

Organization Efficiency Study

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Pre-Submittal Conference



Introduction

Purpose:

Provide information pertaining to SAWS Solicitation
No. R-14-001-PC – CUSTOMER SERVICE GROUP AND
REMITTANCE PROCESSING

Agenda:

Briefing is divided into two sessions:

1. Technical/System Overview
2. Administrative with a Wrap Up

A Short Questions and Answers Period will be
Conducted after Each Section

SAWS Mission and Vision Guide our Service

Providing Life-Essential Services

Mission

Sustainable **A**ffordable **W**ater **S**ervices

Vision

To be Leaders in Delivering Responsible Water Services
for Life

Values

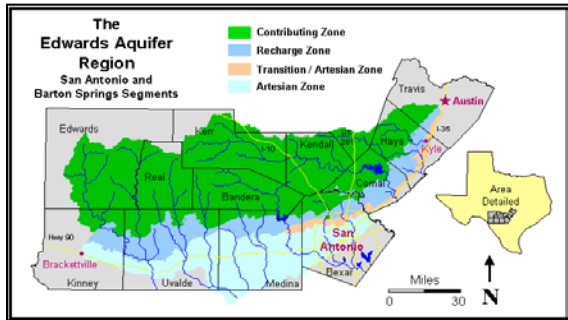
Excellence, Integrity, and Respect

Even the best organizations need to work to become better!

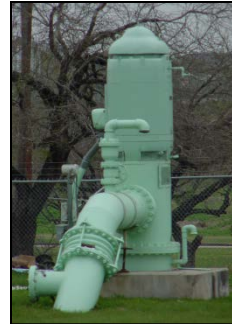
Commitment to Essential Services

Providing Value Around the Clock

Water Source



Well/Pump



Storage



River



Wastewater Treatment Plant



Sewage Collection System



Distribution



SAWS System Challenges - Summary

- Reduce Sewer Spills
- Continue investing in critical infrastructure needs for our Quality of Life and Economic Development
- Continue developing new Water Supplies like Brackish Desalination
- Identify ways to **become more efficient**

SAWS Customer Connections

Growth

	<u>Water</u>	<u>% Increase</u>	<u>Wastewater</u>	<u>% Increase</u>
2007	344,468		379,962	
2008	348,834	1.27%	389,894	2.61%
2009	352,059	0.92%	395,161	1.35%
2010	356,546	1.27%	400,096	1.25%
2011	360,281	1.05%	405,119	1.26%
2012	365,099	1.34%	412,275	1.77%
2013*	467,742	28.11%	417,062	1.16%

* Includes Former Bexar Met Customers



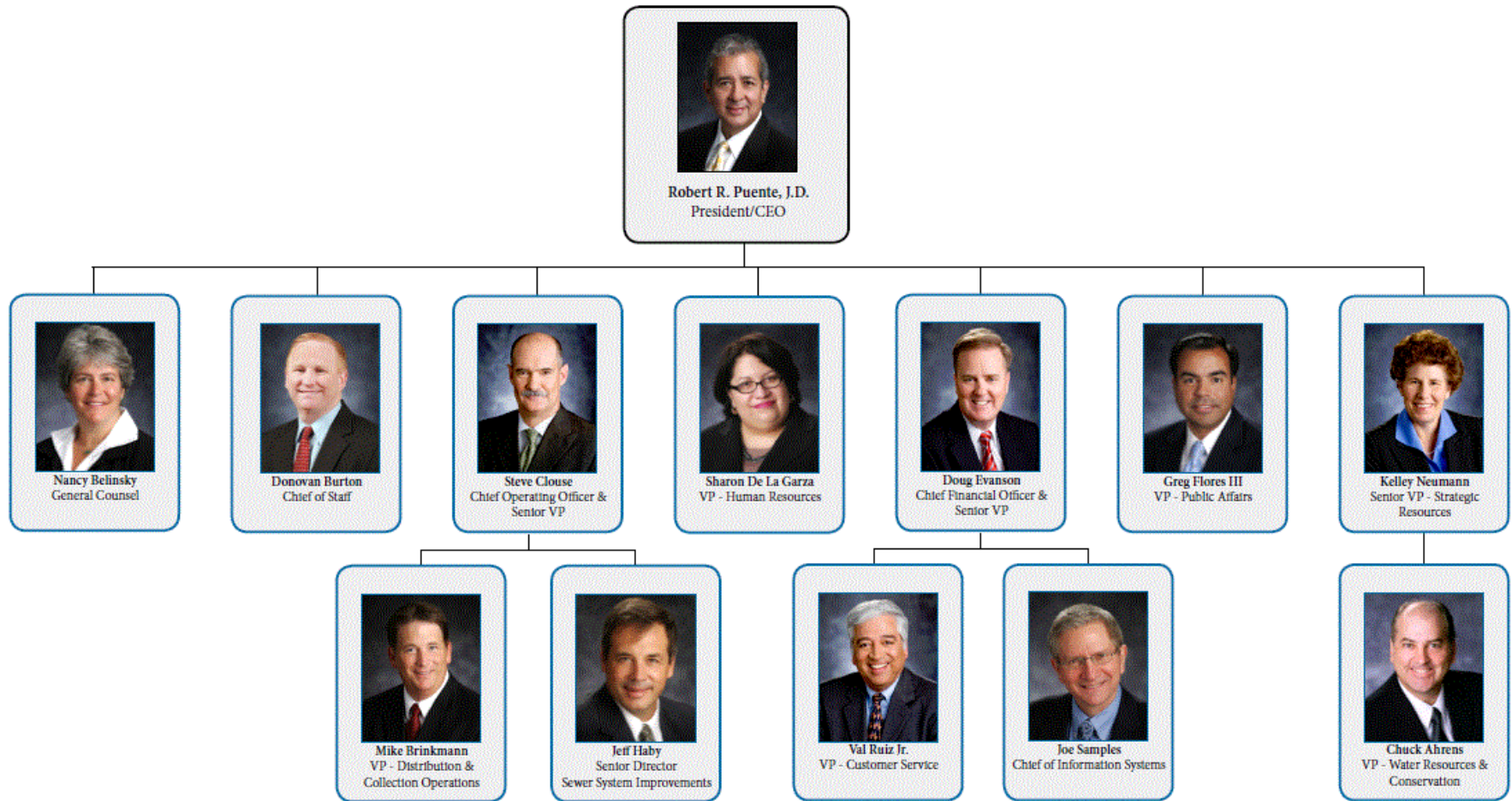
Four Core Services

Separate Funding Streams Required

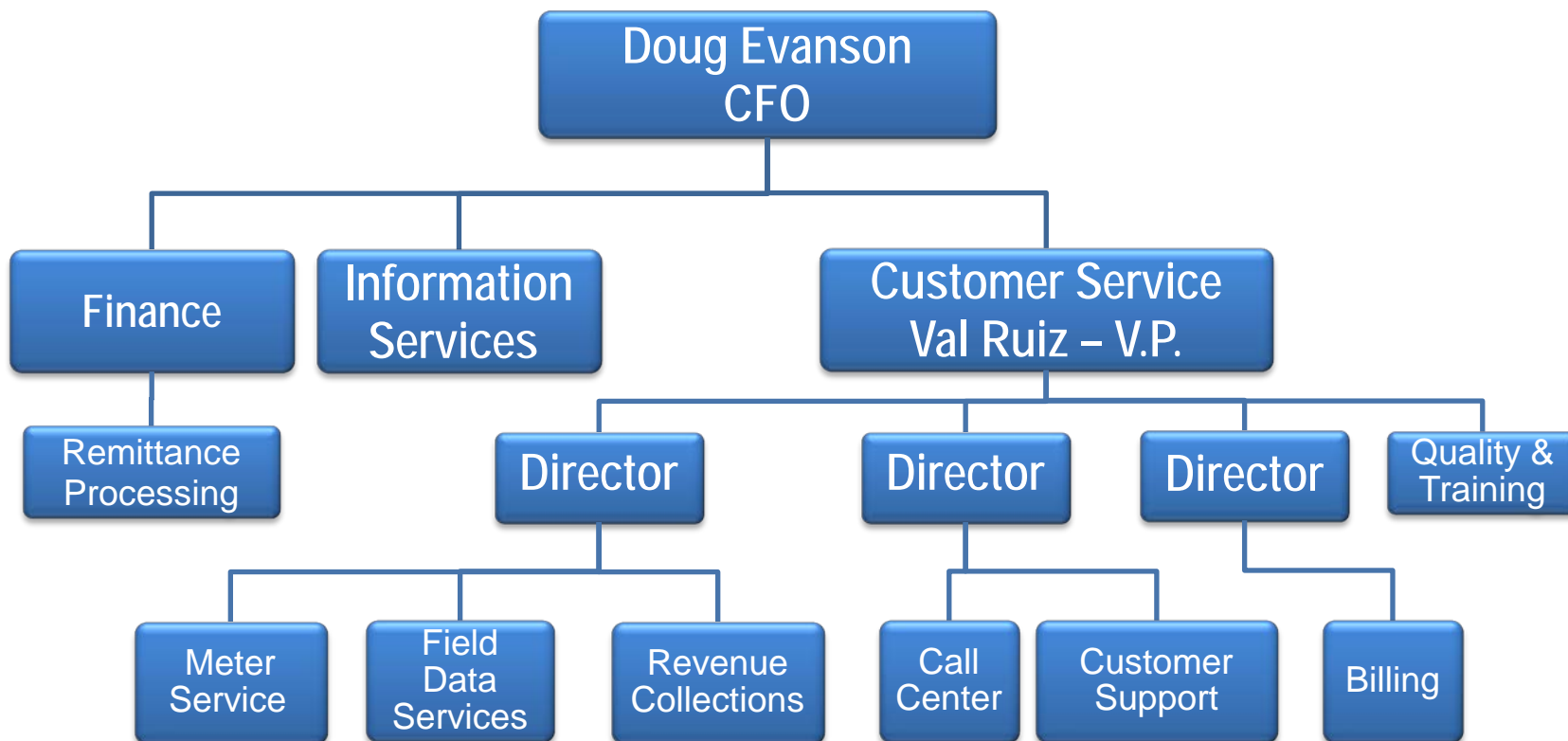
- **Water Supply**
 - Development & provision of water resources to ~1.7 million people
- **Water Delivery**
 - Distribution of water from pump stations to customer's premises (~480,000 connections & 6,100 miles of main)
- **Wastewater (Sewer)**
 - Collection and treatment of wastewater (~410,000 connections & 5,200 miles of main)
- **Chilled Water and Steam**
 - Provide heating and cooling services to certain customers



SAWS Organizational Structure



Customer Service Organization Chart



Customer Service

Field Data Services (Meter Reading):

- Major Activities:
 - Meter Reading – Manually retrieve meter readings 480,000 meters, 12 times per year.
 - Service Requests – Process the majority of service requests including cleaning meter boxes, and locating and uncovering lost meters.
 - Meter Replacement program – Annual meter replacement program is contracted; managed by staff.
- Staffing – 62 Full Time Equivalent Budgeted Positions
- Annual Operating Budget - \$2,769K

Customer Service

Meter Services:

- Major Activities:
 - Field Meter Operations
 - Remove and install 5/8" through 1 ½" meters,
 - Reset and replace meter boxes, replace lost, damaged, or stolen meter box lids
 - Meter Shop
 - Responsible for testing, repairing and servicing large scale residential, industrial, and commercial water meters (2" and larger)
 - Test meters both in shop and in the field,
 - Replace 2" meters,
 - Maintain and distributes fire hydrant meters,
 - Performs quality inspections on new shipments of meters
- Staffing – 26 Full Time Equivalent Employees Budgeted Positions
- Annual Operating Budget – \$1,602K

Customer Service

Revenue Collections:

- Major Activities:
 - Field Investigation – Investigate high bill concerns, conduct high and low pressure investigation, fire hydrant flow tests, perform field checks for Revenue Protection
 - Revenue Protection – Investigate reports of theft of service and lost accounts, and back bill for unbilled water and fees.
 - Field Service – Turn off delinquent accounts, handle “move in” and “move outs”, and reinstate services after payment is received
 - Telephone Collections – Work with delinquent accounts to find a payment solution, contact customers before disconnection, work to collect on accounts after disconnection
 - Bankruptcies – Handle bankrupt accounts to assure legal compliance.
 - Bad Debt – Work with two third party collection contractors try to receive maximum return on bad accounts
- Staffing – 60 Full Time Equivalent Employees Budgeted Positions
- Annual Operating Budget – \$3,289K

Customer Service

Call Center:

- Major Activities:
 - Respond to incoming telephone calls from customers regarding billing questions, opening or closing accounts and other service related issues
 - Receive credit card and check payments
 - Handle customer disputes
 - Respond to customer emails
 - Respond to backflow prevention program questions
- Staffing – 46 Full Time Equivalent Budgeted Positions
- Annual Operating Budget – \$1,993K

Customer Service

Customer Support:

- Major Activities:
 - Customer Contact Centers at four locations.
 - Receive payments,
 - Open and close accounts,
 - Handle customer disputes,
 - Sell disposal coupons and manifest books to waste haulers,
 - Receive impact fee payments,
 - Process leak adjustments,
 - Respond to backflow prevention questions
- Staffing – 20 Full Time Equivalent Budgeted Positions
- Annual Operating Budget – \$1,145K

Customer Service

Billing Support:

- Major Activities:
 - Adjusts Accounts
 - Provide adjustments to accounts due to leaks, wrong meter reads, system errors
 - Billing Disputes
 - Resolve billing disputes with customers
 - Reading Review
 - Audits meter reads,
 - Field verifies high or low reads,
 - Create work orders for meter issues,
 - Corrects wrong meter information
- Staffing – 15 Full Time Equivalent Budgeted Positions
- Annual Operating Budget – \$780K

Customer Service

Billing Operations:

- Major Activities:
 - Specialized Billing – Billing for special programs such as City of SA Stormwater, and Flatrate,
 - Manage SAWS employee accounts
 - FOG - Answer questions and bills for the FOG (Fats, Oils, and Grease) program
 - System Control – Verify the billing system is programmed correctly for nightly billing, review billing records for quality assurance
- Staffing – 19 Full Time Equivalent Budgeted Positions
- Annual Operating Budget – \$1,062K

Customer Service

Quality and Training (1 of 3):

- Major Activities:
 - Quality Assurance
 - Call Monitoring
 - Audit call agents handling of customer phone calls
 - Verify call quality such as accurate information, consistency, and service
 - Reporting
 - Review various reports to assure compliance with established procedures and accuracy
 - Workforce Analysis
 - Provide daily call statistics and analyze Call Center workforce
 - Communications
 - Develop, create and publish relevant internal communication

Customer Service

Quality and Training (2 of 3):

- Major Activities:
 - Process Analysis
 - Process Analysis – Analyze processes to develop procedure documentation and assess effectiveness
 - Maintain Meter Reading and Billing Schedule
 - Update billing and adjustment calculators
 - Maintain and monitor system security access
 - Create and maintain spreadsheets and databases for Customer Service reports

Customer Service

Quality and Training (3 of 3):

- Major Activities:
 - Training
 - Needs Assessment
 - Identify areas in need of additional training
 - Training Material
 - Develop and maintain all training documentation for Customer Service
 - Knowledge Transfer
 - Deliver training material via various methods and assess students retention and knowledge
- Staffing – 6 Full Time Equivalent Budgeted Positions
- Annual Operating Budget – \$379K

Remittance Processing

- Major Activities:
 - Process customer payments received through mail
 - Daily cash reconciliation of payments received through IVR, Web, Kiosks, Call Center, Western Union, online banking, service centers and Sundry payments
 - Process EZ pay applications and change requests
 - Process customer confidentiality requests
 - Process customer refund requests
 - Process return and NSF items
 - Change of address requests
- Staffing – 10 Full Time Equivalent Budgeted Positions
- Annual Operating Budget – \$ 549K

Financial Reports Available Online

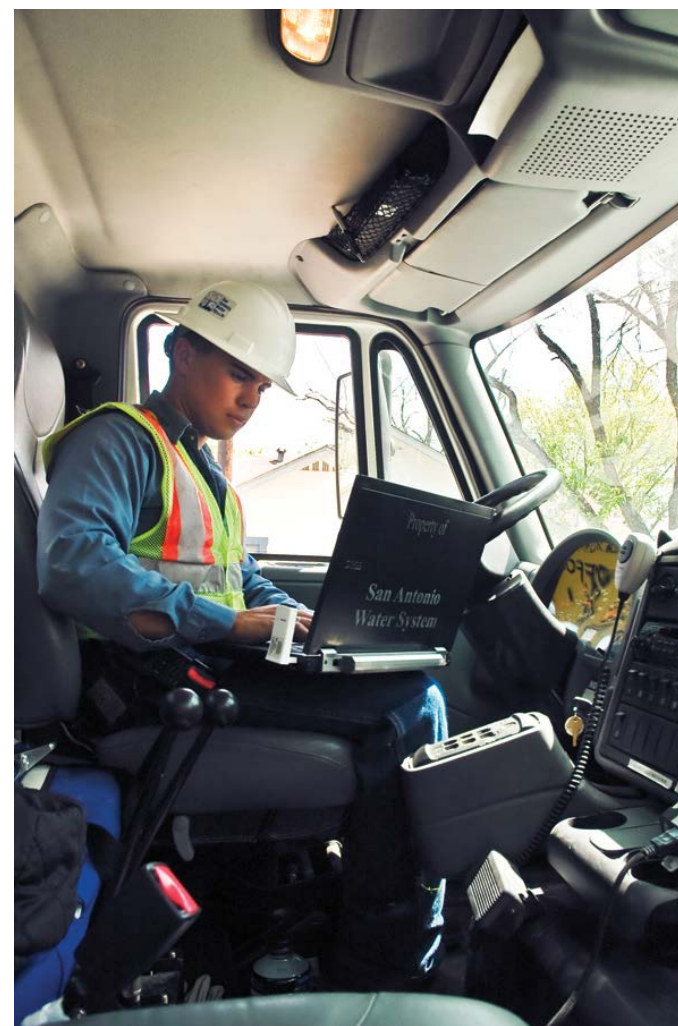
http://www.saws.org/who_we_are/Financial_Reports/

- SAWS Annual Reports
- Comprehensive Annual Financial Report
- Annual Budget
- Quarterly Reports
- Monthly Financial Reports
- Official Statements

Questions

Request for Proposals Aspects

- Key Dates of Solicitation
- Key Items of Solicitation
- Scope of Services
- Scoring Criteria
- Compensation Proposal
- SMWB Scoring
- Submittal Package
- Closing Reminders



Key Dates of Solicitation

- January 24, 2014 - Written Questions – 4 PM CT
- January 27, 2014 - Q & A Posted – 4 PM CT
- January 31, 2014 - **Proposals Due by 4 PM CT**
- February 10, 2014 - Proposals Evaluated
- February 24-28, 2014 - Interviews, if necessary
- March 3, 2014 - Selected Firm Notified
- April 1, 2014 - SAWS Board Approval
- April 14, 2014 - Start Work
- June 26, 2014 - Final Report Due



Scope of Work

- Analyze the current management structure of the SAWS Customer Service Group and identify opportunities to improve management alignment of all the group functions.

The group's current services are:

- Include a customer call center
- Customer payment centers
- Billing operations and support
- Meter reading operations
- Meter field services
- Field revenue collections and investigations
- Revenue collections contact center

Scope of Work – Continued

- Analyze the overall organizational structure of the group and identify opportunities for change that will result in operational efficiencies, which may encompass changes in facility locations, job titles and/or staffing levels.
- Identify customer service center work processes that improve performance. Review current and emerging practices, processes and existing technologies in the Customer Service group operations against others the water utility industry and in related customer centered service industries.

Scope of Work – Continued

- Identify opportunities to optimize the customer service group as a utility-wide resource resulting in more efficient and effective utility operations and providing more responsive customer and public contact interactions.
- Analyze Remittance Processing section to identify opportunities to improve work processes that result in operational efficiencies.

Scope of Work - Reports

- The final report on the overall organization is **due within 60 days** of contract execution - with interim reporting dates
- The report should address all aspects in the scope of services, plus any additional information that is necessary to identify organization efficiencies and/or cost savings measures
- Cost savings measures must be quantified, must detail any needed additional investments by SAWS and a tentative timeline for development & implementation of such a measure
- The final report should include proposals for future more detailed organization efficiency studies that outline further opportunities for cost savings from operational efficiencies

Scoring Criteria

Proposal Section	Max Points
Proposed Project Approach	40 Points
Qualifications and Experience	25 Points
Compensation Proposal	20 Points
SMWB – Good Faith Effort Plan	15 Points
Total	100 Points

- Provide a proposed methodology, detailed scope of work and schedule that could be inserted into the final contract
- Maximize points by addressing all required items

Scoring Criteria - Continued

Compensation Proposals

- Provide a fixed fee by scope of service phase
- The fee should be inclusive of all expenses – including travel
- Any firm proposing a fee that includes sharing of any savings achieved by SAWS will not be considered

Scoring Criteria - Continued

SMWB – Good Faith Effort Plan

- **SMWB participation scoring:**
 - Aspirational Participation Goal (25%)
 - Scored on Sliding Scale based on SMWB participation – 15 points max
- **Good Faith Effort Plan:**
 - Complete the applicable sections to maximize scores
 - Form is available on website
 - SMWB Certification accepted from the South Central Texas Regional Certification Agency (SCTRCA), Texas Historically Underutilized Business (HUB) program, and/or federal SMWB designation/certification
 - Small Business Enterprise (SBE), Minority Business Enterprise (MBE), and Woman-owned Business Enterprise (WBE) certifications accepted
- **SMWB Questions or Assistance:**

Marisol V. Robles

marisol.robles@saws.org

210-233-3420

Proposal Components to Submit

- Due January 31, 2013 - 2:00 pm CT
 - Contracting Department – Customer Service Bldg. Room 171
 - Allow minimum 15 minutes for check-in
- Proposal Package Contents (40 pages max – excluding required forms)
 - Submittal Response Checklist
 - 1 Original Submittal, 10 Hard Copies, 1 CD in PDF format
 - Completed W-9 Form
 - Proposed Project Approach
 - Qualification & Experience with Organizational Chart
 - Compensation Proposal
 - SMWB Good Faith Effort Plan
 - Respondent Questionnaire
 - All Other Applicable Attachments

Closing Reminder

- Technical questions:
 - Must be received by 4:00 pm CT, on January 24, 2014
 - Must be in writing, by e-mail or fax and submit to:

Philip Campos

Contract Administration

San Antonio Water System

2800 U.S. Hwy 281 North, Suite 171

San Antonio, TX 78212

E-mail: philip.campos@saws.org

Fax: 210-233-5011

Questions

Organization Efficiency Study

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Vice President

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Director – Contracting

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Customer Service and Remittance

	2014 Budget - FTE 's	2014 Budget (\$)
Customer Service Administration	6	\$583,997
Billing	34	1,843,601
Billing Support	15	780,768
Billing Operations	19	1,062,832
Field Operations	154	7,803,830
Field Operations	1	142,090
Revenue Collections	60	3,289,835
Field Data Services	62	2,769,297
Meter Services	31	1,602,608
Customer Care	66	3,139,019
Call Center	46	1,993,896
Customer Support	20	1,145,122
Quality	6	379,811
Remittance Processing	10	549,584
Total	276	\$14,299,841

Net Of Capitalization with Capital Outlay

Customer Service and Remittance

Schedule :E: Customer Service and Remittance

\$ in Thousands

EXPENDITURE BY TYPE	2013 Budget	2014 Budget
O&M Before Capitalized Cost		
Salaries and Fringe Benefits	\$ 14,750.1	\$ 13,569.4
Contractual Services	\$ 587.1	\$ 422.4
Materials and Supplies	\$ 1,173.5	\$ 564.3
Other Charges	\$ 6.5	\$ 3.0
Capitalized Cost	\$ (1,140.3)	\$ (466.3)
Intercenter Transfers	\$ -	\$ -
Net Change in total Equity	\$ 15,376.8	\$ 14,092.8
Capital Outlay	\$ 280.5	\$ 207.0
Total Budget	\$ 15,657.3	\$ 14,299.8

EXPENDITURE BY DEPARTMENT	2013 Actuals	2014 Budget
Customer Service Administration	\$ 528.0	\$ 584.0
Billing	\$ 1,907.6	\$ 1,843.6
Field Operations	\$ 8,528.8	\$ 7,803.8
Customer Care	\$ 3,485.6	\$ 3,139.0
Quality	\$ 627.1	\$ 379.8
Remittance*	\$ 580.3	\$ 549.6
	\$ 15,657.3	\$ 14,299.8

*Remittance was moved from Customer Service to Finance in August 2013 and is included in the figures.

Customer Service and Remittance

Schedule :E:

AUTHORIZED POSITIONS BY DEPARTMENT	2013 Budget	2014 Budget
Customer Service Administration	6	6
Billing	39	34
Field Operations	158	154
Customer Care	83	66
Quality	7	6
Remittance*	11	10
	304	276

*Remittance was moved from Customer Service to Finance in August 2013 and is included in the figures.