



AGENDA STAFF REPORT

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Agenda Number: D
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Section Name: ACTION CALENDAR
Project ID: GD2301

MEETING DATE: August 13, 2024

SUBJECT: Approve the Enterprise Resource Planning (ERP) and Utility Billing Customer Information System Master Service Agreements along with the Professional Services Agreement for Implementation Service

TO: BOARD OF DIRECTORS

FROM: FINANCE-PROCUREMENT, KARLA ROMERO

GENERAL MANAGER RECOMMENDATION:

RECOMMENDATION:

Approve and authorize the General Manager to execute the Enterprise Resource Planning (ERP) and Utility Billing Customer Information System Master Service Agreements along with the Professional Services Agreement for Implementation Services as follows:

- Approve the Professional Service Agreement with Alight Solutions (Strada) for implementation services of the Workday Enterprise Resource Planning platform in the amount of \$4,303,806.
- Approve the Master Services Agreement with Workday for the ERP 10-year software subscription fee and training through fiscal year 2034 in the amount of \$6,433,520.
 - Years 1-3 during implementation \$1,780,469
 - Years 4-10 after go-live \$4,653,051
- Approve the Master Service Agreement with SpryPoint for the Utility Billing and Customer Information System implementation services and 10-year software subscription through fiscal year 2034 in the amount of \$9,856,542 of which \$2,580,800 is the Implementation Cost and \$7,275,742 is the 10-year software subscription fee.
 - Years 1-3 during implementation \$4,360,800
 - Years 4-10 after go-live \$5,495,742
- Approve a 20% project contingency for implementation services in the amount of \$1,376,921.

BUDGET IMPACT:

The adopted FY 2024/25 capital improvement program budget (Attachment 7) includes \$4,077,500 of PAYGO funding for this project with an additional \$12,007,500 anticipated in future fiscal years. This PAYGO funded project

is allocated to various enterprise funds as follows:

FUND	FY 2024/25 BUDGET ALLOCATION	% OF ALLOCATION
110 – Stormwater	\$ 203,875	5%
501 – Canal	\$ 1,019,375	25%
535 – Domestic	\$ 1,427,125	35%
550 – West Whitewater RAC	\$ 407,750	10%
552 – East Whitewater RAC	\$ 407,750	10%
580 – Sanitation	\$ 611,625	15%
TOTAL	\$ 4,077,500	100%

The total CIP project budget includes the annual software subscription costs during implementation. Software subscription cost after go-live shall be budgeted within the Information System's annual budget. The current CIP project budget does not include CVWD project management services, which are currently undergoing the review and selection process.

FUND	TOTAL CIP BUDGET ALLOCATION	% OF ALLOCATION
110 – Stormwater	\$ 804,250	5%
501 – Canal	\$ 4,021,250	25%
535 – Domestic	\$ 5,629,750	35%
550 – West Whitewater RAC	\$ 1,608,500	10%
552 – East Whitewater RAC	\$ 1,608,500	10%
580 – Sanitation	\$ 2,412,750	15%
TOTAL	\$16,085,000	100%

PROCUREMENT METHOD:

☒ Formal Bid/RFP

If other, please explain:

BACKGROUND

This project includes the replacement of CVWD's Enterprise Resource Planning (ERP) and Utility Billing/Customer Information System (UB/CIS). The scope of this multi-year project includes the analysis, selection, purchase, and implementation of the software and hardware necessary to replace and integrate these systems.

CVWD currently relies on NaviLine, iSeries, and various third-party systems that have an uncertain future and do not fully leverage current day technological capabilities to support CVWD's needs. The existing ERP and UB systems are further challenged by their inability to fully integrate with other core business and operational systems, resulting in unnecessary redundancy, fragmented information, and increased risk of compromising data integrity.

The objective of this project is to obtain a long-term stable Cloud based ERP and UB/CIS system that follows streamlined business processes and provides information that supports improved decision making. During the review and selection process, Staff pursued a system with a strong commitment to security, incorporated advancements of new technologies, and response to regulatory and industry changes.

On July 27, 2023, the District issued RFP No. 2023-25 for Enterprise Resource Planning/Utility Billing Procurement and Selection Services. The solicitation was publicly advertised via the district's e-bidding platform with over 450 potential companies being notified, 26 companies downloading the RFP, and ten companies as listed below responding to the RFP by the closing date of October 12, 2023:

- Central Square - Finance Enterprise
- Cogsdale – Microsoft Dynamics 365 Business Central
- Infor Cloud Suite, implementation by Infor
- Infor Cloud Suite, implementation by RPI Consultants
- OnActuate - Microsoft Dynamics 365 Finance & Supply Chain Management
- Oracle – NetSuit for Government
- Oracle Fusion Cloud, implemented by AST
- Oracle Fusion Cloud, implemented by Apps
- Tyler Technologies - Tyler Enterprise ERP
- Workday with Sprypoint, implemented by Alight (now Strada)

Upon the closing date of the RFP, the Procurement Division and selection consultant, SDI Presence, reviewed each proposal to ensure compliance with the RFP submittal requirements. Based on this review, a total of nine proposals were determined to be in compliance with the submittal requirements and were considered for further evaluation. The nine proposals were then evaluated and scored by the seven members of the evaluation committee consisting of CVWD staff from the following departments:

- Public Affairs and Customer Experience
- Engineering
- Operations
- Human Resources
- Information Systems
- Finance

During the initial technical evaluation process, each proposal was evaluated based on its own merits against the evaluation criteria annotated in the RFP:

- Quality and comprehensiveness of the Proposal.
- References of the firm and demonstrated experience in the last five years in implementing similar projects for other comparable public agencies.
- Company qualifications and experience, including skill set fit of the primary staff proposed for the work, as well as any partner or third party included in the proposal.
- Demonstrated understanding of the district needs and requirements including the proposed project approach, timeline, milestones, and roadmap for “go live”, as well as proposed project phasing and suitability to CVWD’s needs.

Results from Technical Evaluation:

Criteria:	Weight Factors:	Central	Cogsdale	Infor	Tyler	RPI	AST	OnActuate	Alight	Apps
		Weighted Average	Weighted Average	Weighted Average	Weighted Average	Weighted Average	Weighted Average	Weighted Average	Weighted Average	Weighted Average
Quality and comprehensiveness of the Proposal	10	4.86	5.29	7.57	5.43	7.00	5.14	4.86	6.43	4.29
References of the firm and demonstrated experience	10	4.86	4.57	7.29	6.14	6.00	5.43	4.43	6.71	5.00
Company qualifications and experience	20	10.86	8.29	14	11.14	13.14	10.57	9.43	12.29	9.43
Demonstrated understanding of the District needs 1A.1	30	12.43	15.89	19.71	15.86	18.86	16.29	14.57	18.43	15.00
Technical Score:		33.01	34.04	48.57	38.57	45.00	37.43	33.29	43.86	33.72

Based on the technical evaluation, CVWD selected three firms with the highest technical rating to advance in the evaluation and selection process. In February, 2024, these three firms were invited to participate in an on-site proof of capabilities demonstration to validate their proposed system capabilities. Each firm was provided with five days to present their proposed ERP UB/CIS solutions, adhering to a scripted agenda that included software application demonstrations and relevant discussions. For further details and information on the scripted demonstration, please refer to Attachment 2.

Upon conclusion of the proof of capabilities demonstrations, the following final scores were assigned to each firm:

Company	Product Set Solution	Final Score
Alight (Strada)	Workday and SpryPoint	81.57
RPI Consultants	Infor Cloud Suite	63.57
Infor	Infor Cloud Suite	59.59

The evaluation committee, after reviewing each firm's technical proposal, past performance, clarifications, discussions, proof of capabilities demonstrations, negotiations, and price evaluations, concluded that Alight (Strada), in partnership with Workday and SpryPoint, offered the most advantageous approach and product set to meet CVWD's requirements. The CVWD evaluation committee has unanimously selected Alight (Strada) in partnership with Workday and SpryPoint as the best value solution provider, capable of delivering and implementing a state-of-the-art, commercial-off-the-shelf (COTS) ERP and fully integrated Utility Billing/CIS solution.

The total cost for project implementation, including a 20% implementation project contingency and a 10-year follow-on software subscription fee, is not to exceed \$21,970,789

PRIOR BOARD ACTION:

2019 – SDI Presence, LLC (SDI) was initially contracted in 2019 to complete a Strategic Assessment and Gap Analysis (Analysis) of the existing ERP and UB/CIS system.

6/23/2020 – ERP Gap Analysis and Strategic Assessment Report was presented to the Board.

2/16/2021 – Presentation related to the Request for Proposal for a new Utility Billing System and Enterprise Resource Planning system

10/26/2021 - The Board approved a professional services agreement with SDI for the Procurement Phase of evaluating a new ERP system totaling \$131,000.

10/11/2022 - The Board approved an amendment to SDI's contract adding \$52,000 to the contract for a total cost of \$183,000, plus a contingency in the amount of \$5,200.

6/27/2023 – Request to release the Request for Proposal (RFP) for the solicitation of bids to procure a new or upgraded enterprise resource planning (ERP)/utility billing (UB) solution with the potential for third-party software integrations

7/9/2024 – Informational item presented regarding the project status and proposed recommendations for ERP and UB/CIS systems.

The ERP and UB/CIS project has been included with CIP budget study sessions and subsequent adopted budgets as follows:

3/29/22 - CIP study session for FY 22/23 included an ERP/UB budget request of \$150,000

3/21/23 – CIP study session for FY 23/24 included an updated ERP/UB budget request of \$6.65M

3/29/24 – CIP study session for FY 23/24 included an updated ERP/UB budget request of \$16M

DISTRICT STRATEGIC PLAN GOAL(S)/OBJECTIVES(S):

The implementation of a new Enterprise Resource Planning and Utility Billing System aligns with the CVWD strategic goals of providing exceptional customer service, operational optimization, and financial viability.

ENVIRONMENTAL IMPACT:

This is not a project as defined by CEQA; therefore, approval does not require any CEQA action.

PUBLIC NOTICE REQUIRED

N/A

LEGAL REVIEW

BBK has reviewed and approved the agreements.

ATTACHMENTS

- Attachment 1 - RFP 2023-25 for Enterprise Resource Planning/Utility Billing Procurement and Selection Services
 - Attachment 2 - Proof of Capabilities Software Demonstration Agenda
 - Attachment 3 - RFP Scoring Matrix
 - Attachment 4 - Alight (Strada) Professional Services Agreement
 - Attachment 5 - Workday Master Service Agreement
 - Attachment 6 - Sprypoint Master Service Agreement
 - Attachment 7 - Enterprise Resource Planning and Utility Billing System Budget
 - Attachment 8 - Enterprise Resource Planning and Utility Billing Presentation
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