

Customer Care System Replacement Progress Report

Item #180140

A Little History

- Current Customer Care System (CCS) was installed in 2007
- Received preliminary approval to replace/upgrade Financial Management Information System (FMIS) and CCS system in 2014 as part of an overall Enterprise Resource Planning (ERP) strategy
- Upgraded the Financial System (FMIS) in 2017
- In 2018 the City Commission requested GRU to move forward with solicitation to get firm pricing

Where we left off...

- Last reported 3/14/2019
- We were just beginning the Invitation To Negotiate (ITN) process
- Some delays due to complexity of an ITN process and COVID
- Current Timeline...

Timeline

- ✓ March 26th 2019 – Issue ITN for CCS Replacement
- ✓ April 8th – 12th 2019 – Discovery sessions with vendors
- ✓ May 16th 2019 – ITNs due back to GRU
- ✓ June – Oct 2019 – Evaluation and Scoring of Bids
- ✓ Nov 2019 – Shortlist Created (3 Vendors)
- ✓ Jan-Feb 2020 – Vendor Demonstrations
- ✓ March 2020 – Vendor Finalist selection
- ✓ April 2019 – Scope Confirmation Sessions Delayed (COVID)
- ✓ June 2020 – Finished Scope Confirmation
- ✓ June – Oct 2020 – Negotiations with Vendor Finalist
- **November UAB Approval**
- **Nov or Dec City Commission Approval**
- **January 2021 – Project Kickoff**

Our “Why”

- Improves The Customer Experience
- System Is Cost Effective And Easy To Support Long-Term
- Becomes The System Of Record For All Customer Related Interactions
- Enables Efficient Business Management Now And In The Future
- System Is Intuitive And Offers Modern Functionality To Improve Internal Efficiency
- Provides A Modern Technological Platform That Can Easily Integrate With Ancillary Solutions (AMI, OMS, EAM, etc.)
- Limits Customizations And Adopt Best Practices



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What will it get us?

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Improved Operational Efficiencies

Old System

- CSRs use 4 or more different applications
 - Turn on 20-30 Minutes
 - Mostly Manual
- 6 weeks to train a new CSR, 6 months to full effectiveness
- Numerous work-a-rounds for normal functions
- Very little new or improved processes since Go Live 2007
- Cannot see real-time status of other systems such as Mobile Application for Turn-ons/off/delinquents
- Call Center Service Level \geq 5 minutes
- Workforce over utilized and high attrition
- Stationary Contact Center
- Highly manual skip tracing and bad debt process

New System

- One or two user interfaces
 - Turn on 5 – 10 Minutes
 - Automated workflow
- 2 weeks to train new CSR, 2 months to full effectiveness (est)
- Off the shelf functionality for normal functions
- Will always be on the newest version with newest features
- Full integration with other applications such as the mobile application for turn-ons/off/delinquents
- Call Center Service Level Goal between 30 – 120 Seconds
- Workforce Optimization and lower attrition
- Virtual Contact Center Possibilities
- More streamlined and optimized bad debt process

Able to Meet Customer Expectations

Old System

- No flexibility to add features, too customized
- Budget Billing doesn't work correctly and display is confusing
- Bill-roundup request (new feature) would be a major effort
- Only e-bills not e-letters and e-notices
- Bill is only as accurate as data is and requires manual Q&A
- 30-day meter data intervals
- Not all customers channels seamless
- Very little flexibility on different rate options

New System

- Off-the-shelf functionality and features
- Budget Billings will be standard offering
- Newly requested features can be worked into future upgrades
- E-Everything not just bills
- Data Cleaning part of implementation
 - Automated QA Processes
- Meter data updated daily with 15-minute intervals (AMI integration)
- Seamless omni-channel experience
- More flexibility for different rate options (AMI integration)

Excellent Integration

Old System

- Cumbersome integration with FMIS
 - Monthly reconciliation
 - G/L Structure and Company Codes not in sync with FMIS; requires interpretation software to go back and forth
- Current mobile work order system out of support
- Not compatible with AMI functionality
- PrePay not an option in Legacy CCS
- Lack of 2-way integration with Outage Management System (OMS)
- Any future applications would have integration challenges or barriers

New System

- At least nightly reconciliation with FMIS
- G/L Structure and Company Codes in sync with FMIS
- New mobile work order system
- Fully compatible with AMI functionality and value proposition
- PrePay easily integrated
- Full 2-way integration with OMS
- Future applications would more easily integrate

Reduced System Risk

Old System

- Extremely customized, therefore, no functional upgrades, security patches or fixes since Go-Live 2007
- Customer data could be at risk
- SAP stopped supporting in 2013
- Backlog of fixes and enhancements have grown over 10+ years
- Reactive-mode with IT support and expertise “Warranty Mode”
- Customer workflow complexities can cause major issues
 - Hurricane Irma caused 27,000 bill estimates
 - 3 months to recover from PR, Billing Corrections, and Customer Complaints

New System

- Off-the-shelf, no customization, more configurable
- Software as a Service (SaaS) will ensure always the most up-to-date version, enhancements, security patches and fixes applied
- Customer Data better secured
- “Off-the-shelf” and “best of” industry standard functionality will be implemented...no surprises

Expectations set with Commission

- 2016 placeholder \$20 Million CapEx CCS & EAM
- 2018 Refined estimate to \$23 Million CapEx (“...is there something between \$0 and \$23 Million?”)
- 2019 working with AAC refined further to \$13 - \$18 Million CapEx by opening up beyond SAP and including Cloud offerings and issued Invitation to Negotiate(ITN)

Traditional vs. Software as a Service

- Traditional Approach aka On-Premise
 - Built on-site requires expensive hardware
 - Focused on Up Front Implementation Cost and Stabilization
 - Future system upgrades, patches, and fixes are assumed, but not factored into costs
 - Onus on GRU to support, fix and keep current
 - Hardware upgrades and replacements are assumed, but not factored into costs
 - Can get multiple versions behind or out of support if other projects take priority or resources
- Software as a Service aka SaaS
 - Hosted by another provider off site and in the Cloud on their hardware
 - Focused on Total Cost of Ownership (TCO) over a contractual period (10 Years)
 - Future upgrades, patches, and fixes are already included and factored in to costs
 - Onus on provider to support, fix and keep current through Contractual Managed Services and Service Level Agreements
 - Provider responsible for hardware upgrades and replacements
 - Assures never more than 1 version behind current

Negotiated Implementation Costs

- Implementation CapEX
 - (\$13,427,581)
- Implementation O&M
 - (\$875,778)
- Implementation Cost
 - (\$14,303,359)

Cost / Benefit

- CCS Total Cost of Ownership 10 yrs
 - (\$34,619,692) Ten Year TCO
- Total Cost Avoidance and Benefits 10 Yrs
 - \$14,011,277
- Net cost of CCS Solution
 - (\$20,608,414)

Answered the Challenge

- *“...is there something between \$0 and \$23 Million?”*
- Cost of Implementation
 - ✓ (\$14,303,359)
- Net Cost of Solution over 10 Years
 - ✓ (\$20,608,414)

Where Do We Stand?

- Preliminary budget approval \$20 million (CIS & EAM) in July 2016
- Project Consultant on board - AAC
- Project Team selected
- Requirements have been defined
- Vendor has been selected - Vertex One
 - *Ready for final licensing/managed services negotiations*
- Idling at the starting line
- Jan 2021 start still means mid/late-2022 finish

Recommendation

- Authorize the General Manager or his designee to execute a Software as a Service (SaaS) Agreement with VertexOne for a term of 10 years and other agreements as required, in general agreement with the draft SaaS dated November 5th, 2020, subject to approval by the City Attorney as to form and legality. .
- Authorize the General Manager or his designee to execute a new Order Form with SAP for new licenses to support the VertexOne agreement.

Questions?

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