

Pay1 Project Progress Report

Briefing to the Finance,
Audit and Accountability
Committee
February 25, 2008

Today's Agenda

- Discuss Pay1 Project
 - Background
 - Project Approach
- Phase 1 - Current Status
- Phase 2 – Upcoming Effort

Pay 1 Project Council Background

Date		Action
1/12/2005	Council	Approved original contract with Jericho Consulting, Inc. for evaluation of CIABS
10/24/2005	FAA	Briefed recommendation to use RFCSP to convey functional requirements of utility replacement system and single invoice/billing system
8/25/2006	CPI	Discussed results of RFCSP - recommend Axon as implementator and purchase of SAP
10/9/2006	FAA QL	Briefed recommendation to approve contract with Axon; approve SAP licenses and Supplemental Agreement #1 with Jericho Consulting
10/25/2006	Council	Approved service contract with Axon for long term maintenance support for replacement of CIABS; SA#1 with Jericho for implementation services for creation of single invoice/single billing environment
6/27/07	Council	Approved Change Order No.1 with Axon Solutions to exchange the Sun clustering software
11/12/07	Council	Approved Supplemental Agreement No.2 with Jericho Consulting, Inc. to conduct call center analysis
2/1/2008	Council	Memo on project status; Briefing to Media

Background – What is Pay1?

- On 10/25/06 City Council approved the Pay1 Project to replace the utility billing system and create a single invoice billing system
- This 15 to 26 month project has two major components and is implemented in 2 phases
 - Phase 1 – replaces CIABS billing system and material management capability to Water Utilities
 - Started 11/13/06
 - Go Live 2/10/08
 - Phase 2 – consolidates the billing for all user departments providing a single billing system/invoice to our citizens
 - Starts 3/3/08
 - Expected Go Live 9/08

Background – Old Environment

CIABS

What did CIABS mean to the City?

- Customer Information Accounting and Billing System (CIABS) provided the following functionalities to the City:
 - Meter Reading
 - Account Maintenance
 - Service Order System
 - Billing and Collections
 - Meter Inventory
 - Link to City's General Ledger
- System Characteristics
 - 20 years old
 - Mainframe hardware environment
 - Requires obsolete employee skill sets to maintain (mainframe COBOL environment)
 - Challenging to implement system changes
 - Difficult to interface with other City systems

Background – Utility Billing Facts*

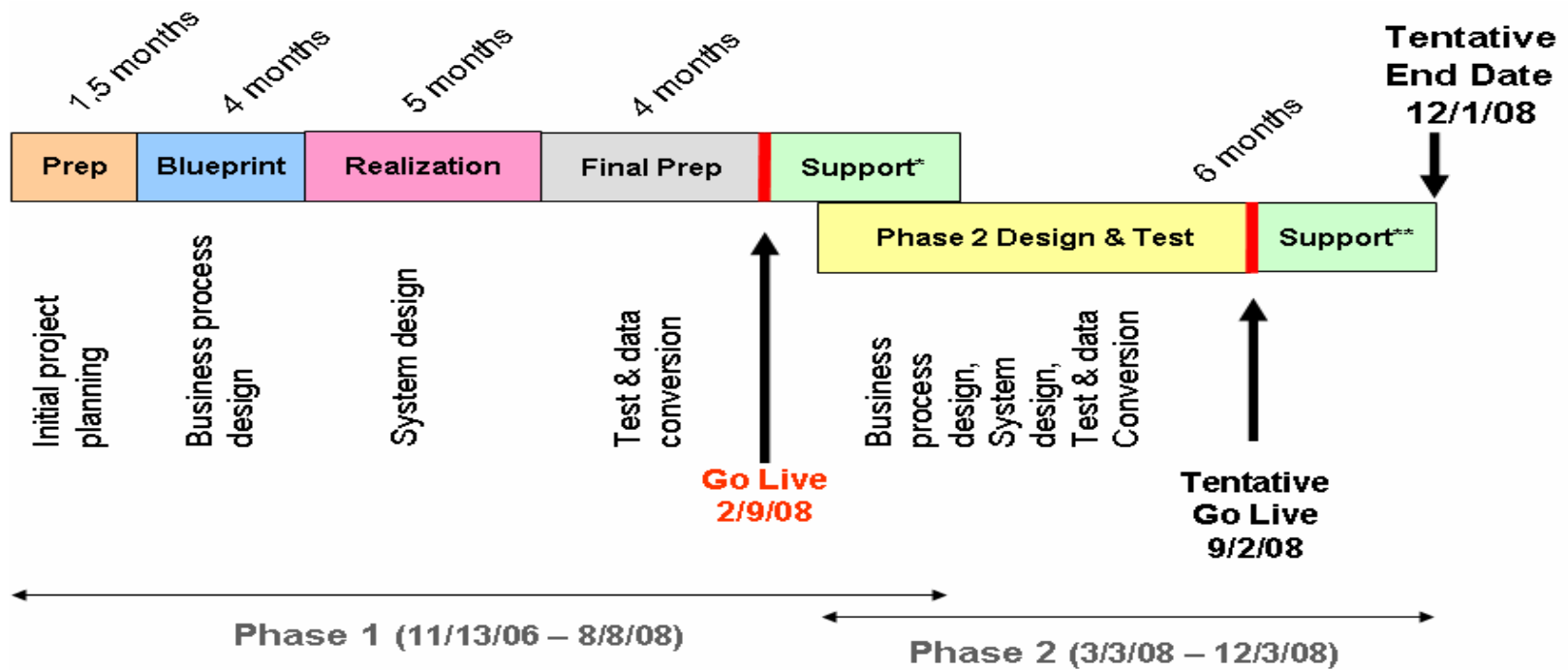
Meter Reads	3,408,994
Bills Generated (approximate)	3,600,000
Payment Locations	140+
Customer Calls to 311	492,258
Lobby Transactions	107,928
Service Orders Created (approximate)	504,000
Water and Wastewater Revenues	\$489,185,295
Sanitation Revenues	\$57,230,866
Storm water Revenues	<u>\$29,427,765</u>
Total Utility Revenues	\$575,843,926

*Annual statistics FY06-07 +Budgeted Revenue FY07-08

Pay1 – Project Approach

- Implement an integrated business software application (SAP)
- Provide team of industry experts to lead the implementation
 - Axon Solutions, Inc. – recognized international SAP implementer
 - Multiple 3rd party software vendors – interface build and test
- Dedicate full-time City resources to facilitate the implementation
 - Dallas Water Utilities
 - Communication and Information Services (CIS)
 - Strategic Customer Services
 - Additional City departments – Phase 2 development
 - Jericho Consulting
 - Implementation staffing support and business process consulting

Pay1 – Project Timeline



* 6 months Axon on-site support
 ** 3 months Axon on-site support

Phase 1 – Go Live Preparation

- Over 100 team members working since November 2006 to blueprint, configure, develop and test processes and transactions and train
- Paper bill in February included an insert to all customers on upcoming changes (including ePay customers)
 - Only visual difference was a new account number
- Targeted emails to currently registered ePay customers to notify them when their first bill is available for review and payment
 - Individualized links provided for easy re-registration

Phase 1 – ePay Benefits

- Some of the highlights of our new ePay1 site include:
 - Stored financial credit card numbers and bank account numbers for automatic recurring payments
 - Request a service transfer if you move to a different address
 - View your consumption history online
 - Manage multiple City of Dallas utility accounts with one user name

Phase 2

Single Billing System/Invoice

- The second major component of this project introduces a single billing system and invoice for most City operations
- Single billing system/invoice vision will:
 - Provide customer focused service delivery
 - Centralization of common operations
 - Standardize processes across departments
 - Share database, with transactional security by organization
- Requires a flexible invoicing software acquisition through RFCSP

Phase 2 –New Single Invoice Potential Departments (partial list)

Department	Charge	Current System	Est. Annual Collection
Aviation	Landing Fees	Excel	\$2,193,447
Aviation	Rental -Ground/ Terminal Lobby	Excel	\$10,472,786
Code Compliance	Multi-Tenant - Registration	Posse	\$590,000
Code Compliance	Weed/Mow Clean	Posse	\$836,045
Convention & Event Services	Event Services	Excel	\$16,900,000
Dallas Fire-Rescue	Fire Watch	Excel	\$629,518
Dallas Police	False Security Alarms	Posse	\$3,750,000
Development Services	Real Estate Leases	Access	\$178,015
EHS	Food Inspection	Decade	\$2,500,000
Housing	Home Loans	Posse	\$68,928
Library	Library Fees and Fines	DRA	\$663,394
OCA	Building Use Fees	Artifacts	Not Available
PWT	Paving Assessments	Posse	\$340,000
PWT	Transportation Regulation	Excel	\$600,000
Sanitation	Landfill fees	Waste Works	\$19,600,000

Phase 2 – Invoice History

- Current invoice was designed in 1996
 - Limited flexibility with formatting
 - Limited space for useful information on the invoice
 - Will not support necessary changes
- New technology allows for more flexibility and features that will increase communication with the citizens
- In order to go from a single invoice to a consolidated invoice, it will require a powerful and flexible Document Composition Solution that can convert and format the invoice data from SAP

Phase 2 – Upcoming Efforts

- The following are additional components required to complete Phase 2 which will be on your February 27, 2008 agenda for consideration:
 - Document Composition Solution – Exstream Software, LLC.
 - Without this solution the City would not have the ability to create the single invoice
 - Axon Solutions, Inc. Change Order #2
 - SAP system integrator
 - Jericho Contract Supplement
 - Assisting with implementation services

Phase 2 – Recommended Vendor for Document Composition Solution

- Exstream Software, LLC. Is an industry leading SAP certified vendor
 - Create over 20 million utility invoices a month worldwide
- Evaluation committee consisted of members from Communication and Information Services, Strategic Customer Services, Efficiency Team, and Dallas Water Utilities
- Evaluation criteria:
 - Price (25%)
 - Technical match (20%)
 - Quality of implementation and staff proposed (20%)
 - Capability and Expertise (15%)
 - Functional match (20%)
- Rated highest overall by selection committee in RFCSP Process

Phase 2 – SAP System Integrator Axon Solutions, Inc.

- The original service contract with Axon Solutions, Inc. for Pay1 project implementation has allowed for a successful Phase 1 project implementation
 - The following additional services and expertise are needed for continued project success:
 - Technical support for the new billing system after Phase 1 “go-live”, in lieu of CIS personnel
 - Role authorization testing
 - Necessary configuration within SAP associated with the Exstream document composition software implementation
 - Staffing assessment for long term technical support

Phase 2 – Implementation Services

- Jericho Consulting, Inc, has been engaged with DWU since January 2005 and has assisted us through RFCSP development, replacement and implementation of the Pay1 Project
 - Offers valuable expertise the City of Dallas does not have
- The following services have been planned for Phase 2:
 - Implementation services for Exstream Document Composition print software
 - Data cleansing/conversion for departments
 - Continued project management support
 - Assistance with various project tasks
 - User acceptance testing
 - System acceptance testing
 - Cutover planning
 - Developing chargeback model to assign Pay1 ongoing costs to user departments

Recommendation

- Secure Finance, Audit & Accountability Committee recommendation for the actions placed on the February 27, 2008 agenda

Exstream Software, LLC

- Authorize (1) the purchase and installation of software license in the amount of \$582,000 and (2) a sixty-month software maintenance agreement in the amount of \$261,252 and (3) a service agreement for on-going development support in the amount of \$178,500 for a document composition solution for preparation of customer invoices and collection notices via the Pay1 system – Exstream Software, LLC – Total not to exceed \$1,021,752

Axon Solutions, Inc.

- Authorize an increase in the service contract with AXON Solutions, Inc. to provide technical support of the Pay1 billing system after “go-live”, provide role authorizations testing, provide necessary configuration within SAP associated with the Exstream document composition software implementation, and perform a staffing assessment for long term technical support of the Pay1 System – Not to exceed \$1,704,900, from \$11,794,823 to \$13,499,723

Jericho Consulting, Inc.

- Authorize Supplemental Agreement No. 3 to the professional services contract with Jericho Consulting, Inc., for continued implementation of Phase 2 of the Pay1 project and the addition of specific task orders associated with the Pay1 project - Not to exceed \$920,600, from \$3,504,500 to \$4,425,100

- Questions