File #:	19-168A	**Version:**	1	
Type:	Contract/Agreement	**Status:**		Passed
File created:	1/25/2019	**In control:**		Utilities
On agenda:	7/23/2019	**Final action:**		7/23/2019
Title:	Non-competitive purchase agreement with Vertex Data Utility Services, LLC for implementation and support services related to the Utilities customer information platform upgrade.			
Sponsors:				
Indexes:				
Code sections:				
Attachments:	1. Final Agreement, 2. FE Services Agreement with Vertex Data Utility Services LLC, 3. Non-competitive Committee Review 2-19, 4. 10 Year Anticipated Expenditure			

Date	Ver.	Action By	Action	Result
7/23/2019	1	Board of County Commissioners	approved	Pass

Subject:

Non-competitive purchase agreement with Vertex Data Utility Services, LLC for implementation and support services related to the Utilities customer information platform upgrade.

Recommended Action:

Approval of the non-competitive purchase agreement with Vertex Data Utility Services, LLC for implementation and support services related to the VertexOne platform upgrade.

- The existing hardware operating system is no longer supported and will be decommissioned February 2020.
- Upgrading to the latest version of software ensures continuity of systems and interfaces currently in place with Oracle, Wells Fargo (the County's banking institution) and Bill2Pay (which impacts payments via the lockbox and credit cards).
- This purchase was vetted through the Non-Competitive Committee with unanimous recommendation to proceed without competitive sourcing. 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 $15,000,000.00 based on comparable implementations.
- The Agreement with the same long-term business partner provides ongoing high level of service with minimal financial impacts to utility ratepayers and taxpayers.

Contract 189-0221-A(RG); in the estimated expenditure of $18,875,053.01 effective for ten years upon execution. Authorize the Chairman to sign and the Clerk of the Court to attest.

Strategic Plan:

Deliver First Class Services to the Public and Our Customers
5.1 Maximize partner relationships and public outreach
5.2 Be responsible stewards of the public's resources

5.3 Ensure effective and efficient delivery of county services and support
5.4 Strive to exceed customer expectations.

Summary:

This purchase request provides for the upgrade of the current vendor-hosted SAP solution to an SAP/HANA VertexOne cloud-hosted solution to bring the current Utilities Department Customer Information System (CIS) to the latest version of software. The upgrade maintains all interfaces to other systems (Cityworks, Maximo, OPUS), banking institutions, municipalities, etc.

In addition, the upgrade will provide advanced functionality including analytical tools, integration services and reporting currently unavailable with the existing software suite.

The implementation duration spans 11 months to migrate from the existing SAP CIS to VertexOne. Associated implementation fees are not to exceed $3,090,000.00 and are due as follows:
  • $1,030,000 due upon signing of the Agreement
  • $1,030,000 due upon Go-Live
  • $1,030,000 due upon Final Acceptance

Operational and support services will begin upon go-live. Hosting services fees will be $0.9689631 per billable account per month based on a volume of 115,000 accounts.
Bill Print/Mail services will be $0.09365 per mailed piece based on 55,000 mail pieces per month. Services do not include the cost of consumables, which if provided by Vertex, will include a 5% administrative charge. Postage will be billed to the County as a pass-through expense. Additional required services will be billed at a blended hourly rate of $175.00.

This purchase is requested without competition to retain the interfaces currently in place with Oracle, banking system, and Bill2Pay software. In addition, the long-term business relationship with Vertex provides the County and rate payers on-going high level of service with minimal financial impacts. The cost avoidance of potentially switching to a new software platform is estimated at greater than $15,000,000.00 based on comparable implementations of organizations with the customer base of the County which includes capital, implementation services, County labor and software license fees.

The Agreement term is ten (10) years beginning upon execution and contains provision for two (2) twenty-four (24) month extensions.

Background Information:

The existing Utilities CIS (SAP) was implemented in 2010. Since then, the contracted services have been instrumental in streamlining the water/sewer billing process for the Utilities Department and its customers. The services 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.

However, existing hardware operating system is no longer supported and the original agreement with Vertex did not include provisions for material upgrades to the SAP software suite.

Upgrading to latest technology 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). Furthermore, the services will benefit the 11 cities and the private public utility we are billing agents for, including external auditors.

Fiscal Impact:

Estimated 10-year expenditure not to exceed $18,875,053.01
Funding is derived from Utility Enterprise Funds

Staff Member Responsible:

Georges Gonzalez, Division Director, Customer Service, Utilities
Megan Ross, Director, Utilities
Bryan Zumwalt, Director, Office of Technology and Innovation
Joe Lauro, Director, Purchasing.

Partners:

N/A.

Attachments:

Master Services Agreement
Breakdown of Anticipated Expenditures