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11/10/2020	1	City Council and Authorities Concurrent	Approved	

REPORT TO COUNCIL

SUBJECT

Action on Agreements with N. Harris Computer Corporation for the NorthStar CIS Utility Billing System

COUNCIL PILLAR

Deliver and Enhance High Quality Efficient Services and Infrastructure

BACKGROUND

The City's utility billing system is NorthStar Customer Information System (NorthStar CIS) from N. Harris Computer Corporation (Harris) which was implemented through a highly competitive process in 1998 and is a citywide, integrated online system consisting of a complex set of hardware, firmware, and software. It is the backbone of the customer billing system with ten user applications operating on the platform to enable seamless integration between meter reading, service orders, meter data management, generation of utility bills, collection of various payment channels, customer service delivery channels including a call center and on-line self-service web portal, while enabling the turn on/off of utility services and many other service related activities.

In September 2017, City Council authorized staff to execute an agreement with Harris to upgrade the NorthStar CIS system from version 6.3 to version 6.4. Once the upgrade is complete, the utility billing system is considered up to date enabling interfaces with various new technologies including advanced Application Programming Interfaces (API) required with modern banking platforms and the Core Automation Rules Engine Platform enabling new electronic business processes.

The current agreement expires on December 7, 2020.

DISCUSSION

The NorthStar CIS is mission critical to the City's customer billing operations. The software upgrade

to version 6.4 and purge was completed in April 2019. The software upgrade included updated technology that was required to be in place prior to the Core Automation Platform Rules Engine process being enabled in the live/production environment. Best practices called for 3-6 month software/user stabilization period prior to the Core Automation Platform Rules Engine implementation, which will automate portions of the City's billing, cashiering and meter reading functions.

The maximum compensation under the current agreement is \$276,648. Thus far, \$237,667 has been paid to Harris, leaving an unspent balance of \$38,981 to complete the project. Project completion is delayed due to unforeseen resource constraints, multiple projects driven by utility stakeholders requiring immediate assistance from key Finance staff, and COVID-19 Shelter in Place order which suspended work on this project due to the emergency order to provide essential only services during the pandemic. The project however is expected to complete on budget for the original contract amount.

Since the agreement was executed in 2017, staff has identified additional work required to bring NorthStar CIS compliant to the latest Payment Card Industry Data Security Standard (PCI DSS) which is a set of requirements for enhancing payment card account data security. A new scope of work is currently in development to transition the payment system from NorthStar CIS to the City's Smart Energy Water (SEW) platform to achieve a compliant PCI DSS environment for credit card payments. This additional work is consistent with evolving credit card security standards and requirements and will provide additional system functionalities for customers to view their utility interval usage online as well as enhance ease of use. The Smart Energy Water online self-service web portal will be especially useful for the City's commercial/industrial customers for planning purposes. The estimated cost for this work is \$165,952 plus \$16,900 for annual software maintenance.

Another effort on the horizon is work related to the City's change of banking services from Bank of America to JPMorgan Chase Bank. While staff anticipates that successful completion of the SEW project will achieve the latest PCI DSS compliance for credit card payments, additional work may still be required from Harris since bank services are tightly integrated with the City's utility billing system.

In order to complete the upgrade to version 6.4, staff is requesting authority to amend the agreement to extend the term through December 31, 2023, and to further amend the agreement for work associated with the SEW project and change of banking services to JPMorgan Chase Bank. Additional work will be negotiated with Harris and executed as amendments to the agreement, subject to the City Attorney's Office and City Manager's approval and the appropriation of funds.

The cost of the NorthStar CIS in FY2020/21 for annual support and maintenance is \$171,595. Staff is currently working with Harris to update the existing annual support and maintenance agreement to better reflect the new software products and configurations that are or will be licensed to the City. Therefore, staff is also requesting authority to negotiate and execute a new support and maintenance agreement with Harris, subject to the City Attorney's Office and City Manager's approval and appropriation of funds.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably

foreseeable indirect physical change in the environment.

FISCAL IMPACT

The proposed Amendment No. 1 extends the terms of the agreement through December 21, 2023, with no changes to the maximum compensation.

Staff will return with budget recommendations to appropriate funds if funding is needed to procure additional services and related software for the Smart Energy Water customer portal integration and the integration of the utility billing system with a new bank.

The cost of the annual support and maintenance for NorthStar CIS in FY 2020/21 is \$171,595 and payments were made using available budget appropriation that was included as part of the Adopted FY 2020/21 Operating Budget. Upon the execution of a new support and maintenance agreement, funding will be incorporated into the budget development process in the out years.

COORDINATION

This report has been coordinated with the City Attorney's Office and the Information Technology Department.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>>.

RECOMMENDATION

1. Authorize the City Manager to execute Amendment No. 1 to the Agreement with N. Harris Computer Corporation for the NorthStar CIS Utility Billing System to extend the term of the agreement through December 31, 2023, with no change to the maximum compensation of \$276,648;
2. Authorize the City Manager to negotiate and execute future amendments to the agreement with N. Harris Computer Corporation for additional work related to the SEW project and change of banking services and extend the term, if required, to complete the additional work and subject to the appropriation of funds; and
3. Authorize the City Manager to negotiate and execute a new support and maintenance agreement with N. Harris Computer Corporation to memorialize the software products and configurations that are licensed to the City with maximum compensation amount not-to-exceed \$171,595 for FY2020/21; negotiate and execute future amendments consistent with additions and deletions of software products and configurations licensed to the City; and execute one-year options to renew the maintenance and support agreement, subject to the appropriation funds.

Reviewed by: Kenn Lee, Director, Finance

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Amendment No. 1 to Harris Agreement
2. 2017 Harris Agreement