M E M O R A N D U M

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO:	Commissioners Carlson, Mital, Helgeson, Schlossberg, and Brown
FROM:	Sue Fahey, Assistant General Manager/CFO; Matt Barton, Chief Information Officer; Sarah Gorsegner, Purchasing & Warehouse Supervisor; Leisha Krueger, Project Manager
DATE:	July 26, 2019
SUBJECT:	Customer Experience Improvement Project (CEI) Consent Items
OBJECTIVE:	Board Action

Issue

As part of the CEI project, staff has selected finalists to provide a customer self-service solution (CSS), bill print and mail services (BPM), and an electronic bill payment and presentment (EBPP) system. Final negotiations are in progress, and Management is requesting that the Board authorize the General Manager to approve contracts with Milestone Utility Services (CSS), Utilitec (BPM) and Paymentus (EBPP) so that work may commence once negotiations are complete. Final contract information will be included on the third quarter contract report.

Background

For several months, Management and staff have been reviewing and implementing ways to improve our customers' experience through Continuous Improvement and in alignment with the Strategic Plan Phase I to Enhance Customer Confidence. Many improvements are being made without major system changes. Implementing a CSS solution and updating the bill design and EBPP System will allow customers to view and manage their account online and interact with us at a time, and with a method, that is convenient for them. It will also be an important first step to offering new information, as well as new products and services, to customers.

As a part of the CEI project, EWEB has the opportunity to redesign the customer bill. Regardless of customer characteristics or payment method, the monthly bill is a routine touchpoint and should be updated to a modern, user friendly communication tool that provides consumption information and opportunities for customers to better manage their usage and expenses. As a communications tool, the monthly bill can also assist with Phase II of the Strategic Plan to create consumption flexibility.

Discussion

System Procurement Process Information

During January through March, Whitlock Consulting Group (WCG) assisted staff by reviewing current business processes, recommending areas for improvement, gathering requirements, developing

request for proposal specifications and providing expert advice for the CEI project. Additionally, staff visited utilities that had recently implemented CSS and EBPP systems to gain an understanding of their experience and current market offerings.

In April, Purchasing requested proposals from vendors interested in providing any or all of the three services. Proposals were evaluated on the firm's background, implementation approach, functional requirements, and price. Top ranked firms were invited to demonstrate their solutions who were then evaluated on the original overall proposal including price, product demonstration, technical review, implementation approach and references. Milestone Utility Services was the highest ranked proposer for the CSS solution, as were Utilitec for BPM and Paymentus for EBPP. 'Best and final offers' were requested from each firm. Additional information regarding the proposals for each solution is provided in the following three consent items.

The contract negotiation process includes refinement of the terms and conditions, scope of work, roles and responsibilities, detailed implementation schedule, and final pricing. The implementation order of the systems will also be determined during negotiations.

Projected Cost Information
If the Board approves contracts for all three systems, the total ongoing annual costs are approximately $500,000, and the total 7 year cost is projected to be $4.5 million. Utilitec will also print inserts using technology that allows for much more efficient and effective process and communication tools. The 2019 Information Services Capital Budget is $4.3 million with approximately $1.4 million allocated for the purchase and implementation of CEI systems. The 2019 Information Services total operations & maintenance budget is $9.8 million with $300,000 allocated for EBPP and bill print services. Variances will be managed within the budget process and Board policy. Annual costs for monthly insert printing are estimated to be $43,000 which is equivalent to the 2019 budget.

Implementation Consulting Services Information
After the scopes of work are finalized with the vendors, staff will develop one for implementation consulting. In January 2019, the Board approved a $185,000 contract with WCG after they were the successful respondent to the CEI services Request for Proposals (RFP). Four proposals were received ranging from $164,000 to $695,000.

The RFP also requested implementation support services information and allowed Management the option to request Board approval of a second contract with the successful proposer. Staff has been pleased with WCG's work and advice during the CEI project. They have significant knowledge of EWEB's processes and systems, both current and the CEI finalists. Staff believe it is in the best interest of EWEB and our customer-owners to retain WCG's expertise for implementation support services and will request the Board approve a contract at the September meeting.

Recommendation and Requested Board Action
Management recommends and requests that the Board authorize the General Manager to approve contracts as indicated on the following consent items.