

Subject: Expansion of Customer Experience Department to Align with the Consolidation of Contracted Specialty Transit Services

Report to: Niagara Transit Commission Board

Report date: **Tuesday, April 16, 2024**

Recommendations

1. That the Niagara Transit Commission Board **APPROVE** the addition of 13 permanent full-time equivalents (FTEs), totaling \$498,500 and \$0 net for 2024, to expand and support the Customer Experience Department, all of which is fully funded with a budget adjustment from contracted services to labour related costs within the approved 2024 operating budget; and
2. That this report **BE FORWARDED** to Niagara Region Council for consideration at its regular meeting on April 25, 2024 requesting that the addition of 13 permanent FTEs in Recommendation 2 be approved.

Key Facts

- The purpose of this report is to obtain Board approval for the increase of 13 permanent FTEs within the NTC complement to support the award of 2023-RFP-238 and its operations, which also requires Regional Council approval as per the NTC's Corporate Delegation of Authority Policy and Budget Control By-law 2017-63 section 6.5 3(b).
- The budget adjustment recommended is related to an in-year service change for Specialty Services. As the gross budget adjustment is less than \$1.0 million, the NTC Board and Council do not need to approve this adjustment in accordance with the Budget Control By-law 2017-63.
- The future award of the Specialty Services Request for Proposal (RFP) and the expansion of in-house Customer Service proposed will positively impact all transit services across Niagara and is within the approved 2024 gross operating budget of \$9.0 million for Specialty Services with a \$0.0 net budget impact.
- NTC staff are currently negotiating service levels to optimize a two-year commingled on-demand and specialized service contract (2023-RFP-238) up to the project and annual budgetary limit of \$8.0 million, with services to commence on July 1, 2024.

- The Board's early approval of the expansion of the NTC's existing Customer Experience and supporting departments is required to achieve within the operational timelines and the 2024 gross operating budget:
 - a) a single commingled on demand and specialized service contract (consolidating 5 independent micro-transit contracts), and
 - b) the assumption of all dispatch and customer support services provided through the five previously assumed micro-transit service contracts, and
 - c) a fully consolidated conventional and micro-transit dispatch and customer service model with an increase of 13 permanent FTEs supporting 100% of the ridership.
- The Commission will receive a report on or before the May 21, 2024 regular meeting which will recommend the final negotiated cost and successful proponent of the commingled Specialty Services 2023 RFP-238 within budget. To meet the operational target date of July 1, 2024, staff may ask the NTC Chair to call a Special meeting of the Board to award 2023-RFP-238 prior to the next scheduled meeting.
- Upon amalgamation on January 1, 2023, the five independent specialty service contractors employed a total of 15.5 FTEs for booking and dispatch, who served 2 per cent of Niagara's transit ridership. The proposed 13 FTEs to be added to the NTC's expanded complement will serve 100 per cent of transit customers (specialized, on demand and conventional riders) and remove the fragmented rider and customer services Niagara residents experience today.
- By assuming all dispatch and booking duties for the entirety of NTC's Specialty Services (contracted and in-house) and increasing the complement of Customer Service Representatives in the Customer Experience department, booking availability for all on demand or specialized services will be expanded and staff coverage at existing transit terminals will be increased to potentially mirror hours of operations. These two significant enhancements represent the majority of complaints and concerns received from riders prior to and since the amalgamation of transit in Niagara.

Financial Considerations

The 2024 operating budget was approved on December 14, 2023. The budget for Specialty Services was prepared based on the previous service delivery method of providing in-house specialty services in the larger cities (Welland, Niagara Falls and St. Catharines) and partially contracting out operations and customer support services and dispatch for the five remaining services including, BTS, BTS FAST, Via, Regional

Limousine, and Coventry that serve the entirety of Niagara or individual communities. Therefore the budget was included in contracted service expense.

The 2024 approved annual budget for contracted Specialty Services, excluding Chair-A-Van and Coventry fixed Route 322 is \$9.0M. In March of 2024, the formerly contracted Chair-A-Van service supporting Niagara Falls clients was brought in-house (Report NTC 4-2024). The project 2023-RFP-238 for the contracted comingled specialty services was set at a maximum of \$8.0M annually. The remaining \$1.0M is designated to achieve expansion and assumption of customer services by the NTC.

Customer service for the contracted Specialty Services is currently included in the contracts across the various providers which will cease when agreements end on June 30, 2024 and September 30, 2024 (Regional Limousine). It is estimated that around 15.5 FTEs are providing customer service through these contracted services. Staff is proposing to bring this customer service in-house by using the \$1.0 million adjusted out of the total annual budget specific to the contracted specialty service agreements serving 2% of riders. Staff is proposing to increase the NTC staff compliment by 13 FTEs to benefit 100% of riders. Staff is proposing the need for one Deputy General Manager, one Communications Consultant, one IT Help Desk, six Customer Service Representatives and four Booking and Dispatch Agents. This will cost approximately \$1.0 million annually or \$498,500 for the period of July 1, 2024, to December 31, 2024.

The following is a summary of the budget adjustment:

Object of Expenditure	Description	2024 Annual Budget	2024 Adjustment (July-Dec)
N/A	N/A	\$8,985,180	N/A
Labour Related Costs	*13 Permanent full-time FTE with Salary & Benefits	\$997,000	\$498,500
Operational & Supply	Repurpose Contracted On-Demand/ Specialized Transit Services budget	\$(997,000)	\$(498,500)
Net Levy Impact	-	-	\$0

*All proposed additional permanent FTE staff supporting the expanded Customer Experience department are fully funded by the NTC.

Analysis

Commingling Commitment

Prior to amalgamation and throughout the triple-majority process, local area municipalities (LAMs) were provided and approved as part of the Linking Niagara Transit Committee's (LNTC) work, a set of Niagara Service Standards Strategy in LNTC-C 3-2021 Appendix 5 <https://pub-niagararegion.escribemeetings.com/filestream.ashx?DocumentId=17198> that identified the consolidation of specialized and on-demand services as a key deliverable in moving Niagara's transit success forward. Identified as Phase 2 in the standards, the commingling of services and opportunities to bring in-house resourcing to support it was described as:

"The preferred approach for this integration is the assumption of existing specialized and demand responsive services and contracts by the Commission, working towards direct 'in-house' delivery of a combined service where it is deemed feasible and advantageous to do so. This approach is preferred as it gives the new Commission direct control over all resources to maximize efficiencies."

The amalgamation of transit services in Niagara represented a significant step towards efficiency and consistency in transportation provision. Previously, transit services across several municipalities, including Fort Erie (FAST and Fort Erie Transit On Demand – regional Limousine), Grimsby (NRT OnDemand), Lincoln (NRT OnDemand), Niagara-on-the-Lake (NRT OnDemand), Pelham (NRT OnDemand), Port Colborne (NRT OnDemand), Thorold (Thorold Paratransit and Route 322), Wainfleet (NRT OnDemand), and West Lincoln (NRT OnDemand), were outsourced to various external service providers, leading to a fragmented experience for riders. Additionally, the Regionally supported Niagara Specialized Transit (NST) served residents with disabilities across all 12 municipalities, further complicating the service landscape.

To address these contracting and customer experience challenges, contracts for the specialty services of NRT OnDemand, Thorold Paratransit (TP), NST, and FAST were extended by six months, allowing for the comprehensive Request for Proposal (RFP) process to consolidate services under a single provider. The Fort Erie On Demand service contract with regional Limousine is in effect until September 30, 2024 which is also reflected in the RFP. The RFP provides for an award of a 2-year contract to assume all these services with an option for the NTC to extend an additional year.

The current fragmented approach to specialty transit contracts present challenges in terms of oversight, coordination, and service quality. Consolidating these contracts will centralize management, enhancing accountability and responsiveness to our ridership's needs. Moreover, it will facilitate seamless integration with the broader public transit system including the specialty services provided in-house by NTC, thereby improving opportunities for access and the overall passenger experience.

Staff propose to implement the new contract in two phases, Phase 1 will commence July 1, 2024, and will replace all specialized contracts (FAST, TP and NST) and the NRT OnDemand contract covering Grimsby, Lincoln, Niagara-on-the-Lake, Pelham, Port Colborne, Wainfleet, and West Lincoln. Phase 2 will commence October 1, 2024, and will incorporate Fort Erie on-demand services. This timeline ensures a seamless transition and maximizes operational efficiency. Customer service support for all these transitional periods is contemplated in this report's recommendation to deliver all of that service in-house at NTC.

The new contract will replace all independent micro-transit contracts (BTS, BTS Fast, Regional Limousine, Via, and Coventry) thereby streamlining operations and realizing operational, customer, and cost efficiencies. Hours of in-house customer service and booking availability will improve and may mirror operations across the designated service areas from 7 a.m. to 11 p.m. to eliminate the previous inconsistencies limiting access and transfers. Moreover, improvements in on-time performance and vehicle capacities will enhance the overall rider experience. Additional enhancements such as seamless transfer of client database and profiles, the adoption of a single-app solution and the inclusion of fixed-route multimodal approaches will ensure a cohesive and user-friendly experience for riders. Overall, these changes promise to remove barriers, connect riders and communities, and provide a reliable and seamless transit experience for all residents of the Niagara Region.

Expanding NTC's Customer Experience department

The recommendation within this report is to increase the NTC complement by 13 FTE positions as follows:

- 1x Deputy General Manager
- 1x Communications Consultant
- 1x IT Help Desk
- 6x Customer Service Representatives
- 4x Booking and Dispatch Agents

The full expansion of the Customer Experience department is outlined, and support positions are introduced or repurposed within the organization chart attached as Appendix 1 to this report.

Commingling Niagara's micro-transit services was approved within the triple-majority process and was identified as part of the realization of the phases in the LNTC's 2021 Service Standards. The internal departmental expansion to support that work is reflected in Appendix 1. As the NTC staff continues to deliver on the work tasked to them at amalgamation, the organization will grow and evolve to suit service delivery.

Additional frontline positions and support resources (IT support, full time communications and sufficient management) are required to deliver the customer service our riders require and deserve. Within budget, this expansion can be achieved by the July 1, 2024, Phase 1 operational timeframe. The enhanced customer care is meant to be operational in concert with the roll outs of the newly commingled specialty services. Approval of this report at this time will allow staff to negotiate service and approve hires to ensure a successful transition.

Staff's proposal to increase the complement by 13 FTEs (as per Appendix 1) creates local jobs and will increase personalized frontline support with local Niagara knowledge to 100% of our conventional and specialty riders. Currently the contracted outsourced customer service across the various providers is provided by 15.5 FTEs and only serves 2% of riders on specialty systems.

By having staff perform both dispatching and customer service functions, we can achieve operational efficiencies and cost savings. This integrated approach will empower dedicated staff to handle inquiries, feedback, complaints, and assist with trip planning and ticketing. This can optimize resource allocation, streamline communication, and enhance service delivery, ultimately benefiting the riders. Moreover, it will allow us to extend operating hours and provide Sunday coverage at transit terminals, addressing a longstanding gap in service provision and enhancing accessibility for passengers who rely on transit on weekends.

The reallocation of \$1.0 million to enhance the Customer Experience and Specialty Services department through in-house FTEs is within the NTC's budget. The expanded customer service, supported by the consolidation of specialized transit contracts and in-house current levels of customer service provision, represents a strategic investment in

enhancing service quality, extending coverage, and demonstrating operational efficiencies from the process of amalgamation that will positively impact all riders.

In consolidating the dispatching and customer service functions, the NTC will be able to better report on key performance indicators, including:

- Monthly number of phone calls answered by NTC staff.
- Monthly number of customer complaints received by NTC staff.
- Percentage of passenger trips booked by telephone versus app and on-line.

Alternatives Reviewed

The Board has the alternative to continue to outsource customer service and the dispatching of contracted on-demand and specialized services. This option is not recommended since negotiations with the new service provider to add these services may result in budget pressures. Further, an outsourced customer service and dispatching would result in the NTC continuing to provide a fragmented customer experience as it would reflect the existing levels of support being provided through multiple avenues, apps and teams for booking, ride follow-up, and connections across different services and communities. This alternative would continue to focus customer support and attention on 2% of customers rather than 100% of our riders using the system in its entirety.

Relationship to Niagara Transit Commission Strategic Priorities

This proposal aligns with the Strategic Core Values of the Niagara Transit Commission, as well as the adopted Guiding Principles of the Niagara Region as highlighted below:

Customer Focus:

Centralizing specialty transit services and delivering customer service in-house promotes equitable accessibility for all members of the community. Enhancing service quality by potentially adding operating hours and Sunday coverage in Customer Service, we demonstrate our commitment to engaging with our customers and the community by responding to their needs. Expanding customer service functions in-house enables NTC staff to respond effectively to passenger inquiries, feedback, and concerns. Furthermore, this streamlined approach enhances

efficiency and reduces potential points of friction or miscommunication, leading to smoother service delivery and a more positive experience for riders.

Employee Success:

By expanding the workforce, employees are provided with opportunities for professional development, advancement, and job security thereby fostering a culture of growth and development. The proposed consolidation of contracts and internalization of customer service functions will require employees to develop a broader skill set encompassing dispatching and customer service roles. This expansion opens opportunities for career advancement within the organization.

Sustainability:

The proposed initiatives aim to enhance operational efficiency and financial sustainability by reducing costs through maximizing the effectiveness of resource allocation. This ensures that the NTC remains viable and resilient in the long term.

Accountability:

Consolidating contracts and bringing services in-house facilitates centralized and effective management, oversight and accountability within the NTC. This transparency ensures that decisions are made openly and responsibly, with a clear understanding of the implications for both the organization and its stakeholders. By providing in-house customer service, the NTC establishes direct channels of communication with passengers, without convoluted and time-consuming teleprompters, fostering transparency and accountability in service delivery. Performance metrics will be reported on to establish benchmarks and progress in services provided.

These principles are integral to ensuring the long-term success and effectiveness of the NTC while serving the best interests of our customers and the communities we serve.

Other Pertinent Reports

- [LNTC-C 3-2021 Niagara Transit Governance - Revised Strategies Reflecting Phase 1 Municipal Consultation](#)
- [Report NTC 4-2024 In-Year FTE Complement and Budget Adjustment – Chair-A-Van Assumption](#)
- Confidential NTC 12-2023 A Matter of Labour Relations or Employee Negotiations Under Section 239(2) of the Municipal Act, 2011 – Specialty Services Administration

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Appendices

Appendix 1 Revised Departmental Organizational Chart

Niagara Transit Commission
Draft Organizational Chart









