



REQUEST FOR PROPOSALS CUSTOMER SERVICE GROUP AND REMITTANCE PROCESSING

ORGANIZATIONAL STRUCTURE & STAFFING STUDY

R-14-001-PC

ADDENDUM #1 – 4:00 PM (CT) – January 27, 2014

This addendum provides answers to questions submitted by the deadline as listed in the RFP.

ANSWERS TO QUESTIONS

Question: Is there an overarching vision or strategy that is driving the objectives of this study? If this does not exist, is this to be an outcome of the study?

Answer: SAWS wishes to streamline the processes in the Customer Service area and find ways to deliver high quality Customer Service while reducing overall costs.

Question: For the comparison study with other water and wastewater utilities and other similar industries, will the benchmarking information/data that was used for the overall operations efficiency study be available for the firm you select to use? If not, or if we deem it to be incomplete, is the data collection and rationalization process for this information within the scope of this study?

Answer: SAWS will provide all non-proprietary information that it has, to include the data provided to vender of the high level System Organization Efficiency Study along with their findings and recommendations. The latest organizational efficiency study with findings is posted on the SAWS web site.

Question: Do you have existing process documentation that outlines the processes that exist for each focus area of the study? If so, how dated is this information? If not, would the scope include documenting and analyzing these processes?

Answer: You should assume that SAWS does not have current process documentation that outlines the processes that exist for each focus area of the study.

SAWS is looking for the consultant to conduct a comprehensive efficiency review with the objectives of optimal management alignment, overall organizational structure, and leveraging technology to enable optimal efficiencies. We would expect that the consultant would use the appropriate methods and technics to provide detailed recommendations for adjustments that would enable the Customer Service function to become more efficient.

The scope of work should be detailed and reflecting the services the firm will provide and the methodology the firm will use to analyze SAWS existing Customer Services group structure and the Remittance Processing section, and identify recommended changes in operations including use of facilities, existing technology and staffing levels to increase services.

Question: Can you describe the metering technology that you currently have installed, including the meters you have recently installed that are compatible to automated meter reading? Also, how many meters have been installed?

Answer: SAWS is currently replacing meters with traditional "Displacement Type- All Brass Cold Water Meters." However, the registers on the meters can be retrofitted with encoded style registers which connect to AMI transmitters for automation capabilities. The specifications for the meters that are being replaced by the meter replacement program match current SAWS Material Standard 30-01(attached). Neptune Meter model "Trident T-10" have been utilized for installation as part of the MRP.

Question: "In Section III (C)(5)(b), "key efficiencies and cost savings" for similar projects are requested. Is SAWS looking for the processes or areas where savings was recommended (i.e., the qualitative information) or the amount of the recommended savings (i.e., quantitative information)? Unfortunately, in some cases this information has been deemed confidential (especially the quantitative data) and may not be able to be disclosed."

Answer: SAWS is looking for any information that will support recommendations that will optimize management alignment, overall organizational structure, and leveraging technology to enable optimal efficiencies with in the Customer Service function. We will also want quantitative information on projected cost savings.

Question: Does SAWS have an in-house or outsourced lockbox operation? Can you please describe the lockbox operation processes?

Answer: SAWS has an in-house lockbox/remittance processing department. The Remittance Processing department is responsible for processing 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; processing EZ pay applications and change requests; processing customer confidentiality requests; processing customer refund requests; processing return and NSF items; and change of address requests.

Customer payments received through the mail are opened and sorted. Customer payments are processed through a NCR ITrans300 data processing machine to create an ACH or Check 21

payment file, which is sent daily to SAWS' general depository bank, and customer payment files uploaded nightly to the customer information system for posting to the customer accounts.

Question Received at Pre-Submittal Meeting, January 22, 2014: Can you provide a breakdown of payment methods for the last three years?

Answer: Please see table below:

Method of Payment	Number of Transactions		
	2011	2012	2013
Remittance Processing	1,302,008	1,288,922	1,243,708
Call Center - Checks By Phone	31,366	31,765	29,344
Call Center - Credit Cards By Phone	119,301	137,661	134,692
IVR - Checks	44,580	48,572	57,144
IVR - Credit Cards	101,582	115,418	141,064
Web - Checks	423,007	482,309	534,115
Web - Credit Cards	498,726	584,174	670,155
Service Center - Checks & Cash	316,348	329,073	355,350
Service Center - Credit Cards	13,982	19,118	25,601
Service Center - Kiosks	6,966	10,869	12,979
Direct Deposits	3,911	4,498	4,473
Direct Debit (SAWS EZ Pay)	229,386	234,739	249,187
Third Party Payment Centers	576,323	605,044	573,292
Online Banking Services	779,238	832,691	851,716
Total Transactions	4,446,724	4,724,854	4,882,820

END ANSWERS TO QUESTIONS

No other items, dates, or deadlines for this RFQ are changed.

END ADDENDUM #1