

CITY OF LONG BEACH

C-13

TECHNOLOGY AND INNOVATION DEPARTMENT

333 WEST OCEAN BOULEVARD • LONG BEACH, CA 90802 • (562) 570-6455 • FAX (562) 570-5270

February 7, 2017

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt a Resolution authorizing the City Manager, or designee, to execute a contract with TMG Utility Advisory Services, Inc., dba TMG Consulting, Inc. (TMG), of Austin TX, including any amendments thereto, to assist with the Request for Proposals (RFP) development, vendor evaluation, and contract negotiation for managed and professional services support for the City's utility software systems, in a total contract amount not to exceed \$144,760; and,

Increase appropriations in the General Services Fund (IS 385) in the Technology and Innovation Department (TI) by \$144,760, offset by charges to departments utilizing the utility billing system. (Citywide)

DISCUSSION

In 2011, the City Council awarded a contract to Ernst & Young, LLP (EY), for Managed Services to provide maintenance and integration support related to the City's key utility software systems (Utility Systems), including the Customer Care and Billing System (CC&B), Mobile Workforce Management (MWM), and Advanced Metering Infrastructure (AMI). This agreement is due to expire on February 28, 2017.

The City is preparing to conduct a RFP for Managed Services for its Utility Systems, a system that helps manage the utility billing process for the City and bill an estimated \$200 million in revenue annually. To ensure continuity of service, concurrently, under a separate agenda item, City Council authorization is requested to extend the contract with EY for Managed Services for nine months while the new RFP is being prepared.

An essential part of the RFP development is an understanding of resources currently being used, where those resources can be better used, and the balance between City resources and contractual resources. Because TMG has already performed an excellent study for the City on resource utilization and staffing assessment for the Utility Systems technical support, TMG is in a unique position to assist with preparing the RFP for technical support and can do so more quickly, economically and with fewer City resources, resulting in an RFP for Utility Systems designed to ensure long-term minimal costs and the best services to the City.

City Charter Section 1801 requires that contracts for City purchases be awarded to the lowest responsible bidder after a competitive bid process, but allows for awards without a competitive bid process if accompanied by a Resolution adopted by the City Council.

This matter was reviewed by Deputy City Attorney Amy R. Webber on January 23, 2017 and by Budget Management Officer Rhutu Amin Gharib on January 19, 2017.

TIMING CONSIDERATIONS

City Council action is requested on February 7, 2017, to ensure the timely and knowledgeable development of the RFP for managed and professional services for the City's Utility Systems.

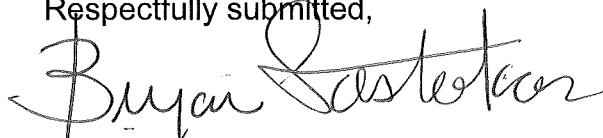
FISCAL IMPACT

Total cost to conduct the RFP with TMG will not exceed \$144,000. As this amount is unbudgeted in FY 17, an appropriation increase of \$144,000 is necessary in the General Services Fund (IS 385) in the Technology and Innovation Department (TI). The total cost will be allocated to the four operations (Gas, Water, Sewer, Refuse), which currently utilize the City's utility billing function (no General Fund impact). The allocation is equal to each department's proportionate usage of the system. The participating departments are aware of the increase in costs and will request increases in budget appropriation, if needed, to cover these additional costs. There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



BRYAN M. SASTOKAS
DIRECTOR OF TECHNOLOGY AND INNOVATION

Attachment

APPROVED:



PATRICK H. WEST
CITY MANAGER

OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

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RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH TMG UTILITY ADVISORY SERVICES, INC. DBA TMG CONSULTING, INC. WITHOUT ADVERTISING FOR BIDS, TO ASSIST WITH THE REQUEST FOR PROPOSAL (RFP) DEVELOPMENT, VENDOR EVALUATION, AND CONTRACT NEGOTIATION FOR MANAGED AND PROFESSIONAL SERVICES FOR THE CITY'S UTILITY SOFTWARE SYSTEMS, FOR A TOTAL NOT TO EXCEED AMOUNT OF \$144,760

WHEREAS, the Charter of the City of Long Beach, Section 1801, permits the City Manager to enter into a contract on behalf of the City, in writing or otherwise, without advertising for bids, for services, supplies, materials, equipment or labor for actual emergency work when authorized by resolution; and

WHEREAS, the City requires assistance with the Request for Proposal ("RFP") development, vendor evaluation, and contract negotiations for managed services for the City's utility software systems ("Utility Systems"); and

WHEREAS, the development of the RFP is a complex project as the Utility Systems helps manage \$200 million in revenue each year; and

WHEREAS, TMG Utility Advisory Services, Inc. dba TMG Consulting, Inc. ("TMG") is a technology oriented consulting firm that provides advisory, client side delivery, and research services for utility energy companies; and

WHEREAS, TMG has already performed a study for the City on resource utilization and a staffing assessment for the Utility Systems technical support; and

1 WHEREAS, City Purchasing staff determined that the hourly billable rate
2 being proposed by TMG was more cost effective when compared to the hourly billable
3 rate paid by another agency for a similar scope of work and therefore, that the proposed
4 cost is reasonable; and

5 WHEREAS, because TMG is already familiar with the resource utilization
6 background, it would be less costly, require fewer City resources and would cause less
7 delay to build on the research already performed by TMG; therefore, no useful purpose
8 would be served by advertising for bids and to do so would constitute an idle and useless
9 act and an unnecessary expenditure of public funds;

10 NOW, THEREFORE, the City Council of the City of Long Beach resolves as
11 follows:

12 Section 1. The City Manager is hereby authorized to enter a contract
13 with TMG Utility Advisory Services, Inc. dba TMG Consulting, Inc. without advertising for
14 bids for Request for Proposal development, vendor evaluation, and contract negotiations
15 for managed services for the City's utility software systems, in an amount not to exceed
16 One Hundred Forty-Four Thousand Seven Hundred Sixty Dollars (\$144,760).

17 Section 2. This resolution shall take effect immediately upon its adoption
18 by the City Council, and the City Clerk shall certify the vote adopting this resolution.

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I hereby certify that the foregoing resolution was adopted by the City Council of the City of Long Beach at its meeting of _____, 2017 by the following vote:

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

City Clerk

OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664