



Staff Report – Item 5

TO: East Bay Community Energy Board of Directors

FROM: Nick Chaset, Chief Executive Officer

SUBJECT: Update on Billing/Data Management/Call Center Selection and Authorization for CEO to Execute Contract

DATE: September 20, 2017

Recommendation

Delegate authority to Chief Executive Officer to execute a final contract with GridX/Concentrix that includes each of the key terms outlined in the background and discussion section and present final contract to EBCE Executive Committee for final approval.

Background and Discussion

At the August 2, 2017, Board Meeting, Nick Chaset briefed the Board on the status of the selection process of a billing, data management and call center vendor for EBCE. At the meeting, the Board authorized Nick Chaset to finalize the selection of a vendor and commence contract negotiations with the goal of bringing a contract to the Board at the Sept 20, 2017, Board Meeting for final approval.

The following is a description of the vendor selection process to date:

In June 2017, EBCE released a Request for Proposals for Data Management and Call Center Services for Community Choice Aggregation Initialization and Service Delivery. Two providers responded to the RFP, Calpine Energy Services and Grid X/Concentrix.

In July, a three person selection committee was empaneled to interview the two vendors and provide input into the ultimate selection process. The panel included Nick Gigliotti, vice-chair of the Community Advisory Committee and member of IBEW local 595, Nick Pilch, EBCE Board Member and City of Albany Councilmember, and Nick Chaset, private citizen and soon to be CEO of EBCE. Bruce Jensen, with the Alameda County Planning Department, facilitated the interviews.

Both vendors were given 30 minutes to make general presentations on their proposals and were asked the same set of questions during a 30 minute question and answer period.

GridX/Concentrix went first and described how their software based billing system, currently in use at Pacific Gas and Electric and Sacramento Municipal Utility District, was very well suited to meet EBCE's needs. Additionally, GridX highlighted their capabilities to provide advanced value-added services focused on customer energy usage analysis for energy efficiency, net metering and demand response needs assessments. GridX also described their customer engagement platform where customers can easily access their energy usage, opt-into EBCE's customer energy programs and share their energy data with third-party distributed resource providers. Concentrix, GridX's call center partner, described their approach to customer service and engagement, including their ranking as one to the top call-center operators by industry press. Concentrix also highlighted the fact that they are headquartered in Fremont and employ over 1,000 in Alameda County.

In discussions with Concentrix, concerns were raised over the proposed location of Concentrix call center, which was proposed to be in Michigan. Concentrix responded that they would be open to having elements of their call center based in Alameda County if awarded the contract. All three panelists were very impressed by GridX technical capabilities and ability to provide a solution that would provide the flexibility to support local energy solutions through integration with data management, billing systems, and customer relationship management system. The primary area of concern among the three panelists was the fact that the call center would not be located in Alameda County from the very outset.

Calpine went second. Calpine is the market incumbent in the CCA data management and call center space. Calpine's presentation focused on their demonstrated capabilities to deliver data management and call center services to CCAs. Calpine highlighted their successes bringing each active CCAs customers online and focused on their well-defined internal processes for ensuring customer success. Calpine did not have a call center subcontractor present but committed to site their call center in Alameda County. All three panelists agreed that Calpine's product offering was clearly defined and met all the requirements. All three panelists did express concern that Calpine's product offering seemed inflexible and wanted to know more about how Calpine would modify its systems to support EBCE's local energy focus. An additional area of concern for the panelists was the fact that Calpine has many other CCA customers and may not be able to give EBCE the level of attention needed when it is also trying to support other major CCAs like LA County as they prepare to launch.

On balance, the three panelists agreed that GridX /Concentrix and Calpine were both highly qualified vendors with different benefits and drawbacks, but that GridX/Concentrix offered the most upside for EBCE. The three panelists agreed to give Nick Chaset, upon formally taking the CEO position, the opportunity to do follow up with both vendors and to check their references and to select GridX/Concentrix if concerns about call center location could be addressed and references check out.

Through early August, Alameda County staff performed reference checks for both GridX/Concentrix and Calpine, while Nick Chaset followed up with Calpine and GridX/Concentrix to address the areas of perceived concern. In Nick Chaset's discussion with Calpine, he highlighted questions about Calpine's ability to provide value-added services, like

integrating local, distributed into their systems. In response, Calpine agreed to provide an update to their proposal with more clearly defined outline of how these services would be brought online. In Nick Chaset's discussion with GridX, he highlighted concerns about the location of their call center and sought greater clarity around the integration of GridX's billing engine and Concentrix Customer Relationship Management system. In both cases, Mr. Chaset also asked for best and final pricing terms.

In mid-August 2017, GridX/Concentrix and Calpine submitted best and final offers. In Calpine's update, they highlighted a partnership with an Alameda County based software company that would enhance their ability to support the development and integration of local distributed resources. Calpine also lowered their bid price. In GridX/Concentrix's update, GridX highlighted a number of efforts to maximize local benefits. First, GridX stated their intention to move their headquarters to Fremont from Milpitas. Second, GridX committed to hire customer service representatives to manage day to day call center operations within 9 months of launch, with some on-going support from Concentrix's Michigan based call center. After further negotiations with Mr. Chaset, GridX committed to signing a labor neutrality agreement for their Fremont-based customer service representatives. Finally, GridX also lowered their bid price.

After reviewing both Calpine and GridX/Concentrix's supplemental proposals and the responses of each of their references, Nick Chaset had follow up meetings with Nick Gigliotti and Nick Pilch to confirm that all were comfortable with a final selection of GridX/Concentrix for EBCE's Data Management and Call Center services. Both affirmed their support for the selection of GridX/Concentrix.

With the selection of GridX/Concentrix made, Nick Chaset took the additional step of contracting with a former Senior Director at Oracle in their Utility Services Business Unit to support the development of GridX/Concentrix's scope of work and the negotiation of GridX/Concentrix's contract.

Status of EBCE -- GridX Contract

EBCE is currently in the process of drafting a contract to bring to GridX/Concentrix to commence negotiations. Some of the key terms that EBCE will require in the contract are:

- Defined price per meter (below \$1/per meter/per month with final terms to be negotiated) for full data management, billing and call center services for two years, with ability for EBCE to extend for additional years.
- Detailed scope of work and implementation that includes contractual performance obligations for GridX/Concentrix
- Clear timeline for transition of specific call center services from Concentrix' Michigan call center to GridX Fremont headquarters
- GridX labor neutrality agreement for Fremont call center employees