



MULTIPLE SERVICES PROVIDER PROCUREMENT

PRESENTED BY:

Lisa Lewis

VP, People & Culture

August 27, 2018

Approval Requested

AGENDA



- **Staff Augmentation Use (temporaries)**
- **Program History**
- **Proposal**
- **Request for approval**
 - **3-year contract, up to \$40 million**

CONTRACTOR SUPPORT



Examples of three primary scenarios for use of contractors



Supplement Operations

- Power Restoration
- Maintenance Overhaul
- Meter Reading



Implement Unique Projects

- Benchmarking Project
- Software Launch
- Transition Project



Temporary Staffing

- Programmer
- Infrastructure Design
- Budget Planning

CURRENT STATE



- Aligned in People & Culture in 2015
- 12 service providers contracted
- Committed to standardized rates
- Administered by one CPS Energy FTE

CURRENT PROVIDERS

Contracted April 1, 2015 through March 31, 2019

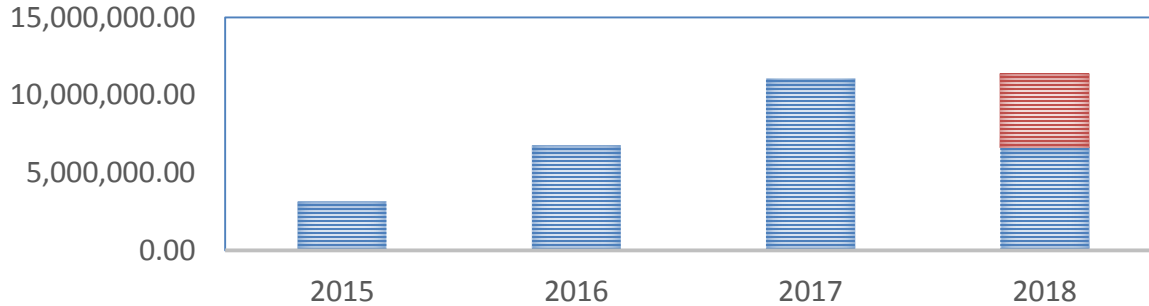


Provider	Typical Services
Apex Systems	IT Digital Solutions, IT Security, SAP Support
Deacon	Accounting, Finance, IT
Labor on Demand	Utility Workers, Skilled Craft, Construction
MGR Personnel	Accounting, Finance, Administrative
Manpower	Utility Workers, Skilled Craft, HR Support
Modis	IT, Project Management
Nassif Chbani	IT, Technical Support, Project Management
Preferred Counsel	Attorneys, Legal Services
Robert Half	Accounting, Finance, IT, Admin Services
Randstad	IT, Finance, Admin Services, Customer Care
Smartsoft	IT, Software Systems, SAP Support
System One	Admin Services, HR Services

SPEND BY CALENDAR YEAR



Actual Latest Estimate



**Equivalent to
0.04% of annual
labor costs**

	2015	2016	2017	2018 YTD	Total
Dollars/Year	3,155,254	6,749,036	11,065,903	6,646,486	27,616,681

Contractors Hired					
	2015	2016	2017	2018 YTD	4-Year Total
Contractors	132*	56	112	45	345

*77 grandfathered into current program in April 2015

EVALUATED OUR MODEL



Current Challenges To Administer Services	New Opportunities with a Master Services Structure
Acting as a general contractor	Hiring a general contractor
12 systems for time and billing	1 system to approve time/billing
Limited reporting	Robust reporting and analytics
Cannot always fulfill specialized needs	Sourced to infinite number of providers to meet demand, serve our customers

PROCESS



- Followed standard Procurement Process
- 12 companies responded to RFQ
- Priorities
 - Simplify administration
 - Reduce costs
 - Gain insights into needs / use of resources

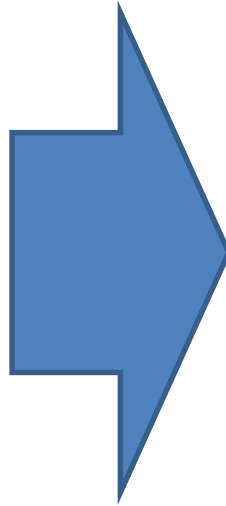
BID WINNER



-  **Broadleaf**
- Multiple Services Provider since 1992
- National provider with range of resources
- Committed to our Local Contracting Goals

CURRENT PROGRAM:

- CPSE FTE administers program
- Manual processing
- Limited reporting
- Inconsistent bill rates
- 12 vendors support program during contract lifecycle
- Multiple vendor process for time and invoice approval



MSP PROGRAM INCLUDES:

- On-site Administrator from Provider
- Automated processing
- Robust reporting and analytics
- Universal bill rates
- Vendor support scalable across multiple providers, including current
- Single vendor time approval and invoice
- Training for CPSE staff provided
- Contributes to small/diverse/local spending goal

EXAMPLE POSITIONS



Position	Hourly Rate	Annual Spend – Current	Annual Spend - MSP	Annual Savings
Designer	\$23.00	\$71,127.04	\$66,976.00	\$4,151.04
Project Manager	\$78.00	\$239,616.00	\$227,136.00	\$12,480.00
Financial Analyst	\$41.00	<u>\$132,608.00</u>	<u>\$119,392.00</u>	<u>\$13,216.00</u>
<u>Total</u>		\$485,416.96	\$457,795.52	\$27,621.44

REQUEST FOR APPROVAL



PURCHASE ORDER: BROADLEAF MSP

- Standardizes processes, reporting and oversight which is expected to result in increased efficiency
- Improves access to specialized resources
- Supports Tier 2 goal for Local Suppliers / Diversity

**Board Approval Requested
for 3-year Purchase Order with Broadleaf;
up to \$40 million over the life of the PO**



Thank You

GLOSSARY



Term	Definition
FTE	Full Time Employee
Master Services Agreement (MSA)	Single contract to administer a type of service or group of functions
Multiple Services Provider (MSP)	Staffing industry term for a provider who sources to other companies to provide a range of contract workers, usually with accompanying administrative systems for reporting time and billing customer
Request for Qualifications (RFQ)	Used to assess capabilities of a range of providers
Staff Augmentation	CPS Energy term for temporary staffing program