

ENERGY AND ENVIRONMENT COMMITTEE REPORT relative to proposed Agreement No. 47290-5 with Osmose Utilities Services, Inc. (Osmose) for maintenance, support, escrow services, as-needed professional services, and consulting services in connection with the Osmose FastGate Gateway Software Maintenance Program.

Recommendation for Council action:

CONCUR with the Board of Water and Power Commissioner's (Board) action of April 7, 2015, Resolution No. 015-184, approving Agreement No. 47290-5 with Osmose for maintenance, support, escrow services, as-needed professional services, and consulting services in connection with the Osmose FastGate Gateway Software Maintenance Program for a term of three years with four optional one-year renewable options and an amount not to exceed \$1,296,500.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that approval of Resolution No. 015-184 will increase the expenditure authority by \$1,296,500 over seven years from the Power Revenue Fund. The proposed Agreement complies with the Los Angeles Department of Water and Power's (LADWP) adopted Financial Policies. Approval of the proposed resolution will not impact the City General Fund.

Community Impact Statement: None submitted.

**TIME LIMIT FILE - JUNE 6, 2015**

**(LAST DAY FOR COUNCIL ACTION - JUNE 5, 2015)**

Summary:

On May 6, 2015, your Committee considered an April 8, 2015 Board of Water and Power Commissioners and February 6, 2015 CAO reports and Resolution No. 015-184 relative to proposed Agreement No. 47290-5 with Osmose for maintenance, support, escrow services, as-needed professional services, and consulting services in connection with the Osmose FastGate Gateway Software Maintenance Program. According to the CAO, the LADWP is requesting approval of Resolution 015-148 authorizing Agreement No. 47290-5 (Agreement) with Osmose to provide continuing maintenance, support, escrow services and as-needed professional services for Osmose's proprietary software, FastGate. The term of the Agreement is for three years with four one-year renewable options for an amount not to exceed \$1,296,500.

Previously, the LADWP executed an Agreement with Osmose, Resolution No. 008-186, which was approved by Council on December 17, 2008 (Council File No. 08-0700). For the past seven years, FastGate has been utilized to translate electric distribution circuit data from the GeoSpatial Electric System (GES) data model to a format compatible to import into the Outage Management System (OMS). Relying on this information, electric trouble dispatchers are able to diagnose the source and location of power outages and power quality issues and dispatch repair crews accordingly.

The OMS is a critical link to the Electrical Trouble Section's daily operations in maintaining reliable and high quality power to LADWP's customers. Continuing with Osmose, the sole-source provider of the LADWP FastGate software is essential. They provide proprietary services, own the source code necessary to make changes to the softWare, and provide proprietary support for enhancements and

fixes to the core software and system interfaces.

The LADWP is in the process of implementing a new geographical data model for its power system. Once that occurs, the software will no longer be needed. The LADWP states that the new project to replace FastGate software will commence in March 2015. The anticipated completion of the transition is projected in the fourth year of this Agreement; therefore, if the timetable is met in the four years, the LADWP would not need to renew the Agreement for the fifth through seventh year options.

After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of Resolution 015-148. The matter is now submitted to Council for its consideration.

Respectfully Submitted,

ENERGY AND ENVIRONMENT COMMITTEE

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<u>MEMBER</u>	<u>VOTE</u>
FUENTES:	YES
BLUMENFIELD:	ABSENT
LABONGE:	YES
HUIZAR:	YES
KORETZ:	YES

ARL

5/6/15

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**