

EXECUTIVE SUMMARY SHEET

CITY OF SAN DIEGO

DATE ISSUED: March 28, 2011
ATTENTION: Natural Resources & Culture Committee
Agenda of April 20, 2011
ORIGINATING DEPARTMENT: Public Utilities
SUBJECT: Mid-Year Transfer of Water and Sewer Funds to the CIS ERP
(Customer Information System Enterprise Resource Planning) Project
COUNCIL DISTRICTS: City-wide
STAFF CONTACT: Lee Ann Jones-Santos (858) 614-4042

REQUESTED ACTIONS:

- Authorizing a \$4,940,780 increase in the Fiscal Year 2011 Capital Improvement Program Budget in CIP S-11100, CIS ERP project.
- Amend the Appropriation Ordinance to authorize the Chief Finance Officer to transfer, appropriate and expend \$4,940,780 to the CIS ERP project, for the purpose of implementing the Customer Care Solutions system with OneSD, due to an accelerated schedule.

STAFF RECOMMENDATION: Adopt the Resolutions.

EXECUTIVE SUMMARY:

The City of San Diego purchased SAP Enterprise Resource Planning (ERP) Core Components (ECC) software in 2007 as part of the city-wide initiative to improve the systems supporting business operations throughout the City. The ECC and accompanying best practice business processes have been implemented in several phases as outlined in the City's SAP Roadmap. As the next phase, Public Utilities intends to establish integrated, real-time, enterprise customer information and billing system with the following SAP Industry Solution – Utilities (IS-U) modules:

1. SAP Customer Relationship & Billing for Utilities
2. SAP Customer Financial Management for Utilities
3. SAP Meter Data Management for Water Utilities
4. SAP Customer Relationship Management

In partnership with San Diego Data Processing Corporation (SDDPC), Public Utilities issued a Request for Proposal (RFP) seeking a systems integrator (SI) consulting firm to assist and provide leadership with the implementation services for the software described above. Deloitte Consulting LLP was selected as the prime SI and is assisting in the analysis of the proper integration of the Public Utilities deployment with the SAP modules deployed (or in the process of deployment) in partnership with the OneSD effort. Deloitte will continue to work closely with the Public Utilities' Project Management Office to attain the following project goals and objectives:

1. Build upon the City's enterprise management strategies, maximize existing infrastructure, lower the cost of ownership, and adequately plan system retirements for CIS and the Installation Order System (IOS).
2. Implement a fully-functioning billing system that provides customer payment flexibility and enhanced self-service options.
3. Provide for long-term stability of the customer information via enterprise applications, business critical interfaces, and infrastructure.
4. Limit customization and focus on business process improvements that will yield measurable business results that are most directly associated with Profit and Loss.

5. Transform existing business processes based upon best practice and maximize automation.
6. Develop a CIS business intelligence platform that integrates with the OneSD Business Warehouse and provides timely and accurate information/analysis to its end-users (consumers) in the most usable and flexible fashion.

This action is to transfer funds in the amount of \$4,940,780, of which \$2,470,390 is from the Water Utility Operating Budget and \$2,470,390 is from the Sewer Operating Budget to the CIS ERP project for the purpose of implementing the Customer Care Solutions system with OneSD. The project is ahead of schedule and the new system is now targeted to Go-Live approximately two months earlier than originally planned. Due to the accelerated schedule, certain milestones originally planned for FY 2012 will now be completed (and the associated expense incurred) in FY 2011.

FISCAL CONSIDERATIONS:

The total estimated cost of the CIS ERP CIP project is \$22,397,040. This CIP project is funded 50/50 by Enterprise Fund 700011, Water Utility Operating Fund (\$11,198,520) and Fund 700000, Municipal Sewer Revenue Fund (\$11,198,520). This project was authorized by O-19976, Fiscal Year 2011 Appropriation Ordinance, on July 26, 2010. This mid-year adjustment is required to transfer project funding previously anticipated in FY2012 to FY2011. The total project budget has not changed, only the fiscal years in which the funding is budgeted. In Fiscal Year 2012, this project will receive \$2,819,628 in Enterprise funding; of which \$1,409,814 is from Fund 700011, Water Utility Operating Fund and \$1,409,814 is from Fund 700000, Municipal Sewer Revenue Fund.

EQUAL OPPORTUNITY CONTRACTING INFORMATION (IF APPLICABLE):

This action is not an agreement; however, any resultant agreement is subject to the City's Equal Opportunity Contracting (San Diego Ordinance No. 18173, Section 22.2701 through 22.2708) and the City's Non-Discrimination in Contracting Ordinance (San Diego Municipal Code Sections 22.3501 through 22.3517).

PREVIOUS COUNCIL/COMMITTEE ACTION:

None.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

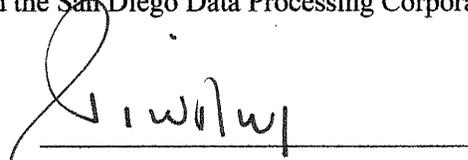
None.

KEY STAKEHOLDERS:

The key stakeholders are the City of San Diego Utility customers; the City of San Diego Public Utilities Department; Deloitte Consulting, LLP; SAP, Inc.; and the San Diego Data Processing Corporation.



Alex Ruiz
Assistant Public Utilities Director



Roger S. Bailey
Director of Public Utilities