

Agenda Report

May 8, 2000

TO: City Council
THROUGH: Deregulation Committee

FROM: City Manager

SUBJECT: **Authorization to Enter into Contracts for the Implementation of a Customer Information System (CIS) and Related Agreements**

RECOMMENDATION:

It is recommended that the City Council authorize the General Manager of the Water and Power Department (Department) to: (1) execute the necessary agreements with Orcom Solutions, Inc. (Orcom) to furnish and install a new Customer Information System (CIS) including related third-party software and hardware licensing agreements for an amount not to exceed \$1.5 million. Competitive bidding is not required pursuant to City Charter Section 1002 (F) contracts for professional or unique services; (2) authorized the General Manager to execute technical and project management support agreements with Grande Banke Solutions, Inc and James M. Derry and Associates respectively for advisory services for the Department during implementation of the CIS for a combined amount not to exceed \$100,000. Competitive bidding is not required pursuant to City Charter Section 1002 (F) contracts for professional or unique services. It is further recommended that the proposed contracts be exempted from the request of proposals process of the Affirmative Action in contracting Ordinance pursuant to section 4.09.060 (C) contracts for which the City's best interests are served.

BACKGROUND:

On September 20, 1999, the City Council authorized the Department to negotiate contract terms for the installation of a new CIS. Staff was directed to negotiate terms with Orcom that reflect the principles outlined in Attachment A for the purchase and installation of a deregulation ready utility CIS for an amount not to exceed \$1.5 million.

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Attachment A provides the key provisions of the contracts that address the directives of the City Council which were:

1. Money back guarantees;
2. Discount on Orcom's software license;
3. Ten-year agreement to provide up to three (3) new versions of the E-CIS;
4. Ten-year agreement to provide one (1) new version of the E-CIS resulting from statewide mandated deregulation changes affecting the electric industry;
5. Provisions for fixing the prices for CIS deliverables;
6. Statement of work detailing roles and responsibilities of the parties; and
7. System performance guarantees.

The E-CIS is a Direct Access ready, Customer Information System designed and developed by Orcom that is capable of handling the requirements of meter reading, billing, collections and Energy Service Provider transactions and interfaces described in the Direct Access Electric Service Regulation No. 22 approved by City Council for providing Direct Access to Pasadena customers. The installation of the E-CIS consist of the following five agreements with Orcom (See attached Agreements) linked contractually as one:

1. End-User Software and Software support Agreement;
2. Agreement For Supply of Hardware and Third-Party Software;
3. Service Agreement for the IBM AS400 and E-CIS Software Installation;
4. Service Agreement for the E-CIS Implementation; and
5. Service Agreement for Post E-CIS Go-Live Modifications

Implementation of the Orcom CIS will occur in two phases; targeted completion of the first phase is estimated at nine months. At the completion of phase one of implementation, the CIS will be fully functional with regard to handling all billing and collections for the Water and Power Department and for the Public Works Department (refuse and sewer billings). Phase two will follow directly and will involve custom modifications to meet deregulation transaction requirements and certain Public Works Department functional requirements. Implementation of phase two is expected take up to five months. (See E-CIS Project Schedule, Attachment B)

Mr. Robert Lutschg of Grande Banke Solutions, Inc and Mr. James M. Derry of James M. Derry and Associates will provide technical and project management support services respectively to the Department. Mr. Lutschg is an Orcom software and system functionality expert. He will provide advisory services to Department staff on Orcom E-CIS system functionality and performance testing to ensure compliance with the Orcom E-CIS implementation contract requirements. Mr. Derry has assisted others in similar CIS conversions and will

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provide CIS project management expertise the Department. Mr. Derry will assist the Department during the process/business mapping and analysis phase of the E-CIS implementation project to ensure that automation of all customer service functions is optimized.

Fiscal Impact:

Funds are available in the Light and Power Fund and the Water Fund for the purchase and implementation of the E-CIS and related technical support and project management services.

Respectfully submitted,



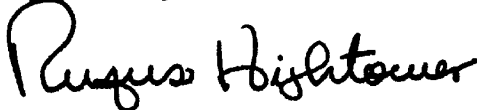
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