



Office of the City Manager

CONSENT CALENDAR

November 14, 2006

To: Honorable Mayor and
Members of the City Council

From: *PK* Phil Kamlarz, City Manager

Submitted by: Robert Hicks, Acting Director, Finance

Subject: Contract: Community Relationship Management Software

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to execute a contract with Lagan Technologies Inc. to provide comprehensive Community Relationship Management (CRM) software and support for the period of December 1, 2006 through November 30, 2009, for an amount not to exceed \$430,000. This is required to implement phase one of the City's Customer Service Improvement Initiative.

FISCAL IMPACTS OF RECOMMENDATION

The 3-year contract will not exceed \$430,000: \$350,000 for the initial cost, plus maintenance not to exceed \$40,000 annually for the second and third years. The funding for the project is a General Fund allocation in the amount of \$800,000 (budget code 010-3301-410.30-38) designated for customer service improvement technology. This allocation will be recommended to be carried over from FY 2006 as part of the first amendment to the FY 2007 Annual Appropriations Ordinance. The cost for the Community Relationship Management (CRM) software should be recovered within three years due to efficiency gains.

The Customer Service Improvement Initiative includes the following costs:

CRM software	\$430,000
Integration middleware to integrate to all City legacy systems	\$108,000
Integration services for HTE and GIS	\$30,000
Hardware	\$82,000
Workflow analysis	\$20,000
Web content management	\$70,000
IVR telephone upgrades	\$60,000
Total:	\$800,000

CURRENT SITUATION AND ITS EFFECTS

Citywide, there are over 12 separate customer service and call centers, using unrelated computerized systems for initiating, tracking, and closing customer service requests. These customer service centers receive a total of about 17,000 telephone calls each month, and the inquiries include frequently asked questions, complaints, and complex requests for City services. The City's call centers and website are currently organized according to an organizational (rather than functional) structure, leading to customer confusion in understanding or finding who to contact or how to get things done.

Council Members and City staff receive frequent complaints from citizens regarding the quality of customer service, and the difficulty in obtaining consistent and accurate information. These claims were substantiated by the results of the City's Customer Service Survey conducted in early 2006. In FY 2006 the City Council authorized the allocation of \$800,000 as part of a City priority to implement a Customer Service Improvement Initiative. Community Relationship Management software (CRM) is one component of the initiative, along with several other technology improvements, including a new Web Content Management System, which will improve the City's web-based information and self-service capabilities, and an improved telephone system.

BACKGROUND

On March 16, 2006 the City issued a Request for Proposal (RFP Specification No. 06-10103-C) for a Community Relationship Management System, and posted the RFP on the City's website. The RFP stated that the selected contractor would provide CRM software and support for the City. Seven proposals were received, and were evaluated based on technical solutions with products and service that best meet the City of Berkeley's needs, cost, and references. After review of the proposals, a multi-departmental team comprised of representatives from the City Manager's Office, and Departments of Public Works, Information Technology, and Finance interviewed the four vendors deemed most qualified: Unisys, Tier 1 Innovation, Accela Government Software, and Lagan Technologies. Based on extensive analysis, interviews and staff discussions, staff recommends Lagan Technologies be awarded the City's CRM services contract.

RATIONALE FOR RECOMMENDATION

Lagan Technologies demonstrates the most competitive range of services, including multi-channel support, multi-language services, a knowledge-based search tool, workflow functionality, system integration and customization capability, reporting tools, and training.

By installing these technologies, customer service information delivery and retrieval will be streamlined, data redundancies and asymmetries will be prevented and, most importantly, community members will have an easier time accessing routine information and services from the City.

ALTERNATIVE ACTIONS CONSIDERED

Tier 1 Innovation also provided a comprehensive range of services, but the cost was over 20% higher than Lagan Technologies.

CONTACT PERSON

Susie Monary-Wilson, Finance Customer Service Manager 510-981-7229

Attachments:

1: Resolution

RESOLUTION NO. -N.S.

AGREEMENT WITH LAGAN TECHNOLOGIES TO PROVIDE COMPREHENSIVE
COMMUNITY RELATIONSHIP MANAGEMENT SOFTWARE AND SERVICES

WHEREAS, the City Council established and funded the Customer Service Improvement Initiative as a priority in FY 2006 to address the City's overall customer service needs; and

WHEREAS, a Request for Proposal (Specification No. 06-10103-C) for comprehensive Customer Relationship Management (CRM) software and support was issued and posted on the City's website on March 15, 2006, and seven bids were received by the April 18, 2006 deadline; and

WHEREAS, funds are designated and available for this project in the City's General Fund, budget code 010-3301-410.30-38, which has a current balance of \$800,000 designated for customer service improvement technology; and

WHEREAS, this funding is recommended to be carried over from FY 2006, and included in the first amendment to the FY 2007 Annual Appropriations Ordinance.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the proposal submitted by Lagan Technologies for CRM services is hereby accepted.

BE IT FURTHER RESOLVED, that the City Manager is authorized to execute a 3-year contract with Lagan Technologies Inc. to provide comprehensive Community Relationship Management software required for implementing phase one of the City's Customer Service Improvement Initiative. The contract will not exceed \$430,000: \$350,000 initially, plus annual maintenance not to exceed \$40,000 annually for the second and third years, for the period of December 1, 2006 through November 30, 2009. A record signature copy of the contract will be on file in the Office of the City Clerk.