



# Pinellas County

## Staff Report

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File #: 16-1799A, Version: 1

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### **Subject:**

Sixth Amendment to the agreement with Vertex Data Utility Services LLC for services provided in support of the Utilities Customer Information System.

### **Recommended Action:**

Approve the Sixth Amendment to the contract agreement with Vertex Data Utility Services LLC for services provided in support of the Utilities Customer Information System (CIS).

The Sixth Amendment to Contract No. 056-0030-P will extend the contract term by twenty-four (24) months through February 24, 2019, and increase the amount of the contract by \$924,615.42 for a revised total of \$22,133,579.50.

### **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:**

The Sixth Amendment will extend the contract term by twenty-four (24) months through February 24, 2019, and increase the contract amount by \$924,615.42.

The County has exercised extensions allowed under the current terms of the contract, which expires as of February 24, 2017. A 24-month contract extension will provide time to allow Utilities to explore options to upgrade the current SAP Customer Information platform and hosting services, and present business case analyses to the Board for consideration.

An increase of the contract amount by \$924,615.42 is required to provide ongoing operating and hosting services associated with the Utilities Customer Information System, and maintenance and licensing of the SAP software over the 24-month period.

### **Background Information:**

On December 5, 2006, the Board of County Commissioners awarded a contract to Vertex Data Utility Services LLC (Vertex) in the amount of \$13,825,241.00 for a one-time purchase of software licenses, and installation, implementation, hosting, and support of a new Customer Information System (SAP software) for a five (5) year operating period following completion of implementation.

The County has exercised the two subsequent two (2) year renewal periods allowed under the terms of the contract. The contract will expire on February 24, 2017.

As required by the terms of the contract, Utilities has met monthly with Vertex to conduct Monthly Performance Reviews. During the term of the contract, all Monthly Performance Reviews have been

satisfactory.

In anticipation of expiration of this contract, Utilities requested a sole source award of the ongoing Customer Information System licensing, hosting and support services to Vertex based on their performance history. In December 2015, Purchasing advertised the intent to sole source to solicit interest from any other potential vendors. No responses were received.

In parallel with extending the current contract with Vertex, Utilities initiated developing business case analyses for moving to the new SAP data platform and future outsource services for Customer Information System hosting and operational support. The business case analyses will consider the technical implementation issues, customer benefits, and costs associated with the new data platform and outsource services. Initially, Utilities considered utilizing a consultant to assist with the business case analyses but decided in September 2016 that it would be more cost-effective to complete the analyses with internal support from BTS. The business case analyses are expected to be complete by April 2017, which will allow sufficient time for procurement of future software licensing and to outsource hosting and operational support services prior to contract expiration with Vertex in February 2019.

A portion of the increased contract amount is due to an increase in fees for hosting services of active contract accounts from \$0.783481 to \$0.8618291 per active customer account per month effective February 24, 2017. This is a 10 percent increase to cover the cost of computer server storage space required to maintain the data associated with over 115,000 active accounts amassed to date and have sufficient capacity for future data accumulation. Having this data storage available for recovery allows us to respond to public record requests, regulatory information requests, external auditors and Clerk's Finance inquiries, requests from municipal partners, and other general requests for information. It also enables our Customer Service Division to perform data analysis to support continual process improvement and customer service support. The main driver for the 10 percent rate increase is for Vertex to maintain our data on a separate, older legacy platform while Vertex's other clients have moved on to the new HANA platform. Increased storage requirements for new data being continually generated is another contributor to the rate increase.

This contract is critical to the \$200 million revenue collections that the Utilities Department processes yearly for the unincorporated service areas, as well as serving as the billing agent for several cities and private utilities including Belleair Beach, Clearwater, Dunedin/Greenbriar, Indian Rocks Beach, Indian Shores, Kenneth City, Largo, Madeira Beach, North Redington Beach, Pinellas Park, Redington Beach, Redington Shores, St. Pete Beach, St. Petersburg, Treasure Island, and Utilities Inc. Utilities collects approximately \$375,000 - \$400,000 per year from these cities for providing this service.

**Fiscal Impact:**

Current approved expenditure to not to exceed \$21,208,964.08

Increase in funds not to exceed \$924,615.42

Revised contract amount not to exceed \$22,133,579.50

Funding is derived from Utility Enterprise Funds

**Staff Member Responsible:**

Randi Kim, Director, Utilities Department

Joe Lauro, Director, Purchasing

**Partners:**

Utilities clients and customers

**Attachments:**

Sixth Amendment

Original Contract and Amendments 1 through 5