



Los Angeles
Department of
Water & Power

RESOLUTION NO. _____

BOARD LETTER APPROVAL

Handwritten signature of Jeffrey L. Peltola in blue ink.

JEFFERY L. PELTOLA
Chief Financial Officer

Handwritten signature of David H. Wright in blue ink.

DAVID H. WRIGHT
General Manager

DATE: March 14, 2017

SUBJECT: Amendment No. 1 to Agreement No. 47251-5 for Rate Application
Technology and Implementation – Borismetrics

SUMMARY

The proposed Amendment No. 1 to Agreement No. 47251-5 (Agreement) provides for a one-year extension and increases the not-to-exceed amount by \$325,000 from \$1,650,000 to \$1,975,000 (budgeted).

This Amendment enables Borismetrics to enhance web tools and mobile technology as well as provide support for additional development of internet based tools. Under the current Agreement, the consultant assists with developing and implementing mobile and internet technology that conveys cost and rate information to LADWP's customers in a consistent, informative, and timely fashion. This includes tools supporting rate calculators, water and power usage, and cost and load shift tracking web based systems. Additional tool development will provide added features to the Rate Application which will include Water and Power Rate Analytics and Community Solar Development. This one year contract extension continues web-based customer technology services while a new Request for Proposal is used to secure additional services and enhancements going forward.

City Council approval is required pursuant to Charter Section 373.

RECOMMENDATION

It is requested that the Board of Water and Power Commissioners (Board) adopt the attached Resolution recommending City Council's approval of Amendment No. 1 to Agreement No. 47251-5 with Borismetrics as required in Charter Section 373.

ALTERNATIVES CONSIDERED

By not extending the contract, value-added customer service enhancements will not be made to the Rate Applications and additional web-based tools will not be developed. Staff will lack the necessary tools to determine how the rate increases and other distributed energy resources impact customers' bills. This will limit LADWP staff ability to respond expeditiously to ratepayer needs and provide them with solutions and tips on how to save. LADWP would be unable to take this opportunity to improve the efficiency of its business processes.

FINANCIAL INFORMATION

This Amendment extends the term by one year from September 3, 2017 to September 2, 2018, and increases the maximum expenditure by \$325,000 for the additional year. The Agreement amount plus the additional funds requested in the Amendment shall not exceed \$1,975,000 (budgeted).

BACKGROUND

The Board approved Agreement No. 47251-5 with Borismetrics on September 3, 2014, for an amount not to exceed \$1,650,000 and for a term of three years.

LADWP's Rates Section under the Budget, Rates and Financial Planning Division requested the Agreement to provide assistance with the development and implementation of mobile and internet technology that conveys cost and rate information to LADWP's customers. This data helps with examining the effectiveness of rate design and other tools to encourage conservation, as well as to evaluate usage trends that may drive the need for rate design changes.

In early 2016, a five-year rate action was approved for years 2015 to 2020. In preparation for this action, a professional services contract was established to support and improve customer service as related to rates and rate analysis. The Rates Section was faced with increasing inquiries on rate options, rate impacts, and conservation supportive rate policy alternatives. With 15 staff members to serve 1.4 million water and power customers and a combined annual revenue of close to \$5 billion, the reliance upon web-based technology has become a necessary tool to provide constant information and timely rate analysis to our customers. Prior to the Internet, the Rates Section relied upon Excel software for calculating rates, tier allotments, conservation savings, and additional information. Through the web-based tools which were developed under this Agreement thus far, Google Analytics reports that the website solutions have been receiving on average 100 hits per day, making this approach an extremely effective and successful means to support our customers during this current five-year rate action and beyond. Customers and staff can now access information from anywhere and at any time.

LADWP has been doing business with Borismetrics since August 2010, and its performance has been satisfactory.

City Council approval is required according to Charter Section 373. Accordingly, the City Administrative Officer report dated, March, 6, 2017, is attached.

ENVIRONMENTAL DETERMINATION

In accordance with Section 15060 (c)(3) of the California Environmental Quality Act (CEQA) Guidelines, an activity is not subject to CEQA if it does not meet the definition of a project. Section 15378 (b)(5) states that organizational or administrative activities that will not result in direct or indirect physical changes in the environment do not meet that definition. Therefore, the amendment of a contract to provide technology services is not subject to CEQA.

CITY ATTORNEY

The Office of the City Attorney reviewed and approved Amendment No. 1 to Agreement No. 47251-5 and the Resolution as to form and legality.

ATTACHMENTS

- Procurement Summary
- Resolution
- Amendment No. 1
- CAO Report