

North Carolina Turnpike Authority



NC Quick Pass® & NC Ferry Customer Service Operations

Request for Information

Due Date:

Tuesday, November 6, 2018 | 4:00 PM Eastern Daylight Time

Email Delivery Address:

CSCOperationsRFIResponse@ncdot.gov

Physical Delivery Address:

North Carolina Turnpike Authority
Transportation Building
1 South Wilmington Street
Raleigh, NC 27601-1453
Attn: Andy Lelewski, P.E.

Issue Date: October 16, 2018

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I. Request for Information (RFI) Overview

The North Carolina Turnpike Authority (NCTA), a business unit of the North Carolina Department of Transportation (NCDOT), intends to issue a Request for Proposals (RFP) in early 2019 for NC Quick Pass® & NC Ferry Operations Customer Service and Customer Service Center Facilities Management. To help improve the quality of the upcoming solicitation, NCTA is seeking industry comment regarding organizational management and innovation, pricing approaches, contractual Key Performance Indicators (KPIs), and incentive programs. NCTA is particularly interested in approaches and programs that share both risk and benefit between the Contractor and Agency, while at the same time driving quality, efficiency, innovation and continuous improvement in an operations environment that will continue to evolve with new tolled roadways and bridges, technologies, and business policies.

Interested parties are invited to respond to this RFI in accordance with the schedule below.

| SCHEDULE | |
|--|---|
| (The NCTA reserves the right to modify the schedule at any time and for any reason.) | |
| RFI Issue Date | October 16, 2018 |
| Request Industry Feedback Meeting for November 13-14, 2018 | October 16-November 6, 2018 |
| Response to RFI Due | November 6, 2018, 4:00pm EST |
| Final Confirmation of Industry Feedback Meeting Date/Time | November 7, 2018 |
| Industry Feedback Meeting Dates | November 13-14, 2018 |
| General Information | |
| Contact Person Contact Information | Andy Lelewski, P.E. NCTA Director of Toll Operations E-Mail: andy.lelewski@ncdot.gov Phone: (919) 707-2714 |
| Industry Feedback Meeting Request | Email: CSCOperationsRFIResponse@ncdot.gov |
| RFI Response Delivery | Email: CSCOperationsRFIResponse@ncdot.gov Physical: NCDOT-North Carolina Turnpike Authority 1 South Wilmington Street Raleigh, NC 27601-1453 |
| Posting Locations | www.ncdot.gov www.ibtta.org www.tollroadsnews.com |

II. Project Overview

The initial contract is expected to cover five (5) years of customer service staffing and customer service center facilities management with the opportunity for two (2) three-year extensions. The tentative release date of the RFP is January 2019, with the proposer qualification packages due approximately 30 days following issuance of the RFP. The expected contract start date is July 2019. The expected go-live date is October 1, 2019, which is simultaneous with the go-live date of a new back-office system that is currently under procurement and anticipated to be awarded in Fall 2018.

NCTA intends to use a procurement process that first involves a technical evaluation of a qualification package. Following that evaluation, NCTA will identify the most qualified proposers, who will be short-listed to move forward in the procurement process.

Short-listed proposers will be asked to complete and submit key project documentation for evaluation such as a Project Management Plan, Quality Management Plan, Transition Plan, Transition Schedule, and Employee Incentive Plan. This and other documentation will be submitted as part of a complete proposal along with completed pricing sheets, and the package will be evaluated.

The tentative procurement schedule is outlined below:

| | |
|-------------------|---|
| January 2019 | Release NCTA Customer Service Operations Request for Proposals |
| February 2019 | Qualifications Packages Due |
| March 2019 | Short-list Notification |
| March to May 2019 | Proposer Document Submittals and Technical Proposal and Pricing Due |
| June 2019 | Proposer Interviews |
| June 2019 | Final Contractor Selection |
| June 2019 | Contract Negotiations |
| July 2019 | Contract Execution |

III. NCTA Program

1. Existing Toll Roads

The Triangle Expressway is an all-electronic toll (AET) facility located in the Raleigh/Durham region. Tolls are collected through a pre-paid transponder program (NC Quick Pass®) or a post-paid video program (Bill by Mail). NC Quick Pass® is a registered trademark of the North Carolina Department of Transportation, Turnpike Authority.

Currently, the NCTA processes up to 4.5 million monthly transactions and collects approximately \$4.4 million in monthly revenue from a number of sources, including pre-paid NC Quick Pass tolls, transponder sales, post-paid video tolls, administrative fees, and civil penalties.

Quarterly NCTA Operations Statistics reports are located on the NCTA website: <https://www.ncdot.gov/divisions/turnpike/turnpike-projects/Pages/triangle-expressway.aspx>. The reports include data related to traffic volumes, toll systems, and roadway operations and maintenance.

2. Future Toll Roads

Two new NCTA toll facility projects are under construction and are anticipated to open by the end of 2018:

- The Monroe Expressway will be a 20-mile long AET Expressway facility in Mecklenburg and Union Counties, south of Charlotte. Tolls will be collected at seven mainline toll zone locations. The Monroe NC Quick Pass Customer Service Center opened on October 2, 2018.
- I-77 Express Lanes will be a 26-mile Managed Lane facility in Mecklenburg and Iredell Counties, north of Charlotte, developed as an NCDOT Public Private Partnership project. The NCTA will be responsible for customer service, transponder fulfillment, and back office processing of lane transactions. The Charlotte NC Quick Pass Customer Service Center occupies a shared facility with the Express Lanes Operator and opened on October 2, 2018.

Additional projects are scheduled for construction within the next five years. It is anticipated that all future toll projects will be AET facilities (with the possible exception of the Mid-Currituck Bridge).

- I-485 Express Lanes will be a 17-mile long project in Mecklenburg County. Construction is expected to begin in 2019.
- US 74 Express Lanes will be constructed through two projects totaling 12 miles in Mecklenburg County. Construction is expected to begin in 2019.
- Complete 540 will be a 20+ mile long Expressway facility in Wake and Johnston Counties. This project is an extension of the Triangle Expressway and tolls will be collected electronically at mainline toll zone locations. This project is expected to begin construction in 2019.
- The Mid-Currituck Bridge will be a 7-mile long project to construct a new-location toll bridge in Currituck County. Construction is expected to begin in NCDOT Fiscal Year 2019.

Customer Service staffing will be the responsibility of NCTA and the NC Quick Pass program and will be supported through the awarded contract. Current information and project descriptions can be found on the NCTA website: <http://www.ncdot.gov/turnpike/projects/>.

3. NC Quick Pass

NC Quick Pass is the electronic toll collection program operated by NCTA for toll facilities in North Carolina. Currently, there are almost 175,000 active private and business NC Quick Pass transponder accounts. NC Quick Pass transponder users receive a discounted toll rate.

NC Quick Pass is interoperable with the following systems:

- E-ZPass

- Florida's SunPass
- Georgia's Peach Pass

Customers without a NC Quick Pass account are invoiced at a higher toll rate through the Bill by Mail program. This is done when a vehicle passes through a toll gantry and an overhead camera captures a video image of the license plate. The registered owner of the vehicle is identified through the Department of Motor Vehicles and an invoice is sent for payment. Approximately 240,000 Bill by Mail invoices are mailed or emailed each month. If the bill is not paid within 30 days from the date of the bill, the vehicle's registered owner could incur fees, civil penalties, DMV registration holds and/or be turned over to a collection agency.

4. Current NC Quick Pass Customer Service Operations

The NCTA currently operates three Customer Service Centers, one each in Morrisville, Monroe and Charlotte. The main purpose of the Customer Service Center is to provide a storefront in the vicinity of NCTA toll roads, where customers can sign up for a transponder account, pay invoices, or perform other NC Quick Pass business in person.

The Morrisville Customer Service Center, which serves the Raleigh/Durham region, is located just south of the Raleigh/Durham International Airport and near the northern terminus of the Triangle Expressway. The activities outlined below take place at the NC Quick Pass Operations Center, which is co-located with the Morrisville Customer Service Center facility:

- Call Center
- Image Review*
- Service Request Processing
- Inbound/Outbound Mail Processing
- Payment Exception Processing
- Invoice/Statement Document QC Review
- Transponder Fulfillment
- Nixie Processing
- DMV Hold/Collections Placement*

* These tasks are expected to be eliminated and will not be the responsibility of the CSC Operations contractor. Image review responsibilities will fall under the Roadside toll contractors. DMV Hold / Collections placement will be an automated function of the Back Office and responsibilities of the Operations Contractor will center around to quality control.

The NC Quick Pass Operations Center also provides office space for the Customer Service Operations Contractor management team, and NCTA's Customer Service and Back-Office System agency and consultant staff.

NC Quick Pass® currently processes the following activity volumes per month:

| Activity | Volumes |
|------------------------------|---------|
| Mail Processing | 17,500 |
| Payment Exception Processing | 3,500 |
| Service Requests | 7,000 |
| QC Document Review | 50,000 |
| Transponder Fulfillment | 6,000 |

| Activity | Volumes |
|--------------------|---------|
| Toll Related Calls | 28,000 |
| Walk-in Center | 1,900 |
| Nixie Processing | 6,200 |

These volumes are expected to increase significantly with the opening of the Monroe Expressway and I-77 Express Lanes.

The Customer Service Operations Contractor provides customer service support using a back-office toll system provided by a separate contractor.

5. Current NC Ferry Customer Service Operations

With origins dating to the mid-1920s, the N.C. Department of Transportation's Ferry Division operates the second largest state-run ferry system in the United States. Ferry operations involve more than 20 ferries on seven regular routes across the Currituck and Pamlico sounds as well as the Cape Fear, Neuse and Pamlico Rivers.

At the NC Quick Pass Operations Center, NCDOT/NCTA provides reservations services for Ferry Operations from 6 a.m. to 6 p.m., 7 days a week, 365 days a year (including all holidays).

Ferry reservation volumes vary considerably by season. Currently, winter season is approximately 450 calls per month, while summer season is approximately 3,100 calls per month.

The Customer Service Operations Contractor provides ferry reservation services using a reservation system provided by NCDOT.

IV. Request for Information

As part of this RFI initiative, NCTA is interested in exploring four core components of its next Customer Service Operations staffing agreement:

- organizational management and innovation;
- potential pricing approach;
- potential KPI categories, and;
- incentives.

Interested parties may provide and submit responses to this RFI in accordance with the guidelines and schedule set forth herein. This RFI does not constitute a Request for Qualifications (RFQ), a Request for Proposals (RFP), or any other solicitation document. This RFI does not commit the NCTA to contract for any supply or service whatsoever, nor will any response to this RFI be considered in the evaluation of any response to a solicitation document. Any and all materials provided in response to this RFI may be used as a basis for developing requirements and specifications to support the NCTA's development of an RFP.

1. Organizational Management and Innovation

The current organizational structure is presented as Attachment 1 to this RFI and is included for conceptual purposes only. Contractually-mandated positions, qualifications and performance requirements will be detailed in the RFP. NCTA is seeking a partner Contractor to work with NCTA, the back-office provider and the Ferry Division in pursuit of program excellence. NCTA is interested in exploring concepts such as machine learning and customer analytics into its operations to create an environment of continuous improvement and innovation.

2. Potential Pricing Approach

A potential pricing approach developed by NCTA is presented below in Table 1. While NCTA believes the proposed approach will promote quality and efficiency, while allowing for growth and change through the contract term, the final pricing approach for this procurement has not been determined. NCTA is seeking comments or suggestions on this approach, or proposed alternatives that you believe will allow the agency to achieve its goals.

Table 1: Considered Pricing Approach

| Category | Position | Pricing Approach |
|-----------------------------------|--|--|
| Key Personnel | <ul style="list-style-type: none"> Project Manager Customer Service Manager Production Manager Quality and Training Manager Finance Manager Charlotte Storefront Manager | <ul style="list-style-type: none"> Each position paid at a fully-loaded fixed monthly rate, including profit and overhead. One fixed FTE per position. Fixed monthly rate pro-rated when position is vacant. |
| Support Personnel | <ul style="list-style-type: none"> Administrative Assistant Reporting/Financials Analysts Specialists Clerks | <ul style="list-style-type: none"> Each position paid at a fully-loaded hourly rate, including profit and overhead. Administrative Assistant is one fixed FTE. Reporting / Financials Analysts are two fixed FTEs. Specialists and Clerks are scalable based on demand. |
| Quality and Training Personnel | <ul style="list-style-type: none"> Trainer Customer Service Center Greeter Training Specialists | <ul style="list-style-type: none"> Each position paid at a fully-loaded hourly rate, including profit and overhead. Trainer is one fixed FTE. Customer Service Center Greeter is one fixed FTE per Customer Service Center. Additional Training Specialist FTEs are scalable based on demand, and rotate assignments with the CSC Greeter. |
| Leadership Personnel | <ul style="list-style-type: none"> Supervisors Leads | <ul style="list-style-type: none"> Each position paid at a fully-loaded hourly rate, including profit and overhead. Pre-authorized number of supervisors and leads based on CSR ratios. |
| Customer Service Center Personnel | <ul style="list-style-type: none"> Supervisors CSRs | <ul style="list-style-type: none"> Each customer service center paid as a fully-loaded, fixed base operating fee per month <i>plus</i> a fully-loaded rate per walk-in customer. |

| Category | Position | Pricing Approach |
|----------------------------|--|---|
| Call Center CSRs | <ul style="list-style-type: none"> Toll Operations Ferry Reservations | <ul style="list-style-type: none"> Walk-in customer rates may be location based. Each position paid at a fully-loaded hourly rate, based on CSR Availability. CSR Availability is defined as cumulative of the following: talk time, hold time, after-call work, and available waiting for a call. Additional AUX time will be allotted as a percentage of CSR Availability to cover required breaks, supervisor discussions, team meetings and training. Toll Operations and Ferry call CSRs will be scheduled, tracked and invoiced separately. |
| Production CSRs | <ul style="list-style-type: none"> Transponder Fulfillment Inbound Mail Processing Payment Exception Processing Document QC Review Service Requests | <ul style="list-style-type: none"> Each item processed/task completed will be paid at a fixed piece rate. NCTA will set minimum productivity requirements, taking into account paid break times, for each item and pay based on minimum acceptable productivity rates and actual volumes. Contractor is eligible to keep any savings generated between minimum acceptable and actual productivity. Productivity requirements will be adjusted annually based on actual productivity, and as needed to adjust for changes in task scope, technology, etc. |
| Training | <ul style="list-style-type: none"> New Hire Recurring | <ul style="list-style-type: none"> New hire training paid at a fully-loaded hourly rate for three weeks per CSR based on a not-to-exceed attrition rate; additional costs will be responsibility of Contractor. Recurring training paid at two percent of total hourly CSR staff levels. |
| Employee Incentive Program | <ul style="list-style-type: none"> Customer Survey Attendance Call Handling Time Productivity Team Goals | <ul style="list-style-type: none"> Fully reimbursed employee incentive program. Reimbursement based on detailed report provided to NCTA of expected payout per employee. |
| Pass-through | <ul style="list-style-type: none"> Rent Utilities Building Maintenance Security System Postage | <ul style="list-style-type: none"> All items purchased or paid for on behalf of NCTA on a month-to-month basis. Under North Carolina General Statutes, this item is ineligible for mark-up. |

3. Potential KPI Categories

Table 2 below includes proposed KPI categories that NCTA believes necessary to maintain a minimum level of program quality: reliability, accuracy, responsiveness, efficiency, and customer satisfaction. The penalties for underperformance are undetermined at this point. In addition to penalties for underperformance, some KPIs may also be structured to provide a bonus for performance above expectations. Similar to the pricing approach, the KPIs have not been determined for this procurement. NCTA is seeking suggestions or comments on the proposed KPIs, or additional KPIs categories.

Table 2: Potential KPI Categories

| | |
|---|--|
| • Customer Satisfaction Score | • Fulfillment Response Time and Accuracy |
| • Call Center First Contact Resolution | • Email / Service Request Response Time |
| • Call Center Schedule Adherence | • Inbound Mail Response Time |
| • Call Center Average Wait Time | • New Account and Account Update Processing Time |
| • Call Center Staffing | • Written Correspondence Response Time and Accuracy |
| • Call Abandon Rate | • Customer Service Center Response Time and Availability |
| • Call Center Occupancy Rate | • Complaint/Dispute Resolution |
| • Call Center Average Handle Time (AHT) | • Monthly Training and Staffing Plans |
| • Customer Interaction Accuracy | • PCI Compliance/Privacy |
| • Employee Attrition | |

4. Incentives

NCTA intends to include a currently undefined program that rewards the Contractor and Contractor Employees for improving the management and operations of the Customer Service Centers. These improvements may include changes to business rules, system enhancements, efficient staffing, productivity, accuracy, or anything else which may enhance the program internally or for the customer.

V. Requested Information

1. RFI Response

As previously discussed, NCTA is seeking industry feedback on organizational management and innovation, a potential pricing approach, potential KPI categories, and incentive program for both the Contractor and Contractor employees. In addition, NCTA is interested in best practices, experiences and industry trends, both positive and negative, within these areas. Specific questions you may consider in your written response, as well as for discussion in person, are listed here. Note: Respondents are not required to respond to each question in the written RFI response and are encouraged to expand in areas where they can and omit those areas where they do not have experience. Respondents may briefly respond to a question in the written response, with the opportunity to expand during the in-person industry feedback meeting.

As part of the cover letter please provide a brief introduction to your firm and experience with customer service staffing. If there are other areas, topics or subjects you would like NCTA to consider in this procurement, please feel free to include those in your response.

Organizational Management and Innovation

- As previously mentioned, the positions listed, including management and support personnel, as well as ratios for supervisors/leads to CSRs, are based on the existing organizational structure. Is there a better way to structure the organization in the next agreement?
- Is there a better approach than ratios for determining the required number of supervisors and leads?

- What is the right balance of fixed, contractually-mandated positions vs flexibility in staffing, in order to efficiently meet program demands?
- How should NCTA encourage collaboration between the Back-Office System (BOS) Provider and the Staffing Contractor to best support efficiencies and innovation in the service center environment, including BOS improvements, machine learning that is independent from the back-office system, and data analytics?

Pricing

- What are the advantages and disadvantages of the potential pricing structure?
- Are there adjustments that could be made that would improve profitability for the Contractor while still achieving the quality goals of NCTA – reliability, accuracy, responsiveness, efficiency and customer satisfaction?
- Is there another pricing structure you feel would better drive overall quality and efficiency?

KPIs

- What are the advantages and disadvantages of the proposed KPI categories?
- What penalties do you recommend for underperformance and bonuses for overperformance to provide for an efficient, high quality operating Customer Service organization, while still maintaining a healthy partnership between the Agency and Contractor?
- Are there additional KPIs that should be considered to motivate performance?
- NCTA recognizes some specialist positions and responsibilities that deal with more complex and/or sensitive customer service issues are more difficult to measure through KPIs. NCTA is specifically interested in how organizations ensure quality, initiative and accountability in those positions.

Incentives

- How do you balance incentivizing hourly employees (especially customer facing) while ensuring the best value for NCTA?
- What incentive plans are particularly effective to retain high-performing employees, especially CSRs?
- What incentives are effective for keeping the leadership and management team motivated, engaged and continually driving for success of the program and individual employees?
- What other incentives would you recommend we consider?

Quality

- While some aspects of quality are easier to measure (e.g., transponder fulfillment response time and accuracy), some are more difficult. How would you recommend we ensure quality in written communication including – accuracy, grammar and punctuation, while still being concise?
- How do you maintain quality, initiative and accountability for specialists that address complex customer service issues?
- How would you recommend ensuring quality in a verbal response (e.g., call center or service center), especially soft skills – listening and empathy?

These responses are for internal use only at NCTA in the development of the RFP process, and will not be consolidated nor shared publicly.

2. Industry Feedback Meetings

As part of this RFI, NCTA is allotting time and may elect to meet with respondents to discuss submissions and respond to clarifying questions. Meetings are expected to be held on November 13-14, 2018. In-person meetings will be held in Raleigh at the NCDOT Building located at 1 South Wilmington Street, Raleigh, NC 27601. Conference calls are also available for those who are unable to meet in person. As a courtesy to allow for advanced travel planning, these meetings may be requested at any time following the issuance of this RFI but no later than November 6, 2018, 4pm EDT. Meetings must be requested by email at CSCOperationsRFIResponse@ncdot.gov. Meeting confirmation is contingent on submission of an RFI package.

Meetings will be limited to no more than 75 minutes, and up to five (5) representatives from your firm. In order for this to be a productive use of time, please minimize discussion of your company biography and highlights (NCTA should be able to get this information ahead of time from your RFI response). The industry feedback meetings should focus on your RFI question responses, feedback on organizational management and innovation, pricing approaches, contractual KPIs, incentive programs, etc.

VI. Proposer Responses

1. Cost Incurred Responsibility

The NCTA shall not be liable for any costs incurred by respondent in preparation of its response.

2. Liability

This RFI is completely voluntary and is not a pre-qualification for any future procurement. This RFI has been issued to obtain information only and is not intended to result in a contract or agreement with any respondent.

This solicitation for information does not commit the NCTA to publish an RFP or award a contract. Any company regardless of size or service specialty is encouraged and welcomed to participate in this RFI.

3. Confidentiality & RFI Ownership

Trade secrets or similar proprietary data which the respondent does not wish disclosed to persons other than personnel involved with this RFI will be kept confidential to the extent permitted by N.C.G.S. § 132-1.2 if identified as follows: Each page shall be identified in boldface at the top and bottom as "CONFIDENTIAL". Any section of the RFI that is to remain confidential shall also be so marked in boldface on the title page of that section. Cost information may not be deemed confidential. In spite of what is labeled as confidential, the determination as to whether or not it is shall be determined by North Carolina law.

In addition to the above, the State intends to keep every Response received confidential as a whole until such time as an RFP has been awarded or canceled (the "Confidentiality Period"). After the expiration of the Confidentiality Period, all Response information will be subject to the normal confidentiality provisions of the State as set out above.

Exception: Respondents expressly acknowledge that the concepts, methods, equipment and procedures presented in a response may be wholly or partially incorporated into an RFP.

4. Response Format

Cover Letter

Please include a cover letter (2-page max) with the RFI submittal package. A single point of contact shall be identified along with the person's title, email address, phone number and mailing address. An overview of the firm's background shall be included, providing highlights about the company, products, services, and existing projects.

Response to RFI

Companies that provide some or all of the solutions contemplated within this RFI are encouraged to respond.

The response shall be limited to 10 (ten) pages and have a font size of 10 or above. The cover letter is not included in the 10-page maximum. The RFI responses shall be submitted using one-sided, letter-size (8½ x 11 inch) paper. Brevity and conciseness are appreciated. It is encouraged that the response be limited to the Respondent's reaction and understanding of the concepts of organizational management and innovation, potential pricing, KPIs, ideas and approaches to operating the NC Quick Pass and NC Ferry customer service program that may be used by NCTA in a future solicitation document. For purposes of this RFI, information regarding Respondent's history, background, and personnel, should be limited to the cover letter. Resumes should not be submitted.

5. Submittal

RFI response submittal can be emailed in .pdf format to the following email address:

CSCOperationsRFIResponse@ncdot.gov

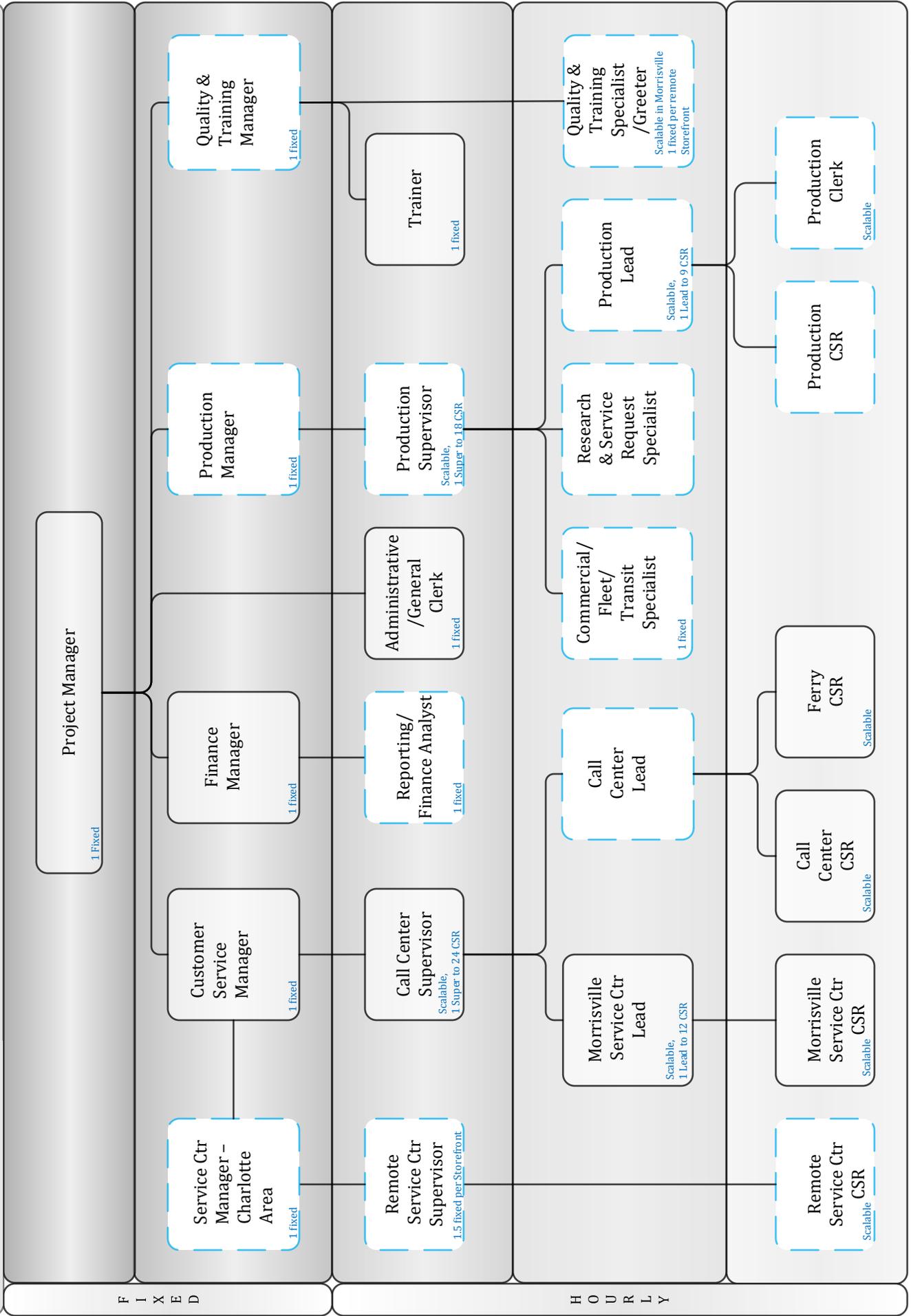
Or, submittals may be physically delivered to the physical address shown below. Note: submittals in physical form must arrive at NCTA by the due date listed in the RFI schedule. If submitting by mail, please provide three (3) copies as well as a PDF on a USB drive.

North Carolina Turnpike Authority
Transportation Building
1 South Wilmington Street
Raleigh, NC 27601-1453
Attn: Andy Lelewski, P.E.

VII. Attachment I – Organization Chart



NC Quick Pass Operations Center and Service Centers Functional Organization Chart



F I X E D

H O U R L Y