

0150-09658-0002

TRANSMITTAL

TO David H. Wright, General Manager Department of Water and Power	DATE SEP 06 2017	COUNCIL FILE NO.
FROM The Mayor	COUNCIL DISTRICT	

AMENDMENT 5 TO AGREEMENT 47789 WITH ELOYALTY, LLC

Approved and transmitted for further processing including Council consideration.
See the City Administrative Officer report attached.


Ane Guerrero
MAYOR

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: September 5, 2017

CAO File No.: 0150-09658-0002

Council File No.:

Council District:

To: The Mayor

From: Richard H. Llewellyn, Jr., Interim City Administrative Officer

Reference: Communication from the Department of Water and Power dated July 24, 2017

Subject: **AMENDMENT 5 TO AGREEMENT 47789 WITH ELOYALTY, LLC**

RECOMMENDATIONS

That the Mayor:

1. Approve the proposed resolution authorizing Amendment 5 to Agreement 47789 with eLoyalty, LLC, for software maintenance and support services to (i) extend the contract term for one year with two additional one-year extensions and (ii) increase the expenditure authority by \$3,000,000 resulting in a total amount not to exceed \$18,398,350; and,
2. Return the proposed resolution to the Department for further processing, including Council consideration.

SUMMARY

Approval of the proposed resolution and Agreement is necessary for ongoing software maintenance, support services, and minor upgrades to the existing Customer Contact Center (CCC) Interactive Voice Response (IVR) system. Continuing this Agreement enables the DWP to optimally operate the IVR system which is essential for DWP Customer Service activities including call processing, automated speech services, and telephonic services for hearing impaired customers.

The original Agreement was adopted on August 5, 2008, with a term of three years and an expenditure authority not to exceed approximately \$7.6 million. Subsequently, four amendments were approved adjusting the scope of services as well as extending the term and increasing the contract amount. As proposed, Amendment 5 extends the term one-year and provides two additional one-year extensions, resulting in a total duration of 12 years and 3 months that expires November 14, 2020. Furthermore, the proposed Amendment 5 increases the expenditure authority by \$3,000,000 resulting in a total amount not to exceed \$18,398,350. As of August 2017, expenditures on this contract total \$14.4 million resulting in approximately \$1.0 million remaining unspent.

DWP states that eLoyalty has performed satisfactorily. However, in compliance with Charter Section 372 pertaining to competitive bidding, DWP is preparing a Request for Proposal (RFP) for release in late 2017. DWP states the RFP shall include the following services:

- Ongoing maintenance, support services, and upgrade services for the hardware and software of the current IVR system;
- Professional technical services to plan, prioritize, design, develop, implement, and document changes based on external assessments of the IVR system, regulatory compliance, and/or business needs.

If DWP awards a new contract, the current Agreement with eLoyalty can be terminated with 15 days prior notice. DWP states there would be an overlapping transition period between eLoyalty and a vendor awarded by the RFP to ensure there is no lapse in support.

Council approval is requested pursuant to Charter Section 373 and Los Angeles Administrative Code Section 10.5. The City Attorney has approved the proposed resolution as to form and legality.

FISCAL IMPACT STATEMENT

Approval of the proposed resolution will impact the Water Revenue Fund and Power Revenue Fund. There is no impact to the City's General Fund. The proposed resolution complies with the Department's adopted Financial Policies.

RHL:RR:10180005