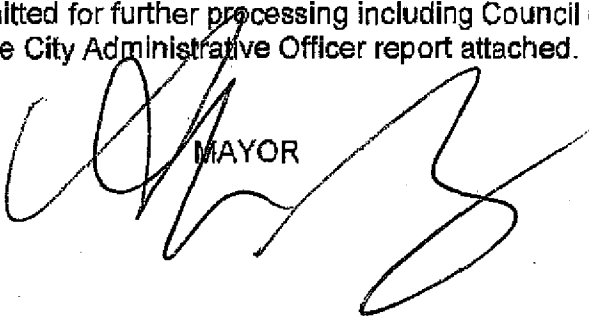


KSOD

POWER SYSTEM
JUN 10 2015
EXECUTIVE OFFICE

TRANSMITTAL		0150-09297-0001
TO Marcie L. Edwards, General Manager Department of Water and Power	DATE JUN 09 2015	COUNCIL FILE NO.
FROM The Mayor	COUNCIL DISTRICT Citywide	
AMENDMENT 1 TO AGREEMENT 47967 WITH OPEN SYSTEMS INTERNATIONAL, INC. FOR SOFTWARE MAINTENANCE AND TECHNICAL SUPPORT OF THE SUPERVISORY CONTROL AND DATA ACQUISITION / AUTOMATIC GENERATION CONTROL SYSTEM		
Approved and transmitted for further processing including Council consideration. See the City Administrative Officer report attached.		
 MAYOR		

MAS:RR:06150175T
CAO 649-d

JB RSP
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REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: June 8, 2015

CAO File No. 0150-09297-0001

Council File No.

Council Districts: Citywide

To: The Mayor

From: Miguel A. Santana, City Administrative Officer *DH
for*

Reference: Communication from the Department of Water and Power dated March 23, 2015; referred by the Mayor for report on April 17, 2015

Subject: **AMENDMENT 1 TO AGREEMENT 47967 WITH OPEN SYSTEMS INTERNATIONAL, INC. FOR SOFTWARE MAINTENANCE AND TECHNICAL SUPPORT OF THE SUPERVISORY CONTROL AND DATA ACQUISITION / AUTOMATIC GENERATION CONTROL SYSTEM**

SUMMARY

The Department of Water and Power (DWP; Department) requests approval of the proposed resolution authorizing Amendment 1 to Agreement 47967 (Agreement) between the DWP and Open Systems International, Inc. (OSI). The Agreement provides proprietary software maintenance and technical support for the Supervisory Control and Data Acquisition / Automatic Generation Control System (SCADA/AGC). Additionally, the Amendment expands the scope of services relating to technical support, software updates, and security patch management. The additional services are necessary to ensure compliance with the North American Electric Reliability Corporation (NERC) Cyber Infrastructure Protection (CIP) regulations.

In 2001, OSI was awarded a competitively bid contract to provide and install the proprietary OSI SCADA/AGC system to monitor and operate the Department's various electrical generation and transmission systems. Specifically, the OSI system is the primary tool for (i) dispatching electrical energy and (ii) controlling the exchange of energy with other utilities. The existing five year Agreement expires on June 18, 2015 and provides expenditure authority not to exceed \$9,258,442. Approximately \$4.9 million of this Agreement has been expended resulting in approximately \$4.3 million available and unspent.

Approval of the proposed Agreement will:

- (i) Extend the existing five year term by an additional five years for a total duration of 10 years expiring June 18, 2020; and
- (ii) Increase the current \$9,258,422 expenditure authority by an additional \$13,587,647 for a total amount not to exceed \$22,846,089.

Pursuant to Charter Section 371(e)(10), the DWP Board of Commissioners (Board) finds that pursuing a competitive process for this Agreement is impractical because OSI is the sole provider of support services and maintenance for OSI proprietary software. The City Attorney advises that the expanded scope of services proposed does not necessitate a competitive process due to the closely related nature of the new services to the original agreement.

In accordance with Charter Section 373, Council approval is required for long term contracts that exceed three years. The City Attorney has approved the proposed resolution and Agreement as to form and legality.

RECOMMENDATIONS

That the Mayor:

1. Approve the proposed resolution authorizing Amendment 1 to Agreement 47967 between the Department of Water and Power and Open Systems International, Inc., that will (i) extend the existing five year term by an additional five years for a total duration of 10 years expiring June 18, 2020, and (ii) increase the current \$9,258,422 expenditure authority by an additional \$13,587,647 for a total amount not to exceed \$22,846,089 to continue providing the Department with software maintenance and technical support of the Supervisory Control and Data Acquisition / Automatic Generation Control System (SCADA/AGC); and,
2. Return the proposed resolution to the Department for further processing, including Council consideration.

FISCAL IMPACT STATEMENT

Approval of the proposed resolution authorizes an additional expenditure authority of \$13,587,647 resulting in a total amount not to exceed \$22,846,089 from the Power Revenue Fund. There is no impact to the City General Fund. The proposed Agreement complies with the Department's adopted Financial Policies.

CONTRACTING COMPLIANCE

The Agreement is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to the General Exemptions described in Section 15061(b)(3) of the Los Angeles City CEQA Guidelines. According to the Department, OSI will comply with the provisions of all applicable contracting ordinances. In accordance with Charter Section 1022, it has been determined the work specified in the Agreement can be performed more economically and feasibly by Independent Contractors than by City employees.

TIME LIMIT FOR COUNCIL ACTION

Pursuant to Charter Section 373, "Long Term Contracts Approved by Council," and the Los Angeles Administrative Code Section 10.5, "Limitation and Power to Make Contracts," unless the Council takes action disapproving a contract that is longer than three years within 60 days after submission to Council, the contract shall be deemed approved.

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