



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: JUNE 4, 2019**
FROM: PUBLIC UTILITIES DEPARTMENT **WARD: ALL**
**SUBJECT: CUSTOMER INFORMATION SYSTEM DISASTER RECOVERY PROJECT –
SUPPLEMENTAL APPROPRIATION IN THE AMOUNT OF \$1,967,000**

ISSUE:

Approve a supplemental appropriation of \$1,967,000 for the purchase of software, hardware, and professional services associated with the Riverside Public Utilities Customer Information System Disaster Recovery Project.

RECOMMENDATIONS:

That the City Council:

1. Approve the Customer Information System Disaster Recovery Project;
2. Authorize a supplemental appropriation in the amount of \$1,967,000 from Electric Cash Reserves and appropriate expenditures to the Public Utilities Business Systems Support Division, Account No. 6004000-462305 in the same amount to fund the Customer Information System Disaster Recovery Project; and
3. Approve the method of cost allocation for such project between the four (4) utility enterprise funds (water, electric, sewer, and trash). The cost allocation percentage calculation is based on a four (4) year average of total revenue billing as presented herein.

BOARD RECOMMENDATIONS:

On March 25, 2019, the Board of Public Utilities, with 7 members present, unanimously recommended that the City Council approve the Customer Information System Disaster Recovery Project (Project), authorize a supplemental appropriation of \$1,967,000 to fund the Project and approve the method of cost allocation between the four (4) utility enterprise funds for the Project.

BACKGROUND:

On June 1, 2012, the Board of Public Utilities (Board) approved replacing the Riverside Public Utilities (RPU) customer information system (CIS), Banner, with a new system, enQuesta, which

went live on February 17, 2015. Since going live with enQuesta, approximately \$360 million in annual charges have been processed through the system with more than 400,000 services being billed monthly.

On May 16, 2018, concerns of disaster recovery risk were presented to the Operational Technology/Information Technology Oversight Steering Committee, which is comprised of RPU and Innovation and Technology (IT) staff. The most feasible way to mitigate the potential risk is to move forward with a mitigation plan to create a near real-time disaster recovery site at the Emergency Operations Center. The plan addresses all components of the CIS necessary to allow for continued operations of the Customer Service and Billing Division's duties, as well as continued operations for any subsequent divisions to which information is shared and/or processed through the CIS. The Committee offered their support and concurred that there was a need to move forward with the CIS Disaster Recovery Project.

DISCUSSION:

The system's lack of redundancy and fail-over functionality in case of corrupted data, or if for any reason the system was to experience an extended period of downtime, such as that caused by a natural disaster, flooding or fire, would have unavoidable negative impacts to RPU's revenue stream. The negative impacts would also be felt by the residents and businesses of the City to the extent that the City would not be able to process customer inquiries, move in/move out requests, accept payments, or address billing issues.

This has grown more apparent as CIS has been stabilized over the last several months. While IT has been able to provide redundancy on the database level and a "work-around" fail-over functionality on the application side since the system went live in 2015, it is not sustainable for the long term. As a result, the need to create a permanent post-production off-site safe house is now required. Since the project is estimated to take 24 months to complete, it would not be prudent to postpone this necessary redundancy until the new budget cycle of fiscal years 2020/21 – 2021/22 as that would further delay initiating the project for another 15 months.

RPU, working with IT, proposes to create a disaster recovery site for the CIS at the Emergency Operations Center minimize service disruption to utility billing services and to mitigate the potential of an extended period of downtime. The estimated cost breakdown is as follows:

Summary Table by Category	
Category	Amount
Software/License	\$940,000.00
Hardware	\$258,000.00
Professional Services	\$260,000.00
IT Labor	\$250,000.00
RPU Labor	\$50,000.00
Total	\$1,758,000.00
Recurring (First Year Maintenance)	\$209,000.00
Total Request	\$1,967,000.00

Public Works Department

RPU currently bills for sewer and refuse services on behalf of the Public Works (PW) Department. On February 14, 2019, RPU presented the risk concerns and the plan to address them with the estimated project cost to the PW management team. The team concurred with the overall concept of the CIS Disaster Recovery Project and with RPU taking next steps.

Following Board action in March, RPU and PW met to discuss the proposed allocation method. RPU and PW have agreed that the cost allocation for the CIS Disaster Recovery Project will be based on a four (4) year average of total revenue billing for the one-time project cost and recurring maintenance costs:

Estimated one-time project cost:

Refuse:	\$87,900 (\$1,758,000 x 5%)
Sewer:	\$228,540 (\$1,758,000 x 13%)
Total Cost:	\$316,440

Estimated annual recurring costs:

Refuse:	\$10,450 (\$209,000 x 5%)
Sewer:	\$27,170 (\$209,000 x 13%)
Total Cost:	\$37,620

Actual cost allocations will be based on the actual cost of the project when completed. RPU will make the initial payment for the project costs. PW will budget and reimburse RPU in FY 2020/21 for the PW share of the actual cost not to exceed the estimates listed above.

Next Steps

Once funding is secured, staff will follow Purchasing Resolution No. 23256 to procure the necessary hardware, software, and any ancillary purchases, as well as develop a full project plan that outlines each phase of the project. This project will be a collaborative effort between RPU and IT. Staff will return to the Board for consideration of the project plan, work order approval, and any Professional Service Agreements associated with implementing and maintaining the proposed disaster recovery solution. Once approved, it is estimated that the project will take 24 months to implement.

FISCAL IMPACT:

The total estimated cost of the CIS Disaster Recovery Project is \$1,967,000. The requested supplemental appropriation would move funding from cash reserves to the Public Utilities' Business Systems Support Division, Account No. 6004000-462305. Adequate cash reserves are available to fund this supplemental appropriation in the Electric Unrestricted, Undesignated Reserve Account 0000510-101000.

Upon project completion, PW will reimburse RPU for actual costs incurred in an amount not to exceed \$354,060 (\$98,350 from the Refuse Fund and \$255,710 from the Sewer Fund) in FY2020/21.

Future recurring maintenance costs will be included during the budget process for each fund in future budget cycles.

Prepared by: Todd M. Corbin, Utilities General Manager

Certified as to

availability of funds: Edward Enriquez, Chief Financial Officer/City Treasurer

Approved by: Al Zelinka, FAICP, City Manager

Approved as to form: Gary G. Geuss, City Attorney

Concurs with: George Khalil, Chief Innovation Officer

Concurs with: Kris Martinez, Public Works Director

Attachment: Approved March 25, 2019 Minutes of the Board of Public Utilities