



Report to City Council

TO: Mayor and City Council

FROM: Melissa Walker, Public Works Director/City Engineer

AGENDA DATE: April 15, 2025

TITLE: MORENO VALLEY UTILITY CUSTOMER SERVICES
(REPORT OF: PUBLIC WORKS)

TITLE SUMMARY: Authorize the Award of the Professional Services Agreement to ESC Partners for Moreno Valley Utility Customer Services

Recommendation(s)

That the City Council:

1. Authorize the award of a Professional Services Agreement to ESC Partners, for Moreno Valley Utility Customer Services; and
2. Authorize the City Manager to execute an agreement with ESC Partners in the amount of \$7,911,599.72 funded by Moreno Valley Utility's Operating Budget (Fund 6010); and
3. Authorize the issuance of annual purchase orders for ESC Partners, for each fiscal year of the Agreement term, subject to funds available in the City Council approved Operating Budget; and
4. Authorize the City Manager to execute any subsequent Amendments to the Agreement with ESC Partners within the City Council approved annual budgeted amounts, including the authority to authorize the associated purchase orders in accordance with the terms of the agreement, subject to the approval of the City Attorney.

SUMMARY

This report recommends approval of an agreement with ESC Partners to provide Customer Services including but not limited to Call Center, Billing, Remittance (Payment) Processing, Accounts Receivable administration, and Service Connection/Disconnection

advisory services for the electric utility. The selected Vendor will provide a combination of onsite and remotely located staff for all Customer Service functions.

The term of the agreement will be for a four-year base period, with up to three two-year optional renewals. ESC Partners will work with City staff to provide customer service functions for the Electric Utility. They will also help maintain MVU's reputation for exceptional customer service. Budget for services provided will be included in the FY 2025/26-2026/27 Proposed Budget. Funding for subsequent years is subject to City Council approval of biannual budgets.

DISCUSSION

Moreno Valley Utility issued a Request for Proposal (RFP) seeking the services of a highly qualified, professional Vendor to supply customer service functions including Call Center, Billing, Remittance (Payment) Processing, Accounts Receivable administration, and Service Disconnection advisory services for the electric utility. The selected Vendor will provide a combination of onsite and remotely located staff for all Customer Service functions.

MVU currently provides electrical service to approximately 9,169 customers comprised of about 8,124 residential accounts and 1,045 commercial/industrial accounts. All customers are billed on approximate monthly cycles in accordance with the Electric Service Rules, Fees and Charges (Tariff), the Electric Rate Schedule and the MVU Time-of-Use Rate Schedule as approved from time to time by the Moreno Valley City Council.

Vendor staff will be required to participate in robust and comprehensive training programs for MVU's systems, rules, protocols and procedures. Training will be provided using a combination of in-person and online instruction. Upon completion of training, Vendor staff will be required to demonstrate adequate proficiency on all aspects of the service(s) to be provided and will be required to participate in any additional training necessary to maintain proficiency and accommodate changes in MVU protocols, procedures, software upgrades, rate and rule changes, etc.

MVU is pursuing expanded use of automated response options for customers to expedite excellent service. The Vendor will take a lead role in the development of:

- Comprehensive and straightforward options using Interactive Voice Response (IVR)
- General Service-related inquiries
- Customer options during service interruptions (power outages)
- Development of real-time online assistance via "chat" or dialogue interaction
- Call-back option for customers unable to complete requested assistance in time available
- During periods of heavy call-volume
- Available appointment times for customer convenience

MVU reserves the right to select all, some or none of the automation programs developed

by the Vendor that are optimally suited for MVU's business model.

MVU may engage additional Vendor-provided services to provide support for Engineering and Operations functions. The successful Customer Services Vendor will be required to establish and promote professional relationships/interactions with the Vendors that deliver these support services. In many cases, the services provided by the Customer Services Vendor will directly support and be supported by the duties of the Engineering and Operations providers.

The City issued a Notice Inviting Bids for the project in OpenGov on September 18, 2024. The proposal due date was December 9, 2024. The City received three proposals. After review, it was found that ESC Partners had the highest rated proposal.

A proposal review panel formed with Moreno Valley Utility staff evaluated and ranked the proposals as follows:

1. ESC Partners
2. ENCO Utility Services
3. 360S2G

From the strengths of their proposal, the City determined ESC Partners to be the most qualified firm to perform the requested Customer Service functions listed in the RFP. The selection process was pursuant to the City's Municipal Code requirements for professional services procurement.

ALTERNATIVES

1. Approve and authorize the recommended action as presented in this staff report. *This alternative will provide for the smooth transition from the previous agreement for Customer Services to the new agreement, which will minimize impact to customers.*
2. Do not approve and authorize the recommended actions as presented in this staff report. *This Alternative will result in delays to the transition of services from the City's current consultant to the new consultant, resulting poor customer service for electric utility customers.*

FISCAL IMPACT

The professional services agreement will be funded by the Moreno Valley Utility's Operating Budget (Fund 6010). Budget for services provided will be included in the FY 2025/26-2026/27 Proposed Budget. Funding for subsequent years is subject to City Council approval of biannual budgets. There is no impact to the General Fund.

Below are the estimated costs for the four-year agreement per fiscal year.

Fiscal Year	2025/26	2026/27	2027/28	2028/29
Estimated Annual Total	\$1,064,834.64	\$2,204,207.70	\$2,281,354.97	\$2,361,202.41

NOTIFICATION

Posting of the Agenda.

PREPARATION OF STAFF REPORT

Prepared By:
Kamran Aladross, P.E.
Electric Utility Assistant Manager

Department Head Approval:
Melissa Walker, P.E.
Public Works Director/City Engineer

Concurred By:
Jason Niccoli, P.E.
Electric Utility Division Manager

CITY COUNCIL GOALS

Positive Environment: Create a positive environment for the development of Moreno Valley's future.

Revenue Diversification and Preservation: Develop a variety of City revenue sources and policies to create a stable revenue base and fiscal policies to support essential City services, regardless of economic climate.

CITY COUNCIL STRATEGIC PRIORITIES

Objective 4.1: Develop a Moreno Valley Utility Strategic Plan to prepare for the 2022 expiration of the ENCO Utility Systems agreement.

Report Approval Details

Document Title:	STAFFREPORT_PW_MVU_CUSTOMER_SERVICES.docx
Attachments:	- Agreement for Services - Customer Service.docx
Final Approval Date:	Apr 10, 2025

This report and all of its attachments were approved and signed as outlined below:

Melissa Walker

Sean Kelleher

Natalia Lopez

Dena Heald

Launa Jimenez

Brian Mohan

Patty Rodriguez