



# CITY OF LODI

# COUNCIL COMMUNICATION

AGENDA TITLE: Letter of Agreement (LOA) for Services between the City of Lodi and the Northern California Power Agency for Customer Information System (CIS) Project Phase II

MEETING DATE: October 15, 1997

SUBMITTED BY: Electric Utility Director

RECOMMENDED ACTION: That the City Council adopt the attached Resolution and authorize the City Manager to approve the attached Letter of Agreement.

BACKGROUND: For the past year, the Electric Utility Department and the City Manager's Office have been participating in a twelve Customer Owned Utility development of a new CIS to replace the existing, and in many cases obsolescent, utility billing systems. This new CIS is to be a modern system capable of incorporating the more complex billing and information requirements of a restructured electric utility industry while maintaining existing water, wastewater and other utility billing functions. The twelve utilities have pooled their efforts in an attempt to reduce each participant's cost through economies of scale and concentrated purchasing power.

Phase II will establish the anticipated costs and implementation process necessary for the participants to pursue any one of three final options:

1. Purchase and maintain a CIS on an individual utility basis.
2. Purchase and maintain a CIS on a multi-utility basis.
3. Outsource the entire CIS function.

Phase II does not commit any participant to pursue any particular option.

The City of Lodi's cost share of Phase II is approximately \$13,011; however, the amount requested has been rounded upward to \$14,000 to allow for possible small adjustments in final participant shares.

A copy of the proposed Contract and an itemization of the tasks to be completed in Phase II are attached for reference.

FUNDING: \$14,000 - 16.0 Operating Fund Reserves

Funding Approval:

*Ruby Dr. Parite for*

Vicky McAthie, Finance Director

ANV/JS/1st

Attachments

c: City Attorney  
Deputy City Manager

*Alan N. Vallow*  
Alan N. Vallow  
Electric Utility Director

*H. Dixon Flynn*

H. Dixon Flynn  
City Manager

**LETTER OF AGREEMENT FOR SERVICES BETWEEN  
CITY OF LODI AND  
THE NORTHERN CALIFORNIA POWER AGENCY**

The preamble of the Member Service Agreement states that, from time to time, the Northern California Power Agency (NCPA) may provide services relating to the supply of electric power and energy to some or all of the Members upon their request. This Letter Agreement (LOA) between the City of Lodi ("the Member") and NCPA acknowledges such a request for service.

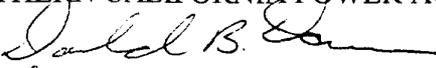
NCPA agrees to provide assistance to the Member as detailed in Appendix A attached hereto. NCPA warrants that all work will be completed in a timely manner and on a best effort basis. NCPA and the Member agree that the Member may terminate this Agreement prior to completion of the tasks described in Appendix A, at any time, upon five days written notice to NCPA. The Member agrees to allow access to those records that NCPA deems necessary for successful completion of all tasks.

When the tasks specified in Appendix A are completed, NCPA and the Member will jointly review each task for completeness and acceptability. Member acceptance of the results of each task will release NCPA from further responsibility for the task. NCPA and the Member mutually agree that the Member shall assume any and all responsibility for costs or penalties that may arise from the Member's use of the work, or any part of the work done by NCPA for the Member pursuant to the terms of this Letter Agreement, and the Member shall hold NCPA, its officers, employees, agents and assigns harmless from the consequences of such use.

NCPA agrees to provide, and the Member agrees to pay within thirty (30) days after presentation thereof, a monthly itemized bill for services. Total compensation for the services and costs to be performed under this LOA shall not exceed \$13,011 without the further written agreement of the parties.

IN WITNESS HEREOF, the parties hereto have entered into this Letter of Agreement dated October 1, 1997.

NORTHERN CALIFORNIA POWER AGENCY      CITY OF LODI

  
By: Michael W. McDonald  
Title: General Manager

By: \_\_\_\_\_  
H. Dixon Flynn  
Title: CITY MANAGER

APPROVE AS TO FORM:

BY: \_\_\_\_\_  
Randall A. Hayes, City Attorney

## **APPENDIX A**

### **CIS PROJECT PHASE II**

A Letter of Agreement (LOA) between NCPA and the City of Lodi has been established to include the City of Lodi's participation in Phase II of the Customer Information and Billing System (CIS) joint project between NCPA and the Southern California Public Power Authority. The LOA includes the following tasks to be completed in Phase II:

#### **PHASE II TASKS**

- Put in place a Project Manager and Joint Project Team
- Develop and Achieve Consensus among Members on Best Approach
- Conduct Workshops Utilizing Vendor Presentations
- Solicit Member Participation in Phase II
- Develop and Issue RFP
- Conduct Pre-Bid Workshop for Vendors
- Evaluate Responses to RFP
- Develop Short-List of Vendors
- Issue Analysis, Report and Recommendations to Participants
- Assist Participants in Selecting Individual/Joint Strategies

**note:** All Options are to be examined in Phase II, including temporary solutions, "standard" software for individual Member use, "customized" software for individual Member use, an NCPA/SCPPA operated "data center" and out sourcing of CIS functions.

RESOLUTION NO. 97-174

A RESOLUTION OF THE LODI CITY COUNCIL APPROVING THE LETTER OF AGREEMENT FOR SERVICES BETWEEN THE CITY OF LODI AND THE NORTHERN CALIFORNIA POWER AGENCY (NCPA) FOR CUSTOMER INFORMATION SYSTEM PROJECT PHASE II

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BE IT RESOLVED, that the Lodi City Council does hereby approve the Letter of Agreement for Services between the City of Lodi and the Northern California Power Agency (NCPA) for Customer Information System Project Phase II; and

BE IT FURTHER RESOLVED, that the City Manager is hereby authorized and directed to execute the Letter of Agreement on behalf of the City of Lodi.

Dated: October 15, 1997

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I hereby certify that Resolution No. 97-174 was passed and adopted by the City Council of the City of Lodi in a regular meeting held October 15, 1997 by the following vote:

AYES: Council Members – Land, Mann, Sieglock, Warner and Pennino  
(Mayor)

NOES: Council Members - None

ABSENT: Council Members - None

ABSTAIN: Council Members - None

  
ALICE M. REIMCHE  
City Clerk