



Agenda Report

September 17, 2018

TO: Honorable Mayor and City Council

FROM: Water and Power Department

SUBJECT: AUTHORIZATION TO ENTER INTO A PURCHASE ORDER CONTRACT WITH PEOPLE 2.0 LLC, TO PROVIDE PROFESSIONAL STAFFING SERVICES TO SUPPORT THE CUSTOMER INFORMATION SYSTEM AND RELATED PROJECTS FOR THE WATER AND POWER DEPARTMENT

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed action is not a project subject to the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 21065, 15060 (c)(2), 15060 (c)(3), and 15378 of the State CEQA Guidelines and, as such no environmental document pursuant to CEQA is required for the project; and,
2. Authorize the issuance of a purchase order contract without competitive bidding pursuant to the City Charter Section 1002(F); contracts for professional or unique services, with People 2.0 LLC for professional staffing services to support PWP's Customer Information System and Related Projects ("Project") for a period of two years or until \$347,940 is expended, whichever comes first, and;
3. Grant the proposed purchase order contract an exemption from the Competitive Selection process pursuant to Pasadena Municipal Code Section 4.08.049(B); contracts for which the City's best interests are served.

BACKGROUND:

The Water and Power Department ("PWP") has initiated a multi-year, multi-million dollar Project to replace its aging Customer Information System ("CIS") which is used for the billing of electricity, water, sewer, and refuse services; as well as several key utility-related taxes. Related projects include customer self-service, electronic bill payment and presentment, and necessary services to support the conversion from existing to new systems. Upon full implementation, the Project would enable PWP to transition to a smart grid which would allow multifaceted benefits to customers such as online account management, automated turn-on and turn-off electric service, automatic water leak detection and notification, time-of-use rates, improved system reliability, and other real time interactions between customers and PWP.

The current CIS, which was implemented in 2001, is obsolete with limited support from the developer. On July 24, 2017, the City Council approved a Needs Assessment process, the outcome of which recommended full replacement of the system to address not only the hardware and support issues, but also evolving utility-related policy and regulatory requirements, and ever increasing customer expectations for system features that cannot be met by the current CIS. The Request for Proposals ("RFP") to select a replacement CIS solution was issued in May 2018, and the associated vendor selection process is currently underway. Staff expects to recommend a CIS contract award to the City Council by December 2018.

The CIS replacement will be a resource-intensive project requiring dedicated support from numerous existing and new staff, expert consultants, and system vendors. On February 26, 2018, the City Council approved full time equivalents ("FTE") shown in the following tables to support the Project in both Fiscal Years ("FY") 2018 and 2019.

Five Positions Approved for FY 2018

Limited Term FTEs	Permanent FTEs
Business Systems Analyst	Utility Operations Technology Manager
Senior Customer Service Representative	Business Systems Analyst
	Applications Developer

Eight Positions Approved for FY 2019

Limited Term FTEs	Permanent FTEs
Business Systems Analyst (5)	Business Systems Analyst (2)
	Applications Developer

Following the City Council's approval of the positions last February, PWP found that the general pool of candidates who possessed utility-specific experience on the required systems and were also agreeable to the offered compensation was limited. In order to expedite the search so that the Project's aggressive timeline would not be impacted, PWP and other City Departments began exploring staffing firms that specialize in skilled information technology personnel. Filling the positions with temporary labor will bridge the arrangement while the City completes its hiring process.

In early April, 2018, PWP staff evaluated four qualified information technology-related temporary staffing agencies in order to find candidates to fill the two FY 2018 Business System Analyst ("BSA") positions and one Application Developer ("AD") position. The ideal BSA candidate should have extensive relevant experience in business system analysis with the ability to quickly assume critical tasks currently performed by PWP staff so as to allow the existing staff to begin working on the Project as soon as possible.

The ideal AD candidate must have extensive knowledge of both existing and new technology, including a variety of databases and programming languages. In order to

maximize the pool of candidates, PWP invited both City-contracted and non-contracted staffing agencies to submit informal proposals. Again, due to the Project timeline, a formal competitive selection process was not conducted. The positions were evaluated separately and candidates were interviewed and evaluated based upon pre-determined criteria. A total of twelve candidates from three agencies were evaluated for the two BSA positions and ten candidates from four agencies were evaluated for the AD position.

Business System Analyst

Agency	Bill Rate	Candidates Evaluated	Recommendation
People 2.0 LLC, Houston, TX	\$65-\$72	3	1 candidate for limited-term
NTT Data, Monterey Park, CA	\$67-\$82	6	1 candidate for limited term
Pathways Consulting, Pasadena, CA	\$55.90-\$71.50	3	None of the candidates met qualifications

Application Developer

Agency	Billing Rate	Candidates Evaluated	Recommendation
People 2.0 LLC, Houston, TX	\$72-\$80	3	One candidate for limited term
NTT Data, Monterey Park, CA	\$72-\$88	4	Did not meet technology qualifications
Pathways Consulting, Pasadena, CA	\$71.50-\$88.44	1	Did not meet technology qualifications
Robert Half International, Menlo Park, CA	\$78.84-\$94.11	2	Did not meet technology qualifications

This process produced qualified candidates for both positions. One BSA position has been filled on a temporary basis by NTT Data, with whom the Department of Information Technology has an existing competitively solicited contract. The best qualified candidates for the limited-term BSA and AD positions were provided by People 2.0 LLC, whose rate ranges were comparable to the other evaluated agencies. This vendor has had no previous City of Pasadena contracts.

In order to secure these candidates in time for the impending CIS contract award for the project, it is in the best interests of the City to issue a purchase order contract to People 2.0 LLC for a period of two years or until \$347,940 is expended, whichever comes first. This would allow sufficient time for the City's normal hiring process. It is critical to the success of the Project that qualified personnel are secured as soon as possible to keep the Project on schedule. The recommended amount is based on estimated 960 hours per person plus a conversion fee of up to 15 percent of each candidate's annual salary with the staffing agency. The actual amount of time for these positions may vary based on the Project requirements and the fee would apply only if a person(s) is hired by the City during the term of the contract with the staffing agency. It is possible that all candidates may apply for the City's formal recruitment. PWP intends to fill the

permanent FTE positions through a competitive recruitment process in the next 6-12 months. The recommended contract also includes the potential selection of two additional candidates at comparable costs to fill additional approved positions as the Project progresses.

COUNCIL POLICY CONSIDERATION:

The Project, which will increase the efficiency and accuracy of billing and revenue collection, supports the City Council strategic goals to maintain fiscal responsibility and stability. The improved CIS features also promotes the community's quality of life and local economy.

ENVIRONMENTAL ANALYSIS:

The action proposed herein is not subject to the CEQA in accordance with Section 21065 of CEQA and State CEQA Guidelines Sections 15060 (c)(2), 15060 (c)(3), and 15378. The authorization to enter into a contract for professional staffing services is a continuing administrative and maintenance activity (i.e., personnel related action). This action would not cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. Therefore, the proposed action is not a "project" subject to CEQA, as defined in Section 21065 of CEQA and Section 15378 of the State CEQA Guidelines. Since the action is not a project subject to CEQA, no environmental document is required.

FISCAL IMPACT:

The maximum cost of this action if all four positions are filled and converted to City employees will be \$347,940. Funding for this action will be addressed by the utilization of existing appropriations in Water and Power Operating (42209230/42207980-811500) and Capital (CIP# 03022/01011) funds. The following table provides staff's best estimate at this time, however, the actual number of staff and related costs may vary based on the Project needs but not exceed the recommended term nor the amount. It is anticipated that all costs will be spent during the current fiscal year.

Position	Number of Positions	Hours	Rate \$/Hour	Cost	Conversion Fee*	Total Cost
Business Systems Analyst (BSA)	2	1,920	\$72	\$138,240	\$27,600	\$165,840
Application Developer (AD)	2	1,920	\$80	\$153,600	\$28,500	\$182,100
Total				\$291,840	\$56,100	\$347,940

*Based on a maximum of 15 percent of candidate's annual staffing agency salary. Applicable only if hired as a City employee.

Respectfully submitted,



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