

CIP BUDGET EXPENSE DETAIL

DATE OF COUNCIL CONSIDERATION:
CONTACT DEPARTMENT(S):

4/21/11
Austin Energy

SUBJECT: Authorize award, negotiation and execution of Amendment No. 10 to a contract with IBM Corporation, Cleveland, OH, to increase the contract amount for the purchase of software, billing and related services for the City's utilities in an amount not to exceed \$4,600,000 for a revised total estimated contract amount not to exceed \$57,339,728.

CURRENT YEAR IMPACT:

Project Name:	CIS/CRM Replacement
Project Authorization:	2010-2011 Capital Budget
Funding Source:	Austin Energy
Fund/Dept/Unit:	3260-1107-5086

Current Appropriation	106,093,951
Unencumbered Balance	13,647,953
Amount of This Action	(4,600,000)
Estimated Available	<u>9,047,953</u>

ANALYSIS / ADDITIONAL INFORMATION: On April 30, 2009, Council approved a contract to purchase a replacement for the City's existing Customer Information System (CIS). CIS provides the City with a single service to generate utility bills for customers of the City's utilities, including Austin Energy, Austin Water Utility, and Solid Waste Services. The current system was installed in 1999, and is nearing the end of its useful technological and financial lifecycle. The replacement system is proposed to be operated in a hosted mode, in which IBM will provide hardware, software, and data center support services, reducing the city's current requirements in these areas.

The replacement system will also:

Improve customer service by providing more detailed billing information via a web interface than is currently delivered to customers.

Reduce the price-per-bill from \$1.29 per printed bill to approximately \$0.69 per printed bill for the approximately 450,000 bills printed in each billing cycle.

Provide the City with a more robust technology and software platform.