



City of Hamilton Report for Consideration

To: Chair and Members
 Audit, Finance and Administration Committee
Date: February 27, 2025
Report No: FCS21082(h)
Subject/Title: Utility Billing Transition 2025 Program Update
Ward(s) Affected: (City Wide)

Recommendation

That the General Manager, Finance and Corporate Services, **BE AUTHORIZED** and **DIRECTED** to execute, on behalf of the City of Hamilton, an Amending Agreement with Alectra Utilities for continued billing services on a contingency basis and all necessary associated documents, all in a form satisfactory to the City Solicitor and with content acceptable to the General Manager of Finance and Corporate Services.

Key Facts

- The purpose of Report FCS21082(h) is to provide an update on the implementation of a new utility billing solution that will be administered by City staff to replace billing services currently provided by Alectra Utilities (Alectra).
- The City's new utility billing solution was planned for a Q4 2025 "go-live" launch (refer to Report FCS21082(g)) and is currently the latest point in time to transition from Alectra in 2025.
- The current implementation timeline carries an inherent risk that any delays could result in the "go-live" launch being postponed to Q1 2026.
- Risk mitigation plan requires a contingency extension agreement with Alectra to continue to provide utility billing services into 2026.

Financial Considerations

The Utility Billing Transition Capital Project (5142201967) has sufficient funds to fund the utility billing implementation phase in the event that the "go-live" launch is delayed to Q1 2026.

Background

On August 6, 2021, Alectra advised the City that it would discontinue water and wastewater utility billing services by December 31, 2024 (for further details refer to the Background section of Report FCS21082(g)). It should be noted that Alectra similarly provided notice of termination to the municipalities of Guelph, Markham and Vaughan. Collectively, the four municipalities engaged Kaihen Inc. (Kaihen) as a consultant resource to support each municipality's transition to a new utility billing solution.

Hamilton has moved forward with a Hybrid Billing Model which entails acquiring a billing software solution referred to as a Customer Information System (CIS). Once the CIS was selected, staff proceeded with procurements for a Contact Centre, Customer Portal, Bill Print and Meter Reading services and the establishment of an in-house Back Office (billing and collections) unit (refer to Report FCS21082(b) for details).

As detailed in the Background section of Report FCS21082(g), the Procurement Phase involving four RFP procurements (related to CIS and customer portal acquisition, customer contact and bill print services) and a single source procurement for meter reading has resulted in a protracted timeline such that the Procurement Phase that was not complete until June 2024. The estimation of the billing transition implementation completion was identified to occur in October / November 2025.

In March 2024, an amending agreement was executed with Alectra for the continuation of utility billing services for the City until December 31, 2025.

Utility Billing Program Organization Structure

Kaihen was engaged to support the City to develop the internal utility billing back office organization structure. With no existing utility billing organization in place, new functions and resources are required including the need to hire staff and to adopt new technologies and processes.

In March 2024, Council approved Report FCS24015 "Corporate Services Department Organizational Changes" that incorporated a resource plan for the implementation and ongoing operation of the Utility Billing Program.

As of January 2025, four positions have been filled in the Hamilton Utility Billing (HUB) section: Manager, Supervisor, Business Support Coordinator and Senior Financial Analyst. Recruitment of the remaining staff positions (one Utility Billing Specialist and ten Utility Billing Clerks) will commence in Q1 2025 with all positions to be onboarded by July to August 2025.

Analysis

The current project plan features a November 2025 "go-live" launch which represents the latest point in time to transition from Alectra in 2025. The current implementation timeline carries an inherent risk that any delays could result in the "go-live" launch having to be postponed to Q1 2026.

The project risk mitigation plan requires a contingency extension agreement with Alectra to continue to provide utility billing services into 2026.

- Legal implications – Legal Services will be providing assistance for the finalization and execution of the amending agreement with Alectra.
- Corporate Policy implications – Not applicable.
- Staffing Considerations – Not applicable.

Alternatives

Not Applicable. If the City is unable to assume the utility billing responsibilities, they will need to continue being provided by the current billing agent, Alectra.

Relationship to Council Strategic Priorities

Responsiveness & Transparency

- 1.1. Prioritize customer service and proactive communication
- 1.2. Get more people involved in decision making and problem solving
- 1.3. Build a high performing public service
- 1.4. Modernize City systems

Responsiveness and Transparency – prioritizing clear communication, engaging residents in decision-making and ensuring a high-performing public service. Modernizing systems through technology enhances efficiency, allows for proactive customer service and improves transparency. These efforts help build trust and ensure that billing processes are both fair and responsive to community needs.

Previous Reports Submitted

- FCS21082: Discontinuation of Water Billing Services by Alectra Utilities
October 7, 2021
<https://pub-hamilton.escribemeetings.com/filestream.ashx?DocumentId=287449>
- FCS21082(a): Discontinuation of Water Billing Services by Alectra Utilities Corporation
February 17, 2022
<https://pub-hamilton.escribemeetings.com/filestream.ashx?DocumentId=308736>
- FCS21082(b): Implementation of Utility Billing Services
November 24, 2022
<https://pub-hamilton.escribemeetings.com/filestream.ashx?DocumentId=344124>
- FCS21082(c): In-House Bid for Utility Billing Contact Centre Services Request of Proposal (RFP)
December 1, 2022
<https://pub-hamilton.escribemeetings.com/filestream.ashx?DocumentId=341797>
- FCS21082(d): Utility Billing Transition Project Procurement Plan
January 19, 2023
<https://pub-hamilton.escribemeetings.com/filestream.ashx?DocumentId=347866>

- FCS21082(e): Utility Billing Transition Program Update
June 1, 2023
<https://pub-hamilton.escribemeetings.com/filestream.ashx?DocumentId=364810>
- FCS21082(f): Request for Continuation of Utility Billing Services with Alectra
September 21, 2023
Confidential Report
- FCS21082(g): Utility Billing Transition Program Update Spring 2024
May 16, 2024
<https://pub-hamilton.escribemeetings.com/filestream.ashx?DocumentId=407646>

Consultation

Alectra Utilities has been consulted and supports the recommendation in Report FCS21082(h).

Appendices and Schedules Attached

Not Applicable.

Prepared by: John Savoia, Acting Manager of Utility Billing
Corporate Services, Revenue Services

Submitted and recommended by: Clayton Pereira, Director Revenue Services
Corporate Services, Revenue Services