



Choosing Your Transit Operations Provider

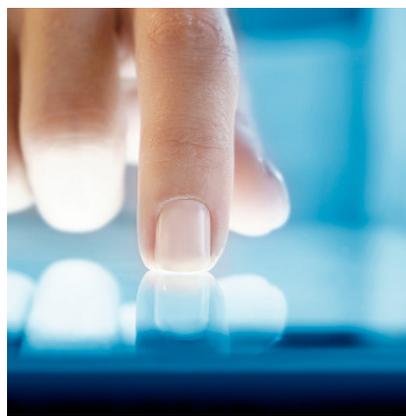
national express | *transit*

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The search for a new transit operations provider can be a daunting task that takes a significant commitment of time and due-diligence. The last thing any decision maker wants to do is end up feeling buyer's remorse. In order to minimize the risk of making a bad decision and ensure success, it is important to carefully consider the right factors and ask the most appropriate questions of each prospective provider during the RFP process.

Before devising what questions will be asked, there is a need for each agency decision maker to know why it is necessary for the organization to find a new transit contractor and a deep understanding of internal operations. Understanding these will help to connect an agency with the right contractors through the RFP process as it will be easier to articulate the extent of products and services your organization is looking for, as well as the overall objectives of the contract. Once you have your list of prospective partners you can dial in and focus on evaluating each service provider.



Factors to Consider When Evaluating Prospective Providers and Their Operations

In order to properly evaluate a provider's ability to fulfill your contract needs, focus on the following core factors:

- **Organizational Excellence** – Safety Record, Operations Record, Customer Service, and Stability.
- **Affordability** – Budget, Additional Investment, Cost Increases, and ROI
- **Relationship** – Honesty, Reputation

ORGANIZATIONAL EXCELLENCE

The first factor to consider is the track record and reputation of the providers being considered. While researching and reading about the factors that contribute to their reputation, ask this basic question, “What defines the excellence of a transit operations contractor?”

Safety Record

The safety record of a contractor is a very important part of measuring their organizational excellence. Taking into account frequency of accidents, customer safety ratings, driver performance, and what safety measures they have in place can show how reliable they are. It is also important to understand their record for safety improvements year over year. Having a good understanding of the importance that the contractor puts on safety can help to make the decision. Getting stuck in a contract with a provider that doesn't put a strong emphasis on safety and has a troubling safety record can ultimately hurt the reputation of any organization.

Operations

This is all about processes and stability. What kind of long-term preventative processes are in place? What is their maintenance record? And what is the long-term financial stability

of this organization? These are all very important questions to ask. A contractor should come in and improve operational efficiency through more effective processes. Having preventative processes to maintain the health of the vehicles is very important to the financial stability of an organization as regular maintenance can prevent major spend on repairs down the road. Getting locked into a contract with a provider that is negligent with spending and budget and could go belly up is a nightmare situation.

Customer Service

How will the new operational processes affect an organization's customer service? For agencies who already have a clear understanding of their goals, they know exactly what they're looking for and also understand that customer service and operational efficiency are closely connected. This is where getting clear answers from a transit contractor about how their operations have helped other organizations improve their transit operations is critically important. For example, how have they helped their past customers increase productivity, improve critical transit metrics, and increase overall operational efficiency? The answer to this question will demonstrate whether people are satisfied with the services that this particular contractor offers. In National Express Transit's experience, the ongoing relationship between the transit contractor and organization is an important factor if the goal is to improve the organization's overall customer service.

AFFORDABILITY

After looking at the organizational excellence of a transit contractor, agencies should next evaluate the affordability of the proposed contract.

Budget

Even if a particular provider isn't the least expensive on the market, the entire value proposition needs to be considered. What will the relationship be like? It's not just about the upfront price, but the total cost of the partnership. What are your savings over the entire life of the contract? Be sure to check for hidden costs that aren't included in the initial pricing as well as consider what you are getting that isn't broken off as a separate line item or at any additional cost.

Additional Investment

Understanding the need for any additional investment is important. Additional software and other tech tools can help create better processes and could come at an additional cost. It's essential to determine the total investment amount; the cost of the contract plus the cost of any additional tools. Only then can the affordability of a provider's solution be determined.

ROI

Before going into any conversation with a potential new transit contractor, it is extremely important to know as much as possible about your own organization's current operations and the metrics supporting your operations. Knowing that information in detail will inevitably give your organization a better understanding of what a contractor can offer so you can get value from your investment. Demonstrating cost savings and willingness to collaborate with an organization on its goals is a good indication of a fruitful relationship.

RELATIONSHIP

A good relationship with your transit contractor can be the difference between success and failure with regards to impacting organizational goals.

Honesty

One of the most important aspects of a good working relationship with a contractor is to have a high standard of transparency in communication. The relationship should be seen as a true partnership with honest collaboration. This doesn't just mean telling the truth but being honest about limitations and being realistic about goals and how to achieve them together. Many contractors have trouble being forthright in their dealings, but being on the same page with your transit contractor about what success means for your organization can make for a more successful and effective partnership.

Reputation

Having a good track record and a positive reputation in the industry is paramount for any transit contractor to be successful. This is why it is so important to ensure that you are finding a partner with a good reputation that comes heavily recommended by your peers.

People

Outside of reputation and honesty, the way that a contractor's key people fit into the culture and organization of the agency is very important to a successful partnership. It is essential to know how the two teams will be able to work together to cover all management needs with regards to new operational processes outlined in the proposed contract. Having top-tier talent and people that genuinely care about the success of the agency from the contractor makes for a healthy and mutually beneficial partnership.

Questions to Ask a Potential Transit Contractor in the RFP Process

Now, with a better understanding of what to look for in a transit contractor during evaluation, it's also important to know what questions to ask to effectively evaluate a potential contractor. These partnerships require close collaboration, flexibility, and planning between the organization and contractor.

If certain key questions are answered during the evaluation process, selecting a contractor becomes a much easier task and an organization's decision-makers will feel more confident in their choice.

Any top-tier transit contractor should have clear answers to the following questions:



What is your timeline from contract award to start of service?

What to look for in their answer:

Is a realistic timeline provided in the proposal and can they/will they actually deliver on that timetable? The focus of an onboarding timeline should be more about the processes and operational changes than an exact time and date. Timelines can also vary based on an organization's specific needs so customizing services to meet an organization's operational requirements and goals can heavily impact schedules and planning.



What does the operations plan look like?

Why you should ask this:

The operations plan doesn't have to be final, but should be as comprehensive as possible and designed to meet the organization's or agency's needs. It can also provide a good idea of whether or not the contractor has the same performance standards as the organization. Being on the same page with regards to standards of performance for critical transit metrics like on-time performance, rides per hour, and no-show rates, as well as safety measures like accident rates, customer satisfaction, and vehicle inspections, is a sign for a healthy and effective partnership. This is immensely important when it comes to productivity and operational efficiency.



What is your management structure?

Why it should be asked:

It's invaluable for an organization to get a clear sense of how schedules and activities are organized by a transit contractor's management team as well as understand which individuals will be involved with the project. Understanding the time and attention they'll receive not just during the implementation of the project, but throughout the term of the contract, is very important to a successful partnership. It also sets clear expectations going into the project while also ensuring that the transit contractor has a clear and proven process for these types of operations.



Can I see references?

Why it should be asked:

In a perfect world, all transit contractors would air their own dirty laundry and share the less-than-flattering stories or details about their operations. Unfortunately, that is not the reality that we live in, but by asking for references and then actually going through the process of checking them, honest feedback should be expected. References tend to be the most unbiased and valuable resources that can be used in the decision-making process.

If the right questions are asked when evaluating transit contractors, organizations should feel more comfortable making a decision and the likelihood of selecting the wrong partner can be minimized.

Could National Express Transit be the right transit partner? Put us to the test and evaluate our approach. Request more info about our services to see how National Express Transit can solve for you today.