Minute No. 667
Report - Executive Policy Committee - October 17, 2007

Item No. 1 **Consolidated 311 Service – Business Case Analysis for internally operated, outsource and hybrid models of service delivery**
File GG-5

COUNCIL DECISION:

Council concurred in the recommendation of the Executive Policy Committee and adopted the following:

1. That the Letter of Understanding, 311 Call Center Operations, with the Canadian Union of Public Employees (CUPE) Local 500, be approved.

2. That the internally operated model (enhanced version) of service delivery for a consolidated 311 service be adopted.

3. That there be no award of contract pursuant to RFP 123-2007 for the provision of a consolidated 311 service for the City of Winnipeg.

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

Report - Executive Policy Committee - October 17, 2007

DECISION MAKING HISTORY:

Moved by His Worship Mayor Katz,

That the recommendation of the Executive Policy Committee be adopted by consent.

Carried

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On October 17, 2007, the Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and submitted the matter to Council.

COUNCIL DECISION:

On June 20, 2007, Council granted the Winnipeg Public Service an extension of time of 90 days to report back as directed by Council on January 24, 2007.

On January 24, 2007, Council adopted the following:

1. That the report by the consulting firm AtFocus Incorporated entitled, "City of Winnipeg Final Report 311 Project: 311 Business Plan" be received as information.

2. That the Administration be directed to prepare business cases for three consolidated service delivery options of 311 service: a City of Winnipeg internally operated service, one which is outsourced to the private sector, and one which out sources infrastructure (technology and facility) and utilizes city staff, and report back in May 2007.

3. That expenditures in the amount of $250,000.00 for the 311 project, including external expertise, be authorized prior to the adoption of the 2007 Capital Budget as a first call against the 2007 Capital Budget.

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

RE: 311 – Business case analysis for internally operated, outsource and hybrid models of service delivery of a consolidated 311 service for the City of Winnipeg.

FOR SUBMISSION TO: Executive Policy Committee

ORIGINAL REPORT SIGNED BY: Acting Chief Administrative Officer

REPORT DATE: October 9, 2007

RECOMMENDATIONS:

1. **That Council approve the Letter of Understanding, *311 Call Center Operations,* with CUPE Local 500.**
2. **That the City adopt the internally operated model (enhanced version) of service delivery for a consolidated 311 service.**
3. **That there be no award of contract pursuant to RFP 123-2007 for the provision of a consolidated 311 service for the City of Winnipeg.**
4. **That the proper officers of the City be authorized to do all things necessary to achieve the intent of Council.**

Report Summary

Key Issues:

- The Public Service issued an RFP to evaluate the outsource and hybrid service delivery models for a consolidated 311 service.
- In both the internally operated and outsource models of consolidated 311 customer service there will be an increased cost from the current decentralized model, reflecting the enhanced customer service.
- A consolidated internally operated model and business case was developed by the Public Service.
- The Public Service compared the business cases for the three models (internally operated, outsource and hybrid).
- The hybrid model is cost prohibitive and is not recommended.
- The business case analysis for the outsource model is more cost effective than the hybrid and the initial internally operated business case.
- On October 9, 2007, CUPE signed a Letter of Understanding (LOU), *311 Call Center Operations,* with improvements that have reduced the cost of the internally operated model by approximately $4.1 million dollars over the first five years of the program, and provided for the ability to operate the consolidated 311 contact centre 24x7.

- The LOU created an additional internally operated business case (enhanced version) which has slightly higher savings over the initial five year term, in the amount of $198,770, compared to the most advantageous outsource proponent.
- The LOU satisfies all notices required under the Collective Agreement wherein the City has the right to commence establishment of the 311 centre.
- With the internally operated model, there are human resource issues regarding staffing a consolidated 311 centre and redeployment.
- The operating budget adjustment required if the City were to select the enhanced internally operated model would be approximately $1.4 million in 2008.
- The capital budget requirement based on the enhanced internal cost analysis is approximately $4.6 million before internal/finance charges. $4.390 million has been included in the 2008 draft capital budget with the remaining requirement available from funds approved in the 2007 capital budget for the 311 Project.
- Implementation of a fully consolidated, internally operated 311 contact centre will take 12 – 18 months to "go live."
- A due diligence review of the 311 Project Team's business case development was conducted concurrently with the RFP process by members of the Audit Department.

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

( ) Involves a multi-year contract

Comment(s): Implementing consolidated 311 services will have a positive impact on the manner in which the City interacts with its citizens.

Policy Implications

( ) No

(**X**) Yes

Comment(s): A consolidated 311 centralizes non-emergency contact centre services that are currently handled by departments.

Regulatory Implications

( ) None

(**X**) Eliminates or reduces regulatory impact

( ) Proposes regulatory impact

Comment(s): The Consolidated Model responds to:

- Recommendation #25 of the Mayor's Red Tape Commission to enhance customer service by identifying an appropriate "311 based solution."
- Recommendation #24 of the Mayor's Red Tape Commission to build a better "front door" to City services by setting standard response times to acknowledge citizen inquires, standardized voice mail greetings and email signatures, etc.

Environmental Implications

(**X**) No

( ) Yes

Comment(s):

Human Resources Implications

( ) No

(**X**) Yes

Comment(s): On October 9, 2007, CUPE signed a Letter of Understanding (LOU), *311 Call Center Operations*, with improvements to the efficiency of staffing, job classifications, and hours of work and provides for the ability to operate the consolidated 311 contact centre 24x7.

Consolidation of call takers from the affected departments has implications to the CUPE Collective Agreement. The attached Letter of Understanding satisfies all notices required under the Collective Agreement wherein the City has the right to commence establishment of the 311 centre.

Pursuant to the Letter of Understanding with CUPE there will be a redeployment of 36.5 CUPE positions. In addition there will be a reduction of eight Winnipeg Police Association clerical positions and a net loss of .8 of a WAPSO position.

Financial Implications

( ) Within approved current and/or capital budget

(x) Current and/or capital budget adjustment required

Comment(s): The operating budget adjustment required if the City were to select the enhanced internally operated model would be approximately $1.4 million in 2008, with the enhanced internally operated model costing less than the current decentralized model after the first year. $2 million has been included in each year of the 2008-2010 draft operating budget, over the existing budgeted amounts in the 22 departments. Additionally, the capital budget requirement based on the enhanced internal cost analysis is approximately $4.6 million before internal/finance charges. $4.390 million has been included in the 2008 draft capital budget with the remaining requirement available from funds approved in the 2007 capital budget for the 311 Project.

Report

REASON FOR THE REPORT:

At its meeting on January 24, 2007, City Council approved, in part, the following:

> "That the Administration be directed to prepare business cases for three consolidated service delivery options of 311 service: a City of Winnipeg internally operated service, one which is outsourced to the private sector, and one which out sources infrastructure (technology and facility) and utilizes city staff, and report back in May 2007."

HISTORY:

On November 23, 2005 City Council adopted a 311 model of customer service for the City of Winnipeg and directed that a detailed business plan be prepared to address the implementation of the 311 model of customer service.

A subsequent report was considered on January 24, 2007. Council directed the Public Service to prepare a business case analysis on three options for the delivery of a consolidated 311 service (internally operated, outsourced, and hybrid).

On February 14, 2007, the Executive Policy Committee approved as part of the City Auditor's audit plan for 2007 - 2009, a due diligence review of the 311 Project Team's "311 Business Cases – Service Delivery Options Report" to City Council. According to the Terms of Reference of the Audit Department, the objective of this review is to

> "produce a due diligence report that will provide independent assurance that the "report" prepared by the 311 Project team is fairly stated and complete in all material respects".

This Audit Department review was conducted concurrent with the RFP process with representatives from the Audit Department reviewing and providing feedback on each project deliverable as it was completed. Comments were provided to the 311 Project Manager at the completion of each stage of the review.

DISCUSSION:

Following Council's direction in January 2007, and consistent with the process identified in that report, the Public Service commenced a two phase Request for Proposals (RFP) process for the delivery of a consolidated 311 service for the City of Winnipeg. External assistance was sought with the development of the Request for Qualifications (RFQ) and RFP as a procurement and service delivery contract for a service of this nature has not been previously undertaken by the City.

On January 26, 2007, the RFQ was issued. Twelve responses were received. Four proponents were short listed to receive the RFP.

On June 19, 2007, the four short listed proponents received the RFP and were invited to respond to the outsource, hybrid or both service delivery models. Following issuance of the RFP and during the response period, one of the short-listed proponents advised that they had elected not to submit a response to the more detailed RFP.

The Public Service received five responses to the RFP: three for the outsource model and two for the hybrid model. Of the three outsource proposals, one was determined to be non-responsive as it contained a number of irregularities and conditions which were material, including pricing irregularities.

Following Council's direction to develop business cases for three consolidated 311 service delivery options (internally operated, outsource, and hybrid) the Public Service, with the assistance of an external consultant, prepared the City's business case for the internally operated model.

On May 1, 2007, the affected bargaining units which include CUPE, WAPSO and the Winnipeg Police Association (WPA) were invited to a meeting with the Public Service. Representatives of CUPE and WAPSO attended and they received an overview of the process to be followed.

On June 19, 2007, there was a subsequent meeting where bargaining unit representatives received copies of the Internal Business Case and the RFP. They were asked to review the documents with the intention that their feedback would be incorporated into the ongoing process.

On July 10, 2007, there was another meeting with bargaining unit representatives to discuss their review of the documents, to allow the Public Service to respond to questions, provide further information and/or clarification and discuss any suggestions or comments they had. At the meeting, the CUPE representatives indicated they had no material concerns with respect to either the Internal Business Case or the RFP.

On October 9, 2007, CUPE signed a Letter of Understanding (LOU), *311 Call Center Operations*, with enhancements to the internally operated model business case. The new terms of conditions of employment realize efficiencies in staffing (part time and an eight hour work day), scheduling flexibility (staggered start times and 24x7 hour operations) and agreement to the job classifications for 311 centre operational staff. The LOU satisfies all notices required under the Collective Agreement wherein the City has the right to commence establishment of the 311 centre. These enhancements have reduced the cost of the internally operated model by approximately $4.1 million dollars. The result of these changes is reflected in the "enhanced" internally operated business case. The LOU is attached as Appendix A.

RFP Evaluation Process:

Proposals received for the outsource and hybrid models were evaluated according to seven broad categories including Service Delivery, Technology and Tools, Implementation and Transition, Experience and References, Financial Information, Pricing, and Fit with the City. Emphasis was placed on the Service Delivery category to reflect the importance associated with outsourcing the 311 service.

The first step of the evaluation process was a review of the written proposal submissions. Based on this step of the evaluation, both hybrid proposals were determined to be cost prohibitive and accordingly, the hybrid model would not be recommended by the Public Service. Two outsource model proponents advanced to the next step of the evaluation process, which were demonstrations and presentations.

The following information provides a synopsis of the business cases for the outsource, hybrid (technology and facility), internally operated and "enhanced" internally operated service delivery models for a consolidated 311 service.

Summary of Qualitative Analysis

Within the aforementioned seven broad categories of the evaluation the proponents demonstrated their competency is to provide customer service through the use of industry recognized technology and contact centre best practices. During the demonstration/presentation phase the proponents reaffirmed their experience in transitioning and sustaining clients through the consolidation and outsourcing of telephone and web communications. Proponents also outlined their understanding of the relationship between customer responses and the client's overall organizational goals which speaks to the City's objective of performance measurement.

The Public Service has many years of related experience providing customer service to the citizens of Winnipeg. In the current 22 decentralized contact centres the tools and technology that enable these services is varied. The consolidation of the City's contact centre services will enable the standardization of contact centre best practices and industry recognized tools and technologies. Combining the Public Service experience with contact centre best practices (training, quality assurance, etc.) and tools and technologies will improve the quality and efficiency of service delivery within the internally operated model.

Pricing and Financial Analysis

The Public Service engaged a number of consultants with specific expertise in financial analysis to assist with the development and analysis of the pricing model component of the RFP. The following four models of consolidated 311 service delivery were then evaluated.

Model	Definition
Internally Operated	City provides the 311 service through internal means.
Enhanced Internally Operated	City provides the 311 service through internal means with enhancements made to the business case by way of the CUPE Letter of Understanding.
Outsource	An external party to the City provides the 311 service.
Hybrid	An external party to the City provides a location for the 311 operations, including installation and maintenance of the computer technology. The City provides staffing.

With the assistance of Deloitte & Touche LLP, an external consultant, the internally operated cost analysis was prepared in order to determine the City's cost to operate a consolidated 311 contact centre. The internally operated business case, attached as Appendix B, is based on a set of assumptions which are provided in a document supporting the five year projected costs to the City.

CUPE has entered into a Letter of Understanding, *311 Call Center Operations,* with the City of Winnipeg and the resulting enhanced internally operated business case is attached as Appendix C.

The summary financial results for the internally operated model, the most advantageous outsource and hybrid models and the enhanced internally operated model are set out and discussed individually in the sections that follow.

Summary Financial Information
Five Year Total

	Internally Operated	**Outsource**	**Hybrid**	**Enhanced Internally Operated**
Five year total	**$35,172,999**	**$25,839,040**	**$18,705,569**	**$31,096,964**
Add:				
Program administration		$1,514,974		
Operating costs			$25,686,202	
Sub total	**$35,172,999**	**$27,354,014**	**$44,391,771**	**$31,096,964**
Add:				
Legacy costs (one-time)		$3,841,720		
Project Team (year one)		$100,000		
Total cost including adjustments	**$35,172,999**	**$31,295,734**	**$44,391,771**	**$31,096,964**

The following information is provided with respect to the above table:

- The RFP, issued in June, allowed proponents to bid on either the outsource or hybrid model or both.

- The term of the contract identified in the RFP is for a period of five years from the award of contract unless otherwise extended or terminated, with a renewal option of two additional periods of up to three years each.

- Pricing, for both the outsource and hybrid models, was evaluated based on a five year period. Proponents submitting proposals for the outsource model were asked to provide pricing for each year during this five year period. Proponents submitting proposals for the hybrid model were asked to provide pricing for the first year of the contract, with the pricing subject to an annual adjustment of 75% of the year over year change in the Consumer Price Index (CPI).

- Proponents for both the outsource and hybrid models were also evaluated on their financial health based on financial information provided. The evaluation included a review of the proponents' financial statements for three years as well as their current customer base.

Noted below are further details, under each model, providing information concerning price accumulations.

I. Internally Operated Model:

The cost analysis related to the internally operated model is the City's best estimate of costs associated with this option based on stated assumptions and in compliance with current collective bargaining agreements. Total estimated costs to operate an internally operated, consolidated 311 contact centre over a five year period are **$35,172,999**. On an annual basis, costs are estimated as follows:

Summary Financial Information
Internally Operated Five Year Total

Year	Annual Cost
1	$7,662,143
2	$6,785,047
3	$6,847,220
4	$6,908,828
5	$6,969,761
Five year total	**$35,172,999**

The following assumptions have been applied in arriving at the above totals:

- The internally operated model is based on the consolidation of the 22 existing department-based contact centres into one, 72 seat consolidated 311 contact centre, operating on a 24/7 basis, 365 days a year. Current rates of pay, as well as shift premiums, have been factored into the analysis in recognition of, and compliance with, current collective bargaining agreements.

- The five year cost analysis for the internally operated model includes estimates of costs for direct labour and benefits, legacy costs, management and support, infrastructure and general overhead (office equipment and supplies, insurance, recruiting, advertising, promotion, training and repairs).

- The cost analysis also includes estimated integration and transition costs in year one of $300,000. These are defined as costs required to integrate City systems with core 311 systems. It is expected that the integration and transition costs will not materially differ between the three models being considered (internally operated, outsource and hybrid). In addition, the cost analysis reflects $500,000 for project implementation costs which would include the project team, facilities and general expenses.

- The internally operated model includes capital costs to purchase the technology for Interactive Voice Response (IVR), which triages calls based on telephone-based menu options selected by the caller and then routes the call. Costs related to configuration are not included. It is assumed that no IVR will be used initially. The same applies to the response for the outsource and hybrid models.

- The internally operated cost analysis, includes estimated costs of $250,000 for knowledge management development in year one. This relates to the development of the content, structure and process surrounding the knowledge management application. These costs are not included in the year one cost reflected above for the purpose of comparison because the City is responsible for knowledge management regardless of which model it adopts.

II. Outsource Model:

Two responsive proposals were received for the 311 outsource model. The total estimated contract price over the five year period, as provided by the most advantageous outsource proponent is **$25,839,040.** Total costs, including adjustments are shown below.

Summary Financial Information
Outsource Five Year Total

	Outsource
Five year total	**$25,839,040**
Add:	
Program administration	$1,514,974
Sub total	**$27,354,014**
Add:	
Legacy costs (one-time)	$3,841,720
Project Team (year one)	$100,000
Total cost including adjustments	**$31,295,734**

The following additional information is provided:

- The proponent's cost projections include integration/transition costs in year one of $329,430. This compares to the internally operated model's estimate of these costs of $300,000.

- To provide for a complete comparison of the outsource model against the internally operated model, the following costs have been added to the total costs provided by the proponent reflected above:

i) City of Winnipeg legacy costs relate to salaries and benefits while employees are being redeployed. These costs are $2,866,955 in year one and $974,765 in year two for a total of **$3,841,720**, based on the assumption that employees will be redeployed over two years.

ii) City of Winnipeg program administration costs, relate to salaries for functions that the City anticipates having to perform if the 311 service is outsourced. These costs are **$1,514,974** over the five year period.

iii) City of Winnipeg Project Team costs in the amount of **$100,000** in year one, to reflect costs of the team that will have to work with the outsource provider.

Adding these operating costs to the proponent's cost estimates brings the five year total to **$31,295,734.**

III. Hybrid Model:

Two responsive proposals were received for the 311 hybrid model. Total estimated contract price over the five year period as provided by the lowest cost hybrid proponent, is **$18,705,569.** Total costs, including adjustments are shown below.

Summary Financial Information
Hybrid Five Year Total

	Hybrid
Five year total	**$18,705,569**
Add: Operating costs	$25,686,202
Total cost including adjustments	**$44,391,771**

- To provide for a complete comparison of the hybrid proposal against the internally operated model, the City of Winnipeg's operating costs (direct labour and benefits, legacy costs, management and support, and general overhead) have been added to the total costs provided by the proponent, as reflected above. These costs are estimated at **$25,686,202** over the five year period. Adding these operating costs to the proponent's cost brings the five year total to **$44,391,771.** With the enhanced internally operated model the hybrid option is still cost prohibitive.

IV. Enhanced Internally Operated Model

The cost analysis related to the enhanced internally operated model is the City's best estimate of costs associated with this option based on stated assumptions and enhancements per CUPE's Letter of Understanding. Total estimated costs to operate an enhanced internally operated, consolidated 311 contact centre over a five year period are **$31,096,964**. On an annual basis, costs are estimated as follows:

Summary Financial Information
Enhanced Internally Operated Five Year Total

Year	Annual Cost
1	$7,898,032
2	$6,087,861
3	$5,660,544
4	$5,703,988
5	$5,746,539
Five year total	**$31,096,964**

Current Decentralized Model:

A review was previously done to determine the costs associated with the current decentralized customer service model at the City of Winnipeg. This "status quo" model was last updated on April 18, 2007.

Estimated total costs of the current decentralized model for direct labour and benefits, management & support, general overhead and infrastructure costs (facilities, telephone/internet lines, desktop support) for the first five years, including a 2% inflationary adjustment, are reflected below, along with comparative five year costs for the internally operated model, the most advantageous outsource proponent and the enhanced internally operated model.

					Budget Adjustment Required		
	Current Decentralized	Outsource	Internally Operated	Enhanced Internally Operated	Outsource	Internally Operated	Enhanced Internally Operated
Total	**$29,675,645**	**$31,295,734**	**$35,172,999**	**$31,096,964**	**$1,620,089**	**$5,497,354**	**$1,421,319**

The budget adjustment required if the City were to select the most advantageous outsource proposal would be **$1,620,089** over the first five years, with the outsource model costing less than the current decentralized model after the first two years.

The budget adjustment required if an enhanced internally operated model was adopted would be **$1,421,319** over the first five years, which is an improvement of $4,076,035 from the budget adjustment required for the internally operated model.

Summary:

Based on the costs of the two responsive proposals for the hybrid model, a hybrid 311 solution is not cost effective for the City of Winnipeg.

With respect to the two responsive proposals for the outsource model, the costs submitted by one proponent is higher and the other is lower than the costs estimated to operate the 311 centre internally. The lowest cost outsource proponent, reflected in the pricing above, has significant cost saving opportunities associated with its proposal.

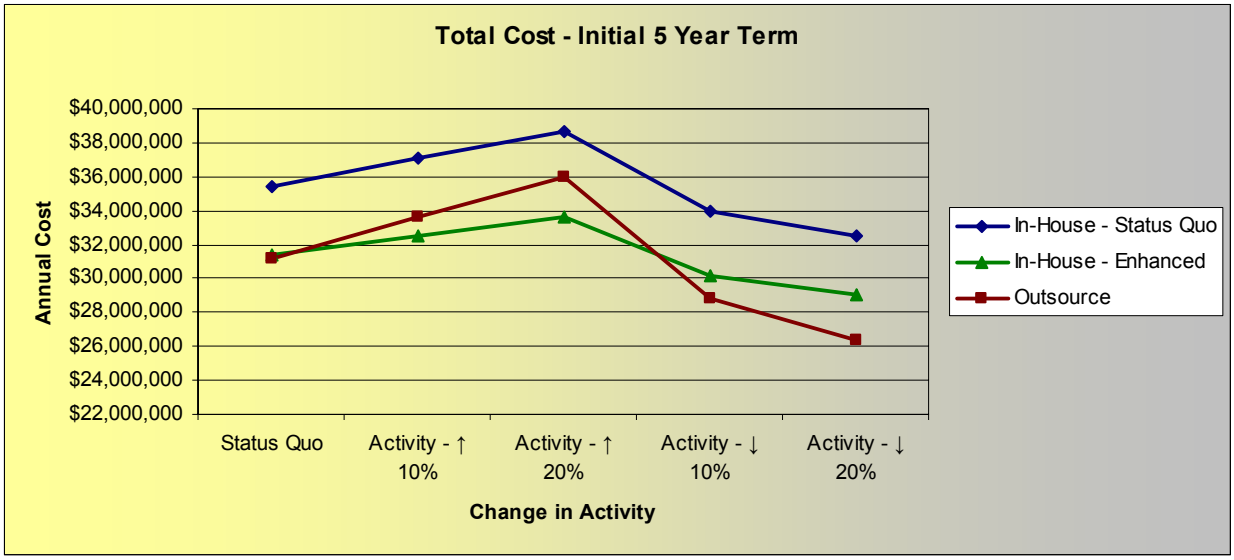
With respect to the internally operated model and enhanced internally operated model, the internally operated model is not as cost efficient as the most advantageous outsource proponent. However, the enhanced internally operated model has slightly higher savings over the initial five year term, in the amount of $198,770, compared to the most advantageous outsource proponent.

Therefore it is recommended that Council adopt the internally operated model (enhanced version) of service delivery for a consolidated 311 service and that there be no award of contract pursuant to RFP No. 123-2007. RFP No. 123-2007 provided at E7.2.1 (a) that the City would have no obligation to award a contract where City Council determines the consolidated 311 Contact Centre will be established using the internal model.

Noted below are some risks and opportunities with respect to this selection:

Risks

- All models are based on call volumes of 2,400,000 and an average handle time of 118 seconds per call. The graph below shows the impact to total cost for the internally operated model, the most advantageous outsource proposal, and the enhanced internally operated model over five years if there is change in activity such as a change in call volume or average handle time.



Changes in activity are more cost effective in the outsource pricing model over the longer term, as only the minutes used are paid for (variable cost structure). Where there are more fixed costs, as in the internally operated model, changes in volume can not usually be responded to as efficiently since it is often difficult to reduce fixed costs within the short-term. The enhanced internally operated model significantly mitigates the inability to respond to changes in activity compared to the internally operated model.

- Redeployment of existing employees. Assumption in the enhanced internally operated model is that employees can be redeployed within two years. If redeployment takes longer the related costs will increase.

Opportunities

- When the financial model is extended to the end of the contract, including extensions, in year 11, the City estimates (based on a number of assumptions) that the cost savings of the outsource model will have been approximately $8.5 million over the internally operated model and the cost savings of the enhanced internally operated model will have been approximately $11.8 million dollars over the internally operated model. It is important to note however, that future estimates extending out a number of years are not as reliable as for more recent years.

Next Steps:

The Public Service will establish a 311 project team and a number of key issues will be concurrently addressed including:

- Hire a contact centre manager
- Procurement of technology
- Procurement of a facility
- Development of a public awareness campaign
- Development of the knowledge base
- Development of the staffing strategy
- Development of training curriculum and materials

The most significant issue which will determine the timeline to go live will be the procurement of a facility. It is anticipated that it would take a minimum of 18 months to design, tender and construct a facility. The Public Service will review the local market to determine if there is any existing space suitable for the 311 contact centre available for lease.

Financial Impact Statement

Date: October 9, 2007

Project Name: 311 Customer Service **First Year of Program 2008**

	2008	2009	2010	2011	2012
Capital					
Capital Expenditures Required	$ 4,728	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	4,728	-	-	-	-
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	$ 7,142,759	$ 5,127,820	$ 4,748,223	$ 4,842,011	$ 4,937,675
Less: Incremental Revenue/Recovery	138	-	-	-	-
Net Cost/(Benefit)	$ 7,142,621	$ 5,127,820	$ 4,748,223	$ 4,842,011	$ 4,937,675
Less: Existing Budget Amounts	5,702,424	5,816,473	5,932,802	6,051,458	6,172,488
Net Budget Adjustment Required	$ 1,440,197	$ (688,653)	$ (1,184,579)	$ (1,209,447)	$ (1,234,813)

Additional Comments: The operating budget adjustment required if the City were to select the enhanced internally operated model would be approximately $1.4 million in 2008, with the enhanced internally operated model costing less than the current decentralized model after the first year. $2 million has been included in each year of the 2008-2010 draft operating budget, over the existing budgeted amounts in the 22 departments. Additionally, the capital budget requirement based on the enhanced internal cost analysis is approximately $4.6 million before internal/finance charges. $4.390 million has been included in the 2008 draft capital budget with the remaining requirement available from funds approved in the 2007 capital budget for the 311 Project.

original signed by
Michael P. Ruta
Chief Financial Officer

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With:
311 RFP Evaluation Team
City of Winnipeg Senior Management Team
Corporate Human Resources
Corporate Information Technology
Corporate Finance Department
Corporate Finance Department – Materials Management Branch
Internal Services Department – Legal Services Division
Planning, Property and Development Department

External Consultation With:
Deloitte & Touche LLP
TAU Group Inc.

THIS REPORT SUBMITTED BY:

Department: CAO Secretariat
Division:
Prepared by: Inspector Shelley M. Hart, 311 Project Manager
File No.