

EXECUTIVE BRIEF

ELECTRIC UTILITY MEETING

AGENDA DATE: April 28, 2020

TITLE:

Ratification of First Amendment to original Agreement with ENCO Utility Services, LLC

SUMMARY:

First Amendment to original Agreement with ENCO Utility Services, LLC and authorization of funding the amendment to provide Utility Call Center Support Services for Electric Utilities and the Customer Service division at an amount not exceed \$570,000 for Fiscal Year 2020 and \$175,000 for Fiscal Year 2021.

BACKGROUND AND JUSTIFICATION:

The FMPA issued a Request for Proposal (RFP #2018-214) for qualified firms to offer Utility Call Center Support Services for the City's Electric Utility and Customer Service division. The City Commission approved the FMPA agreement on August 21, 2018. The agreement has an initial term of five (5) years from August 10, 2018 to August 10, 2023, with five (5) additional single year renewal options.

ENCO recently issued the City a 10-day termination notice citing challenges supporting the customer service calls at the same price point as outage calls. Customer Service calls by their nature are longer in duration and require more work than customers calling to report outages. The City was able to negotiate a stopgap agreement whereby ENCO would continue to provide services through the end of the year while the City evaluates further alternatives for reducing the number of inbound calls. Terms with ENCO were revised and agreed upon for the pricing of Customer Service calls. Since the outage calls are much shorter in nature, the terms would remain the same for those calls. Customer service calls that are not outage related and require escalation beyond ENCO will continue to be handled by City's customer service employees.

Utilizing the ENCO Agreement has allowed the City to offer its customers 24/7 access to a customer service representative, something that was not possible under the previous business model of handling customer service calls in person at the Annex or via phone only during business hours. Similarly customers' payment options are now available 24/7 on-line, via phone, and in person at multiple off-site locations nationwide.

The estimated Fiscal Year expenditure with the new price per customer service call is approximately \$570,000 for the rest of FY2020. The City is hereby requesting authorization of funding in the amount of \$570,000 for Fiscal Year 2020 and \$175,000 for Fiscal Year 2021. The costs for these services will be funded by the Electric Utility Department. The City Manager under emergency authority had approved this agenda item prior to submitting for ratification.

MOTION:

Move to ratify / not ratify First Amendment to original Agreement with ENCO Utility Services, LLC and authorization of funding the amendment at an amount not exceed \$570,000 for Fiscal Year 2020 and \$175,000 for Fiscal Year 2021.

ATTACHMENT(S):
 Fiscal Impact Analysis
 First Amendment

FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2020	2021	2022	2023	2024
Capital Expenditures	0	0	0	0	0
Operating Expenditures	\$570,000	\$175,000	0	0	0
External Revenues	0	0	0	0	0
Program Income	0	0	0	0	0
In-kind Match	0	0	0	0	0
 Net Fiscal Impact	 \$570,000	 \$175,000	 0	 0	 0
 No. of Addn'l Full-Time Employee Positions	 0	 0	 0	 0	 0

B. Recommended Sources of Funds/Summary of Fiscal Impact:

Account Number	Account Description	FY20 Budget	FY20 Total Cost	Current Balance	Agenda Expenditure	Balance
401-1240-513.34-50	Contractual Services	\$120,000	\$570,000	\$501,079	-\$501,079.67	\$0

C. Department Fiscal Review:_____