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**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

FROM: Economic Development Agency / Facilities Management

SUBMITTAL DATE:
March 15, 2012

SUBJECT: EnergyCAP Software Advanced Feature and Additional Meter Capacity

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the purchase of license and implementation fees for an EnergyCAP software advanced feature and additional meter capacity from EnergyCAP, Inc. at a cost of \$34,250.00;
2. Approve the increased annual software maintenance fee of \$4,640 to coincide with the previously approved term through December 31, 2015; and

(Continued)

FISCAL PROCEDURES APPROVED
 PAUL ANGULO, CPA, AUDITOR-CONTROLLER
 BY: Samuel Wong 3/14/12
 SAMUEL WONG

Robert Field
 Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 34,250	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 4,640	For Fiscal Year:	FY 2011/12

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: No

SOURCE OF FUNDS: Energy Management Budget

Positions To Be Deleted Per A-30	<input type="checkbox"/>
Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE

BY: Jennifer L. Sargent
 Jennifer L. Sargent

County Executive Office Signature

Policy Policy

Consent Consent

Dep't Recomm.: Per Exec. Ofc.:

Prev. Agn. Ref.: 3.25 2/24/09

District: All

Agenda Number:

3.20

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

FORM APPROVED COUNTY COUNSEL
 BY: Neal R. Kipnis
 DATE: 3/15/12

Departmental Concurrence

By: Mark Seiler
 Mark Seiler, Assistant Director
 Purchasing

RECOMMENDED MOTION: (Continued)

3. Authorize the Purchasing Agent, in accordance with Ordinance No. 459.4, to sign the purchase orders, exercise the renewal option, based on availability of fiscal funding, and to sign amendments that do not change the substantive terms of the agreement for services through December 31, 2015.

BACKGROUND:

In 2009, the Economic Development Agency (EDA) purchased EnergyCAP, a utility billing management software package. EnergyCAP helps identify billing errors, flags excessive bills for investigation, improves the administrative processing of bills and reduces cost overruns through powerful auditing functions. At the time of the initial purchase, the County purchased a basic package consisting of features that were needed at the time. Since then, advancements in technology and changes in county policy have resulted in the need for features in the software that were not included in the original purchase.

The first extra component is the capacity for additional meters. The original purchase included capacity for 850 meters. With the implementation of Board Policy H-32 and growth in new construction and leases, EDA has assumed responsibility for processing a total of 1,639 meters. Additional meter capacity must be purchased in blocks of 500, so the quoted price is for 1,000 additional meters (with 25% additional capacity allowed before a further purchase is required). EDA, by taking over the processing of utility bills formerly processed by other departments, has already yielded cost savings through identification of billing errors and better control of excessive utility bills.

The second extra component is the customized programming of an A/P interface between EnergyCAP and PeopleSoft. Currently, the process of paying utility bills requires double-entry, first into EnergyCAP and second, into PeopleSoft. This custom program would export audited bill records from EnergyCAP to an intermediate file. The intermediate file would then be imported into PeopleSoft for payment. EnergyCAP would be used as a "smart front end" on the A/P system. It performs detailed bill verification and auditing, while at the same time capturing bill details for energy management purposes. EDA has already consulted with OASIS on this and they have provided the technical details and approval necessary for us to proceed with this customization. The benefit to the County is reduced costs through reduction of duplicate labor processes.

The addition of these features would result in an increase of \$4,640 to the annual software maintenance cost, bringing the total cost to \$15,805 per year.

FINANCIAL DATA:

Sufficient funds to cover all costs associated with the upgrades have been budgeted in the FY 2011-2012 Energy Management budget. Future fiscal year budgets will include funds to cover the increased annual maintenance fee.

Date: February 7, 2012

From: Janet Purchase, Energy Manager

Department/Agency: Economic Development Agency

To: Board of Supervisors/Purchasing Agent

Via: Purchasing Agent

Subject: Sole Source Procurement; Request for **EnergyCAP** Advanced Software License Feature and Additional Meter Capacity

The below information is provided in support of my Department requesting approval for a sole source.

1. Supply/Service being requested:

In 2009, EDA/Facilities Management purchased EnergyCAP, a utility billing management system (Item 3.25, 2/24/2009). At the time of purchase, the County purchased specific software features at part of the initial package. EnergyCAP has additional capabilities not included in the original purchase that would greatly benefit the County in terms of streamlined processing and reduction of duplicate efforts (see #6 below).

2. Supplier being requested:

EnergyCAP, Inc. (formerly Good Steward Software, LLC)

3. Alternative suppliers that can or might be able to provide supply/service:

Since EnergyCAP software is patented, proprietary and owned solely by EnergyCAP, Inc., no other suppliers exist.

4. Extent of market search conducted:

A market search is not feasible because the computer code for the software belongs exclusively to EnergyCAP, Inc. and would not be available to any other market provider.

5. Unique features of the supply/service being requested from this supplier, which no alternative supplier can provide:

No alternative supplier can correct bugs in the software, make system improvements or install software upgrades without access to the computer code.

6. Reasons why my department requires these unique features and what benefit will accrue to the county:

- a) The first extra component is the capacity for additional meters. The original purchased package included capacity for 850 meters. With the implementation of Board Policy H-32 and growth in new construction and leases, EDA has assumed responsibility for processing a total of 1639 meters. Additional meter capacity must be purchased in blocks of 500, so the quoted price is for 1000 additional meters (with 25% additional capacity allowed before a further purchase is

required). EDA taking over the processing of utility bills formerly processed by other departments has already yielded cost savings through identification of billing errors and better control of excessive utility bills.

- b) The second extra component is the customized programming of an A/P interface between EnergyCAP and PeopleSoft. Currently, the process of paying utility bills requires double-entry—first into EnergyCAP and secondly, into PeopleSoft. This custom program would export audited bill records from EnergyCAP to an intermediate file. The intermediate file would then be imported into PeopleSoft for payment. EnergyCAP is used as a “smart front end” on the A/P system. It performs detailed bill verification and auditing, while at the same time capturing bill details for energy management purposes. EDA has already consulted with OASIS on this and they have provided the technical details and approval necessary to for us to proceed with this customization. The benefit to the County is reduced costs through reduction of duplicate labor processes.

7. Price Reasonableness:

The price for additional meters is a standard price required by all EnergyCAP customers. The price for the customized A/P interface is more than reasonable when compared to the cost of the labor currently being performed to process the payment of utility bills in PeopleSoft. Utility bills are entered and uploaded to PeopleSoft every day in batches by two individuals. The County would certainly recoup the \$15,250 cost of the customization in the first year of use.

8. Does moving forward on this product or service further obligate the county to future similar contractual arrangements or any ongoing costs affiliated with this sole source? (Maintenance, support, or upgrades, if so, please explain).

In the original purchase request, the Board of Supervisors approved five additional years of annual maintenance and technical support in the amount of \$11,165/year. Moving forward with the upgrades would increase the annual maintenance and technical support to \$15,805. The additional cost of both the upgrades and the additional annual maintenance has been included in the FY 11-12 budget and beyond.

9. Period of Performance:

The original purchase provided for renewal of the maintenance agreement by the County on a year-by-year basis. However, since the Board agreed to purchase 5 years of additional annual support up front (first year was included in the purchase price), the base price of \$11,165 is good through the beginning of 2016. If we decide to discontinue the use of EnergyCAP, we can do so on an annual basis, even with the additional features.



Department Head Signature



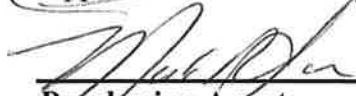
Date

Purchasing Department Comments:

Approve

Approve with Condition/s

Disapprove



Purchasing Agent

2-29-12

Date

APPROVAL # 12-414

Prepared For:
 Riverside County, CA (Licensee)
 3133 Mission Inn Avenue
 Riverside, CA 92507

Quote #30809-01
 February 2, 2012
 EXPIRES IN 90 DAYS

ITEM	DESCRIPTION	PRICE
Advanced Software License Feature	Bill Export to Accounting System. After entry and auditing, export bill records to an intermediate file. The intermediate file is then imported into an A/P or G/L system for payment. EnergyCAP is used as a 'smart front end' on the A/P system; one that performs detailed bill verification/auditing, while at the same time capturing bill details for energy management purposes.	License Fee: \$10,250.00
		Implementation Fee: \$5,000.00
Additional Meters	Increase software license to permit the tracking of additional 1,000 utility meters	License Fee: \$19,000.00
TOTAL QUOTE FEE		\$34,250.00

Annual Maintenance: Licensee's annual EnergyCAP Maintenance Agreement (ECMA) fee will be increased by \$4,640.00 to reflect the purchase of the above-noted items.

TERMS AND CONDITIONS

- To order, please deliver a purchase order or payment referencing this Quote form to EnergyCAP, Inc. (ECI), or sign and complete the information below and return this form to verify acceptance of the offer outlined herein.
- This quote and product pricing are the proprietary property of ECI, are provided to the recipient at recipient's request and may not be divulged to any third parties.
- Invoicing Schedule is as follows (terms net 30 days, 1%/month late fee may be applied):

Software License Fee

Initial installation of application on Licensee hardware	50%
First production use*	40%
Fully operational**	10%

Implementation Services

Contract award	25%
First production use*	50%
Fully operational**	25%

Software Maintenance Agreement

Beginning of each term***	100%
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*The "First production use" is the date of the first use of the software for live data processing of current utility bills in other than a testing, training, or demonstration mode.

**"Fully operational" is the date following first production use on which substantially all aspects of the software and implementation are functional per the requirements of the quote and contract documents.

***The initial Term shall commence on the date Licensee first installs EnergyCAP software on hardware.

ACCEPTANCE

I signify that I am an authorized representative of the organization named above. My signature below confirms the organization's intent to purchase the products and services ("Products") described herein and authorizes ECI to deliver and invoice for the Products.

By: _____

Name: _____

Title: _____

Date: _____

P.O. #: _____