



RFP #Y10-645-GC

# Upgrade of Utilities Customer Information and Billing Solution

Utilities Department

June 26, 2012



# Discussion Items

- The Customer Information Solution (CIS)
- Project Background
- Evaluation Process
- Vendor Analysis
- Negotiations
- Benefits
- Recommendation



# Customer Information Solution

- Customer Service Division supports the entire Utility Department
- Major part of the CIS is to manage all the revenue collection and related data for the Utility
- Foundation for the Utility Customer Service operations includes:
  - Development
  - Field Services
  - Call Center
  - Billing
  - Cash
  - Credit & Collections
  - CIS
  - Dispatch



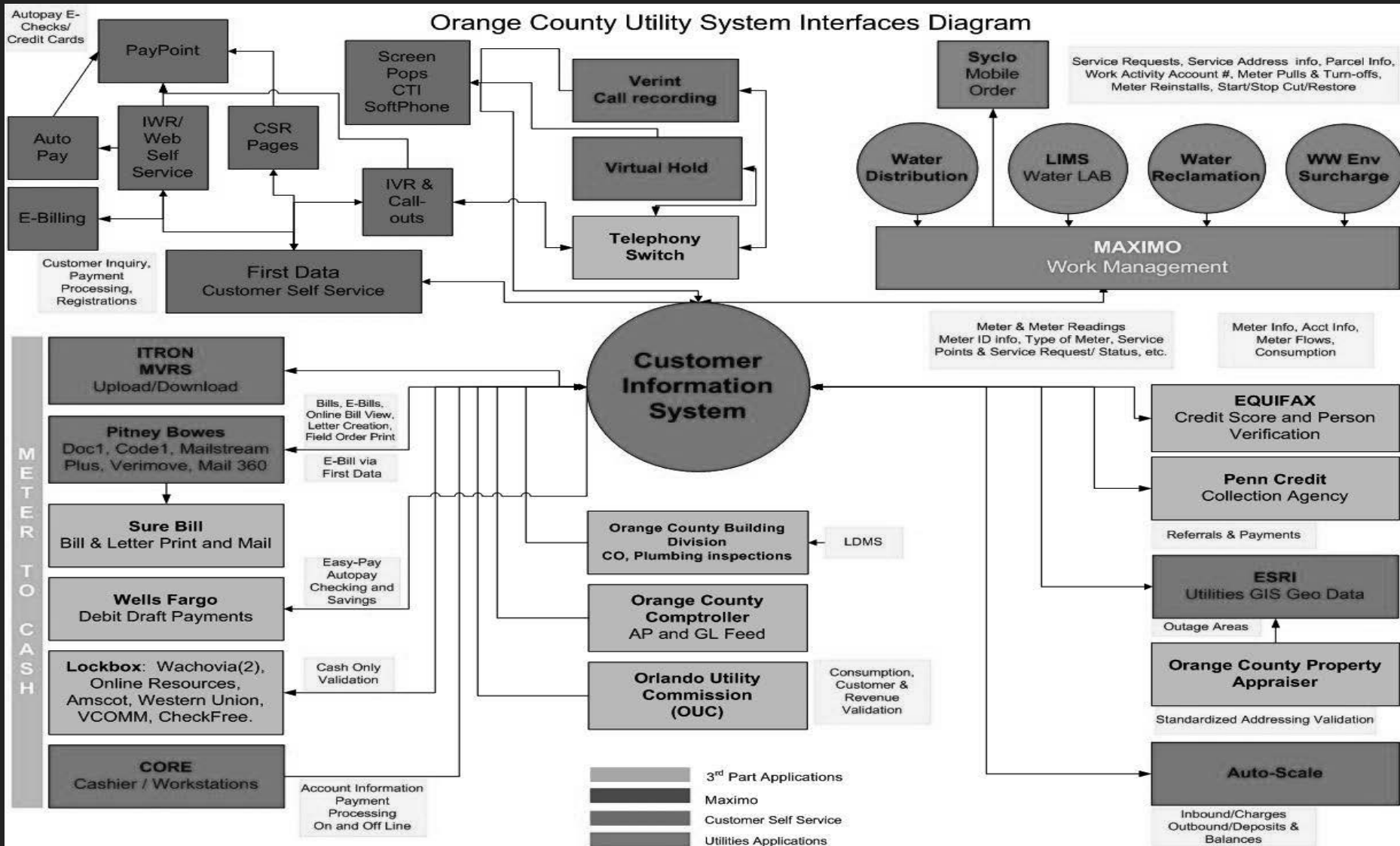


# Customer Information Solution

- Annual Customer Service Activity
  - Billing Statements Produced 1,514,000
  - Payments Processed 1,380,000
  - Collections \$204,812,000
  - Number of Meters Read 2,009,378
  - Customer Calls
    - Call Center 179,771
    - IVR (Interactive Voice Response) 515,905
  - Field Services
    - Start/Stop and Cut/Restore 72,225



# Customer Information Solution





# Project Background

- June 29, 2004 - The Board approved the negotiation and award of a contract to Bearing Point for a not to exceed cost of \$8.25 million for a new CIS Solution
- July 2006 - The Utility went live with the CIS Solution on time and under budget
- The core of the CIS Solution was PeopleSoft Enterprise Revenue Manager (PS-ERM)



# Project Background

- December 2004 – Oracle purchased PeopleSoft
- December 2008 – Oracle sunsets PS-ERM application and began actively marketing Oracle Customer Care & Billing (CC&B)
- May 2009 – Board approved purchase of \$545K license for CC&B for a savings of \$1.7 million
- December 2009 – PS-ERM Premium Support ended and the PS-ERM product was shelved by Oracle



# Project Background

- Oracle CC&B
  - Keep current in utility industry best practices
  - Long term commitment to upgrades, support, fixes, and patches
  - Industry leading software solution
  - Provide customer support at competitive rates per customer







# Project Background

- 2004 – BearingPoint (PwC predecessor) implements Utilities Solution with the same staff
- 2008 - Sole Source attempt for an upgrade declined in favor of the competitive process
- November 2009 - RFP for implementation services was published
  - RFP included a requirement for a Letter of Credit
  - Few Bidders
  - Decision was made to re-bid project



# Project Background

- September 16, 2010 – Re-issuance of the RFP
  - Letter of Credit requirement removed
- November 16, 2010 - Proposals opened
- Four (4) proposals were received:
  1. IBM
  2. ProMark Solutions Inc.
  3. Pricewaterhouse Coopers
  4. Blue Heron



# Evaluation Process

- Four (4) phase approach:
  - Phase 1 – Evaluation and scoring of written proposals addressed functionality, design, compliance issues and references
  - Phase 2 - Site Visits with a focus on implementation, performance, functionality, and training
  - Phase 3 – On Site Presentations focused on methodology, project team, implementation, functionality, design, and services
  - Phase 4 - Costing centered on costs, quality, project team, and contractual terms and conditions



# Evaluation Process

## Phase 1

- Each Orange County (OC) Technical Team member did an independent review of all submitted written proposals
- The Week of December 14, 2010 RFP proposals were scored by the OC Technical Team



# Evaluation Process

## Phase 1

FIRMS	PHASE 1
IBM	Non-Responsive
ProMark Solutions Inc.	241.89
Pricewaterhouse Coopers	236.63
Blue Heron Consulting	228.84



# Evaluation Process

## Phase 2

- May 2011 - Site visits were made to the remaining three proposers
- The OC team met with:
  - key users
  - the utility project manager & team
  - technology representatives
- June 8, 2011 – Site visits were scored





# Evaluation Process

## Phase 2

FIRMS	PHASE 1	PHASE 2
IBM	Non-Responsive	
ProMark Solutions Inc.	241.89	140.17 Withdrew
Pricewaterhouse Coopers	236.63	219.22
Blue Heron Consulting	228.84	195.20

- On June 15, 2011 notification was received by Purchasing stating ProMark withdrew from the process and would not move forward to Phase 3



# Evaluation Process

## Phase 3

- June 28 thru July 9, 2011 - Individual on-site Proposer meetings
- The majority of the Proposer's proposed County implementation team was present for the meeting
- Proposers made an oral presentation followed by a demonstration based upon criteria furnished by the Utility
- July 11, 2011 – Proposer meetings were scored





# Evaluation Process

## Phase 3

FIRMS	PHASE 1	PHASE 2	PHASE 3
IBM	Non-Responsive		
ProMark Solutions Inc.	241.89	140.17 Withdrew	
Pricewaterhouse Coopers	236.63	219.22	175.49
Blue Heron Consulting	228.84	195.20	164.31



# Evaluation Process

## Phase 4

- August 22 thru August 25, 2011 - Fact Finding sessions were held with each Proposer
- The costing scores were determined through a cost analysis which included:
  - total submitted costs
  - timeliness of delivery & installation
  - Project Manager & Project Team
  - additional projected costs to the County
- November 3, 2011 - the Phase 4 scoring was held



# Evaluation Process

## Phase 4

FIRMS	PHASE 1	PHASE 2	PHASE 3	PHASE 4
IBM	Non-Responsive			
ProMark Solutions Inc.	241.89	140.17 Withdrew		
Pricewaterhouse Coopers	236.63	219.22	175.49	244.20
Blue Heron Consulting	228.84	195.20	164.31	153.40



# Evaluation Process Procurement

- February 1, 2012 – The Procurement Committee meeting was held
- The decision of the Procurement Committee:
  - Following financial review, Blue Heron determined to be “non-responsible” for financial reasons
  - Move forward with contract negotiations with Pricewaterhouse Coopers
  - Upon successful completion of negotiations bring recommendation to the Board of County Commissioners



# Vendor Analysis

- Pricewaterhouse Coopers (PwC)
  - Proposed team have more relevant and recent utility experience with large, complex utilities including:
    - Jacksonville
    - Denver
    - San Jose
    - El Paso
    - PG&E
    - Cleveland
    - Puerto Rico
  - Financially sound and mature
  - Mature and proven project management methodology
  - Least risk to Orange County





# Negotiations

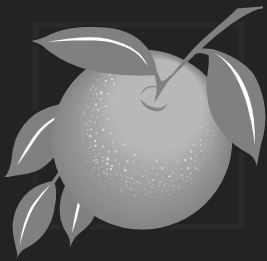
Key negotiation decisions include:

- Not to exceed price of \$7.9 million
- Post production support period
- Warranties
  - A six month warranty included in the overall cost
  - Five one-year warranty options included at an additional cost



# Negotiations

- Intellectual Property (IP) perpetual, royalty-free, fully paid-up, non-exclusive license is granted reciprocally between vendor and County
- Finalized Contract, Statement of Work, and Pricing documents
- Milestone payment schedule established



# Negotiations

## Payment Milestones

1. CC&B Application Installed, Certified & Ready for Use by Contractor & County	9%	\$711,000
2. Project Management Office Installation /Stakeholder Analysis	6%	\$474,000
3. Project Team Training Completed	6%	\$474,000
4. Data Conversion Plan Delivered & Approved	6%	\$474,000
5. Upgrade Workshops Complete with County Acceptance	8%	\$632,000
6. Completed Functional Design Documents Received by the Client & Agreed upon by both Client and Contractor	8%	\$632,000





# Negotiations

## Payment Milestones

7. Business Processes Delivered & Approved	5%	\$395,000
8. Initial Solution Configuration Delivered & Accepted by the Client	4%	\$316,000
9. PwC Code for Enhancements & Interfaces Delivered & Deployed to Client Site including Technical Design Specifications	5%	\$395,000
10. First Full Conversion Run	4%	\$316,000
11. PwC Code for Reports Delivered & Deployed to Client	3%	\$237,000
12. Integration Testing (All Phases) Complete with County Acceptance	2%	\$158,000



# Negotiations

## Payment Milestones

13. Performance Testing Complete	4%	\$316,000
14. Final Mock Cutover complete with County Acceptance	3%	\$237,000
15. End-User Training Complete	4%	\$316,000
16. Cutover Complete with County Acceptance	3%	\$237,000
17. Post Implementation Support Complete with County Acceptance	5%	* \$395,000
18. Final Retainer upon System Acceptance & a Revised & Complete Set of Design Docs	15%	*\$1,185,000

\*Final retainage paid at the end of the project equal to 20% of total fixed cost



# Negotiations

- Potential future Phase 2 for the project
- Work will include:
  - Customer requested functionality
  - Enhanced web capability
  - New reporting tool
  - Integration of Utility specific help sets
  - Real time statistics on Utility operations
- Return to the Board for Phase 2 approval



# Benefits

- Significant features for Phase 1 include:
  - Enhanced system for greater functionality and timelier customer service
  - Greater flexibility to adapt to new programs, mandates, and changes
  - Timely adoption Utility industry best practices
  - Greater use of the base product with fewer enhancements
  - Ability to make one deposit for all services



# Benefits

- Low implementation cost

Utility	Number of Customers	Cost Per Account
Orange County Utilities	200,000	\$39.33
JEA	350,000	\$24.00
Denver Water	173,000	\$59.60
Cleveland Water	450,000	\$45.45

- Average cost per account \$43.00
- County's cost is \$3.67 less than average



# Recommendation

- Requested Action
  - Approval to award Contract Y10-645-GC, Upgrade of Utilities Customer Information and Billing Solution to Pricewaterhouse Coopers (PwC) in the total estimated contract award amount of \$7,900,000.