

0150-08928-0001

TRANSMITTAL

TO The Council	DATE NOV 05 2014	COUNCIL FILE NO.
FROM The Mayor	COUNCIL DISTRICT All	

**First Amendment to Contract No. 115890 with ABB Inc. for
System Maintenance and Support Services for the Bureau of Sanitation
Wastewater Distributed Control Systems at Donald C. Tillman and
Los Angeles/Glendale Water Reclamation Plants**

Approved and forwarded for your consideration.
See the City Administrative Officer report attached.


(Ana Guerrero)
MAYOR

RECEIVED
CITY CLERK'S OFFICE

2014 NOV -6 AM 10:55

CITY CLERK

BY Ellie DEPUTY
pls

NOV 6 10 55 AM '14

Report From
OFFICE OF THE CITY ADMINISTRATIVE OFFICER
Analysis of Proposed Contract
(\$25,000 or Greater and Longer than Three Months)

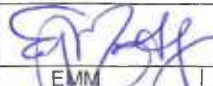

To: The Mayor	Date: 11-03-14	C.D. No. All	CAO File No.: 0150-08928-0001				
Contracting Department/Bureau: Public Works/Bureau of Sanitation		Contact: Charles Lee, (310) 648-5450					
Reference: Transmittal from the Board of Public Works dated August 6, 2014; referred for report August 28, 2014.							
Purpose of Contract: Sole Source Contract with ABB Inc. for Wastewater Distributed Control Systems Maintenance and Support for the Donald C. Tillman and Los Angeles/Glendale Water Reclamation Plants							
Type of Contract: () New contract (X) Amendment		Contract Term Dates: Five years, retroactively from October 1, 2014 through September 30, 2019.					
Contract/Amendment Amount: \$1,000,000							
Proposed amount \$ 1,000,000 + Prior award(s) \$ 2,000,000 = Total \$ 3,000,000							
Source of funds: Sewer Construction and Maintenance Fund No. 760							
Name of Contractor: ABB Inc.							
Address: 29801 Euclid Avenue, Wickliffe, OH 44092							
	Yes	No	N/A*	8. Contractor has complied with:	Yes	No	N/A*
1. Council has approved the purpose	X			a. Equal Employmt. Oppty./Affirm. Action	X		
2. Appropriated funds are available	X			b. Good Faith Effort Outreach**			X
3. Charter Section 1022 findings completed			X	c. Equal Benefits Ordinance	X		
4. Proposals have been requested		X		d. Contractor Responsibility Ordinance	X		
5. Risk Management review completed	X			e. Slavery Disclosure Ordinance	X		
6. Standard Provisions for City Contracts included	X			f. Bidder Certification CEC Form 50	X		
7. Workforce that resides in the City: 0%				*N/A = not applicable ** Contracts over \$100,000			

COMMENTS

In accordance with Executive Directive No. 3, the Board of Public Works (Board), on behalf of the Bureau of Sanitation (Bureau), is requesting authority to execute the proposed First Amendment to Contract No. 115890 with ABB Inc. (ABB) to provide systems support for the Wastewater Distributed Control Systems (Synchrony Control Systems) at Donald C. Tillman (DCT) and Los Angeles Glendale (LAG) Water Reclamation Plants. The First Amendment will extend the term of the contract by an additional five years, retroactively from October 1, 2014 through September 30, 2019, and increase the maximum allowable compensation by \$1 million, from \$2 million to \$3 million. In accordance with Los Angeles Administrative Code Section 10.5(a), Council approval is required to execute the proposed First Amendment as the term of the contract exceeds three years.

Background

The Bureau's Water Reclamation Plants contain automated and mechanized systems for certain aspects of the water reclamation process. These systems are used for automation, monitoring, and control of treatment operations. In 1999 and 2006, ABB installed a proprietary control system, Synchrony Control Systems, at DCT and LAG, respectively. Since 2008, the City has purchased a

		
EMM	Assistant CAO	City Administrative Officer

long term subscription plan to provide uninterrupted maintenance support for both locations, which includes support services, system updates, license renewals, and contingencies for spare parts to keep the systems viable through the end of their useful life.

On July 29, 2009, the Council authorized the Bureau to execute Contract No. 115890 as a sole source contract for a period of five years and a cost ceiling of \$2 million (C.F. 07-4058). The five-year term expired on September 30, 2014. On October 20, 2014, the Board of Public Works approved a Letter of Agreement (LOA) to continue operations through December 31, 2014. To date, \$739,459 has been expended under the current contract ceiling. The First Amendment will extend the contract for an additional five years, retroactively from October 1, 2014 through September 30, 2019.

The Bureau is currently in the process of rolling out the Los Angeles Wastewater Integration Network System (LAWINS) to replace all control systems at the five wastewater collection and treatment facilities (C.F. 11-1844). Honeywell Control Systems is in the first phase of installing the system. The Bureau estimates that the DCT and LAG replacement systems will not be completed until 2018. The five-year extension provided in the First Amendment will allow the Bureau to secure support services from ABB until the time the LAWINS projects replaces the control systems at DCT and LAG.

Summary of First Amendment Changes

The First Amendment will not change the scope of work or method of compensation. ABB will continue to provide system maintenance, upgrades, and support services for Synchrony Control Systems at DCT and LAG Water Reclamation Plants. The cost ceiling will increase by \$1 million. In addition, the First Amendment will update all contractor information and contracting ordinances and incorporate new contracting requirements that were adopted by Council after the initial contract was approved.

Compensation for Services

ABB will continue to provide software and hardware support to be paid for through a subscription plan as follows:

Subscription Item	Annual Cost	Five-Year Cost
On-Site Field Service (30 days/year)	\$109,534	\$547,670
24-hour Emergency Response (as-needed)	\$30,000	\$150,000
"Support Line Bronze Plus Subscription" telephone support (10 hours/year)	\$19,021	\$95,105
"Solutions Bank Subscription" (unlimited web support)	\$13,806	\$69,030
"Infoplus21 Historian Services" remote diagnostics (40 hours/year)	\$12,400	\$62,000
Contingency Account	\$15,239	\$76,195
Total	\$200,000	\$1,000,000

Should the Bureau no longer require any of the above services, individual subscriptions may be cancelled at any time and any remaining funds will be reallocated as a part of the Bureau's general contingency fund for the contract. Invoice amounts must reflect hourly billing rates with applicable subscription discounts as specified in Article 9 of the contract. Billing will continue to be performed on a monthly basis.

Contracting Compliance Requirements

The contract is exempt from Charter Section 1022 due to the proprietary nature of the software. On May 11, 2007, the Mayor's Office exempted this contract from the City of Los Angeles Minority, Women and Other Business Enterprise (MBE/WBE/OBE) subcontractor outreach requirement. Per section 10.40.4(b) of the Contractor Responsibility Ordinance, ABB is exempt from the provisions of the Contractor Responsibility Ordinance as Synchrony Control Systems is a proprietary product and only available from a single source. ABB has continued to comply with all remaining City contracting requirements. The City Attorney has reviewed and approved this amendment as to form.

RECOMMENDATION

That the Council authorize the Board of Public Works, on behalf of the Bureau of Sanitation, to execute the proposed First Amendment to Contract No. 115890 with ABB Inc. to extend the term by an additional five years (for a total term of ten years), retroactively from October 1, 2014 through September 30, 2019, and increase the cost ceiling by \$1 million, from \$2 million to \$3 million.

FISCAL IMPACT STATEMENT

There is no General Fund impact and sufficient funds are available within the Sewer Construction and Maintenance Fund to support the first year costs of the proposed First Amendment. Funding for the subsequent years of the First Amendment will be provided through the City's annual budget process and subject to Mayor and Council approval. The recommendation in this report complies with the City's Financial Policies as ongoing revenue will support ongoing expenditures.

MAS:EMM:06150025

CITY OF LOS ANGELES

CALIFORNIA

BOARD OF PUBLIC WORKS MEMBERS

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MONICA RODRIGUEZ
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BARBARA ROMERO
COMMISSIONER



ERIC GARCETTI
MAYOR

OFFICE OF THE BOARD OF PUBLIC WORKS

200 NORTH SPRING STREET
ROOM 361, CITY HALL
LOS ANGELES, CA 90012
(213) 978-0261
(213) 978-0278 Fax

ARLEEN P. TAYLOR
EXECUTIVE OFFICER

<http://www.bpw.lacity.org>

August 6, 2014

#1 BOS/BCA

Mayor Eric Garcetti
Room No. 305
City Hall
Attn: Mandy Morales

Subject: AUTHORITY TO EXECUTE AMENDMENT NO. 1 TO SOLE SOURCE AGREEMENT WITH ABB INC. FOR SUPPORT FOR THE DISTRIBUTED CONTROL SYSTEMS INSTALLED AT THE DONALD C. TILLMAN AND LOS ANGELES/GLENDALE WATER RECLAMATION PLANTS

As recommended in the accompanying report of the Directors of the Bureaus of Sanitation and Contract Administration, which this Board has adopted, the Board of Public Works requests approval and forwarding to the City Council for approval and authorization to execute Amendment No. 1 to Sole Source Agreement Contract No. C-115890 with ABB Inc. for support of distributed control systems. The amendment is for a 5-year extension to September 30, 2019, for a total contract term of 10 years with a \$1,000,000 increase in the contract ceiling, from \$2,000,000 to \$3,000,000.

FISCAL IMPACT

There is no Fiscal Impact as sufficient funds will be available for this Amendment No. 1.

Respectfully submitted,


Arleen P. Taylor, Executive Officer
Board of Public Works

APT:mp

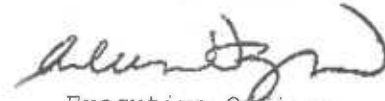
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CITY ADMINISTRATIVE OFFICER

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CITY OF LOS ANGELES
OFFICE OF THE BOARD OF PUBLIC WORKS
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DEPARTMENT OF PUBLIC WORKS

BUREAU OF SANITATION
BUREAU OF CONTRACT ADMINISTRATION
JOINT BOARD REPORT NO. 1
August 6, 2014

ADOPTED BY THE BOARD
PUBLIC WORKS OF THE CITY
of Los Angeles California
AND REFERRED TO THE MAYOR
AUG - 6 2014


Executive Officer

CD: 4

AUTHORITY TO EXECUTE AMENDMENT NO.1 TO SOLE SOURCE AGREEMENT
NO.C-115890 WITH ABB INC., FOR SUPPORT FOR THE DISTRIBUTED CONTROL
SYSTEMS INSTALLED AT DONALD C. TILLMAN WATER RECLAMATION PLANT
AND LOS ANGELES/GLENDALE WATER RECLAMATION PLANT

RECOMMENDATIONS

1. Approve and forward this report with transmittals to the Mayor and City Council with the request that the Board of Public Works (Board) be authorized to execute Amendment No. 1 to Sole Source Agreement (No. C-115890) with ABB Inc. for support of distributed control systems. This amendment is for a five (5) year extension to September 30, 2019, for a total contract term of 10 years with a \$1,000,000 increase in the contract ceiling, from \$2,000,000 to \$3,000,000.
2. Upon Mayor's and Council's approval, the President or two members of the Board will execute the amendment.
3. Upon execution, contact the Bureau of Sanitation (Bureau), Board Report Section, at ext. 5-4246 for pick up and further processing.

FISCAL IMPACT STATEMENT

There is no Fiscal Impact as sufficient funds will be available for this Amendment No. 1.

TRANSMITTALS

1. Adopted Bureau of Sanitation and Bureau of Contract Administration Joint Report No.1, dated May 15, 2009, authorizing the Bureau of Sanitation to execute a sole source agreement with ABB Corporation.
2. One copy of Amendment No. 1 to Contract C-115890 with ABB Inc., approved as to form by the City Attorney. Originals will be delivered to the Board Office when the Board Report Section (ext. 5-4246) is notified that the amendment is ready for execution.
3. Copy of the approved MBE/WBE/OBE Good Faith Effort Waiver dated July 16, 2007.

DISCUSSION

Background

On May 15, 2009, your Board approved and forwarded to the Mayor a request to execute a personal services contract with ABB Inc. for control system support to Donald C. Tillman Water Reclamation Plant and Los Angeles/Glendale Water Reclamation Plant (Transmittal No.1). Contract No. C-115890 was executed on October 1, 2009 and is due to expire on September 30, 2014.

The installed ABB Distributed Control Systems at Donald C. Tillman Water Reclamation Plant and Los Angeles/Glendale Water Reclamation Plant play key roles in operating the various treatment processes. The control system is a real-time computer system which provides control, monitoring and alarming capability to allow operators to efficiently operate the plant with minimum manpower. Continued support from ABB is critical and necessary to cover unforeseen system failures.

ABB, Inc., as the manufacturer, is the only company capable of providing hardware and software maintenance support for the ABB control systems at the Donald C. Tillman Water Reclamation Plant and the Los Angeles/Glendale Water Reclamation Plant. Hardware and software installed at these plants is proprietary to ABB, Inc. ABB, Inc. retains the staff, expertise and spare parts necessary to provide maintenance on these systems. Furthermore, ABB, Inc. has a historical relationship with the Bureau in the installation and maintenance of the equipment and software.

ABB, Inc. field engineers have specific knowledge and understanding of the ABB control systems installations at these plants. This expertise is critical during emergency situations when it is essential to restore the proper operation and function of the control system as quickly as possible. Failure to extend the term of this maintenance agreement with ABB, Inc. will put the Bureau at risk; routine software upgrades will not be performed, timely replacement of failed or damaged components will be compromised and there will be no guaranteed response by field service personnel in the event of the ABB control systems failure.

The Bureau requests that the contract be amended for an additional term of five (5) years to provide support coverage for the installed control systems. Increased rates will equate to an approximate increase of \$250,000 over the next five years.

Contractor Qualifications

ABB Inc. has proven to be well qualified to provide support services for the installed ABB Harmony Distributed Control System at Donald C. Tillman Water Reclamation Plant and Los Angeles/Glendale Water Reclamation Plant. ABB, being the manufacturer of its control systems, has fulfilled its current contract responsibilities in hardware supply and software support. Besides the control systems installed for City of Los Angeles, ABB also supports other installations in Southern California, e.g.; Carson Facility of the Los Angeles County Sanitation District and water municipalities in Simi Valley.

Proposed Term and Cost Estimate of Contract

Amendment No.1 will extend the term of this agreement for an additional five (5) years (for a total of 10 years) with a \$1,000,000 increase in cost ceiling, from \$2,000,000 to \$3,000,000. As of **December 31, 2013, \$645,000** has been expended of the \$2,000,000 ceiling. A one million dollar (\$1,000,000) increase is needed due to increased labor costs and subscription rates and age of the system which is expected to require more service during the term of the contract Amendment.(Transmittal No.2)

MBE.WBE/OBE Subcontractor Outreach Program

The original contract received a waiver of the MBE/WBE/OBE Subcontractor Outreach Program requirements from the LA Minority Business Opportunities Center (MBOC) on July 16, 2007. (Transmittal No.3)

Notice of Intent to Contract

The required Notice of Intent to Contract (NOI) was filed with the City Administrative Office (CAO) Clearinghouse on January 15, 2013.

Charter Section 1022

This amendment is exempt from the provisions of City Charter Section 1022 due to the propriety nature of the software and use of specially trained and certified persons to install, maintain and service the equipment.

Other City Policies and Requirements

ABB Inc. is in compliance with the following City requirements:

- Non-Discrimination/Equal Employment/Affirmative Action Program
- Child Support Obligations Ordinance
- Americans with Disabilities Act
- Slavery Disclosure Ordinance
- Municipal Lobbying Ordinance
- Non-Collusion Affidavit
- Contract History
- Los Angeles Residence Information
- Insurance Requirements

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- Living Wage Ordinance/Service Contractor Worker Retention Ordinance
- Equal Benefits Ordinance
- Business Tax Registration Certificate
- First Source Hiring Ordinance
- Contract Bidder Campaign Contribution and Fundraising Restrictions
- Iran Contracting Act of 2010

Attachments to these requirements are included in the contract documents.

Headquarters and Work Force information

ABB Inc. is headquartered in Wickliffe, Ohio. Ten (10) percent of its Southern California employees reside within the City of Los Angeles.

It should be noted that ABB Inc., its owners and principals, are neither City employees nor City officials.

Contractor Responsibility Ordinance

ABB, being the sole contractor delivering service to the City under this agreement is subject to compliance with the requirements specified in the City of Los Angeles' Contractor Responsibility Ordinance #173677 [Article 14, Chapter 1, Division 10, L.A.A.C.]. Failure to comply with all requirements specified in the Ordinance will render the awarded contract subject to termination pursuant to the conditions expressed therein.

Contractor Performance Evaluation

In accordance with Article 13, Chapter 1, Division 10 of the City of Los Angeles Administrative Code, the appropriate City personnel responsible for the quality control of this personal services contract shall submit Contractor Performance Evaluation Reports to the Bureau of Contract Administration (Department of Public Works) upon completion of this contract.

Project Administration

The Information and Control Systems Division (ICSD) of the Bureau of Sanitation will continue to administer the contract.

City Attorney Review

The City Attorney has reviewed this Amendment No.1 and has approved it as to form.

STATUS OF FINANCING

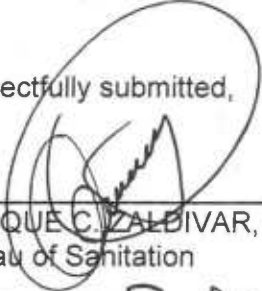
For fiscal year 2015, funds in the amount of \$412,000 are available in Fund 760, Dept. 50 Account 50KX82, Object 304-Contractual Services, Line Item No. 184, Information and Control Systems Division.

Bureau of Sanitation
Bureau of Contract Administration
Joint Board Report No.1
August 6, 2014

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The City's liability under this contract shall only be to the extent of the present City appropriation to fund the contract. However, if the City shall appropriate funds for any succeeding years, the City's liability shall be extended to the extent of such appropriation, subject to the terms and conditions of the contract

Respectfully submitted,



ENRIQUE C. ZALDIVAR, Director
Bureau of Sanitation


JOHN L. REAMER JR., Director
Bureau of Contract Administration

COMPLIANCE REVIEW PERFORMED
AND APPROVED BY:


HANNAH CHOI, Program Manager
Office of Contract Compliance
Bureau of Contract Administration

APPROVED AS TO FUNDS:


VICTORIA A. SANTIAGO, Director
Office of Accounting
Date 7/30/14

Prepared by:
Charles Lee, ICSD
(310) 648-5450

DEPARTMENT OF PUBLIC WORKS

BUREAU OF SANITATION
BUREAU OF CONTRACT ADMINISTRATION
JOINT BOARD REPORT NO. 1
May 15, 2009

ADOPTED BY THE BOARD OF
PUBLIC WORKS OF THE CITY
of Los Angeles, California
AND REFERRED TO THE MAYOR
MAY 15 2009

Joseph
Secretary

CD: 4 & 6

AUTHORITY TO ENTER INTO A SOLE SOURCE AGREEMENT WITH ABB INC.
FOR CONTROL SYSTEMS SUPPORT AT DONALD C. TILLMAN AND LOS
ANGELES/GLENDALE WATER RECLAMATION PLANTS

RECOMMENDATIONS

1. Approve and forward this report with transmittals to the Mayor requesting that the Board of Public Works (Board) be authorized to enter into a sole source agreement with ABB, Inc. (ABB), to provide maintenance services for the ABB control systems hardware and software installed at the Donald C. Tillman Water Reclamation Plant and the Los Angeles/Glendale Water Reclamation Plant. The estimated yearly maximum cost of this agreement is \$400,000 with a maximum contract ceiling of \$2,000,000.
2. Also forward this report with transmittals to the City Council to approve the sole source agreement with ABB for five (5) years.
3. Waive the MBE/WBE/OBE Subcontractor Outreach Program requirements as discussed in this report.
4. Upon the Mayor's and City Council's authorization, the President or two members of the Board of Public Works will execute the agreement.
5. Upon contract execution, contact the Bureau of Sanitation (Bureau), Board Report Section, at ext. 5-4246 for pick up and further processing.

TRANSMITTALS

1. Copy of the Joint Board Report No. 1 dated July 30, 2008 authorizing the Director of the Bureau of Sanitation to negotiate a sole source agreement with ABB for Harmony control systems maintenance and support at Donald C. Tillman and Los Angeles/Glendale Water Reclamation Plants.
2. Copy of the surveys from January 23, 2002 through January 30, 2002 demonstrating the lack of capability for other service providers to meet the requirements of the proposed ABB maintenance contract.
3. Copy of the proposed agreement between the City of Los Angeles and ABB, Inc.

4. Copy of the MBE/WBE/OBE Subcontractor Outreach Program waiver approved by the Mayor's Office on Economic Development on July 16, 2007.
5. Copy of report describing cost savings realized by the City during the previous service contract period with ABB (C-106739), justifying the use of subscription services as opposed to charges based on hourly rates.

DISCUSSION

Background

The Bureau utilizes ABB, Inc. control systems hardware and software to monitor, control, and to provide automation for the Donald C. Tillman Water Reclamation Plant and Los Angeles/Glendale Water Reclamation Plant. This equipment and software is critical to the safe and efficient operation of these water reclamation facilities. These systems require support from the manufacturer to perform a number of critical functions. The previous agreement for this support (C-106739) with ABB, Inc. with the Donald C. Tillman Water Reclamation Plant for ABB control systems support and maintenance expired June 16, 2008. The Los Angeles/Glendale Water Reclamation Plant recently installed the ABB control system, which was maintained under the manufacturer's warranty for a period of one year after final acceptance by the Bureau. This warranty expired in May 2008. It is crucial that ABB, Inc. be retained to provide license renewals, software support, documentation such as product manuals, software patch release notes, service pack installation procedures, etc. and onsite maintenance support for their hardware and software products for these two facilities.

ABB, Inc., as the manufacturer, is the only company capable of providing hardware and software maintenance support for the ABB control systems at the Donald C. Tillman Water Reclamation Plant and the Los Angeles/Glendale Water Reclamation Plant. An exhaustive survey (Transmittal No. 1) of companies known to provide similar maintenance for other control system products revealed that these companies could not provide the required maintenance services. These same companies stated that they would not even respond to a Request for Proposals (RFP) for maintenance of the ABB control system. ABB, Inc. was found to be the only company capable of providing maintenance service for the ABB control systems. Hardware and software installed at these plants is proprietary to ABB, Inc. and ABB, Inc. retains the staff, expertise, and spare parts necessary to provide maintenance on these systems. Furthermore, ABB, Inc. has a historical relationship with the Bureau in the installation and maintenance of ABB equipment and software at Tillman and Los Angeles/Glendale Water Reclamation Plants.

ABB Inc. field engineers have specific knowledge and understanding of the ABB control systems installations at these plants. This expertise is critical during emergency situations when it is essential to restore the proper operation and function of the control system as quickly as possible. Failure to negotiate a maintenance agreement with ABB, Inc. will put the Bureau at risk; routine software upgrades will not be performed, timely replacement of failed or damaged components will be compromised, and there will be no guaranteed response by field service personnel in the event of the ABB control systems failure. Therefore, the Bureau is requesting that the Board authorize this sole source contract with ABB, Inc.

On March 25, 2009, the Bureau of Contract Administration (BCA), the Designated Administrative Agency (DAA) for the Contractor Responsibility Ordinance (CRO) approved the request of Sanitation for an Exemption from the CRO for ABB, Inc. due to its sole source justification.

Project Scope

The project scope will include securing the services of ABB, Inc. for the express purpose of providing required expertise necessary for the maintenance of ABB control systems hardware and software at the Donald C. Tillman Water Reclamation Plant and the Los Angeles/Glendale Water Reclamation Plant. Support services will include but not be limited to the following:

- On-site field service support for ABB control systems at the Donald C. Tillman Water Reclamation Plant
A total of 1200 hours of field service for 5 years will be purchased through subscriptions. Additional support hours, if necessary, will be paid through the contingency fund at the hourly rate specified in the Agreement.
- On-site field service support for ABB control systems at the Los Angeles/Glendale Water Reclamation Plant
A total of 1200 hours of field service for 5 years will be purchased through subscriptions. Additional support hours, if necessary, will be paid through the contingency fund at the hourly rate specified in the Agreement.
- 'Supportline Bronze - Plus' Telephone support line
A total of 50 hours of basic support for 5 years will be purchased through subscriptions. Additional support hours, if necessary, will be paid through the contingency fund at the hourly rate specified in the Agreement.
- 'TechinfoBank' web based knowledge base
Subscription agreement with Contractor to secure support services

Page 4

- INFOPLUS21 Historian hardware and software support and upgrades
A total of 200 hours of technical support for 5 years will be purchased through subscriptions. Additional support hours, if necessary, will be paid through the contingency fund at the hourly rate specified in the Agreement.
- Purchase of spare parts as necessary to maintain and upgrade the system as required.

A cost-savings comparison was performed (Transmittal No. 5) to evaluate costs using subscriptions as opposed to charges based on hourly rates in the previous contract (C-106739). The substantial cost savings reflected in the cost-comparison report supports the continuation of subscription services with ABB.

MBE/WBE/OBE Subcontractor Outreach Requirements

ABB, Inc. does not subcontract or otherwise license any firm to perform maintenance services on ABB control systems hardware and software. ABB does not license the manufacture, sale, or repair of ABB control systems hardware components to any other equipment manufacturer (OEM). As a result, this contract provides no opportunities for MBE/WBE/OBE subcontractor participation. A waiver of MBE/WBE/OBE Subcontractor Outreach Program requirements was approved by the Mayor's Office of Economic Development on July 16, 2007 (Transmittal No. 4). Therefore, staff recommends that the Board waive the MBE/WBE/OBE Subcontractor Outreach Program requirements for the contract.

Cost

The contract has a maximum contract ceiling of \$2,000,000 which includes flat fees (subscriptions) for key support areas and a contingency fund. The estimated annual cost of the flat fees provided under this contract is \$141,184 annually, not to exceed \$705,920 over the five year life of the contract as detailed in the Table below. A contingency fund of \$1,294,080 is allocated to cover hardware acquisition, support time billed at hourly rate that exceeds those provided by the subscription service. It is anticipated that upgrades will be required after Year three. These upgrade costs will be covered under the contingency funding. Should the Bureau determine that it is in the best interest of the City to extend the contract for two (2) additional years utilizing the option provided in the service agreement, a new request will be submitted to the City Council for approval of the sole source agreement with ABB and the dollar amount increase on the contract ceiling. Funding for the two (2) years extension option will be requested through the City's normal budgetary process.

ABB Services Contract for the City of Los Angeles

Description	Plant	Year (\$, cost)				
		1	2	3	4	5
Labor, 30 days/yr	Tillman	43,931	43,931	43,931	43,931	43,931
Labor, 30 days/yr	Glendale	43,931	43,931	43,931	43,931	43,931
24 hour response	Tillman	11,490	11,490	11,490	11,490	11,490
24 hour response	Glendale	11,490	11,490	11,490	11,490	11,490
Support Line Bronze Plus, 10 hrs/yr	Tillman	5,280	5,280	5,280	5,280	5,280
Support Line Bronze Plus, 10 hrs/yr	Glendale	5,280	5,280	5,280	5,280	5,280
Solutions Bank	Tillman	3,908	3,908	3,908	3,908	3,908
Solutions Bank	Glendale	3,908	3,908	3,908	3,908	3,908
IP21 Phone Support, 40 hrs/yr	Tillman	11,966	11,966	11,966	11,966	11,966

Average Annual Contract Value (\$) 141,184 141,184 141,184 141,184 141,184

Total Contract Value (\$) 705,920

City Requirements

ABB, Inc. has complied with all insurance and bond requirements. Award of the contract will require ABB to comply with the following contractual and document submittal requirements:

- Non-Discrimination/Equal Employment Practices/Affirmative Action
- Municipal Lobbying Ordinance
- Slavery Disclosure Ordinance
- Business Tax Registration Certificate
- Equal Benefits Ordinance
- Living Wage Ordinance/Service Contractor Worker Retention Ordinance
- Non-collusion Affidavit
- Los Angeles Contract History
- Los Angeles Residence History
- Americans with Disabilities Act
- Child Support Obligation Ordinance

Compliance with Charter Section 1022

This agreement is exempt from City Charter Section 1022 due to the proprietary nature of the software and use of specially trained and certified persons to maintain and service the equipment.

Notification of Intent to Contract

The Notification of Intent to Contract Form was filed with the CAO (City Administrative Office) clearinghouse on March 27, 2007.

Headquarters and Work Force Information

ABB Inc. is headquartered in 579 Executive Campus Drive, Westerville, OH 43082. Currently, there are 363 employees in the organization and none lives in the City of Los Angeles.

Contractor Performance Evaluation

In accordance with Article 13, Chapter 1, Division 10 of the City of Los Angeles Administrative Code, the appropriate City Personnel responsible for the quality control of these contract agreement shall submit Contractor Performance Evaluation Report to the Bureau of Contract Administration upon completion of these sole source contracting.

Contractor Responsibility Ordinance

BCA approved the Exemption from the CRO for ABB, Inc. due to its sole source justification.

Contract Administration

Responsibility for administration of this agreement will be with the Information and Control Systems Division of the Bureau of Sanitation.

City Attorney Review

The City Attorney has reviewed this contract and has approved it as to form.

Status of Financing

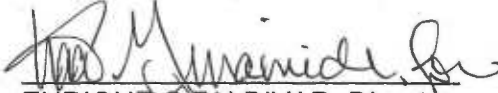
The cost estimate for the maintenance services required from ABB, Inc. is \$2,000,000. Funds for the first year estimated costs of \$400,000 will be funded by the Information and Control Systems Division (ICSD) Adopted Budget for FY 08-09 in Fund 760, Department 50, Account E282, Object 304. The remaining funding in the amount of \$1,600,000 will be requested in future fiscal years' Bureau of Sanitation operating budget.

This contract includes a Financial Liability Clause which states that "the City's liability under this contract shall only be to the extent of the present City appropriation to fund the contract. However, if the City shall appropriate funds for any succeeding years, the City's liability shall be extended to the extent of such appropriation, subject to the terms and conditions of the contract.

BUREAU OF SANITATION
BUREAU OF CONTRACT ADMINISTRATION
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Respectfully submitted,

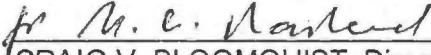

ENRIQUE C. ZALDIVAR, Director
Bureau of Sanitation


JOHN L. REAMER, JR., Director
Bureau of Contract Administration

COMPLIANCE REVIEW PERFORMED
AND APPROVED BY:


HANNAH CHOI, Program Manager
Office of Contract Compliance
Bureau of Contract Administration

APPROVED AS TO FUNDS


CRAIG V. BLOOMQUIST, Director
Office of Accounting

Prepared by:
Charles Lee, ICSD
(310)648-5450