



REPORT FOR ACTION

Amendment to Blanket Contract No. 47023379 with Salesforce.com Canada Corporation

Date: May 12, 2021
To: General Government and Licensing Committee
From: Chief Technology Officer and Chief Procurement Officer
Wards: All

SUMMARY

The City has been working to transform the public's experience in accessing and interacting with City services by providing simple, reliable, and connected services that anticipate customers changing needs. In 2017 a contract was granted to Salesforce.com Canada Corporation (SFDC) through Request for Proposal No. 3406-17-0066, for the implementation of an Enterprise Customer Relationship Management (CRM) solution to support the City's Customer Service Strategy.

The Salesforce Platform is a Customer Relationship Management platform. The primary purpose is to centralize, track and manage all resident interactions with the City regardless of whether the residents contact the City via Online Service Request, Phone, Email, or even online chat. The Salesforce platform provides a quick and efficient mechanism for the residents to get the information they need related to all services that the City offers, while at the same time providing staff with a centralized location that is quick and easy to find and manage all interactions a resident has had with the City.

This solution was aimed to improve the customer experience when accessing City services and to efficiently manage approximately four (4) million annual interactions, including 1.3 million calls with Toronto residents, businesses, and visitors through the City's 311 Contact Centre.

Following the contract award to Salesforce.com, the CRM Phase 1 pilot solution was launched in December 2018. This solution enabled customers to book appointments for four (4) select Toronto Water services and took in noise complaints for Municipal Licensing and Standards (MLS) via the City's online self-serve portal or by calling 311 as part of the integrated online service strategy. The Phase 1 pilot helped the City to understand the full suite of capabilities available through the Salesforce platform and the value it could bring.

Building on the success of the Phase 1 pilot, the City wants to launch Phase 2 of the 311 Toronto CRM Solution in 2021 to further transform the public's experience with City services and fundamentally improve how the public accesses and interacts with the

City. While the pilot only focused on four (4) services, Phase 2 of this transformation will fully implement the 311 Toronto CRM Solution to cover approximately 650 services offered by 311, such as: Ice and Snow related complaints, Illegal dumping, Missed Garbage collections, Pot Holes on roads & expressways, etc. It will facilitate an easy to use, easy to access and convenient service journey through a channel of choice and enable self-service options for the City's residents and businesses.

The purpose of this report is to seek the General Government and Licensing Committee authority to amend and increase the existing Blanket Contract No. 47023379 awarded under Staff Report GL16.5 , with Salesforce.com Canada Corporation ("SFDC"), for procuring additional user licenses and subsequent renewals thereof in the amount of \$1,250,000 net of all taxes and applicable charges (\$1,272,000 net of Harmonized Sales Tax Recoveries), increasing the total contract value from \$995,196.84 to \$2,245,196.84 net of all taxes and applicable charges, and to extend the validity date until December 31, 2025 under the same pricing, terms and conditions as the existing agreement, and in a form satisfactory to the City Solicitor.

General Government and Licensing Committee approval is required in accordance with Municipal Code Chapter 195, Purchasing, where the current request exceeds the Chief Purchasing Officer's authority of the cumulative five year commitment limit for each vendor under Article 7, Section 195-7.3(D) of the Purchasing By-law or exceeds the threshold of \$500,000 net of Harmonized Sales Tax allowed under staff authority as per the Toronto Municipal Code, Chapter 71, Financial Control, Section 71-11.1.

RECOMMENDATIONS

The Chief Technology Officer, Technology Services Division and the Chief Procurement Officer, Purchasing and Materials Management Division recommend that:

1. The General Government and Licensing Committee, in accordance with Section 71-11.1.C of the City of Toronto Municipal Code Chapter 71 (Financial Control By-Law), grant authority to amend Blanket Contract No 47023379 with Salesforce.com Canada Corporation and increase the value of the contract by \$1,250,000 net of all taxes and applicable charges (\$1,272,000 net of Harmonized Sales Tax Recoveries, increasing the total contract value from \$995,196.84 to \$2,245,196.84, net of all taxes and applicable charges, and to extend the validity date until December 31, 2025, under the same pricing, terms and conditions of the existing agreement and in a form satisfactory to the City Solicitor.

FINANCIAL IMPACT

The total contract expenditure increase is \$1,250,000 net of all taxes (\$1,272,000 net of HST recoveries).

Capital funding in the amount of \$250,000 net of all taxes (\$254,400 net of Harmonized Sales Tax Recoveries) is available in the 2021 Approved Capital Budget of Corporate Real Estate Management as detailed in Table 1.

Table 1 - Capital Funding

Program	Sub-Programs	WBS #	Project Name / Description (Per SAP)	2021
CREM Capital Program	Customer Experience	CCA267-01	CRM Upgrade and Replacement	\$254,400

Note: Effective 2020, all divisional customer service capital initiatives were re-aligned under "Customer Experience" program under the CREM Capital program.

Annual operating funding in the amount of \$250,000 net of all taxes (\$254,400 net of HST recoveries) will be included in the 2022-25 Operating Budget Submissions of 311 Toronto as detailed in Table 2.

Table 2 – Operating Funding

Division	Cost Centre/Cost Element	2022	2023	2024	2025
311 Toronto	TO9301 C/E 4474	\$254,400	\$254,400	\$254,400	\$254,400
Totals					\$1,017,600

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

DECISION HISTORY

The proprietary technology maintenance contracts supporting the City services from 2021-2025 (GL 16.5) was considered by the General Government and Licensing Committee on October 5th, 2020 and was adopted by City Council on October 27, 28 and 30th, 2020. Blanket Contract No. 47023379 for Salesforce (SFDC) was issued under Staff Report GL 16.5 for an amount of \$995,196.84 for the year 2021. The additional license subscription for 311 and their renewals thereof with SFDC has the same nature and will be added to Blanket Contract No. 47023379.

The following is the link to City Council Decision Document:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.GL16.5>

Blanket Contract No. 47021645 was amended on July 28, 2020 to increase the target value by \$97,827.12 from \$2,009,926.00 to \$2,107,753.12 net of all taxes and charges for license renewals for the period August 1, 2020 till December 31, 2020.

On June 18 and 19, 2019, City Council granted additional authority under GL5.10 to enter into an amending agreement with Salesforce.com Canada Corporation to renew the license subscriptions on a one (1) year basis from August 1st 2019 to July 31st 2020, and increase the value of the contract by \$1,037,061, net of all taxes and applicable charges (\$1,055,314 net of Harmonized Sales Tax recoveries), revising the contract from \$972,865 to \$2,009,926, excluding all taxes and charges. As a result, Blanket Contract No. 47021645 was amended.

The following is the link to City Council Decision Document:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.GL5.10>

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. As a result, Blanket Contract No. 47021645 was issued.

The Bid Award Panel award document can be viewed at:

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

COMMENTS

Following the Bid Award Panel authority in June 2017, a five-year Master Subscription Agreement (MSA) was established with Salesforce.com Canada Corporation (SFDC) to support the City of Toronto in delivering digital services to the City's residents and businesses. As a result, Blanket Contract No. 47021645 was awarded to SFDC under Request for Proposal RFP No. 3406-17-0066 to purchase cloud subscription services to implement the enterprise CRM Phase 1 pilot.

The initial contract value of the MSA was \$972,865, which covered the license subscription required by 311 Toronto as part of CRM Phase 1 pilot over the five-year term.

Phase 1 resulted in some key customer service improvements that included:

- 311 productivity improvements related to the handling of the calls, including a 47% increase in the navigational experience for the 311 agents, from navigating the different screens and menus during the service request intake process, and a 26% reduction in the average handle time to create a service request for Toronto Water services.

- Proactive communications from the City to the customers in regard to their appointment status.
- Improved appointment booking experience – ability to book an appointment via a single call or the online self-serve portal.
- Improved information flow between 311 and Toronto Water, allowing for more accurate/timely information to be shared with customers inquiring about a status update.

The MSA was established with an enterprise lens and anticipated future use of the platform by additional programs across the City. Hence, the terms and conditions and the pricing model in the MSA have been structured to give the City the flexibility to leverage a pay-as-you-go subscription model. This model enables the City to adjust license types to align to the City's needs and priorities, as needed, on a yearly renewal basis within the overall 5-year term. This approach also 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 following City divisions presently leverage the City's Enterprise Salesforce CRM platform for their core customer service offerings: 311 Toronto, Municipal Licensing & Standards, Human Services Integration, Economic Development & Culture, Children's Services, Parks, Forestry & Recreation / Toronto Office of Partnerships and Solid Waste Management Services.

The launch of Phase 2 of the 311 Toronto CRM Solution will facilitate decommissioning of the 311 Toronto's current Enterprise Case Management System (called Lagan). While enabling online self-service options and digital channels, the new 311 Toronto CRM Solution will enable key customer centric features and drive operational efficiencies and effectiveness, by facilitating:

- Increase self-service capabilities from approximately 100 to 650 services.
- Enhance customer experience by enabling the ability to upload photos through both the mobile and online channels as opposed to the current system where customers email the pictures to 311 while referencing the service request that was previously opened.
- Ability to receive pro-active notifications via channels such as email or SMS for all customer service requests and inquiries.
- Customer ability to look up their service request status updates via the online and mobile channels.
- Provide an integrated knowledge base for 311 agents by providing access to structured knowledge articles, making information readily available to be communicated to the caller. This will lead to increase in first call resolutions (the number of customer support queries successfully resolved in the first call) for general inquiries thereby increasing customer satisfaction.
- Increased 311 agent efficiencies by reducing call handle times and improved agent experience through streamlined workflow and navigational experience.
- Increased information availability for both 311 agents and customers.

Future Initiatives

As City teams accelerate the delivery of programs and services digitally, staff will follow the requirements of the procurement process and will prepare the necessary Staff Reports seeking Council approval for any additional authority to enable the programs supported through the Salesforce Platform.

Conclusion

Amending the contract in order to procure additional Salesforce licenses for the launch of Phase 2 of the 311 Toronto CRM Solution in 2021 will further transform the public's experience with City services and fundamentally improve how the public accesses and interacts with the City.

The Salesforce platform is a key enabler for meeting the City's customer service vision of creating an effective end to end experience for the public through 311.

The Fair Wage Office has reported that Salesforce.com Canada Corporation has indicated that they have reviewed and understand the Fair Wage Policy and Labour Trades requirements and have agreed to comply fully.

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