



MTA Press Releases

Select Language | ▼

Press Release

January 28, 2008

[MTA Headquarters](#)

IMMEDIATE

MTA to Move Ahead With Shared Service Initiative

Cornerstone of Institutional Transformation to Save \$40 Million Annually

The Metropolitan Transportation Authority (MTA) today announced that it will be moving forward with a shared services initiative that will consolidate some back office functions and is expected to save the agency \$40 million annually. The program is a cornerstone of the agency's institutional transformation initiative, which aims to reduce redundancy in operations wherever possible. The decision is based on the results of a study by consultant Accenture that began in November 2006.

"This is a giant step toward making the MTA more efficient, leaner and more integrated," said Elliot G. Sander, MTA Executive Director and CEO. "Institutional transformation has been one of my top priorities for the MTA, and I'm thrilled that this work will soon realize tens of millions in savings."

The analysis, presented today to the MTA Board's Audit Committee, recommends that the MTA establish a Business Service Center (BSC) to provide finance and human resources transactional services for all MTA agencies. The analysis projects that it will take five years to build and implement all BSC operations, at a cost of \$170 to \$235 million. The investment is projected to pay for itself within five years, with net savings up to \$40 million annually thereafter.

A critical aspect of the initiative is the adoption of an agency-wide software application with components for Accounting, Human Resources, Payroll and Procurement processing, among others. This alone would provide an additional one-time savings of \$50 million that would otherwise be spent on individual replacement of or updates to each agency's existing software.

"Shared Services has a terrific track record in the private sector and the MTA Board has long supported the idea of eliminating redundancies at the MTA," said James L. Sedore, Jr., Chairman of the Audit Committee and a 14-year member of the MTA Board. "While there is a significant up-front investment, it is now clear that the savings far outweigh the costs."

The BSC would be a back office operation overseen by MTA headquarters that would house all personnel performing these transactions. A significant portion of the projected operating budget savings would be generated from a reduction in labor costs. In the areas of finance, human resources, and IT, full-time jobs would be reduced by almost 40 percent. This reduction would be achieved through attrition and reassignment of employees instead of filling vacancies with new hires.

The MTA intends to issue a Request for Proposals in the next two months for implementation of the BSC, with a vendor selected by the third quarter of this year. The MTA is also working with Booz Allen to develop a plan for consolidating procurements, with more than \$8 million already saved on pilot projects.