



Los Angeles
Department of
Water & Power

RESOLUTION NO. _____

BOARD LETTER APPROVAL

A handwritten signature in blue ink, appearing to read 'Richard F. Harasick', is written over a horizontal line.

RICHARD F. HARASICK
Senior Assistant General Manager
Water System

A handwritten signature in blue ink, appearing to read 'Martin L. Adams', is written over a horizontal line.

MARTIN L. ADAMS
Chief Operating Officer

A handwritten signature in blue ink, appearing to read 'David H. Wright', is written over a horizontal line.

DAVID H. WRIGHT
General Manager

DATE: October 16, 2017

SUBJECT: Amendment No. 2 to Contract No. 47365 – Water Efficiency
Pilot Program with WaterSmart Software

SUMMARY

The proposed Amendment No. 2 (Amendment) for LADWP's Water Efficiency Pilot Program (Pilot Program) with WaterSmart Software (WaterSmart) will increase the contract amount by \$542,400, from \$948,000 to \$1,490,400 (budgeted), and will extend the contract term for an additional year through December 14, 2018.

LADWP needs additional time to develop, advertise, and award a Request for Proposal (RFP) to establish a permanent program for the entire single-family sector. The amendment will extend the Pilot Program period, allowing for the collection of additional data points for the recent "wet years," which will help with the development of the next RFP as well as other LADWP customer outreach initiatives. In addition, the extension will prevent a disruption in home water report deliveries to the pilot group of 73,000 single-family customers. Continued outreach to these customers is important to help LADWP achieve its long-term conservation goals and comply with State and Local mandates.

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 the execution of the Amendment to Contract No. 47365.

ALTERNATIVE CONSIDERED

An alternative considered is taking no action. Taking no action prevents LADWP from gathering additional data that will improve the permanent program and other LADWP customer outreach initiatives. In addition, the RFP requires additional time to develop and will not be complete by the Pilot Program end date. As a result, home water report delivery will be disrupted for the 73,000 single family customers and the continued water savings may be lost as behavior rebounds back toward average citywide use. This may impact LADWP's ability to meet its conservation goals and comply with State and Local mandates.

FINANCIAL INFORMATION

The Amendment will increase the total not-to-exceed amount from \$948,000 to \$1,490,400 (budgeted) and extend the contract term for an additional year to December 14, 2018.

Original Contract Not-to-Exceed Amount	\$149,000
Amendment No. 1	\$799,000
Amendment No. 2	\$542,400
Amended Contract Not-to-Exceed Total	\$1,490,400

The Amendment has been determined to be fair and reasonable as described in the Evaluation of Proposal section of the Procurement Summary.

BACKGROUND

LADWP started its Pilot Program with WaterSmart on December 15, 2014. The Pilot Program was designed as a multi-year study in order to gather data points on several key scenarios that impact customer behavior. However, the extraordinary drought emergency for California persisted throughout most of the pilot programs implementation period. As a result, the extension is required to gather additional data points. This will help LADWP better understand the pilot program's performance under wet weather scenarios and to develop additional elements that optimize water savings during non-drought periods.

The Pilot Program is a customer engagement platform aimed to increase passive water conservation savings in single-family customers through customized home water-use reports. The home water-use reports provide information on a customer's water use, comparisons to similar households, and personalized water saving tips and rebate recommendations for their home. Similar programs implemented by other local water utilities have demonstrated benefits in utilizing this type of service by reducing residential water use by up to five percent.

The initial program included only 20,000 single family customers; whereas, Amendment No. 1 expanded the pilot group to approximately 73,000 single-family customers. The amendment was passed to perform additional data analysis required to guide development of a full-scale program for the entire single-family sector.

WaterSmart has performed satisfactorily on this contract.

In accordance with the Mayor's Executive Directive No. 4, the City Administrative Officer's Report (CAO) was approved on October 12, 2107.

ENVIRONMENTAL DETERMINATION

Determine item is exempt pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15060 (c)(3). In accordance with this section, 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, amending a contract for data analysis for the Water Efficiency Pilot Program is not an action subject to CEQA.

CITY ATTORNEY

The Office of the City Attorney reviewed and approved the Resolution and Amendment as to form and legality.

ATTACHMENTS

- Resolution
- Amendment
- CAO Report