



Legislation Text

File #: 20-1001, **Version:** 1

Recommendation to authorize City Manager, or designee, to execute all documents necessary to amend Contract No. 34740 with Utility Solutions Partners, LLC, of Rancho Cordova, CA, for managed services to provide maintenance and integration support related to the City's utility systems, to increase the annual contract amount by \$425,200, with a 10 percent contingency in the amount of \$271,130, for a revised one-year contract amount not to exceed \$2,982,430; and

Increase appropriations in the General Services Fund Group in the Technology and Innovation Department by \$425,200, offset by one-time charges to user departments.
(Citywide)

City Council approval is requested to amend Contract No. 34740 with Utility Solutions Partners, LLC (USP), to increase the annual amount by \$425,200 for a new total amount of \$2,711,300 with a 10 percent contingency in the amount of \$271,130. The additional appropriation is needed due to a planned system upgrade to the Customer Care and Billing System (CC&B), which will be completed over the course of the first optional one-year renewal of the contract term.

On September 5, 2017, the City Council adopted Specifications No. RFP TI17-095 and awarded a contract to USP for managing services of the City's utility systems, in a total amount not to exceed \$4,044,595 for the first year, and thereafter, in an amount not to exceed \$2,286,100 annually, for a period of two years, with the option to renew for two additional one-year periods for ongoing maintenance. The proposed increase to the contract amount will apply to the first one-year renewal period option, which will begin this month.

In the upcoming contract year, in addition to the annual maintenance support agreement, an upgrade of the Oracle CC&B software is required. CC&B is the City's billing and customer care software, which is used to maintain customer accounts and services for all City utilities serving residential and commercial customers. Periodic version upgrades are required to receive critical software enhancements and corrections (i.e., bug fixes) and are only available if current software versions are maintained. Oracle support for the City's current version of CC&B expired in April 2020, necessitating the upgrade. USPC will perform this software upgrade. USP's unique knowledge of the product and understanding of the City's existing system configuration makes UPS uniquely qualified to perform the upgrade. The upgrade project duration is estimated to be nine months at a total cost of \$565,799. Of this amount, \$140,599 will be funded from projected savings identified within the annual maintenance support budget for the 2019-2020 contract year. The remaining balance of \$425,200 will be funded by the four enterprise operations (Gas, Water, Sewer, Refuse), which currently utilize

the CC&B system.

This matter was reviewed by Deputy City Attorney Erin Weesner-McKinley on September 16, 2020, Deputy Finance Director Sandy Tsang-Palmer on September 14, 2020, and by Budget Management Officer Rhutu Amin Gharib on September 20, 2020.

City Council action is requested on October 6, 2020, to ensure the amended contract is in place expeditiously and the system upgrade project can proceed on schedule.

The annual contract cost will not exceed \$2,982,430, which reflects the revised annual contract amount of \$2,711,300, with a 10 percent contingency of \$271,130 in FY 21.

The additional one-time cost of the CC&B system upgrade project is unbudgeted; therefore, an appropriation increase of \$425,200 in the General Services Fund Group in the Technology and Innovation Department is requested. The additional one-time system upgrade costs will be billed as a one-time to client departments. The four enterprise operations (Gas, Water, Sewer, Refuse), which currently utilize the City's utility billing function are aware of an increase in costs associated with the system upgrade and will request appropriation increases, if necessary, to cover the additional one-time costs. The allocation is equal to each operation's proportionate usage of the CC&B system.

The ongoing operational costs reflected in the prior annual contract amount of \$2,286,100 are already budgeted in the General Services Fund Group and will continue to be recovered from client departments via the annual TI Memorandum of Understanding (MOU). Should any portion of the 10 percent contingency in the amount of \$271,130 be required, TI will request additional appropriation increases at that time. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

Approve recommendation.

LEA D. ERIKSEN
DIRECTOR OF TECHNOLOGY AND INNOVATION

APPROVED:

THOMAS B. MODICA
CITY MANAGER