

**CANADIAN UNION OF PUBLIC EMPLOYEES  
LOCAL 500**

**BRIEF SUBMITTED TO:**

**WINNIPEG CITY COUNCIL  
EXECUTIVE POLICY COMMITTEE**

**RE: 311 Customer Service Model**



**January 17<sup>th</sup>, 2007**

# **CUPE Local 500 Brief submitted to EPC – January 17, 2007**

## **Re: 311 Customer Service Model**

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### **INTRODUCTION**

CUPE Local 500 represents about 5,000 civic employees including a large segment of clerical and administrative support workers. Our Local has a history of working with the City on a range of issues and initiatives over the years. On this particular issue, we would like to support the City's initiative to set up a centralized information processing service for the public to access City services. On behalf of the about 5,000 city staff represented by CUPE, we would like to offer our input to helping the city Administration establish the 311 call centre.

In very general terms, we think the recommendations of the consultants on the 311 Project are worth pursuing. The report is informative and useful in identifying what the City Administration should consider and do to implement the 311 project. Of the options presented, the consolidated model seems to offer the most potential for Winnipeg.

However, in our examination of the consultants report and the Administrations recommendations, we believe there are two major deficiencies in how the City is approaching the development of the service:

- a) the human resource aspect of the service has been undervalued, or is being minimized, as a key element in the provision of a 311 service, and

- b) the private sector option for implementation is being promoted without sound justification or substantive logic.

We therefore recommend consultations with the public, a planning process with city staff, and implementation of the internal consolidated model for the 311 service. We do not believe the Administration needs to spend another quarter of a million dollars hiring private sector consultants to develop and promote their position on using a private sector approach to implementing the 311 service.

## **HUMAN FACTOR**

While the AtFocus consultants report gives extensive treatment to the systemic requirements of a service call centre, (which it should do and has done) there is very little on the human resource element. There is some reference to the role Customer Service Representatives (CSR's) play in the system, but there is virtually no emphasis of how important their part is for the call response system. The dual dimensions of what CSRs provide – customer service and knowledge skills – are noted, but not recognized as being key to the entire service centre performance.

For the 311 service to be effective, it must rely on the human interaction between citizen and city staff, not just the technology. This is the most critical element for the effectiveness of the system, as the customer service contact and knowledge level of those who respond will determine public satisfaction. The public does not want an answering machine, they want answers. While the call responding technology is important

and necessary in the development of a 311 system, it cannot operate without city staff able to respond directly to the public.

In this regard, the consultants have not adequately measured and judged current effectiveness of staff. To examine 200 calls (page 21 of the AtFocus report) out of an annual 2.4 million calls is less than .01% sample. The 200 calls is less than .25% of the calls received in one day! This sample is not an accurate reference for examining what current staff are doing to provide information and support to the public.

There was only passing reference to the responsibility of procedural and training supports that affect customer service response capacity. The consultants do note, that “Many of the performance issues observed could be addressed with effective standards being set, along with effective training and regular quality monitoring to ensure adherence, ultimately leading to effective coaching and training of CSRs to achieve continuous improvement of service quality.” (Page 22 of the AtFocus report)

Our members have noted these requirements before as being deficient, and have compensated with their own initiative and input. In fact, the City and CUPE have collaborated on providing such training through the Joint Education, Training and Staff Development Fund.

We would also question the adequacy of public consultation in determining the level of customer experience. From the report we assume there was some input of the public through ‘focus groups’ but there is no other reference to consulting current users of the call response system, as it is.

We believe that existing staff are not only skilled in customer service responses and knowledgeable about city services; they are committed to the City of Winnipeg. They have demonstrated a range of qualities that not only provide service, but provide the City with quality service that our citizens deserve.

First, they know the public and the City and therefore can anticipate background information related to the callers questions. They can situate questions and caller needs within a social and physical context that helps city officials understand questions, complaints or comments. Second, they know what city departments do and importantly, they know where there are overlaps and related services. This enables them to provide immediate feedback or clarify what the citizen needs who are calling. And third, city staff have shown they are able to deal with difficult calls that involve complaints and caller aggression. These calls require a great deal more than customer service and knowledge skills, as they are often dealing with other unrelated personal issues of callers.

We believe that existing staff (CUPE, WPA, WAPSO) can contribute the most important element of a new 311 service, the human factor. While the development of a consolidated service for the City may result in some labour relations implications, we believe we can help enhance the delivery of city services to the public, which is a primary concern for our members. We are prepared to share our extensive experience and knowledge of how to respond to public calls. Cumulatively we have hundreds of years of experience that can contribute to the efficient and smooth adoption of 311 call systems.

## **PRIVATE SECTOR OPTION**

The consultant's report introduces the possibility of private sector delivery (outsourcing contract, independent agency, public-private partnerships) for the 311 service. They refer to option six as the Independent Model.

There is very little explanation of why this option should be considered. The consultants do not provide the 'advantages/disadvantages' analysis that four other models get. From our point of view, the lack of attention to the serious disadvantages of this approach to delivering a 311 service or any public service, is significant.

The Administration recommendation to Council is to consider both internal and external means of providing the 311 service. But the Administration provides no substantive explanation of how an external service could provide enhanced benefits and therefore why it should be considered. The report does itemize four advantages (page 12) but in very speculative terms. The disadvantages noted in the Administration's report indicate strong reasons why a private sector option would not be appropriate for the city. And the two examples indicated where private sector options have been implemented are not at all similar to the Winnipeg situation.

The disadvantages of implementing the 'internally operated option' noted in the Administration's report (page 11) also seem rather weak and contrived. The cost estimates are extremely generous and not based on

accurate estimates. Staffing issues have not been discussed with any of the unions involved. And the start up question can be easily resolved by procuring appropriate advice and input, in a much shorter time than what the Administration is now recommending.

We fear there is a subtle bias in favour of promoting privatization, on the part of the Administration. We believe that outsourcing or engaging so-called P3s are high risk options, as they tend to minimize the service level provided while increasing long term costs for municipal governments.

When city governments talk about adopting a P3 approach to providing a public service, they usually justify their thinking on the basis of cost and efficiency. They will say that they want to save tax money and/or improve the efficiency of providing a public service.

On both counts, P3s fail to perform. The evidence, from Canada and the United Kingdom, is that P3s are more costly and do not necessarily improve the quality of services. Even the TD Canada Trust acknowledged that “P3s are more expensive than traditional public procurement. ...The concerns are valid, but they over-simplify the issue... more importantly, it is not costs, but net benefit, which is the most relevant benchmark in considering the way to go.” (Mind the Gap, 2004, page iii.)

A new study from the University of British Columbia says that the potential benefits of P3s are often outweighed by high contracting costs and what the authors call ‘opportunism’. (Public-Private Partnerships in

Canada: Theory and Evidence, is by Aidan R. Vining and Anthony E. Boardman, December 2006).

Their research concludes, “The appropriate test of success, from a social perspective, is whether P3s have lower total social costs, including production costs, (negative) externalities and all of the transaction costs associated with the project. The case studies indicate that the potential benefits of P3s are often outweighed by high contracting costs and opportunism. These costs are particularly high when construction or operating complexity is high, revenue uncertainty (use risk) is high, both of these risks have been transferred to the private sector partner, and contract management effectiveness is poor. In infrastructure projects it rarely makes sense to try to transfer large amounts of use risk to the private sector. “

When presented with any proposal to ‘contract out’, set up a P3 or ‘outsource’ a public service, we strongly urge the Councillors to consider the following questions in making their decisions:

- **Quality of Life**

Will the proposal assure that the services involved will enhance the quality of life for citizens?

- **Accessibility**

Can Council be sure that public services will be available for everyone, regardless of income or ability to pay?

- **Local Control and Public Accountability**

Can Council assure the public that elected representatives and public employees will be responsible and accountable for the services paid for through tax dollars?

- **Transparency and Democracy**

Can Councillors be sure that secrecy will not exclude the public, and even elected Councillors, from information about how their services are delivered and their tax dollars are spent?

- **Public Health and Safety**

Are City Councillors prepared to accept these risks and the liabilities involved with the public if harmed because of the P3 process?

- **Lower Costs**

Will politicians be prepared to stand up for what is not only good now, but has a long term benefit for citizens?

## **RECOMMENDATIONS:**

As representatives of city staff currently providing customer call centre services, we are willing to work with the Administration in planning and implementing the 311 service.

However, we think the Administration must pay greater attention and make a commitment to fully utilizing the human resources within the city. To do this, we think the Administration should be directed to work closely with frontline call responders to tap into their experience and

knowledge. To enable a smooth transition to a new 311 service, we think it would be appropriate for the City to commit to its employees, that current staff will make up the staffing of a new 311 call centre (in stronger terms than in the consultant's report, page 66). And for those employees who may not have a position within the call centre, we think there should be a commitment to a redeployment strategy within the city administration.

And we believe the consolidated model can be adopted and measures taken now to start to plan its implementation internally. There is no economic, administrative or technological justification for taking the 311 service outside the City's control. While the Administration is required to consider the private sector option for all major initiatives in Winnipeg, the Councillors are not required to proceed with this recommendation.

The public deserves a system that answers their questions and guides them to city services they need – there is no valid reason to wait to do that. And as we said earlier, the public wants a system that gives them answers, not just an answering machine!

Brief submitted by:

CUPE Local 500

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