



# CITY OF ATLANTA

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**TO:** Rob Hunter, Commissioner, Department of Watershed Management

**FROM:** Leslie Ward, City Internal Auditor

**DATE:** August 6, 2004

**SUBJECT:** Auditor Comments Regarding RFP for Customer Information System

We have completed our review of the RFP for the Department of Watershed Management's (DWM) new customer information system and off-site billing services. We are providing the following comments with regard to the proposed system's ability to satisfy the intent of recommendations made in the Water and Sewer Billings and Collections audit, as well as other comments related to the specifications and technical requirements.

### **Comments Related to the Water and Sewer Billings and Collections Audit:**

1. Paragraph 1.3.e of the Technical Specifications Section – The specifications do not satisfy the intent of audit recommendation 4 to develop policies and procedures that are consistent with Section 154-120 of the Atlanta Code of Ordinances. The Technical Specifications require the system to:

- Automatically cancel the payment arrangement and include the account in the delinquent process when the payment is more than two payments in default.
- Schedule 30-, 60-, or 90-day delinquent notices.

The Atlanta Code of Ordinances states that, "In no event will the termination of service be later than 30 days from the due date of the bill for monthly bills and 60 days for bi-monthly bills."

- The Code's termination of service requirement, combined with the proposed change to monthly billings for all customers, means that service should be discontinued before there would be a need for 60- or 90-day notices.
- The specifications should clarify that the 30-day notice should be issued 30 days after the billing date, rather than 30 days after the due date, to ensure that customers receive their termination of service notices prior to service being discontinued.
- For consistency with the Code's termination of service requirement, payment arrangements should be cancelled and the account included in the delinquent process as soon as the payment is 30 days in default.

Recommend that the Technical Specifications be amended to require the system to produce termination of service notices for past-due accounts, including those on time payments, within a timeframe that is consistent with Atlanta Code of Ordinances.

2. The RFP does not satisfy the intent of audit recommendations 7 and 8 to develop a report that calculates a “current” collection rate based on billing dates. The recommendation was intended to correct the deficiency associated with manually calculating the collection rate without adjusting for collections that occur in the month after billing but are received within 30 days of the billing date (i.e., due to multiple billing cycles). However, the RFP does not require the system to calculate a “current” collection rate or to generate a collection rate report. Recommend that the Technical Specifications be amended to require the system to produce a report showing current collection rates that are based on payments received within 30 days of the billing dates. The report should reflect only those customer types for which payment is actually collected (i.e., it should not include city government or public accounts).

**Comments Regarding Specifications and Technical Requirements:**

1. The RFP should indicate how each of the selection criteria will be considered in the evaluation process by stating how much weight each rating element will have and how the overall pass/fail score will be determined (e.g., are a minimum number of “pass” ratings required to pass or do certain criteria have to earn a “pass” score).
2. Suggest that consideration be given to adding a system feature to allow processing of e-checks. This would allow DWM to immediately process checks received from walk-in customers and reject those checks that are dishonored. DWM could also immediately reprocess checks received through the lockbox that did not clear on the initial processing. The ability to process checks immediately upon receipt would improve cash flow and would allow DWM to pursue collection activities on delinquent accounts sooner because they would not have to wait for bank notifications of insufficient fund checks.
3. The RFP does not include a requirement for a copy of the software code to be placed in escrow in the event the selected contractor defaults at any time in the future. This requirement should be included, along with the appropriate language that would allow the city to access the software code in the event of a future default.
4. The RFP should specify a minimum length of time during which the selected contractor must provide full software support.
5. The fourth bullet in Part II, Request for Qualifications, Scope of Work, states that qualified firms will propose to provide, “Consulting services in the selection and implementation of an off-site billing service, integrated to the selected CIS System.” However, the Billing Required Features section in Part III Supplement to Qualifications Questionnaire, includes several desired system features that seem to indicate that the selected contractor is expected to provide billing services. Recommend that the Billing Required Features section be reviewed to remove any items that would be provided off-site by a separate contractor. Also recommend that a general overview of what will be required from an off-site billing service so the respondents to this proposal can get a better idea of the level of consulting services that would be required.
6. The connectivity chart in the appendices does not show any connections in the City Hall Tower. Suggest that you identify potential users in the City Hall Tower to ensure that the necessary connections are included in the cost proposals received.
7. There is inconsistency in the terminology used throughout the RFP that makes it difficult to determine if certain terms refer to the same party. For example,
  - The terms, “firm,” “joint venture/JV,” “vendor,” “contractor,” “respondent,” “proponent,” “proposer,” and “applicant firm” all appear to refer to the parties who submit responses to the RFP.

- The terms “COA,” “COA DWM,” “owner,” and “designer” all appear to refer to the city, but it’s not always clear that they do.
8. The RFP includes a requirement that the respondent be a joint venture. The language in several parts of the RFP sounds as if the response would be from a single organization or from a joint venture that has been together for some time, rather than one that may organize as a joint venture for this project only.
  9. Recommend adding a consolidated list of the specific items to be included in the tabbed binder.
  10. The first paragraph on page 2 of the Invitation to Qualify states that as a minimum, the system must provide at least the same functions as listed for the existing CSTAR system and allow automation for each of the direct reports listed within the specifications. Recommended adding a list of the specific CSTAR functions and reports that the new system must provide and a separate list of functions and reports that would be required in addition to those currently available through CSTAR.
  11. The last sentence in the 4th bullet on the second Page 2 of the Invitation to Qualify should be reworded. The current language could be misinterpreted to mean that respondents who are eliminated from this qualification process will never be eliminated from future projects; it might be more appropriate to state that respondents who are eliminated from further consideration on this project may still respond to and be considered for future projects.
  12. The submission requirements are not clear. Paragraph 1.03A of the Instructions to Respondents states that all qualification statements submitted shall include the original and seven copies, but paragraph 1.13.1 of the Instructions to Respondents states that all proposers shall submit the original and 11 copies of each part of their proposal.
  13. Paragraph 1.13.2 of the Instructions to Respondents states that proposals are to be submitted to the Department of Procurement but that the official time of submission will be based on the date stamper in the Watershed Management Division. Recommend that the official time of submission be based on a date/time stamper in the Department of Procurement since that is where the proposals will be submitted.

Thank you for the opportunity to review and comment on this RFP. If you have any questions regarding these comments, please contact Harriet Richardson at 404.330.6750.