

**ACTION SHEET
PUBLIC UTILITES COMMITTEE MEETING OF 6/4/14**

ISSUE NO. 21

Request for approval of Amendment No. 2 to the Professional Services Agreement with Schafer for project management assistance with the Utility Billing Division's new billing system implementation for the amount of \$127,050.00 exclusive of NMGRT. (Nick Schiavo)

Public Utilities Committee – 6/4/14
 Finance Committee – 6/16/14
 City Council – 6/25/14

PUBLIC UTILITES COMMITTEE ACTION: Approved to forward to 6/16/14 Finance Committee.

SPECIAL CONDITIONS OR AMENDMENTS:

STAFF FOLLOW UP:

VOTE:	FOR	AGAINST	ABSTAIN
COUNCILOR RIVERA, CHAIR	X		
COUNCILOR MAESTAS	Absent		
COUNCILOR BUSHEE	X		
COUNCILOR DIMAS	Absent		
COUNCILOR IVES	X		

City of Santa Fe, New Mexico

memo

DATE: May 20, 2014

TO: Public Utilities Committee

FROM: Nicholas Schiavo, Interim Public Utilities Department Director ¹⁰³

ITEM AND ISSUE:

Approval of Contract Amendment #2 with Schafer Consulting for project management assistance with the Utility Billing Division's new billing system implementation in FY 14/15.

BACKGROUND AND SUMMARY:

In January of 2013 a contract was awarded Schafer Consulting through RFP#13/13/P. The original contract for project management of the Utility Billing Division's new billing system implementation was for \$211,863.59 and will expire on 6/30/15.

Amendment #1 which was approved in month, 2013, extended the contract through June 30, 2014 and increased the contract by \$20,650.

Amendment #2 is for continued project management, support and completion of implementation of the new utility billing system. The amendment will increase the contract by \$127,050 plus applicable GRT. The new utility billing system is scheduled to "go live" in February 2015, and staff believes that this contract is sufficient in length to see that implementation through.

Budget will be available in Utility Billing Admin / 52201.510340 in the approved FY 14/15 Budget.

ACTION REQUESTED:

Staff requests review and approval of:

- Approval of contract Amendment #2 with Schafer Consulting in the amount of \$127,050 plus GRT.
- Forwarding the recommendation of approval to the Finance Committee and City Council.

**CITY OF SANTA FE
AMENDMENT No. 2 TO
PROFESSIONAL SERVICES AGREEMENT**

AMENDMENT No. 2 (the "Amendment") to the CITY OF SANTA FE PROFESSIONAL SERVICES AGREEMENT, dated February 27, 2013 (the "Agreement"), between the City of Santa Fe (the "City") and Schafer Consulting. (the "Contractor"). The date of this Amendment shall be the date when it is executed by the City and the Contractor, whichever occurs last.

RECITALS

A. Under the terms of the Agreement, Contractor has agreed to provide consulting services to the City.

B. Pursuant to Article 18 of the Agreement, and for good and valuable consideration, the receipt and sufficiency of which are acknowledged by the parties, the City and the Contractor agrees as follows:

1. SCOPE OF SERVICES.

Article 1, paragraph A of the Agreement is amended to add services as described in Exhibit "C" attached hereto.

2. COMPENSATION.

Article 3, paragraph A of the Agreement is amended to increase the amount of compensation by a total of one hundred twenty seven thousand and fifty dollars (\$127,050) so that Article 3, paragraph A reads in its entirety as follows:

A. The City shall pay the Contractor in full payment for services rendered in accordance with Exhibit "C" attached hereto and travel reimbursements set forth in Exhibit

"C" attached hereto, a sum not to exceed three hundred fifty nine thousand five hundred sixty three and 59/100's (\$359,563.59), plus gross receipts tax, in total for the term of this Agreement.

3. AGREEMENT IN FULL FORCE.

Except as specifically provided in this Amendment, the Agreement remains and shall remain in full force and effect, in accordance with its terms.

IN WITNESS WHEREOF, the parties have executed this Amendment No.2 to the City of Santa Fe Professional Services Agreement as of the dates set forth below.

CITY OF SANTA FE:

CONTRACTOR:
SHAFER CONSULTING

JAVIER M. GONZALES, MAYOR

NAME & TITLE

Date: _____

Date: _____

ATTEST:

YOLANDA Y. VIGIL, CITY CLERK

APPROVED AS TO FORM :



KELLEY A. BRENNAN, INTERIM CITY ATTORNEY 5/14/14

APPROVED:

MARCOS A. TAPIA, FINANCE DIRECTOR

52201
Business Unit/Line Item

City of Santa Fe

Description of Project Management Services for the Implementation Phase

Project Initiation

During the project initiation phase, we will work with the City and Advanced Utility to jointly define the roles and responsibilities of all individuals within the different departments as they relate to the Utility Billing (UB) project. The project managers from the City, Schafer and Advanced Utility will jointly facilitate the decision-making process and recommendations for all aspects of the project.

In order to keep the project on schedule, it is important that an Implementation Plan be established. Schafer Consulting's Project Manager will manage and ensure all project tasks and milestones identified in the Implementation Plan are met. Any unexpected deviations from the Plan will be presented to and approved by the City's Steering Committee. By following the Implementation Plan, all tasks are clearly defined and scheduled.

The Plan will detail the agreed upon approach to the project and define a strategy that will provide team members with clarification on all phases of the project. In order to develop an effective plan, we will work with the City and Advanced Utility to:

- ✓ Select and organize the project team
- ✓ Fine tune the project schedule - A Gantt chart should be developed that estimates the total length of the project, identifies tasks, milestones, deliverables and resources necessary to complete each project work breakdown structure. *(please note that Advanced Utility has a Gantt chart but it only tracks their activities and does not reflect the work to be performed by City personnel)*
- ✓ Create a SharePoint site for project collaboration and communication
- ✓ Issues Resolution - During the course of the project, there will be times when issues arise which require further discussion and resolution. Without a formal issue resolution procedure, these issues can linger and jeopardize project success.

Project Management

In addition to all the project management tasks mentioned elsewhere in this document, we will also perform the following:

- Update the project workbook (this contains the issues log, decision log, risk log, contract budget, and schedule)
- Attend weekly project meetings
- Review monthly status report from Advanced Utility
- Create month report to incorporate City and Schafer activities
- Attend quarterly meetings with City Executives
- Monitor all activities/assignments to ensure they are completed on time
- Coordinate with City on resources and facility needs
- Administer the Project SharePoint

Quality Assurance

Exhibit "C"

A systematic approach to quality control management in projects is fundamental for superior performance. Schafer Consulting will help the City in applying and implementing quality management principles, including the review of change management processes, the determination of their efficiency and effectiveness and the delivery of practical recommendations.

As a part of our quality control process, we will evaluate the project's status and make recommendations to ensure that the City's vision is realized and the project is completed on time and within budget. We will advise the Project Sponsors and the Steering Committee on strategic issues and provide guidance to other team leaders and managers. Our implementation of a quality assurance system for the City is likely to involve:

QUALITY ASSURANCE SYSTEM
Project Management: We will ensure that all activities engaged by the project team are kept within the boundaries of the statement of work and contract agreement.
Schedule Management/Project Planning: We will provide the necessary tools to assist the City's Project Manager to monitor the project plan, reprioritize tasks, and realign resources as necessary to optimize the projected timeline.
Resource Management: We will assist the City to ensure that the best resources are assigned to each sub-team and create an environment conducive to successful completion.
Budget Management: We will assist the City's Project Manager to monitor and control direct and hidden costs.
Risk Management: We will identify, quantify, and mitigate risks associated with impact on the scope, the schedule, the resources, and the cost.
Requirements Management: We will identify and prioritize the project needs. In addition, we will define how well the new system is meeting the City's needs as identified during the evaluation and selection process.
Change Management: We will assist the City in defining and implementing proactive procedures to deal with changes in the business environment, including: adapting to change, controlling change, and effecting change.
Communication: We will communicate the status, problems, and resolutions of the project.

Develop a Communication Plan

Communication regarding this project will be an essential part of the success of the project. Communicating in a consistent and effective manner will contribute to the success of the project by increasing awareness and understanding of the project and building acceptance, support, involvement, and commitment. Our objectives for the communication plan will include:

- Communication with the Steering Committee and Project Managers to provide an overview of the project and outline progress being completed.
- Communication with the Implementation Team Leaders to provide information regarding the impact of the project within their area.
- Communications between established committees and teams to facilitate an understanding of work being completed in each area and impact on all aspects of the project.

Develop a Design and Configuration Strategy

Schafer Consulting will work closely with the functional experts from the City and Advanced Utility to validate that the best design and configuration decisions are being made for the City. Many of the decisions will be made during the core design sessions when the functional options of Advanced Utility are fully explored. Based on the availability of the different features and the requirements already established, the best options will be incorporated. We will ensure that the pre-defined system requirements are communicated to the software vendor to avoid any misunderstandings.

Develop a Change Management Plan

Most software vendors will incorporate a number of approaches to facilitate change management during the implementation project. However, the nature and level of changes an organization will experience will always be unique and needs to be assessed and planned for. Of particular importance is identifying and planning for any situation that could pose potential risk to the success of the project and to the operations of the City. We will assist the City to understand the potential impact of a change on the business needs and assigning a corresponding priority to the importance of planning for the change. We will also document business process change identified in the "to-be" design phase.

The types of changes that the City may experience and how they should be planned for will vary significantly. What may seem to be an unimportant or trivial situation to some stakeholders may present significant challenges for those involved with the change and could lead to larger impacts on the organization than expected.

Schafer Consulting will assist the City in assessing the various changes its business will experience from the implementation of the various processes, and then develop plans to help those users who are affected to successfully navigate the changes required to adopt the use of the City's new UB system and processes. We will jointly develop a Change Management Plan at the beginning of the project and incorporate it into the overall Implementation Plan.

Vendor Contract Management

Schafer Consulting will jointly review the contractor's submittals related to budget, schedule, and overall status. Our Project Manager will review scope requests, re-plan work, adjust schedule and baselines, participate in change control meetings, document and facilitate approval of changes, communicate to all stakeholders, and take corrective actions when appropriate. In addition, we will ensure that the vendor performance during implementation is satisfactory and in accordance with agreed upon terms and conditions. If requested, our Project Manager will also review vendor invoices against work performed and the project budget.

Develop a Risk Management Plan

A systematic approach to risk management in projects is fundamental for superior performance. Schafer Consulting can help the City in applying and implementing risk management principles, in addition to establishing change management processes to manage cultural change and user resistance. There are a number of factors that affect an implementation's level of risk, including the number of legacy systems being replaced, and the number of users that will be affected by the project. As a part of this project, we will take the necessary measures to reduce the business risk of the City's migration. We will ensure that the City's project plan, budget, and staffing all consider the measures that must be addressed in order to mitigate risks and ensure a smooth project implementation.

Develop a Data Interface Plan

Schafer Consulting will work closely with the City and the software vendor to:

- ✓ Confirm all the applications that need to be interfaced to the new systems (work order, GIS, AMR/AMI, etc.)
- ✓ Coordinate the development of interface specifications and delivery of specifications to the software vendor
- ✓ Define data interface schedule
- ✓ Ensure completion of interface programs is on time
- ✓ Facilitate interface testing
- ✓ Coordinate re-work if initial testing fails

Develop a Data Conversion Plan

Schafer Consulting will work with the appropriate City personnel to:

- ✓ Confirm the amount of data to convert (i.e.: number of years and types of data) as well as roles and responsibilities
- ✓ Ensure data cleansing occurs early in the project
- ✓ Review conversion file layouts from software vendor
- ✓ Define data conversion schedule
- ✓ Coordinate data mapping efforts
- ✓ Coordinate completion of data uploads
- ✓ Facilitate data conversion testing
- ✓ Coordinate re-work if initial testing fails

Develop Project Team Training Plan

Schafer Consulting will work with the City and Advanced Utility to ensure adequate training is provided to all the subject matter experts as well as the more casual users of the system.

We will participate on the training to capture any relevant discussions that may impact configuration decisions, determine if knowledge is being transferred to the City personnel, track any homework/assignments that are given to City personnel and begin to formula training content strategy.

Develop a Test Plan (including process, parallel and stress testing)

Testing will include the following types:

- ✓ Process/Unit testing – The purpose of process/unit testing is to ensure that the setup decisions made during the application design phase generate expected results. We will work with the City and Advanced Utility to establish test cases, procedures and data for each software module that reflect the business processes of each department, but also requirements identified during the vendor evaluation phase to ensure the City is not left with major functional gaps. The scripts will include frequently processed transactions as well as unusual and complex ones.
- ✓ Parallel testing – Generally parallel testing is performed for cycle billing and other mission critical processes.

Schafer Consulting will work closely with the software vendor to make any necessary revisions to the software development files based on the results.

Acceptance Testing

The acceptance test is usually conducted just prior to going "live". Schafer Consulting will ensure that provisions for acceptance testing are incorporated into the software contract as well as the project timeline. The provisions should address actions to be taken by the City in the event of any delays in the commencement of the test.

Post Implementation Support

At the successful completion of transition to live production, Schafer Consulting will work closely with Advanced Utility to ensure we collectively provide sufficient support during the post implementation phase. Our approach will provide the follow-through mechanics necessary to ensure that the system performs successfully and that all business and technical issues are resolved. The key to this transition is for Schafer Consulting and the software vendor to form a team that is able to respond knowledgeably and quickly to user input and provide timely feedback as the new business processes are implemented and unexpected changes are resolved. It is important that the post implementation consulting team ensures a smooth knowledge and responsibility transfer to City personnel.

OPTIONAL SERVICES:

In addition to the required services stated above, Schafer Consulting will also be able to provide the following services:

Custom Documentation

Because the vendor documentation is developed with all clients in mind, it may not contain the same terminology used by the City and most likely, may not reflect the business processes of the City. For these reasons, Schafer Consulting will work closely with the City to modify vendor documentation so it makes sense to the users at the City. The modified documentation should be simplified to include screen shots, step-by-step instructions that reflect the unique business workflows and change management topics identified during the project.

Another area of documentation is the development of customized test scripts that mimic each of the processes encountered by the City's departments on a daily basis. ***These scripts can later be refined and used as desktop reference manuals to assist users as they continue to become more familiar with the system. They can also be used to aide in new user/employee training.***

End User Training

Conduct end user training prior to go-live.

Data Conversion Services

Provide assistance with data cleaning, data extraction, data mapping and data conversion. Once historical data is loaded into the new system (in a test environment), Schafer Consulting will also assist with testing of the converted data.

Staff Augmentation

If at any time during the implementation, the City experiences resource constraints and requires additional assistance, Schafer Consulting would be able to provide experienced Utility Billing consultants to perform all necessary work in order to stay on track.

Estimated Additional Cost from Original Contract

We estimate that the work described above represents a half (1/2) FTE Project Manager. The current project schedule as proposed by Advanced Utility is approximately 12 months plus 2 months post implementation support. At 1/2 FTE, it will require 1,120 consulting hours. We currently have approximately 350 hours remaining in our contract, which means we will need an additional 770 hours to get the job done.

Please note our estimate does not include travel. It is very difficult to estimate this amount as the cost of hotels and airfare really fluctuates for Santa Fe. In addition, we currently only have the next 90 day "look ahead" schedule from Advanced Utility; therefore, we cannot anticipate how much time they will be onsite. For budgetary purposes, the City can use the industry's travel cost, which is generally between 15% to 18% of total professional services.

COMPENSATION:

Original Contract Amount = \$211,864

First Amendment (Assistance with AMI Evaluation and Selection) = \$20,650

Second Amendment (Assistance with Project Management during Implementation) = \$127,050 + travel.

Schafer will invoice the City on a monthly basis with appropriate supporting documentation.

TERM:

Current termination date is June 30, 2015

Extend the termination date to June 30, 2016



City of Santa Fe Summary of Contracts, Agreements, & Amendments

Section to be completed by department for each contract or contract amendment

1 FOR: ORIGINAL CONTRACT or CONTRACT AMENDMENT

2 Name of Contractor Schafer Consulting

3 Complete information requested Plus GRT

Inclusive of GRT

Original Contract Amount: \$211,863.59

Termination Date: June 30, 2015

Approved by Council Date: February 27, 2013

or by City Manager Date: _____

Contract is for: Project Management for Utility Billing System Replacement project

Amendment # 2 to the Original Contract# 13-0112

Increase/(Decrease) Amount \$ 127050

Extend Termination Date to: N/A

Approved by Council Date: pending

or by City Manager Date: _____

Amendment is for: Increase comp

4 History of Contract & Amendments: (option: attach spreadsheet if multiple amendments) Plus GRT

Inclusive of GRT

Amount \$ 211,863.59 of original Contract# 13-0112 Termination Date: 02/27/2013

Reason: city wide

Amount \$ 20,650.00 amendment # 1 Termination Date: na

Reason: Increase Comp

Amount \$ _____ amendment # _____ Termination Date: _____

Reason: _____

Amount \$ _____ amendment # _____ Termination Date: _____

Reason: _____

Total of Original Contract plus all amendments: \$ 359,564



**City of Santa Fe
Summary of Contracts, Agreements, & Amendments**

5 **Procurement Method of Original Contract:** (complete one of the lines)

RFP# 13/13/P Date: June 1, 2012

RFQ _____ Date: _____

Sole Source _____ Date: _____

Other _____

6 **Procurement History:** Year 3 of 4
example: (First year of 4 year contract)

7 **Funding Source:** UBD **BU/Line Item:** 52201.51034

8 **Any out-of-the ordinary or unusual issues or concerns:**
none
(Memo may be attached to explain detail.)

9 **Staff Contact who completed this form:** _____

Phone # _____

10 **Certificate of Insurance attached.** (if original Contract)

Submit to City Attorney for review/signature

Forward to Finance Director for review/signature
Return to originating Department for Committee(s) review or forward to City Manager for review
and approval (depending on dollar level).

To be recorded by City Clerk:

Contract # _____

Date of contract Executed (i.e., signed by all parties): _____

Note: If further information needs to be included, attach a separate memo.

Comments: