

ENERGY AND ENVIRONMENT COMMITTEE REPORT relative to proposed Amendment No. 1 to Agreement No. 47976 with PricewaterhouseCoopers, LLP (PwC) for systems integration services for the Los Angeles Department of Water and Power's (LADWP) Customer Information System Replacement Project.

Recommendation for Council action:

CONCUR with the Board of Water and Power Commissioners' action of June 19, 2013, Resolution No. 013-318, authorizing the execution of Amendment No. 1 to Agreement No. 47976 with PwC to increase the expenditure authority by \$12,000,000 for a total of \$69,200,000 and to extend the term an additional two years expiring on August 12, 2015 to systems integration services for the LADWP's Customer Information System Replacement Project.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that approval of Amendment No. 1 to Agreement No. 47976 will extend the term of the current agreement for two years and increase the funding authority by \$12,000,000 to \$69,200,000. Proposed Amendment No. 1 complies with the LADWP's adopted Financial Policies. Approval of the proposed Second Amendment will not impact the City's General Fund.

Community Impact Statement: None submitted.

TIME LIMIT ITEM - AUGUST 23, 2013

(LAST DAY FOR COUNCIL ACTION - AUGUST 23, 2013)

On August 7, 2013, your Committee considered June 24, 2013 Board of Water and Power Commissioners and May 16, 2013 CAO reports and Resolution No. 013-318 relative to proposed Amendment No. 1 to Agreement No. 47976 with PwC for systems integration services for the LADWP's Customer Information System (CIS) Replacement Project. According to the CAO, the original agreement with PwC was executed on August 13, 2010 with expenditure authority not to exceed \$57.2 million and a three-year term expiring on August 12, 2013. The Agreement authorized PwC to provide professional advice in software selection and implementation activities for the CIS Replacement Project which involves customized systems for both customer service and billing for LADWP.

According to the LADWP, the original agreement anticipated that the start date for operating the new CIS system would have been November 2012. However, the LADWP's decision to migrate residential customers from bi-monthly to monthly billing resulted in a longer time requirement for system implementation. Additionally, as the original completion date for the CIS system was approaching, management determined that there were testing issues that needed to be resolved and corrections would require additional time. Finally, management decided to delay the conversion to monthly billing until after implementation of the CIS system was first completed.

After further consideration and having provided an opportunity for public comment, the Committee moved to approve the Resolution as detailed in the above recommendation. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

ENERGY AND ENVIRONMENT COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
FUENTES:	YES
BLUMENFIELD:	YES
LABONGE:	YES
HUIZAR:	ABSENT
KORETZ:	YES

-NOT OFFICIAL UNTIL COUNCIL ACTS-