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DEPARTMENT OF
FINANCE

REVENUE DIVISION

CITY OF SACRAMENTO
CALIFORNIA

CITY HALL
ROOM 104
915 I STREET
SACRAMENTO, CA
95814-2696

REVENUE
ADMINISTRATION
916-264-5724

January 31, 2002

City Council
Sacramento, California

Honorable Members in Session:

AG2002-031

**SUBJECT: APPROVAL OF CONSULTANT AND PROFESSIONAL SERVICES
AGREEMENT FOR THE REPLACEMENT OF THE UTILITY
BILLING/CUSTOMER INFORMATION SYSTEM**

LOCATION: City wide

RECOMMENDATION:

This report recommends that the City Council authorize the City Manager to execute a Professional Services Agreement with TMG Consulting, Inc. for consulting services related to the evaluation and selection of a new utility billing/customer information system.

CONTACT PERSON: Margaret L. Freeman, Revenue Manager, 264-5724

COUNCIL MEETING: February 19, 2002

SUMMARY:

In June 2001, the City Council established a Capital Improvement Project to replace the current utility billing/customer information system.(PN:AB61).

This report recommends approval of a professional services agreement for consulting services required for the preparation of a Request for Proposal and the related activities for evaluating and selecting a comprehensive utility billing/customer information automated system.

COMMITTEE/COMMISSION ACTION: None required

City Council
Utility Billing/Customer Information System
January 31, 2002

BACKGROUND INFORMATION:

In February 2001, City Council directed staff to continue with the process of procuring a new comprehensive utility billing/customer information automated system. Funding for the Request for Proposal process was also approved at that time.

The existing Utility Customer Information System (UCIS) was implemented in 1988. The current system has been modified extensively to accommodate specific utility billing requirements and requires significant software maintenance and support in order to meet day to day operating needs.

Due to the age of the system, ongoing costs to maintain the current system, and new customer service needs, a committee comprised of Department of Utilities staff, Solid Waste/Public Works staff, Information Technology staff and Revenue Division/Finance staff, identified the best alternative to pursue in procuring a new utilities billing system. With the assistance of a consultant, the City staff committee identified three alternatives for procuring a product solution. These alternatives are as follows:

- An in-house customer information system (CIS) vendor product solution
- An out-sourced CIS vendor product solution
- An out-sourced product solution in partnership with one of two local government agencies

The results of the study were reviewed and approved by the appropriate department heads and the City Manager's Office. Given the results of the study and necessary approvals, the next step is to initiate the procurement of the new utility billing system.

FINANCIAL CONSIDERATIONS:

The total costs for this project are \$217,000. The funding is currently available in the FY2001-2006 Capital Improvement Program budget. No additional funding is required.

ENVIRONMENTAL CONSIDERATIONS:

Ongoing administrative and maintenance activities, which are not made from purposes of a public work construction project, do not constitute a "project" and are exempt from the California Environmental Quality Act (CEQA). CEQA Guidelines, Sections 15061 (b) (1), 153778(b) (3).

City Council
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POLICY CONSIDERATIONS:

The action requested is consistent with City Council's direction to proceed with the acquisition of a new utility billing/customer information system. The acquisition of a new system will result in improved customer service for all City residents.

The action requested is consistent with Chapter 3.64 of the Sacramento City Code and existing policy regarding professional services agreements.

ESBD:

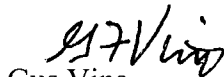
Of the three bids received, none was a certified ESBD firm. Due to the specific type and wide scope of consulting services that were required, identifying ESBD firms was difficult. The selected vendor was the lowest bidder of the proposals received and was also the most experienced vendor. If further services are required for the project, an effort will be made to again attempt to identify ESBD firms.

Respectfully submitted,



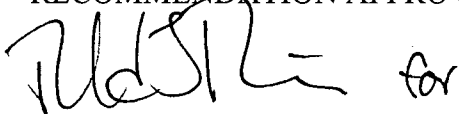
Margaret L. Freeman
Revenue Manager

Approved:



Gus Vina
Finance Director

RECOMMENDATION APPROVED:



Robert P. Thomas
City Manager

APPROVED
FEB 19 2002
OFFICE OF THE
CITY CLERK

RESOLUTION NO. 2002-092

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

**RESOLUTION APPROVING THE CONSULTANT & PROFESSIONAL SERVICES
AGREEMENT RELATED TO THE REPLACEMENT OF THE UTILITY/BILLING
CUSTOMER INFORMATION SYSTEM**

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO THAT:

The City Manager is hereby authorized and directed to execute an Agreement approving the Consultant & Professional Services agreement with TMG, Inc. in the amount of \$217,000 for consultant services related to the replacement of the utility billing/customer information system.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO: _____

DATE ADOPTED: _____