

**AMENDMENT NO. 1 TO AGREEMENT NO. 47967 BETWEEN THE CITY OF
LOS ANGELES DEPARTMENT OF WATER AND POWER AND
OPEN SYSTEMS INTERNATIONAL, INC.**

THIS AMENDMENT NO. 1 to Agreement No. 47967 is made and entered into by and between the City of Los Angeles acting by and through the Los Angeles Department of Water and Power (LADWP), a municipal corporation, and Open Systems International, Inc. (OSI or Contractor) are referred to under this Amendment as "Party" and collectively "Parties."

WHEREAS, the Parties entered into Agreement No. 47967 (hereinafter referred to as the "Agreement" or "Contract") for OSI to provide support for the proprietary OSI Monarch Supervisory Control and Data Acquisition/Automatic Generation Control (SCADA/AGC) System, for a term of one year with four optional one-year renewals and a maximum not-to-exceed amount of \$9,258,442; and

WHEREAS, LADWP is proposing Amendment No. 1 to increase the not-to-exceed amount by \$13,587,647 to a not-to-exceed amount of \$22,846,089; extend the Agreement term by five years to June 18, 2020; and add additional technical support services, software updates, and security patch management.

NOW, THEREFORE, BE IT RESOLVED that the Parties agree to amend Agreement No. 47967 as follows:

1. Section 13.a, Term, will now read:

The term of this Agreement is ten years. The term shall commence upon June 19, 2010 and shall expire June 18, 2020.

Exhibit A Statement of Work

2. Change Section 1.1 paragraph 1 from:

'Revision 6.1,' dated February 2009'

To:

'Revision 6.3' dated September 2012'

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3. Change Section 1.1 paragraph 1 from:

"There is an Option to renew for Years 2, 3, 4, and 5. The option price . . ."

To:

“The annual price of the Software Maintenance Plan . . .”

.....

4. Delete the following line from Section 1.1 paragraph 1:

“The price of the plan for Year 1 is \$330,750.”

.....

5. Change Section 1.1 paragraph 3 from:

Option to Renew – Prices Not to Exceed Per Year

Year 2	Year 3	Year 4	Year 5
\$347,288	\$364,652	\$382,884	\$402,029

To:

Prices Not to Exceed Per Year

Year 1	Year 2	Year 3	Year 4	Year 5
\$330,750	\$347,288	\$364,652	\$382,884	\$402,029

Year 6	Year 7	Year 8	Year 9	Year 10
\$422,400	\$443,520	\$465,696	\$488,980	\$513,430

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6. Change Section 1.1 under Supported Software at the Energy Control Center from:

“OpenView (65 console licenses – all systems)”

To:

“OpenView (69 console licenses – all systems)”

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7. Change Section 1.1 under Supported Software at the Energy Control Center from:

“OpenFEP Communication Protocols (DNP 3.0, REDAC 70H, REDAC 70DE)”

To:

“OpenFEP Communication Protocols (Modbus, DNP 3.0, REDAC 70H, REDAC 70DE)”

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8. Change Section 1.1 under Supported Software at the Energy Control Center from:

“OpenJAVA (16 concurrent connection licenses – all systems)”

To:

“OpenViewLite (20 concurrent connection licenses – all systems)”

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9. Change Section 1.1 under Supported Software at the Energy Control Center from:

“OpenLSR (1 redundant and 2 offline (PDS/DTS) server licenses)”

To:

“OpenLSR (1 redundant and 2 offline (PDS/DTS) server licenses)
OpenPMU (3 Servers)
OSI Advanced Tabulars (2 Primary Production DACs, 1 PDAC, 1 TDAC, 1 BDAC)
OSI Patch Test System License (5 Servers)”

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10. Change Section 1.1 under Supported Software at the Emergency Dispatch Center from:

“OpenFEP Communication Protocols (DNP 3.0, REDAC 70H, REDAC 70DE)”

To:

“OpenFEP Communication Protocols (Modbus, DNP 3.0, REDAC 70H, REDAC 70DE)”

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11. Change Section 1.1 under Supported Software at the Emergency Dispatch Center from:

“OpenJAVA (see OpenJAVA license information for main system above)”

To:

“OpenViewLite (see OpenViewLite license information for main system above)”

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12. Change Section 1.1 under Supported Software at the Emergency Dispatch Center from:

- “OpenLSR (1 single server license)”

To:

- “OpenLSR (1 single server license)
 - OSI Hot BCC (non-redundant license)”
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13. Change Section 1.1.1 paragraph 1 from:

‘... Support Plan Overview, Revision 6.1, February 2009’) ...’

To:

‘... Support Plan Overview, Revision 6.3, September 2012’) ...’

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14. Change Section 1.2 paragraph 1 from:

“There is an Option to renew for Years 2, 3, 4, and 5. The option price ...”

To:

“The annual price ...”

.....

15. Delete the following line from Section 1.2 paragraph 1:

“The price for the plan for Year 1 is \$84,885.”

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16. Change Section 1.2 paragraph 1 from:

Option to Renew – Prices Not to Exceed Per Year

Year 2	Year 3	Year 4	Year 5
\$89,098	\$93,553	\$98,230	\$103,142

To:

Prices Not to Exceed Per Year

Year 1	Year 2	Year 3	Year 4	Year 5
\$84,885	\$89,098	\$93,553	\$98,230	\$103,142

Year 6	Year 7	Year 8	Year 9	Year 10
\$104,685	\$109,920	\$115,416	\$121,185	\$127,245

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17. Change Section 1.2 under Supported System from:

“Windows XP Pro SP2 - 47 PCs”

To:

“Windows 7 64 bit - 47 PCs”

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18. Delete the following from Section 1.3.2 paragraph 1 from:

“There is an Option to renew T&M for Years 2, 3, 4, and 5.”

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19. Change Section 1.3.2.a from:

“The total amount available for work over the five year period of this Exhibit A is \$375,000.”

To:

“The total amount available for work over the ten year period of this Exhibit A is \$750,000.”

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20. Change Section 1.3.2.b from:

“... five year period ...”

To:

“... ten year period ...”

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21. Change Section 1.3.2.c from:

“... five year period ...”

To:

“... ten year period ...”

.....

22. Change Section 1.3.2.d from:

“The total amount available for work over the five year period of this Exhibit A is \$450,000.”

To:

“The total amount available for work over the ten year period of this Exhibit A is \$600,000.”

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23. Change Section 1.3.2.e from:

“An additional \$320,000 is made available to provide funds for Travel Expenses and Contingency Funds for Projects 1.3.2.a to 1.3.2.e. The total amount available for work over the five year period of this Exhibit A is \$320,000.”

To:

“An additional \$320,000 is made available to provide funds for Travel Expenses and Contingency Funds for Projects 1.3.2.a to 1.3.2.e. The total amount available for work over the ten year period of this Exhibit A is \$700,000.”

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24. Change Section 1.3.2.f from:

1.3.2.f Cost Summary

Breakdown of costs for the Optional Time and Materials Projects 1.3.2.a to 1.3.2.f including Travel Expenses and Contingency Funds.

<u>Item</u>	<u>Project Description</u>	<u>Costs</u>
1.3.2.a	OpenNET and Open AVC	\$375,000
1.3.2.b	IA Application	\$200,000
1.3.2.c	Phasor Measurement Unit	\$150,000
1.3.2.d	SmartGrid	\$450,000
1.3.2.e	Contingency / Travel	\$320,000
	Sub Total	\$1,716,020

To:

1.3.2.i Cost Summary

Breakdown of costs for the Optional Projects 1.3.1 and 1.3.2.a to 1.3.2.h including Travel Expenses and Contingency Funds.

<u>Item</u>	<u>Project Description</u>	<u>Costs</u>
1.3.1	Hot Standby Backup Control Center	\$221,020
1.3.2.a	OpenNET and Open AVC	\$750,000
1.3.2.b	IA Application	\$200,000
1.3.2.c	Phasor Measurement Unit	\$150,000
1.3.2.d	SmartGrid	\$600,000
1.3.2.e	Contingency / Travel	\$700,000
1.3.2.f	Substation Support Project	\$1,661,324
1.3.2.g	Substation Engineering Services	\$1,000,000
1.3.2.h	Map Server Interface	\$250,000
	Sub Total	\$5,532,344

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25. Add the following sections after Section 1.3.2.e:

1.3.2.f Substation Support Project

This project provides Support for the monarch™ Substation HMIs delivered in the Substation Automation Project. Pricing is based on purchasing Support in bundles of 12 Substations. Support will also be prorated to line up with the existing ECC Support Contract. The Department must authorize the work for this task in advance as stated in section 1.4, Task Assignments. The total amount available for work over the ten year period of this Exhibit A is \$1,661,324.

These price limitations do not include any price increases that may be incurred pursuant to additional software that may be purchased under the terms of section 1.3.4, Additional Licenses and Features Section, of this Exhibit A.

1.3.2.g Substation Engineering Services

This project provides any engineering services necessary to support the monarch™ software substation installations. The Department must authorize the work for this task in advance as stated in section 1.4, Task Assignments. The total amount available for work over the ten year period of this Exhibit A is \$1,000,000.

1.3.2.h Map Server Interface

This project implements new technologies to provide a map overly to help improve operations. The Department must authorize the work for this task in advance as stated in section 1.4, Task Assignments. The total amount available for work over the ten year period of this Exhibit A is \$250,000.

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26. Change Section 1.3.3 paragraph 3 from:

“The total amount available for work over the five year period of this Section 1.3.3 is \$4,120,943.00.”

To:

“The total amount available for work over the ten year period of this Section 1.3.3 is \$9,854,787.”

27. Change Section 1.3.3 paragraph 4 from:

“Prices Not to Exceed Per Year”

Year 1	Year 2	Year 3	Year 4	Year 5	5 Years Total
\$675,000.00	\$742,500.00	\$816,750.00	\$898,425.00	\$988,268.00	\$4,120,943.00

To:

“Prices Not to Exceed Per Year”

Year 1	Year 2	Year 3	Year 4	Year 5
\$675,000	\$742,500	\$816,750	\$898,425	\$988,268

Year 6	Year 7	Year 8	Year 9	Year 10	10 Years Total
\$1,037,681	\$1,089,565	\$1,144,044	\$1,201,246	\$1,261,308	\$9,854,787

28. Change Section 1.3.4 paragraph 1 from:

“The total amount available for work over the five year period of this Section 1.3.4 is \$862,500.”

Prices Not to Exceed Per Year

Year 1	Year 2	Year 3	Year 4	Year 5	5 Years Total
\$172,500	\$172,500	\$172,500	\$172,500	\$172,500	\$862,500

To:

“The total amount available for work over the ten year period of this Section 1.3.4 is \$1,725,000.”

Prices Not to Exceed Per Year

Year 1	Year 2	Year 3	Year 4	Year 5
\$172,500	\$172,500	\$172,500	\$172,500	\$172,500

Year 6	Year 7	Year 8	Year 9	Year 10	10 Years Total
\$172,500	\$172,500	\$172,500	\$172,500	\$172,500	\$1,725,000

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29. Replace Section 1.4.4 with the following:

1.4.4 Compensation for Expenses

The Department will reimburse the Contractor at actual cost for the following travel expenses when they are incurred in connection with all Services provide hereunder:

- Air Travel (Economy Fare)
- Per Diem to cover land transportation, Hotel, Meals and parking.

Per Diem expenses per day:

Year 6	Year 7	Year 8	Year 9	Year 10
\$400.00	\$420.00	\$440.00	\$460.00	\$480.00

Services rendered on a “time and material” basis, and associated actual travel and living expenses will be invoiced on a monthly basis or upon completion of each task, depending on how defined in task assignment.

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30. Change Section 1.4.5 paragraph 3 from:

“The rates shown may be increased at the start of each new validity period by no greater than 10 percent greater than the previous year’s rates. Contractor hereby covenants and warrants that the Time and Material rates payable for Option Years 2, 3, 4, and 5 shall be no higher than the rates charged by Contractor to its other customers for like goods and services.”

To:

“For validity periods through June 18, 2020, the rates shown may be increased at the start of each new validity period by no greater than 5 percent greater than the previous year’s rates. Contractor hereby covenants and warrants that the Time and Material rates payable for each validity period shall be no higher than the rates charged by Contractor to its other customers for like goods and services.”

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31. Change Section 1.4.6 paragraph 1 from:

Resource Type	Hourly Rate
Engineering Services - Remote	\$150.00
Engineering Services – On-Site	\$175.00
Software Development	\$150.00

Notwithstanding the rate structure above, OSI and DWP can agree on different rates for specific resources.

These rates are going to be used exclusively for Time and Material basis type of work. All taxes are excluded from this table.

Contractor hereby covenants and warrants that the Time and Material rates payable for Option Years 2, 3, 4, and 5 shall be no higher than the rates charged by Contractor to its other customers for like goods and services. In fact, the rates quoted above are discounted from OSI's standard rates for these services.

Rates are valid until June 18, 2011 and can vary from year to year in accordance with Section 1.4.5. In any one validity period the rates will not be increased by a percentage greater than ten percent (10%) per year. If OSI does not increase its rates by the maximum allowable increase in any given year, OSI may apply any unused increase to the rates for the following years (in addition to the allowable increases allocated to those years).

To:

Resource Type	Hourly Rate
Engineering Services - Remote	\$175.00
Engineering Services – On-Site	\$200.00
Software Development	\$175.00

Notwithstanding the rate structure above, OSI and DWP can agree on different rates for specific resources.

These rates are going to be used exclusively for Time and Material basis type of work. All taxes are excluded from this table.

Rates are valid until June 18, 2016 and can vary from year to year in accordance with Section 1.4.5. If OSI does not increase its rates by the maximum allowable increase in any given year, OSI may apply any unused increase to the rates for the following years (in addition to the allowable increases allocated to those years).

32. Change Section 1.5.1 from:

“Standard Escrow Services as defined herein and in Section 18(f) of the Agreement will begin as of the Effective Date of the Agreement, and will extend for a period of one (1) year thereafter (the “Term”) for the amount of \$2,500.00. At the Department’s sole option for renewal, the escrow services for the extended term of the agreement will be charged at \$2,500.00 per year for each optional year.”

To:

“Standard Escrow Services as defined herein and in Section 18(f) of the Agreement will begin as of the Effective Date of the Agreement, and will extend for a period of one (1) year thereafter for the amount of \$2,500.00. At the Department’s sole option for renewal, the escrow services for the extended term of the agreement will be charged at \$2,500.00 per year for each year.”

33. Change Section 1.5.2 from:

“The total amount available for work over the five year period of this Exhibit 1.5.2 is \$250,000.”

To:

“The total amount available for work over the ten year period of this Exhibit 1.5.2 is \$500,000.”

34. Change Section 1.6 from:

Yearly Cost Breakdown for Year 1 and Option Year Services:

Item	Project Description	Year				
		1	2	3	4	5
1.1	Maintenance	\$330,750	\$347,288	\$364,652	\$382,884	\$402,029
1.2	Patch Management	\$84,855	\$89,098	\$93,553	\$98,230	\$103,142
1.3.3	Support Services	\$675,000	\$742,500	\$816,750	\$898,425	\$988,268
1.3.4	Add License / Features	\$172,500	\$172,500	\$172,500	\$172,500	\$172,500
1.5.1	Escrow	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
1.5.2	Escrow Verification	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
		\$1,315,605	\$1,403,885	\$1,499,955	\$1,604,540	\$1,718,438

Item	Project Description	5 Year Total
1.1	Maintenance	\$1,827,603
1.2	Patch Management	\$468,877
1.3.3	Support Services	\$4,120,943

1.3.4	Add License / Features	\$862,500
1.5.1	Escrow	\$12,500
1.5.2	Escrow Verification	\$250,000
		\$7,542,422

Project Cost Breakdown

Item	Project Description	Costs
1.3.1	Hot Standby Backup Control Center	\$221,020
1.3.2.a	OpenNET and Open AVC	\$375,000
1.3.2.b	IA Application	\$200,000
1.3.2.c	Phasor Measurement Unit	\$150,000
1.3.2.d	SmartGird	\$450,000
1.3.2.e	Contingency / Travel	\$320,000
	Sub Total	\$1,716,020

CONTRACT TOTAL

The total contract including all options shall not exceed..... \$9,258,442.00

To:

Yearly Cost Breakdown for Services:

Item	Project Description	1	2	3	4	5
1.1	Maintenance	\$330,750	\$347,288	\$364,652	\$382,884	\$402,029
1.2	Patch Management	\$84,855	\$89,098	\$93,553	\$98,230	\$103,142
1.3.3	Support Services	\$675,000	\$742,500	\$816,750	\$898,425	\$988,268
1.3.4	Add License / Features	\$172,500	\$172,500	\$172,500	\$172,500	\$172,500
1.5.1	Escrow	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
1.5.2	Escrow Verification	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
		\$1,315,605	\$1,403,886	\$1,499,955	\$1,604,539	\$1,718,438

Item	Project Description	6	7	8	9	10
1.1	Maintenance	\$422,400	\$443,520	\$465,696	\$488,980	\$513,430
1.2	Patch Management	\$104,685	\$109,920	\$115,416	\$121,185	\$127,245
1.3.3	Support Services	\$1,037,681	\$1,089,565	\$1,144,044	\$1,201,246	\$1,261,308
1.3.4	Add License / Features	\$172,500	\$172,500	\$172,500	\$172,500	\$172,500
1.5.1	Escrow	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
1.5.2	Escrow Verification	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
		\$1,789,766	\$1,868,005	\$1,950,156	\$2,036,411	\$2,126,983

Item	Project Description	10 Year Total
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1.1	Maintenance	\$4,161,629
1.2	Patch Management	\$1,047,329
1.3.3	Support Services	\$9,854,787
1.3.4	Add License / Features	\$1,725,000
1.5.1	Escrow	\$25,000
1.5.2	Escrow Verification	\$500,000
		\$17,313,745

Project Cost Breakdown

Item	Project Description	Costs
1.3.1	Hot Standby Backup Control Center	\$221,020
1.3.2.a	OpenNET and Open AVC	\$750,000
1.3.2.b	IA Application	\$200,000
1.3.2.c	Phasor Measurement Unit	\$150,000
1.3.2.d	SmartGird	\$600,000
1.3.2.e	Contingency / Travel	\$700,000
1.3.2.f	Substation Support Project	\$1,661,324
1.3.2.g	Substation Engineering Services	1,000,000
1.3.2.h	Map Server Interface	250,000
	Sub Total	\$5,532,344

CONTRACT TOTAL

The total contract including all options shall not exceed..... **\$22,846,089**

35. Change Section 2 from:

“2.1. Option to Renew

The Department will have the right and option to renew Exhibit A Options as follows:

(i) For up to 4 additional periods of one year each.

(ii) If an option to renew is exercised, the first option will be exercised only during the original contractual period, and the second option will be exercised only during the first optional renewal period, if the first option is exercised, and the third option will be exercised only during the second optional renewal period, if the second option is exercised, and the fourth, option will be exercised only during the third optional renewal period, if the third option is exercised.

(iii) The first optional period shall commence on June 19, 2011 and expire June 18, 2012. The second optional period shall commence on June 19, 2012 and expire June 18, 2013. The third

optional period shall commence on June 19, 2013 and expire June 18,2014. The fourth optional period shall commence on June 19, 2014 and expire June 18,2015.

(iv) If any said option is exercised by the Department, it will be exercised by the issuance and delivery to the Contractor of a letter signed by the Contract Administrator. The Agreement shall remain in effect for any such optional renewal period.”

To:

“2.1 Term

The term of this Agreement is ten years, commencing upon June 19, 2010 and shall expire June 18, 2020.”

2.2 Termination

The Department may terminate this Agreement effective any time upon receipt by Contractor of 90 days prior notice. Upon receipt of such notice, the Contractor shall immediately stop all work under this Contract Amendment 1. The Contractor shall be entitled to payment of Fees for all Deliverables completed, including without limitation Services provided (in both cases where accepted by the Department), 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 Department’s attention beforehand and in writing. The Contractor shall then deliver to the Department, in an organized and usable form, all Deliverables “work in process” as of such date.

Either Party may terminate this Contract Amendment 1 at any time if the other Party is in default of its material obligations under this Contract Amendment 1 and such default remains un-remedied for a period of 30 days from the date of receipt of notice of the default by the non-defaulting Party. Such right of termination shall be in addition to all other rights and remedies to which the Parties are entitled. Events of default shall include, without limitation: Contractor’s breach of or failure to perform any statement, promise, term, covenant, or condition contained in this Contract Amendment 1; or Contractor ceasing to conduct its operations or provide Support Services.”

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36. Add the following Section 4:

“4. Terms and Conditions

All other Terms and Conditions of Agreement 47967 shall remain in full force and effect.”

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37. Add the following at the end of the Amendment:

IN WITNESS WHEREOF, the signatories hereto represent that they are authorized to enter into this Amendment No. 1 to Agreement No. 47967.

DEPARTMENT OF WATER AND POWER
OF THE CITY OF LOS ANGELES
BY
BOARD OF WATER AND POWER COMMISSIONERS OF THE
CITY OF LOS ANGELES

By: _____
MARCIE L. EDWARDS
General Manager

Date: _____

And: _____
BARBARA E. MOSCHOS
Board Secretary

OPEN SYSTEMS INTERNATIONAL, INC.

By:  _____
BAHMAN HOVEIDA
President and CEO

Date: 3/30/15

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

APR 10 2015


DIRK P. BROERSMA
DEPUTY CITY ATTORNEY