

Agenda Report

Date: October 23, 2000

TO: City Council Through the Finance Committee

FROM: City Manager

SUBJECT: Authorization to Enter into a Contract with Frank Solutions, Inc. for Implementation of Citywide Interactive Voice Response and Interactive Web Response System (IVR/IWR).

RECOMMENDATION

It is recommended that the City Council:

1. Authorize the City Manager to enter into a contract with Frank Solutions, Inc. for the design, development, programming, and installation of an interactive voice response and interactive web response system (IVR/IWR), for an amount not to exceed \$288,110. Competitive bidding was not required pursuant to Section 1002(F) of the Pasadena Municipal Code, professional or unique services.
2. Authorize the Purchasing Administrator to execute a purchase order contract with Williams Communications, for the acquisition and installation of telephone infrastructure for an amount not to exceed \$49,833 and grant this contract an exemption from the Competitive Selection process of the Affirmative Action in Contracting Ordinance pursuant to P.M.C. 4.09.060, contracts for which the City's best interest are served. Competitive Bidding is not required pursuant to City Charter 1002(F) contracts for professional or unique services.
3. Approve a journal voucher amending the FY2001 Capital Improvement Program Budget by appropriating \$108,890 from the unappropriated Building Services Fund Balance, \$13,327 from the unappropriated Power Fund Balance and \$89,229 from the Unappropriated Telecommunication Fund balance to Budget Account #71103, Interactive Voice Response System.

BACKGROUND

The Technology

Interactive Voice Response (IVR) provides access to information in City databases through the telephone. Using a prerecorded menu, it allows customers and/or field personnel to access information, retrieve messages, or add information to city systems. Two major industries utilizing IVR successfully are the financial industry for banking transactions and the airline industry for reservations.

Interactive Web Response (IWR) provides the same features through the Internet using the same hardware and software. Designing one application for both interfaces is cost effective and assures consistent service.

The Information Technology Committee (made up of department directors making significant use of technology) conducted a review and prioritization of post-Y2K technology projects. The Committee looked at a number of factors in prioritizing projects: who would benefit from the project; project cost; available funding; and requirements for staff and consultant support to implement and maintain the project. The Committee's recommended timeline for the technology projects is attached as Exhibit A. IVR was identified for implementation in fiscal year 2001 quarter two.

The Benefits

Through IVR/IWR the City will be able to provide varying levels of service access. The primary online service features are:

- faster service by bypassing queues and voice mail
- 24-hour a day, 7-day a week service
- credit and debit card payments
- customer and/or project account information
- payment processing (if integrated with systems like business license, parking citation, and animal license systems)
- customer concern reporting such as missed garbage removal, street lighting outages, and power outages (if integrated with databases in Public Works and Transportation and the Customer Information System in Water and Power).

The Planning & Permitting Department and Pasadena Water & Power Department will be the first two departments to implement the system. Customers of the Planning & Permitting department (contractors, developers, architects, business owners, and residents) will have access to information stored in the land management system, Tidemark Solution's PermitPlan. The IVR system will provide the ability to make inspection requests, obtain inspection and plan review results, receive corrections on inspections and plan review, pay inspection and permit fees, and receive status on land use entitlement applications and complaints filed with the department. In addition, customers will be able to request faxed copies of forms and applications.

Information will be provided verbally via recording and in written format via fax, as well as in both English and Spanish. The system also includes automated speech recognition allowing users to speak into the telephone for assistance rather than use the touch-tone keypad of their telephone. This benefits customers still using a rotary dial phone. As a result of customers using the self-service options of IVR and IWR, the volume of calls to customer service representatives will be reduced thereby providing improved assistance to customers with more complex needs.

The IVR/IWR system will be integrated with Pasadena Water & Power department's existing call center and the Orcom Enterprise utility billing system offering access via the telephone and the Internet. This system is designed to allow customers to make credit and debit card payments for utility fees, receive payment information and other documents via fax, receive account and billing information, request and discontinue service, apply for service turn-on, and access usage history. The system will help staff communicate more efficiently with customers by providing a mechanism which allow the

staff to automatically contact constituents. (This could be used to notify customers of an area power outage). The system is also designed to transfer customers to a customer service representative with the customer information already provided so that the customer does not have to repeat information already entered in the system.

The Cost and Timeline

The total cost for the implementation of the core hardware/software and implementation services is \$156,468. This will provide a foundation that can be built on by all city departments. The departments of Planning & Permitting and Water & Power will be building applications immediately, at a cost of \$270,742.

Implementation of the core hardware and software will begin November 1. The Planning & Permitting IVR application is expected to be complete January 2001. Water and Power's IVR application is expected to be complete after the new Orcom Enterprise Customer Information System is in place, scheduled for March 2001.

IVR applications will be activated once the City implements a network security plan, estimated for late fiscal year 2001.

The selection process

Through the competitive selection process, an RFP was issued to 62 vendors. Six vendors submitted proposals in response to the RFP. It was determined that Frank Solution's system functionality and performance capability best satisfied the specifications outlined in the RFP and received the highest system evaluation. (The evaluation table is provided as Exhibit B).

Pursuant to the current maintenance contract between the City and Williams Communications, third party contractors are not to perform work on the City's system without Williams' authorization. The reason for this is that whatever equipment is added to the system Williams becomes responsible for its maintenance. Moreover, as the telecommunications system is critical to the functioning of the City and it is in the City's best interest to maintain a high level of security to maintain system integrity, access is limited to one vendor. For these reasons, Williams Communications is in effect, a sole source provider for the equipment and services necessary to perform the IVR implementation.

FISCAL IMPACT

This action will increase the existing Capital Program Account #71103 Interactive Voice Response System from \$213,750 to \$427,210. This action will reduce the Building Services Fund Balance by \$108,890, reduce the Power Fund Balance by \$13,327 and will reduce the Telecommunication Fund Fund Balance by \$89,229, leaving a balance of approximately \$245,000.

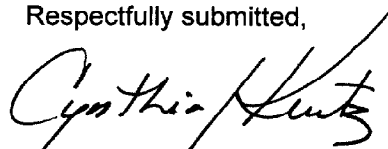
The \$427,210 will be dispersed to the contract with Frank Solutions Inc., hardware and installation services from Williams Communications, leased services from Pacific Bell, consulting services from Tidemark Solutions, and support services from the Information Technology Services Division.

Maintenance agreement costs for hardware and software for this system are estimated to be \$5,845 for year one, \$20,245 for year two, and \$22,095 for year three and subsequent years based on the current system configuration. These costs will be

shared by the departments using the IVR system, based on call volumes reported by the IVR system.

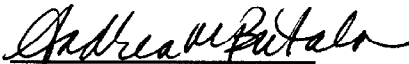
It is anticipated that as additional departments develop applications, these departments will reimburse the Telecommunication Fund for their portion of the core costs, based on system capacity requirements. Costs associated with developing applications will be requested as part of the department's annual operating budget.

Respectfully submitted,



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Attachment A: IT Project Timeline
Attachment B: 2000 IVR/IWR Proposal Ratings