

City of Sacramento

Legislation Text

File #: 2019-01159, **Version:** 1

Title:

Supplemental Agreement: Department of Utilities Customer Information and Utility Billing System Upgrade

File ID: 2019-01159

Location: Citywide

Recommendation:

Adopt a Resolution authorizing the City Manager or City Manager's designee to: 1) execute Supplemental Agreement No. 3 to City Agreement No. 2017-1492 with Ernst & Young LLP ("EY") to provide post implementation support and stabilization services for the Department of Utilities' Customer Information and Utility Billing System Project for an amount not to exceed \$300,000, bringing the agreement's total not to exceed to \$7.5 million; 2) transfer expenditure budgets from the DOU IT Program (Z14170100) to the IT Program Multi-year Operating Project (MYOP) (I14040100): \$75,000 in the Water Fund (Fund 6005), \$81,000 in the Wastewater Fund (Fund 6006), \$72,000 in the Solid Waste Fund (Fund 6007) and \$72,000 in the Storm Drainage Fund (Fund 6011); 3) increase the expenditure budget in Z14170100 by \$15,000 (Fund 6011) from available fund balance in Fund 6011; and 4) reset the City Manager's administrative authority for the FY2018/19 DOU IT Program (Z14170100) budget.

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Presenter: None

Attachments:

- 1-Description/Analysis
- 2-Supplemental Agreement No. 3 to City Agreement No. 2017-1492
- 3-Resolution

Description/Analysis

Issue Detail: In March 2017, the Department of Utilities (DOU) in collaboration with the Information Technology (IT) Department procured new software to update the City's Customer Information and Utility Billing System ("Billing System"). DOU is now engaged in the post implementation and stabilization process with Ernst & Young LLP ("EY") providing the required consulting services. To simplify both the implementation and long-term management of the Billing System, unique processes that require customized software were not included in the original scope of work. For example, processes such as ownership change, perfected liens and special assessments, and field work scheduling and dispatching could not to be addressed by the replacement software without customization. As such, staff recommends that City Council authorize the City Manager or the City Manager's designee to make the applicable budgetary adjustments and execute Supplemental Agreement No. 3 to City Agreement 2017-1492 with EY to provide post implementation support and stabilization services for the Billing System.

To properly align the budget in Z14170100 through FY2018/19, DOU requires City Council authorization increasing its expenditure budget by \$15,000 from available fund balance in Fund 6011 and reset the City Manager's FY2018/19 administrative authority for Z14170100.

Policy Considerations: The requested action is in conformance with City Code Chapter 3.64 and in accordance with the goals, objectives, initiatives and operating principles of the City's Digital Strategy.

Economic Impacts: None.

Environmental Considerations:

California Environmental Quality Act (CEQA): The proposed activity is not a project pursuant to the California Environmental Quality Act (CEQA). CEQA Guidelines Section 15378 (b)(2). The activity is a continuing administrative or maintenance activity, such as the purchases for supplies, personnel-related actions, general policy and procedure making and is not subject to CEQA. (CEQA Guidelines Section 15060(c)(3).)

Sustainability: Not applicable.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: DOU has implemented the new Billing System and which has been in production since May 20, 2019. As is typical in these complex systems, code fixes, patches and problem resolution must take place in a live environment. The problems that arise must be corrected immediately with little or no impact to customers. EY has intimate knowledge of our environment and configuration having helped us develop and install the system. The City needs their continued support to stabilize the Billing System and ensure that customer service levels remain

high.

Additionally, the expenditure budget in Z14170100 has exceeded its budget through FY2018/19. Staff is recommending appropriate budget adjustments to align Z14170100 FY2018/19 project budget in Fund 6011 by transferring \$15,000 from available fund balance in Fund 6011.

Financial Considerations: Upon approval of the recommended budget transfers below to the Information Technology Program MYOP (I14040100) there will be sufficient funding to execute Supplemental Agreement No. 3 to City Agreement 2017-1492 with EY in an amount not to exceed \$300,000, bringing the agreement's total not to exceed amount to \$7,452,200.

Program Name (Project No.)	Fund Name (Fund No.)	Amount
DOU IT Program (Z14170100)	Water Fund (Fund 6005)	75,000
DOU IT Program (Z14170100)	Wastewater Fund (Fund 6006)	81,000
DOU IT Program (Z14170100)	Solid Waste Fund (Fund 6007)	72,000
DOU IT Program (Z14170100)	Storm Drainage Fund (Fund 6011)	72,000
	Total	\$300,000

In addition, staff is requesting an increase to the expenditure budget in the DOU IT Program (Z14170100) by \$15,000 (Fund 6011) from available fund balance in the Storm Drainage Fund.

There are no General Funds planned or allocated for this project.

Local Business Enterprise (LBE): EY is not an LBE. The minimum LBE participation requirement was waived by the Director of the Department of Information Technology as staff has determined the waiver is in the City's best interest due to specific expertise required, timeliness, and cost.

Background: On December 12, 2017, City Council Passed Motion No. 2017-0369 authorizing the City Manager or his designee to execute a professional services agreement with EY to provide upgrade and implementation services for the Department of Utilities' Customer Information and Utility Billing System for an amount not to exceed \$6.3 million.

On October 23, 2018, City Council Adopted Resolution 2018-0413 authorizing the City Manager or his designee to execute Supplemental Agreement No. 1 to City Agreement 2017-1492 with EY to provide additional upgrade and implementation services for an amount not to exceed \$860,000, bringing the agreement's total not to exceed amount to \$7.2 million.