

Submitted by:

OpSolve LLC,
12 Federal St , Pittsburgh, PA



Response to Lexington- Fayette Urban County Government

Request for Proposal Response

Billing Services
Request for Proposal

December 8, 2011

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OpSolve LLC
12 Federal Street
Suite 507
PITTSBURGH, PA 15212
WWW.OP SOLVE.COM

Todd Slatin
Buyer Senior
LFUCG-Division of Central Purchasing
200 East Main St
Lexington, Kentucky 40507

RE: LFUCG – Third Party Billing and Collection Services
RFP # 40-2011

Dear Mr. Slatin,

It is my understanding that LFUCG desires to begin billing their customers starting April 2012. This scope of the RFP requirements includes billing sewer, water and landfill fee on behalf of LFUCG.

Normally given the scope of the services proposed within the RFP you have provided, we would not be able to commit to a project duration of less than six (6) months. However, given the urgency you have indicated and because how well LFUCG fits into our service model, you have our commitment that we will do everything in our power to have you live in our environment by April 1, 2012 with a timely selection. As I am sure you are aware, time is of the essence to meet your goals, so any opportunities you have to move the selection process along will greatly reduce the risk of delaying your requested Go-Live date. Our approach to have you migrated off of your existing platform would included a phased roll-out of functionality into the 3rd and 4th quarter of 2012 if necessary. Examples would be non-critical business functions that do not affect the day-to-day performance of LFUCG.

Please note that OpSolve does have experience completing implementations in less than 90 days from project initiation to Go-Live.

Jeremie Carr, Managing Partner is an authorized signee for OpSolve LLC. In addition to me, Rich Rein (Sr. Director, Customer Development) and Patrick Hooper (Managing Partner) are authorized to contractually bind OpSolve.

Any deliverables included in the response will be considered property of LFUCG, and all prices included in the Pricing Matrix are complete based on scope of services included in the RFP. The proposed fixed price quoted will stay in effect until March 1st 2012.

Sincerely,

Jeremie L. Carr
Managing Partner
OpSolve LLC
(404) 909-1324
jcarr@opsolve.com

Executive Summary

I am pleased to present you with the following proposal in response to the Lexington-Fayette Urban County Government (LFUCG) RFP#40-2011. It is my understanding that LFUCG desires to operate a utility customer information system with newer technology and improves the efficiency of the utility billing process.

In June of this year Utility Business Services (UBS), a SaaS based software service provider to the utility industry, was acquired by OpSolve LLC. UBS has been delivering software solutions to the utility industry for nearly four decades with affordable start-up and no capital investment in software. Our solution is hosted at a secure site and accessed via the Internet.

The UBS parent company, OpSolve, was founded in 2001 by the when the executives of the largest deregulated outsourcing provider, Utilipro, successfully managed the sale for our parent company, Atlanta Gas Light Resources, to Alliance Data Systems. We recognized that the current utility billing and CIS solutions were too focused on technology and not enough on Customer Service and business performance. OpSolve's vision is to ensure every technology change or upgrade requires a business case and savings.

We have extensive experience in all aspects of utility billing and support for governmental authorities, investor-owned and privately-owned utilities. We bring a unique perspective as a company formed by utility industry executives and supported by former utility employees. Our solutions support experience covers hosting, technical support, business analysis and customer relations.

The READi System brings modern technology to help resolve age old issues related to providing accurate and timely billing for customers. We also strive to provide a system that is:

- Highly Configurable
- Minimizes User Training Requirements
- Maximizes Access to Data
- Minimizes Volume of Data Presented
- Minimizes User/Data Errors

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- Standardizes/Controls Workflow
- Provides Metrics Reporting Data

To close I would like to personally state our commitment to implement and support an industry leading CIS and CRM solution that will provide LFUCG and its customers professional and responsive customer service for years to come. Our company is built on the premise that your utility business needs drives technology and not the other way around. Anyone can build a CIS replacement, but our technology moves your organization forward. We look forward to this opportunity to earn your trust and your business.

Requirements Response Matrix

The criteria for prioritizing the requirements were:

- (S) **Showstopper:** Requirement must be supported for legal, audit, or policy reasons. Must be met by vendor for consideration
- (H) **High:** Affects business process greatly.
- (M) **Medium:** Affects productivity, quality of service. Significant value.
- (L) **Low:** Requirement support would be "nice to have."

For each requirement listed in the *Requirements table* provided in below, please respond with one of the following values in the *Vendor Response* column:

2 indicates that this requirement is fully met by the services you are proposing.

1 indicates that you do not currently offer services to meet this requirement and will have to develop new internal processes in order to meet this requirement.

0 indicates that you do not currently offer this service, and do not plan on offering it in the future to meet the requirement.

For any response of 0, or 1, please describe the uncertainty or limitation related to the response.

| Requirement Description | Vendor Response (0,1,2) | Priority Rating |
|---|-------------------------|-----------------|
| <p>Requirement 1.1: The ability to set-up a customer billing database to accommodate bill generation and payment history</p> <ul style="list-style-type: none"> • KAWC will provide 12 months of data as a starting point • The type of data to be stored for each customer is provided in Attachment 1. In the design stage, fields not required to support the billing process will be identified and will not be required to be maintained in the database. • Vendors should explain any limitations associated with this requirement | 2 | S |
| <p>Requirement 1.2: The ability to add additional fields for the historical customer database</p> <ul style="list-style-type: none"> • A GIS ID will eventually be added. The GIS ID will be a unique ID that will relate back to each customer address. | 2 | H |
| <p>Requirement 1.3: The ability to use a primary key to link customer data between the 3 billing sources; sewer, WQ, and Landfill</p> <ul style="list-style-type: none"> • This is currently a 9-digit code called a premise number. • This will be important to link adjustments that come in from the three sources to the appropriate customer account. | 2 | H |
| <p>Requirement 1.4: The ability to link a closed account from previous service to a current account for payment collection and historical purposes</p> | 2 | H |
| <p>Requirement 1.5: The ability to maintain multiple addresses and contact info for an account and identify which address should receive the bill</p> | 2 | H |
| <p>Requirement 1.6: The ability to provide a secure environment to store the customer database.</p> | 2 | S |
| <p>Requirement 2.1: The ability to accommodate the billing calculations as defined in Attachment 2</p> | 2 | S |

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| Requirement Description | Vendor Response (0,1,2) | Priority Rating |
|--|-------------------------|-----------------|
| Requirement 2.2: The ability to easily change the rate charged for each fee | 2 | H |
| Requirement 2.3: The ability to generate an easy to read, informative bill that contains at minimum, the information in Attachment 3 | 2 | H |
| Requirement 2.4: The ability to calculate and generate the bill for mailing within 3 days of receiving the data from LFUCG. <ul style="list-style-type: none"> Regular billing cycle process of daily or weekly per data availability from KAWC | 2 | M |
| Requirement 2.5: The ability to add notes to bills for the purpose of informing customers | 2 | M |
| Requirement 2.6: The ability to include multiple accounts on one bill <ul style="list-style-type: none"> See the example in Attachment 4 | 2 | M |
| Requirement 2.7: The ability to add the LFUCG seal to the bill | 2 | M |
| Requirement 2.8: The ability to accommodate LFUCG edits to the bill design prior to implementation | 2 | M |
| Requirement 2.9: The ability to receive and apply adjustments to bills <ul style="list-style-type: none"> LFUCG will send adjustments to all three fees on a daily, weekly or monthly basis | 2 | H |
| Requirement 2.10: The ability for the vendor to accommodate the LFUCG timeline for implementing the billing system <ul style="list-style-type: none"> Billing to begin on 4/1/2012 Vendor may submit an alternate date and provide rationale for alternative | 2 | H |
| | | |
| Requirement 3.1: The ability to receive and post payments to customer accounts on a daily basis | 2 | H |
| Requirement 3.2: The ability to track and collect all accounts receivables through an agreed upon aging date, i.e., 120 days, 150 days, etc. | 2 | H |

| Requirement Description | Vendor Response (0,1,2) | Priority Rating |
|--|-------------------------|-----------------|
| Requirement 3.3: The ability to generate and mail a second notice for unpaid accounts <ul style="list-style-type: none"> • Vendor to suggest best practices for this process • Include shut-off process for delinquent customer accounts | 2 | H |
| Requirement 3.4: The ability to receive customer payments via multiple methods <ul style="list-style-type: none"> • Credit Card, EFT, Phone, Mail, Cash, Internet • Vendor should specify methods and best practices around payment methods | 2 | H |
| Requirement 3.5: The ability to apply partial payments in a specific order <ul style="list-style-type: none"> • 1st WQMF, 2nd Landfill, 3rd Sewer | 2 | S |
| Requirement 3.6: The ability to provide customer service to LFUCG user fee customers <ul style="list-style-type: none"> • To answer questions about the bill • To arrange payment | 2 | M |
| Requirement 3.8: The ability to receive and apply adjustments to bills <ul style="list-style-type: none"> • Each area will send adjustments on a daily, weekly or monthly basis | 2 | H |
| | | |
| Requirement 4.1: The ability to provide LFUCG access to the vendor's billing data <ul style="list-style-type: none"> • For operational purposes • Possibly provide a snapshot of the activity at a specified time to allow LFUCG to conduct analysis | 2 | S |
| Requirement 4.2: The ability to provide a unified bill history allowing all three fees' history to be viewed together | 2 | H |
| Requirement 4.3: The ability to allow LFUCG the ability to export data fields for download <ul style="list-style-type: none"> • For authorized LFUCG users | 2 | H |
| Requirement 4.4: The ability to provide a detailed aging report to LFUCG in an electronic format <ul style="list-style-type: none"> • Formatted to allow sorting capabilities | 2 | H |

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| Requirement Description | Vendor Response (0,1,2) | Priority Rating |
|---|-------------------------|-----------------|
| Requirement 4.5: The ability to generate a list of active versus inactive accounts and print to an exception report <ul style="list-style-type: none"> To be used in a business process by LFUCG | 2 | H |
| Requirement 4.6: The ability to report on the number of customers that are classified as residential, commercial, industrial or OPA | 2 | H |
| Requirement 4.7: The ability for LFUCG to add notes to the bill history <ul style="list-style-type: none"> To be used when reviewing an account | 2 | M |
| Requirement 4.8: The ability for LFUCG to create their own reports from the views/access they will be allowed | 2 | H |
| Requirement 4.9: The ability for the vendor to provide standard reports <ul style="list-style-type: none"> Specific report samples will be provided to finalist vendors Vendor should supply price structure breakdown per number of reports provided | 2 | H |
| | | |

Vendor Scope of Work

The major components of the desired scope of work for the vendor are comprised of the following items. Please indicate your ability and commitment below with a "yes" or "no" for each line item. A "yes" response is a binding commitment by the vendor to fulfill the responsibility within the scope and price of their RFP response. For any "no" answers, please explain the associated limitations or constraints.

| Vendor Responsibilities | Yes or No |
|---|------------|
| Provide services to fulfill the business and technical requirements for a Billing Service | |
| <ul style="list-style-type: none"> • To manage this project as the prime contractor, if other firms are involved | Yes |
| <ul style="list-style-type: none"> • To develop any customized components necessary to meet the requirements for which you've answered as such | Yes |
| <ul style="list-style-type: none"> • To provide solution users, and systems administrators training in the area of report generation, using examples | Yes |
| <ul style="list-style-type: none"> • To comply with all RFP response criteria | Yes |

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Vendor Business Profile & References

Vendor Business Profile

Please submit the following business information items about your company and subcontractors:

- Company name, headquarters address, and local responsible office

OpSolve LLC,

12 Federal Street, Suite 507

Pittsburgh, PA 15212

jcarr@opsolve.com

rrein@opsolve.com

- Number of years in business

24 years

- Number of years active in providing billing services

24 years

- Annual revenue

2009 - \$5.5 MM

2010 – \$11.4 MM

2011 - \$12.9 MM

2012 (est) – \$14.8 MM

OpSolve LLC is a privately held company with no debt that has seen double digit growth the past 2 years.

- Business structure (e.g., C-Corp, S-Corp, LLC)

LLC

- Ownership (if publicly traded, include exchange and symbol)

Private

- Total number of employees

48

- At least three references (customer name, telephone number) for work performed over the last three years for projects relevant to this one (i.e., comparable functionality for similar size corporation).
- **East Orange Water Commission**
Harry Mansmann
Phone: (973) 266-8869
Email: harry@ci.east-orange.nj.us
- **Gordon's Corner Water**
David Ern
Phone: (732) 946-9333 ext 206
Email: dgern@gordonscornerwater.com
- **City of Dunwoody**
Chris Pike, Finance Director
Phone: 678-382-6700
Email: Chris.Pike@dunwoodyga.gov
- Resumes of specific Key Project Staff: (e.g., All Project Managers)
 - **Patrick Hooper is a Managing Partner in OpSolve. He has been with the current and former companies since 1999. Patrick is a subject matter expert with the READi System and is instrumental in the technology development and implementation. Patrick manages the technology plan and oversees the development of utility solutions with a dedicated team for OpSolve.**
 - **Sarah Carr is a Sr. Operations Analyst with OpSolve. Sarah has been with OpSolve since 2001. Sarah will work with the LFUCG departments to set up the Operational schedules. Sarah supports the department performance and answers questions around transactions in the system and helps with special projects, such as mass meter installation or route scheduling. She also analyzes data for department heads for water consumption reconciliation and billing revenue analysis. Sarah has been involved in more than 10 implementations and supports utilities representing over 3MM customers combined.**
 - **Theresa Cialdella is a Sr. Account Manager for OpSolve. Theresa has been with OpSolve since 2002. Theresa will be responsible for on-boarding the LFUCG business users from a support perspective. Theresa manages support for 8 different OpSolve outsourcing customers and her department answers questions for clients daily during business hours. Theresa has been a part of 5 implementations.**
 - **Carol Gomrick is a Sr. Functional Lead with OpSolve. Carol has been with OpSolve and the former company since 1997. Carol is a subject matter expert in READi and heads up the functional requirements gathering for**

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OpSolve. During the mock data conversion phases, Carol will be instrumental in ensuring that the requirements are being met and where configuration changes are needed to meet the goals. After data conversion Carol will work with the LFUCG training department and end-users directly to help them understand the system.

- **Jeff Toole is a Technical Analyst with OpSolve. Jeff has been with OpSolve since 2007 and has been part of four READi installations. Jeff will work directly with the LFUCG conversion team and Patrick Hooper to set-up the data conversion routine and ensure that the target goals are met. Jeff will assist the LFUCG conversion team by ensuring that the data mapping and targets are set-up properly.**
 - **Other Development and Business resources as needed**
-
- Location(s) of Key Project and Support staff

Pittsburgh, PA

Union, NJ

Atlanta, GA

- List of proposed project personnel who are not employees of your organization (e.g., subcontractors) and their employer(s).

OpSolve does not employ subcontractors unless a specific need should arise. We have a formalized relationship with one of our subsidiaries, PartnerSolve, to provide business consultants as needed. This relationship arises if you wish to perform some business transformation as part of your deployment. For the scope of services provided in this RPF, all work will be done by OpSolve employees.

- Names of involved parties, dates, jurisdiction and status of any litigation in which your organization has been involved within the last five years.

None

Project Plan & Deliverables

The vendor will identify and provide the major tasks and associated timelines required to fulfill the scope of work described in this RFP. Any tasks required for this scope of work and not performed by the vendor must be identified as such, with task durations and resources quantified. This includes any and all LFUCG tasks, resources or deliverables. Key task dependencies should also be identified.

OpSolve will work collaboratively with Lexington County government during the life cycle of the READi System implementation. The READi System implementation will be divided into seven (7) major phases:

Phase 1 – Initiation (1 week)

- Project Management and Controls – OpSolve will develop weekly and monthly project status reports and will conduct regular project team meetings.
- Project Plan – A detailed project plan of all required tasks, milestones, responsibilities and deliverables.
- Initial READi System Installation – OpSolve will install the READi System application on the database server and deploy the client for usage by the project team during the design, construction and testing phases.

Phase 2 – Analysis (2 Weeks)

- Develop checklist that identifies applicable READi System configuration tables by department, business owners, project team owners, and dependencies.
- Review and evaluate the current state business processes.
- Review the database and application security requirements.
- Review business reporting requirements.
- Review READi System interface requirements.
- Determine non-critical phases of implementation that can be pushed into the 3rd and 4th quarter of 2012 if necessary.

Phase 3 – Design (2 Weeks)

- Project Team Training – OpSolve will perform conceptual training for the project team.
- Gap Analysis – Determine the areas where the READi System fully, partially, or does not meet requirements based on the requirements

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definition. Identify alternatives or recommended business process changes to meet any identified gaps.

- Data Conversion Strategy – Develop a strategy to map, convert and validate data from the legacy CIS to the READi System.

Phase 4 – Construction (6 weeks)

- Product Development – OpSolve will perform the development necessary to fill any gaps, if necessary.
- Development will include programming, testing and documentation at OpSolve headquarters or other off-site location.
- Product Configuration – OpSolve will collaborate with the project team and business owners to configure the necessary READi System tables.
- Data Conversion – Includes detailed data mapping between the legacy data and the READi system. OpSolve will develop and test the scripts used to convert the legacy CIS data from pre-defined mapping tables into the READi System database. Statistical and control reports will be developed to assist in the conversion validation effort.

Phase 5 – Testing (6 weeks overlap with construction)

- Testing methodology and support for:
 - Functional unit testing
 - Integration testing for data in production operations. Converted data will be used for the integration testing effort.
 - Performance and volume testing as required
- Development of a requirements traceability matrix to be used in the measurement of system compliance during the various testing stages.

Phase 6 – Implementation (1 week)

- Cutover Strategy – Development of a cutover plan to detail how the County will transition and convert from the legacy system to the READi System with minimal system outage and impact to the County and its customer base.

- Cut-Over – Support the execution of the actual cut-over plan as required.

Phase 7 – Post Go-live Support (TBD)

- OpSolve will work with LFUCG to complete the roll-out of functionality, if any, not deployed as part of the cutover goal by April 1, 2012.
- OpSolve will monitor system and business performance daily for the purpose of determining where additional tweaks could be made to recognize enhancements.
- OpSolve will meet with the LFUCG management team to offer suggestions where additional system benefits could be recognized for performance.

Assumptions and Constraints

Assumptions:

We will be provided customer data, including customer master information, and 12 months of usage history with corresponding file layouts. We will also have access to staff to answer questions regarding data, and business processes.

Constraints:

The lack of availability of staff resources to answer questions in a timely fashion could extend the project timeline.

Vendor Questions

Please respond to the following questions.

- 1) Can you please describe best practices for developing a customer billing database, including security issues, and indicate what you need from LFUCG to accomplish this? We will want to populate the database with 12 months of history.

Answer:

We will need 12 months of billing and usage information including file formats and record layouts.

Following tasks are performed during database population:

- **Perform Data Mapping**
- **Develop Conversion Programs**
- **Convert Data**
- **Data Validation**

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Suite 507
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- 2) Please describe the common standard reports you provide for other utility customers.

Answer:

The READi System includes a number of standard reports. During the design phase, OpSolve and LFUCG will determine which reports are needed. OpSolve has not experienced a limitation in our reporting capabilities with any of our clients to date. Some of the reports include:

| | |
|-------------------------------------|----------------------------------|
| Aged accounts receivable | Customer account count |
| Trial balance reconciliation | Meters in service |
| Revenue report | Shutoff/Collection Report |

There are various other reports to list and new report requests are built using Microsoft Reporting Services.

- 3) Please describe the customer payment methods your company can accommodate.

Answer: We support cash file import, walk-up payments through our dedicated READi System Payment Center Module with cash drawer balancing methodology, pre cut, monitoring tools, etc. We also offer per transaction lockbox service as part of our offerings to our customers. We can also support credit card and EFT payment methods. We have API interfaces with ATM machines that have been a huge success in reducing walk-up payment volumes.

- 4) Please describe the customer service options, and the associated price for each, your company can support. Include the hours of operation and location of the customer service staff.

Answer: OpSolve provides call-center services in our offices in Union, NJ, Pittsburgh, PA and Atlanta, GA. OpSolve prices call-center services on a per bill rate with the belief that if our rates are fixed, it incents us to increase performance and meet the metrics established on a daily basis.

OpSolve is also happy to offer collections performance management as part of our fee for customer service. OpSolve has extensive experience reducing A/R with system and collection techniques. Part of our Customer Service fee includes the management of the LFCUG outstanding receivable debt. OpSolve will provide more information around this during the next stage of the selection.

- 5) Please define a 'go-live' strategy; including testing, to meet the 4/1/2012 target date, Vendor may supply an alternative implementation schedule with explanation as to alternative schedule.

Answer: Please see Project Plan/Deliverables section

Submitted by:

OpSolve LLC,
12 Federal St., Pittsburgh, PA



Pricing Matrix and Terms

Our objectives are not only to obtain the best value via component pricing, but also to mitigate the unpredictability in the potential volatility of ongoing costs.

Please provide a description of your pricing approach, along with any associated assumptions and rationale, to accomplish this. All vendors must supply pricing information in the format below. However, if vendor has an alternative approach to pricing, that may be included as well. Prices should be stated in U.S. dollars and offered for at least 90 days. **Pricing information in hardcopy must be submitted in a separate envelope; pricing information in electronic format must be submitted in a separate file.**

On average, LFUCG will require about 115,000 bills per month to be generated and serviced.

| Year | Billing Service Price Per Bill | Customer Service Price Per Bill | Other Price Per Bill | Total Price Per Bill |
|--------|-----------------------------------|------------------------------------|-------------------------|-------------------------|
| Year 1 | \$1.65 | \$0.67 | \$0.00 | \$2.32 |
| Year 2 | \$1.70 | \$0.70 | \$0.00 | \$2.40 |
| Year 3 | \$1.75 | \$0.72 | \$0.00 | \$2.46 |
| Year 4 | \$1.80 | \$0.74 | \$0.00 | \$2.54 |
| | | | | |
| | | | | |

Pricing Approach:

OpSolve pricing is based on a per bill approach. OpSolve will invoice LFUCG on the first day of the month in advance based on the previous 12 months rolling average plus any reconciliation for the previous month's actuals. This pricing approach reduces our rates by an average of 5% by mitigating the collection risk for all customers serviced by OpSolve.

Assumptions per component:

OpSolve has included everything in our pricing model with the assumption of a turn-key approach.

The pricing model above includes;

- 1) All READi System Software Licensing
- 2) Implementation
- 3) Software Maintenance and Support
- 4) All hosted Infrastructure including Disaster Recovery Services
- 5) Billing Outsourcing
 - a. 20 cycles per month basis
 - b. Guaranteed performance over 99% on-cycle
- 6) Dedicated Business User Support during Business Hours Monday- Friday
- 7) Dedicated Call Center Services during Business Hours Monday-Friday
 - a. Agreed upon SLA such as ASA, AHT, Abandon rate, etc
- 8) All Print & Mail Components including postage
- 9) Credit & Collections Management
- 10) Required Reporting
- 11) Required Interfaces