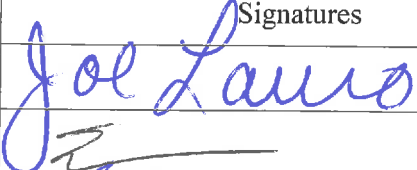
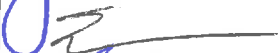
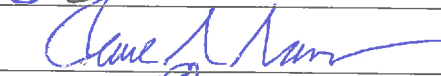




NON-COMPETITIVE OVERSIGHT COMMITTEE

Project/Purchase Name: Utilities Customer Service Software

Budget Estimate: Please see attached memo

Requisitioning Department: Utilities

Non-Competitive Oversight Committee	Signatures
1) Joe Lauro	
2) Bill Berger	
3) Paul Sacco	
4) Rahim Harji	
5) Office of County Attorney	
DATE: <u>2/19/19</u>	

Comments

Joe Lauro Per attached memo from OTI

Bill Berger "

Paul Sacco "

Rahim Harji "

Office of County Attorney Leveraging past involvement of vendor pricing dramatically lower than estimate for "new" vendor

**BOARD OF COUNTY
COMMISSIONERS**

Dave Eggers
Pat Gerard
Charlie Justice
Janet C. Long
Kathleen Peters
Karen Williams Seel
Kenneth T. Welch



Barry A. Burton
County Administrator

Sole-Source Executive Committee:

Below is a request for consideration to sole source software and utility billing services with the Vertex organization on behalf of Pinellas County Utilities. Thank you for your review and consideration.

History

Since 2010, Pinellas County has enjoyed a long-standing relationship with the Vertex organization to provide customer information software services (SAP) and utility billing/ mailing services to Pinellas County Utilities. The decision by Pinellas County to contract with Vertex effectively outsourced these services to the private sector. These services were previously provided by in-house staffing and IT systems prior to 2010. These contracted services have been instrumental in streamlining the water/sewer billing process currently in place for Pinellas County Utilities and its customer and are critical to revenue generation for water and sewer services. Approximately 85-90% of all the \$200 million of PCU revenues flows through the SAP customer information system.

Background

The original agreement with Vertex from 2010 has been amended seven (7) times since its initial execution and did not include provisions for material upgrades to the SAP software suite, implemented in 2010. Vertex has provided Pinellas County an attractive proposal to upgrade the current vendor-hosted SAP solution to a SAP/HANA VertexOne cloud-hosted solution and bring our customer information system to the latest version of the software while maintaining all interfaces to other systems (Cityworks, Maximo, OPUS), banking institutions, municipalities, etc. This will also provide added value to Pinellas County Utilities as the SAP/HANA platform provides advanced functionality including analytical tools, integration services and reporting currently unavailable with the existing software suite. Vertex is regarded by Gartner as a leading vendor for these software services.

The continued use of the Vertex organization through sole source agreement for SAP software and Utility billing services will provide continuity of systems and interfaces we currently have with Oracle, Wells Fargo (the County's banking institution) and Bill2Pay (which impacts payments via the lockbox and credit cards). Sole sourcing will also benefit the 11 cities and the private public utility we are billing agents for as the County provides daily, monthly, quarterly and fiscal year end financials for themselves, as well as external auditors.

Pinellas County Administration
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In addition, Vertex's knowledge of institutional business processes and historic performance gives the County an ongoing high level of service with minimal financial impacts to utility ratepayers and taxpayers.

The capital, labor, implementation services, County labor and software licensing cost avoidance of switching to a new vendor and customer information system is estimated at greater than \$15,000,000 based on comparable implementations of organizations of similar size and customer base as Pinellas County.

Benchmarking CIS Initiative Costs

	Total Cost per Customer (\$)	External Cost per Customer (\$)	Internal + External Labor Cost per Customer (\$)	Average Time to Implement (Months)
All	42.81	32.23	33.47	23.50
Medium sized (<1 million customers)	42.72	32.92	35.02	22.40
Large (>1 million customers)	43.15	29.47	26.98	28.00
Investor-owned utilities	40.93	31.61	27.96	22.60
Municipals	44.12	32.64	37.14	24.10
Complex	38.60	28.34	32.59	24.40
Standard	45.19	35.66	36.59	21.30
High/low values (all)	64.34/16.98	55.02/9.13	56.10/10.59	30.5/14.2

For the above mentioned reasons, Pinellas County Office of Technology and Innovation and Pinellas County Utilities are jointly requesting a sole source approval to continue these critical ongoing services from the Vertex organization.

Bryan Zumwalt, Director
 Office of Technology and Innovation
 Pinellas County Board of County Commissioners