



CITY OF LONG BEACH

OFFICE OF THE CITY MANAGER

R-21

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GERALD R. MILLER
CITY MANAGER

April 24, 2007

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute an agreement with EMA, Inc., to develop an implementation plan for a 3-1-1 program, for an amount not to exceed \$442,750. (Citywide)

DISCUSSION

A 3-1-1 program will provide a single point of contact for all non-emergency City service requests and is expected to provide substantial Citywide benefits. This will include easier access to City services through both telephone and the internet, better alignment of resources with the community's priorities, increased accountability and efficiency gains, and enhanced ability for the public, the Mayor, City Council and City management to monitor service delivery performance. In general, a 3-1-1 program will be an important component of our City's overall performance management system, providing City management with critical data that will increase efficiencies citywide and assist in operational decision-making.

In April 2006, City staff provided City Council a report on a 3-1-1 Feasibility Study (Attachment 1). It identified various 3-1-1 alternatives with general cost estimates and benefits of each alternative. The report also recommended the selection of an experienced firm to develop a comprehensive 3-1-1 program implementation strategy. The selected firm would assist the City in evaluating and recommending the information and communications systems needed to support 3-1-1, outline the recommended design, equipment, facilities and operational structure, and develop detailed cost estimates and potential funding strategies.

As part of the Fiscal Year 2007 (FY07) Adopted Budget, the City Council appropriated \$1,000,000 in one-time funding for the development of a 3-1-1 implementation strategy, with the actual implementation to be completed in FY08.

A Request for Proposals for professional consulting services to develop a comprehensive 3-1-1 program implementation strategy was advertised in October 2006 and five (5) firms submitted proposals in response to the RFP. The 3-1-1 Project Steering Committee, composed of representatives from multiple city departments, chose two finalists for final interviews, and selected EMA, Inc., as the most qualified consultant for the project.

City Council approval is being requested to enter into an agreement with EMA, Inc., to provide professional consulting services for the development of an implementation plan for a 3-1-1 program. Founded in 1975, EMA, Inc., specializes in the technology and business management needs of municipal organizations and utilities. The firm has assisted the cities of Akron, OH, Hartford, CT, Corpus Christi, TX, and is currently assisting the City of San Francisco, with their 3-1-1 implementations, as well as extensive experience in working with municipalities to implement related technology solutions.

EMA, Inc.'s consulting services would commence immediately upon contract approval by the City Council and would be expected to occur over the course of four and one half months. The work would include identifying the 3-1-1 call center location and operational and staffing requirements, assisting City staff to evaluate and recommend new information systems necessary to support 3-1-1 and defining how they would integrate with existing systems, and preparing a detailed implementation plan that clearly defines the costs and funding strategy. The implementation plan and estimated funding strategy will be presented to the City Council for final decision before moving forward with a 3-1-1 program.

This matter was reviewed by Principal Deputy City Attorney Charles Parkin on April 17, 2007 and Budget and Performance Management Bureau Manager David Wodynski on April 17, 2007.

TIMING CONSIDERATION

City Council approval of this item is requested on April 24, 2007 in order to move forward immediately with the development of an implementation plan for a 3-1-1 program.

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FISCAL IMPACT

The contract would not exceed a one-time amount of \$442,750. The City Council appropriated \$1,000,000 in one-time funding in the FY(07) budget in the General Fund (GP) Citywide Activities Department (XC) for the development of a 3-1-1 program implementation plan; therefore sufficient resources are available for this contract.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,

Christine J. Sheppery

for

GERALD R. MILLER
CITY MANAGER

GRM:SM:CFW

Attachment: April 4, 2006 3-1-1 Feasibility Study Report Memo



Date: April 4, 2006
To: Gerald R. Miller, City Manager
From: Curtis Tani, Director of Technology Services
For: Mayor and City Council
Subject: 311 Feasibility Study Report

Attached is a report on the feasibility of establishing a 311 program in Long Beach. 311 is a "best-practice" that has been implemented by many prominent cities to improve the delivery of non-emergency City services to the public. It streamlines communications and facilitates a city's ability to interact with, and provide services to, the community and other stakeholders.

In response to the City Council's request, the Technology Services Department (TSD) initiated a Feasibility Study by selecting the consulting firm RPS Systems (RPS) through a competitive process to analyze options for deployment and to define the costs and benefits associated with each option. RPS found that a 311 program is feasible for the City of Long Beach (City) and would yield significant benefits. Presented below is a brief summary of the potential benefits and costs, and recommended next steps.

311 Benefits

RPS found 311 would provide many benefits in Long Beach including:

- Easier access to City services.
- Increased accountability for delivering non-emergency City services requested by the public through approximately 1,250,000 calls per year.
- Establishment of a clear channel for requesting services and communicating service delivery levels between the City and the public.
- Long-term efficiency gains through the consolidation of employee positions citywide that field calls for non-emergency City services.
- Increased ability for the public, the City Council, and City Management to monitor service delivery performance.

311 Approaches

As part of its study, RPS reviewed 311 models currently used by other jurisdictions such as the cities of Baltimore, Chicago, and Dallas. From this review, three options were identified as potential approaches for the City:

- Option A: "Answer and Transfer"
- Option B: "Centralized Service Intake"
- Option C: "Integrated Service Management"

Below is a brief description of these options, as well as the projected benefits and costs. The cost estimates would need to be fully developed through a detailed implementation strategy.

"Option A - Answer and Transfer"

This option would add the 311 telephone number, but it would not make any major changes to how service requests are processed. An operator would answer the 311 call and transfer it to the appropriate department. The City of Los Angeles has implemented this model as a first step in its 311 initiative. While this model facilitates the caller reaching the right City employee, it falls short of delivering the expected improvements to the service delivery process that is associated with 311.

The estimated one-time implementation cost for this option is \$300,000. This covers additional software needed to develop an "encyclopedia" of City information and Frequently Asked Questions (FAQs). The additional ongoing cost is approximately \$100,000 per year for the 311 phone number and dedicated staff.

"Option B - Centralized Service Intake"

This option includes the establishment of a centralized 311 call center that uses specialized service request software to handle non-emergency customer requests. Service requests would feed various department work management systems. Customers could request service by either calling 311 or entering information online through the City's website. This is the most common "best-practice" model used for 311 deployments, due to the solid return on investment in the form of improved service delivery. The Cities of Baltimore and Dallas have used this approach.

The estimated one-time implementation cost for this option is \$3.1 million, of which approximately \$2.9 million would be required during the first year of deployment. This amount is higher than reported in the RPS report because it includes the cost to upgrade a City worksite and network (voice and data) for a 311 call center. In addition, this includes the cost to develop a detailed implementation strategy that would be necessary for commencing the 311 project. The estimated incremental or additional cost to the City per year would be approximately \$500,000.

“Option C - Integrated Service Management”

This option builds upon the “Centralized Service Intake” option but adds software that departments would use to schedule and manage work. This would enable the City to capture comprehensive performance information throughout the entire service process, which includes customer contact, service delivery, after-the-fact review and asset maintenance history. Cities that employ this model include Louisville and Chicago.

The estimated implementation cost for this option is \$3.8 million. As with the prior option, this amount is higher than in the RPS report, as it includes the cost to upgrade a City worksite and develop an implementation strategy for a 311 call center. The implementation costs estimated here for a citywide work management system would need to be more fully developed during the next phase of the analysis. The incremental ongoing cost to the City for this option would be at least \$500,000, plus the additional cost for the maintenance and support of a citywide work order management system. Currently, there is no annual cost estimate for work order system maintenance, as it would be developed during the next project phase.

Recommended Option

RPS Systems recommends, and staff concurs, implementing “Option B” with the goal of progressing towards “Option C,” possibly within the next three years. Research has shown that approximately 80 percent of the City’s customer calls are requests for information, a function that would be centrally addressed through Option B. The primary difference between Option B and Option C is the implementation and use of a common work management system for departments. Under Option B, departments would maintain current work management systems in the short-term, but transition to a common system in the long-term. To make this transition, staff resources will have to be dedicated to the project, and appropriate agreements with software and hardware vendors will be needed.

311 Program Funding

Some 311 program costs may be recovered through fee increases for the services that make use of the program; however, direct charges to 311 callers would not be feasible. Research was conducted that determined telecommunications companies are prohibited from collecting fees from users of 311. In the future, cities may look to Homeland Security as a possible funding source. At its 2005 annual meeting in Chicago, the U.S. Conference of Mayors issued a resolution requesting that Federal Homeland Security money be made available for 311.

Funding 311 would be a service enhancement, which could increase the structural deficit in the General Fund. However, as mentioned earlier, all of the cost information described in this report would be further developed to determine the specific fiscal impact.

When implemented, the cost of the 311 program would be allocated to various City funds, based on the estimated number of calls for service associated with each fund. If one-time resources were to become available to fund the estimated \$3.1 million in start-up costs, the annual additional cost to the General Fund for 311 operations could be approximately \$350,000.

Alternatively, if one-time funds are not available, startup costs could be financed. Under this scenario, financed startup and additional ongoing costs for the 311 program to the General Fund could total approximately \$325,000 and \$350,000, respectively, for a total of \$675,000 annually.

311 Management

Once implemented, it is recommended that the 311 program should become part of the City's Department of Financial Management. Financial Management is in a unique position, because it already maintains much of the technology and call-center expertise that a 311 program would require in its Commercial Services Utility Billing Call Center. Synergies are available through pairing 311 with Commercial Services in terms of infrastructure, management, skill base and workload. A potential location for the 311 call center is the Long Beach Gas and Oil headquarters.

Next Steps

Given the support of the City Council, TSD will work with the Financial Management Department to continue planning for the implementation of 311. We will begin the process to select an experienced firm to develop a detailed 311 implementation strategy. At the same time, we will initiate the process of hiring an experienced 311 call-center project manager to oversee the development of the implementation strategy and the evaluation of potential vendors. An interdepartmental committee will be assembled to facilitate implementation.

Once a firm has been selected, staff will come back to the City Council with the proposed implementation strategy for approval and regular project updates. It is estimated that the implementation of a 311 program will take more than a year to complete, with City services being prioritized and phased into the 311 program over time.

CT:cr
Attachment

cc: Suzanne R. Mason, Deputy City Manager
Mike Killebrew, Director of Financial Management
Jyi Marden, City Council Liaison
Chris Rich, Program Specialist