
SUBJECT: Award of Proposal 134-R-17 Supply and Installation, Customer Relationship Management Solution (CRM)

PREPARED BY: Lyrae Ignacio, Client Advisor, ITS, Ext. 2287
Rosemarie Patano, Senior Construction Buyer, Ext. 2990

RECOMMENDATION:

1. THAT the report entitled “Award of Proposal 134-R-17 Supply and Installation, Customer Relationship Management Solution (CRM)” be received; and
2. THAT the contract for 134-R-17 Supply and Installation, Customer Relationship Management Solution (CRM) be awarded to the highest ranked/lowest priced bidder, Verint Americas Inc. in the amount of \$1,159,102.37 inclusive of HST, of which \$718,438.83 is for the software and implementation costs and \$440,663.54 is for seven years of support and maintenance; and
3. THAT a 10% contingency in the amount of \$71,843.88 inclusive of HST, be established to cover any additional project costs be approved, and that authorization be granted to approve expenditures of this contingency in an amount up to the specified limit, in accordance with the Expenditure Control Policy; and
4. THAT the cost of the software, implementation, and contingency be funded from the following capital project; #16062 “Legislative Services - ACR Replacement/CRM System” with an approved budget of \$1,250,300.00 inclusive of HST, and that the budget surplus in the amount of \$460,017.29 (\$1,250,300.00 less \$718,438.83 less \$71,843.88) be returned to the original funding source; and
5. THAT the cost of the software support and maintenance fees of \$440,663.54 inclusive of HST for a seven year (Year 2 to 8) term be funded from #400-400-5361 with an available annual budget of \$39,550.00 subject to Council approval of the 2020-2026 operating budgets in the amounts of;
 - a. Year 2 (2020) - \$59,488.90
 - b. Year 3 (2021) - \$59,488.90
 - c. Year 4 (2022) - \$62,463.34
 - d. Year 5 (2023) - \$62,463.34
 - e. Year 6 (2024) - \$65,586.36*
 - f. Year 7 (2025) - \$65,586.36*
 - g. Year 8 (2026) - \$65,586.36*
 - i. Total - \$440,663.54
 - h. *Optional Year Renewal
6. THAT the current operating budget shortfall of \$19,938.90 (\$39,550.00 - \$59,488.90) in Year 2 will be addressed as part of the 2020 and future operating budget processes, subject to Council approval of the 2020 to 2026 operating budgets; and

7. THAT a contract Staff for a one-year term to a maximum amount of \$69,418 (including benefits) be pre-approved as part of the 2019 Operating Budget to support the implementation, change management, testing and training of the CRM system and;
8. THAT Verint Americas Inc. be designated as the preferred vendor for the City of Markham's Customer Relationship Management Solution (CRM); and
9. THAT the Chief Information Officer be authorized to approve the annual support and maintenance fee subject to Council approval of the annual Operating Budget; and
10. THAT the Chief Information Officer be authorized to execute additional renewals for the life cycle of the project (at the sole discretion of the City); and
11. THAT Staff be authorized and directed to do all things necessary to give effect to this resolution.

PURPOSE:

The purpose of this report is to obtain approval to award the contract 134-R-17 for the supply and installation, of a Customer Relationship Management Solution (CRM).

BACKGROUND:

The City of Markham is recognized as being a leading, innovative, dynamic and change oriented municipality with a strong drive for excellence. It takes pride in providing high quality service delivery and value for tax dollars. Markham is a high growth municipality, with an average annual population growth of 5,500 and is one of the most culturally diverse communities in Canada.

In order for the City of Markham to successfully deliver services and to ensure a high quality of customer service, the City currently uses Active Citizen Request (ACR) software system (Customer Relations Management - CRM) to support business processes and service delivery in the areas of management of service requests, escalations, reporting requirements, workflows and internal service level agreements. The system also has the capability to trend tracking and analysis, user profile management, and online customer self-serve capability through the City website

In conjunction with the ACR system, the City uses Knowledgebase Manager Pro v 6.2.2, a knowledgebase system utilized by the Contact Centre which includes multiple reference documents and numerous internal and external web links covering various subject areas related to City functions/services.

The ACR system is used by various City departments, including: the Contact Centre, Clerks, Culture Services, Building Standards, By-Law Enforcement and Licensing, Corporate Communications, Engineering, Environmental Services, Finance, Fire, Operations, Planning and Urban Design, Recreation Services and Sustainability and Asset Management.

This project has been initiated to select a new CRM system, as the current product (ACR) has come to end of life. The new system is desired to be a robust and comprehensive application that provides the ability to efficiently maintain and grow to meet customers' expectations, in a cost effective and efficient manner. This is also a good opportunity to meet business needs and expectations that have changed over

the last number of years as well as benefit from new technology capabilities such as mobile, that are evolving quickly.

The City of Markham issued an RFP for software and services to deliver and implement a CRM to perform the following variety of functions including (at a minimum), but not limited to:

- Manage and maintain customer information / client profile management
- Provide comprehensive case and caller search capabilities;
- Provide full life cycle customer service case management, from initiation to closure;
- Generate reports / management dashboard; track and analyze service trends;
- Monitor staff and department service levels;
- Enable customer self-service on City of Markham web technologies (both web and mobile);
- Integration with other systems used by the City of Markham;
- Knowledge management; Workflow management;
- Internal user profile management;
- Remote agent capability – enable Contact Centre staff to easily work from home with full access to all systems on their profile;
- Full audit capabilities.

The scope of this initiative also includes:

- Installation, configuration, customization and implementation of the new CRM solution, based on industry best practices;
- Implementation of infrastructure components that provide: inter-application communication (integration); high availability / fail-over capabilities; security, auditing and notification services; and, disaster recovery;
- Data conversion, data migration and/or data archival as agreed to with the business and in accordance with defined data retention policies;
- Completion of an IT Security audit, including production of any required documentation;
- Work with City Staff to understand existing business processes and identify process changes required to support project objectives;
- Recommend other necessary hardware/peripheral requirements to support a complete end-to-end;
- Training and knowledge transfer services;
- Warranty, maintenance and on-going support services

The plan includes ensuring the City's transition from the ACR system to the new solution is with as little impact to internal and external users as possible. The software application will integrate with the City's existing Portal and mobile applications – "Access Markham" and is enabled by Single Sign-On (SSO) capabilities for internal staff, or various public facing applications as available from the City. The end goal of this project is to have a solution that is flexible, user friendly for both staff and customers, and meets all of the City's needs for managing citizen inquiries coordinated through the City's Contact Centre. It will be scalable, reliable, responsive, and will allow the City to serve all customers effectively and efficiently now and into the future.

In addition to helping the City to maintain the current service levels and delivery, the new CRM system will facilitate the ability to meet the following goals:

- Enable a 360 degree view of the customer and other priority functions to provide enhanced customer engagement in an omni-channel service environment;
- Enable participation in City programs and engagement – with the use of current mobile logic for quick user uptake, ease of use and accessibility to all users;
- Ensure all customer records and interactions are safeguarded using industry best practices and established standards;
- Create service delivery and staff performance efficiencies.

BID INFORMATION:

Bid closing date	June 15, 2017
Number picking up documents	21
Number responding to bid	3*

*One Bidder was rejected as non-compliant, as per the City’s General Terms and Conditions – Consultant (ITS), Part II – Instruction to Bidders, Section 15 – Acceptance / Rejection of Bids; Item 15.2, “Unless otherwise specified in the Quotation, Bids which are qualified or restricted by any statements added to the Bid or a covering letter shall be rejected as non-compliant.”

PROPOSAL EVALUATION:

The Evaluation Team for this RFP was comprised of Staff from Contact Center, Community and Fire Services, Economic Development, Markham Public Library, ITS, with Purchasing Staff acting as the facilitator.

Stage 1 – Technical Proposal

The Stage 1 technical proposals were evaluated against the pre-established evaluation criteria as outlined in the RFP: 5 points for Experience and Qualification of the Bidder and Project Team; 5 points for Project Understanding, Methodology and Delivery Management; 30 points for Business Functionality Requirement; 15 points for Technical Requirements; 5 points for Testing; 5 points for Training; 5 points for Support, Maintenance and Warranty; and 30 point for Price, totaling 100 points. Upon completion of Stage 1 (technical evaluation), the Price Proposal (Bid Form) provided by those bidders who qualified from Stage 1, (minimum score of 75%, or 52.5 points out of 70 required), proceeded to Stage 2 for price evaluation. The results of the Stage 1 evaluation are outlined below:

Bidders	Score (out of 70)	Rank Results
Verint Americas Inc.	66.59	1
Power Objects	54.68	2

Stage 2- Price*

Based on the Stage 1 evaluation, two bidders received a minimum of 75% or 52.5 points out of 70 and therefore, proceeded to Stage 2 - Price Evaluation. The price proposal provided by the bidders is evaluated out of 30 points, based on the criteria outlined in the RFP.

Bidders	Solution Type	Score (out of 30)	Rank Results
Verint Americas Inc.	<i>Hybrid Model</i>	30.00*	1

	<i>(partially Markham Hosted On-Site; and, partially housed off premise via Service as A Solution (SaaS))</i>		
Power Objects	<i>Service as A Solution (SaaS); fully housed off-premise</i>	0.00**	2

Prices ranged from \$1,761,491 to \$5,628,555 inclusive of tax

*Evaluation of Bid Prices based on Bidders Original Bid Submission (which incorporates request for clarifications received). The recommended contract award is based on negotiated pricing of a fully Markham Hosted On-Site Premise Solution.

**Bid Price does not include renewal year pricing for years 5 to 8; all applicable disbursement fees, such as travel expenses; and, vendors’ confirmation of inclusion applicable integration fees.

Stage 3- Presentation and Overall Scoring

To ensure the highest ranked bidder understood the City’s requirements and to further evaluate the bidders’ bid submissions against the requirements of this RFP, staff invited the highest ranked bidder to a presentation as allowed for in the bid document.

Bidders	Score (out of 10)	Rank Results
Verint Americas Inc.	10	1

Overall scoring

Bidders	Grand Total Score (out of 110)	Rank Results
Verint Americas Inc.	106.59	1

Stage 4 - Proof of Concept (Pass or Fail)

Upon completion of Stage III, Verint America’s Inc., the highest ranked Bidder, with the highest “Grand Total Score”, was requested by the City to participate in a “Proof of Concept” (POC) process, as a final step of the evaluation process (and **prior** to Staff’s recommendation for Contract Award).

The objectives of the POC were to: evaluate Verint’s capability to successfully implement the solution; and, to confirm whether Verint’s proposed solution can deliver the required capabilities in a way that fits the City business and technical environment (as determined by the City in its sole discretion). This was done by testing a subset of the RFP requirements, as described in the RFP document, in a manner that is satisfactory to the City (in its sole discretion). As allowed for in the RFP document, the POC was evaluated as a Pass or Fail, with identification of deficiencies (if any).

Bidders	Pass or Fail
Verint Americas Inc.	Pass*

*There were no deficiencies with the solution

Verint Americas Inc. (“Verint”), the lowest priced bidder scored highest on the technical as well as on the overall total submission demonstrating a thorough understanding of the project and its requirements. Their proposal demonstrated to the City’s satisfaction that they have the ability to undertake the project and they have a strong understanding of the project deliverables, key issues and challenges. Through the evaluation process, Verint demonstrated a depth of experience and expertise as it specifically relates to being a full service company, providing consulting, design, implementation and support (meeting City’s business and technical requirements) resulting in an overall highest ranking.

OPTIONS / DISCUSSIONS

The City is receiving a complete end-to-end Customer Relationship Management Service Delivery System solution. Verint's software and professional services offering leads the industry in a number of ways:

- dedicated CRM implementations, with complexity of CRM projects managed and deployed,
- jurisdiction size, and years of CRM experience,
- features and functions that support optimum flexibility and ease-of-use by department and citizenry alike,
- solution owned, build and installed by Verint,
- flexible licensing and deployment, and built for multi-site public sector operations
- 24x7 manned end user help desk support, built-in backups and disaster recovery as standard,
- robust API library and open architecture

Verint solution is a highly scalable, enterprise-class solution with integrated analytics, and citizen engagements with consistent and contextual customer journeys across agent, web, social and mobile experiences.

Since 1996, Verint Americas Inc. (Verint) has been implementing municipal CRMs, with over 85 individual orders (e.g. new customers, upgrades, expansions, etc.) from within the municipal customer base in 2017: doubled from 2016. Verint's customer base in Canada includes the following clients (but not limited to): City of Hamilton, City of Ottawa, City of Kitchener, City of Vancouver; and, most recently, City of Winnipeg, Region of Waterloo, and Region of Durham. Other clients include City of Rochester, City of San Francisco, City of New Orleans, City of San Antonio, and City of Huston. Verint's reach extends to include hundreds of implementations including the United Kingdom and Australia. Their experience includes robust integration experience; boasting 610 integrations to over 150 different systems, including ESRI, Avaya, Hansen, and Amanda.

CONCLUSION:

Future Business Roadmap: Changes in the organization structure and the needs of customers will require the solution to constantly adapt. Verint's proposed solution will be flexible in meeting the City's changing needs including the ability to support the growth and attendance at City facilities by providing excellent customer services. This will be accomplished by operating as efficiently as possible by incorporating common business approaches to similar business functions across departments. This award will enable the City to deliver fully integrated, extendable and scalable enterprise systems to achieve this outcome.

OPERATING BUDGET AND LIFE CYCLE IMPACT:

The total award cost of \$1,230,946.25 includes the capital costs of \$790,282.71 (\$718,438.83+ \$71,843.88) for software and implementation fees and contingency costs (10%); and, it includes the associated maintenance costs of \$440,663.54 (inclusive of HST) for years 2 to 8.

The capital cost, including a 10% contingency, amounting to \$790,282.71 will be funded from capital project #16062, "Legislative Services - ACR Replacement/CRM System", with available budget of \$1,250,300.00. The remaining funds in the amount of \$460,017.29 will be returned to the original funding source.

Current Budget Available and Account #	\$ 1,250,300.00	400-101-5399-16062 ACR Replacement / CRM System
Less cost of award	\$ 718,438.83	Software & Implementtion Costs
	\$ 71,843.88	Contingency (10%)
	\$ 790,282.71	Total Cost of Award (Inclusive of HST)
Budget Remaining after this award	\$ 460,017.29	

The software support and maintenance fee in the amount of \$440,663.54 inclusive of HST over a seven year (Year 2 to 8) term be funded from #400-400-5361 with an annual budget amount of \$39,550 for this expense, subject to Council approval of the 2020-2026 operating budgets in the amounts of;

- Year 2 (2020) - \$59,488.90
- Year 3 (2021) - \$59,488.90
- Year 4 (2022) - \$62,463.34
- Year 5 (2023) - \$62,463.34
- Year 6 (2024) - \$65,586.36*
- Year 7 (2025) - \$65,586.36*
- Year 8 (2026) - \$65,586.36*
- Total - \$440,663.54
- *Optional Year Renewal

Annual maintenance cost of \$59,488.90 will commence in 2020 (year 2) with available budget of \$39,550.00. The shortfall of \$19,938.90 will be included as part of the 2020 Operating Budget process. Future increases will be addressed as part of the annual operating budget process.

Council pre-approval of a one-year contract staff to a maximum cost of \$69,418 (including benefits) as part of the 2019 Operating Budget will be required to support the implementation, change management, testing & training of the CRM system.

HUMAN RESOURCES CONSIDERATIONS:

Not Applicable

ALIGNMENT WITH STRATEGIC PRIORITIES:

Goal	Examples – How the Solution can Help Achieve the Goal
Exceptional Services by Exceptional People	The system will facilitate room bookings, program registrations and other priority functions with self-service capabilities.
Engaged, Diverse & Thriving City	The software will facilitate participation in City programs and social engagement opportunities. It is easy to use, including mobile devices, and is accessible to all users.
Safe & Sustainable Community	The system supports management of offerings of the city’s recreation programs to the community. All transactions will be safeguarded using industry best practices and established standards.
Stewardship of Money & Resources	The system will provide daily “accrual reporting” which will assist staff in allocating proper financial and human resources to each program. It complies with Payment Card Industry Standard.

BUSINESS UNITS CONSULTED AND AFFECTED:

Community and Fire Services Commission, Development Services Commission, Markham Public Library, Clerks and Bylaws, Corporate Communications, Cash Management/Tax.

RECOMMENDED BY:

2018-08-24

X



Nasir Kenea
Chief Information Officer, ITS
Signed by: cxa

2018-08-24

X



Trinela Cane
Commissioner, Corporate Services
Signed by: cxa

ATTACHMENTS:

Not Applicable