



CITY COUNCIL STAFF REPORT



May 28, 2024

ITEM TITLE

Agreement: Waive Competitive Bidding Requirements and Approve an Agreement with Springbrook Holding Company, LLC to Provide an Upgrade to Cloud Service of the Sewer Billing System

Report Number: 24-0175

Location: No specific geographic location

Department: Finance

G.C. § 84308: Yes

Environmental Notice: The activity is not a “Project” as defined under Section 15378 of the California Environmental Quality Act State Guidelines. Therefore, pursuant to State Guidelines Section 15060(c)(3) no environmental review is required.

Recommended Action

Adopt a resolution waiving the competitive bidding requirements and approving an agreement with Springbrook Holding Company, LLC to provide an upgrade to cloud service of the sewer billing system.

SUMMARY

The City of Chula Vista’s Finance Department, Sewer Billing Section, requires an upgrade to its sewer billing and account management software. An effective account management and billing system should automate processes, reduce manual input, provide the most up to date information to the customer and streamline the billing and payment application processes. Springbrook’s cloud-based system is an upgrade to the outdated version the Sewer Billing Section currently uses.

ENVIRONMENTAL REVIEW

The Director of Development Services has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a “Project” as defined under Section 15378 of the State CEQA Guidelines, because the proposed activity consists of a governmental fiscal/administrative activity which does not result in a physical change in the environment. Therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines, the activity is not subject to CEQA.

BOARD/COMMISSION/COMMITTEE RECOMMENDATION

Not applicable.

DISCUSSION

The City of Chula Vista's Finance Department, Sewer Billing Section, is responsible for the account management, noticing, billing and collection of residential and commercial wastewater services of certain parcels within city limits. Specifically, Sweetwater Authority water utility customers are billed for wastewater services directly by the City of Chula Vista. Currently, the Sewer Billing Section manages approximately 15,100 active accounts.

The Sewer Billing Section issues sewer service bills to 7 different cycles, on a bi-monthly basis. In addition to being an account management and billing resource, Springbrook's software is used by staff to query data and produce reports that assist with the processing of special noticing, automatic payments, paperless solutions and providing valuable data for our Reduced Sewer Service and other low-income assistance programs, which are vital to the City's customers.

Springbrook is the Sewer Billing Section's current and long-standing software provider for sewer service billing and account management. Upgrading to a cloud-based version of the software will provide staff comparable processes to the current system and lessen the impact on staff with training and implementation. This software has unique performance capabilities which are substantially woven into staff's business processes and compatible with other technologies and service providers, as well as the City's financial system of record. The City currently uses an outdated, on-premises version of Springbrook, which no longer receives version updates and technical support. The Springbrook cloud service is able to automate processes, reduces manual input and will streamline the City's billing and notification processes, giving customers more concise data. Accordingly, it would be impractical to utilize another vendor for the transition to a cloud sewer service and billing account management system, and the Purchasing Agent has determined that the City's interests would be materially better served by contracting with City's existing vendor for an upgrade to the existing system. Staff, with the approval and concurrence of the Purchasing Agent, recommend that City Council waive the competitive bidding requirements pursuant to Chula Vista Municipal Code Section 2.56.070(B)(3) for procurement of this cloud service upgrade to its existing sewer billing software.

DECISION-MAKER CONFLICT

Staff has reviewed the decision contemplated by this action and has determined that it is not site-specific and consequently, the real property holdings of the City Council members do not create a disqualifying real property-related financial conflict of interest under the Political Reform Act (Cal. Gov't Code § 87100, et seq.).

Staff is not independently aware, and has not been informed by any City Council member, of any other fact that may constitute a basis for a decision-maker conflict of interest in this matter.

CURRENT-YEAR FISCAL IMPACT

The agreement is funded by the Sewer Service Revenue Fund. The cost for the one-time migration fee (\$28,600) and the cost from year one of (\$88,148.60) for a total of \$116,748.60, were included in the fiscal year 2023-2024 budget of the Sewer Service Revenue Fund. There is no additional current-year fiscal impact anticipated as a result of this action.

ONGOING FISCAL IMPACT

The ongoing fiscal impact is estimated at \$487,077 through year 5 of the agreement (fiscal year 2028-2029), as outlined in the following summary table. Annual expenses for the sewer billing software will be included in the annual budget development process in future years.

Agreement Fiscal Year (FY)	Totals
FY 2024-25	\$88,149
FY 2025-26	\$92,556
FY 2026-27	\$97,184
FY 2027-28 (Optional)	\$102,043
FY 2028-29 (Optional)	\$107,145
Agreement Total	\$487,077

ATTACHMENTS

1. Springbrook Holding Company, LLC Cloud Service Agreement

*Staff Contact: Jimmy Vasquez, Revenue Manager, Finance Department
Sarah Schoen, Director of Finance/ Treasurer*