



Legislation Text

File #: 08-0707, **Version:** 1

Recommendation to authorize City Manager to execute an agreement, amendments to extend the term and all related documents with Langham Consulting Services, Inc., to provide professional services for the selection of a new customer information system (CIS) to replace the City's existing utility billing system in an amount not to exceed \$200,000. (Citywide)

At its July 10, 2007 meeting, the City Council requested the City Manager to work with the Long Beach Water Department to begin the process of upgrading the City's utility billing (UB) system. More specifically, the City Council requested staff to prepare a plan to complete the upgrade that would reflect the implementation of an allocation-based, tiered rate for water conservation purposes across customer types, as well as providing other needed functions not currently available with the existing system. In addition, the plan should provide cost estimates and a funding strategy that minimizes the impact on the City's General Fund. Attached is the completed plan that was provided to the Mayor and City Council in January 2008, indicating that staff would move forward with the system selection process.

Existing System Overview

The City of Long Beach uses a 27-year old, staff-developed utility billing system (UB System) to maintain utility customer information, process utility service requests and to bill for gas, water, sewer and refuse services. The UB system was determined to be one of the high priority systems to be replaced during the development of the 2003 Information System Master Plan. The system uses antiquated technology, which makes it difficult to update to meet new business needs, as well as costly to integrate with other modern systems built with newer technologies. Also, the City has some risk since the staff who developed the system and maintained it for many years have retired, and colleges and universities are not teaching the computer programming language used by the system as in the past. Additionally, it is anticipated that a new system would increase staff efficiency with enhanced reporting and data analysis capabilities.

As with most custom developed applications, the UB system was built and modified over the years with specific functionality to match the business processes of the City. However, the system has limitations as it uses outdated technology. For example, for water billing, the system has been designed to use a tiered rate structure for residential customers and a flat rate for commercial customers. While with substantial financial and staff resources, it may be possible to update the system to apply the tiered rate structure to the commercial customers, the system lacks the flexibility to provide advanced logic that allows for different rate schedules by customer types, past usage, defined allocations, seasonality, etc. These features are common in most modern utility billing systems on the market today.

System Selection Approach

A committee consisting of staff from the Water, Gas and Oil, Public Works, Financial Management

and Technology Services Departments was assembled to select and implement a new customer information system (CIS) to replace the existing UB system. Due to the significance of this system, which handles more than \$200 million in revenue annually to the City, and the complexity of the solutions offered by the various vendors in the marketplace, the committee determined that retaining an expert in the utility information systems field would be prudent to guide the system evaluation and selection effort. .

A request for proposals (RFP) for professional and technical services was issued on April 3, 2008. Nine potential candidates responded to the RFP. Of the nine proposals, one indicated that it is a minority or women-owned business and none responded that they were a Long Beach business. The committee evaluated the proposals, held oral interviews and completed reference checks. As a result, it selected Langham Consulting Services, Inc. based on a combination of staff expertise, experience, price, and the proposed project approach. Langham has assisted numerous cities and utility agencies with similar projects including Burbank Water and Power, Pinellas County, Florida, and Manatee County, Florida.

With the assistance of Langham, staff expects the customer information system RFP, evaluation, and selection process to be completed by May 2009. At that time, staff will present the proposed recommendation, including detailed project cost estimates, funding approach and the implementation time line, to the City Council for approval.

This matter was reviewed by Deputy City Attorney Gary Anderson on July 2, 2008, and by Budget Management Officer Victoria Bell on July 3, 2008.

City Council action is requested on July 22, 2008 in order to maintain the current project schedule.

The \$200,000 amount of the agreement would be shared by the Water, Gas and Oil, and Public Works Departments. Sufficient funds are budgeted in the Gas Fund (EF 301), the Water Fund (EF 310), and the Refuse/Recycling Fund (EF 330) to support this activity. There will be no fiscal impact to the General Fund.

Approve recommendation.

Curtis Tani
Director of Technology Services

NAME
TITLE

APPROVED:

PATRICK H. WEST
CITY MANAGER