CITY OF BEVERLY HILLS
STAFF REPORT

Meeting Date: August 19, 2008

To: Honorable Mayor & City Council

From: Katie E. Lichtig, Assistant City Manager

Subject: Feasibility of Implementing City-wide 311 Telephone Customer Service System

Attachments:
1. Study of Feasibility of Establishing 311 System for the City of Beverly Hills by Matrix Consulting Group

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INTRODUCTION

As part of the City Council's on-going effort to define the vision and achieve exceptional level of city services, a program initiative "To establish a 311 customer service program" was prioritized by the City Council. As defined by the International City/County Management Association (ICMA) a 311 system is defined as follows:

> "A local telephone exchange communications system that allows telephone customers (and cell phone customers, depending on the community) to access non-emergency local government information and services by dialing an abbreviated telephone number. A public switched network routes 311 telephone calls to a call center designated by the local government customer."

To assess the right service delivery model for the City of Beverly Hills, staff with the assistance of a consultant undertook a feasibility study. The results of this feasibility study are summarized in this report and are detailed in the attachment. Moreover, a recommendation to establish a 311 customer service program is contained in this report and staff seeks the City Council's direction.

DISCUSSION

Currently the City receives more than 500,000 telephone inquires per year. These calls come in on 619 telephone lines and cover the gamut to include general questions, requests for service, calls for particular departments or staff members, wrong numbers, hang ups and faxes. Based on the City's business practices today a customer can call a general telephone number to reach the City ("The 1000 line"), can call a department directly if they know the department's phone number (such as the Public Works Customer Service phone number), they can access city services through the City's website and the automated request for services system recently rolled out called "Ask Bev." It should be noted that based on the study completed during the feasibility analysis, only a percentage of the total number of calls directed to the City's 619 phone lines will be converted to 311 calls. It is estimated that between 76,000 to 145,000 callers will use 311 to access city services. This is important to keep in mind when we discuss the model, staffing and operation of the 311 customer service program that is

being proposed. The current service delivery model employed by the City of Beverly Hills emphasizes excellent customer service but does not have a single point of entry into the City like a 311 system. The consultants note that there is no evidence indicating persistent customer dissatisfaction with any segment of city services. The goal of obtaining a city 311 system accentuates the importance of customer satisfaction to the City of Beverly Hills.

Based on the Feasibility Assessment, there are a variety of models for providing a single point of entry service to the City's customers. The models include features and decisions such as the following:

- Centralized call center versus decentralized customer service representatives (current system)
- Full service (answer questions and provide in-take for service requests) versus information only
- Full-time call taking versus part-time services

As outlined in the attached report, the consultant team reviewed several factors to determine options for the City of Beverly Hills with regard to its desire to improve the quality of customer service through the development of a 311 system for service delivery. The consultants' key findings and recommendations include implementation of a centralized full service, part -time 311 system (Monday through Saturday 7:30 a.m. to 5:30 p.m. using all net new staff). Moreover the consultants recommend six full time positions to implement this model (two net new positions). If the consultant's model is implemented there are costs for new personnel salaries / benefits of approximately $160,000. The new annual costs associated with operating a 311 system in the City of Beverly Hills will range from $31,700 to $70,700 including annual system maintenance fees for Comcate and Avaya; annual fees for Comcate GIS (if adopted); and 3-digit exchange service fees (311 exchange if adopted). Additionally, one-time start-up cost ranging from $90,500 to $318,500 depending on the options selected for the Avaya system.

Staff concurs with establishing a full service centralized call center. However there are two major refinements in the model that staff believes can be successful in Beverly Hills. One is that we believe that an efficient, effective and successful 311 call center can be established by re-deploying five existing staff positions to facilitate the creation of the 311 call center (four call taking and one team leader). The staff is already handling the call volume that would be received in a centralized model. Plus there are training opportunities, efficiency measures and workload synergies that exist or can be implemented that make this possible. The second major difference that staff is recommending is a hybrid full-time call center. This can be achieved by having call center staff answer the 311 calls Monday through Friday while Dispatch will answer the calls in the evenings and on weekends. Police Department staff conducted a more refined analysis of the call logs for the test period and concurs with this assessment. This will be a major improvement to customer service in that no customer service staff is currently answering calls for general government services during the evening or weekends.

To summarize, the 311 customer service delivery model that is being recommended has the following characteristics:

- Centralized call center
- Full Service (answer questions and provide in-take for service requests); and

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- Full-time hybrid system with call center answering the 311 calls Monday through Friday and Dispatch answering 311 calls evenings and weekends.

The following chart outlines the major components of the model that is being recommended by staff.

Component	Description	Recommendations	New Costs
Customer Relationship Management (CRM) software	Represents a critical component of a centralized customer service system for the initiation, tracking and statistical reporting of citizen requests.	The Comcate software provides the necessary functionality to launch the project. Maintain the contract and explore expanding the functionality of the system integrating other city systems.	$10,700 (Annual)
Avaya	Provides the telephony and call center software necessary for the system. (Basic)	Explore interfacing VoIP technologies with the Comcate system.	$22,500 (Start-up) $1,000 (Annual)
Avaya	Provides the telephony and call center software necessary for the system. (Advanced)	Avaya systems offer numerous options for increased functionality and ease of use.	$250,000 (Start-up) $40,000 (Annual)
Avaya	3rd party software interface.	Software module.	$65,000 (Start-up) $10,000 (Annual)
3-Digit 311 Exchange	For-fee service of local telephone provider, includes a flat fee and a per call fee.	Convenient feature adding versatility to the 311 system. (Conservative estimate of call volume of 10,000 calls per month).	$75 (Month) $.05 / call $7,000 (Annual Service Fee)
Customer Service Supervisor	Provides oversight of call taker operations and management of the knowledge base.	Redeploy one full time staff position for the 311 system that can also function as the project manager for the launch period of the project.	$0
Customer Service Representatives	Full time customer service representatives, dedicated to handling the 311 line for the city during call center operational hours.	Redeploy three call takers necessary to provide coverage 5 days per week. Dispatch to provide coverage on evenings and weekends.	$0

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Component	Description	Recommendations	New Costs
Centralized Call Center	Call center with supervisory office and 3 call stations.	Need necessary telephone/network drops.	Minimal one time cost
Comcate GIS	Provides visualization capabilities for call takers to verify addresses and the ability to conduct spatial analysis.	This is an optional feature that would enhance the capabilities of the system.	$3,000 (Start-up) $3,000 (Annually)
Marketing	Provide public outreach and education to the potential users of this service.	Multi-media public outreach campaign is necessary to maximize conversion of callers to 311 service.	$50,000 (Start-up)

According to discussion between the consultant and ATT, the 311 exchange is available to be implemented for "land line" calls and will be staff's first priority for implementation. Arranging the implementation for 311 for cell phones is more complicated because it requires interfacing with each cell carrier. Providing service to cell phone callers will be incorporated into our implementation plan but may be a secondary priority given the timeframe for implementation. In addition to the technical and operational aspects of implementation, staff will put together a comprehensive marketing program to ensure the public is aware of this new service. Should the City Council decide to move in this direction staff estimates that the initial phase of an operational 311 center will be launched no later than end of February 2009.

FISCAL IMPACT

The cost of staff to launch and operate the 311 center consistent with the recommended structure is included in the operating budget. The new annual costs associated with operating a 311 system will range from $31,700 to $70,700 including annual system maintenance fees for Comcate and Avaya; annual fees for Comcate GIS (if adopted); and 3-digit exchange service fees (311 exchange if adopted). Additionally, one-time start-up cost ranging from $140,500 to $368,500 depending on the options selected for the Avaya system. There is funding available for these expenditures during FY 08-09 in this year's budget (CIP Project No. 0856). If the City Council decides to move forward with the 311 service center as proposed the annual costs will be added to the Fiscal Year 2009-2010 operating budget.

RECOMMENDATION

Staff recommends that a 311 customer service delivery model that is centralized, full service and hybrid full-time be approved by the City Council.

Katie E. Lichtig
Approved By