Customer Information System (CIS) Replacement Project

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Today's discussion

No decisions today, planning to request Board approvals on March 19, 2018

- Review background
- Current project status
- Project budget update
- Tentative project schedule
- Questions / Comments/ Next Steps

Background

- Current PeopleSoft CIS implemented in 2004
- Technical support ended in June 2009
- Current platform does not support future strategies:
  - customer experience
  - advanced two-way metering
  - business intelligence/data analytics

Background for Selecting a Customer Information System (CIS)

2016 2nd Quarter	2016 3rd Quarter	2016 4th Quarter

Phase I
- Contracted with a CIS request for proposal (RFP) consultant
- Created core team
- Completed the project charter
- Developed first schedule

Phase II
- Issued RFP 16-42
- Hosted RFP proposer Q&A session
- Clarified proposal conditions

Phase III
- Received 11 proposals
- Core team evaluated 9 proposals

Background for Selecting a Customer Information System (CIS)

2017 1ˢᵗ Quarter	2017 2ⁿᵈ Quarter	2017 3ʳᵈ Quarter

Phase IV
- Selected 4 CIS and 4 Meter Data Management proposers for interviews
- Conducted interviews
- Held 2ⁿᵈ interviews with top proposers

Phase V
- Deliberately paused on further proposer evaluations under RFP 16-42
- Took advantage of the pause to evaluate other CIS solutions and implementation strategies
- Tier 1 CIS selected with project forecast of $7M, with identification that budget would be submitted for approval once project plan was finalized

Why Did the District Pause?

- We have a unique combination of a relatively small customer base and a large generation business unit that has been supported with top tier software solutions

- The vendor community tends to differentiate based on the size of the utility being served

- Simply on customer numbers alone we could use a smaller, more standardized and less costly solution, but…
  - We have developed sophisticated financial and internal control systems benefitting a large utility
  - We rely upon and do not want to give up the benefits of the sophisticated systems

During the Aug. 21, 2017, Board discussion the District concluded that we need to maintain and support our financial/internal control systems and functions by retaining a top-tier Customer Information System (CIS)

Path for Implementing the Customer Information System (CIS)

2017 4th Quarter	2018 1st Quarter	Apr '18 - Sep '19

Phase VI
- Evaluated and selected top tier software version *(Oracle C2M)*
- Review agreements' terms and conditions
- Define the scope, schedule, roles and responsibilities
- Establish District Project Management roles

Phase VII
- Complete negotiations and finalize contracts
- Establish project schedule and budget
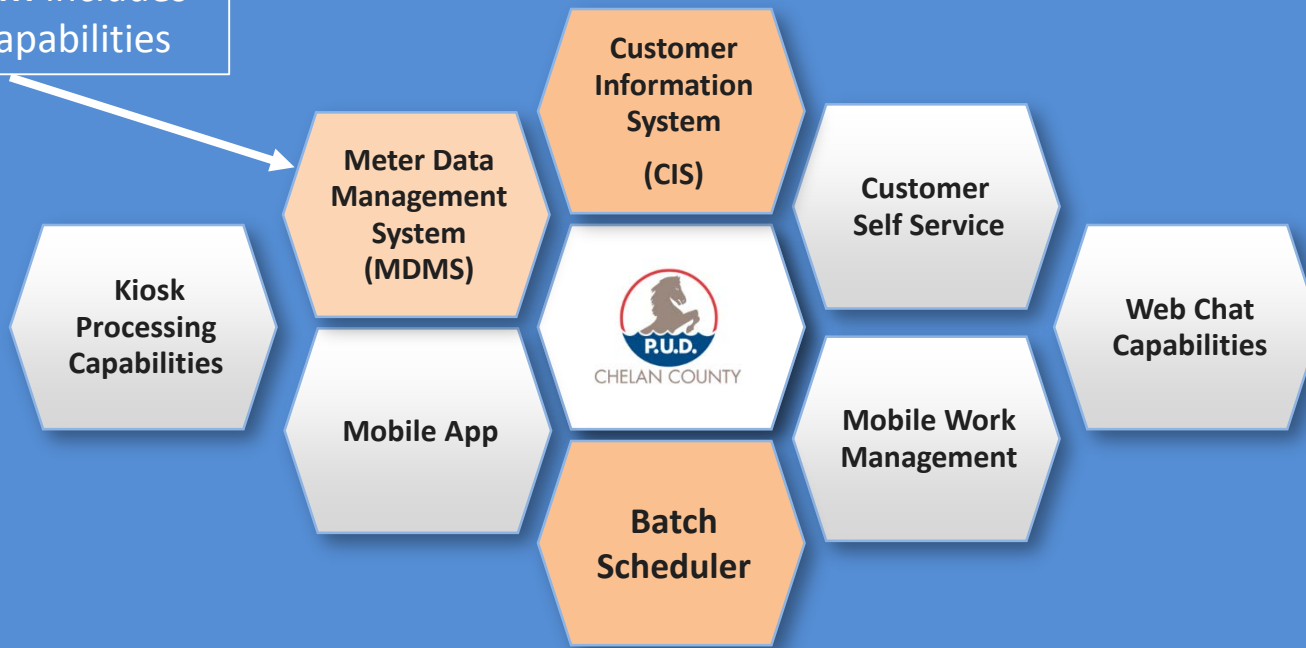- Tentatively obtain Board approval on March 19

Phase VIII
- Purchase CIS application
- Initiate Implementation Partner Contract
- Design, Build, Test and Deploy new CIS *(Oracle C2M)*

CIS Integrates PUD Back Office

Firm & optional areas

Oracle **C2M** includes MDMS capabilities

Customer Information System (CIS)

Meter Data Management System (MDMS)

Customer Self Service

Kiosk Processing Capabilities

Web Chat Capabilities

Mobile App

P.U.D. CHELAN COUNTY

Mobile Work Management

Batch Scheduler

Current Project Status

- CIS Project "2018 Strategic Plan" Initiative remains on schedule
  - Budget approval – March 2018
  - Finalize contracts – March 2018
  - Establish schedule/milestones – 2018

- CIS Project inclusion of MDMS capabilities supports the District's Advanced Intelligent Grid initiative in the "2018 Strategic Plan"

Project Budget Update

Date	Description	Project Estimate (million)	Comments
Dec, 2015	Initial Project Placeholder	$2.5-$4.5	• Based on generic cost per customer • "Tier-3" solutions typical for Utilities with our customer base • Budget placeholder set at $3.5M
Sep, 2017	Preliminary Project forecast	$6.0-$9.0	• Oracle "Tier-1" CC&B software selected • Included in 2018-22 Business Plan • Forecast adjusted to $7.0M • Budget adjust pending project plan finalization and Board approval
Mar, 2018	Project Plan Budget	$6.0-$9.0	• Oracle C2M deployment option selected ("Tier-1" w/MDMS capability added) • Contracts negotiations being finalized • Project kick-off targeting Apr 16th • Total project budget estimated at $8.0M

Project Budget Update

Project Plan Budget - Cost Breakdown	Estimate	Comments
Implementation Contract "Fixed"	$2.9M	18 month project schedule
Implementation Contract "Variable"	$0.7M	Travel & expense reimbursement
Software/License	$0.7M	Includes initial annual support
3rd Party Quality Assurance	$0.2M	Independent oversight to support District executive steering committee
Total External Expenditures	**$4.5M**	**Incremental to District resources**
District Internal Resources & Project Contingency	$3.5M	Cross functional team (~12 FTE's) Enables independent on-going support Contingency to allow for selection of additional features, as deemed necessary by the District
Total Project Budget	**$8.0M**	**No change to 2018 budget**

Tentative CIS Project Schedule

- Resolution Approvals March 19, 2018
- Initiate Project April 16, 2018
- Project Phases
  - Analysis phase 5/18 – 7/18
  - Build phase 8/18 – 1/19
  - Test phase 11/18 – 4/19
  - Acceptance/Go-Live 5/19 – 7/19
  - Monitor/Post Go-Live 7/19 – 9/19

- Future Phases *(not included in current project)*
  - Additional features (mobile workforce, self service, etc.)
  - Periodic system upgrades

Questions / Comments / Next Steps

- Questions and comments

- Resolution for Oracle C2M Software, Support & Implementation Consultant contracts at March 19 Commission Meeting
  - Software/Support Purchase *(RFP 16-42)*
  - Implementation Contract *(RFP 16-42)*
  - 3rd Party Quality Assurance Contract *(Task Authorization)*
  - Project Budget Revision *(no change for 2018 budget)*