



<b>TRANSMITTAL</b>		0150-11090-0000
TO David H. Wright, General Manager Department of Water and Power	DATE  APR 12 2018	COUNCIL FILE NO. 14-0959
FROM The Mayor	COUNCIL DISTRICT	
<p><b>AMENDMENT 2 TO CONTRACT 238 WITH TAYLOR COMMUNICATIONS, INC.</b></p> <p>Approved and transmitted for further processing including Council consideration. See the City Administrative Officer report attached.</p>  <p>MAYOR</p>		

REPORT FROM

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Date: April 11, 2018

CAO File No. 0150-11090-0000

Council File No. 14-0959

Council District:

To: The Mayor

From: Richard H. Llewellyn, Jr., City Administrative Officer

Reference: Communication from the Department of Water and Power dated February 7, 2018

Subject: **AMENDMENT 2 TO CONTRACT 238 WITH TAYLOR COMMUNICATIONS, INC.**

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### RECOMMENDATIONS

That the Mayor:

1. Approve, subject to approval by the City Attorney as to form and legality, a proposed resolution authorizing Amendment 2 to Contract 238 with Taylor Communications, Inc., to extend the contractual term by five years, expiring on June 16, 2023; and,
2. Return the proposed resolution to the Department for further processing, including City Council consideration.

### SUMMARY

Approval of the proposed resolution, as initially submitted, authorizes Amendment 2 to Contract 238 (Agreement) with Taylor Communications, Inc. (Taylor), formerly Staples Print Solutions, for providing the Department of Water and Power (DWP; Department) with customized paper and forms utilized for customer bills and other printed forms. Specifically, the initial resolution would (i) extend the current Agreement by an additional five years resulting in a total duration of 12 years, expiring on June 16, 2023, and (ii) increase the expenditure authority by \$3.0 million, from \$10.5 million to a new expenditure authority not to exceed \$13.5 million.

During the review of this request, the City Administrative Officer (CAO) and DWP identified the total expenditures to date are approximately \$4.0 million which results in \$6.5 million remaining unspent. DWP anticipates an annual expenditure amount of \$600,000 over the next five years resulting in a total expense of \$3.0 million. In consideration of the forecasted cost, both the CAO and DWP agree the remaining unspent amount is sufficient for the regular anticipated expenses over the proposed duration of the Agreement.

As a result, DWP intends to revise its proposed resolution to extend the term by an additional five years; however, the resolution will not request additional funding. The current expenditure authority which is not to exceed \$10.5 million will continue for the duration of the Agreement. The CAO recommendations support the revised version of the resolution as described in this report.

pending approval by the City Attorney as to form and legality.

DWP asserts Taylor has performed satisfactorily under the current Agreement.

Council approval is required pursuant to Charter Section 373 and Los Angeles City Administrative Code Section 10.5. The time limit for Council action is 60 days or the contract shall be deemed approved.

**FISCAL IMPACT STATEMENT**

Approval of the proposed resolution will impact the DWP Water Revenue Fund and the DWP Power Revenue Fund. There is no fiscal impact to the City General Fund.

*RHL:RR:10180073*