

COMMUNICATION

File No. 10-1448

**FROM: COUNCILMEMBER JAN PERRY, CHAIR
ENERGY AND ENVIRONMENT COMMITTEE**

TO: THE COUNCIL OF THE CITY OF LOS ANGELES

COMMUNICATION FROM CHAIR, ENERGY AND ENVIRONMENT COMMITTEE relative to proposed Agreement No. 47964 with Wausau Financial Systems, Inc (WFS).

Recommendation for Council action:

CONCUR with the Board of Water and Power Commissioners' action of August 3, 2010, Resolution No. 011-042, authorizing Agreement No. 47964 with WFS to provide proprietary software, hardware, equipment maintenance, support supplies and replacement parts in connection with the Image Remittance Processing System (Image RPS) for a term of five years and an amount not to exceed \$750,000, as detailed in the Board of Water and Power Commissioner's August 5, 2010 report and attached to the Council file.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that authorization of Agreement No. 47964 with WFS will result in an expenditure amount not to exceed approximately \$750,000 from the Power Revenue Fund and the Water Revenue Fund; however, there is no impact on the City's General Fund. Since the Los Angeles Department of Water and Power (LADWP) is bound only by the City Debt Management Policies, the City Financial Policies are not applicable.

Community Impact Statement: None Submitted

TIME LIMIT FILE - OCTOBER 9, 2010

(LAST DAY FOR COUNCIL ACTION - OCTOBER 8, 2010)

Summary:

On October 5, 2010, the Chair of the Energy and Environment Committee considered an August 5, 2010 Board of Water Commissioners report, Resolution No. 011-042 and a July 12, 2010 CAO report relative to proposed Agreement No. 47964 with WFS to provide software, hardware, equipment maintenance, support supplies and replacement parts in connection with the Image RPS for a term of five years and an amount not to exceed \$750,000. According to the CAO, the LADWP receives 20,000 to 30,000 envelopes containing ratepayer payments daily at the Remittance Processing Center (RPC). The WFS Image RPS system is critical to the LADWP to ensure ratepayer payments are forwarded to the bank and posted on the same day they are received. The LADWP states that the daily revenue collected at the RPC can reach or exceed approximately \$10 million per day.

On January 20, 2010, the LADWP released Solicitation Letter No. SL289-10 to WFS proposing to continue the current agreement for WFS Image RPS software, hardware, and support. WFS subsequently responded with terms and conditions that have been accepted by the LADWP. Approval of this Agreement will allow WFS to continue providing software, hardware, and service in support of the current ratepayer payment processing system. The LADWP does not have the

specific expertise necessary to support and maintain the proprietary software and requires the expert services of WFS for support and maintenance of Image RPS. WFS is the sole service provider of the Image RPS.

After further consideration and having provided an opportunity for public comment, the Committee Chair moved to recommend concurring with the Board's action of August 5, 2010 as detailed in the above recommendation. This matter is now submitted to Council for its consideration.

Respectfully submitted,

COUNCILMEMBER JAN PERRY, CHAIR
ENERGY AND ENVIRONMENT COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
PERRY:	YES
CÁRDENAS:	ABSENT
ALARCÓN:	ABSENT
KORETZ:	ABSENT
KREKORIAN:	ABSENT

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- Not Official Until Council Acts -