

A G E N D A



Recommendation for Council Action (Purchasing)

Austin City Council	Item ID:	33378	Agenda Number	37.
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Meeting Date:	June 12, 2014
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Department:	Purchasing
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Subject

Authorize the negotiation and execution of Amendment No. 23 to the contract with IBM CORPORATION for annual consumables and a software development upgrade of the Customer Care & Billing system, in an amount not to exceed \$5,237,000, for a total revised contract amount not to exceed \$66,976,728.

Amount and Source of Funding

Funding in the amount of \$2,249,000 is available in the Fiscal Year 2013-2014 Operating Budget for Austin Energy. Funding for the remaining amendment amount is contingent upon available in future budgets.

Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

Purchasing Language:	Contract Amendment.
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Prior Council Action:	April 30, 2009 - Approved original contract. January 31, 2013 – Approved Amendment No. 17.
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For More Information:	James T. Howard, Senior Buyer Specialist/512-322-6307
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Boards and Commission Action:	May 19, 2014 - Recommended by the Electric Utility Commission on a vote of 6-0.
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Related Items:	
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MBE / WBE:	This contract was awarded in compliance with City Code Chapter 2-9C (Minority Owned and Women Owned Business Enterprise Procurement Program) with 14.58% MBE and 10.86% WBE subcontractor participation to date.
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Additional Backup Information

This Contract Amendment No. 23 with IBM Corporation, Cleveland, Ohio, is for the annual purchase of consumables and for a software development upgrade for the Customer Care & Billing (CC&B) system. The Fiscal Year 2014 consumables are estimated at a cost of \$2M for paper supplies used for producing bills for City of Austin utilities. Consumables include envelopes and stock paper used for the customer newsletter, Power Plus™ and other informational items included in customer bills. On September 23, 2013, the City Manager approved a Sustainable Printer and Paper Policy (Administrative Bulletin 13-03) in an effort to minimize the City's printer and paper usage to reduce costs, save energy and save natural resources. The consumables to be provided by IBM under the contract will go from 30% recycled to 100% recycled paper and comply with the City's most recent administrative bulletin on Sustainable Printer and Paper Policy, including supplying environmentally-preferable paper.

Development of the CC&B application will occur in three major areas:

- Increasing disk space to accommodate Austin's increasing population and growth of data across production, development, test, disaster recovery and training environments, and to improve performance and training;
- Expanding the reporting environment to accommodate timely access to data and enhanced reporting capabilities without impacting the production environment. This will include expanding Austin Energy's T3 Communications line with IBM. This tunnel is a highway of critical data coming to and from the utility billing system and data to and from 70+ interfaces; and
- Creation and hosting of an additional testing environment to accommodate parallel testing of multiple enhancements from multiple City utilities, as well as systems integrations to CC&B. This testing environment will be fully equivalent to production infrastructure and, therefore, will provide accurate performance/load testing.

On April 30, 2009, Council approved an eight-year competitive contract with IBM Corporation for a replacement billing system for the City's outdated Customer Information System (CIS). The CC&B provides a single service to generate bills for customers of the City's utilities, including Austin Energy, Austin Water Utility, Public Works Department, Watershed Protection Department and Austin Resource Recovery.

On January 31, 2013, Council approved Amendment No. 17 to the contract to fund Fiscal Year 2013 envelopes, paper and other consumables.

The purchase of this commodity was approved with no goals; however, MBE/WBE goals were set for the service and implementation of the software. Participation goals stated on the original solicitation were 14.1% MBE and 15.0% WBE. IBM's current participation to date is 14.58% MBE and 10.86% WBE.

Contract Authorization Summary

Action	Description	Amount
Original Contract awarded 04/30/09	Original 96-month contract	\$ 58,500,000
Amendment No. 1	Scope Reconciliation per Completion of the Assessment Phase	\$ 0
Amendment No. 2	Transfer of Contract Authority for Oracle & SAP Support and Maintenance.	-\$5,760,272
Amendment No. 3	FACTA and addition of dedicated T3 line	\$ 0
Amendment No. 4	Correction to Amendment No. 3	\$ 0
Amendment No. 5	Change Architecture to Development and Test Environments	\$ 0
Amendment No. 6	Infrastructure Project Management Services	\$ 0
Amendment No. 7	Replace Master Framework Implement SOW with	\$ 0

	Corrected SOW Payment Disbursement Schedule	
Amendment No. 8	Provide Professional Services adding Solution Functionality	\$ 0
Amendment No. 9	Provide Additional Functionality after Go-Live	\$ 0
Amendment No. 10	SOW modification	\$4,600,000
Amendment No. 11	Staffing Summary for Project Positions	\$ 0
Amendment No. 12	Electric Rate Change Assistance	\$0
Amendment No. 13	Change Implementation & Operational SOWs	\$ 0
Amendment No. 14	Funding for system operation and enhancements, and new projects (AWU and ARR rate changes, COA Bank change)	\$1,900,000
Amendment No. 15	Term date extended for Rate Implementation	\$ 0
Amendment No. 16	AWU rate change project	\$ 0
Amendment No. 17	Add funding for FY-2013 Consumables	\$1,800,000
Amendment No. 18	Bank change project	\$0
Amendment No. 19	Reallocate \$100,000 in funding from travel expense to resource and service	\$0
Amendment No. 20	Assistance with Electric Rate change project activities	\$0
Amendment No. 21	Adjust Amendment No. 18 – Bank Change project	\$0
Amendment No. **	Interface between MDMS and CC&B implementation services	\$700,000
Amendment No. 22	Change Output Print location	\$0
Proposed Amendment No. 23	Funding for FY-14 Consumables and System Development Upgrade	\$5,237,000
Total Revised Contract Authorization Amount		\$66,976,728

** Amendment Authorized by Council but pending execution.