with the preparation of the Request for Proposal (RFP) documents and to provide assistance throughout the various stages of the procurement process. On June 11, 2019, a Request for Information (RFI) for the Wheel-Trans Reservations Contact Centre Overflow Contract was publicly advertised on the MERX and TTC websites. The RFI was intended to solicit information from Call/Customer Service Centre providers that would identify industry best practice.

Twelve Call/Customer Service Centre providers responded to the RFI. A thirteenth communication was received from Bell Canada stating that the organization was not providing the services requested by the TTC, but offering suggestions regarding the RFP.

The following information was gathered through the RFI:

- Suggested action items to remedy the current wait time issue
- Call centre strategies throughout the industry
- Staffing models
- Training programs
- Standard operating procedures
- Telephony/technology solutions
- Performance measurement methodologies
- Quality assurance programs
- Compensation models
- Innovations for call centre volumes and wait times

As a result, several recommendations were considered and incorporated into the RFP documents, which included, but are not limited to:

- Price per call compensation model;
- Performance-based incentives and penalties;
- ISO 27001:2013 Security Management or an equivalent level of data security.

In January 2020, the TTC retained Optimus SBR Business Consulting to review the draft RFP and give advice on the scope of work and performance measurements. In April 2020, a Fairness Monitor, John Campbell of JD Campbell and Associates, was retained by the TTC to provide an independent third-party observation and assessment of the procurement process.

Comments

Throughout this procurement process, a definitive timeline with set milestones for the process was managed (See Appendix 3). The objective was to structure the best possible Contract, while ensuring a fair and transparent process that met all procurement requirements and provides an opportunity for external feedback for the benefit of both Wheel-Trans customers and the City of Toronto. Staff developed a

strategy that addressed a number of critical factors, both internal and external, that might impact the terms and requirements within the contract.

Issues reviewed and acted on included:

1. Excessive wait times and call abandonment rates;
2. Growing ridership demand;
3. Lessons from how other companies are managing and structuring their call centre overflow contracts;
4. Industry best practices;
5. Interdependencies and impacts from the projects within the Wheel-Trans Transformation Program, specifically the scheduling system upgrade and the automation of intermodal trip booking, as well as the Family of Services model.
6. Enlisting services of a Fairness Monitor to oversee the contract RFP process to ensure transparency throughout the procurement process, up to and including the award of the overflow contract.

RFP Summary

An RFP was publicly advertised on the MERX and TTC websites on March 6, 2020. Twenty-nine companies downloaded copies of the documents, out of which eleven submitted a proposal by the closing date of May 4, 2020. The original closing date for submission was April 13, 2020, however, due to the COVID-19 pandemic and at the request of potential proponents, the closing was extended by two weeks to April 27, 2020. The closing was further extended one additional week to May 4, 2020 as many companies cited issues with preparing timely submissions amidst the operational challenges associated with the pandemic.

Submissions were received from the following companies:

1. AT Ascension Consulting Inc.
2. Bill Gosling Outsourcing
3. CBV Collection Services Ltd.
4. Contactpoint 360
5. CX Solutions
6. Millennium1 Solutions
7. NewAnswernet Inc.
8. One Contact Canada Inc.
9. Smollan
10. Telelink
11. TELUS Communications Inc.

A four-person evaluation team conducted the formal review and rating of the RFP, with staff from the Procurement and Category Management Department facilitating the evaluation process. A Fairness Monitor was retained to provide an independent third-party observation and assessment of the procurement process in order to ensure openness, fairness and transparency and that the process was conducted in accordance with the requirements as set out in the RFP documents. The Fairness Monitor is available to attend debriefing meetings with the unsuccessful respondents in order to comment on the fairness of the process, if required. Appendix 4 to this report confirms the fairness of the procurement process.

The recommendation for award is based on the highest total weighted score. The evaluation of quotations was based on a staged process consisting of the following:

Stage 1 – Mandatory Submission Requirements: Consisted of a review to determine which quotations complied with all of the mandatory submission requirements. If a quotation failed to satisfy all of the mandatory submission requirements, the TTC would issue the respondent a rectification notice. If the respondent failed to satisfy the mandatory submission requirements within the Rectification Period, its quotation would be rejected.

Stage 2 – Evaluation: Consisted of the mandatory technical requirements to be evaluated on a pass/fail basis and the qualitative criteria at the associated weightings as set out in the RFP document. Respondents who did not meet the pass/fail requirements would not proceed to the qualitative component of the evaluation process. The qualitative component would only be evaluated for those respondents that passed the mandatory technical requirements. It was pre-determined that proponents achieving a total minimum of 48 points out of the maximum 60 points (80%) available for the qualitative evaluation would be considered qualified.

Stage 3 – Pricing: The pricing information was evaluated for only those respondents that achieved the minimum 80% in the qualitative evaluation. The pricing component of all qualified respondents was then evaluated, utilizing the price per call bid in the price schedule. Respondents were required to provide a price per call for each of the five years of the contract as set out in the RFP document. The total price provided for each year was added together to determine the 5-year Total Evaluated Price. Each proponent received a percentage of the total possible points allocated to price, which was calculated by dividing the lowest-priced proponent's Total Evaluated Price (using the formula as detailed in the RFP document).

Stage 4 – Ranking, Concurrent Negotiations and BAFO:

The scores from the rated criteria of Stage 2 were added to the pricing score from Stage 3 for each qualified proponent. The proponents were ranked based on their total scores.

Concurrent Negotiations and Best and Final Offer (BAFO) Process – The TTC invited the top three ranked proponents to enter into concurrent evaluations and negotiations. During this time, the TTC requested further clarification and supplementary information from the proponents to verify, clarify or supplement the information provided in their proposals or to confirm the conclusions reached in the evaluation. This stage of the RFP process included the following sub-stages:

A. Commercially Confidential Meetings (CCM) - Gaps/Solutions Discussion and Proponent Interviews:

This consisted of meetings with short-listed proponents where the TTC asked for further clarification and supplementary information.

B. Submission of BAFOs:

This allowed proponents to revise their initial submissions and to submit their BAFOs for final evaluation and rankings following the concurrent commercially confidential meetings.

C. Evaluation of BAFO:

Each BAFO submission was evaluated as follows: The Stage 2 rated criteria scoring and Stage 3 pricing score were revisited and adjusted, if applicable. The top-ranked proponent based on the BAFO evaluation received a written invitation to enter into the final round of negotiations to finalize the agreement with the TTC.

Stage 5 – Contract Negotiations:

The negotiations on the terms of the contract were limited to such adjustments to facilitate provisions of the contract deliverables as intended. The TTC did not make any substantial changes to the principal terms of the Form of Agreement. Negotiations included requests by the TTC for supplementary information from the proponent to verify, clarify or supplement the information provided in its proposal or to confirm the conclusions reached in the evaluation, and included requests by the TTC for improved pricing or performance terms. Once the negotiations were complete, the agreement was finalized with the top-ranked proponent, subject to TTC Board approval.

Justification

The successful proponent is required to assist the TTC's Wheel-Trans Reservations Contact Centre by accepting overflow customer calls and booking trip reservations for TTC's Wheel-Trans services. The benefit of establishing the overflow centre is to ensure that call wait times and call abandonment rates are reduced and maintained at acceptable levels set by the TTC. Once the contract is operationalized, the TTC's target wait time KPI will be set at two minutes. The overflow centre will give Wheel-Trans the ability to meet demand should it rise in the future and maintain flexibility to scale back if it falls.

Contact

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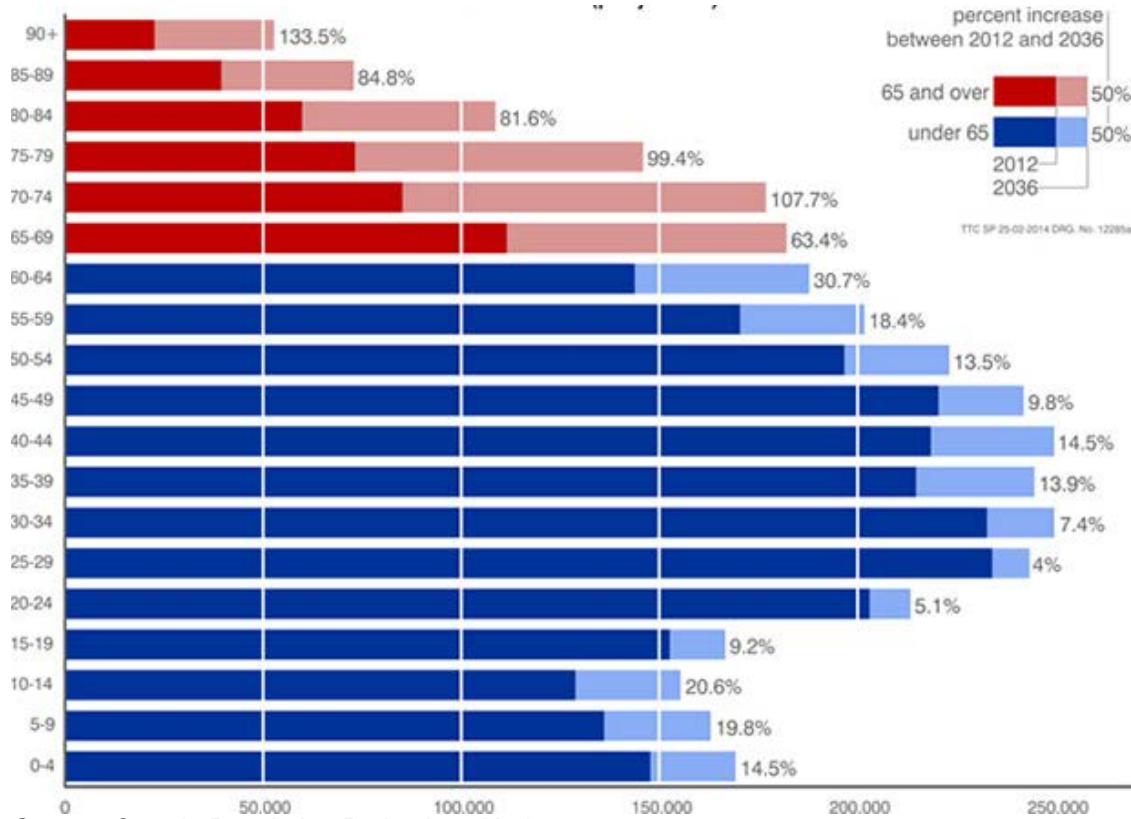
Signature

Kirsten Watson
Deputy CEO - Operations

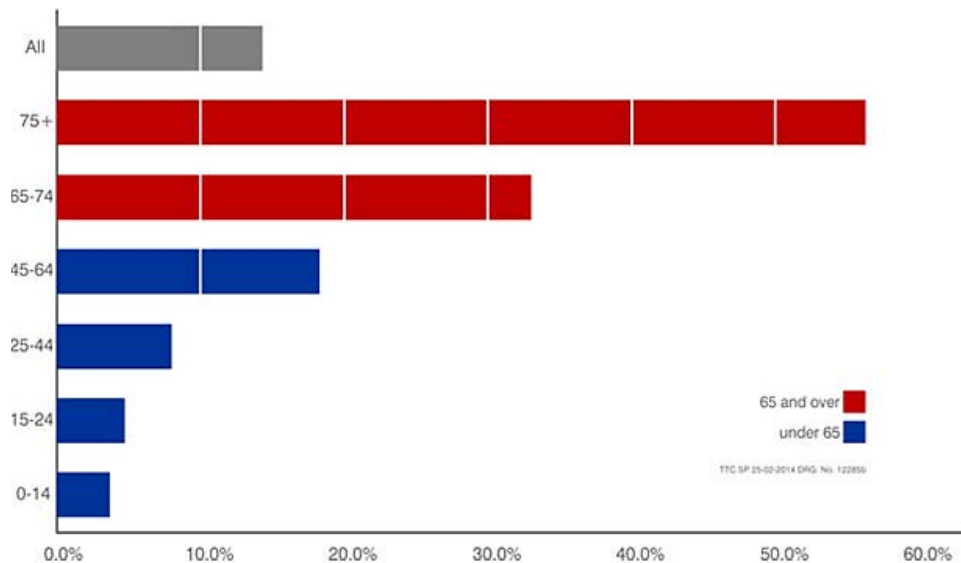
Attachments

Appendix 1: A) Population of Toronto Percentage Increase by Age Group 2012-2036
B) Percentage of Canadian Population with Disabilities
Appendix 2: Wheel-Trans Actual and Projected Annual Demand
Appendix 3: Critical Milestones / Work Plan
Appendix 4: Fairness Monitor Report

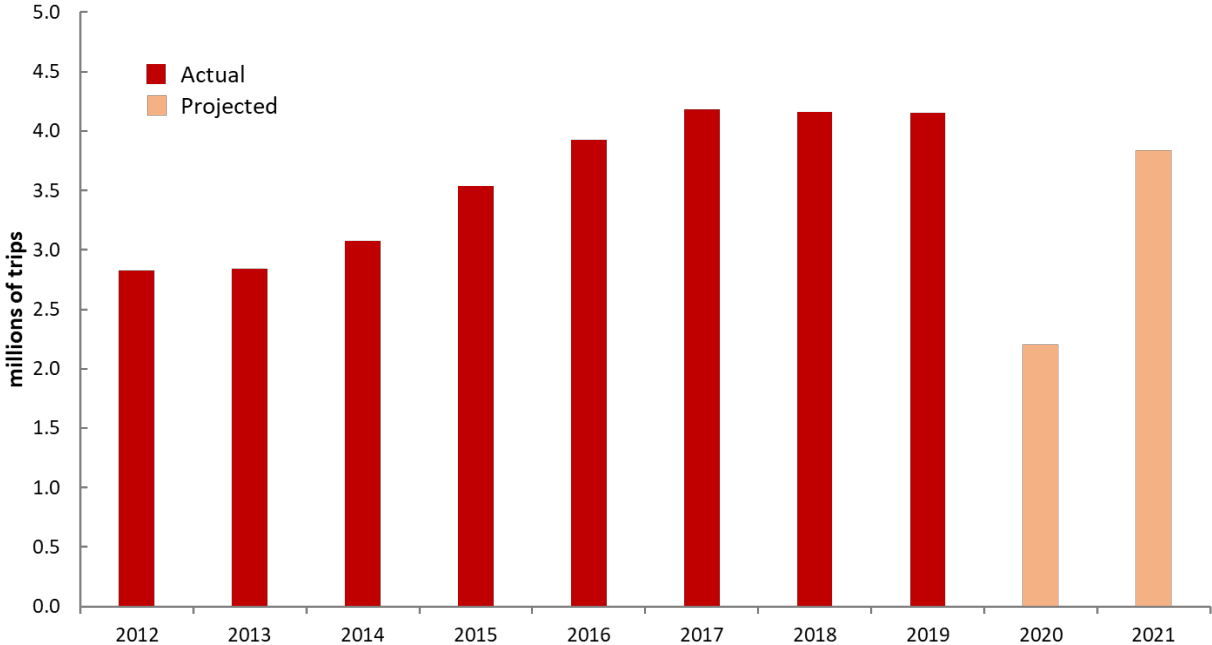
**Appendix 1:
(A): Population of Toronto Percentage Increase by Age Group 2012-2036
(Projected)**



(B): Percentage of Canadian Population with Disabilities (by age group)



Appendix 2: Wheel-Trans Actual and Projected Annual Demand (2012-2021)



Appendix 3: Critical Milestones / Work Plan

Early 2019	<ul style="list-style-type: none"> • Detailed Work Plan developed with third-party consultant (Stantec Inc.)
June 2019	<ul style="list-style-type: none"> • RFI meeting held
July 2019 to Oct 2019	<ul style="list-style-type: none"> • Consultant research & review
November 2019	<ul style="list-style-type: none"> • Scope of RFB finalized
December 2019	<ul style="list-style-type: none"> • Scope & recommendation presented to senior management
February 2020	<ul style="list-style-type: none"> • Final revisions made to RFP based on senior management and consultant (Optimus SBR) recommendations
March 2020	<ul style="list-style-type: none"> • RFP posted on Merx
March 2020 to May 2020	<ul style="list-style-type: none"> • Submissions received
May 2020	<ul style="list-style-type: none"> • Submissions evaluated
June to July 2020	<ul style="list-style-type: none"> • BAFO Process • Contract Negotiations
August to September 2020	<ul style="list-style-type: none"> • Recommendations presented to CEO and Head of Wheel-Trans • TTC Board Meeting to Recommend Award
October 2020	<ul style="list-style-type: none"> • Transition
Q4 2020	<ul style="list-style-type: none"> • Contract begins

Appendix 4: Fairness Monitor Report

JD CAMPBELL & ASSOCIATES

**TORONTO TRANSIT COMMISSION
WHEEL-TRANS CALL CENTRE**

Fairness Monitor's Report

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1.0 Executive Summary

1.1 Introduction

This report presents our findings for the TTC Wheel-Trans Call Centre RFP. In our capacity as Fairness Monitor, we reviewed and monitored the communications, evaluation and decision-making associated with the procurement process with a view to ensuring consistency with the stipulations of the Procurement document and standard TTC procurement practice.

Wheel-Trans is a department of the TTC providing specialized accessible service. Customers are required to book their trips in advance. A primary means of doing this is through the Wheel-Trans Reservation Line. The successful Proponent was to assist the TTC's by accepting overflow customer calls and booking trip reservations. The primary goal of establishing the overflow centre is to ensure that call wait times and call abandoned rates are reduced and maintained at acceptable levels set by the TTC. In addition, over time the percentage of such reservation calls directed to the secondary Call Centre will increase until it becomes the primary centre.

It was TTC's intention to enter into an agreement with only one supplier. The term of the agreement is to be for a period of five (5) years, with an option in favour of TTC to extend the agreement on the same terms and conditions present in the final year of the initial five (5) year term for an additional term of up to five (5) years. This time period was reasonably long but was set to coincide with TTC plans to fully outsource the Call Centre function gradually over that time. The RFP wording included a guaranteed minimum and expected maximum increasing each year to 5000 calls in year five. This gave vendors a clear understanding of the volume of potential business.

Our role, as Fairness Monitor was to review this procurement from the release of the RFP to the selection of the Successful Proponent. This monitoring entailed:

- Review of the evaluation criteria;
- Consistency of Proponent treatment;
- Adherence of staff to conflict of interest and confidentiality requirement;
- Communications and information to Proponents;
- Security of Proposals and evaluation documents;
- Objectivity and diligence respecting the evaluation process;

In our capacity as Fairness Monitor we can attest to the fact that we found the procurement process associated with this project to have been open, fair, competitive and transparent.

This Report is based on our observations of the processes used, a review of the procurement documents and information provided by the project team. Note that the Fairness Monitor attended the consensus review meeting.

The Report was prepared for the staff of the TTC. Any other person who wishes to review this document must first obtain the written permission of the TTC. JD Campbell & Associates, or the individual author of this Report, bear no liability whatsoever for opinions that unauthorized persons may infer. This Report is in no manner to be considered a legal opinion.

1.2 Findings

As Fairness Monitor, we can attest to the fact that:

- Evaluation decisions concerning the proposals were consistent with the stipulations outlined in the RFP document;
- During the open period, all Proponents were treated consistently and in accordance with the stipulations of the RFP;
- TTC staff adhered to conflict of interest and confidentiality requirement;
- Evaluations were conducted using only the evaluation criteria stipulated.

Particular note was made of the following:

- **Communication** – The opportunity was publicly advertised and proposals were submitted the TTC Bonfire Portal. This meant that all interested vendors would have knowledge of the opportunity and would have a secure and reliable means of submission. The date of posting was posted March 6, 2020 with an initial closing of April 13, 2020. Two extensions of the closing date were granted with a final date of May 4, 2020. This was considered a reasonable posting time for an RFP of this nature.
- **Conflict of Interest** – Project Team members and evaluators were bound by employment obligation were required to declare any conflicts. They also were required to sign a declaration in this regard.
- **Confidentiality and Security of Documents** – Steps were taken to ensure that procurement materials and proposals were kept secure when not in use. The use of the Bonfire electronic distribution of procurement materials internally within the TTC assisted in this effort. To our knowledge, no inappropriate information about the procurement documents, or the evaluations, was communicated to Proponents or other parties outside of the TTC.
- **Full Disclosure** - The RFP contained a suitable description of deliverables, terms and conditions, evaluation criteria and background information such that adequate Quotations could be created;

- **Consistency of Format** – Wording in the RFP encouraged Proponents to provide their proposals in a like-manner such that they could be consistently evaluated;
- **Reserved Rights** – While the reserved rights for the TTC, as detailed in the RFP, gave broad latitude to act in an arbitrary manner, our observation of the evaluation process was such that no unfair action was evident;
- **Evaluator Qualifications** – Project staff provided assurance that evaluators had been selected specifically for the relevance of their expertise.

1.3 *Outcome*

- Eleven proposals were received;
- All proponents met the Mandatory requirements;
- Seven Proponents did not meet the threshold score of 80% and thus were not considered further;
- The three top rated Proponents in both the rated and pricing portions of the evaluation, were invited to take part in a Best And Final Offer (BAFO) exercise;
- Each of the three BAFO Proponents were invited to submit a revised proposal based on clarified TTC documents;
- A Successful Proponent was then selected to enter into final negotiations based on highest ranked score.

1.4 *Report Organization*

The remainder of this Report is organized into short sections that focus on the major aspects of the procurement process and give description of evidence of appropriate actions.

2.0 *Wording of the RFP Document*

2.1 *Overview*

The RFP document provided the framework within which the evaluation process was to be conducted. It outlined such items as the; purpose, definitions, schedule, requirements and conditions, deliverables, scope, evaluation and selection process, as well as expected proposal content and format.

Forms were included that helped Proponents to organize their proposals to ensure all necessary and relevant information would be included and to make consistent evaluation easier.

2.2 *Form of Agreement*

While this RFP was not binding, a Form of Agreement was included. Wording in the RFP indicated that the Successful Proponents would need to sign a contract that would materially follow the Form of Agreement. This helped Proponents to fully understand what their full obligations would be.

2.3 *Reserved Rights*

Reserved right wording was included that gave broad discretion to TTC staff and could potentially have been used in an arbitrary and unfair manner. As Fairness Monitor, I paid particular attention to the exercise of these rights and found no evidence of them being used in an unfair manner. It was stated that References and past performance could be considered in evaluation and that Past Performance or Past Conduct could be grounds for prohibiting a Proponent from participating. Note that these rights were not used in this procurement.

2.4 *Debriefing and Dispute Procedure*

The RFP offered the opportunity of a debriefing to unsuccessful Proponents. Note that this was an opportunity for the Proponent to learn from the experience and receive feedback rather than as an opportunity to dispute the outcome. A separate Dispute Procedure was also offered.

2.5 *Evaluation*

Mandatory Technical Requirements

Each proposal needed to meet the following criteria in order to be considered further:

1. The proponent has at least 5 years of experience operating call centres, with a minimum of answering 500 calls per day
2. The Proponent is located within Canada, and all call centre staff answering calls must be located within Canada; and,
3. The Proponent currently is not, or is not expected to, operate(s) a transit or para-transit service on behalf of the TTC and/or TTC's Wheel-Trans division. For greater clarity, the proponent is not currently under contract with the TTC to provide Sedan Meter-Based Taxi Service or Accessible

Taxi Service, and/or the TTC Board has not authorized the award of such contracts to the proponent at its February 25, 2020 Board Meeting.
4. The Proponent possess appropriate Telephony setup with Citrix client version Software 19.4.1.41(1904) or newer to access the Wheel Trans Reservation Application with supporting Hardware.

Rectification - The TTC reserved the right to issue the Proponent a rectification notice identifying any deficiencies and providing an opportunity to rectify within a specific rectification period.

Rated Evaluation

The Rated evaluation was scored using the following criteria below. Note that for each criterion, a more detailed breakdown of sub-criteria with weightings were provided. Each sub-criteria were described in terms of what the TTC sought and provided guidance on how the Proponent should demonstrate capability.

Rated Criteria	Weight
Corporate Summary and Experience	30
Proposed Work Methodology	20
Project Team Qualifications	10

Threshold

Proponents needed to pass an 80% threshold for the rated evaluation portion of the evaluation.

Pricing

Pricing was worth 40% and evaluated based on formula basis.

Best and Final Offer (BAFO)

The TTC intended to invite the top three (3) ranked Proponents to enter into concurrent evaluations and negotiations. During this time, the TTC could provide

each Proponent with additional information, and could seek further clarification to verify or supplement the information provided in the proposal or to confirm the conclusions reached in the evaluation. This could include requests by TTC for improved pricing or performance terms from the Proponent.

This process could include the following sub-stages: Commercially Confidential Meetings (CCM): Gaps/Solutions Discussion and Proponent Interviews. Such communications could include seeking feedback to the Proponents to identify potential gaps and discussions of potential alternate solutions to fulfill the TTC's requirements. The TTC could also provide Proponents with feedback on where and how they can improve their proposals. Proponents could then revise their initial submissions to re-submit.

3.0 Communication and Information to Proponents

3.1 *One Point of Contact*

Provision was made for one designated source of information for the procurement process. Proponents that wanted additional information were instructed to submit their questions in writing. This was done to control the communication to Proponents and to discourage lobbying activity.

3.2 *Distribution*

The opportunity was publicly advertised and proposals were submitted to the TTC Bonfire Portal. This meant that all interested vendors would have knowledge of the opportunity and would have a secure and reliable means of submission. The date of posting was posted March 6, 2020 with an initial closing of April 13, 2020. Two extensions of the closing date were granted with a final date of May 4, 2020. This was considered a reasonable posting time for an RFP of this nature

3.3 *Prior Communication*

A Request for Information (RFI) was issued in June 2019. It was advertised such that all interested vendors had the opportunity to participate. Thus no one vendor has had prior knowledge of this upcoming opportunity or has had greater opportunity to influence its content.

3.4 *Addenda and Proponent Questions*

Addenda were published to make amendment to the RFP and answer Proponent questions. In each instance, this communication was provided to all Proponents at the same time. Staff assurance was obtained that the answers provided were designed to improve clarity and understanding rather than to advantage a particular Proponent.

4.0 Confidentiality/Conflict of Interest

4.1 *Security of Proposals and Evaluation Documents*

The evaluators were instructed to ensure that all procurement related documents in their possession remained confidential and secure. The use of the Bonfire electronic system assisted with secure internal communications in this regard.

4.2 *RFP Development*

The RFP document was developed by a small team of TTC staff. Consultants also helped in its preparation. Care was taken to ensure conflict of interest and confidentiality provisions were stipulated in their contracts.

The Proposals were evaluated by TTC employees who were bound by the stipulations of their employment relationship. They were also asked to sign a Confidentiality and Conflict of Interest Declaration.

4.3 *Proponent Provisions*

The RFP document contained standard Conflict of Interest provisions, prohibited contacts between Proponents, lobbying, and collusion. Proponents were also offered the opportunity to raise issues of concern or complaint.

5.0 The Evaluation Process

5.1 *Clarity of Roles and Evaluator Training*

There was an orientation session provided for evaluators to explain the process and to provide an understanding of why it was important that the appropriate steps be followed. Topics covered included:

- Project overview;
- Roles and responsibilities;
- Need for confidentiality and treatment of conflict of interest;
- Evaluation steps;
- Review of scoring procedures;
- Use of evaluation forms;
- Group meetings and procedures.

5.2 *Management of Undue Influence*

At no point in the process were decisions affecting the outcome of the evaluation process to be made by one individual. All final decisions, at each stage, were to be signed off by the evaluation committee members.

5.3 *Common Scoring Sheets and Process Description*

Common evaluation forms were developed. The use of these forms helped ensure the Proposals would be judged on the same basis making consistency of treatment much easier. They also were designed to aid appropriate documentation.

For a description of the evaluation stages refer to Section 2.0 of this Report.

5.4 *Evaluation*

During the individual evaluations, evaluators were asked to do their work independently.

It was agreed that no substitutions would be allowed for committee members and that the group evaluations would not take place unless all were present and had completed their evaluations. This helped to promote fairness, completeness and consistency.

Based on observations of the process we found no instance in which evaluation criteria were used, other than those that had been identified in the RFP document. The participants came prepared to engage in meaningful discussion. Participants recognized the value of group discussion and did not rush to a final decision. No one individual was in a position to unduly influence the entire process and there was no undue pressure to conform to the group opinion.

5.5 *Best and Final Offer (BAFO)*

See Section 2.6 for a description of the RFP outline of the BAFO process. During discussion of how the BAFO would be applied, the Project Team agreed that for such a process to be most defensible from a public perception point of view, certain criteria should be met:

- All participating Proponents should be given the same information;
- All should be bidding on the same contract – terms and conditions, deliverables, specifications, etc.
- All participating Proponents should have the same opportunity to influence any changes to the procurement documents.

Each Proponent was informed that all three Proponents had come in over the internal price budget of the TTC. They were then asked to submit the assumptions they had used in the development of their pricing. This information was used as the basis for discussion at a Commercially Confidential Meeting (CCM) held with each of the Proponents separately. The intent of the CCM was to help the TTC Project staff to better understand points that had been made. Subsequently the communication was provided to all Proponents clarifying certain RFP language.

The Proponents were then asked to resubmit their proposal as a Best and Final Offer.

5.6 *Outcome*

- Eleven proposals were received;
- All Proponents met the Mandatory requirements;
- Seven Proponents did not meet the threshold score of 80% and thus were not considered further;
- The three top rated Proponents in a combination of the rated and pricing portions of the evaluation, were invited to take part in a BAFO exercise;
- Each of the three BAFO Proponents were invited to submit a revised proposal based on clarified TTC documents;
- A Successful Proponent was then selected to enter into final negotiations based on highest ranked score.