



## REPORT FOR ACTION

**Amendment to Blanket Contract No. 47021645 with Salesforce.com Canada Corporation.**

**Date:** May 9, 2019

**To:** General Government and Licensing Committee

**From:** Chief Information Officer and Chief Purchasing Officer

**Wards:** All

**SUMMARY**

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The purpose of this report is to seek authority to amend and increase the existing Blanket Contract No. 47021645, with Salesforce.com Canada Corporation ("SFDC"), for the Enterprise Customer Relationship Management (CRM) license subscription in the amount of \$1,037,061 net of all taxes and applicable charges (\$1,055,314 net of HST recoveries), revising the total contract value from \$972,865 to \$2,009,926 excluding all taxes and charges, under the same pricing, terms and conditions of the existing agreement and in a form satisfactory to the City Solicitor.

CRM Phase 1 launched in December 2018, enabling customers to book appointments for select residential and non-residential Toronto Water Services via the City's online self-serve portal or by calling 311. Building on the success of Phase 1, this amendment will allow 311 to continue with Phase 2 which will shift services from its legacy system onto the new CRM platform as part of the Customer Service Strategy. In addition, the amendment will allow MLS to leverage the CRM platform to support their integrated online service strategy and will allow Toronto Fire Services to conduct a pilot to validate the platform capabilities for their services. Human Services Integration (HSI), Economic Development & Culture (EDC) and 311 are all currently on the SFDC platform and will need uninterrupted use of their Salesforce subscriptions to ensure that there is no disruption to their current service offerings on the SFDC CRM platform.

The City is requesting authority to extend the current license subscriptions on a one year basis to support the initiatives noted above. A subscription based approach has allowed the City to leverage the flexibility of a pay as you go model. Staff are in the process of finalizing an enterprise CRM roadmap, defining a governance model and identifying tangible business benefits in order to justify expanding the CRM platform into other Divisions. As a result, staff will be preparing a follow up report for additional authority to support programs that can leverage the Enterprise Salesforce CRM Solution and support the City's broader Customer Service Strategy.

## RECOMMENDATIONS

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### The Chief Information Officer and the Chief Purchasing Officer recommend that:

1. City Council , in accordance with Section 71-11.1C of the City of Toronto Municipal Code Chapter 71 (Financial Control Bylaw) grant authority to amend Blanket Contract No 47021645 with Salesforce.com Canada Corporation and increase the value of the contract by \$1,037,061 , net of all taxes and applicable charges (\$1,055,314 net of HST recoveries) revising the Contract from \$972,865 to \$2,009,926 excluding all taxes and charges, under the same pricing, terms and conditions of the existing agreement and in a form satisfactory to the City Solicitor.

## FINANCIAL IMPACT

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It is expected that the increased cost will require additional funding of up to \$1,037,061 net of all taxes and applicable charges or \$1,171,879 including HST and all applicable charges (\$1,055,314 net of HST recoveries). The current contract will increase from \$972,865 (\$989,988 net of HST recoveries) to \$2,009,926, net of all taxes (\$2,045,301 net of HST recoveries).

Capital funding in the amount of \$938,832 net of HST recoveries is available in the 2019 Approved Capital Budgets listed in Table 1. Operating funding in the amount of \$116,482 net of HST recoveries is available in the 2019 Approved Operating Budget of Economic Development & Culture as shown in Table 2.

Table 1: Capital Funding

<b>Division/ Cost Centre</b>	<b>WBS Element</b>	<b>2019</b>
Information & Technology (for MLS)	CIT045-25-02	\$185,916
Human Service Integration	CSS905-01	\$346,659
311 Toronto	CTO014-03	\$395,102
Toronto Fire Services	CFR-125-01	\$11,155
<b>Total</b>		<b>\$938,832</b>

Table 2: Operating Funding

<b>Division/ Cost Centre</b>	<b>WBS Element</b>	<b>2019</b>
Economic Development & Culture	ED0059	\$116,482
<b>Total</b>		\$116,482

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information.

## **DECISION HISTORY**

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On June 14, 2017, The Bid Award Panel granted the authority to award a contract for RFP No. 3407-17-0066 to Salesforce.com Canada Corporation (SFDC) for the Phase 1 implementation of an Enterprise Customer Relationship Management (CRM) solution to support the City's Customer Service Strategy. The Bid Award Panel award document can be viewed at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.BA27.3#>.)

## **COMMENTS**

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Following the award, a five year Master Subscription Agreement (MSA) was established to support City of Toronto in delivering digital services to the City's residents and businesses. Blanket Contract No. 47021645 was awarded to SFDC under Request for Proposal RFP No. 3407-17-0066 to purchase cloud subscription services to implement the enterprise CRM Phase 1.

The initial contract value of the MSA (Contract No. 47021645) is \$972,865, which covered the license subscription required by 311 Toronto as part of CRM Phase 1 over the five year term. As the MSA was established with an enterprise lens and contemplated future use of the platform by additional programs across the City, the terms and conditions and the pricing model in the MSA has been structured to give the City the flexibility to leverage a pay as you go subscription model. This model enables the City to swap subscription types and turn on/off licenses to align to the City's needs and priorities, as needed on a yearly renewal basis within the overall 5 year term. This approach provides City staff the opportunity to validate the scalability and fit of the Salesforce solution as an enterprise CRM platform before expanding the use across the organization.

The learnings achieved with the 311 deployment, helped the City to understand the full suite of capabilities available through the Salesforce platform and value they could bring. The flexibility in the licensing model allowed the City to adjust its licensing types to maximize those benefits, but also resulted in accelerated license costs.

## **311 Toronto CRM Phase 1**

CRM Phase 1 went live in December 2018 enabling customers to book appointments for select residential and non-residential Toronto Water services via the City's online self-serve portal or by calling 311 Toronto.

Since the launch of CRM Phase 1, the City has seen multiple benefits including:

1. 311 productivity improvements related to the handling of the calls, including a 47% reduction in the number of agent clicks and a 26% reduction in the average handle time to create a service request for the Toronto Water services
2. Proactive communications from the City to the customers in regards to their appointment status
3. Generation of appointment service blocks that are in line with industry standards
4. Improved appointment booking experience - book an appointment via a single call or the online self-serve portal.
5. Improved information flow between 311 and Toronto Water, allowing for more accurate/timely information to be shared with Customers inquiring about a status update

An interruption in the subscriptions for 311 would cause a service disruption to the four Toronto Water Services that have been available online since December 2018.

## **Going Forward – Amending the MSA**

Building on the success of the 311 CRM Phase 1 implementation, the City plans to leverage the Enterprise Salesforce CRM platform to support the following additional programs below which make up the amendment request of approximately \$1million to the MSA. This will expand improvements in the customer service experience for City residents and businesses and increase the productivity amongst City teams/divisions.

## **311 Toronto CRM Phase 2**

The current legacy 311 system is outdated and lacks key features and integration capabilities. As a result, system changes often require considerable customization effort, time and costs. This delays the City's ability to quickly adapt to the evolving service needs and demands of the City's constituents. This limits digital service offerings and development of the City's Customer Service Strategy.

Past upgrades to the legacy 311 CRM system have been required every 3 to 4 years at an approximate cost of \$1.2 million and taking up to 1.5 years to complete. Due to the highly customized nature of the current system, 311 cannot take advantage of upgrades and feature enhancements to critical interdependent 311 applications.

The 311 Toronto CRM Phase 2 project includes in its scope, migration of all existing divisional service requests, channels and business processes from 311 Toronto's current Case Management System to the Enterprise Salesforce CRM Solution. The

Phase 2 project will allow 311 Toronto to enable more digital self-serve options at a lower cost. The introduction of more digital channels is expected to increase operational efficiencies and provide customers with a better and more consistent channel experience. Additionally, the focus on better data integration, customer centric processes and customer management will also "close-the-loop" on customer requests by providing accurate and relevant information on service requests. This is achieved by an integrated end-to-end service delivery model that allows for information sharing across the divisions that are responding to a service request.

## **MLS Modernization Program**

The MLS modernization program is transforming how services are delivered to the City's residents and businesses with a focus on improving the customer experience through streamlined business processes, technology and bylaws that reflect the changing needs of the community. A key enabler of the transformation program is the use of technologies such as mobile functionality and online access to self-service and information. During the CRM Phase 1 discovery and scoping exercise, the project team identified opportunities to realize operational efficiencies and solution rationalization, by further implementing not only the intake of complaints, but the entire end to end noise complaint service request process on the City's enterprise CRM (Salesforce) platform. As a result, MLS is leveraging the City's Enterprise Salesforce CRM platform to support their integrated online service strategy.

MLS is currently implementing the end-to-end noise complaint service request process on the City's Enterprise Salesforce CRM platform to improve the customer experience. This will also remove existing business continuity risks related to outdated and aging legacy applications supporting MLS business processes. This approach allows the city to validate solution benefits before making further investments related to overall MLS licensing and enforcement needs. Additionally, the movement to a single CRM platform provides a more comprehensive end-to-end view of service requests related to noise complaints including investigation and violation history, location information, and overall progress status. It also provides more flexibility and can easily accommodate changes in short order, such as by-law changes and notification template updates.

The outcome of the noise complaint initiative will enable end-to-end management of noise complaints within Salesforce, removing the dependencies of integration with existing back-end systems and laying the foundation for continued transformations to come with the MLS Modernization Program. This will both simplify and improve the citizen experience associated with noise complaints through 311 in support of the City's Customer Service Strategy. This initiative will also introduce opportunities for increased efficiencies in the systems and processes used by City staff when addressing noise complaints.

## **Human Services Integration**

Human Services Integration (HSI) is already leveraging the Enterprise Salesforce CRM platform to provide a knowledge base of information geared to servicing the needs of residents requiring specific information around income support, subsidies and social services. HSI is looking to expand the use of the platform to provide even further improvements in service levels by creating a single client profile that will allow residents to provide their information once, including eligibility documentation. Having client information that is complete, relevant, current and all in one secure location, allows the City to focus on the client and deliver services that are specific to an individual's needs.

With the expansion of the CRM platform, HSI anticipates operational efficiency gains between 10-25% as identified in the approved capital budget. This efficiency gain is estimated to be the combined target result of the reduction in the volume of calls, the average call time, reduction in the number of and length of in-person visits and the time needed to file applications.

Key factors driving this efficiency gain are:

1. Increased self-serve options via phone, online and computer/tablet/or kiosks at the in-person offices for clients to access or apply for benefits/services
2. Improved collection, access and secure storage of client information, reducing duplication of data and information collection while providing better insights to customer needs
3. Improved staff access to consistent and up-to-date program knowledge resulting in a decrease in the number of interactions required to achieve a resolution

Without the subscription renewal, HSI would lose access to the current Knowledge Base that provides agents and customers with detailed and relevant information as it pertains to the services being requested of the HSI team. For example, information in regards to eligibility for subsidized housing is available prior to making a request for housing. This helps reduce the volumes of requests received which do not meet the criteria.

## **Economic Development & Culture**

Economic Development & Culture (EDC) is an important contributor to the City's success in competing in the global economy and attracting new businesses and business investments, fostering creativity and innovation and supporting tourism and cultural events. EDC had entered into an agreement with SFDC to create a divisional CRM solution prior to the enterprise CRM RFP was completed. As a result, EDC has an existing solution that allows EDC to identify economic development opportunities, create jobs, and attract investments to the City. A centralized system allows EDC to better identify opportunities to offer assistance to businesses that are at risk of downsizing/leaving Toronto or businesses looking to move into/expand in Toronto.

The initial CRM deployment has been in operation for more than a year and has resulted in the following benefits:

1. Improved reporting capabilities which enabled the Enterprise Toronto Office to secure an additional \$1.5 million annually in provincial funding that supports the small business community across the City.
2. Eliminated multiple data sets and use of manual processes required to gather a comprehensive client profile by consolidating client data from different sources into one platform.
3. Improved Customer Service, as EDC staff can collaborate and share client information to provide a single channel of contact that eliminates the duplicated efforts of different EDC staff reaching out to the same businesses for the same things.

EDC plans to use the Enterprise Salesforce CRM Solution to address these requirements and support effective coordination in support of economic development opportunities on a go forward basis and the divisional CRM contract with SFDC will be discontinued.

Since EDC has migrated its client database from its previous platform to the new SFDC CRM platform not renewing the subscription would result in the loss of the comprehensive client profile view that allows them to better manage relations with businesses within the City.

### **Toronto Fire Services**

Toronto Fire Services (TFS) is involved in over 80,000 inspections and 2,122 Public Education Presentations with 199 staff which also includes over 460 litigation cases in 2016. The current platform being used by TFS does not allow for Safety & Inspection benchmarking, consolidated data sharing amongst other City Inspection & Investigation divisions and Investigation capabilities to support TFS' newly created Investigation unit. Also, all litigation materials are collected manually through separate data sources, making preparation for litigation extremely labour intensive and inefficient. Allowing TFS to participate in a pilot exercise will validate the assumptions that a CRM platform will help to mitigate key risks faced by the division.

These risks include:

1. Reduced ability to clearly identify safety risks and compliance gaps because of poor process and technology to help benchmark, track and monitor fire safety trends based on the inspection data
2. Increased political and litigation risks as well as poor social media and public perception because of the lack of clear inspection data and the inability to properly enforce compliance regulations
3. Failure to meet regulatory, legislative and audit requirements for standards such as Ontario Regulation 365/13 impacting increased code enforcement and request and/or complaint inspection capacity

4. Difficulty in supporting litigation with key materials and information because of the propagation of varied information through varied and inconsistent sources

### **Leveraging the CRM Platform in the Future**

Staff are in the process of finalizing an enterprise CRM roadmap, defining a governance model and identifying tangible business benefits in order to validate further investments in the CRM platform for digital service delivery. As a result, staff will be preparing a follow up report for additional authority to support programs that can leverage the Enterprise Salesforce CRM Solution and support the City's broader Customer Service Strategy. The future report will also discuss whether the subscriptions identified above should be continued and if required, seek additional authority to amend the MSA to reflect the subscription costs for years 3 to 5 of the MSA.

### **CONTACT**

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### **SIGNATURE**

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