



OneSAP Project

Utility Advisory Board

July 6, 2016

Requested Changes

Agenda item 11/6/14

- \$6M for FMIS project
- \$8M for CCS project
- EAM – No request
- SAP System Implementer
- No request for Premium Engagement Contract

Current Request

- Additional \$4.7M for FMIS
- \$10M for CCS project
- \$10M for EAM
- Option to negotiate RFP/RFI
- Premium Engagement Contract

What is a 21st Century Utility?

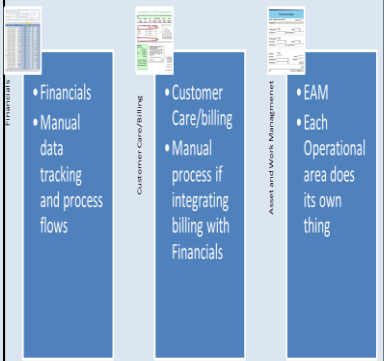
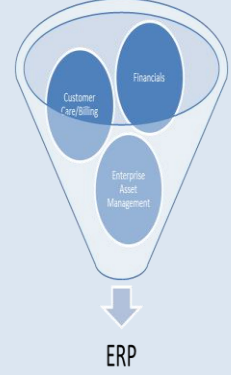


Big Data Strategy – Real time information for customers and utility

Customer choice - Access to real time pricing/peak shaving programs

Streamlined utility processes – Field service employees equipped w/ tablets and access

Web-based customer care - Meeting the customers where they are

Services behind the meter – Assistance with in-house services

Column1	STATUS QUO (UPGRADE TO LATEST SERVICE PACK)	USE ALTERNATIVE ERP SYSTEM	CURRENT UPGRADE/RE-IMPLEMENTATION PLAN	21ST CENTURY UTILITY WITH S/4 HANA
SYSTEM	<ul style="list-style-type: none"> • Operating System – Windows Server 2003 SP1 (x86) • FMIS • CCS • Mobile Asset Management • Work Management • GIS 	<ul style="list-style-type: none"> • Oracle – People Soft • Microsoft Dynamics • Infor • Epicor 	<ul style="list-style-type: none"> • Operating System - SUSE Linux Enterprise Server for SAP 11.3 • FMIS - S/4 Hana 1503 • CCS • Mobile Asset Management • Work Management • GIS 	AMI
INTEGRATED	NO	Possibly	YES - Fully Integrated ERP	YES - Fully Integrated ERP
UPGRADABLE	NO	YES	YES	YES
	 <ul style="list-style-type: none"> • Financials • Manual data tracking and process flows • Customer Care/Billing • Manual process if integrating billing with Financials • EAM • Each Operational area does its own thing 	 <p>ERP</p>		

Column1	STATUS QUO (UPGRADE TO LATEST SERVICE PACK)	USE ALTERNATIVE ERP SYSTEM	CURRENT UPGRADE/RE-IMPLEMENTATION PLAN	21ST CENTURY UTILITY WITH S/4 HANA
COST	\$10M to fix	\$38M <ul style="list-style-type: none"> • \$ 3M - Licensing Costs • \$ 2M - Training and Business Process Cost • \$ 3M -Software/Hardware Cost • \$30M Design/Implementation Costs (CCS, FMIS, EAM) 	\$27.8M <ul style="list-style-type: none"> • \$7.8M – Additional for FMIS Upgrade - \$3M previously spent (sunk cost) • \$10M – CCS Upgrade • \$10M – EAM Implementation 	\$20M \$ 20 M - AMI (Smart Meter Technology)
EFFICIENCIES	N/A	<ul style="list-style-type: none"> • Communication link between modules • Remove “Work Arounds” • Establish Platform for the future • Integrated financial, billing, and work management system 	<ul style="list-style-type: none"> • Communication link between modules • Remove “Work Arounds” • Establish Platform for the future • Integrated financial, billing, and work management system 	<ul style="list-style-type: none"> • Common Database/Platform • Real Time Data • Link between Customer/Utility • Additional programs available (peak shaving and real-time customer pricing)
COST SAVINGS	NONE	<ul style="list-style-type: none"> • Avoided cost of \$10M • Potentially lower maintenance fees • Redeployment of Resources - up to 10 FTE’s @ \$50,000/FTE = \$500,000 • Other efficiencies = \$500,000 • Conversion from SAP Shop = –(\$500,000) 	<ul style="list-style-type: none"> • Avoided cost of \$10M • Redeployment of Resources - up to 10 FTE’s @ \$50,000/FTE = \$500,000 • Other efficiencies = \$500,000 	<ul style="list-style-type: none"> • Eliminate majority of manual move in/move outs - 40,000 @ \$ 100/each = \$ 4M • Redeployment of Resources - 50 FTE’s @ \$50,000 = \$2.5M • Other Efficiencies = \$ 1M
PAYBACK/COST BENEFIT	\$10M/0	56 Years (\$38M-\$10M)/\$0.5M	17.8 Years (\$27.8 M- \$10M)/\$1M	Less than 3 Years \$20M/\$7.5M

What are other Utilities using for their ERP Solution?

Utility	ERP Solution
TECO – Tampa, FL	SAP - Hana
FPL – Juno, FL	SAP - Hana
Snohomish- Snohomish, WA	SAP - Hana
Puget Sound Energy – Seattle, WA	SAP -Hana
PG&E – Pacific Gas and Electric	SAP - Hana
Lakeland Electric - Lakeland, FL	Oracle
Orlando Utilities Commission (OUC)	Oracle
JEA - Jacksonville, FL	Oracle
University of Florida - Gainesville, FL	People Soft/Oracle

Return on Investment

CURRENT UPGRADE/RE-IMPLEMENTATION PLAN	21ST CENTURY UTILITY WITH S/4 HANA
1st step in total ERP vision	Long term vision to total ERP
Payback - 18 years	Payback – Less than 3 years Combined Payback - < 5years

Vision of the Future

2016												2017											
JUNE	JULY	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEP	OCT	NOV	DEC					
FMIS Implementation									Post Go-live stabilization														
CCS Requirement gathering and RFP/RFI negotiation												CCS Blueprint/ Implemntation											
												EAM Requirement Gathering											
2018												2019											
JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEP	OCT	NOV	DEC
CCS Blueprint/ Implementation									Post Go-Live Stabilization														
EAM Requirement gathering and RFP/RFI negotiation									EAM Blueprint and RFP/RFI negotiation									Post Go-Live					
												AMI Requirement Gathering											
2020																							
JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEP	OCT	NOV	DEC												
AMI Blueprint/ Implementation																							

Recommendation

1. Authorize additional \$4,778,805 to execute Statement of Work for FMIS Implementation Services
2. Authorize General Manager to execute a Premium Engagement Services Agreement over three years.
3. Authorize the extension of the FMIS, CCS, and EAM projects
4. Authorize the General Manager to initiate, negotiate, and issue an RFP/RFI for CCS and EAM blueprinting and implementation
5. Authorize \$20M for CCS and EAM implementations
6. Authorize General Manager to execute contracts and/or documents necessary to support above mentioned projects