

# RIVERSIDE PUBLIC UTILITIES

## Board Memorandum

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**BOARD OF PUBLIC UTILITIES**

**DATE:** JULY 9, 2018

**ITEM NO:** 7

**SUBJECT:** SECOND AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH INDUSTRIAL EVOLUTION FOR CONSULTANT SERVICES FOR THE OPERATIONAL DATA MANAGEMENT SYSTEM PROJECT EXTENDING THE TERM OF THE AGREEMENT TO JULY 18, 2019, WITH NO CHANGE IN COMPENSATION

**ISSUE:**

Approve the Second Amendment to Professional Services Agreement with Industrial Evolution, Inc. extending the term of the Agreement from July 18, 2018 to July 18, 2019, with no change in compensation.

**RECOMMENDATION:**

That the Board of Public Utilities approve the Second Amendment to the Professional Services Agreement with Industrial Evolution, Inc. for consultant services for the Operational Data Management System Project to extend the term July 18, 2019, with no change in compensation.

**BACKGROUND:**

On April 25, 2016, the Board of Public Utilities (Board) approved Phase I of the Operational Data Management System (ODMS) project, in support of Utility 2.0 to increase operational efficiencies and provide critical operational data to make more informed business decisions. This included an Enterprise Agreement with OSIsoft, Inc. for the PI system, associated hardware, and a Professional Services Agreement (PSA) with Industrial Evolution, Inc. for PI technical resources, acting as extension-of-staff, for a one-year term, in the amount of \$698,000.

On June 12, 2017, the Board approved Phase II of the ODMS project, which included a First Amendment to the PSA with Industrial Evolution, Inc. to extend the contract one year and increase the compensation amount to \$1,422,000. However, the First Amendment erroneously only increased the compensation to \$724,000 instead of increasing the agreement amount by \$724,000.

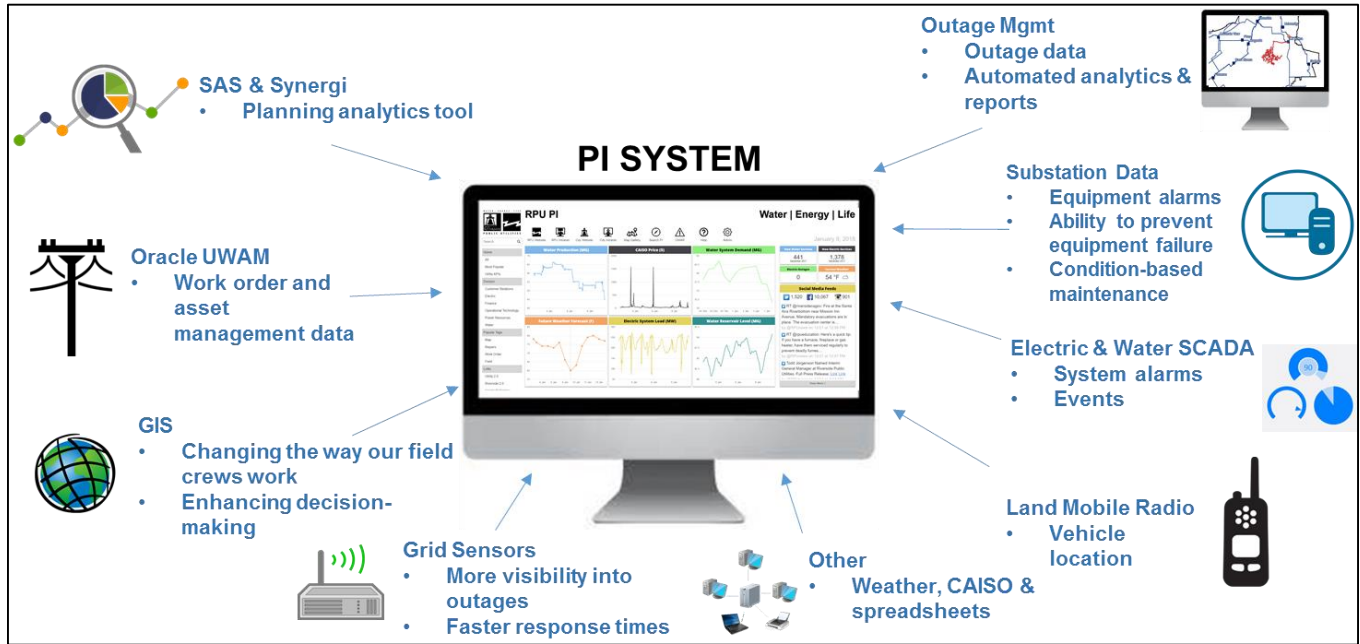
Staff recommends extending the PSA with Industrial Evolution, Inc. one additional year utilizing cost savings from year two to support Phase III implementation and on-going support of the PI system. Staff also recommends correcting the error in the First Amendment to reflect the correct amount of the agreement of \$1,422,000.

**DISCUSSION:**

All divisions within Riverside Public Utilities (RPU) rely on data to make operational and fiscal decisions. Thousands of data points are collected daily from field equipment and monitoring devices, electric and water meters, customer interactions, and financial transactions. The data is stored in various formats, such as spreadsheets, Microsoft Access databases, and a variety of systems (such as Oracle's Utilities Work

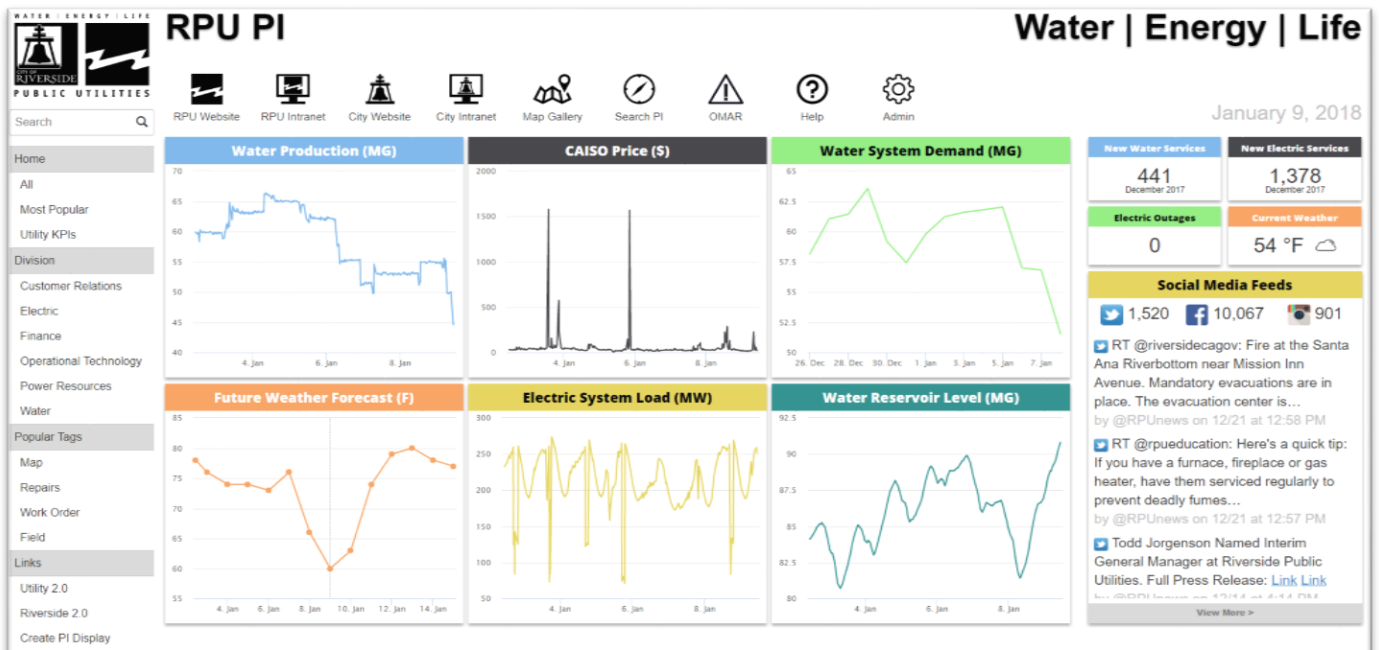
and Asset Management System) that are not integrated with one another, which makes generating reports and analyzing data cumbersome and inefficient. ODMS integrates previously nonintegrated data from multiple systems into OSIsoft's PI system, which serves as a "data hub", or central repository, to collect and analyze data to enable data-driven decisions. The data is then transformed into meaningful information that can be displayed as dashboards and reports.

Figure 1: PI System Diagram



The ODMS project successfully integrated 19 previously nonintegrated datasets or systems during Phases II, and II, and transformed the data into meaningful information that is now being displayed and consumed through user-friendly and easy-to-use automated dashboards and reports. In addition, the project automated and streamlined over 20 manual processes, freeing up staff time to focus on more critical tasks. By automating just one manual process, RPU realized an estimated \$260,000 in savings from efficiency gains over a five-year period.

Figure 2: Example ODMS Dashboard



The scope of Phase III is to support staff already using PI and maintaining all of the interfaces, data connections, reports, and displays created in Phases I and II. It also includes integrating two new systems, enQuesta Customer Information System and Seibel Customer Relation Management System, as well as automating manual processes, and developing additional reports and dashboards. This will continue to improve day-to-day operations and enable staff to further leverage real-time data, reduce manual processes, and continue to improve decision-making.

RPU has determined that professional service support is critical to the on-going success of the system and thus recommends extending the agreement with Industrial Evolution for one additional year. The Industrial Evolution technical team serves as extension-of-staff and will continue to support system administration, data migration, and the development of dashboards and reports. Phase III will be funded by cost savings and remaining funds available on the contract with Industrial Evolution. It is RPU's intent to hire two full-time permanent positions to support the continued development of the PI system. The full-time permanent positions and any additional scope of work will be addressed in a future board memo.

**FISCAL IMPACT:**

No additional financial impact.

Prepared by:	Todd L. Jorgenson, Interim Utilities General Manager
Approved by:	Todd L. Jorgenson, Interim Utilities General Manager
Approved by:	Al Zelinka, FAICP, City Manager
Approved as to form:	Gary G. Geuss, City Attorney

Certifies availability of funds:	Laura M. Nomura, Utilities Assistant General Manager/Finance & Administration
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Attachment:	Second Amendment to Professional Services Agreement – Industrial Evolution
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