Agenda – Executive Policy Committee – November 9, 2005

REPORTS

Item No. 3 Red Tape Commission Report: Recommendation 25 – "311-Based Customer Service Model"
File GG-5

ADMINISTRATIVE RECOMMENDATION:

1. That a 311 Model of Customer Service be adopted for the City of Winnipeg.

2. That a detailed business plan be prepared, with the assistance of an external consultant, to address the implementation of the 311 Model of Customer Service with options regarding the scope of the initiative and associated costs and benefits.

3. That the Administration report back on the results of the business plan by June 2006 with recommendations for moving forward.

4. That the Proper Officers be authorized to do all things necessary to implement the intent of the foregoing.

Agenda – Executive Policy Committee – November 9, 2005

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On October 19, 2005, the Executive Policy Committee laid over consideration of the matter for sixty (60) days.

On July 20, 2005, the Executive Policy Committee referred to the Chief Administrative Officer for review and recommendation the following first phase recommendation of the Red Tape Commission, said report(s) to be submitted to the Executive Policy Committee for consideration within 90 days, namely:

- Recommendation 25
  Report to Council on the merits of a full transition to a 311-based customer service model, with the goal of obtaining a final council decision on the City's 311 service objectives as soon as possible.

REPORT

Re: **Red Tape Commission Report: Recommendation 25 – "311-Based Customer Service Model"**

For submission to: **Executive Policy Committee**

Original report signed by: **Chief Administrative Officer**

Report date: October 21, 2005

Recommendation(s):

1. That a 311 model of customer service be adopted for the City of Winnipeg.

2. That a detailed business plan be prepared, with the assistance of an external consultant, to address the implementation of the 311 model of customer service with options regarding the scope of the initiative and associated costs and benefits.

3. That the administration report back on the results of the business plan by June 2006 with recommendations for moving forward.

4. That the Proper Officers of the City of Winnipeg be authorized to do all things necessary to implement the intent of the foregoing.

REPORT SUMMARY

Key Issues:

None

Implications of the Recommendation(s):

General implications:

	None
X	**For the organization overall and/or for other departments**
X	**For the community and/or organizations external to the City of Winnipeg**
	Involves a multi-year contract

Comment(s):

A 311 model of service delivery will alter the manner in which the community interacts with its municipal government. It will provide more open and accessible government.

Policy implications:

X	**No**
	Yes

Comment(s):

The 311 model aligns with adopted policy. See Plan Winnipeg 2B-01 Commit to Citizen Engagement, 2B-04 Provide Sound Municipal Management, and 2B-05 Meet High Standards of Service Delivery.

Environmental implications:

X	**No**
	Yes

Comment(s):

Human Resources implications:

	No
X	**Yes**

Comment(s):

An individual within the current staff complement will be required to assume the role of project manager to oversee the process of engaging the services of a consultant and ensuring the timely delivery of the business plan.

Financial implications:

X	**Within approved current and/or capital budget**
	Current and/or capital budget adjustment required

Comment(s):

A maximum of $250,000 currently designated for eGovernment initiatives will be used to fund the preparation of a detailed business plan.

REASON FOR THE REPORT:

At its meeting of July 20, 2005, Executive Policy Committee received as information the Final Report of the Mayor's Red Tape Commission dated June 28, 2005. Furthermore, EPC referred to the Chief Administrative Officer for review and recommendation a series of first phase recommendations of the Red Tape Commission, one of which was Recommendation 25, namely:

Recommendation 25
Report to Council on the merits of a full transition to a 311-based customer service model, with the goal of obtaining a final Council decision on the City's 311 service objectives as soon as possible.

The Commission describes the intent of Recommendation 25 as follows:

If Council supports the long-term goal of 311 implementation, action on this recommendation now will ensure that any ongoing customer service improvements and plans can prioritize 311-based solutions. The Chief Administrative Officer's Secretariat and other public servants have already completed much of the work necessary to act on this Recommendation.

It was directed that the report be submitted to Executive Policy Committee for consideration in October 2005.

HISTORY:

On November 23, 2004, the Mayor officially established a Red Tape Commission, chaired by Councillor Franco Magnifico, to review City operations and regulations in order to improve customer service while granting administrators more freedom to innovate.

The Red Tape Commission submitted a final report, dated June 28, 2005, containing 30 general recommendations, each with numerous more detailed sub-recommendations.

DISCUSSION:

What is 311?

311 is a three-digit telephone number that provides a "gateway to all programs and services the City…provides its residents" (City of Chicago). It has been called a "fast, simple, and convenient single access point for residents to obtain information and request services from their local government."

A 311 service tends to comprise a 24-hour, centralized call centre operation, although that is not always the case. Possible applications associated with the service include:

- General inquiry information for all City services and activities;
- Service requests, including an assigned service request tracking number;
- Public concerns about City services.

Why Do It?

Plan Winnipeg: 2020 Vision, which sets out the community's vision, commits the City to pursue eGovernment opportunities, achieve service efficiencies, and meet high standards of service delivery. The administration has been researching and profiling initiatives such as 311 to support this commitment.

The municipal government sector across Canada and the United States has embraced the concept of 311 as a means of enhancing customer service and consolidating service-related operations. While a 311 system offers the potential for efficiency gains, it is not generally viewed as a cost-saving initiative but rather as a customer service strategy. The deciding factors for implementing 311 systems generally arise from a desire to improve customer service, improve access to service, and improve transparency of government processes.

Although a significant financial investment has generally been required for these projects, the scope and depth of implementation has varied significantly from municipality to municipality. This allows for a variety of implementation strategies to be considered for the City of Winnipeg.

A 311-based customer service model could help foster and promote a "culture of service" at the City of Winnipeg. A centralized 311 call centre could provide a better front door to City services and function as a "customer service nerve centre" for Winnipeg citizens and businesses.

Background

In October 2000, the Winnipeg Police Service was given direction by Council to investigate the use of a 311 number for non-emergency calls to minimize the number of non-emergency calls to the 911 emergency number.

In a 2002 City Auditor's report on 911, the auditor recommended "new models…to reduce the pressure on emergency communications services and provide better access for citizens to information and city services."

As a result of these recommendations, the City of Winnipeg began investigating the possibility of undertaking a 311 initiative as a way to improve access to City information and services through a centralized 311 number.

In October 2002 and May 2004 delegates from the City of Winnipeg conducted a number of site visits to U.S. cities with 311 operations and continued to research 311 technology and case studies.

In 2003, the City of Winnipeg supported an application made by several Canadian cities to the Canadian Radio-television and Telecommunications Commission (CRTC), an independent agency responsible for regulating Canadian broadcasting and telecommunications systems, for permission to use "311" as a standard telephone number for non-emergency city services in Canadian cities. On November 5, 2004, the CRTC formally approved the use of the 311 number for Canadian municipalities.

In 2005, City of Winnipeg staff attended a 311 Conference for Canadian municipalities.

Active 311 systems

In the United States, 311 call centre systems have been adopted in 31 small, medium, and large municipalities as a means to improve access to non-emergency city information and services. In Canada, Calgary, Gatineau, Windsor and Ottawa have launched 311 systems, to be followed by several other cities. The advances made by these cities will be able to serve as "made in Canada" models for 311.

In a July 2005 survey of 18 municipalities conducted by the City of Winnipeg (see Appendix 2), four have gone live with a 311 system, two have announced go-live dates for 311 systems or consolidation, five have not yet determined a target date for their 311 project, and at least eight (including Winnipeg) are still researching 311.

There is also a movement being led by the City of Calgary to explore a Canada-wide approach to implementing 311 systems. The Calgary proposal would see an inter-municipal working group established to share knowledge and lessons learned. As well, Canadian telecommunications companies such as Bell Canada want to apply to the CRTC to obtain permission to levy a 311 tariff.

The Current Situation in Winnipeg

Currently, the City of Winnipeg operates 10 customer service call centres and two information lines (Planning, Property and Development and Insect Control). Combined, there are approximately 214 City of Winnipeg call centre and information centre staff members (including part-time and full-time with other duties).

Department/Division		**2004 Call Centre Volumes**
▪ Bilingual Service Centre		2,089
▪ City Clerk's		51,519
▪ Property Assessment		1,997
▪ Public Works		74,358
▪ Tax Branch		80,000
▪ Transit	(regular)*	941,550
	(Handi-Transit)*	705,026
▪ Water and Waste		250,000
▪ Winnipeg Fire Paramedic Service		104,473
▪ Winnipeg Police Service	emergency	187,000
	non-emergency	568,000
	TOTAL:	2,966,012

* some calls may be handled by automated systems such as TeleBus

Customer service (telephone) access points for City of Winnipeg services include more than 600 phone listings in the City of Winnipeg Service Guide (MTS "blue pages").

The call centre technology used at the City of Winnipeg includes a variety of systems for mapping, call tracking, customer complaint logging, interactive voice response and more (see Appendix 3). Call centres in Public Works and Water and Waste use Synergen, a work

management system; Customer Information System (CIS), a Web-based mapping system; and Advisor, a knowledge management system. These are advanced systems that many U.S. cities such as Chicago did not have when their 311 systems were built.
Current staffing costs (including benefits) for all call centre operations across the City of Winnipeg are an estimated $8.8 million. Current annual technology-related operating costs for these facilities are estimated at $1 million (see Appendix 3 – City of Winnipeg Call Centre Operations and Technology).

Not every city with a 311 system has integrated all of its existing call centres into one centralized 311 facility, but where this has occurred, there has been some advantages to this strategy from the perspective of: 1) integrating staff, facilities, and technology; 2) providing greater accountability and transparency for government services and processes; and 3) realizing operational efficiencies.

Potential Benefits of 311 for the City of Winnipeg

In a recent Canadian survey (Citizens First 3, Jan 2003), 97% of respondents said they want government service experiences to match or exceed the quality of private sector services. Based on "best practices" research regarding 311 operations such as the City of Chicago's, municipalities have been found to benefit from a 311 system in the following ways:

- Improved customer service by offering access to all city services through one number, 24 hours a day, 365 days a year;
- Integrated front-end service requests with back-end resolution processing;
- Increased government accountability and efficiency through performance tracking and reporting;
- Increased ability to respond to unanticipated events such as civic emergencies;
- Improved efficiency in service delivery by consolidating answer centres and streamlining operational processes; and
- Enhanced image of city government as transparent and accessible service provider.

Furthermore, there are other potential benefits in that a 311 system:

- May reduce non-emergency call volumes to 911; and
- May provide a backup/overflow for 911 in the event of system failures or civil emergencies.

Moving Forward

There is no single best approach to developing and implementing a 311 customer service system. A made-in-Winnipeg solution must be developed reflecting a scope and depth, including technological and financial commitments, appropriate for this City.

A survey of Canadian municipalities that have implemented a 311 customer service system or plan to implement a 311 system showed that there are a variety of ways to approach the

initiative. The following options, among others, need to be explored analytically from a cost benefit perspective.

- Most cities are operating/will be operating 24 hours a day, 7 days a week, 365 days a year, although Windsor will only operate 18/7/365.
- Most cities are offering/will be offering a Web-based service request system along with their 311 service, although Toronto is launching a Web-based service first, followed later by a 311 service.
- Some cities are using/will be using a CRM (customer relationship management) system with their 311 system, although others are using a call switching technology.
- Most cities are hosting their own technology, although some are/may be using an ASP (application service provider).
- Some cities are/will be selecting vendors through a Request for Proposals process and others through Council approval.

There is an additional consideration. As part of the Public Safety Building Cladding Replacement Project, the Winnipeg Police Service is temporarily relocating the 911 Emergency call centre to 700 Assiniboine Park Drive in 2007. Given that significant costs will be incurred to equip this building for a temporary two-year period, it may be possible to consider the facility as a future location for a permanent 311 Call Centre by 2009 or sooner.

The facilities at 700 Assiniboine Park Drive have the potential to accommodate the requirements for a 311 operations centre, and the co-location of these various activities/services allows for certain synergies to be realized (e.g. in some US Cities, 311 systems are designed to handle 911 overflow in emergency situations).

Issues and Challenges

Furthermore, if a 311 customer service system is to be implemented, planning would be required to assess:

- Project capital and operational costs — project costs are largely unknown at this stage but range widely in other municipalities based on the scope of the project (see Appendix 2);
- Technology integration — integrating existing technology systems with new 311 Customer Relationship Management systems, call centres and the Web site is a central issue;
- Space and Human Resources issues — there are logistical considerations regarding where functions would reside and how staff might be relocated;
- Union/Collective Agreement issues — there is the possibility of reductions in call centre staffing due to 311 consolidation efforts over time;
- Web integration with Winnipeg.ca — enabling self-service 311 requests through the City's Internet site at Winnipeg.ca needs to be explored;
- User fees — the use of user fees should be explored especially if it appears that MTS may be granted permission by the CRTC to levy a user fee on telephone bills.

Proposed Strategy

The City has spent several years exploring the concept of a 311 customer service system. It is apparent that there are compelling reasons to proceed down this path. Furthermore, a growing number of municipalities across North America have already made the commitment and are demonstrating the benefits. It is proposed that Winnipeg commit to a Coordinated 311 Customer Service Initiative and move toward the exploration of options for its implementation.
There are several variables: the scope of the project, the integration requirements for all channels of communication (phone, Web, counter, email, etc), the readiness of the city's information technology systems, and the selection of a suitable vendor(s), etc.

In order to determine options, scope requirements, develop project cost estimates, establish functional requirements, and address vendor selection and change management issues, it is recommended that a business plan be developed with the assistance of an external consulting firm that has expertise in 311 systems. This detailed plan would require funding to a maximum of $250,000, which can be found within the existing budget for eGovernment initiatives.

If the administration receives direction from Council to proceed, the Chief Administrative Officer would create a 311 Project Team which, along with any technical consulting services required from an outside agency, would be tasked with developing a Coordinated 311 Customer Service Initiative for the City of Winnipeg and presenting it to Council for consideration. A project manager would be assigned to oversee the business planning process.

Furthermore, to assist in the development of options for implementation, the advice of municipal leaders and managers would be solicited and an advisory group from Manitoba's private sector customer service/call centre leaders would be created.

Responsibility: CAO Secretariat

Timeline: Business Plan to be completed by June 2006

APPENDICES

1. Comparison of 311 Systems in the U.S.

2. City of Winnipeg 2005 National 311 Survey of Municipalities

3. City of Winnipeg Call Centre Operations and Technology


App 1.doc


App 2.doc


App 3.doc

Financial Impact Statement — Date: October 12, 2005

Project Name: — **First Year of Program** 2006

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	2006	2007	2008	2009	2010
Capital					
Capital Expenditures Required	$ 250,000				
Less: Existing Budgeted Costs	250,000				
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal					
Debt - External					
Grants (Enter Description Here)					
Reserves, Equity, Surplus					
Other - Enter Description Here					
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs					
Direct Costs: Debt & Finance Charges	$ -	$ 60,159	$ 60,159	$ 60,159	$ 60,159
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ -	$ 60,159	$ 60,159	$ 60,159	$ 60,159
Less: Existing Budget Amounts	-	60,159	60,159	60,159	60,159
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

1. The above costs represents the funding requirement for the development of a business plan with the assistance of an external consultant. Funding is provided through capital accounts.

2. This capital expenditure is amortized over 5 years at an annual interest rate of 6.50%

3. Debt & Finance charges (principal & interest payments) beyond 2010 total $60,159.

4. A 3% Interest and Admin. charge and 7% PST is included in the capital expenditure.

(Original signed by R. Abeysekera)
Manager of Finance & Administration
Corporate Services Dept.

IN PREPARING THIS REPORT, THERE WAS CONSULTATION WITH AND CONCURRENCE BY:

THIS REPORT SUBMITTED BY:

CAO Secretariat
Division: Corporate Communications
Prepared by: Garth A. Buchholz
File #: