



## Co-op contract saves money, improves utility's business



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### **The agreement lets the utility focus its IT staff on high-value tasks**

What does penetrating oil have to do with cloud-based financial applications and cooperative purchasing? A lot, says Paul Pauesick, the director of information technology at the Kansas City Board of Public Utilities (KCBPU).

KCBPU is a government utility that will use cloud-based Oracle Fusion Financials ERP in its operations and as it moves to a software-as-a-service (SaaS) model. KCBPU acquired the financial supply chain technology through a DLT Solutions-U.S. Communities contract. Click here for more details on the vendor. The deployment, which is expected to be completed by August 2015, will save the utility about \$1.8 million over 5 years.

By shifting IT and financial operations to the cloud through a cooperative purchasing vehicle, Pauesick says his team can focus on higher-value projects. "It allows our agency, IT and myself to work on specific tasks that benefit our customers, versus being intermeshed into the maintenance of technology. So I can take my technology resources and point them more at things that improve my overall business, not just in squirting WD-40 on Windows and other maintenance tasks."

The transition translates into less hardware, Pauesick tells GPN. "I'm going to be able to remove on-premise infrastructure, including, potentially, some 22 servers that I won't have to support. That step will lower my local operating costs." The process will help reduce IT maintenance demands on Pauesick's staff. "Windows patches, software updates, security, all that stuff goes away. And really, I'll be able to re-allocate my people to things that are more necessary for the day-to-day delivery of electric and water, versus the finer qualities of Microsoft patching."

Pauesick, who's worked in technology for 30 years, sees other benefits in going to a cloud platform. "It's going to keep us more up to date on best practices and it forces us to continuously learn and move ahead, rather than us getting stuck and comfortable with what we have on premise." The cloud-based system also offers better financial visibility. Transactions are posted in real time. The on-premise infrastructure relied on batch processing or nightly processing runs to generate postings.

A speedier updating process is another benefit to the utility, adds Pauesick. "The biggest thing that the cloud does for me is it keeps me up to date on regulatory issues and practices as they affect finance in the public sector. Those kinds of improvements will be installed in the cloud, and rather than me being on a 3- or 4-year cycle to get to those practices, I will be getting to them on a much shorter time frame, less than six months at a time, which is a big difference."

The new arrangement will provide redundancy for business continuity and disaster planning, Pauesick says. "In the cloud, I will certainly have a backup plan in essence. My main cloud application is in one location, and my backup system is in a second location. I can't afford to do that on-premise now in my work area."

The utility's shifting of financial tools to the cloud is multi-pronged and covers several tasks. "The package is primarily financial, i.e., accounts payable, general ledger, receivables, projects, purchasing — those are all of our finance-related applications. It's the financial supply chain management package is what we are doing in the first phase," Pauesick says.

"And then in the second phase, I am planning on moving our HR, our human capital resource management, likewise, to the cloud," he adds. Along with the Oracle setup, the utility is also installing Hyperion Public Sector Business Planning and Budget project management software in parallel.





Acquiring the Oracle financial module through a cooperative arrangement offers some advantages, Pauesick says. “The coop agency did all the scoping, bidding, reviewing, negotiating to bring those prices down and stabilize the prices for the acquisition of the cloud item. It saves me the task of writing up the bid and reviewing 452 alternate bids. The bidding process is an expensive one, and the coop does that for me.”

KCBPU buys other products and services through cooperative purchasing. The utility relies on local and city government coop arrangements as well as national or federal GSA cooperative agreements that are competitively bid, Pauesick says.

KCBPU is a publicly owned administrative agency of the Unified Government of Wyandotte County/Kansas City, Kansas (UG), and is self-governed by an elected six-member board of directors.

The utility serves 130 square miles of Wyandotte County. Electric services are provided within the Kansas City, Kansas (KCK), area and water is supplied to KCK, as well as portions of suburban Wyandotte, Leavenworth and Johnson counties.

DLT Solutions is a value-added reseller of information technology. The firm is based in Herndon, Va.

*Michael Keating is senior editor of GPN, an American City & County sister brand.*

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