

CONTRACT SETBACK

Is it 911 time for the 311 customer service line?**JOHN BARBER**
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Mayor David Miller's much-anticipated 311 Customer Service Strategy, a "one-call-does-it-all" phone line designed to improve access to city services and streamline bureaucracy, faces another setback following the bankruptcy of the U.S. consultant hired to implement it.

The future of the Toronto contract remains in doubt following the court-ordered breakup of consultancy BearingPoint Inc., which won the lucrative Toronto contract last spring but filed for bankruptcy in February. The future of the firm's ongoing contracts will be decided next month when its new owner, Deloitte LLP, takes over the company, according to BearingPoint spokesman Steve Lunceford.

Originally included as a promise in Mr. Miller's 2003 election platform, the 311 program has faced repeated delays. The mayor originally promised to deliver it by 2005. In the 2006 election campaign, he promised again to deliver "a 311 hotline so that every resident has direct and simple access to a person at city hall who can help resolve problems."

Print Edition - Section Front[Enlarge Image](#)

Implementation was delayed in 2007 once again when city staff balked at the price of a contract to implement the project's "technology module," as originally proposed by BearingPoint and one other bidder. After months of negotiation with both bidders, it ultimately awarded the contract in the spring of 2008.

City staff would not confirm the value of the contract, saying only that it is part of the 311 program's total capital cost of \$35-million. The operating cost of the program is budgeted this year at \$15.3-million, up from \$12.6-million in 2008. Despite the lack of any results so far, the 311 program is the fastest-growing major line item in the city's budget.

The BearingPoint bankruptcy "does not affect their operation in Canada," according to city spokesman Sharon Toun. "We are working with them on a daily basis," she said, adding the city still expects to launch the new service in June. But Mr. Lunceford, BearingPoint spokesman, was unable to offer the same assurance. The company will continue to serve existing clients until next month, he said, after which both it and its Toronto subsidiary will become part of Deloitte.

U.S. reports suggest the bankruptcy has caused turmoil within the company, a major firm that grew out of consultancy KPMG. "The way BearingPoint is being sold off in pieces is just wreaking havoc," one expert told the Washington Business Journal last week. The company is embroiled in litigation with at least two U.S. governments over failed technology contracts.

Although the Toronto program is set to launch in June, BearingPoint consultants are scheduled to stay on the job for several months, according to Ms. Toun.

When the contract was announced a year ago, BearingPoint boasted that the Toronto 311 system would be second in size only to that in New York City. For their part, city officials described the "technology module" BearingPoint agreed to provide as the key to implementing the entire system. Until it is installed, the 188 employees who now work on the project will continue practising in their new control centre, located in the council chambers of Metro Hall.

Unlike less ambitious programs installed elsewhere, according to the mayor and city officials, Toronto's 311 system is designed not only to provide one-call service for all city business. It will also reform the entire bureaucracy by moulding it into a more "customer-friendly" shape.

But that was six years ago. The question today is whether or not the system will exist in any form.

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