



AGENDA ITEM EXECUTIVE SUMMARY

Agenda Item number: 6a

Title:	Recommendation to approve an agreement with Power System Engineering, Inc. for Utility Billing / Customer Information System requirements consulting services for a not-to-exceed cost of \$58,150.
Presenters:	Larry Gunderson, Director of Information Systems Penny Lancor, Senior Systems Analyst

Meeting: Government Operations Committee

Date: November 20, 2017

Proposed Cost: \$58,150

Budgeted Amount: \$75,000

Not Budgeted:

Executive Summary *(if not budgeted please explain):*

The City's existing Utility Billing and Customer Information System (UB/CIS) software is approximately 30 years old and has been identified for replacement. Prior to replacement, a set of system requirements must be developed. These requirements will be incorporated into a comprehensive enterprise applications Request for Proposal (RFP) that will be used to evaluate and select replacement software.

Although City staff has begun identifying and gathering known UB/CIS requirements, staff understands their limited knowledge of available features and functions of current UB/CIS software. Additionally, the City recognizes that modern UB/CIS software must be able to integrate with future advanced metering infrastructure (AMI) and smart grid systems. Hiring an experienced consultant with expertise in gathering and identifying UB/CIS and advanced metering infrastructure requirements assures that the City is positioned to meet the current and future needs of its utility customers.

Power System Engineering, Inc. (PSE) was selected through an RFP process. Through their RFP response, an online web conference, onsite visits, and reference interviews, PSE demonstrated experience and expertise in critical areas necessary for this project. Power Systems Engineering Inc. was the sole vendor to offer required experience and expertise in both UB/CIS and smart grid technologies. In addition, PSE will provide value-added services by developing a business case for AMI and a technology plan for the City's utilities.

Attachments *(please list):*

Utility Billing/Customer Information System Requirements Consulting Services Vendor Selection

Recommendation/Suggested Action *(briefly explain):*

Recommendation to approve an agreement with Power System Engineering, Inc. for Utility Billing / Customer Information System requirements consulting services for a not-to-exceed cost of \$58,150.



Memo

Date: November 20, 2017

To: Alderman Todd Bancroft
Chairman of the Government Operations Committee

From: Larry Gunderson, Director of Information Systems

Re: Utility Billing/Customer Information System Requirements Consulting Services

Purpose

This memorandum outlines the goals, objectives and process for entering into an agreement with Power System Engineering, Inc. (PSE) to provide services to gather and document system requirements for a replacement to the City's Utility Billing and Customer Information System software (UB/CIS).

Background

The software used by the City to bill and collect payment for customer utility usage (electric, water, wastewater and refuse collection) was developed and implemented in the 1980s. The system no longer meets the needs of the City as its requirements have evolved over the last 30 years. In addition, the software vendor ceased business operations, and the City has assumed support and enhancement responsibilities. As a result, the UB/CIS system is at end-of-life and in need of replacement.

The software is the sole remaining application running on an IBM iSeries server—all other City applications utilize Microsoft-based servers. This necessitates additional server maintenance and backups and a separate, unique employee skill set.

Replacement of this software will further the City's Strategic Plan goal (#15) to simplify and consolidate its technology infrastructure and enterprise applications. In addition to replacement of the UB/CIS system, an Enterprise Application Strategy initiative was developed to advance Strategic Plan goal #15. The culmination of the Enterprise Application Strategy initiative will be a comprehensive Enterprise Application Request

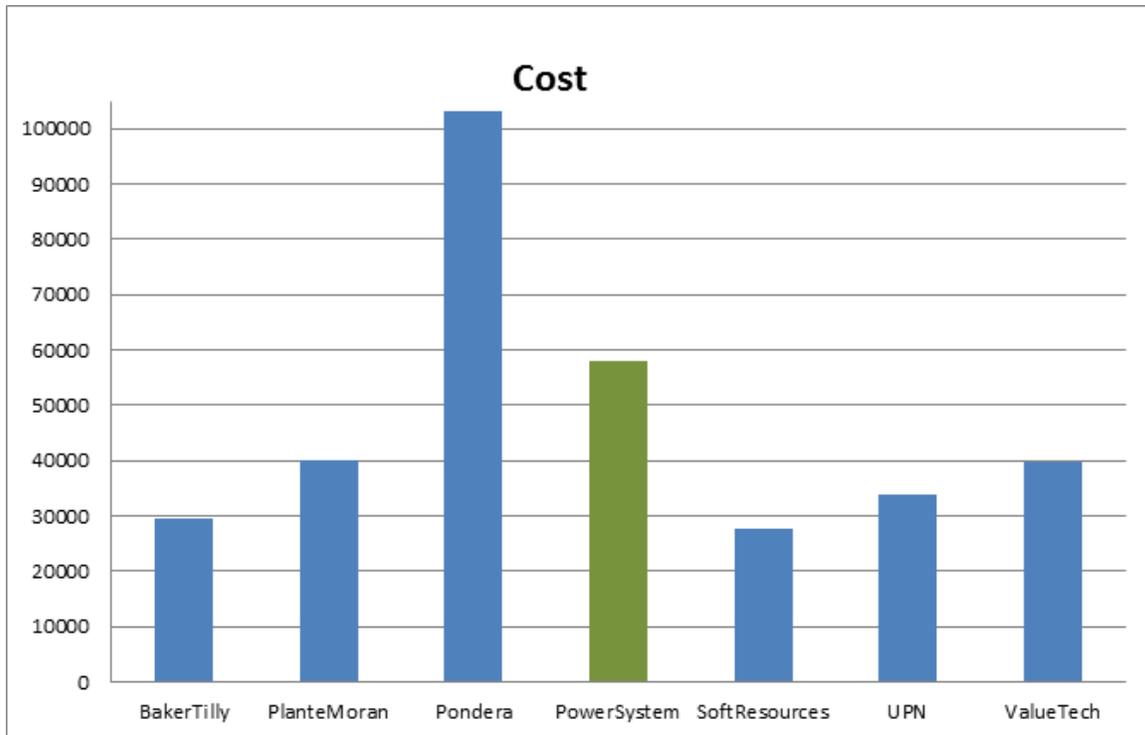
for Proposal (RFP). This future RFP will encompass proposal requests for several Enterprise Applications (e.g. Financials, Human Resources, Payroll, Budgeting, Community Development, and UB/CIS). However, prior to developing this RFP, the City must gather and document system requirements needed in all of its systems, including the UB/CIS application.

Although City staff has begun identifying and gathering known UB/CIS requirements, staff understands their limited knowledge of available features and functions of current UB/CIS software. Additionally, the City recognizes that modern UB/CIS software must be able to integrate with future advanced metering infrastructure (AMI) and smart grid systems. Hiring an experienced consultant with expertise in gathering and identifying UB/CIS and AMI requirements will assure that the City is positioned to meet the current and future needs of its utility customers.

Vendor Selection Process

The City budgeted \$50,000 in FY 17-18 to contract with a consultant for the project, and an RFP was developed and released. Prior to reviewing any proposal responses, weighted scoring criteria were developed to ensure evaluation consistency among responses. The top two criteria were 1) experience and expertise with UB/CIS systems and 2) expertise and experience with AMI and smart grid technologies.

Seven responses were received. The following table summarizes the costs for each proposal:



Each proposal was scored by a six member evaluation team using the weighted scoring criteria. The evaluation team consisted of representatives from the Finance, Public Works, and Information Systems departments.

Based on the weighted scoring, a short-list of the top three responders was developed. Each short-listed proposer participated in an online web conference with the evaluation team. The web conferences offered team members an opportunity to ask more probing questions and to gain additional insights into the experience and expertise of each vendor. Upon conclusion of the web conferences, two of the short-list vendors were omitted from consideration based on insufficient expertise or experience in critical project skills. Power Systems Engineering Inc. was the sole vendor to offer required experience and expertise in both UB/CIS and smart grid technologies.

Additional Value Offered by Power System Engineering

Basic services for this project include guided interviews with stakeholders, the compilation of identified software requirements into a document ready to be included in a future comprehensive Enterprise Application RFP, and a roadmap to guide the technology and application direction for the City's utilities. Power Systems Engineering offers value beyond the basic requested project services. PSE will facilitate and lead discussions with an Executive Steering Committee to assure that the resulting requirements align with overall business strategy. PSE will also deliver a Gap Analysis for major systems, an assessment of the best approach for application deployment, and a systems integration plan.

An Advanced Metering Infrastructure (AMI) business case is another value-added service to be prepared by Power System Engineering. The investment required to build an AMI can be extensive, and an AMI business case will provide an analysis of the costs and benefits involved in modernizing the City's meter infrastructure. The AMI business case will include financial and non-financial factors. Non-financial value is assessed in areas such as customer satisfaction, employee safety, and City brand and image.

PSE incorporated analysis and recommendations for additional technology, such as Meter Data Management (MDM), Mobile Workforce Management, and Outage Management Systems (OMS), into their scope of work. Since the Public Works Department Electric Utility Division budgeted \$25,000 for technology planning services in FY 17-18, the City was able to reduce overall costs by obviating the need to contract with an additional consultant to provide those services. The following table outlines the proposed costs for PSE's scope of services:

Project Task	Deliverable	Cost
Project Discovery	Facilitate onsite strategic needs gathering work session with the City project team. Cover wide range of topic areas, and gather a better understanding of the City's present state situation. Discuss subsequent assessments and deliverables. Narrow down technology and system focus areas for further analysis.	\$ 17,600
Create CIS and Customer Billing Requirements	PSE will create a meeting agenda and discussion materials and expect to achieve the following at the completion of this session: 1) Define the project team roles and responsibilities, 2) document a listing of the top 10 to 12 vendor selection attributes and their respective weightings, 3) document a present state baseline of CIS, FIS and MDM capabilities. This session will likely require 1.5 days of onsite time and will be attended by two PSE consultants.	\$ 14,600
AMI Business Case	Perform detailed AMI cost/benefit business case. Determine financial and non-financial benefits and/or detriments of AMI for present results via PPT presentation. Review results via webinar.	\$ 4,200
PSE Assessment Phase	Create gap analysis for major systems, assess the integration alternatives, and create technology roadmap. Onsite meeting to review.	\$ 14,100
Project Management	Completed Requirements document	\$ 6,150
Total Deliverable Based Costs for Project		\$ 56,650
Travel Expense (passed through at cost)		\$ 1,500
Adjusted Total Cost		\$58,150

Conclusion

Power System Engineering was the only vendor who demonstrated the experience and expertise to perform the services required for this project. Although PSE's proposal has the second highest cost of all responses, their value added services will allow the City to efficiently achieve two goals—UB/CIS requirements identification and utility technology systems planning—with a single consulting engagement. PSE was the only proposer to offer this advantage.

Securing outside resources to lead the UB/CIS system requirements gathering project will increase the likelihood that the resulting software requirements will be complete and that they will position the City to handle current and future demands on City utility technology and applications.

Staff recommends approval of an agreement with Power System Engineering, Inc. for Utility Billing / Customer Information System requirements consulting services for a not-to-exceed cost of \$58,150.