



ANTONIO R. VILLARAIGOSA
Mayor

Commission
THOMAS S. SAYLES, *President*
ERIC HOLOMAN, *Vice President*
RICHARD F. MOSS
CHRISTINA E. NOONAN
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BARBARA E. MOSCHOS, *Secretary*

RONALD O. NICHOLS
General Manager

January 16, 2013

The Honorable City Council
City of Los Angeles
Room 395, City Hall
Los Angeles, California 90012

Honorable Members:

Subject: Amendment No. 1 to Agreement No. 47964 with Wausau Financial Systems, Inc.

Pursuant to Charter Section 373, enclosed for approval by your Honorable Body is Resolution No. 013 151, adopted by the Board of Water and Power Commissioners (Board) on January 11, 2013, approved as to form and legality by the City Attorney, which authorizes Agreement No. 47964 (Amendment No. 1) with Wausau Financial Systems, Inc. to upgrade existing equipment and to add additional equipment for LADWP's remittance processing system. The Amendment will increase the contract by \$738, 727 and extend the expiration date to December 31, 2015. As directed by the Board, transmitted to you are supporting documents.

If there are any questions regarding this item, please contact Ms. Winifred Yancy, Manager of Intergovernmental Affairs and Community Relations, at (213) 367-0025.

Sincerely,

Barbara E. Moschos
Board Secretary

BEM:oja

Enclosures: LADWP Resolution
Board Letter
CAO Report
Amendment No. 1 to Agreement No. 47964

Water and Power Conservation ... a way of life

111 North Hope Street, Los Angeles, California 90012-2607 Mailing address: Box 51111, Los Angeles 90051-5700
Telephone: (213) 367-4211 Cable address: DEWAPOLA



c/enc: Mayor Antonio Villaraigosa
Councilmember Jose Huizar, Chair, Energy and the Environment Committee
Gerry F. Miller, Chief Legislative Analyst
Miguel A. Santana, City Administrative Officer
Rafael Prieto, Legislative Analyst, CLA
William R. Koenig, Chief Administrative Analyst
Winifred Yancy

WHEREAS, the City of Los Angeles Department of Water and Power (LADWP) and Wausau Financial Systems, Inc. (WFS) entered into Agreement No. 47964, effective November 4, 2010, to provide software, hardware, equipment, maintenance, support, supplies, and replacement parts; and

WHEREAS, the LADWP proposes to execute Amendment No. 1 to Agreement No. 47964 requesting to: a.) upgrade an existing Unisys Quantum Series Network Document Processor (NDP) 200 transporter that processes 200 documents per minute (DPM) to an NDP Quantum Series 600 which processes 600 DPM; b.) purchase an additional Unisys NDP Quantum Series 600 transporter; c.) purchase consumable supplies for the two (2) Unisys NDP Quantum Series 600 transporters; d.) add seven (7) keying stations to the existing remittance processing system; e.) provide professional services to integrate two (2) Opex Eagle high-speed envelope extractors into the existing remittance processing system; f.) upgrade existing WFS Image Remittance Processing System (Image RPS) software from version 4.00.5a to version 5.00.01; g.) interface LADWP's new Customer Information System Connection (CISCON) with the existing remittance processing system (Host Integration CISCON); and h.) provide software and hardware maintenance and support for LADWP's upgraded and expanded remittance processing system, increasing the original contract amount of \$750,000 by \$738,727 to make the new contract amount \$1,488,727, and extending the original contract ending date of June 30, 2015 by six (6) months to make the new contract ending date December 31, 2015 with all other terms and conditions remaining unchanged and in full force and effect; and

WHEREAS, the Amendment is necessary and proper to continue or complete certain activities authorized under the Contract.

NOW, THEREFORE, BE IT RESOLVED, that Amendment No. 1 to Agreement No. 47964, approved as to form and legality by the City Attorney and filed with the Secretary of the Board, between LADWP and WFS is approved.

BE IT FURTHER RESOLVED that pursuant to Charter Section 1022, the services covered by this Amendment are for proprietary software and expert services that can be provided more feasibly by an independent contractor than by City of Los Angeles employees.

BE IT FURTHER RESOLVED that the President or the Vice President of the Board, or the General Manager, or such person as the General Manager shall designate in writing, and the Secretary, Assistant Secretary, or the Acting Secretary of the Board be and they are hereby authorized, empowered, and directed to execute said Agreement for and on behalf of LADWP, and after approval by the Los Angeles City Council pursuant to City Charter Section 373.

BE IT FURTHER RESOLVED that the Chief Accounting Employee of the LADWP, upon proper certification, is authorized and directed to draw demands on both the Water Revenue Fund and the Power Revenue Fund in payment of the obligations arising under this Agreement.

I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of a resolution adopted by the Board of Water and Power Commissioners of the City of Los Angeles at its meeting held **JAN 11 2013**


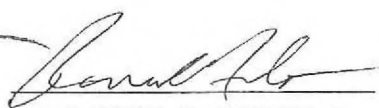
Barbara E. Moschos
Secretary

APPROVED AS TO FORM AND LEGALITY
CARMEN A. TRUTANICH, CITY ATTORNEY

OCT 18 2012
BY *Eduardo A. Angeles*
EDUARDO A. ANGELES
SENIOR ASSISTANT CITY ATTORNEY



LOS ANGELES DEPARTMENT OF WATER AND POWER (LADWP) BOARD APPROVAL LETTER

TO: BOARD OF WATER AND POWER COMMISSIONERS	DATE: December 21, 2012
<div style="display: flex; justify-content: space-around; align-items: flex-start;"> <div style="text-align: center;">  <hr style="width: 80%; margin: 0 auto;"/> <p>SHARON GROVE Assistant General Manager – Customer Service Division</p> </div> <div style="text-align: center;">  <hr style="width: 80%; margin: 0 auto;"/> <p>RONALD O. NICHOLS General Manager</p> </div> </div> <hr style="width: 80%; margin: 0 auto;"/> <hr style="width: 80%; margin: 0 auto;"/>	<p>SUBJECT:</p> <p>Amendment No. 1 to Agreement No. 47964</p> <p>To provide Software, Hardware, Equipment, Maintenance, Support, Supplies, and Replacement Parts</p> <p align="center">Contract With: Wausau Financial Systems, Inc. Mosinee, WI</p>
	<p>FOR COMMISSION OFFICE USE:</p> <p>RESOLUTION NO. _____</p>
<p>CITY COUNCIL APPROVAL REQUIRED: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p>	<p>IF YES, BY WHICH CITY CHARTER SECTION: 373</p>

Amendment to Existing Contract

PURPOSE

The attached Resolution recommends to the Los Angeles City Council approval of Amendment No. 1 to Agreement No. 47964 (Agreement) between the Los Angeles Department of Water and Power (LADWP) and Wausau Financial Systems, Inc. (WFS) to upgrade existing equipment and to acquire additional equipment for LADWP's remittance processing system. Amendment No. 1 to Agreement No. 47964 increases the contract limit by \$738,727 for a new limit of \$1,488,727, and extends the expiration date from June 30, 2015 to December 31, 2015.

The ongoing project (CISCON) to replace the current Customer Information System allows for the move to monthly billing in late 2013. In preparation and as described in the September 20, 2011 Board Overview for CISCON presentation, LADWP has already acquired an additional mail inserter to address the expected 80% increase in the number of bills mailed daily. In addition, LADWP anticipates a substantial increase in the volume of remitted payments that will need to be processed daily. The WFS amendment is the first step in a two-step process to address the increased remittance volume by supplying the software and imaging equipment. The next step will involve the procurement of two high speed envelope extractors which open and extract the payment documents from incoming remittance envelopes.

The Amendment is to:

- Upgrade an existing Unisys network document processor (NDP) Quantum Series 200 transporter that processes 200 documents per minute (DPM) to an NDP Quantum Series 600 which processes 600 DPM.
- Purchase an additional Unisys NDP Quantum Series 600 transporter.
- Purchase consumable supplies for two (2) Unisys NDP Quantum Series 600 transporters.
- Add seven (7) keying stations to the existing remittance processing system.
- Provide professional services to integrate two (2) Opex Eagle high-speed envelope extractors into the existing remittance processing system.
- Upgrade existing WFS Image Remittance Processing System (Image RPS) software from version 4.00.5a to version 5.00.01. The upgrade will include replacing all existing PC hardware with Microsoft Windows 7 workstations.
- Interface LADWP's new Customer Information System Connection (CISCON) with the existing remittance processing system (Host Integration CISCON).
- Provide software and hardware maintenance and support for LADWP's upgraded and expanded remittance processing system.

COST AND DURATION

Cost: Amendment No.1 to Agreement No. 47964 increases the original contract amount of \$750,000 by \$738,727 for a new not-to-exceed amount of \$1,488,727.

Equipment/Service	Total
Upgrade Unisys NDP Quantum Series 200 transporter to an NDP Quantum Series 600	\$48,410
Purchase additional Unisys NDP Quantum Series 600 transporter	\$164,385
Additional Consumable Costs (Supplies) from 01/01/13 to 12/31/13	\$25,000
Additional Consumable Costs (Supplies) from 01/01/14 to 12/31/14	\$25,000
Additional Consumable Costs (Supplies) from 01/01/15 to 12/31/15	\$41,000
Add seven (7) keying stations to existing remittance processing system	\$69,953
Professional services to integrate two (2) Opex Eagle high-speed envelope extractors	\$104,295
Additional Cost for Service Maintenance from 01/01/13 to 12/31/13	\$30,203
Additional Cost for Service Maintenance from 01/01/14 to 12/31/14	\$31,628
Additional Cost for Service Maintenance from 01/01/15 to 12/31/15	\$88,773
Upgrade existing WFS Image Remittance Processing System (Image RPS) software from version 4.00.5a to version 5.00.01	\$86,425

Interface LADWP's new CISCON with the existing remittance processing system (Host Integration CISCON)	\$11,655
Additional Freight and Travel Costs, estimated	\$12,000
Amended Dollar Amount Total	\$738,727

Duration: The Amendment extends the original contract ending date of June 30, 2015 by six (6) months to make the new contract ending date December 31, 2015.

BACKGROUND

The LADWP currently bills its residential customers for electricity and water service on a bi-monthly basis. In late 2013, the LADWP intends to convert billing its residential customers to a monthly basis. It is projected that the volume of payments will increase by 80 percent.

The proposed changes to Agreement No. 47964 will provide LADWP with the capacity to process the increase in volume of payments when it converts to billing its residential customers from a bi-monthly to monthly basis.

The City Administrative Officer has received the proposed Amendment No. 1 to Agreement No. 47964 with Wausau Financial Systems, Inc. and a copy of the report, dated December 3, 2012, is attached for reference.

M/W/OBE SUBCONTRACTING PARTICIPATION

The subcontracting participation level on the current Agreement is 5.0 percent. Amendment No. 1 will increase the subcontracting participation level to 6.3 percent.

OBE SUBCONTRACTOR	ORIGINAL CONTRACT (CONTRACT AMOUNT \$750,000)		PARTICIPATION THROUGH DECEMBER 2011 (CONTRACT AMOUNT \$750,000)		PROJECTED PARTICIPATION DUE TO PROPOSED \$738,727 AMENDMENT (PROPOSED CONTRACT AMOUNT \$1,488,727)		
	COMMITTED AMOUNT	PERCENT OF CONTRACT	ACTUAL AMOUNT	PERCENT OF CONTRACT	PROPOSED \$ IN AMENDMENT	REVISED TOTAL SUB AMOUNT	REVISED PERCENT OF CONTRACT
Burroughs	\$37,672	5.0%	\$7,877	.01%	\$93,872	\$93,872	6.3%

CONTRACT AND VENDOR HISTORY

Contract and Vendor History					
Contract/ PO No.	Contractor	Term of Contract	Start Date	Ending Date	Contract Amount
47964-1	Wausau Financial Systems, Inc	5 years	August 17, 2010	June 30, 2015	\$750,000
49001-1	Wausau Financial Systems, Inc.	6 months	July 1, 2010	December 31, 2010	\$85,000
47463-6	Wausau Financial Systems, Inc	4 years	July 1, 2006	June 30, 2010	\$828,428

ENVIRONMENTAL DETERMINATION

In accordance with the California Environmental Quality Act (CEQA) it has been determined that awarding a contract to upgrade existing remittance processing equipment is exempt pursuant to the General Exemption described in CEQA Guidelines Sections 105061(b)(3). General Exemption applies in situations where it can be seen that there is no possibility that the activity in question may have significant effect on the environment.

RECOMMENDATION

It is requested that your Honorable Board adopt the attached Resolution recommending the Los Angeles City Council's approval of Amendment No.1 to Agreement No. 47964 with WFS.

WQ:lw

Attachments

e-c/att: Ronald O. Nichols

Richard M. Brown

Aram Benyamin

James B. McDaniel


Philip R. Leiber

Gary Wong

Gwendolyn W. Williams

Sharon Grove

Ethelinda Reyes

 Wilson Quon

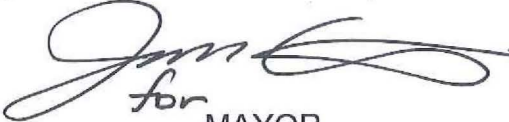
0150-09358-0001

TRANSMITTAL

TO Ronald O. Nichols, General Manager Department of Water and Power	DATE DEC 06 2012	COUNCIL FILE NO.
FROM The Mayor		COUNCIL DISTRICT

WAUSAU FINANCIAL SYSTEMS AMENDMENT 1 TO AGREEMENT NO. 47964

Transmitted for further processing. See the
City Administrative Officer report attached.


for
MAYOR

MAS:OAV:10130061T

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: December 3, 2012

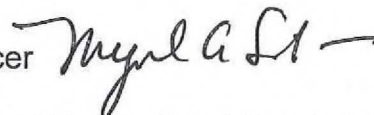
CAO File No. 0150-09358-0001

Council File No.

Council Districts: Citywide

To: The Mayor

From: Miguel A. Santana, City Administrative Officer



Reference: Transmittal from the Department of Water and Power dated October 10, 2012; referred by the Mayor for report on October 31, 2012

Subject: **AMENDMENT NO. 1 TO AGREEMENT NO. 47964 BETWEEN THE DEPARTMENT OF WATER AND POWER AND WAUSAU FINANCIAL SYSTEMS, INC.**

SUMMARY

The Department of Water and Power (DWP; Department) requests approval of the proposed Resolution that authorizes the execution of Amendment No. 1 to Agreement No. 47964 between the DWP and Wausau Financial Systems, Inc. (WFS) to upgrade existing equipment and provide replacement parts and additional equipment for DWP's remittance processing equipment. Amendment No. 1 increases the contract limit to by \$738,727 for a new total of \$1,488,727, and extends the term of the Agreement from June 30, 2015 to December 31, 2015. In accordance with Charter Section 373 and Los Angeles Administrative Code Section 10.5, Council approval is required because the term exceeds three years. The City Attorney has approved the proposed resolution and Amendment as to form and legality.

DWP receives 20,000 to 30,000 envelopes containing ratepayer payments daily at the Remittance Processing Center (RPC). The Remittance Processing System (RPS) system is critical to the DWP to ensure ratepayer payments are forwarded to the bank and posted on the same day they are received. DWP states that the daily revenue collected at the RPC can reach or exceed approximately \$10 million per day.

DWP currently bills residential customers for electricity and water service on a bi-monthly basis. However, a new Customer Information System (CIS) will be completed by April 2013 that will allow DWP to modernize many aspects of customer service, meter data management, mobile dispatch, and the water outage management system. Once the implementation phase of the CIS is completed, it is anticipated that DWP will be able to convert to a residential monthly billing cycle for both electricity and water service in the Fall of 2013.

Based on the 2011-12 fiscal year, the number of bill payments received annually totaled 10 million and 80 percent were from residential customers. Since the inception of electronic payment options,

about 50 percent of the residential payments are received electronically. Therefore, DWP anticipates that the current eight million residential bills payments will double to due to the change from bi-monthly to monthly billing. The remaining customers are already billed on a monthly basis. The items included in the Amendment that will allow the Remittance Processing System to handle the increased workload are provided bellow. The cost of these items is \$738,727.

Equipment	Total
Upgrade to Unisys NDP Quantum Series 600 Transporter	\$48,410
Additional Unisys NDP Quantum Series 600 Transporter	\$164,385
Add 7 Key Stations to existing remittance system	\$69,953
Professional Services for high speed envelope extractors	\$104,295
Upgrade existing Image Remittance Processing Software	\$86,425
Additional consumable supply costs	\$91,000
Service Maintenance	\$150,604
Interface with DWP's new Customer Information System	\$11,655
Miscellaneous	\$12,000
Total	\$738,727

WSAU FINANCIAL SYSTEMS CONTRACT HISTORY

The contracting history with WFS consists of an original four-year agreement, which was competitively bid, commencing on July 1, 2006 with an expenditure limit of approximately \$828,000 and an expiration date of June 30 2010. Several subsequent separate agreements have extended the effective term by approximately 7 years, expiring June 30, 2012 and totaling \$1,663,428. The proposed Amendment would increase the total contract history to 9 years and the proposed additional funding of \$738,727 will increase the total amount to \$2,402,155. DWP states that WFS has performed in an acceptable manner to process all remittance in an expedited manner for the daily processing of payment receipts to the bank which keeps DWP revenues up to date.

The above mentioned aspects of the proposed resolution, agreement, and this report, are based upon revised information received from the Department subsequent to the initial request submittal.

CONTRACTING COMPLIANCE

The City Attorney has approved the proposed resolution and Agreement as to form and legality. The Agreement is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to the General Exemptions described in Section 15061(b)(3) of the Los Angeles City CEQA Guidelines. In accordance with Charter Section 1022, it has been determined the work specified in the Agreement can be performed more economically and feasibly by Independent Contractors than by City employees. Pursuant to Charter Section 373 and Los Angeles Administrative Code Section 10.5, Council consideration of this Agreement is required because the term exceeds three years. In addition, the subcontracting participation level has increased in the Amendment from 5 percent to 6.3 percent.

RECOMMENDATION

That the Mayor:

1. Approve the proposed Resolution which authorizes the execution of Amendment No. 1 to Agreement No. 47964 between the Department of Water and Power and Wausau Financial Systems, Inc. to increase the contract amount to \$1,488,727 and extend the term to December 31, 2015 to upgrade existing equipment and to add equipment for DWP's remittance processing equipment; and,
2. Return the proposed resolution to the Department for further processing, including Council consideration.

FISCAL IMPACT STATEMENT

Approval of this request will result in an increased expenditure amount not to exceed \$738,727 from the Power Revenue Fund and the Water Revenue Fund; however, there is no impact on the City's General Fund. This Agreement and the Amendment is consistent with the DWP Financial Policies which are not applicable.

TIME LIMIT FOR COUNCIL ACTION

Pursuant to Charter Section 373, "Long Term Contracts Approved by Council," and the Los Angeles Administrative Code Section 10.5, "Limitation and Power to Make Contracts," unless the Council takes action disapproving a contract that is longer than three years within 60 days after submission to Council, the contract shall be deemed approved.

MAS:OAV:101030061

**FIRST AMENDMENT
TO AGREEMENT NUMBER 47964 BETWEEN
THE CITY OF LOS ANGELES
AND
WAUSAU FINANCIAL SYSTEMS, INC.**

THIS FIRST AMENDMENT to Agreement Number (No.) 47964 is made and entered into by and between the City of Los Angeles, a municipal corporation acting by and through the Los Angeles Department of Water and Power, (hereinafter referred to as the "LADWP") and Wausau Financial Systems, Inc. (hereinafter referred to as "Contractor").

WITNESSETH

WHEREAS, the LADWP and the Contractor entered into an Agreement wherein Contractor agreed to provide software, hardware, equipment, maintenance, support, supplies, and replacement parts, said Agreement effective November 4, 2010, which together with all amendments and supplements thereto hereinafter shall be referred to as the Agreement; and

WHEREAS, the Agreement provides for amendments; and

WHEREAS, the LADWP and Contractor are desirous of amending the Agreement for the purpose of a.) upgrading an existing Unisys Network Document Processor (NDP) Quantum Series 200 transporter that processes 200 documents per minute (DPM) to an NDP Quantum Series 600 which processes 600 DPM, b.) purchasing an additional Unisys NDP Quantum Series 600 transporter, c.) purchasing consumable supplies for the two (2) Unisys NDP Quantum Series 600 transporters, d.) adding seven (7) keying stations to the existing remittance processing system, e.) providing professional services for integrating two (2) Opex Eagle high-speed envelope extractors into the existing remittance processing system, and f.) upgrading existing WFS Image Remittance Processing System (Image RPS) software from version 4.005a to version 5.00.01, g.) interfacing LADWP's new Customer Information System Connection (CISCON) with the existing remittance processing system (Host Integration CISCON), and h.) providing software and hardware maintenance and support for LADWP's upgraded and expanded remittance processing system, increasing the original contract amount of \$750,000 by \$738,727 to make the new contract amount \$1,488,727, and extending the original contract ending date of June 30, 2015 by six (6) months to make the new contract ending date December 31, 2015, and

WHEREAS, the amendment is necessary and proper to continue or complete certain activities authorized under the Agreement;

NOW, THEREFORE, the LADWP and Contractor agree that the Agreement be amended effective January 1, 2013 as follows:

AMENDMENT

1. Paragraph 12.a) Fees, is amended to add the sum of \$738,727 and read as follows:

"The total compensation under the terms of this Agreement shall not exceed One Million Four Hundred Eighty Eight Thousand Seven Hundred Twenty Seven (\$1,488,727) dollars, unless otherwise amended. Unless expressly stated in a

Statement of Work, all salaries, wages, or other payments (including without limitation any overtime) to any third parties, Authorized Subcontractors or employees, shall be the sole responsibility of the Contractor, and the Contractor hereby agrees to fully indemnify, defend and hold harmless the LADWP with respect thereto."

2. The attached Schedule 1A Fee Schedule shall supplement Schedule 1 Fee Schedule, revised February 13, 2012, updated under Administrative Change Request No. 2.
3. Except as herein amended, all other terms and conditions shall remain in full force and effect.
4. This amendment is executed in three (3) duplicate originals, each of which is deemed to be an original. This amendment consists of two (2) pages.

IN WITNESS THEREOF, the parties hereto have executed this First Amendment to Agreement No. 47964 on the date indicated.

THE CITY OF LOS ANGELES by and through
DEPARTMENT OF WATER AND POWER
By
BOARD OF WATER AND POWER COMMISSIONERS
OF THE CITY OF LOS ANGELES

Dated: _____

By: _____
RONALD O. NICHOLS
General Manager

And: _____
BARBARA E. MOSCHOS
Secretary

WAUSAU FINANCIAL SYSTEMS, INC.

Dated: 12/11/12

By: _____
Title: VP CONTRACTS

City Business License Number: 967268
Internal Revenue Service ID Number: 39-1620250
Board Resolution Number: _____
Contract Number: 47964

APPROVED AS TO FORM AND LEGALITY
CARMEN A. TRUTANICH, CITY ATTORNEY

DEC 17 2012

BY _____
DIRK BROERSMA
DEPUTY CITY ATTORNEY

**SCHEDULE IA
FEE SCHEDULE
(ADD MATERIALS/EQUIPMENT/SERVICES)**

Upgrade Unisys network document processor (NDP) Quantum Series 200 transporter to an NDP Quantum Series 600	\$48,410
Furnish, install and integrate one Unisys NDP Quantum Series NDP600 Transporter	\$164,385
Additional Consumable Costs (Supplies) ¹ from 01/01/13 to 12/31/13	\$25,000
Additional Consumable Costs (Supplies) ¹ from 01/01/14 to 12/31/14	\$25,000
Additional Consumable Costs (Supplies) ¹ from 01/01/15 to 12/31/15	\$41,000
Add seven (7) keying stations	\$69,953
Integrate two (2) Opex Eagle high-speed envelope extractors	\$104,295
Additional Cost for Service Maintenance from 01/01/13 to 12/31/13	\$30,203
Additional Cost for Service Maintenance from 01/01/14 to 12/31/14	\$31,628
Additional Cost for Service Maintenance from 01/01/15 to 12/31/15	\$88,773
Upgrade image remittance processing system (Image RPS) software from version 4.00.5a to version 5.00.01	\$86,425
Interface LADWP's Customer Information System Connection (CISCON) with Image RPS (Host Integration CISCON)	\$11,655
Additional Freight and Travel Costs, estimated	\$12,000
<hr/>	
TOTAL ADDITIONAL INVESTMENT	\$738,727

Note 1: Consumable Costs include supplies and replacement parts not covered under maintenance or not listed on Schedule A.