

OFFICE OF THE STATE AUDITOR

DIANA DIZOGLIO

Official Audit Report – Issued July 7, 2024

Massachusetts Bay Transportation Authority— Block by Block Contract

For the period January 1, 2021 through December 31, 2022



OFFICE OF THE STATE AUDITOR

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July 7, 2024

Monica Tibbits-Nutt, Secretary and Chief Executive Officer
Massachusetts Department of Transportation
State Transportation Building
10 Park Plaza, Suite 4160
Boston, MA 02116

Dear Secretary Tibbits-Nutt:

I am pleased to provide to you the results of the enclosed performance audit of the Massachusetts Bay Transportation Authority (MBTA) as it relates to safety and the Block by Block (BBB) contract. This report details the audit objectives, scope, methodology, findings, and recommendations for the audit period, January 1, 2021 through December 31, 2022.

This report is the first in a series of reports that the Office of the State Auditor (OSA) intends to issue as part of a performance audit of the MBTA. Among other topics, we have chosen to examine areas such as safety, contract performance, operational concerns, and spending. While all part of one audit, these topics are best addressed in incremental reports.

OSA audits over 200 state agencies as part of our statutory mandate. In doing so, we examine areas of risk, including program integrity, funding sources, spending, and potential operational weaknesses, including safety. We also reexamine previous audits to determine whether the agency has implemented our recommendations.

Based on our research, the MBTA is a “high-risk” agency that warrants consistent oversight due to the size of its budget, the complexity of its operations, and the risks related to the services it provides. While our resources are limited, making it difficult to provide the needed level of oversight, we continue to advocate for funding that would support the creation of a transportation audit unit within OSA. This unit would allow us to provide the MBTA with recommendations that help it provide for safer, more efficient, and more cost-effective programming for Massachusetts riders and taxpayers.

The mission of OSA is to provide oversight and insight to improve performance and make government work better. In this report, we found that the MBTA could not ensure that BBB employees were properly trained in operations and safety protocols prior to being positioned at T stations. The MBTA also did not ensure that BBB completed its visual inspections at the agreed-upon frequency.

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In the “Other Matters” section of this report, we identify issues warranting attention that, while not part of our original objectives at the beginning of this audit, came to light during the course of our work. These findings highlight the need for additional oversight regarding BBB’s use of fare access cards and the MBTA’s contracting process.

It is our team’s hope that you find this report helpful as we work together to improve services, now and in the future.

In the months to come, we will share with you additional reports from this audit, which will detail areas and topics we think deserve immediate attention. We intend to identify other areas of risk and offer recommendations for performance enhancements.

We welcome the opportunity to discuss the findings and recommendations of this and our future reports with you.

Best regards,



Diana DiZoglio
Auditor of the Commonwealth

cc: Governor Maura Healey
Thomas Glynn, Chair of the Massachusetts Bay Transportation Authority Board of Directors
Phillip Eng, General Manager and Chief Executive Officer of the Massachusetts Bay Transportation Authority

TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
OVERVIEW OF AUDITED ENTITY	3
AUDIT OBJECTIVES, SCOPE, AND METHODOLOGY	8
DETAILED AUDIT FINDINGS WITH AUDITEE’S RESPONSE.....	12
1. The Massachusetts Bay Transportation Authority did not ensure that Block by Block employees were trained on operations and safety before being assigned to subway station locations.	12
2. The Massachusetts Bay Transportation Authority did not ensure that Block by Block completed visual inspections (station checks) of its subway station locations at the agreed-upon frequency.....	16
OTHER MATTERS	20
1. The Massachusetts Bay Transportation Authority did not implement controls to establish accountability or effectively monitor Block by Block’s use of fare access cards.....	20
2. The Massachusetts Bay Transportation Authority’s monitoring of vendor performance needs improvement.	27
APPENDIX A	31
APPENDIX B	35

EXECUTIVE SUMMARY

In accordance with Section 12 of Chapter 11 of the Massachusetts General Laws, the Office of the State Auditor has conducted a performance audit of the Massachusetts Bay Transportation Authority (MBTA) for the period January 1, 2021 through December 31, 2022.

This is the first of a series of reports that the Office of the State Auditor will issue as part of a comprehensive performance audit of the MBTA, examining additional high-risk areas, such as Keolis¹ contract provisions, Automated Fare Collection 2.0² contract provisions, and additional topics focused on ensuring the safety of MBTA riders, employees, and the general public.

The purpose of this first report on the MBTA was to determine whether the MBTA effectively administered certain aspects of its contract with Mydatt Services, Inc., referred to in this report as Block by Block (BBB). As part of this contract, BBB has employees who serve as MBTA representatives at various subway station locations throughout the MBTA system. BBB is contracted to provide directions to riders, assist riders with fare purchases and accessibility needs, and identify and report station safety hazards and maintenance needs in real time to the MBTA. BBB is also contracted to help maintain the safety and security of the MBTA's subway station locations and assist during severe weather events, service disruptions, and emergencies.

In this first report of our MBTA performance audit, we determined the following:

- whether the MBTA ensured that BBB employees were trained on MBTA operations and safety before being assigned to a subway station location in accordance with Sections 4.2.1 and 6.2.2 of the MBTA's Request for Proposal No. 41-17 for In-Station Customer Service³ (see Appendix A) and Section 2.7 in the Scope of Work document of the MBTA's Request for Proposal No. 3-22 for In-Station Customer Service Operations (see Appendix B) and
- whether the MBTA ensured that BBB completed visual inspections (station checks) of its subway station locations at the agreed-upon frequency designed to maintain the safety of the MBTA's riders and employees.

1. This is the company contracted by the MBTA to operate its commuter rail services.

2. This is the MBTA's ongoing project to replace its automated fare collection system.

3. The Request for Proposal number on this webpage is incorrect. The correct number (41-17) is reflected in our report and in the copies of the related documents accessible on that webpage.

Although not within the scope of our original objectives, we also identified two issues that we believe warrant attention, which we outlined in the “Other Matters” section of this report. These issues relate to the MBTA’s overall monitoring of vendor performance, including BBB’s use of fare access cards.

Below is a summary of our findings and recommendations, with links to each page listed.

Finding 1 Page <u>12</u>	The MBTA did not ensure that BBB employees were trained on operations and safety before being assigned to subway station locations.
Effect	A lack of training or untimely completion of training increases risk to the safety and operations of MBTA subway station locations. This could jeopardize the safety of riders and the general public, while putting contracted employees at risk because they are sent into the field without being properly equipped to perform their jobs safely and effectively.
Recommendations Page <u>13</u>	<ol style="list-style-type: none">1. The MBTA should develop, document, and implement sufficient policies and procedures, including a monitoring component, to ensure that BBB employees are trained on MBTA operations and safety before being assigned to a subway station location to promote safe and effective operations for its riders and employees.2. The MBTA should ensure that it retains records of training assignment and completion for all employees assigned to MBTA subway station locations.3. The MBTA should ensure that it maintains accurate personnel and operational records (including but not limited to staffing levels per subway station, dates, and location of deployment) for employees.4. The MBTA should consider collaborating with BBB to reevaluate the training curriculum for newly hired BBB employees to ensure that it is sufficient.
Finding 2 Page <u>16</u>	The MBTA did not ensure that BBB completed visual inspections (station checks) of its subway station locations at the agreed-upon frequency.
Effect	A lack of regular station checks increases the risk that safety hazards and maintenance needs will not be identified in a timely manner, affecting the safety of the MBTA’s riders, employees, and subway stations.
Recommendations Page <u>17</u>	<ol style="list-style-type: none">1. The MBTA should develop, document, and implement monitoring controls to ensure that visual inspections are completed at the agreed-upon frequency of at least twice per hour.2. The MBTA should establish service-level agreements and performance metrics in its contract with BBB to evaluate BBB’s performance in this area.3. The MBTA should ensure that BBB meets all of its contractual obligations for the entirety of its contract.

OVERVIEW OF AUDITED ENTITY

The Massachusetts Bay Transportation Authority (MBTA) was created in 1964, pursuant to Chapter 161A of the Massachusetts General Laws. The agency provides the following: a rapid transit system, commuter rail services, bus services, ferry routes, and transit services for people with disabilities. According to its website, the MBTA is “one of the largest public transit systems in the country, serving nearly 200 cities and towns and over 1 million daily riders.”

According to Section 7 of Chapter 161A of the General Laws, the MBTA is governed by a nine-member board of directors. This section states,

The board shall consist of: secretary [of Transportation], who shall serve ex officio; 1 person to be appointed by the mayor of the city of Boston; 1 person to be appointed by the advisory board who shall have municipal government experience in the service area constituting the authority and experience in transportation operations, transportation planning, housing policy, urban planning or public or private finance; provided, however, that said person shall not represent the city of Boston; and 6 persons to be appointed by the governor, 1 of whom shall have experience in safety, 1 of whom shall have experience in transportation operations, 1 of whom shall have experience in public or private finance, 1 of whom shall be a rider as defined in section 1 and a resident of an environmental justice population as defined in section 62 of chapter 30, 1 of whom shall be a municipal official representing a city or town located in the area constituting the authority representing the service area . . . and 1 of whom shall be selected from a list of 3 persons recommended by the president of the Massachusetts State Labor Council.

Not less than 2 of the appointed members shall also be members of the board of directors of the Massachusetts Department of Transportation.

The MBTA is also overseen by the Massachusetts Department of Transportation board of directors, whose 11 members are appointed by the Governor. According to Section 3(d) of Chapter 161A of the General Laws, the General Manager of the MBTA is hired by the Secretary of Transportation and oversees the MBTA’s day-to-day activities.

Customer Service Contract

In 2007, the MBTA began employing internal customer service employees to serve as the initial point of contact for riders in stations throughout the MBTA system. These customer service employees performed various functions, including answering questions, providing directions, assisting customers with their fare purchases and accessibility needs, and reporting station safety hazards alongside maintenance and cleaning issues.

On April 3, 2017, the MBTA issued Request for Proposal No. 41-17 for In-Station Customer Service to transition these in-station customer service functions to a contracted service provider.⁴ On July 18, 2017, the MBTA entered into a one-year contract (worth \$4,961,383) with Block by Block (BBB), which would provide its own employees to handle these functions for the MBTA. This initial contract covered the period July 31, 2017 through July 30, 2018, and included the option to extend the contract by up to three years. As outlined in the request for proposal, the MBTA had the ability to expand the number of subway station locations served by BBB employees and the hours of service provided by these employees throughout the duration of the contract. According to MBTA officials, BBB employees are assigned to MBTA subway station locations with high ridership volume and/or complex infrastructure designs that may create accessibility issues, especially for people with disabilities. The first three-month period of the contract was a pilot program for BBB to staff its employees at three MBTA subway station locations. After completing this pilot program, the MBTA and BBB agreed to expand BBB employee coverage to 31 subway station locations by the end of June 2018.

After extending the contract by one year three times, on July 31, 2021, the MBTA and BBB added an additional one-year extension to their contract, expiring September 30, 2022. After a public procurement,⁵ the MBTA and BBB executed a new, five-year contract, worth \$102,036,053, effective October 1, 2022 through September 30, 2027.

The table below summarizes the agreements between the MBTA and BBB mentioned above.

Agreement	Term	Price	Subway Station Locations Served*	Approx. BBB Employees	Approx. Weekly Service Hours	Approx. Service Hours	Estimated Cost Per Service Hour
Initial	7/31/2017–7/30/2018	\$4,961,383	3–31**	130	4,600	239,200	— [†]
Initial: Extension 1	7/31/2018–7/30/2019	\$8,200,000	31	130	4,600	239,200	\$34.28
Initial: Extension 2	7/31/2019–7/30/2020	\$8,504,934	35	150	4,600	239,200	\$35.56

4. Sections 52–55 of Chapter 7 of the General Laws state that the Office of the State Auditor is responsible for reviewing and approving proposals from state agencies and applicable state authorities seeking to privatize a service(s) currently performed by public employees. Section 196 of Chapter 46 of the Acts of 2015 granted the MBTA a three-year (July 1, 2015 through July 1, 2018) exemption from the requirements of this law. The initial procurement, subsequent extensions, and related new contracts that resulted from this request for proposal were conducted under this special act, exempting them from review and analysis by the Office of the State Auditor.

5. The MBTA issued Request for [Proposal No. 3-22 for In-Station Customer Service Operations](#) for this public procurement.

Agreement	Term	Price	Subway Station Locations Served*	Approx. BBB Employees	Approx. Weekly Service Hours	Approx. Service Hours	Estimated Cost Per Service Hour
Initial: Extension 3	7/31/2020–7/30/2021	\$11,853,827	59	200	6,200	322,400	\$36.77
Initial: Added Extension	7/31/2021–7/30/2022	\$12,067,081	66	220	6,200	322,400	\$37.43
Initial: Amendment	7/31/2022–9/30/2022	\$2,141,288 [‡]	66	220	6,700	53,600	\$39.95
New	10/1/2022–9/30/2027 (Five-Year Term)	\$102,036,053	66	325	9,000	2,340,000	\$43.61

- * During special events with a high volume of ridership, the MBTA sometimes requires BBB to provide additional coverage, for a period of time, at additional subway station locations not considered in the table above.
- ** BBB began the initial agreement serving only 3 MBTA subway station locations and gradually expanded to 31 subway station locations by July 30, 2018. The price of the initial agreement in the table above was reflective of BBB serving 3 MBTA subway station locations.
- † Due to the nature of the initial agreement, including the variable number of service hours, we were unable to estimate the cost per service hour for the initial agreement.
- ‡ Rather than specifying a total cost like the other contract extensions, this contract amendment only included a daily rate of \$34,536.91. To calculate the total price, we multiplied this daily rate by 62, the total number of days covered by the amendment and rounded to the nearest dollar amount.

BBB's Scope of Services

The MBTA's Requests for Proposal No. 41-17 for In-Station Customer Service and No. 3-22 for In-Station Customer Service Operations outlined BBB's responsibilities, which were ultimately incorporated into the executed contracts. BBB was responsible for hiring and training its own employees as well as staffing designated MBTA subway station locations. BBB was expected to ensure that MBTA stations were monitored for safety and security, informing the MBTA of safety hazards and maintenance needs. BBB was also required to implement an online reporting system for its employees to document and report on their activities.

BBB Employee Roles and Responsibilities

BBB employees often serve as the key MBTA representatives at various subway station locations throughout the MBTA system. In addition to their daily duties, BBB employees assist the MBTA and riders during severe weather events, service disruptions, and emergencies.

BBB employees use an electronic device to record their daily activities in real time in BBB’s Statistics Management and Ambassador Reporting Technology (SMART) system, an online reporting system where BBB employees document where and when they perform activities. BBB has customized the SMART system to meet the MBTA’s specific needs. During the audit period, BBB employees recorded the following types of activities in the SMART system: general customer assistance, fare vending machine assistance, accessibility assistance, maintenance and cleaning requests, incident reports, elevator operability and cleanliness checks, general checks of assigned subway station locations, fare evasion,⁶ courtesy taps,⁷ and events involving the MBTA Operations Control Center (e.g., reporting of customer-related incidents and emergencies).

The MBTA has read-only access to the data entered into the SMART system and can examine the data in real time or produce reports on activities performed by BBB employees.

BBB Employee Initial Training

The MBTA’s Request for Proposal No. 41-17 for In-Station Customer Service requires that BBB staff MBTA subway station locations with “trained and qualified individuals.” To ensure that all BBB employees safely and effectively perform their job duties, BBB developed a training curriculum for newly hired employees in collaboration with the MBTA’s Customer Experience Department. This training curriculum includes modules from both BBB and the MBTA. All newly hired BBB employees receive three days of classroom training, followed by at least two days of working at a subway station location shadowing an existing BBB employee. In an interview with our audit team, MBTA officials stated that all BBB employees must complete the initial training curriculum before being assigned to a subway station location. The MBTA determined that this training curriculum was necessary for the successful completion of the work under this contract.

The table below outlines the training modules provided by BBB and the MBTA during the audit period.

Training Modules Provided by BBB	Training Modules Provided by MBTA
Customer Engagement	Radio Communication
Greeting Standards	Bridge Plate* Assistance

6. The MBTA asks BBB employees to record instances of fare evasion (e.g., when they see someone rushing behind another person through the fare gates to avoid paying a fare).

7. In certain situations approved by the MBTA, BBB employees are allowed to grant customers free access to the MBTA system using fare access cards. The MBTA refers to these situations as courtesy taps.

Training Modules Provided by BBB	Training Modules Provided by MBTA
Management Expectations	Title VI** Training
Dress Code and Positive Imaging	Assisting Visually Impaired Customers
Human Resource Policies and Procedures	CharlieCard and Ticket Information
SMART System	Emergency Situations
Scheduling and Payroll	MBTA Operations and Safety [†]
Shadowing	Station Knowledge

* A bridge plate is a mobile ramp placed over the gap between a platform and a train for greater accessibility.

** According to its website, the MBTA “complies with [Title VI of the Civil Rights Act of 1964](#), which prohibits discrimination on the basis of race, color, or national origin (including limited English proficiency).”

† These are trainings on specific MBTA policies and procedures that apply to BBB employees, including those developed to ensure employee safety while performing their work. For example, during MBTA operations training, BBB employees are instructed on how to identify and report station safety hazards and maintenance needs.

Station Checks

According to the MBTA’s [Request for Proposal No. 3-22 for In-Station Customer Service Operations](#),

The MBTA expects all [relevant BBB employees] to be actively aware of potential safety or security risks. . . . [These BBB employees] are required to monitor the condition and operability of customer-facing features at stations, and when necessary, report, by radio or station phone and/or audit management system, the following and other matters:

- a) Station maintenance issues, including but limited to, inoperable elevators and escalators, and automated door opener . . .*
- b) Tripping hazards and path of travel obstructions . . .*
- c) Cleaning needs, including elevators and restrooms . . .*
- d) [Automated fare collection] equipment malfunctions ([fare vending machines] and fare gates)*

The MBTA refers to the above visual inspections of subway stations as station checks. In interviews with our audit team, MBTA and BBB officials stated that station checks were to be completed at least twice per hour. This expectation has been in place since the beginning of the MBTA’s contract with BBB. This expectation regarding the frequency of station checks is not documented in the contract. BBB employees record these station checks in the SMART system upon completion, which includes documenting anything of interest, such as safety hazards or maintenance needs, and routing issues to the correct departments within the MBTA for remediation.

AUDIT OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with Section 12 of Chapter 11 of the Massachusetts General Laws, the Office of the State Auditor has conducted a performance audit of certain activities of the Massachusetts Bay Transportation Authority (MBTA) for the period January 1, 2021 through December 31, 2022.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Below is a list of our audit objectives, indicating each question we intended our audit to answer; the conclusion we reached regarding each objective; and, if applicable, where each objective is discussed in the audit findings.

Objective	Findings
1. To what extent did the MBTA ensure that Block by Block (BBB) employees were trained on MBTA operations and safety before being assigned to a subway station location in accordance with Sections 4.2.1 and 6.2.2 of the MBTA's Request for Proposal No. 41-17 for In-Station Customer Service and Section 2.7 in the Scope of Work document of the MBTA's Request for Proposal No. 3-22 for In-Station Customer Service Operations?	See Finding <u>1</u>
2. Did the MBTA ensure that BBB completed visual inspections (station checks) of its subway station locations at the agreed-upon frequency?	See Finding <u>2</u>

To accomplish our audit objectives, we gained an understanding of the MBTA's internal control environment relevant to our objectives by reviewing applicable policies and procedures and by interviewing officials at the MBTA, the Massachusetts Department of Transportation, and BBB.

While reviewing the MBTA's internal control environment, we found that the MBTA did not implement controls to establish accountability or effectively monitor BBB's use of fare access cards. See the "Other Matters" section of this report for more information.

To obtain sufficient, appropriate evidence to address our audit objectives, we performed the following procedures.

BBB Employee Initial Training

To determine to what extent the MBTA ensured that BBB employees were trained on MBTA operations and safety before being assigned to a subway station location in accordance with Sections 4.2.1 and 6.2.2 (see [Appendix A](#)) of the MBTA's [Request for Proposal No. 41-17 for In-Station Customer Service](#) and Section 2.7 (see [Appendix B](#)) in the Scope of Work document of the MBTA's [Request for Proposal No. 3-22 for In-Station Customer Service Operations](#), we took the following actions.

We interviewed the MBTA's deputy director of customer experience training, the MBTA's senior director of the customer experience department, and BBB's director of operations for MBTA ambassador services to discuss the BBB employee initial training program that was in place during the audit period. BBB provided us with a list of all 826 BBB employees who were active during the audit period.⁸ We then selected a random, nonstatistical sample of 60 of these BBB employees for testing. We reviewed documentation for each BBB employee's initial subway station location assignment date and attendance sheets corroborating when they completed operations and safety trainings to determine whether these BBB employees had completed the trainings before being assigned to a subway station location.

We used nonstatistical sampling methods for testing and therefore did not project the results of our testing to the corresponding population.

See [Finding 1](#) for information regarding an issue we identified related to untimely completion and non-completion of initial training for BBB employees.

Station Checks

To determine whether the MBTA monitored whether visual inspections of its stations (station checks) were completed at the agreed-upon frequency of at least twice per hour, we took the following actions.

We reviewed the MBTA's Requests for Proposal [No. 41-17 for In-Station Customer Service](#) and [No. 3-22 for In-Station Customer Service Operations](#) and other MBTA and BBB contract documents that were in effect during the audit period. We interviewed the MBTA's chief procurement and contracts officer, manager of vendor contracts, and senior director of the customer experience department and BBB's

8. This list of BBB employees includes employees who were active at any point during the audit period.

director of operations for MBTA ambassador services to discuss the services provided by BBB and the MBTA's process for monitoring these services.

BBB provided us with a list of all station checks performed by BBB employees during the audit period from BBB's Statistics Management and Ambassador Reporting Technology (SMART) system. Using the contract documents, we then identified all subway station locations⁹ covered by BBB during the audit period, including the number of hours¹⁰ that BBB employees were scheduled to work at these locations for each day during the audit period. We then analyzed the station check data obtained from BBB's SMART system to determine whether BBB performed station checks at least twice per hour during contracted hours at every subway station location each day during the audit period.

See [Finding 2](#) for information regarding an issue we identified related to the MBTA's failure to ensure that BBB completed visual inspections (station checks) of its subway station locations at the agreed-upon frequency.

Data Reliability Assessment

BBB Employee Initial Training

To determine the reliability of the list of BBB employees who were employed during the audit period, which BBB provided to us, we checked the list for duplicate records and blank fields. We also ensured that the list did not include BBB employees with hire or termination dates outside of the audit period. To test the accuracy of the list, we judgmentally¹¹ selected a sample of 20 BBB employees from the list and compared these employees' names and hire dates to source documentation (e.g., personnel files) provided by BBB. To test the completeness of the list, we judgmentally selected a different set

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9. Each MBTA subway station location had a different number of days each week that BBB was contracted to staff the station. For example, during the audit period, the MBTA had BBB staff some subway station locations every day, other locations only on weekdays, and some locations not at all. We calculated the total number of days for each subway station location and combined those totals to determine that BBB had a combined 43,727 contracted days of staffing MBTA subway station locations during the audit period.
 10. Hours of BBB coverage varied by subway station location during the audit period. BBB staffed agreed-upon subway station locations with full coverage Monday through Saturday from 6:00 a.m. to 12:00 a.m. and Sunday from 7:00 a.m. to 12:00 a.m. We calculated the total number of BBB coverage hours for each day at each subway station location and combined those totals to determine that BBB had a combined 672,589 contracted hours of staffing MBTA subway station locations during the audit period.
 11. Auditors use judgmental (i.e., nonstatistical) sampling to select items for audit testing when a population is very small, the population items are not similar enough, or there are specific items in the population that the auditors want to review. Auditors use their knowledge and judgment to select the most appropriate sample. For example, an auditor might select items from areas of high risk. The results of testing using judgmental sampling cannot be used to make conclusions or projections about entire populations; however, they can be used to identify specific issues, risks, or weaknesses.

of 20 BBB employees from source documentation at the BBB office (e.g., personnel files) and traced these back to the list of BBB employees who were employed during the audit period.

Station Checks

To determine the reliability of the list of all station checks performed by BBB employees during the audit period, which we obtained from BBB's SMART system, we interviewed knowledgeable BBB employees about the system and the data in it. We also reviewed the SMART system data catalog to gain an understanding of the tables and fields that were available within the system. Further, we checked the list for duplicate records, blank fields, invalid or duplicate identifiers, and dates outside of the audit period. We also visited 10 MBTA subway station locations and observed BBB employees perform and document 20 station checks in the SMART system. We compared the subway station locations, and the date and time of the station checks, from our observation records to the data collected in the SMART system.

Based on the results of the data reliability assessment procedures described above, we determined that the information obtained was sufficiently reliable for the purposes of our audit.

DETAILED AUDIT FINDINGS WITH AUDITEE'S RESPONSE

1. The Massachusetts Bay Transportation Authority did not ensure that Block by Block employees were trained on operations and safety before being assigned to subway station locations.

The Massachusetts Bay Transportation Authority (MBTA) did not ensure that Block by Block (BBB) employees were trained on MBTA operations and safety before being assigned to MBTA subway station locations. Specifically, for our sample of 60 BBB employees who were employed during the audit period, we identified the following issues:

- The MBTA could not demonstrate that 2 (3%) out of the 60 BBB employees in our sample had completed MBTA **safety** training.
- The MBTA did not train an additional 16 (27%) BBB employees in our sample of 60 on MBTA **safety** before assignment to a subway station location.
- The MBTA could not demonstrate that any of the 60 BBB employees in our sample received MBTA **operations** training.
- The MBTA could not demonstrate that 2 BBB employees in our sample of 60 had completed the **operations and safety** trainings before being assigned to subway station locations because the MBTA was unable to provide documentation supporting the BBB employees' initial subway station location assignment dates.

Due to the importance of the safety and operational provisions in this contract, the MBTA should ensure that its contracted service provider's employees complete these trainings before being assigned to subway station locations.

A lack of training or untimely completion of training increases risk to the safety and operations of MBTA subway station locations. This could jeopardize the safety of riders and the general public, while putting contracted employees at risk because they are sent into the field without being properly equipped to perform their jobs safely and effectively.

Authoritative Guidance

The MBTA's Request for Proposal No. 41-17 for In-Station Customer Service requires that BBB staff MBTA subway station locations with "trained and qualified individuals." Under this request for proposal, the MBTA is responsible for training BBB employees on MBTA operations and safety.

Section 2.7 (see [Appendix B](#)) in the Scope of Work document of the MBTA's [Request for Proposal No. 3-22 for In-Station Customer Service Operations](#) states, "For the duration of the contract term, all subsequent [BBB employee] hires are required to complete MBTA initial training before being deployed to a station post."

Reasons for Issue

The MBTA did not have sufficient policies and procedures, including a monitoring component, to ensure that BBB employees were trained on MBTA operations and safety before being assigned to a subway station location and that it retained a record of training assignment and completion for each such employee.

Recommendations

1. The MBTA should develop, document, and implement sufficient policies and procedures, including a monitoring component, to ensure that BBB employees are trained on MBTA operations and safety before being assigned to a subway station location to promote safe and effective operations for its riders and employees.
2. The MBTA should ensure that it retains records of training assignment and completion for all employees assigned to MBTA subway station locations.
3. The MBTA should ensure that it maintains accurate personnel and operational records (including but not limited to staffing levels per subway station, dates, and location of deployment) for employees.
4. The MBTA should consider collaborating with BBB to reevaluate the training curriculum for newly hired BBB employees to ensure that it is sufficient.

Auditee's Response

The MBTA provided documentation that all sixty (60) of the sampled BBB employees were trained on operations and safety before being assigned to any independent shifts at subway stations. Specifically, the MBTA produced and maintains tracking spreadsheets and data from BBB's scheduling systems that document the training dates for all Transit Ambassadors ("TA") [throughout this report, the Office of the State Auditor (OSA) refers to TAs as BBB employees].

From the sample, the MBTA was unable to provide the sign in sheets requested by the [OSA] to satisfy their request for documentation. The MBTA was, however, able to provide other documentation that all sixty (60) TAs completed operations training. This is also true for the safety training for the sixty (60) TAs within the sample. The MBTA was able to produce tracking spreadsheets and data from BBB's scheduling system for the sixty (60) TAs within the sample and sign-in sheets documenting safety training dates for all but two (2) TAs within the sample. BBB would not deploy any TA to the field without the appropriate and necessary operations and safety

training. Without the required trainings, the TAs would not be able to perform the essential functions of their job.

The audit also found that [16] of the TAs from the sample did not receive safety training prior to their individual assignment to a subway station. The MBTA disputes this finding. Specifically, the MBTA provided information to the [OSA] that showed for three (3) of the [sixteen (16)] TAs the deployment date information initially provided was incorrect, with one TA being assigned to an on-the-job training shift with an experienced TA and the two additional TAs having errors in their deployment dates.

For the remaining 15 TAs, they were deployed to the Green Line after completing the in-class safety training modules but prior to completing the hands-on-module of safety training. The primary purpose of the hands-on module training is to teach TAs how to deploy a bridge plate. The Green Line does not utilize bridge plates and as such, the lack of this training did not present any risk to Green Line customers or the TAs serving the Green Line.

The reason for the delay of the hands-on module of safety training was due to the scheduling availability between the in-classroom module, conducted by [Massachusetts Department of Transportation] instructors and the hands-on module, conducted by MBTA Training School instructors. The . . . safety training requirement was implemented during the audit period by the Transportation Safety Administration (TSA). The TSA required all transit workers to complete [safety] training. All current and new TAs were required to complete the new [safety] training, including those who had previously completed the MBTA Safety and Security training. Given the large number of people needing to complete [safety] training, including MBTA employees and contractors, it was not possible to get everyone trained in a timely manner. This created staffing challenges and required BBB to assign new hires to the Green Line, prior to the completion of a training module not relevant to the Green Line, but after receiving in-class safety training and operations training. These 15 TAs did ultimately attend the hands-on-module of safety training and were then eligible to be assigned to stations throughout the system. As existing TAs have been retrained and BBB has improved recruiting and training of TAs, this practice of deploying TAs to the Green Line prior to the completion of the hands-on-safety training module is no longer occurring.

Auditor's Reply

The MBTA asserts in its reply that it provided training documentation for all 60 employees in our sample; however, that evidence was not sufficient, despite the Office of the State Auditor (OSA) providing multiple opportunities for the MBTA to support that it provided this training. While we received documentation to support that some of the 60 employees sampled completed **safety** training, we did not receive documentation to support that any of the 60 employees obtained **operations** training. Specifically, as explained above in our finding, (1) the MBTA could not demonstrate that 2 (3%) out of the 60 BBB employees in our sample had completed MBTA **safety** training; (2) the MBTA did not train an additional 16 (27%) BBB employees in our sample of 60 on MBTA **safety** before assignment to a subway station

location; (3) the MBTA could not demonstrate that any of the 60 BBB employees in our sample received MBTA **operations** training; and (4) the MBTA could not demonstrate that 2 BBB employees in our sample of 60 had completed the **operations and safety** trainings **before** being assigned to subway station locations.

In April 2024, the MBTA provided us with sign-in sheets documenting the date of **safety** training along with each BBB employee's signature. We were able to trace all but two BBB employees to sign-in sheets. The MBTA also provided us four Microsoft Excel spreadsheets, one of which was created in April 2024, as purported evidence of **operations** training that the MBTA indicated occurred in 2021 and 2022. The remaining three had been edited in April 2024. We were unable to substantiate whether these spreadsheets were altered prior to receiving them. This is unsatisfactory, as one of the documents was created two to three years after the training was reportedly conducted, while the others were edited prior to delivery to OSA and do not provide proof that the training occurred. Such proof might include sign-in sheets, certificates of completion, or other documentation that evidences the completion of training, rather than an attestation without evidence.

The MBTA also states in its response that 15 of the BBB employees were deployed to the Green Line after completing the in-class safety training modules but before completing the hands-on-safety training module, and that it did not perceive this as a risk to Green Line customers. However, because MBTA does not have policies or procedures that verify that this is an active practice, and given that the request for proposal (RFP) /contract states that subway station locations will be staffed with "trained and qualified individuals," we could not accept this statement as satisfactory evidence for why the BBB employees were not trained before being assigned to subway station locations. In short, the practice communicated to us by the MBTA—deploying untrained staff to the field—was in violation of its own rules. If the MBTA believed that it was appropriate to deploy untrained staff members to the field, it should have adopted policies and procedures to permit this and should have notified BBB and others that this change occurred. By failing to take these steps, the MBTA's statement cannot be viewed as policy or something that was approved by the MBTA, but rather noncompliance that is being justified as appropriate after the fact, without evidence.

The MBTA also mentions in its response that there were training delays due to scheduling availability, staffing challenges, and a large number of BBB employees who needed to be trained during the audit

period; however, given the importance of ensuring the safety of riders, contracted employees, and the general public, we strongly encourage the MBTA to implement our recommendations in this area.

2. The Massachusetts Bay Transportation Authority did not ensure that Block by Block completed visual inspections (station checks) of its subway station locations at the agreed-upon frequency.

The MBTA did not ensure that visual inspections were completed at its subway station locations at the agreed-upon frequency of at least twice per contracted hour. Specifically, BBB only completed the agreed-upon number of visual inspections 6% of the time during the audit period.

Based on the contracted days and hours, we determined that there were 43,727 contracted days during the audit period when subway station locations were staffed by BBB employees. These 43,727 contracted days resulted in 672,589 contracted hours of BBB coverage. Of these 43,727 contracted days for all subway station locations, there were only 2,794 (6%) days that met or exceeded the agreed-upon station check frequency of two station checks per contracted hour. Therefore, 40,933 (94%) contracted days did not meet the agreed-upon frequency of at least two station checks per contracted hour. Of the 672,589 contracted hours of BBB coverage for all subway station locations, there were only 335,473 (50%) hours that met or exceeded the agreed-upon station check frequency of two station checks per contracted hour. Therefore, 337,116 (50%) contracted hours did not meet the agreed-upon frequency.

A lack of regular station checks increases the risk that safety hazards and maintenance needs will not be identified in a timely manner, affecting the safety of the MBTA's riders, employees, and subway stations.

If the MBTA does not ensure that the controls (such as visual inspections by BBB employees) it designed to prevent safety incidents from occurring are in place and working as intended, then its ability to protect its riders and employees will continue to be impaired.

Authoritative Guidance

MBTA officials told us in a meeting on July 11, 2023 that they expected BBB to conduct station checks of their assigned subway station locations at least twice per hour. BBB officials confirmed to us their expectation with this frequency of station checks. During a meeting on July 27, 2023, BBB's director of operations told us that the MBTA had verbally communicated this frequency expectation on a continual basis since the beginning of the initial contract period in 2017.

Reasons for Issue

The MBTA has not developed, documented, or implemented monitoring controls to ensure that visual inspections of its stations are completed at the agreed-upon frequency. The MBTA did not establish a service-level agreement and performance metrics in its contract with BBB to evaluate BBB's performance in this area. (See the "Other Matters" section of the report for more information.)

Recommendations

1. The MBTA should develop, document, and implement monitoring controls to ensure that visual inspections are completed at the agreed-upon frequency of at least twice per hour.
2. The MBTA should establish service-level agreements and performance metrics in its contract with BBB to evaluate BBB's performance in this area.
3. The MBTA should ensure that BBB meets all of its contractual obligations for the entirety of its contract.

Auditee's Response

The MBTA encourages and requests that TAs conduct 2–4 station checks per hour. This, however, is not a contractual requirement in the agreement with BBB. A station check is referred to in RFP No. 3-22 for In-Station Customer Service Operations as:

The MBTA expects all [relevant BBB employees] to be actively aware of potential safety or security risks. . . . [These BBB employees] are required to monitor the condition and operability of customer-facing features at stations, and when necessary, report, by radio or station phone and/or audit management system, the following and other matters:

- a) Station maintenance issues, including but limited to, inoperable elevators and escalators, and automated door opener . . .*
- b) Tripping hazards and path of travel obstructions . . .*
- c) Cleaning needs, including elevators and restrooms . . .*
- d) [Automated fare collection] equipment malfunctions ([fare vending machines] and fare gates)[.]*

The methodology used by the [OSA] negatively skews the data. For example, if a second station inspection was conducted one minute after the hour, the [OSA] nonetheless considered that hour to be a failure. BBB staffed approximately 646,000 base hours during the audit period at various stations. A total of 1,743,971 total station checks were conducted during that same period, averaging to approximately 2.4 station checks per hour staffed.

Additional information also supports that TAs were conducting routine and regular station checks. BBB reported that 44,584 maintenance requests were submitted during the audit period, which

averages out to 61 maintenance requests submitted per day. This number reflects that TAs are serving in their proper function of identifying maintenance issues and by doing so, preventing potential accidents and incidents. Further, these checks can be impacted by service changes due to diversions, coverage moves to staff high-priority station posts, or station emergencies, closures, or evacuations.

Auditor's Reply

Regarding the analysis performed to test whether visual inspections were completed at the agreed-upon frequency of at least twice per hour, we disagree with the MBTA's statement that the methodology used by OSA negatively skews the data. Our audit team used the performance expectation that the MBTA and BBB both independently stated was in effect during the audit period; this should have been incorporated into the contract, as would be best practice. Documenting and enforcing this performance expectation may have helped address some of the concerns shared by the MBTA in its response.

The stated performance expectation was that each station be inspected at least twice per hour. The MBTA questions instances where the second inspection occurred shortly after the expiration of one hour—outside of the hour, but just slightly. These instances may appear reasonable to MBTA's management, but they are violations of the performance expectation that the MBTA had established and that had already existed, as acknowledged by both the MBTA and BBB. In addition, the MBTA's example of a second inspection falling just outside of the one hour timeframe ignores the fact that between 2 and 4 inspections were to be conducted and instead focuses on instances where BBB was meeting the lowest possible performance permitted under this agreed-upon frequency. The MBTA confirmed in its response, "The MBTA encourages and requests that [BBB employees] conduct 2–4 station checks per hour," yet BBB failed to perform even the bare **minimum** number of 2 inspections per hour 94% of the time.

The MBTA also mentions in its reply that BBB reported maintenance requests during the audit period, which it believes supports that BBB employees were serving their proper function. However, maintenance requests were not one of our audit objectives and are not relevant to the performance expectation established by the MBTA and BBB that was considered during this audit.

Regarding MBTA's response about "high-priority station posts," we audited to the contract, which included Tier I and Tier II stations (considered fully covered) and Tier III stations (considered partially covered), and used the coverage hours noted in the contract to perform our analyses. In its response, the MBTA indicates that 1,743,971 total station checks were conducted during the audit period, "averaging to approximately 2.4 station checks per hour staffed." The MBTA's claim of 1.7 million station checks is

inflated. The actual number of station check records, logged in accordance with the MBTA's own standard of one station check per record, should be approximately 1.28 million. For instance, there were 72 station checks logged under two records by a single BBB employee on January 12, 2021 at 11:04 p.m. at the Back Bay station, 69 station checks logged under one record by a single BBB employee on January 30, 2021 at 12:23 p.m. at the Central North station, and 40 station checks logged under one record by a single BBB employee on June 26, 2021 at 5:01 p.m. at the Assembly North station.

This batching of station checks skews the data, appears to be intended to bypass the performance measure, and may not constitute completed safety inspections. While 1,743,971 total station checks does average to 2.7 checks per hour, this is highly misleading and is an inappropriate metric that may deceive the public regarding the performance under this contract.

We strongly encourage the MBTA to implement our recommendations in this area, as a lack of regular station checks increases the risk that safety hazards and maintenance needs will not be identified in a timely manner, affecting the safety of the MBTA's riders, employees, and subway stations.

OTHER MATTERS

During the course of our audit, we also identified the below two issues that warrant attention.

1. The Massachusetts Bay Transportation Authority did not implement controls to establish accountability or effectively monitor Block by Block's use of fare access cards.

The Massachusetts Bay Transportation Authority (MBTA) equips Block by Block (BBB) with fare access cards that can be used in certain situations to grant customers courtesy taps. As previously mentioned, BBB is required to record courtesy taps, and the reasons for the taps, in BBB's Statistics Management and Ambassador Reporting Technology (SMART) system. According to an MBTA policy memorandum to all BBB employees, dated December 23, 2022, the following are approved reasons for BBB employees to issue a courtesy tap:

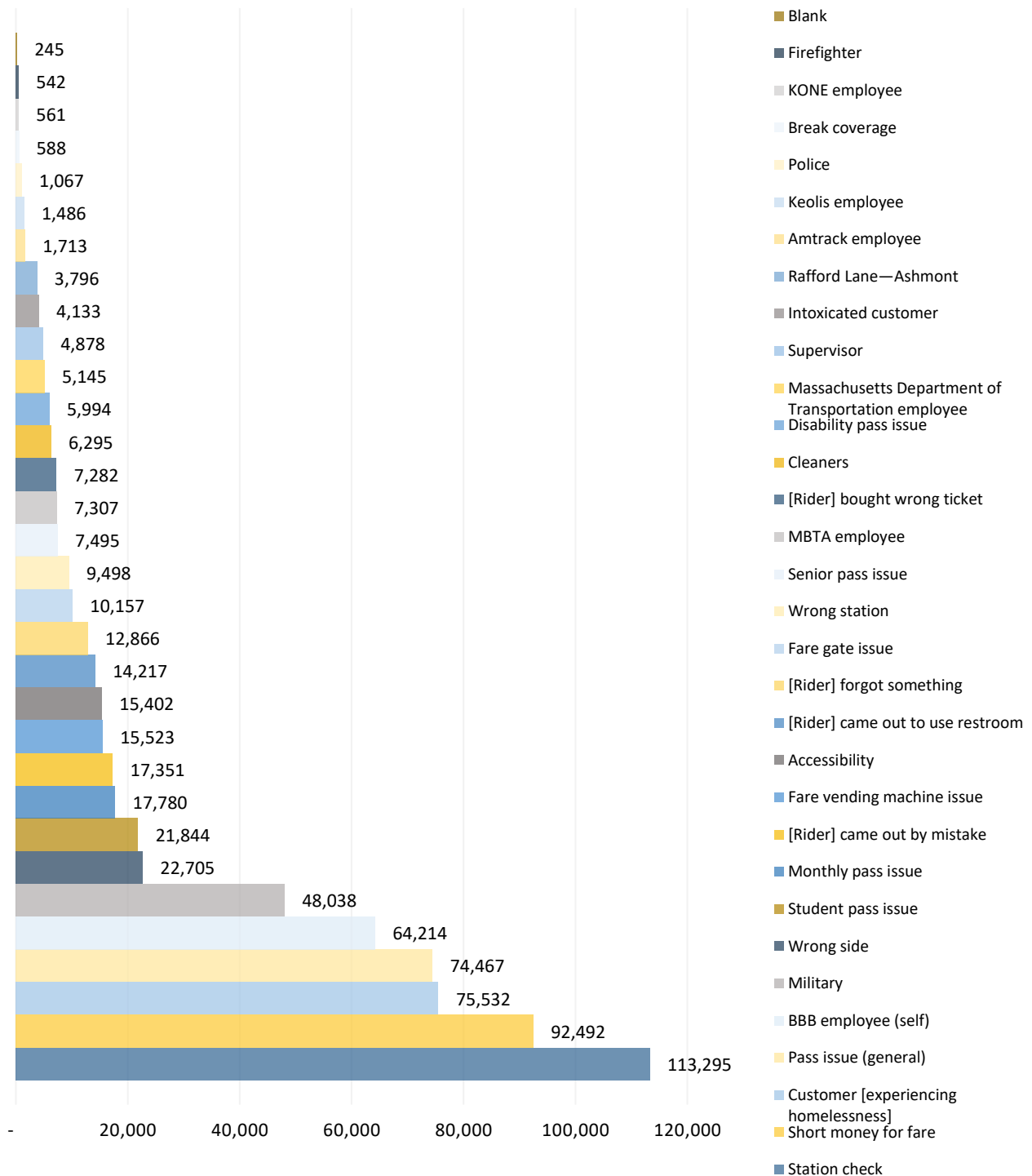
<i>Accessibility</i>	<i>Intoxicated customer</i>
<i>Amtrak employee</i>	<i>Keolis employee</i>
<i>BBB employee (self)</i>	<i>KONE employee*</i>
<i>[Rider] bought wrong ticket</i>	<i>Massachusetts Department of Transportation employee</i>
<i>Break coverage (BBB)</i>	<i>MBTA employee</i>
<i>[Rider] came out by mistake</i>	<i>Military</i>
<i>[Rider] came out to use the restroom</i>	<i>Monthly pass issue</i>
<i>Cleaners</i>	<i>Pass issue (general)</i>
<i>Disability pass issue</i>	<i>Police</i>
<i>Fare gate issue</i>	<i>Rafford Lane—Ashmont**</i>
<i>Firefighter</i>	<i>Senior pass issue</i>
<i>Forgot something</i>	<i>Short money for fare</i>
<i>Fare vending machine issues</i>	<i>Station check</i>
<i>Customer [experiencing homelessness]</i>	<i>Student pass issue</i>
<i>Supervisor (BBB)</i>	<i>Wrong station</i>
<i>Wrong side</i>	

* These are the MBTA elevator and escalator repair staff members, who are not expected to pay in order to access the equipment in stations.

** This is specifically for riders transferring from the Mattapan light rail at Ashmont station because, while riders are not given new tickets for this transfer, they are not expected to pay a second time.

During the audit period, BBB employees recorded 683,908 courtesy taps in the SMART system. The chart below shows the numbers by reason for all courtesy taps recorded by BBB employees during the audit period.

SMART System Courtesy Tap Numbers by Reason



Beginning with the initial contract with BBB in 2017, the MBTA has provided its contracted service provider with fare access cards. Initially, these fare access cards were associated with a specific MBTA location, rather than with individual BBB employees. However, on April 1, 2019, the MBTA issued a memorandum

to all BBB employees, replacing station-assigned fare access cards with fare access cards assigned to individual BBB employees. This memorandum stated the following:

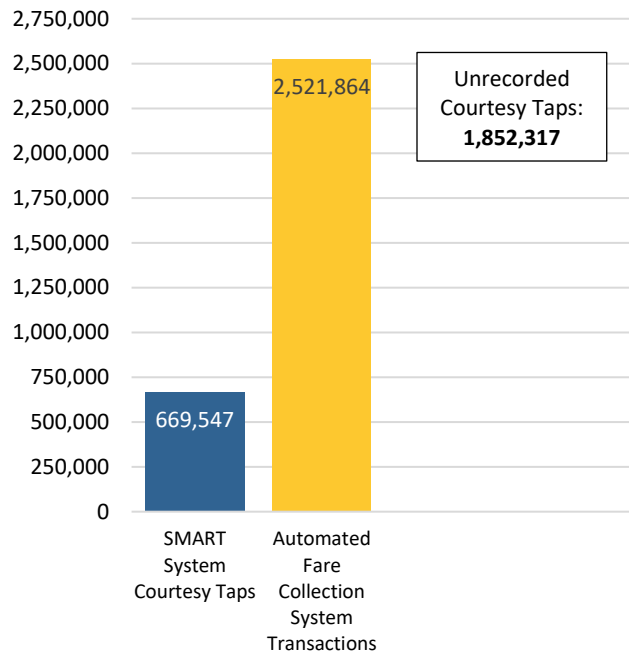
Due to the recent significant increase in courtesy taps with no specific explanation and evidence that not all taps are being reported in the Smart System, the MBTA will be assigning a [fare access card (CharlieCard)] to each [BBB employee]. This will enable the MBTA and BBB to track the number of courtesy taps and reporting by individual [BBB employees] and take action where necessary.

*These CharlieCards are to be used for work purposes **ONLY** and will be closely monitored via the MBTA [automated fare collection] system. The use of the CharlieCard is non-transferrable and [BBB employees] will be allowed to use the CharlieCard to travel to and from their work location during their assigned shift only. Each [BBB employee] will be required to sign a document acknowledging and understanding the policy and will be held solely responsible for the CharlieCard for the duration of their employment with BBB. Upon resignation or termination, the [BBB employee] must return the CharlieCard to BBB immediately. This CharlieCard is not to be used as a BBB recruitment tool, as the MBTA is not providing free travel to BBB employees.*

In interviews with the audit team, MBTA and BBB officials stated that this switch to fare access cards assigned to BBB employees was a pilot initiative that only lasted about three months. During this three-month period, which was outside of the audit period, both the MBTA and BBB stated that they closely monitored the use of these fare access cards. According to BBB officials, this initiative revealed signs of misuse of the courtesy taps (e.g., BBB employees letting people in for free and cards being used at locations not covered by those employees). Further, MBTA officials told us that the high turnover rate of BBB employees made it difficult to track these cards. As a result, after the three-month period, the MBTA made a decision to revert to station-assigned fare access cards for courtesy taps. During the audit period, the MBTA provided only station-assigned fare access cards to BBB.

Although BBB has used these cards since 2017, and despite continued signs of misuse of fare access cards, we found that the MBTA still has not implemented controls to establish accountability or effectively monitor use of these cards.

BBB provided us with a list of all courtesy taps it performed during the audit period from BBB's SMART system. We also obtained data from the MBTA's automated fare collection system for all of the fare access cards that the MBTA assigned to BBB during the audit period. We compared the two datasets and found that BBB was not always recording courtesy taps in the SMART system, as shown below.



As outlined in the chart above, of the 2,521,864 total transactions recorded in the MBTA's automated fare collection system, only 669,547 (27%) had a corresponding entry documented in the SMART system. Therefore, BBB did not record 1,852,317 (73%) courtesy taps, and the reasons for these taps. Failure to properly record courtesy taps, at a rate of \$2.40 per transaction, increases the risk for significant lost revenue.

Our analysis also identified 83,990 instances where these fare access cards were used at different MBTA locations than the ones where the cards were assigned. In 445 of these instances, the fare access cards were used on an MBTA bus, indicating a high probability that the card was used for personal use.

The MBTA and BBB did not have any formal written policies or procedures for the use of these fare access cards in place for the majority of the audit period. The MBTA issued a policy memorandum to all BBB employees, dated December 23, 2022, that stated the following:

The purpose of this policy memorandum is to define the proper use of [BBB employee] station assigned [fare access cards (passes)]. Effective immediately, all [BBB employees] must be made aware that these passes should only be used to assist customers who experience difficulties with their fare media by providing a "courtesy tap" upon customer request. [BBB employees] are mandated to report these taps (and reasons for the taps) via BBB's Smart System. This will enable the MBTA and BBB to track the number of courtesy taps provided by [BBB employees] and act where necessary if/when reported taps are deemed to be excessive or in violation of this policy. Station access passes are NOT to be used in the absence of a legitimate customer request or to

prevent a customer from missing a departing train. [BBB employees] are to use their "best judgment" with customers who exhibit behavior that is aggressive or belligerent in order to maintain personal safety.

Although this policy memorandum suggests that the MBTA tracks the number of courtesy taps provided by BBB employees, we found that the MBTA has not established a threshold for what it considers to be an excessive amount of use.

Although the MBTA had access to transactional data for the station-assigned fare access cards it provided to BBB during the audit period through its automated fare collection system and through its read-only access to SMART system data, we found no evidence that the MBTA used this data to monitor BBB's use of these cards. In addition, BBB officials told us that it had been several years since the MBTA asked them to provide any data regarding the amount of and reasons for courtesy taps recorded in the SMART system. According to BBB officials, BBB's courtesy taps have not been an area of focus for the MBTA.

Without proper controls in place, the MBTA cannot ensure that the use of these fare access cards is appropriate. Inappropriate use of fare access cards could result in potential lost revenue for the MBTA.

The MBTA should develop, document, and implement policies and procedures that ensure the proper use of fare access cards by its contracted service providers. These policies and procedures should establish a threshold for what the MBTA considers to be an excessive amount of use. The MBTA should use the automated fare collection system transaction data and available BBB SMART system reports to consistently review the use of these cards. The MBTA should hold BBB accountable for inappropriate use of these cards.

Auditee's Response

Both the MBTA and BBB have accepted responsibility for not closely tracking the taps made and reviewed in the [Office of the State Auditor's (OSA's)] Report. However, the MBTA does not agree with the [OSA's] finding that the additional taps were offering free travel to customers and therefore resulted in lost fare revenue. Beyond the station checks discussed earlier, BBB conducted 2,006,961 elevator checks and 147,314 management observations, all of which rely on the use of BBB management team-issued passes. If a [transit ambassador (TA)] is conducting a station or elevator check or responding to an incident or emergency, it will most likely be logged into the system as such, rather than also being logged as a courtesy tap. In sum, BBB's daily operations and BBB employee's performing work functions but not properly recording their tap do not result in lost revenue for the MBTA.

The MBTA tracks usage of assigned BBB passes monthly and monitors usage to ensure that the assigned passes are being used at the correct station or by the appropriate BBB management member. Passes found to be out of compliance are deactivated and cannot be used on the system. In addition, the passes are attached to station-issued iPads via metal zip ties. The iPads do not leave the stations as they are secured in the station booth. If a pass is lost or misplaced, only a few hours could pass before BBB management is made aware of it as the next TA coming on-shift would require a pass to conduct their job. When BBB management is made aware, the MBTA is immediately notified that the pass can be deactivated, then a replacement is sent out either by the manager on duty or a shift supervisor. There are circumstances, however, when an assigned station pass may also be used at other locations for a variety [of] legitimate purposes, such as work during a diversion, replacing a non-functional iPad with a functional one or replacing a pass at a station if a station is without a pass with the correct label.

It would be very difficult to develop a specific threshold for courtesy taps for a system as large as the MBTA given the number of incidents that occur each day requiring a TA to tap. The MBTA tracks usage by station pass and works closely with our [automated fare collection] fraud department to investigate any instances brought to our attention where a tap pass is being used at an abnormally high rate. It has not been the practice to share these monthly reports with BBB unless the MBTA is alerted to instances of abnormal tapping, such as multiple taps in a short period of time, or excessive tapping by a particular TA.

Auditor's Reply

MBTA states in its response that “BBB conducted 2,006,961 elevator checks and 147,314 management observations, all of which rely on the use of **BBB management team-issued passes**” (emphasis added). We specifically requested data on **station-assigned fare access cards**. We did not include management-issued passes in our data. We were able to report on the reasons for all the courtesy taps in the audit period, as mentioned above within our audit report (see [this chart](#)). MBTA officials informed us that cleaners, MBTA employees, and BBB employees should have their own cards or service gate keys to enter the subway system and should not be using courtesy taps to enter. Although the MBTA is correct in stating that cleaners and the previously mentioned employees used courtesy taps for station access, this represents a failure of MBTA oversight regarding this contract and access to its stations, as these employees, according to the MBTA, are supposed to use their own access cards or service gate keys to access stations.

The MBTA indicates that the iPads are secured in station booths. This is not the case while BBB employees are on a shift, as these are what the BBB employees use to log station checks and courtesy taps. During our site visits, we noticed that they are usually on shoulder straps around BBB employees’ necks or shoulders.

The MBTA indicates in its response that it “[tracks] usage by station pass and work closely with [its automated fare collection] fraud department to investigate any instances brought to [its] attention where a tap pass is being used at an abnormally high rate.” During our audit, however, we were told by MBTA’s deputy director of fraud detection and analytics that their team does not perform any fraud monitoring of courtesy taps, because these passes are not registered to individuals.

Furthermore, the MBTA asserts in its response that “It would be very difficult to develop a specific threshold for courtesy taps for a system as large as the MBTA.” We disagree, as we feel establishing a specific threshold, and monitoring to ensure that this threshold is not exceeded, is a necessary and important part of the MBTA’s contract with BBB. In addition, it is also important to investigate instances that exceed the established threshold or when station-assigned fare access cards are used at locations other than where they are assigned. For example, as part of our data analysis, we noted that on December 31, 2022, one station-assigned fare access card was used 40 times at the Orient Heights station when it was assigned to the Wood Island station. The use of this pass 40 times in one day in a station where it was not assigned—and certainly not secured in the station booth—and the MBTA’s response to this issue indicates a lack of monitoring and control and a lack of awareness by MBTA management about how its operations are being conducted.

2. The Massachusetts Bay Transportation Authority’s monitoring of vendor performance needs improvement.

The MBTA did not have sufficient performance measures in place to promote accountability and ensure that BBB achieved the MBTA’s desired outcomes related to safety. Although the MBTA’s Request for Proposals No. 41-17 for In-Station Customer Service stated that service-level agreements¹² would be used to measure the quality of service provided by the vendor, the MBTA did not create any service-level agreements in its initial contract with BBB. Service-level agreements are a critical component of any outsourcing because they clearly define the level of service expected of the vendor; how the services provided will be measured; and the penalties, if any, should the agreed-upon service levels not be achieved.

12. Appendix N of the MBTA’s Request for Proposals No. 41-17 for In-Station Customer Service stated the MBTA’s interest in “moving towards active contract management” and developing service-level agreements with its vendor for this service. However, no service-level agreements were developed, as confirmed to us by MBTA officials.

The MBTA's contract with BBB—which, through multiple extensions, totaled approximately \$48 million between July 31, 2017 and September 30, 2022, with another estimated \$28 million spent since that time—did not include any performance metrics to measure the quality of the services being provided by BBB. The contract also did not contain any penalties or incentives that may have compelled BBB to perform at a high level. Because the MBTA's contract with BBB did not include performance metrics, the MBTA's ability to evaluate the quality of service provided by BBB was limited. In addition, there was a higher-than-acceptable risk of unsatisfactory performance by BBB which may have resulted in wasted taxpayer and rider money.

Although the MBTA's most recent (seventh) contract with BBB, effective October 1, 2022, includes service-level agreements and penalties related to safety (\$25–\$50 per incident), this still requires the MBTA to detect noncompliance. As currently designed, the MBTA does not have the capacity to detect, and therefore enforce against, noncompliance. The service-level agreements also do not describe the specific services to be provided by BBB. The service-level agreements state the following:

[BBB] is expected to regularly report to the MBTA potential tripping and slipping hazards, or other safety hazards, located in areas of MBTA stations where [BBB's] duties are performed. Failure to report will incur a penalty. Examples of potential hazards include but are not limited to:

- *Station flooring with large sections of concrete or individual bricks missing*
- *Leaking water or ice on walking surfaces on station platforms and in lobbies*
- *Raised floor edges on stairways, ramps, platforms and in lobbies*
- *Debris, fixtures or signage falling from a wall or ceiling*

As previously mentioned in this report, the MBTA refers to the above visual inspections of subway station locations as station checks. The MBTA expects these station checks to be completed by BBB at least twice per hour, yet it has still not incorporated this requirement into its service-level agreement. This lack of detail makes it difficult for the MBTA to enforce this requirement and increases the risk of misunderstanding between the MBTA and BBB regarding what the expectations are under the contract.

These are critical elements for management of outsourced contracts. The MBTA should strengthen its contract monitoring processes by ensuring that service-level agreements, measurable performance metrics, penalties, and incentives are included in all of its vendor contracts. The MBTA should also ensure that it develops comprehensive written contracts with vendors that clearly describe the entirety of the parties' agreement.

Auditee's Response

The MBTA disagrees with the Auditor's statement that the MBTA did not have sufficient performance measures in place to promote accountability and ensure that BBB achieved the MBTA's desired outcomes related to safety. The MBTA has consistently monitored the performance of BBB for the entirety of this contract. In fact, the agreement between the MBTA and BBB does incorporate performance monitoring via metrics. The current version of the agreement with BBB also incorporates financial incentives/penalties based on said performance monitoring.

The MBTA and BBB did not agree to service-level agreements based on [request for proposal (RFP)] 41-17. Specifically, 41-17 stipulates the following: "We believe that indicators, method of measurement and penalties/incentives should be structured" and "[s]ome combination of the following four types of metrics could be used to propose service levels and the penalties/incentives associated with those metrics[.]" BBB and the MBTA did agree to track and report monthly Service Performance Metrics through the initial and amended contract periods reviewed in the Draft Report. Over the course of the contract period the metrics have changed upon agreement between BBB and the MBTA. BBB did not respond to the RFP proposing penalties/incentives as described in RFP 41-17, as such the MBTA and BBB did not incorporate financial incentives into the agreement but did track performance of the agreed up on service performance metrics. Financial incentives along with service level metrics have been incorporated into the current agreement with BBB. The MBTA also issues monthly performance reports that are issued and quarterly business reports that are submitted to BBB for review and corrective action where necessary, as well as meeting with BBB quarterly to review the [service-level agreement] and any other contracts matters.

Auditor's Reply

We strongly disagree with the MBTA's above claim that they "consistently monitored the performance of BBB for the entirety of this contract." In fact, the MBTA's vendor management group informed us that during our audit, these service-level agreement penalties were not carried out during the initial contract. The group also stated that although they report on elevator checks and missed shifts in 2021, they did **not** report on station checks or courtesy taps.

Overall, given the enormous amount of public funds expended under this contract, as well as the impact of this contract on the safety of MBTA stations across Massachusetts communities, detailed performance metrics should have been clearly documented and communicated both in the initial contract procurement and in all subsequent contracts. Vague and undocumented performance metrics may have contributed to the safety issues at several MBTA stations in recent years and to the inefficient use of taxpayer and rider dollars.

The MBTA indicates that it has incorporated financial sanctions and service-level metrics into its most recent contract with BBB (which was executed on October 1, 2022 during the audit period). We note that

this is five years after the initial contract, which, as an outsourcing, should have been accompanied by clear performance metrics to allow for both appropriate vendor management and an evaluation of the propriety of continued outsourcing of this service in future years. The fact that this was not happening between July 31, 2017 and September 30, 2022 negatively impacted the MBTA's ability to manage its contractor and likely prevented the MBTA from conducting proper evaluations of contractor work performance upon contract extension or re-procurement in 2018, 2019, 2020, 2021, and twice in 2022. We will be following up on this during our post-audit review process and strongly encourage MBTA management to incorporate our recommendations.

APPENDIX A

Sections 4.2.1 and 6.2.2 of the Massachusetts Bay Transportation Authority's Request for Proposal No. 41-17 for In-Station Customer Service

4.2.1 MBTA AND RESPONDENT OPERATIONAL RESPONSIBILITIES

The Respondent will assume responsibility for in-station service operations. The Respondent will be responsible for:

- Staffing the station with trained and qualified individuals
- Ensuring that all In-station staff must have a professional appearance at all times of service. Uniforms, worn by Respondent's representatives, may be required by the MBTA to clearly identify them as representatives of the MBTA
- Maintaining a knowledgeable and professional staff at the station, capable of providing directions and assisting customers with AFC matters
- Providing in-station services for a set schedule each day
- Providing in-station services in accordance with set SLAs – See [appendix N](#)
- Responding to MBTA customers' needs and properly documenting those interactions
- Reporting all maintenance issues to appropriate MBTA departments
- Assisting seniors and customers with disabilities with reasonable requests for assistance and coordinating with OCC as needed.

RFP 41-17

IN-STATION CUSTOMER SERVICE

- Deploying mobile bridgeplates for customers as needed and, reporting to the OCC all necessary details
- Notifying appropriate MBTA departments of maintenance issues requiring service
- Providing Charlie Cards upon customer request
- Ensuring that information is properly routed to the correct departments at the MBTA
- Ensuring that MBTA departments can communicate with the Respondent on an ongoing basis to ask for clarifying information as needed
- Ensuring that information/data integrates with MBTA systems, and all IT issues with data transmission are resolved
- Communicating needs to the MBTA to continue operating within terms of the agreement with MBTA
- Assisting MBTA and emergency personnel in matters of safety and security, including reporting and escalating reports as needed
- Complying with all applicable legal and regulatory requirements
- Maintaining required insurance

In support of the in-station service responsibilities undertaken by the Respondent, the MBTA will provide the following support:

- Accurate feeds of schedule, service, and trip planning information via technological applications
- Updated information for service and other changes at MBTA to provide up-to-date information
- The necessary information and training know-how, regarding MBTA operations and safety to be for Respondent's employees
- Updated lists of internal MBTA contacts to correctly route communications
- 24/7 access to Transit Police and Operations Control Center so that Respondent may refer all emergency situations for immediate resolution
- Access to MBTA data regarding ridership and other MBTA metrics

The MBTA welcomes additional suggestions for potential roles and responsibilities from the Respondent and is willing to furnish respondent with additional data, upon request, as far as is available, in order to develop additional capabilities, both for better customer service directly and superior internal analysis tools.

6.2.2 TRAINING OF NEW IN-STATION REPRESENTATIVES

Upon award of the contract, the MBTA shall conduct an initial up to two- week training program where indicated and needed, which will consist of station knowledge system training for key personnel before implementation. Once those personnel have completed initial training, ongoing training will be Respondent's responsibility, including for any new hires during the term of the contract. Respondent will submit to the MBTA all of its training materials and methodologies to receive approval¹². The following chart clarifies, in general terms, training responsibility between MBTA and Respondent:

Subject Matter	MBTA	Respondent
Hospitality		✓
Safety	✓	
Operations	✓	
ADA related service matters	✓	
Automated Fare Collection	✓	

All training costs are the Respondent's responsibility. The MBTA will not accept any separate invoicing for training and/or associated expenses, unless specifically authorized and agreed to by the MBTA in advance and in writing.

In addition, if the MBTA wishes to conduct additional trainings for Respondent's employees, the Respondent must make its employees available to receive those trainings.

The Respondent will develop, conduct and maintain a comprehensive and continuous training program, providing Respondent's employees with the appropriate knowledge and current information to perform services required by MBTA. Said training program will contain, but not be limited to the following:

- Sensitivity awareness and diversity training
- Providing excellent service to seniors and customers with disabilities
- Projecting a positive and helpful attitude
- Communicating with confidence and competence
- Adhering to confidentiality policies and procedures
- Customer experience enhancement
- Responding to emergencies
- Deploying the bridgeplate
- Active reporting of maintenance and cleaning needs
- Properly record and characterize inquiries
 - Include training on flagging of key complaint types, such as diversity and civil rights complaints, and disability-accessible complaints
- Providing copies of all training materials to the MBTA on an ongoing basis for MBTA approval.
- MBTA will approve all new trainings.
- Developing and continuously updating training manuals and training records. Working with the MBTA to include all appropriate and up-to-date information in manuals and records.
- Ensuring that training materials all staff receive, contain up-to-date Federal, State and local policies and procedures.
- Ensuring that all staff is trained in MBTA operations in accordance with this RFP's requirements.
- Ensuring that Respondent's employees receive ongoing training to transmit latest changes in MBTA operations and practices.

In addition, Respondent will cover all costs involved with the transition of service from the MBTA to Respondent.

APPENDIX B

Section 2.7 in the Scope of Work document of the Massachusetts Bay Transportation Authority's Request for Proposal No. 3-22 for In-Station Customer Service Operations

2.7 MBTA Training - Transit Ambassador New Hire and Continuous Training

In addition to any mandated Contractor company training, the MBTA shall conduct new hire training for all new Transit Ambassadors. This training will consist of customer service training, station knowledge system training, accessibility training, safety and security training, as well as all MBTA policies, protocols and procedures that apply to this role. For the duration of the contract term, all subsequent Transit Ambassador hires are required to complete MBTA new hire training before being deployed to a

station post. The Contractor is also responsible for continuous learning (re-training) for any Transit Ambassador found to be lacking in the required knowledge to perform the role successfully. New Transit Ambassadors must complete 4 hours of Customer Engagement and Radio Communication training, 8 hours of Safety and Security Training, and 8 hours of Accessibility Training before being deployed to shadow a seasoned Transit Ambassador for 1 day.

All training costs are the Contractor's responsibility. The MBTA will not accept any separate invoicing for training and/or associated expenses, unless specifically authorized and agreed to by the MBTA in advance and in writing.

In addition, if the MBTA wishes to conduct additional trainings for Contractor's employees, the Contractor must make its employees available to receive those trainings.