



# Memorandum

**TO: HONORABLE MAYOR AND  
CITY COUNCIL**

**FROM:** Scott P. Johnson

**SUBJECT: SEE BELOW**

**DATE:** January 5, 2006

Approved

*Ray Wine*

Date

*1/5/06*

**SUBJECT: AMENDMENT TO CONVERGED NETWORK AND TELEPHONY  
AGREEMENT BETWEEN THE CITY OF SAN JOSE AND NORTEL NETWORKS INC.**

## RECOMMENDATION

Authorize the Director of Finance to execute a change order to the Nortel Networks agreement through the use available contract contingency funds in an amount not to exceed \$150,000, to integrate the City's Voice over Internet Protocol phone system with Customer Relationship Management functionality of the Consolidated Utility Billing System Project.

## BACKGROUND

On March 15, 2005, the City Council approved the agreement with Nortel Networks for the purchase and installation of the City's Converged Network and Telephony System for the new City Hall including all hardware, software, security, installation and one-year of maintenance support. This action also included a 10% contingency amount for change orders not to exceed \$403,784 to cover unanticipated changes in system implementation.

Separately on September 27, 2005, the City Council approved implementation of limited Customer Relationship Management (CRM) functionality that would integrate the City's utility call centers with the Customer Service Call Center functions, including additional e-Government functionality for the Consolidated Utility Billing System (C-UBS). The staff report for this action item and the related presentation to the City Council made reference to the need to work with Nortel on changes that would be necessary to the City's new phone system in order to implement CRM and integrate the phone system with C-UBS. Staff has been working with BearingPoint (the C-UBS implementation consultant) and Nortel to determine the work that would be required of Nortel to implement the necessary phone system enhancements. This recommendation would facilitate the necessary action to utilize up to \$150,000 of available contract contingency funds already approved by the Council. Utilizing these funds would reduce

the amount of savings that would otherwise be achieved in the new city hall commercial paper program for technology, furniture, equipment and relocation.

### ANALYSIS

The CRM element of the overall C-UBS project will play a major role in how the City will do business differently and enhance our customer service levels. In addition to integrating the City's utility call centers with the Customer Service Call Center, the CRM functionality will provide additional features including:

- Automated on-line self service
- On-line FAQs
- Workflow automation within Call Center
- "On-line chat" with City Customer Service Representative
- Automated self-service for utility billing information via phone (retrieve balance, bill due date, etc.)
- "Screen-pops" that would speed transaction times
- Call management by CSRs (answer, forward, place on hold, etc.) directly from their computer

Implementation of the last three features requires design and configuration work on both the C-UBS project side (PeopleSoft) and the Nortel phone system. This integration will allow information captured through the phone system to be passed to the PeopleSoft application and information in PeopleSoft to be passed on to the customer through the phone system. For example, a customer would be able to enter their account number through the telephone to retrieve their account balance, payment due date and other information related to their utility account.

This integration further allows the CSR to manage calls through the computer application and eliminates the need to handle the telephone separately. Additionally, while on hold customers can be prompted to enter their account information, allowing that information to automatically pop up on the CSR's computer screen when they answer the call, reducing the transaction time.

The staff report approved on September 27 noted that implementing CRM will require the City to work with Nortel to enable some features of the telephone middleware that have not yet been implemented. The initial purchase from Nortel included Interactive Voice Response (IVR) ports that will be activated as a part of this change order. In addition, through the change order Nortel will:

- Install and configure the middleware application to integrate the phone system with C-UBS
- Design, development and testing of IVR scripting
- Design and configure the Symposium call center based on the design for the C-UBS

- Design and develop the interface from IVR to PeopleSoft to access customer account and related information.
- Provide all Computer Telephony Integration data elements

### **OUTCOME**

Work with Nortel is key to the full implementation and achievement of the full vision of the C-UBS Project and furthers the City's goals as a step to facilitate implementing e-government. The C-UBS Project is scheduled to begin system testing in February 2006. It is critical that Nortel begin work on the integration of the two systems immediately in order to stay on track with the system testing and go-live schedule.

### **COST IMPLICATIONS**

Of the original authorized contingency of \$403,784 there is an available balance of \$164,821. The estimated cost of the additional services from Nortel shall not exceed \$150,000. Therefore no additional funding for this change order is required. This item is consistent with the Council approved Budget Strategies, General Principals #2, "We must focus on protecting of vital core services..." and #8, "We must continue to streamline, innovate, and simplify our operations..." It is also consistent with the Council approved Economic Development Strategy, "Make San José a Tech Savvy City".

This work is funded from the technology, furniture, and equipment (TF&E) budget. Staff estimates that when the project is complete the TF&E work will be about \$8-10 million (20%) under budget.

### **BUDGET REFERENCE**

Fund #	Appn. #	Appn. Name	Total Appn.	Amount of Order	2005-2006 Adopted Capital Budget	Last Budget Action
473	5152	Technology, Furniture and Equipment	\$21,360,284	\$150,000	Page V-1172	10/18/05 Ord. 27580

**PUBLIC OUTREACH**

N/A

**COORDINATION**

This memorandum has been coordinated with the Information Technology Department, the City Manager's Office, and the City Attorney's Office.

**CEQA**

This is not a project.

A handwritten signature in black ink, appearing to read "Scott P. Johnson", with a small mark below it.

SCOTT P. JOHNSON  
Director of Finance