

**TO THE COUNCIL OF THE  
CITY OF LOS ANGELES**

Your

**ENERGY AND ENVIRONMENT COMMITTEE**

**reports as follows:**

ENERGY AND ENVIRONMENT COMMITTEE relative to proposed Agreement No. 47005-1 with Opex Corporation (Opex) for provision of hardware, software maintenance, support services and licensing fees in connection with automated remittance processing.

Recommendation for Council action:

CONCUR with the Board of Water and Power Commissioners' (Board) action of June 21, 2011, Resolution No. 011-314, authorizing Agreement No. 47005-1 with Opex for provision of hardware, software maintenance, support services and licensing fees in connection with automated remittance processing, as detailed in the Board's June 22, 2011 report and attached to the Council file.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that approval of Agreement No. 47005-1 with Opex will result in an expenditure amount not to exceed approximately \$554,372 from the Power Revenue Fund and the Water Revenue Fund; however, there is no impact on the City's General Fund. Since the Los Angeles Department of Water and Power (LADWP) is bound only by the City Debt Management Policies, the City Financial Policies are not applicable.

Community Impact Statement: None Submitted

**TIME LIMIT FILE - AUGUST 22, 2011**

**(LAST DAY FOR COUNCIL ACTION - AUGUST 19, 2011)**

Summary:

On July 19, 2011, your Committee considered a June 22, 2011 Board report, Resolution No. 011-314 and a May 18, 2011 CAO report relative to proposed Agreement No. 47005-1 with Opex for the provision of hardware, software maintenance, support services and licensing fees in connection with automated remittance processing. According to the CAO, the proposed contract is a sole-source contract since the remittance processing equipment is manufactured by Opex and utilizes proprietary software which is only available from Opex. The proposed term is five years expiring on September 12, 2016, with a total expenditure amount not to exceed \$554,372. A termination provision is included in the Agreement that states LADWP can terminate the contract for convenience with written notice.

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

After further consideration and having provided an opportunity for public comment, the Committee moved to recommend concurring with the Board's action of June 21, 2011 as detailed in the above recommendation. This matter is now submitted to Council for its consideration.

Respectfully submitted,

ENERGY AND ENVIRONMENT COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
PERRY:	YES
CÁRDENAS:	YES
ALARCÓN:	YES
KORETZ:	YES
KREKORIAN:	ABSENT

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**- Not Official Until Council Acts -**