

Los Angeles  Department of Water & Power

ERIC GARCETTI
Mayor

Commission
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WILLIAM W. FUNDERBURK JR., *Vice President*
JILL BANKS BARAD
MICHAEL F. FLEMING
CHRISTINA E. NOONAN
BARBARA E. MOSCHOS, *Secretary*

MARCIE L. EDWARDS
General Manager

January 23, 2015

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

Honorable Members:

Subject: Agreement No. 47279-5 with Itron, Inc. (Itron)

Pursuant to Charter Section 373, enclosed for approval by your Honorable Body is Resolution No. 015 130, adopted by the Board of Water and Power Commissioners on January 20, 2015, approved as to form and legality by the City Attorney, which authorizes Agreement No. 47279-5 for License Renewals, Software Upgrades, Maintenance, Support Services, On-site Training, and Professional Services with Itron, Inc. (Itron)

If additional information is required, 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
Agreement No. 47279-5

Los Angeles Aqueduct Centennial Celebrating 100 Years of Water 1913-2013

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Telephone: (213) 367-4211 www.LADWP.com

c/enc: Mayor Eric Garcetti

Councilmember Felipe Fuentes, Chair, Energy and the Environment Committee

Gerry F. Miller, Chief Legislative Analyst

Miguel A. Santana, City Administrative Officer

Rafael Prieto, Legislative Analyst, CLA

David Hirano, Chief Administrative Analyst

Winifred Yancy



Los Angeles Department of Water & Power

22

RESOLUTION NO. 015 130

JAN 20 2015

BOARD LETTER APPROVAL

- POWER SYSTEM
- WATER SYSTEM
- CAO
- CFO
- LEGAL
- _____

RELEASE DATE: _____

PHILIP LEIBER
Chief Financial Officer

DAVID H. WIGGS
Chief Administrative Officer

RANDY S. HOWARD
Senior Assistant General Manager
Power System

MARCIE L. EDWARDS
General Manager

DATE: November 6, 2014

SUBJECT: Agreement No. 47279-5 for License Renewals, Software Upgrades, Maintenance, Support Services, On-site Training, and Professional Services with Itron, Inc. (Itron)

SUMMARY

The purpose of this proposed Agreement No. 47279-5 is for license renewals, software upgrades, maintenance, support services, on-site training, and professional services for a term of five (5) years beginning January 1, 2015 and an amount not to exceed \$2,807,659 (budgeted). The contract supports existing critical software packages used by the Budget, Rates and Financial Planning and Customer Services Divisions. The software packages support remote meter data collection and translation from meters which provide approximately 42 percent of LADWP power revenue, internet interface for customers to view their electric accounts on the web, sales and peak demands, forecasts, load analysis and various forecast reporting, and meter reading for 1.9 million electric and water customers.

Itron has been acquiring many businesses over the last 17 years thereby becoming the sole source provider for the many applications utilized by LADWP and so it has become standard practice for Itron to be the sole source provider because the software is proprietary. Consolidating the various software applications into this one Agreement provides for administrative efficiency and cost effectiveness.

City Council approval is required according to Charter Section 373.

RECOMMENDATION

It is requested that the Board of Water and Power Commissioners adopt the attached Resolution recommending City Council's approval of Agreement No. 47279-5 (Agreement) between LADWP and Itron.

ALTERNATIVES CONSIDERED

Due to the proprietary nature of the Itron's software, only Itron can provide this support, as such one alternative would be not to enter into a new Agreement. This alternative will result in numerous customer related issues for LADWP because the software programs support remote meter data collection from meters that provide approximately 42 percent of LADWP's power revenue. In addition, not entering into a new Agreement would cease the use of a critical system that currently supports more than 17 million electric and water meter reads annually and greatly hinder LADWP's ability to maintain additional important functions such as generating the official annual demand forecast and prevent our large commercial customers to view and analyze their energy load via the internet.

Another alternative would be to search for different technology. The alternative technology would have to replace the Itron software applications and hardware that are currently being used by LADWP for over a decade. Such consideration would be more costly and time consuming. Information Technology has reviewed and approved the license renewals, software upgrades, maintenance, and other support services, and they are looking at different alternatives for the future.

FINANCIAL INFORMATION

Agreement No. 47279-5 is for five (5) years beginning January 1, 2015 for an amount not to exceed \$2,807,659, which is budgeted. The proposed contract total is based upon the 2014 prices in the current contract increased 3 percent annually over five years. The pricing was negotiated and continues to be at a cost below industry and market standards for the long-term software license renewals. The annual pricing adjustment applied is at or below levels applied by Itron to their other customers using similar products.

The pricing and annual increase reasonableness is assessed based on the enhanced functionality over the proposed Agreement term, including, but not limited to: 1) technical support services, 2) general software releases, patches, 3) support of integrated third party software tooling and maintenance, 4) call tracking, applied improvements, 5) preventative maintenance and 6) maintenance services for the Meter Reading Unit.

BACKGROUND

Software maintenance of the existing computer programs are required for continued reliable use of these applications. Although there are numerous Itron software

applications used by LADWP, this Agreement covers six applications that are utilized by the Rates and Rates Technology Section, Customer Information and Analytics Section, and the Customer Services Meter Reading Unit. Following is a description of Itron's six applications being used by various LADWP sections:

MV90xi and MV Web Software: MV90xi software has been utilized by the Rates Section for 20 years to translate meter data from meters, which provide approximately 42 percent of the LADWP's power revenue. MV Web software provides an interface to allow customers to view their electric accounts on the web via a secure user identification and password.

MV-Power Billing System (PBS): PBS is a financial settlement solution that has been utilized by the Rates Section for nine years. PBS produces customized billing determinants and financial reports for complex rates and special contracts. PBS directly interfaces with other existing LADWP meter data gathering systems and supports complex rates required by the California Public Utilities Commission such as net metering for solar customers, allows for accurate design of rates, provides data needed for quick settlement of bill investigations, customer specific market rates and services, and energy efficiency audits.

Metrix LT, Metrix ND and Forecast Manager Software: The Rates Section has utilized these software programs for the past 12 years. Metrix LT is used to analyze load shapes. Metrix ND aids in developing statistical models to forecast sales and peak demands. Forecast Manager has been used for automating data collection and report writing for LADWP's official annual demand forecast and includes power load, economic forecasting, construction forecasting, and weather data analysis.

Enterprise Edition Customer Care Suite Software: The Customer Information and Analytics Group has used Itron's Enterprise Edition Customer Care Suite software for the past 10 years to support mid-to-large sized commercial and industrial customers who subscribe to the Energy Load Monitoring Program. This program allows customers to view and analyze their detailed energy load via the internet. System and metering costs for this program are recovered by a monthly fee charged to customers.

Field Collection (FC) 300: The Customer Services Meter Reading Unit uses field collection software to collect more than 17 million electric and water meter reads annually and has used a version of Itron's Premierplus 4 for the past 12 years. The FC300 is an upgrade from the Premierplus 4 system which Itron stopped supporting in 2010. The FC300 was developed by Itron to ensure an efficient and timely upgrade by providing compatibility with current meters, elimination of requirements for programming new file interfaces, and the ability to import and export Premierplus 4 data files.

Transaction Management System (TMS): TMS is a meter data collection software application that has been used by the Rates Section for 14 years. It is used for two-way meter data transactions over public communication networks. With the application, electric meter data is monitored, register and interval data is retrieved remotely, real-

time usage information is collected and used for rate analysis, rate studies, load validation, and other rates related activities.

LADWP has been doing business with Itron for two decades and their performance has been satisfactory.

City Council approval is required according to Charter Section 373. Accordingly, the City Administrative Officer report dated, December 15, 2014, is attached.

ENVIRONMENTAL DETERMINATION

In accordance with the California Environmental Quality Act (CEQA), it has been determined that services and license renewals for proprietary software for Itron's MV-90xi, MV-Web, MV-PBS, TMS, Metrix ND, Forecast Manager, Enterprise Edition Customer Care Suite, Field Collection, and Weather Station Software programs is exempt pursuant to the General Exemption described in CEQA Guideline Section 10561(b)(3).

CITY ATTORNEY

The Office of the City Attorney reviewed and approved Agreement No. 47279-5 and the Resolution as to form and legality.

ATTACHMENTS

- Procurement Summary
- Resolution
- Agreement
- CAO Report

PROCUREMENT SUMMARY

1.	Recommended Vendor(s): Itron, Inc.
2.	Procurement Type: Sole Source
3.	Procurement Details: A. Contract Status: New B. Bid Advertisement Date: N/A C. Pre-Bid Conference Date: N/A D. Number of Downloads of Solicitation: 1 E. Number of Bids/Proposals Received: 1 F. Protest Received: No
4.	Buyer Assigned: Marlene Barbero
5.	Contract Administrator: Mariko Marianes
6.	LADWP System: FSO
7.	Contact Person for Item: George Chen/Dalia Trad

A. Summary of Bids Received/Evaluation Rating Summary of Proposal

Not applicable to sole source contracts.

B. Evaluation of Bid/Proposal/Cooperative Agreement

Pursuant to Charter Section 371(e)10 competitive bidding would not be practical or advantageous since Itron is the only company that produces the software used in the various applications that LADWP has already purchased. Additionally, Itron can provide the expertise required to manage their proprietary software products as indicated in the Agreement. Also, pursuant to Charter Section 1022, the work can be performed more feasibly by an independent contractor than by City of Los Angeles' employees.

There are no direct comparisons to other vendors since the software applications are proprietary; however, the pricing and costs are competitive and below standard prices when compared to other Itron customers with similar products of comparable age.

C. Contract/Vendor History

Contract and Vendor History: ITRON, INC.					
Contract / PO No.	Contract Description	Term of Contract	Original Contract Limit	Start Date	Ending Date
47506-5	Energy Rates Analysis System Maintenance Service	10 years	\$276,233	4/6/06	4/5/16
47114-3	Information Technology Products and Services	3 years	\$17,568,1115	11/2/12	11/1/15
47035-2	Software Programs, Upgrades, License Renewals and Maintenance for MV90xi, MV Web, Forecast Manager, Customer Care, FC and Weather Station Data	3 years	\$910,359	1/1/12	12/31/14
00446-4	Net TOU Demand Meters and Wireless Communication Svcs	11 months	\$6,524,304	4/11/14	3/10/15
N-0478-4	Public Wide Area Network Two-Way Communications for AMI	3 years	\$7,906,425	7/1/13	7/1/16
N-0134	Public Wide Area Network Two-Way Communications for AMI	3 years	\$6,462,525	8/17/10	8/16/13
N-0169	Radio Frequency (RF) Demand and Watt-Hour Meters	3 years	\$15,630,243	8/17/10	8/16/13
47455-6	Consolidation of Software Products, Services, and Maintenance for MV90, Metrix, Forecast Manager, and EEM Suite, and Weather Station Data	5 years	\$1,346,025.81	1/1/06	12/31/10
391	Net Time of Use Demand and Watt-Hour Meters	1 year	\$2,940,300	10/14/11	10/13/12
971	Radio Frequency (RF) Demand and Watt-Hour Meters	1 year	\$10,271,814	11/21/08	11/20/09
74802	Energy Rates Analysis System	1 year	\$173,375	4/18/08	4/17/09
74801	Energy Rates Analysis System	1 year	\$173,375	4/18/07	4/17/08

D. Local Business Preference Program (LBPP)

The Local Business Preference Program was not included in this sole source contract solicitation. Itron is not certified as a Local Business Enterprise.

E. Additional Outreach Efforts Taken

No additional outreach efforts were made since this is a sole source contract.

F. Small Business Enterprises (SBE)/Disabled Veterans Business Enterprises (DVBE)/Minority Business Enterprises (MBE)/Women Business Enterprises (WBE)/Other Business Enterprises (OBE) Subcontracting Participation

Itron met the contract specific SBE (11 percent) and DVBE (0 percent) subcontracting participation goal.

Itron successfully completed the steps required to demonstrate its GFE to reach out to available SBE/DBVE/MBE/WBE/OBE firms. As a result, Guidry and Associates will subcontract approximately \$240,000.00 or 11.36 percent of the contract amount.

SBE/DVBE SUBCONTRACTING

Name	Description of Subcontracting Work	Dollar Amount	Percentage
Guidry and Associates	On-site maintenance and support services for data acquisition management system servers; on-site data retrieval	\$240,000	11.36%
Total:		\$240,000	11.36%

MBE:	None
WBE:	None
OBE:	None

WHEREAS, Los Angeles Department of Water and Power (LADWP) proposes to enter into Agreement No. 47279-5 with Itron, Inc. for license renewals, software upgrades, maintenance, support services, on-site training, and professional services for a term of five (5) years beginning January 1, 2015. The consolidated services are for the following sections: 1) Rates; 2) Customer Information and Analytics, and 3) the Customer Services Meter Reading Unit; and

WHEREAS, LADWP pursuant to Charter Section 371(e)10, competitive bidding would not be practical or advantageous since Itron, Inc. is the only company that produces the software applications used by the various LADWP sections for their operations; and

WHEREAS, Itron, Inc. has reviewed the services to be provided and incorporated in this Agreement, and represents that it has the qualities, expertise, skills and abilities to perform such work.

WHEREAS, the term of the original Agreement No. 47279-5 exceeds the total contract time period set by ordinance, and in accordance with the City Charter Section 373, City Council approval is required.

NOW, THEREFORE, BE IT RESOLVED that LADWP proposes to enter into Agreement No. 47279-5 with Itron, Inc. in an amount not to exceed \$2,807,659.

BE IT FURTHER RESOLVED that pursuant to City Charter Section 1022, the Board of Water and Power Commissioners (Board) finds that the work can be performed more economically and feasibly by independent contractors. LADWP personnel do not possess the skills and knowledge to perform the type of work specified in the Agreement; and

BE IT FURTHER RESOLVED that Agreement No. 47279-5, approved as to form and legality by the City Attorney, and filed with the Secretary of the Board, is hereby approved.

BE IT FURTHER RESOLVED that the Chief Accounting Employee of the LADWP, upon proper certification, is authorized and directed to draw demands on the Power Revenue Fund(s), in accordance with the terms of this agreement and this resolution.

BE IT FURTHER RESOLVED that the President or Vice President, 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 are hereby authorized and directed to execute said agreement for and on behalf of LADWP upon approval by the City Council pursuant to City Charter Section 373.

I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of the resolution adopted by the Board of Water and Power Commissioners of the City of Los Angeles at its meeting held JAN 20 2015

Barbara E. Muro
Secretary

APPROVED AS TO FORM AND LEGALITY
MICHAEL N. FEUER, CITY ATTORNEY

SEP 24 2014

BY

Dirk P. Broersma
DIRK P. BROERSMA
DEPUTY CITY ATTORNEY



AGREEMENT
FOR
INFORMATION TECHNOLOGY PRODUCTS
&
SERVICES

Dated _____

Agreement No.: 47279-5

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**AGREEMENT
FOR
INFORMATION TECHNOLOGY PRODUCTS & SERVICES**

THIS AGREEMENT FOR INFORMATION TECHNOLOGY PRODUCTS & SERVICES (“Agreement”), is entered into on this 1st day of January, 2015 by and between the **LOS ANGELES DEPARTMENT OF WATER AND POWER** (the “LADWP”), acting by and through the **BOARD OF WATER AND POWER COMMISSIONERS** (Board), and **Itron, Inc.**, a Washington corporation with a principal place of business at 2111 N. Molter Road, Liberty Lake, WA 99019 (“Contractor”).

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. DEFINITIONS. Capitalized terms used in this Agreement shall have the following meanings:

- a) “**Authorized Subcontractor**” shall mean a subcontractor or service provider of Contractor who has been approved by LADWP beforehand and in writing to carry out any part of Contractor’s obligations under this Agreement.
 - b) “**Background Technology**” is not applicable to this Agreement.
 - c) “**Board**” shall mean Board of Water and Power Commissioners.
 - d) “**Change Order**” shall have the meaning assigned to it in **SECTION 3 (“CHANGE ORDER PROCESS”)**.
 - e) “**Confidential Information**” shall have the meaning assigned to it in **Subsection 18(a) (“Protection”)**.
 - f) “**Contract Administrator**” shall mean the LADWP’s representative who has been identified as such from time to time by the LADWP, and who shall have authority to act for the LADWP under this Agreement.
 - g) “**Contractor’s Quality Assurance**”
- Program” is not applicable to this Agreement.
 - h) “**Deliverables**” shall mean collectively all items provided or to be provided by Contractor hereunder, including without limitation all Hardware, Software and Services, and as may be set forth in a Statement of Work.
 - i) “**LADWP Work Product**” is not applicable to this Agreement.
 - j) “**Developed Software**” is not applicable to this agreement.
 - k) “**Disclosing Party**” shall have the meaning assigned to it in **Subsection 18(a) (“Protection”)**.
 - l) “**Documentation**” shall mean all information, published or otherwise, reasonably necessary or as described in a Statement of Work, to be provided by Contractor to LADWP which describes or relates to the form, functions, features or operation of the Deliverables, and which is contained in a tangible medium, such as written format, tape, magnetic or other media, and including without limitation all Updates of Documentation and Documentation which the Contractor may

hh) **"RFP"** is not applicable to this Agreement. RSSP No. 90199 is applicable to this Agreement.

ii) **"Schedule"** shall mean the schedule of Deliverables, dates and Fees and Personal Services described as such in a Statement of Work.

jj) **"Services"** shall mean collectively, the Tasks described in each Statement of Work. These Services are not provided under the Maintenance coverage, which include, but are not limited to Personal / Professional Services, Upgrade Services and Supplemental Services, as described in **Schedule 1, "Service Requests and Fee Schedule"**.

kk) **"Shrink-Wrap Agreement"** is not applicable to this Agreement.

ll) **"Software"** shall mean collectively) the Software, in Object Code format (but subject to **Subsection 18(f) ("Escrow")**), which exists as of the Effective Date and has been previously licensed to LADWP as identified on Attachment A, and including all Documentation.

mm) **"Software Maintenance"** shall have the meaning assigned to it in **Subsection 20(b) ("Software Maintenance, Support and Upgrades")** and as detailed in **Exhibit J**.

nn) **"Source Code"** shall mean computer software programs, in human readable form and not in machine readable format, and which is not suitable for machine execution without the intervening steps of interpretation or compilation.

oo) **"Specifications"** shall mean collectively the applicable published Contractor

functional specifications for an item of software, or other specifications with respect to any Deliverables, including without limitation all Documentation, and those specifications described in a particular Statement of Work.

pp) **"Statement of Work"** (SOW) - shall mean the description of the work to be carried out by Contractor, the Deliverables to be provided by Contractor, the Schedule to be met by Contractor, and the Fees and/or Personal Services to be paid, and contained in the format described in **EXHIBIT A ("STATEMENT OF WORK")**.

qq) **"Task Assignment"** shall mean a written description of work activity provided by the LADWP describing work to be carried out by Contractor, and consisting of at least one (1) Task and an associated Fee.

rr) **"Tasks"** shall mean the smallest units of work activity described under each Statement of Work.

ss) **"Update"** shall mean any modification of or addition to the Software or Documentation, including without limitation all new releases, versions, sub-versions, corrections, "patches", maintenance releases, which Contractor may prepare, provide, or have available at any time.

tt) **"Upgrades"** shall mean Itron Software Improvements, if any, provided through Software Releases and Updates, at Itron's then-current price for such Improvements (or at no charge if such Improvements are made available to Itron customers generally at no charge), as referenced in **Exhibit J**.

uu) **"Viruses"** shall have the meaning assigned to it in **Subsection 21(d) ("Viruses")**.

vv) **"Work Product"** is not applicable to this

b) No Obligation. EXCEPT AS PROVIDED IN THIS SECTION 3 (“CHANGE ORDER PROCESS”), THE LADWP SHALL HAVE NO OBLIGATION TO PAY, AND SHALL NOT PAY, ANY INCREASE IN FEES REGARDLESS OF ANY ADDITIONAL WORK CARRIED OUT UNDER THIS AGREEMENT BEYOND THAT WHICH IS EXPRESSLY DESCRIBED IN EACH STATEMENT OF WORK or as described as Maintenance.

4. PACKING AND SHIPMENT.

a) Packing. Contractor agrees to pack all Deliverables to be shipped hereunder in suitable containers for protection in shipment and storage, and in accordance with applicable Specifications. Each container of a multiple container shipment shall be identified so as to:

(i) conspicuously show the number of the container and the total number of containers in the shipment; and

(ii) conspicuously show the number of the container in which the packing sheet has been enclosed; and

(iii) conspicuously show such other information as the LADWP may from time to time require.

b) Packing Sheets. Packing Sheets does not apply to this Agreement.

5. DELIVERY. Contractor shall strictly adhere to the Schedule specified in this Agreement. Time shall be of the essence of Contractor’s performance under this Agreement. Time, if stated as a number of days, shall mean business days unless otherwise specified. The quantities of

Deliverables specified herein are the only quantities required. If Contractor delivers in excess of the quantities of Deliverables specified herein, the LADWP shall not be required to make any payment for the excess Deliverables, and may at the LADWP’s discretion dispose of such excess Deliverables, return such excess Deliverables to Contractor at Contractor’s expense and risk, or make such excess Deliverables available for pick-up by Contractor.

6. SUBSTITUTIONS AND QUALITY.

a) Substitutions. Substitution of any other goods or services for Deliverables called for in any Statement of Work may not be tendered without the prior, written consent of the Contract Administrator. Unless otherwise agreed to by the parties. Contractor shall not use any specification in lieu of the Specifications contained in each Statement of Work.

b) Quality. The Contractor’s work shall reflect competent professional knowledge, judgment, and accepted industry practice. Subject to **SECTION 13 (“TERM AND TERMINATION”)**, the Contractor shall promptly correct, or remedy any work, errors, or omissions, at its sole expense, which do not conform to the provisions of this Agreement in accordance with Contractor’s warranty obligations set forth in Section 21 herein.

c) Drawing Quality. This section does not apply to this Agreement.

d) Professional Licensure and Certification. This section does not apply to this Agreement.

7. DELIVERY, INSPECTION, ACCEPTANCE AND REJECTION.

meeting scheduling.

b) Capacity. Contractor warrants that the size of the staff employed by the Contractor in its performance hereunder shall be reasonably adequate in number and quality at all times to perform the work required by this Agreement and to add such additional personnel as are necessary to quote and accomplish any work required by any Change Order.

c) Identification. With respect to Services, the Contractor shall furnish the LADWP from time to time upon request, if applicable, the names, titles, and qualifications of its key project personnel and subcontractors, including without limitation individual resumes, and the tasks to be performed by such individuals. Upon receipt of such request, the Contractor shall respond within ten (10) business days.

d) Approval. The Contract Administrator shall have the right to revise all personnel of Contractor and Authorized Subcontractors performing Services under this Agreement. If applicable pursuant to a specific Deliverable or Statement of Work, resumes of individual personnel will be reviewed and approved by the LADWP's Contract Administrator before the individual shall be assigned work. The Contractor shall, to the extent practicable, minimize changes to any Contractor personnel with respect to any Statement of Work. The LADWP shall have the right to reasonably request key personnel changes and to review and approve key personnel changes proposed by the Contractor. No change can be made without LADWP approval, which said approval shall not be unreasonably withheld, conditioned, or delayed. Notwithstanding the foregoing, LADWP's approval is not required with respect to key personnel who: (i) voluntarily resigns from Contractor's employment, (ii)

is dismissed by Contractor, in its sole discretion, for misconduct, (iii) fails to perform his or her duties and responsibilities as key personnel, (iv) dies or is unable to work due to his disability, (v) takes family leave, (vi) voluntarily suspends employment for an extended period or (viii) refuses or is unable to continue work due to extraordinary emotional or personal events specific to such person beyond the reasonable control of Contractor. The LADWP shall have the right to require removal of any personnel which removal shall be effected no later than seventy-two (72) hours in the case of any removal requested for security or work rule reasons, immediately.

e) Control. The Contractor's and the Authorized Subcontractors' personnel shall at all times remain under the control of the Contractor.

11. FORCE MAJEURE. Neither party will be responsible for any failure or delay in performing any obligation hereunder if such failure or delay is due to a cause beyond the Party's reasonable control, including, but not limited to strikes, lockouts, labor disputes, embargos, acts of God, governmental regulations, judicial orders, enemy or hostile governmental action beyond the reasonable control of the Contractor or its Authorized Subcontractors ("Force Majeure"). In the case of a Force Majeure event, then such party shall immediately notify the other party in writing, and such party's performance shall be suspended for the period equal to the period time of such cause for suspension of performance.

12. FEES, INVOICES AND PAYMENT.

a) Fees. The LADWP shall pay the Fees described in each Statement of Work for Services and Deliverables which have been

payable for labor and materials furnished in the performance of this Agreement so as to prevent any lien or other claim under any provision of law from arising against any LADWP property (including reports, documents, and other tangible matter or Deliverables produced hereunder), against the Contractor's rights to payments hereunder, or against the City, and shall pay all amounts due under the Unemployment Insurance Act with respect to such labor.

13. TERM AND TERMINATION.

a) Term. The term of this Agreement ("Term") shall commence January 1, 2015 and shall expire *Five Years* thereafter, unless earlier terminated or otherwise extended as hereinafter provided.

b) Termination without Cause. This Agreement may be terminated by the LADWP, without cause, upon ninety (90) days written notice. Upon receipt of such notice, the Contractor shall immediately stop all work under this Agreement. The Contractor shall be entitled to payment of Fees and/or Personal Services for all Deliverables completed, including without limitation Services provided (in both cases where accepted by the LADWP), until the date of such notice, and also to reimbursement for reasonable and documented re-stocking charges imposed on Contractor by third party suppliers due to such termination, where such charges have been called to the LADWP's attention beforehand and in writing. The Contractor shall then deliver to the LADWP, in an organized and usable form, all Deliverables "work in process" as of such date.

c) Termination for Material Breach. Either party may terminate this Agreement upon notice, in whole or in part, for the material breach of this Agreement by the

other party (including without limitation, in the case of Contractor, any such breach by Contractor's Authorized Subcontractors) which has remained uncured for a period of thirty (30) days from the date of notice thereof to the breaching party.

Upon a termination by Contractor for material breach, LADWP's license to any Software and right to receive maintenance and support for such Software shall immediately terminate and LADWP shall (i) delete any Software from all of its computers, (ii) immediately deliver to Contractor or destroy all copies of such Software and any related Documentation and (iii) certify in writing to Contractor within 10 days of any such termination that, to the best of LADWP's knowledge, LADWP has complied with this Section.

d) Disqualification. In the event Contractor receives one (1) or more notices of material breach as described in **Subsection 13(c) ("Termination for Material Breach")**, whether such material breaches are cured or not, the LADWP may consider such material breaches in making any subsequent determination of responsibility with respect to future awards.

e) Remedies Not Exclusive. Any election by the LADWP to seek any remedy under this **SECTION 13 ("TERM AND TERMINATION")**, including without limitation any right to reject Deliverables or to require expedited shipping, shall not limit any other rights or remedies hereunder which the LADWP may have with respect to any breach of this Agreement.

f) Suspension of a Statement of Work. The Contract Administrator may orally direct the Contractor to suspend, and to subsequently resume performance of all or any part of the

the LADWP. The right of the LADWP to conduct such review shall not relieve the Contractor of any obligation set forth herein.

17. INTELLECTUAL PROPERTY AND LICENSES.

a) Patents and Copyrights. Between Contractor and LADWP, all patents, copyrights, mask works, trade secrets, trademarks and other proprietary rights in or related to any product, software or deliverable provided by Contractor pursuant to this Agreement are and will remain the exclusive property of Contractor. Any modification or improvement to a Contract product or deliverable that is based on LADWP's feedback shall be the exclusive property of Contractor. LADWP will not take any action that jeopardizes Contractor's proprietary rights nor will it acquire any right in any such product, software or deliverable or Contractor's confidential information other than rights granted in this Agreement.

b) Future Development. This Agreement shall not preclude the Contractor from developing materials outside this Agreement that are competitive with, irrespective of their similarity to, Deliverables which are delivered to the LADWP pursuant to this Agreement.

c) Existing Software License. With respect to the Software, Contractor hereby grants to the LADWP a worldwide, perpetual or term as applicable, irrevocable, nonexclusive, royalty-free, paid up, non-transferable license to the Software set forth on Attachment A, in order to use, copy, execute, publicly perform, publicly display, and digitally perform its rights and obligations under this Agreement.

d) New Software License. With respect to

any new software to be licensed by LADWP or otherwise provided as a Deliverable pursuant to the Services performed under this Agreement, Contractor hereby grants to the LADWP a worldwide, perpetual, irrevocable, nonexclusive, royalty-free, paid up, non-transferable license to the software in order to use, copy, execute, publicly perform, publicly display, and digitally perform its rights and obligations under this Agreement.

e) Documentation License. Consistent with the license grant in subsections (d) and (e) above, Contractor hereby grants to the LADWP a worldwide, irrevocable, non-exclusive, royalty free, paid up, limited perpetual or term, as applicable, nontransferable license to the corresponding Documentation in order to use, copy, execute, publicly perform, publicly display, and digitally perform its rights and obligations under this Agreement.

f) Deliverables License. Contractor hereby grants to Customer a worldwide, perpetual, irrevocable, non-exclusive, royalty free, paid up, non transferable license to use the Deliverables identified in any Statement of Work solely for Customer's internal business purposes.

g) Restrictions. As a condition to the foregoing license grants, LADWP shall not (i) violate any restriction set forth Schedule 1, (ii) modify or create any derivative work from the Software, (iii) include the Software in any other software, (iv) use the Software to provide processing services to third parties or on a service bureau basis, (v) reverse assemble, decompile, reverse engineer or otherwise attempt to derive Source Code (of the underlying ideas, algorithms, structure or organization) from Software, or (vi) use the Software to process business information concerning customers derived through merger, asset acquisition or

in writing by confidentiality terms no less restrictive than those contained herein. The Receiving Party shall provide copies of such agreements to the Disclosing Party upon request; provided, however, that such agreement copies shall themselves be deemed the Confidential Information of the Receiving Party. Notwithstanding the foregoing, after the expiration or termination of this Agreement and the return by the Receiving Party of the Confidential Information of the Disclosing Party as provided in subsection 18(e) ("Return of Confidential Information"), the Receiving Party shall be free to use internally and for purposes consistent with the scope of this Agreement (but not disclose) any ideas, concepts and know-how contained in such Confidential Information: **(i)** which relate to the business of the Receiving Party.

c) State Law Requirements - Protection For Personal Information

State law (See S.B. 1386 and A.B. 1950) requires a person or entity that owns or licenses computerized data that includes personal information, of a California resident, to disclose any breach of the data base security system and to implement and maintain procedures and practices to protect personal information from unauthorized access, destruction, use, modification, or disclosure and, shall require by contract, that nonaffiliated third party recipients of such personal information, implement and maintain security procedures and practices to protect the personal information. Accordingly, Contractor agrees to implement and maintain such security procedures and practices, in conformance with S.B. 1386 and A.B. 1950, with respect to any personal identification information received under this Agreement, as well as notify the LADWP of any breach insecurity. In addition, Contractor shall not share, disclose, or in any way transfer the personal identification information without the

written approval of the LADWP.

Contractor shall be responsible for any and all liabilities, including but not limited to those stated below in this paragraph, that result from any violation of S.B. 1386 or A.B. 1950 that Contractor, its employees, agents, or subcontractors may cause pursuant to the activities performed under this Agreement. Accordingly, Contractor agrees to indemnify and hold harmless the City of Los Angeles, its respective agencies, LADWPs, boards, all of their commissioners, officers, employees, and authorized agents, and, at the option of the City of Los Angeles, to provide a defense, reasonably acceptable to the LADWP, against any and all suits and causes of action, claims, charges, damages, demands, judgments, civil fines and penalties, or losses of any kind or nature whatsoever caused or brought by any person, including any aggrieved party, as defined in S.B. 1386, arising out of Vendor's intentional or negligent breach of any of its duties and obligations under S.B. 1386 or A.B. 1950. The indemnification herein includes all awards, damages, interest, costs and attorneys' fees, if any. Such defense will be consistent with City Charter, Sections 271, 272 and 273.

d) Exceptions. Notwithstanding anything herein to the contrary, Confidential Information shall not be deemed to include any information which: **(i)** was already lawfully known to the Receiving Party at the time of disclosure by the Disclosing Party as reflected in the written records of the Receiving Party; **(ii)** was or has been disclosed by the Disclosing Party to a third party without obligation of confidence; **(iii)** was or becomes lawfully known to the general public without breach of this Agreement; **(iv)** is independently developed by the Receiving Party without access to, or

action, claims, charges, damages, demands, judgments, civil fines and penalties, or losses of any kind or nature whatsoever, for death, bodily injury or personal injury to any person, including contractor's employees and agents, or damage or destruction to any property of either party hereto, or third persons in any manner arising by reason of the negligent acts, errors, omissions or willful misconduct incident to the performance of this contract on the part of the contractor, or the contractor's officers, agents, employees, or subcontractors of any tier, except for the willful misconduct of the LADWP, its Board, officers, agents, representatives or employees.

b. Infringement Indemnity.

Contractor will, at its own expense, defend, indemnify and hold harmless the LADWP from and against any claim or action brought against LADWP by an unaffiliated third party to the extent that the action is based upon a claim that any product manufactured, software licensed or service provided by Contractor hereunder directly infringes any U.S. patent (issued as of the Effective Date) or any copyright or trademark and Contractor will pay those costs and damages awarded against LADWP (or settled) in any such action that are specifically attributable to such claim. The foregoing indemnity does not apply to products not manufactured by Contractor or software licensed by third parties.

c. Conditions to Infringement Indemnity.

Contractor's infringement indemnity obligations under this Section are conditioned on LADWP's agreement that if the applicable product or service becomes, or in Contractor's opinion is likely to become, the subject of such a claim, LADWP will permit Contractor, at Contractor's option and expense, either to

procure the right for LADWP to continue using the affected product or service or to replace or modify the same so that it becomes non-infringing. Such replacements or modifications will be functionally equivalent to the replaced product or service. If the foregoing alternatives are not available on terms that are reasonable Contractor shall have the right to require LADWP to cease using the affected product or service in which case Itron will refund to LADWP the depreciated value of the affected product or service.

d. Exclusions.

Contractor shall have no obligation under this Agreement to the extent any claim of infringement or misappropriation results from: (i) use of a product or service, other than as permitted under this Agreement or as intended by Contractor, if the infringement would not have occurred but for such use; (ii) use of any product or service in combination with any other product, equipment, software or data, if the infringement would not have occurred but for such combination; (iii) any use of any release of a software or any firmware other than the most current release made available to LADWP, (iv) any claim based on LADWP's use of a product after Contractor has informed LADWP of modifications or changes to the product required to avoid such claims and offered to implement those modification or changes, if such claim would have been avoided or mitigated by the implementation of Contractor's suggestions, (v) any modification to a product made by a person other than Contractor or an authorized representative of Contractor, or (vi) compliance by Contractor with specifications or instructions supplied by LADWP. Contractor shall not be liable hereunder for enhanced or punitive damages that could have been avoided or reduced by actions within the control of LADWP.

software's operating environment not made or authorized by Contractor, (iii) LADWP's failure to install any correction or enhancement provided by Contractor, (iv) viruses introduced through no fault of Contractor, (v) any use of the software not authorized by this Agreement. The warranty provided in this Section is valid only if LADWP has complied with the terms of this Agreement (including paying the applicable software license fees) and shall be void to the extent of any modification to the software not authorized by Contractor.

b) Services. Contractor warrants to LADWP that it shall perform the Services with reasonable care and in a diligent and competent manner. Contractor's sole obligation and LADWP's exclusive remedy in connection with a breach of the foregoing warranty shall be to correct or re-perform the non-conforming Services. If Contractor, in its sole discretion, is unable to correct or re-perform non-conforming Services, its sole obligation will be to refund to LADWP the amount paid for such Services. LADWP must report any deficiencies in the Services to Contractor in writing within 60 days of performance to receive the warranty remedies described herein

c) General. Contractor represents and warrants that: **(i)** Contractor has full power and authority to enter into this Agreement and the person signing the Agreement on Contractor's behalf has been duly authorized and empowered to enter into this Agreement; **(ii)** the Deliverables shall not contain any materials which are unlawful, defamatory, libelous, threatening, abusive, racist, vulgar, harassing, pornographic or obscene; **(iii)** Neither the Deliverables (including without limitation the provision of Services) nor any element thereof, infringes or shall infringe or misappropriate the intellectual property rights of any third party, including without limitation any

patent, copyright, trademark or trade secret rights; **(iv)** the Deliverables shall not be subject to any restrictions, including without limitation any liens, mortgages, pledges, security interests, encumbrances, or encroachments; **(v)** Contractor is not under, and shall not enter into any, obligation or obligations inconsistent with the provisions of this Agreement; and **(vi)** Contractor shall not violate any law, statute, ordinance, or regulation in the course of its performance under this Agreement.

d) Viruses. Contractor represents and warrants that it has exercised and shall exercise its most diligent efforts to ensure that no viruses, "Trojan Horses", "Worms" or other damaging, dangerous or objectionable code (collectively, "Viruses") are included with the Deliverables. If at any time a Virus may be found and proven to exist in or have emanated from the Deliverables, or any electronic data, information or report generated thereby, Contractor agrees, at its sole expense, to exercise its most diligent efforts (including but not limited to providing appropriate replacement products, software, installation, and diagnostic testing) to remove such Virus within five (5) days of LADWP's notice.

e) Disclaimer. EXCEPT AS EXPRESSLY STATED IN THIS AGREEMENT, CONTRACTOR HEREBY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS AND IMPLIED, INCLUDING BUT NOT LIMITED TO THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

22. LIMITATION OF LIABILITY. IN NO EVENT SHALL THE TOTAL LIABILITY OF EITHER PARTY UNDER THIS AGREEMENT EXCEED ONE MILLION (\$1,000,000) REGARDLESS OF THE CAUSE OF ACTION, IN TORT,

State of California, and the City of Los Angeles. The State and Federal Courts located in the City of Los Angeles shall have exclusive jurisdiction over any disputes under this Agreement, and the parties hereby submit to the personal jurisdiction of such courts.

d) Injunctive Relief. It is understood and agreed that, notwithstanding any other provisions of this Agreement, breach of the provisions of this Agreement by Contractor will cause the LADWP irreparable damage for which recovery of money damages would be inadequate, and that the LADWP shall therefore be entitled to obtain timely injunctive relief to protect the LADWP's rights under this Agreement in addition to any and all remedies available at law.

e) Notices. All notices or reports permitted or required under this Agreement shall be in writing and shall be delivered by personal delivery or by certified or registered mail, return receipt requested, and shall be deemed given upon personal delivery or five (5) days after deposit in the mail. Any such notice or report directed to the LADWP shall be delivered to:

**LOS ANGELES DEPARTMENT OF
WATER AND POWER**

Mariko Marianes
111 North Hope Street, Room 956
Los Angeles, California 90012-2694

With a Copy To:
Chief Assistant City Attorney
111 North Hope Street
Los Angeles, California 90012-2694

Any such notice or report directed to the Contractor shall be delivered to:

**Legal Department
Itron, Inc
2111 North Molter
Liberty Lake, WA 99201**

Either party, by written notice, may designate different or additional person(s) or different addresses.

f) Agency. Nothing contained herein shall be construed as creating any agency, partnership, or other form of joint enterprise between the parties.

g) Waiver. The failure of either party to require performance by the other party of any provision hereof shall not affect the full right to require such performance at any time thereafter; nor shall the waiver by either party of a breach of any provision hereof be taken or held to be a waiver of the provision itself.

h) Severability. In the event that any provision of this Agreement shall be unenforceable or invalid under any applicable law or be so held by applicable court decision, such unenforceability or invalidity shall not render this Agreement unenforceable or invalid as a whole, and, in such event, such provision shall be changed and interpreted so as to best accomplish the objectives of such unenforceable or invalid provision within the limits of applicable law or applicable court decisions.

i) Headings. The section headings appearing in this Agreement are inserted only as a matter of convenience and in no way define, limit, construe, or describe the scope or extent of such section or in any way affect this Agreement.

j) Assignment. Neither party will assign this Agreement, directly or indirectly, without the prior written consent of an authorized

B. Customer Service Division

The Customer information and Analytics Group has used Itron Enterprise Edition (IEE) Customer Care Suite software for the past 12 years to support mid-to large-sized commercial and industrial customers who subscribe to the Energy Load Monitoring (ELM) Program. This program allows customers to view and analyze their detailed energy load via the internet. System and metering costs for this program are recovered by a monthly fee charged to customers. This contract includes continued maintenance, software upgrade, and professional service support for IEE Customer Care Suite software. Weather Services is used for weather service analysis. Also, included is an option to add at LADWP's sole discretion, licensing for additional meters. The professional services include in-house training and in-house software upgrade support.

C. Metering Reading Unit of Customer Service Division

The Meter Reading Unit of CSD has used a version of Itron's FC300 for the past eleven (11) years. The FC300 was developed by Itron to ensure an efficient and timely upgrade by providing compatibility with current meters, elimination of requirements for programming new file interfaces, and the ability to import and export Premierplus4 data files. This system currently supports more than 17 million electric and water meter reads annually. The professional services include in-house training and in-house software upgrade support.

DELIVERABLES

The deliverables will be license renewals and or upgrades for the following:

1. Rates and Financial Planning
 - A. MV90xi Maintenance
 - B. MVWEB Maintenance
 - C. MV-PBS Maintenance
 - D. TMS Maintenance
 - E. Load Research Maintenance
 - F. MVLT-Laptop Maintenance
 - G. MetrixND Maintenance
 - H. MetrixLT Maintenance
 - I. Forecast Manager licensing
 - J. Forecast Manager Maintenance
 - K. Option, at the Department's sole discretion, for additional MV90xi meter licenses and Maintenance for up to 40,000 meters
 - L. Professional Services include in-house training, consulting and software upgrade services

2. Customer Information and Analytics Group
 - A. IEE Customer Care-Energy Analyst Maintenance
 - B. IEE Customer Care-Cost Analyst Maintenance

- D. MV90 Collection engine Maintenance
 - E. Weather Services Maintenance
 - F. Professional Services include in-house training, consulting and software upgrade services
3. Meter Reading Unit of Customer Service Division
- A. FC300 with Bluetooth, 512 MB SD Card, Sread radio and English Win CE 5.0 Professional, Maintenance
 - B. DST-TOU Optical Probe Maintenance
 - C. Field Collection Software with TOU IDR and software licenses for 2.5 million meters, maintenance, support, and licenses
 - D. Ethernet Multi-Drop Desk Docks for five units, maintenance
 - E. Professional Services include in-house training, consulting and software upgrade services

Transmittal and Delivery

The deliverables will be in the form of:

- A. Call in service support; or
- B. In-house service support; or
- C. Call in professional service support; or
- D. In-house professional support.

I. Meetings with MBEs, WBEs, associations representing MBEs, WBEs and other groups.

II. Identification of selected portions of the work to be performed by subcontractors in order to provide participation by MBEs, WBEs, and other business enterprises. The Contractor shall, when economically feasible, divide total contract requirements into small portions or quantities to permit maximum participation of MBEs, WBEs, and other business enterprises.

III. Requests for proposals from interested business enterprises or proposals in newspapers, trade association publications, minority or trade-oriented publications, trade journals, or other appropriate media.

IV. Providing written notice to those business enterprises, including MBEs and WBEs, having an interest in participating in this Agreement. The Contractor shall document that invitations were sent to available MBEs, WBEs, and other business enterprises for each portion of the work.

V. Documenting efforts to follow up initial solicitations of interest by contacting the business enterprises to determine whether the enterprises are interested in participating in the work.

VI. Providing interested enterprises with information about the plans, specifications, and requirements for the selected subcontracting

VII. Requesting assistance from organizations that provide assistance in the recruitment and placement of MBEs, WBEs, and other business enterprises.

VIII. Negotiating in good faith with interested MBEs, WBEs, and other business enterprises and not unjustifiably rejecting proposals prepared by any enterprise. As documentation, the bidder shall submit a list of all documentation, the bidder shall submit a list of all sub-bidders for each portion of potential work for MBEs, WBEs, and other business enterprises.

IX. Documenting efforts to advise and assist interested MBEs, WBEs and other business enterprises in obtaining bonds, lines of credit, or required insurance.

D. The Contractor shall submit monthly reports to the Contract Administrator demonstrating compliance with the LADWP's Outreach Program, and make related records available to the LADWP upon request. The reports shall be submitted on LADWP forms which can be obtained from the Contract Administrator, and show the following:

- I. The name of each participating subcontractor;
- II. Description of work each subcontractor has contracted to perform;
- III. the percentage of completion for the work under each subcontract;
- IV. the compensation contracted to be paid to each subcontractor (attach copy of subcontractor's invoice);
- V. the cumulative compensation earned by each subcontractor; and
- VI. the cumulative compensation paid to each subcontractor.

1.4 Service Contract Worker Retention And Living Wage Policy.

A. General Provisions. This contract is subject to the Service Contractor Worker Retention Ordinance (SCWRO), Section 10.36 et. seq., and the Living Wage Ordinance (LWO), Section 10.37 et. seq., of the Los Angeles Administrative Code. The Ordinances require that, unless specific exemptions apply, employers who are awarded service contracts that involve expenditures in excess of \$25,000, and have a duration of at least three months;

the contract. Said evidence of insurance must be on file with the Risk Management Section in order to receive payment under any contract for services rendered, and in order to commence work/tenancy under your contract.

For further information regarding these requirements, please contact:

Los Angeles Department of Water and Power
Risk Management Section
Phone: (213) 367-4674
Fax: (213) 367-0214
Web: <http://www.ladwp.com/ladwp/cms/ladwp005363.jsp>

2.2 Additional Insured Status Required

Contractor/Vendor shall procure at its own expense, and keep in effect at all times during the term of this Agreement, the types and amounts of insurance specified on the attached Contract Insurance Requirements page. The specified insurance shall also, either by provisions in the policies, by City's own endorsement form or by other endorsement attached to such policies, include the City, its Department of Water and Power, its Board of Commissioners (hereinafter referred to as "Board"), and all of its officers, employees and agents, their successors and assigns, as Additional Insured (except for Professional Liability and Workers' Compensation), against the area of risk described herein as respects Contractor's/Vendor's acts or omissions in its performance of the agreement, hereunder or other related functions performed by or on behalf of Contractor/Vendor. Such insurance shall not limit or qualify the liabilities and obligations of the Contractor/Vendor assumed under the contract.

2.3 Severability of Interests and Cross Liability Required

Each specified insurance policy (other than Workers' Compensation and Employers' Liability and Property coverages) shall contain a Severability of Interest and Cross Liability clause which states, "It is agreed that the insurance afforded by this policy shall apply separately to each insured against whom claim is made or suit is brought except with respect to the limits of the company's liability," and a Contractual Liability Endorsement which shall state, "Such insurance as is afforded by this policy shall also apply to liability assumed by the insured under this Agreement with the City of Los Angeles."

2.4 Primary and Non-Contributory Insurance Required

All such insurance shall be Primary and Noncontributing with any other insurance held by City's Department where liability arises out of or results from the acts or omissions of Contractor/Vendor, its agents, employees, officers, assigns, or any person or entity acting for or on behalf of Contractor/Vendor. Any insurance carried by the LADWP which may be applicable shall be deemed to be excess insurance and the Contractor's/Vendor's insurance is primary for all purposes despite any conflicting provision in the Contractor's/Vendor's policies to the contrary.

2.5 Deductibles Subject to LADWP's Discretion

Deductibles and/or self-insured retentions shall be the sole responsibility of the Risk Manager of the LADWP (hereinafter referred to as "Risk Manager"). The LADWP shall have no

2.11 Periodic Right to Review/Update Insurance Requirements

The LADWP and Contractor/Vendor agree that the insurance policy limits specified on the attached Contract Insurance Requirements page may be reviewed for adequacy annually throughout the term of this Agreement by the Risk Manager/City Attorney. City reserves the right to have submitted to it, upon request, all pertinent information about the agent and carrier providing such insurance, including applicable license and ratings.

2.12 Specific Insurance Requirements

The Bidder shall confirm to the requirements listed in the “Contract Insurance Requirements” sheet per Exhibit H.

2.13 Indemnification

The Contractor undertakes and agrees to indemnify and hold harmless the City of Los Angeles, the Department of Water and Power, the Board of Water and Power Commissioners of the City of Los Angeles, and all of their officers and employees, and, at the option of the LADWP, defend the LADWP, and any and all of their Boards, officers, agents, representatives, employees, assigns and successors in interest from and against any and all suits and causes of action, claims, charges, damages, demands, judgments, civil fines and penalties, or losses of any kind or nature whatsoever, for death, bodily injury or personal injury to any person, including contractor's employees and agents, or damage or destruction to any property of either party hereto, or third persons in any manner arising by reason of the negligent acts, errors, omissions or willful misconduct incident to the performance of this contract on the part of the contractor, or the contractor's officers, agents, employees, or subcontractors of any tier, except for the active negligence or willful misconduct of the LADWP, its Board, officers, agents, representatives or employees.

EXHIBIT D

CONTRACTOR'S QUALITY ASSURANCE PROGRAM

A Contractor's Quality Assurance Program will not be utilized under this Agreement.

EXHIBIT F RESPONSE

Itron will provide annual Software and Hardware for the three year term requested, under the following Technical support requirements and commitments.

Technical Support

a. Support Services.

Itron will make available qualified technical representatives by telephone, email or other remote means during its then-current normal business hours to assist Customer Coordinators (defined below) with the operation of and answer questions related to the software (the "**Software**") and equipment (the "**Equipment**") identified on Attachment A (together, the "**Products**"), which are covered by the services described herein (the "**Maintenance Services**"). Such technical support shall include, but is not limited to, troubleshooting, problem diagnosis, release or system management, and recommendations for fully utilizing the Products. Itron's current Support Services contact and support hours are described in the "Itron Support Services Contacts" document (the "**Contacts Document**"), which can be obtained by calling (877) 487-6602. Consistent with Section 1.c hereof, Customer will not use Support Services technical representatives in lieu of having qualified and trained support personnel of its own.

b. Field Support.

Upon mutual agreement of the Parties, Itron will dispatch support personnel to Customer's location to provide technical support. Such support will be billed at Itron's then-current hourly rates (with reasonable travel and living expenses invoiced at Itron's cost) unless the cause of the reported problem is found to be the fault of Itron.

c. Customer Coordinators and Service Requests.

Customer will identify no more than 2 supervisory level employees (each a "**Customer Coordinator**") for each Itron product line, as identified in the Contacts Document, to serve as administrative liaisons to Itron for all matters pertaining to the Maintenance Services for such product line. Customer Coordinators shall report problems with Software or Equipment (each such report, a "**Service Request**") as soon as practicable for entry into Itron's support tracking system. Before a Customer Coordinator interfaces with Itron, he or she will attend training sessions offered by Itron to ensure that he or she is (a) knowledgeable about the operation of the Products, and (b) qualified to perform problem determination and remedial functions with respect to the Products. Such training sessions will be at Itron's then-current rates. Customer will be solely responsible for all travel and other expenses incurred in connection with such training sessions. If Itron notifies Customer that additional training is necessary, Customer will promptly ensure that all applicable employees and/or Customer Coordinators receive such training.

been conducted, and for whom no disqualifying information (including felonies, offenses of moral turpitude, and other disqualifying criteria, if any, as specified in the Agreement between Contractor and LADWP) has been found."

EXHIBIT I HARDWARE MAINTENANCE

The following section outlines Itron committed deliverables as applied for Hardware Maintenance coverage.

Hardware Maintenance

a. Preventive and Corrective Maintenance.

Upon receipt of an item of Itron Hardware (defined below) for which Customer has subscribed to receive Maintenance Services ("**Covered Hardware**"), Itron shall (i) perform the preventive Maintenance Services that it determines is reasonably necessary to maintain such Hardware in Operational Condition (defined below), and (ii) diagnose and correct any failure in such Hardware as necessary to meet Operational Condition (excluding minor cosmetic deficiencies such as blemishes, dents or scratches). The term "**Itron Hardware**" refers to Hardware identified on Attachment A as "Itron Hardware." The term "**Operating Condition**" means capable of performance in accordance with Itron's published specifications.

b. Maintenance Procedures.

Customer shall initiate a request for Maintenance Services for an item of Itron Hardware by delivering the item to the applicable Itron address identified on the Itron Hardware Repair Table (the "**Repair Table**"), which can be obtained by calling (877) 487-6602, at Customer's expense and in accordance with the applicable return material authorization procedure. Upon receipt of an item of Itron Hardware with the required information, Itron shall assess the item to determine whether it is Covered Hardware and whether the maintenance requested is included within the Maintenance Services and not otherwise excluded from coverage as provided herein. If the item of Itron Hardware is Covered Hardware and the maintenance requested is included in the Maintenance Services, Itron shall provide the applicable Maintenance Services and shall make commercially reasonable efforts to return the item of Itron Hardware to Customer at Itron's expense within the applicable turnaround identified on the Repair Table. Itron Hardware that is not Covered Hardware or maintenance or support that is requested but not included in the Maintenance Services shall be addressed as described in Section d hereof.

c. Exclusions.

The Hardware Maintenance Services described herein do not include repairs related to:

- i. Damage due to external causes, including accident, abuse, misuse, inadequate maintenance, problems with electrical power, acts of God; usage not in accordance with product instructions or in a configuration not approved by Itron;
- ii. Service (including installation or de-installation) not performed or authorized by Itron;
- iii. Use of parts, configurations or repair depots not certified by Itron;
- iv. Customer's failure to perform Customer responsibilities in accordance with this Agreement, including caring for Products in accordance with user documentation; or
- v. Products for which Itron has discontinued Maintenance Services.

d. Estimation Fees

Hardware, Itron may charge a late fee equal to 10 percent of the then-current list price for the item of Loaned Hardware for each 30 day period during which the item of Loaned Hardware remains unreturned. Itron shall pay the cost of delivering Loaned Hardware to Customer and Customer shall pay the cost of returning Loaned Hardware to Itron.

Severity Level	Response Times	Effort Level and Escalation Path
<p>Severity Level 1. An Error for which there is no work-around that causes the Software to be unavailable.</p>	<p>Itron will respond to the Service Request within 4 business hours of receipt and will update Customer at three hour intervals each day for unresolved Service Requests, or as otherwise agreed by the Parties. Customer will respond to an Itron inquiry or request within three hours.</p>	<p>Itron will have technical analysts make diligent efforts on a 24x7 basis*, or as otherwise agreed by the Parties. A Service Request shall be escalated to Itron's Call Center Manager if a Fix is not provided within 1 business day of Itron's receipt of a Service Request. *24X7 support for Severity Level 1 Errors is not available for Itron Meter and Distribution products as outlined in Attachment B.</p>
<p>Severity Level 2. An Error other than a Severity Level 1 Error for which there is no work-around that results in a severe loss of access to the Software or that causes essential features of the Software to not work.</p>	<p>Itron will respond to the Service Request within 1 business day and will update Customer at least every other day. Customer will respond to an Itron inquiry or request within 1 business day.</p>	<p>Itron will have technical analysts make diligent efforts during normal business hours. Service Requests shall be escalated to Itron's Call Center manager if a Fix is not provided within 3 business days of Itron's receipt of a Service Request.</p>
<p>Severity Level 3. An Error other than a Severity Level 1 or Severity Level 2 Error that has a material impact on the functionality of the Software (e.g., a feature is not working as documented but a work-around is available and significant business functions are not materially impaired).</p>	<p>Itron will respond to the Service Request within 2 business days.</p>	<p>Itron will have technical analysts make diligent efforts during normal business hours.</p>

shall be limited to the most recent System Release and the prior System Release (and the most current Service Pack Release associated with such System Release). Customer will test and install Service Pack Releases associated with the System Release in use by Customer within 6 months of such Service Pack Releases being made available to Customer. Customer will upgrade to the latest System Release at least every twenty-four (24) to thirty-six (36) months. At Customer's request, Itron will assist with any such upgrade at its then-current hourly rates. Itron may elect to provide Maintenance Services for an unsupported Release of Itron Software at its then-current rates for customer support.

iii. **Support for Releases of all Other Itron Software.** This subsection applies to all Itron Software other than Itron Enterprise Edition and OpenWay Software products. Maintenance Services for all Itron Software other than Itron Enterprise Edition and OpenWay software products shall be limited to the most recent System Release and the two prior Service Pack Releases. Customer will test and install System Releases and Service Pack Releases within 12 months of such Releases being made available to Customer. At Customer's request, Itron will assist with any such upgrade at its then-current hourly rates. Itron may elect to provide Maintenance Services for an unsupported Release of Itron Software at its then-current rates for customer support.

e. *Interoperability.*

Itron makes no representation or warranty regarding the ability of the Itron Software to interoperate with third party hardware or software other than software or hardware identified as compatible with the Itron Software in Itron's published documentation for such Itron Software (the "**Documentation**").

f. *Documentation and Software Library.*

Itron will make an electronic copy of the Documentation available to Customer at no additional charge via physical media or download access. Itron will maintain a copy of its most recent supported version of the executable Itron Software to be made available to Customer as necessary in the event of corrupted or inoperative Itron Software.

g. *Restoring Software to Maintenance Services.*

If Customer declines Maintenance Services after the end of warranty or discontinues Maintenance Services for any Itron Software, and thereafter wishes to resume Maintenance Services for the most recent Release of such Itron Software, Customer shall, prior to receiving such Maintenance Services, notify Itron in writing of its request for Maintenance Services and pay Itron's then-current re-initiation fee.

h. *Exclusions.*

Itron shall have no obligation to Customer to the extent any Itron Software is adversely affected by: (i) use of the Itron Software in combination with other software, equipment or communications networks that are not referenced in the Documentation; (ii) any modification to the software or operating environment that is made other than through the fault of Itron, after the Effective Date; (iii) the use of a version of the Itron Software that is not supported by Itron; (iv) Customer's failure to implement a Fix provided by Itron; (v) the operation or maintenance of the Itron Software other than through the fault of Itron; (vi) viruses introduced through no fault of Itron; (vii) use of the Itron Software other than as permitted by Itron; or (viii) Customer's failure to perform Customer responsibilities in accordance with this Agreement.

EXHIBIT K RIGHT TO AUDIT CLAUSE

Except for costs associated with fixed priced product, shrink wrap software, and the fixed price annual maintenance agreement.

Right to Audit: The Contractor and the Contractor's subcontractors and suppliers shall be subject at any time with 7 calendar days prior written notice to audits by the Department or the Department's agents, collectively defined as "Authorized Auditors", relating to all billings and to verify compliance with all contract requirements relative to practices, methods, procedures, and documentation. The Authorized Auditors shall have access to all records and data relating to the contract. The audits will be performed using FAR, Part 30 and 31, et seq., generally accepted accounting practices and principles, and City Contractor Cost Guidelines, and any other applicable City, State and Federal government audit standards if any. The Contractor shall maintain and the Authorized Auditors will have the right to examine and audit all books, records, documents, accounting procedures and practices, and other evidence, regardless of form (e.g., machine readable media such as disk, tape, etc.) or type (e.g., databases, applications software, database management software, utilities, etc.), sufficient to properly reflect all costs claimed to have been incurred or anticipated to be incurred in performing the Contract. Any information provided on machine-readable media shall be provided in a format accessible and readable by the Authorized Auditors. The Contractor shall not, however, be required to furnish the Authorized Auditors with commonly available software. If the Contractor, the Contractor's subcontractors and/or suppliers are required to submit cost or pricing data in connection with the Contract and/or the Contract Amendment, the Authorized Auditors will have the right to examine all documents necessary to permit adequate evaluation of the cost or pricing data submitted, along with the computations and projections used. The Authorized Auditors will also have the right to reproduce, photocopy, download, transcribe, and the like any such records. The Contractor shall make said evidence or to the extent accepted by the Authorized Auditors, photographs, microphotographs etc. or other authentic reproductions thereof available to the Authorized Auditors at the Contractor's offices at all reasonable times and without charge. The Contractor and the Contractor's subcontractors and suppliers shall keep and preserve all such records for a period of not less than 3 years from and after Final Payment or, if the Contract is terminated in whole or in part, until 3 years after final Contract closeout.

The Contractor, the Contractor's subcontractors and suppliers shall account for and be responsible for unallowable costs and mutually agreed unallowable costs. The detail and depth of records required as backup support for proposals, billings, or claims shall be that which adequately establishes and maintains visibility of identified unallowable costs, costs directly associated to unallowable costs, and allowable costs.

All Changes are subject to audit. Changes with an absolute value of one hundred thousand (\$100,000) dollars or more shall require an audit. The City may waive the right to audit where there was adequate price competition, an established catalog or market prices for commercial items sold in substantial quantities to the public, and/or prices set by law or regulation.

The Contractor shall maintain and segregate cost and pricing data, books, records, documents,

EXHIBIT L
CONTRACT INSURANCE REQUIREMENTS
DEPARTMENT OF WATER AND POWER

Support Services Fees

Post Installation Technical Phone / Training Support		Hourly Rate
Extended support / Supplemental Services for Maintenance customers	Mon. through Fri. 5 pm to 5 am PST	\$190.00
	Saturday and Sunday	\$225.00
	Holidays	\$250.00

Personal / Professional Service Role Descriptions

Roles	Role Description
Project Executive / Program Manager	The Project Executive is the senior member of the delivery team, responsible for overall client satisfaction and delivery of contracted services. The Project Executive has extensive utility and contract experience. The Project Executive serves as the single point of accountability to resolve issues, manage progress, and ensure successful implementation of the project. The Project Executive builds and maintains executive relationships with the customer, systems integrator, installation contractor; and is accountable for overall project success. The Project Executive usually has a seat on the Utilities Projects Program Management Office.
Project Manager	Is the main point of contact for the Project. Involved from the Project kickoff to Project completion. Responsible for managing scope, cost, resources and the day-to-day activities of other consultants working on your Project. In addition, this individual will also be responsible for overseeing solution design, testing and training activities.
Lead Technical Consultant	Leads overall system design, including technical architecture, data flow, systems integration, systems configuration and system scalability. Has a strong understanding of Itron systems, communication protocols, technology platforms, and legacy utility systems that must work together to deliver the project needs and objectives.
Business Consultant	Itron Business Consultants complement the Technical Consultant with deep product understanding to exploit the product's functionality to meet business objectives. They focus on the customer's business requirements, identify any gaps, and recommend how to best configure the system to meet specific business objectives and business process needs. They frequently play an active role on project specific documentation (gaps, test plans, "to-be" process, and training) as well as conducting system testing.
SW Development Engineer	Responsible for the requirements review, software design, development, test and release of software system enhancements and supplemental software services.
Technical Consultant / Senior Analyst	Responsible for the design, installation, configuration, technical training and testing of Itron systems. Works with the utility or third party contractors on data flow and integrating Itron systems into the larger utility solution. Leads technical systems testing.
Installation Manager	Oversight responsibility for the installation of meters, meter modules, cell relays, CCU's, repeaters. Responsibility includes inventory accountability and status (from the factory, install, and network registration), field operations management, back office operations, customer communications, data synchronization / integrity and exception processing.

ATTACHMENT A: Hardware and Software Maintenance Fees

The following ATTACHMENT A quotes included applicable hardware and software maintenance coverage and pricing by each Itron product owned / operated by LADWP. A five year term is included for all quotes, unless otherwise stated. These quotes are subject to change upon joint approval of both Parties under conditions provided within this Agreement.

- 1. Forecasting and IEE 5 Year Maintenance Proposal Pricing**
- 2. MV-90, Web, Load Research SW 5 Year Maintenance Pricing**
- 3. MV-PBS SW 5 Year Maintenance Pricing**
- 4. TMS System Software 5 Year Maintenance Proposal Pricing**
- 5. Meter Reading 5 Year Maintenance Proposal Pricing**

Forecasting and IEE Software Maintenance Pricing



2057 - Los Angeles Department of Water and Power
 111 N. Hope Street - Room 1068
 Los Angeles, CA 90012-2607
 Customer Address

Forecasting and IEE 5 Year Maintenance Proposal Pricing Date of Quote: [6/18/14]

Hardware	Qty	Component Name	Warranty Expiration Date	Agreement Dates		Number of Months	Price Annual Fee/Unit	Annual Increase Applied						
				Start	End			2015	2016	2017	2018	2019		
Current	-	-				0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hardware Subtotal							\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Software														
Forecasting	1	MetrixND SW Term License / Maintenance	Ended	1/1/2015	12/31/2019	12	\$ 4,243.24	\$ 4,243.24	\$ 4,370.54	\$ 4,501.65	\$ 4,636.70	\$ 4,775.80	\$ 4,775.80	
	1	MetrixLT SW Term License / Maintenance	Ended	1/1/2015	12/31/2019	12	\$ 4,243.24	\$ 4,243.24	\$ 4,370.54	\$ 4,501.65	\$ 4,636.70	\$ 4,775.80	\$ 4,775.80	
	1	Forecast Manager Subscription	Ended	1/1/2015	12/31/2019	12	\$ 8,486.47	\$ 8,486.47	\$ 8,741.06	\$ 9,003.29	\$ 9,273.39	\$ 9,551.60	\$ 9,551.60	
	1	Forecast Manager Maintenance	Ended	1/1/2015	12/31/2019	12	\$ 1,738.91	\$ 1,738.91	\$ 1,791.08	\$ 1,844.81	\$ 1,900.15	\$ 1,957.16	\$ 1,957.16	
IEE Customer Care	1	Customer Care Energy Analysis License - Maintenance	Ended	1/1/2015	12/31/2019	12	\$ 20,658.26	\$ 20,658.26	\$ 21,278.01	\$ 21,916.35	\$ 22,573.84	\$ 23,251.06	\$ 23,251.06	
	1	Customer Care Cost Analysis License - Maintenance	Ended	1/1/2015	12/31/2019	12	\$ 12,624.49	\$ 12,624.49	\$ 13,003.23	\$ 13,393.33	\$ 13,795.13	\$ 14,208.98	\$ 14,208.98	
	1	MV90 Collection Engine License - Maintenance	Ended	1/1/2015	12/31/2019	12	\$ 4,173.38	\$ 4,173.38	\$ 4,298.59	\$ 4,427.54	\$ 4,560.37	\$ 4,697.18	\$ 4,697.18	
	1	Weather Services License - Maintenance	Ended	1/1/2015	12/31/2019	12	\$ 2,898.18	\$ 2,898.18	\$ 2,985.13	\$ 3,074.68	\$ 3,166.92	\$ 3,261.93	\$ 3,261.93	
Software Subtotal							\$ 59,066.18	\$ 60,838.17	\$ 62,663.31	\$ 64,543.21	\$ 66,479.51	\$ 66,479.51	\$ 66,479.51	
Hardware & Software Total							\$59,066.18	\$ 60,838.17	\$ 62,663.31	\$64,543.21	\$ 66,479.51	\$ 66,479.51	\$ 66,479.51	
Total Maintenance Fees (USD)											\$ 313,590.38			

Comments and/or Assumptions:

Increased endpoint count by 800 endpoints. Moving tiers from Tier 4 / 501 - 1,500 endpoints to Tier 5 / 501 - 5,000:	Incremental License Fee	First year Add-on Maint. Fee
Adding 800 Meters to CC Energy Analysis	\$42,350	\$8,470
Adding 800 Meters to CC Cost Analysis	\$18,150	\$3,630

2) Assuming LADWP adds the 800 meters to both CC Energy Analysis and CC Cost Analysis by 1/1/2015, the total fee by product would then be:

	2015	2016	2017	2018	2019
New Maintenance Fees for CC Energy Analysis	\$ 29,128.26	\$ 30,002.11	\$ 30,902.18	\$ 31,829.24	\$ 32,784.12
New Maintenance Fees for CC Cost Analysis	\$ 16,254.49	\$ 16,742.13	\$ 17,244.39	\$ 17,761.72	\$ 18,294.58

MV-90xi, MV-Web, Load Research Maintenance Pricing



2057 - Los Angeles Department of Water and Power
 111 N. Hope Street - Room 956
 Los Angeles, CA 90012-2607

MV-90, Web, Load Research SW 5 Year Maintenance Pricing
 Date of Quote: 6/18/14

Hardware	Qty	Component Name	Warranty Expiration Date	Agreement Dates		Number of Months	Annual Increase Applied					
				Start	End		Annual Fee/Unit	2015	2016	2017	2018	2019
-	-						\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-						\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hardware Subtotal							\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Software												
Current	1	MV-90xi SW License - Maintenance, 32,000 meters	Ended	1/1/2015	12/31/2019	12	\$ 54,674.89	\$ 54,674.89	\$ 56,315.14	\$ 58,004.59	\$ 59,744.73	\$ 61,537.07
	1	MVWEB SW License - Maintenance	Ended	1/1/2015	12/31/2019	12	\$ 11,211.85	\$ 11,211.85	\$ 11,548.20	\$ 11,894.65	\$ 12,251.49	\$ 12,619.03
	1	Load Research SW License - Maintenance	Ended	1/1/2015	12/31/2019	12	\$ 6,340.97	\$ 6,340.97	\$ 6,531.20	\$ 6,727.13	\$ 6,928.95	\$ 7,136.82
	1	MVLT or MVLTxi Laptop SW License - Maintenance	Ended	1/1/2015	12/31/2019	12	\$ 2,959.12	\$ 2,959.12	\$ 3,047.89	\$ 3,139.33	\$ 3,233.51	\$ 3,330.51
	-						\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Software Subtotal							\$ 75,186.83	\$ 77,442.43	\$ 79,765.71	\$ 82,158.68	\$ 84,623.44	
Hardware & Software Total							\$ 75,186.83	\$ 77,442.43	\$ 79,765.71	\$ 82,158.68	\$ 84,623.44	
Annual Maintenance Fee Subtotals												\$ 399,177.08
Total Maintenance Fees (USD)												\$ 399,177.08

Comments and/or Assumptions:

Increased endpoint count from 32,000 to:	Incremental License Fee	First year Add-on Maint. Fee
40,000	\$16,000	\$3,200

- The version of MV90xi software which will support more than 32,000 meters on a single server is schedule to be available 1/1/2015.
- Assuming LADWP moves to the 40,000 meter MV-90 license on 1/1/2015, the total MV-90xi SW Maintenance line would change as follows:

	2015	2016	2017	2018	2019
MV-90xi SW Maintenance, 40,000 meters	\$ 57,874.89	\$ 59,611.14	\$ 61,399.47	\$ 63,241.46	\$ 65,138.70
Hardware and Software Total (would change to)	\$ 78,386.83	\$ 80,738.43	\$ 83,160.59	\$ 85,655.40	\$ 88,225.07
Total Maintenance Fees (USD)					\$ 416,166.31

MV-PBS Software Maintenance Pricing



2057 - Los Angeles Department of Water and Power
 111 N. Hope Street - Room 956
 Los Angeles, CA 90012-2607

MV-PBS SW 5 Year Maintenance Pricing

Date of Quote: 6/18/14

Hardware	Qty	Component Name	Warranty Expiration Date	Agreement Dates		Number of Months	Price Annual Fee/Unit	Annual Increase Applied					
				Start	End			2015	2016	2017	2018	2019	
-	-						\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-						\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hardware Subtotal							\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Software													
Current	1	MV-PBS Software Base	Ended	3/1/2016	12/31/2019	10	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	1	MV-PBS MV-PBS BASE LICENSE - Maintenance 1001-2500 ELECT DEL	Ended	3/1/2016	12/31/2019	10	\$ 40,180.66	\$ -	\$ 33,483.88	\$ 41,386.08	\$ 42,627.66	\$ 43,906.49	\$ -
-	-						\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Software Subtotal							\$ -	\$ 33,483.88	\$ 41,386.08	\$ 42,627.66	\$ 43,906.49	\$ -	\$ -
Hardware & Software Total							\$ -	\$ 33,483.88	\$ 41,386.08	\$ 42,627.66	\$ 43,906.49	\$ -	\$ -
Annual Maintenance Fee Subtotals													\$ 161,404.12
Discount for three year pre-payment													\$ -
Total Maintenance Fees (USD)													\$ 161,404.12

Comments and/or Assumptions:

1) MV-PBS SW license - maintenance will under the 5 year offer on 3/1/2016, after the original maintenance terms between LADWP and Itron have ended, 2/28/2016.

TMS System Software Maintenance



Knowledge to Shape Your Future

2057 - Los Angeles Department of Water and Power
 111 N. Hope Street - Room 1068
 Los Angeles, CA 90012-2607

TMS System Software 5 Year Maintenance Proposal Pricing
 Date of Quote: [6/18/14]

Equipment	Qty	Component Name	Warranty Expiration Date	Agreement Dates		Number of Yr2 Months	Price Annual Fee/Unit	Annual Increase Applied				
				Start	End			2015 Year 1	2016 Year 2	2017 Year 3	2018 Year 4	2019 Year 5
Equipment Subtotal								\$ -	\$ -	\$ -	\$ -	\$ -
Software												
Production	1	TMS Software License - Maintenance Fee, 1 to 35,000 meters (Production Server)	Ended	9/1/2016	12/31/2018	4	\$ 28,000.00	\$ -	\$ 9,333.33	\$ 28,840.00	\$ 29,705.20	\$ 30,596.36
	2	Oracle Weblogic Annual Maintenance / License fee (Production Server)	Ended	9/1/2016	12/31/2018	4	\$ 2,500.00	\$ -	\$ 1,666.67	\$ 5,150.00	\$ 5,304.50	\$ 5,463.64
SmartNet	1	TMS Software License - Maintenance Fee, 1 to 10,000 meters (SmartNet Server)	Ended	9/1/2016	12/31/2018	4	\$ 12,000.00	\$ -	\$ 4,000.00	\$ 12,360.00	\$ 12,730.80	\$ 13,112.72
	6	Oracle Virtual Weblogic Annual Maintenance / License fee (SmartNet Server)	Ended	9/1/2016	12/31/2018	4	\$ 2,500.00	\$ -	\$ 5,000.00	\$ 15,450.00	\$ 15,913.50	\$ 16,390.91
Software Subtotal								\$ -	\$ 20,000.00	\$ 61,800.00	\$ 63,654.00	\$ 65,563.62
Annual Equipment & Software Total								<u>\$ -</u>	<u>\$ 20,000.00</u>	<u>\$ 61,800.00</u>	<u>\$ 63,654.00</u>	<u>\$ 65,563.62</u>
Total Maintenance Fees (CND)												<u>\$ 211,017.62</u>

Comments and/or Assumptions:

- 1) This Itron Maintenance offer provides TMS System Software license - maintenance for both LADWP TMS SW by server and the appropriate Weblogic licenses
- 2) The TMS and Weblogic licenses - maintenance fees for the SmartNet Server are estimated. They may change after LADWP provides the required configuration information to Itron.
- 3) The term starts 9/1/2016, after the initial TMS Maintenance term is complete (3 year, 9/1/2013 - 8/30/2016)
- 4) Parties will work cooperatively to migrate TMS Maintenance fees to MV-90xi or OpenWay maintenance coverage if / when TMS meter collection is transitioned to one of these two products.
- 4) A 3% annual adjustment is included.

FC3 Meter Reading Software and Equipment Maintenance



Knowledge to Shape Your Future

Meter Reading 5 Year Maintenance Proposal Pricing

Date of Quote: [6/18/14]

2057 - Los Angeles Department of Water and Power
 111 N. Hope Street - Room 745
 Los Angeles, CA 90012-2607

Hardware	Qty	Component Name	Warranty Expiration Date	Agreement Dates		Number of Yr1 Months	Price Annual Fee/Unit	2015	2016	2017	2018	2019
				Start	End			Year 1	Year 2	Year 3	Year 4	Year 5
Renewed	195	Probes	Expired	1/1/2015	12/31/2019	12	\$ 145.02	\$ 28,278.90	\$ 29,127.27	\$ 30,001.09	\$ 30,901.12	\$ 31,828.15
	161	FC300,SREAD RADIO,BT,ENG WIN CE 5.0 PRO,512MB SD CD	Expired	1/1/2015	12/31/2019	12	\$ 504.00	\$ 81,143.94	\$ 83,578.25	\$ 86,085.60	\$ 88,668.17	\$ 91,328.21
	2	FC300,SREAD RADIO,BT,ENG WIN CE 5.0 PRO,512MB SD CD	Expired	1/1/2015	12/31/2019	12	\$ 448.05	\$ 896.10	\$ 922.98	\$ 950.67	\$ 979.19	\$ 1,008.57
	2	FC300,SREAD RADIO,BT,ENG WIN CE 5.0 PRO,512MB SD CD	2/28/2014	1/1/2015	12/31/2019	12	\$ 448.05	\$ 896.10	\$ 922.98	\$ 950.67	\$ 979.19	\$ 1,008.57
	33	DOCK,MULTI,FC3	Expired	1/1/2015	12/31/2019	12	\$ 222.45	\$ 7,340.82	\$ 7,561.04	\$ 7,787.88	\$ 8,021.51	\$ 8,262.16
	2	DOCK,DESKTOP,FC3	2/28/2014	1/1/2015	12/31/2019	12	\$ 38.93	\$ 77.87	\$ 80.20	\$ 82.61	\$ 85.09	\$ 87.64
	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
New	60	Probes	Expired	1/1/2015	12/31/2019	12	\$ 103.21	\$ 6,192.60	\$ 6,378.38	\$ 6,569.73	\$ 6,766.82	\$ 6,969.83
	4	FC3-0001-001,SREAD RADIO,BT,ENG WIN CE 5.0 PRO,512MB SD CD	12/31/11	1/1/2015	12/31/2019	12	\$ 448.05	\$ 1,792.20	\$ 1,845.97	\$ 1,901.34	\$ 1,958.39	\$ 2,017.14
	10	FC3-0004-001,SREAD RADIO,ENGLISH WIN CE 5.0 PRO	10/31/2014	1/1/2015	12/31/2019	12	\$ 448.05	\$ 4,480.50	\$ 4,614.92	\$ 4,753.36	\$ 4,895.96	\$ 5,042.84
	13	FC3-2014-001,SREAD RADIO,IMAGER,GPS,ENG WIN CE 5.0 PRO	7/31/2013	1/1/2015	12/31/2019	12	\$ 475.86	\$ 6,186.18	\$ 6,371.77	\$ 6,562.92	\$ 6,759.81	\$ 6,962.60
	2	DOCK,MULTIDOCK,FC3	7/31/2013	1/1/2015	12/31/2019	12	\$ 197.76	\$ 395.52	\$ 407.39	\$ 419.61	\$ 432.20	\$ 445.16
	2	DOCK,DESKTOP,FC3	7/31/2013	1/1/2015	12/31/2019	12	\$ 38.93	\$ 77.87	\$ 80.20	\$ 82.61	\$ 85.09	\$ 87.64
	4	DOCK,DESKTOP,FC3	12/31/11	1/1/2015	12/31/2019	12	\$ 38.93	\$ 155.74	\$ 160.41	\$ 165.22	\$ 170.18	\$ 175.28
	10	DOCK,DESKTOP,FC3	10/31/2014	1/1/2015	12/31/2019	12	\$ 38.93	\$ 389.34	\$ 401.02	\$ 413.05	\$ 425.44	\$ 438.21
2014 Order	20	FC3-0001-001,SREAD RADIO,BT,ENG WIN CE 5.0 PRO,512MB SD CD	8/30/2015	9/1/2015	12/31/2019	4	\$ 435.00	\$ 2,900.00	\$ 8,961.00	\$ 9,229.83	\$ 9,506.72	\$ 9,791.93
	4	DOCK,MULTIDOCK,FC3	8/30/2015	9/1/2015	12/31/2019	4	\$ 192.00	\$ 256.00	\$ 791.04	\$ 814.77	\$ 839.21	\$ 864.39
	35	DST Probe Maintenance	8/30/2016	9/1/2016	12/31/2019	0	\$ 100.25	\$ -	\$ 1,204.67	\$ 3,722.43	\$ 3,834.11	\$ 3,949.13
Hardware Subtotal								\$ 141,459.67	\$ 153,409.49	\$ 160,493.40	\$ 165,308.20	\$ 170,267.44
Software												
	1	FCST/ID-FC3 w/TOU SW License - Maintenance, 400k - 500k Meters	1/31/2010	1/1/2015	12/31/2019	12	\$ 44,490.62	\$ 44,490.62	\$ 45,825.34	\$ 47,200.10	\$ 48,616.11	\$ 50,074.59
Hardware & Software Total								\$ 185,950.29	\$ 199,234.83	\$ 207,693.50	\$ 213,924.30	\$ 220,342.03

Total Maintenance Fees (USD)

\$ 1,027,144.95

Comments and/or Assumptions:

Products for New Purchase during Term	Total Quantity (for 5yr Term)	Purchase Price	Extended Purchase Price	Starting Annual Maint. Fee	Extended Maint Fee (5 year term all units)
FC300 Radio HHC /FC3-0004-001,SREAD RADIO,ENGLISH	8	\$4,590.00	\$36,720.00	\$435.00	\$14,559.02
FC300 Radio-Imager HHC /FC3-2014-001, RADIO,IMAGER,GPS	2	\$4,990.00	\$9,980.00	\$462.00	\$3,865.67
FC300 Docking Station - Single Desk Dock	5	\$350.00	\$1,750.00	\$37.80	\$790.71
FC300 Docking Station - Multi Dock for FC300	5	\$1,690.00	\$8,450.00	\$192.00	\$4,016.28
Probes for Optical meter reading	50	\$499.00	\$24,950.00	\$100.20	\$20,959.97

(2 units per year, 10 over the 5 year term, split between two model types)

(1 desk docking station per year.)

(1 multi-port docking station per year)

(10 Optical Probes per year)

- 1) New HW purchase quantities are based on LADWP stated replacement rates. Pricing shown do not including taxes / Freight.
- 2) Add-on HW Maintenance is estimated at worse case (all units, 5 years, one year warranty, and 3% annual adjustment)
- 3) Includes newly purchased FC300s, Multi-docks and probes shipped in August 2014