



# MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

*Rely on us.*

TO: Commissioners Carlson, Barofsky, McRae, Schlossberg, and Brown  
FROM: Travis Knabe CIO; Julie McGaughey CCO; Deborah Hart, CFO  
DATE: March 1, 2023  
SUBJECT: Goal 3 – Implement the EWEB Enterprise Solutions (EES) Strategy  
OBJECTIVE: Approval of Program Director Services & Solutions Implementor Contracts

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## Issue

A successful “go-live” of *SAP for Utilities* to replace customer and financial information systems in 2024 requires EWEB to contract with external partners for implementation support. The two key areas where EWEB will be leaning into consultants for implementation support are for Program Director Services and Solutions Implementor.

## Background

EWEB takes great responsibility in the delivery of electric and water services to our community. We are passionate in our mission to enhance our community’s vitality through ongoing operational resiliency and executing on the board approved strategic goals and initiatives. Our ability to continually deliver and improve service quality and to meet customer commitments have become increasingly challenging as our core business application platforms have aged and are now legacy by all industry standards. This limits our ability to reliably continue our services and adapt to modern business and industry trends and promote technical innovation across the utility.

Our business application platforms, such as Banner CIS, SmartStream, and Oracle Work & Asset Management (WAM), are now legacy, stifling our ability to be agile, flexible, accurate, and secure in responding quickly to business and utility operational demands. These aged systems can turn small initiatives to medium projects and medium initiatives to large projects with high levels of customization, integration complexities, and costs. The impact of these legacy business platforms runs deep into the operation of the utility as it limits the types of solutions we can consider for utility-specific applications such as advanced meter infrastructure, energy trading risk management, backflow, and other mission-critical utility services. It delays the lifecycle management of these systems causing them to become legacy in turn.

Moreover, these application platforms are disparate which introduces countless integrations across the applications creating complex business processes and data flows, as well as silos of data stores requiring transformation of data formats among these platforms to produce common reports. This limits our ability to effectively capture and analyze data in understanding overall business and utility trends and analytics. Modern solutions have native integrations and compatible integration with other modern platforms using standard protocols. This will facilitate access to real-time data for decision makers.

## Discussion

Throughout 2022, per Organizational Goal #4, EWEB researched and executed a robust procurement process that selected the *SAP for Utilities* software platform to modernize its core business

applications and business processes, with the contract receiving Board approval in November. For phase 1 of the project, EWEB will implement the replacements of both customer and financial information systems. Two critical pieces to the successful implementation of SAP are a Program Director and Solution Implementor.

### Program Director Services

*The Program Director is fully accountable for all workstreams during the implementation of the customer and financial information systems, including pre-planning, implementation, and stabilization phases.*

Management had originally planned to leverage a project management contract, previously approved by the board, to hire the Program Director. As the project progressed and the requirements of the Program Director were more fully defined, it became clear the role would exceed the scope of the existing project management contract. The task order for the Program Director associated with the project management contract has since been cancelled and the value of the contract will be reduced by \$3 million.

The EES Program Sponsors, working with Purchasing staff, issued a Formal Request for Proposals (RFP) written specifically to meet the requirements of the EES program. The solicitation for Program Director Services, which is needed to develop the Statement of Work with the Solutions Implementor as well as overseeing the entire project on EWEB's behalf, failed to produce candidates who met our expectations and requirements. The proposers did not have adequate or recent experience leading a full, end-to-end SAP Customer and Finance implementation at the Program Director level, which is essential to the success of this work.

To meet the April start date of the project, the EES Sponsors explored alternative options and were able to secure a Program Director and additional associated services with Avant Consulting, a company with whom EWEB had previously done business. At the time the RFP was released Avant did not have available staff to respond to the solicitation. They have since added an additional Program Director to their team. This individual has extensive and recent experience leading SAP Customer and Finance projects at a Program Director level. Due to the time constraints and the lack of qualified responses to the solicitation, staff felt it was necessary to directly negotiate with Avant Consulting.

Avant Consulting offers other services management would like the option to leverage if needs cannot be met with internal staff. Those services include quality assurance and project management specific to SAP implementations.

### Solution Implementor (SI):

*The strategic advisory firm that executes the successful deployment, integration, and post-production support of SAP for Utilities.*

EWEB went through an exhaustive, months long RFP process to select the SI. This included a review team made up of a cross-section of staff, evaluating and scoring written responses, in-person oral presentations, pricing, and references.

Ultimately the team selected Deloitte as the SI to provide implementation services for the EES Program. Deloitte offered the right balance of scope for this phase of the project, which was a full deployment of customer and finance applications. The number of hours Deloitte estimated are in-line with what was expected. The estimated cost for phase 1 of the EES program is \$16 million.

These costs are in-line with staff's expectations, industry comparisons and analysis, and are being accounted for in EWEB's 10-year capital plan. In addition to scope and cost, Deloitte's delivery approach and the team they are providing to EWEB for implementation were the best fit out of the respondents. Additionally, Deloitte came highly recommended by the references to whom EWEB staff reached out.

### **Recommendation**

Management recommends the Board approve the Avant Consulting contract and authorize the General Manager to approve the implementation contract with Deloitte.

### **Requested Board Action**

"Move to:"

1. Approve the Program Director Services contract with Avant Consulting, not to exceed \$5 million over five years.
2. Authorize the General Manager, or his designee, to approve the implementation contract with Deloitte, not to exceed \$16 million over two years.