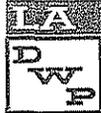


Los Angeles  Department of Water & Power

ERIC GARCETTI
Mayor

Commission
MEL LEVINE, *President*
WILLIAM W. FUNDERBURK JR., *Vice President*
JILL BANKS BARAD
MICHAEL F. FLEMING
CHRISTINA E. NOONAN
BARBARA E. MOSCHOS, *Secretary*

MARCIE L. EDWARDS
General Manager

April 3, 2014

The Honorable City Council
City of Los Angeles
Room 395, City Hall
Los Angeles, California 90012

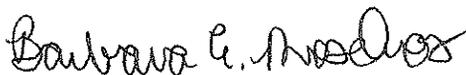
Honorable Members:

Subject: Amendment No. 1 to Agreement No. 47012-1 with Total Resource Management, Inc.

Pursuant to Charter Section 373, enclosed for approval by your Honorable Body is Resolution No. 014 180, adopted by the Board of Water and Power Commissioners on April 1, 2014, approved as to form and legality by the City Attorney, which authorizes execution of Agreement No. 47012-1 (Amendment No. 1) with Total Resource Management for Services to Implement Maximo 7.X. The amendment will increase the contract amount by \$2,500,000 and increase the contract term by three years.

If additional information is required, please contact Ms. Winifred Yancy, Director of Intergovernmental Affairs and Community Relations, at (213) 367-0025.

Sincerely,



Barbara E. Moschos
Board Secretary

BEM:oja

Enclosures: LADWP Resolution
Board Letter
CAO Report
Amendment No. 1 to Agreement No. 47012-1

Los Angeles Aqueduct Centennial Celebrating 100 Years of Water 1913-2013

111 N. Hope Street, Los Angeles, California 90012-2607 Mailing address: Box 51111, Los Angeles, CA 90051-5700
Telephone: (213) 367-4211 www.LADWP.com

c/enc: Mayor Eric Garcetti

Councilmember Felipe Fuentes, Chair, Energy and the Environment Committee

Gerry F. Miller, Chief Legislative Analyst

Miguel A. Santana, City Administrative Officer

Rafael Prieto, Legislative Analyst, CLA

William R. Koenig, Chief Administrative Analyst

Winifred Yancy

WHEREAS, Total Resource Management, Inc. (hereinafter referred to as "TRM") was awarded Agreement No. 47012-1 (hereinafter shall be referred to as "Agreement") by the Los Angeles Department of Water and Power (LADWP) Board of Commissioners on May 19, 2011, to furnish services to assist LADWP with improving its enterprise asset management through a migration of LADWP's current versions of Maximo 4.1.1 for the Power System and 5.2 for the Water System to Maximo 7.X and the replacement of two of the LADWP's legacy mainframe applications, Material Control System (MCS) and Integrated Purchasing Receiving System (IPRS), with Maximo 7.X's inventory module; and

WHEREAS, the LADWP's Power System has determined that, due to delays in the implementation of the rollout phases and the need to provide additional services to support various ongoing project activities, it is necessary to extend the Agreement term and increase the Agreement amount and so recommends Amendment No. 1 to Agreement No. 47012-1 to extend the original Agreement end date of May 18, 2014 by three (3) years, to May 18, 2017, for a total Agreement term of six (6) years, and to increase the Agreement amount of \$9,915,000 by \$2,500,000 for a new not to exceed amount of \$12,415,000; and

WHEREAS, the term of the original Agreement as amended by Amendment No. 1 exceeds the total contract period set by ordinance, and in accordance with the City Charter Section 373, City Council approval is required.

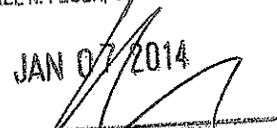
NOW, THEREFORE, BE IT RESOLVED that Amendment No. 1 to Agreement No. 47012-1, is approved as to form and legality by the City Attorney and on file with the Secretary of the Board is hereby approved.

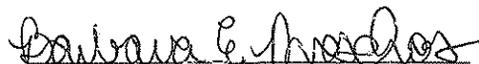
BE IT FURTHER RESOLVED that the Chief Accounting Employee, upon proper certification, is authorized and directed to draw demands on both the Water Revenue Fund and the Power Revenue Fund, in accordance with the terms of Amendment No. 1 to Agreement No. 47012-1 and this resolution.

BE IT FURTHER RESOLVED that the President or Vice President of the Board, or the General Manager, or such person as the General Manager shall designate in writing, and the Secretary, Assistant Secretary, or the Acting Secretary of the Board are hereby authorized and directed to execute said Amendment No. 1 to Agreement No. 47012-1 for and on behalf of LADWP upon approval by the City Council pursuant to City Charter Section 373.

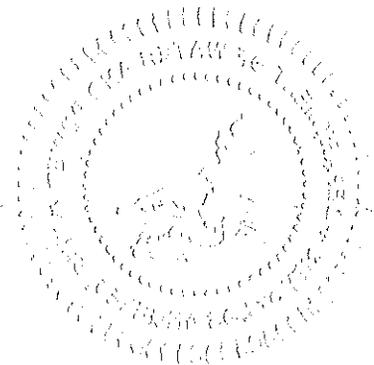
I HEREBY CERTIFY that the foregoing is a full, true and correct copy of a Resolution adopted by the Board of Water and Power Commissioners of the City of Los Angeles at the meeting held APR 01 2014

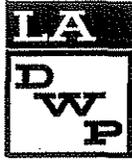
APPROVED AS TO FORM AND LEGALITY
MICHAEL N. FEUER, CITY ATTORNEY

JAN 07 2014
BY 
DIRK P. BROERSMA
DEPUTY CITY ATTORNEY


Secretary

000000





Los Angeles
Department of
Water & Power

RESOLUTION NO.

014 180

APR 01 2014

BOARD LETTER APPROVAL

DAVID H. WIGGS
Senior Assistant General Manager
Power System

MARCIE L. EDWARDS
General Manager

GARY WONG
Assistant General Manager
System Support Division

DATE: March 25, 2014

SUBJECT: Amendment No. 1 to Agreement No. 47012 with Total Resource Management, Inc. (TRM) for Services to Implement Maximo 7.X for Enterprise Asset Management

SUMMARY

The purpose of this proposed Amendment No. 1 is to extend the term of Agreement No. 47012 for three additional years and to increase the expenditure limit from \$9,915,000 to \$12,415,000 for services to provide time to complete the design, configuration, installation, and integration of Maximo 7.X with other LADWP software applications and to replace two of LADWP's legacy mainframe Supply Chain Services (SCS) applications, the Materials Control System (MCS), and the Integrated Purchasing Receiving System (IPRS).

The additional term and expenditure requests are a direct result of staff significantly underestimating the complexity of the necessary configuration and implementation tasks, as well as not allowing for adequate contingency funds to address the unexpected, coupled with an aggressive implementation timeframe which left no room for delay.

Items that were unexpected: a longer than expected time needed to analyze current "as is" business processes in order to understand the needed conversion to "best practice" processes; the steep learning curves which require more training funds; the need for enhanced computerized error messaging (which was found, once the project was underway, to be very important; a fact unknown at the outset); the need for more robust

implementation of dry runs; the need to manage unforeseen requirements for additional data migration; the development of new reports that were initially thought to not be needed, but ended up being required; moving data load responsibilities from staff to the contractor, which added costs but notably dropped data load errors, a saving difficult to quantify.

This system will be used to manage work for over 174 LADWP subsections and groups, including 22 Generating facilities, almost 4,700 Electric facilities, and has the capacity to serve 822 Water facilities and 200 Joint facilities. It is therefore important to get this right. Technology migration is one of the most challenging exercises for any large corporation, and LADWP is no exception, as the recent "go live" of the Customer Information System can attest; we need to accept that we cannot perfectly estimate every possible contingency in advance, as well as learn from every experience, such that our learning curves on subsequent migrations will improve.

Should this term and expenditure request be approved, staff will then be reporting quarterly to the Board of Water and Power Commissioners on the status of the Maximo implementation process, whether it is ahead or behind schedule, as well as ahead or behind budget, and any new complexities that may arise, such that the Board will be made aware of progress or problems in a timely fashion.

City Council approval is required according to Charter Section 373.

RECOMMENDATION

It is recommended that the Board of Water and Power Commissioners (Board) adopt the attached Resolution recommending City Council's approval of the execution of Amendment No. 1 to Agreement No. 47012 between LADWP and TRM for Services to Implement Maximo 7.X for Enterprise Asset Management, approved as to form and legality by the City Attorney.

ALTERNATIVES CONSIDERED

The first alternative considered is to terminate the work authorized under the existing contract as work will not be completed by the contract's expiration date. Under this alternative, Power and Water Systems would continue working in the older versions of Maximo, Maximo 4.1.1 and Maximo 5.2, and LADWP would continue the use of the legacy SCS systems. Within the next few years an upgrade of the Maximo system would be required as utilizing these older versions of Maximo are no longer supported by the application developer and continuing to use unsupported computer applications has significant risk. It would be impractical and cost prohibitive for LADWP's Information and Technology Services (ITS) to continue maintaining the current unsupported versions of Maximo beyond the short-term. In addition, the thirty-plus year-old MCS and IPRS systems eventually will need to be replaced, likely under a separate procurement effort.

The second alternative considered is to postpone or abandon the upgrade of Maximo for the Power and Water Systems and only move forward with the implementation of the materials, inventory, warehouse management, and the receiving function in Maximo 7.X for Supply Chain Services. Substantial and economic progress has been made in developing the necessary interfaces and the investment to replace the legacy Supply Chain systems. However, as with the first alternative, unless LADWP plans to abandon the use of Maximo, an upgrade of Maximo would still be required as utilizing an unsupported computer application has significant risk. There also would be time and cost impacts associated with re-starting the Maximo upgrade and implementation as the work completed in these areas has advanced to the User Acceptance testing phase. Restarting the effort at a later date would require a second procurement effort in addition to re-work that would be required for a new contractor to complete the Water and Power business-side Maximo implementation.

FINANCIAL INFORMATION

Amendment No. 1 will extend the duration of the Agreement by three years, from May 18, 2014, to May 18, 2017, for a total Agreement term of six years. This Amendment also increases the Agreement amount by \$2,500,000, from \$9,915,000 to a total of \$12,415,000.

BACKGROUND

The selection of the use of Maximo as an asset and work management system for selected groups in the Power, Water, and Systems Support Divisions was made 12 years ago. On May 19, 2011, LADWP entered into Agreement No. 47012 with TRM for services to implement Maximo for enterprise asset management. The work includes the upgrade to version Maximo 7.X and the re-implementation of Maximo, which involves the alignment of LADWP business processes, the redesign of the Maximo hierarchical structures and configurations to standardize LADWP's use of Maximo. TRM is providing technical expertise in data migration, database mapping, and application interface construction to re-implement Maximo from version 4.1.1 (Power Maximo) and version 5.2 (Water Maximo) to Maximo 7.X. The upgraded system has expanded features and functionalities, which will allow LADWP to better manage its assets and integrate other information systems with the new Maximo.

Maximo 7.X will be used to manage LADWP assets as well as manage work for 14 LADWP Sections and 160 Subsections/groups, which represents a governance of approximately 2,900 employees. The Power System will use Maximo 7.X to manage assets and work at its numerous facilities, including 22 Generating Facilities (consisting of thermal, hydroelectric, and solar plants, wind farm, and converter stations) and 4,645 Electrical Substation Facilities (consisting of receiving, distribution, industrial, and switching stations, and solar arrays). The Power System has plans to expand the use of Maximo 7.X to manage overhead and underground transmission assets, which include approximately 10,000 towers and 75 circuits. The Water System plans to expand the use of Maximo 7.X to manage 822 Water facilities, which includes Ammonia, Chlorine, Pump, Fluoride, Regulator, Zinc Orthophosphate, and Sodium Hypochlorite Stations as

well as Water Tanks, Wells, and Well Fields. In addition to the management of SCS's inventory, Support Services Division will be managing 200 facilities, which includes non-system facilities (buildings such as John Ferraro Building, Main Street, as well as microwave sites).

The original three-year duration for the Agreement included an 18-month implementation period for three rollout phases (Water System, Power System, and SCS). Each rollout phase included a six-month warranty period, followed by a one-year maintenance and support period. The original 18-month implementation period was aggressive and did not include any contingency time that would allow for any possible project delays.

The delays encountered by the Project include the following:

- As work on the Project progressed, it became apparent that the complexity of replacing LADWP's legacy MCS and IPRS and integrating Maximo with LADWP's financial systems was underestimated by the Project. The functions performed by MCS and IPRS and the interfaces to the LADWP's financial systems are highly complicated. It was necessary to devote additional time and resources to better understand the processes and develop the necessary functionalities in Maximo provided by the Legacy Systems.
- A core Project objective is to improve and standardize LADWP's Business Processes for all Maximo users. This effort required time to assess the As-is work processes and develop best practices To-be work processes. Development of the To-be work process requirements is critical as those requirements define how Maximo will be configured. The completion of the work process discussion sessions was delayed, causing the delay in the completion of the Business Processes To-be document. These delays in turn pushed back the process of establishing the Maximo configuration requirements.
- Significant time and effort have been devoted to develop accepted standard practices across the different organizations to minimize the customizations to Maximo. From the experience gained in the initial implementation of Maximo approximately 12 years ago, LADWP determined that there are considerable disadvantages to customizing the software application and therefore, customizations would be minimized and the Out-of-the-Box functionality of the application should be maximized.
- Maximo 7.X and the new functionalities are significantly different than the older versions of Maximo, which resulted in a steep learning curve, not only for the end-users, but also for the LADWP staff that will be supporting the training and operations of the system.

As a result of the increased amount of time required for the analysis, design and configuration of Maximo, the delayed schedule for the rollout of Maximo will also not allow for LADWP to be provided its six-month warranty coverage nor the associated one-year maintenance and support service period in the original three-year term of the Agreement. The Amendment would extend the Agreement term so that work could be

completed and TRM could provide the required warranty coverage and maintenance and support services.

In addition, the Amendment would increase the Agreement amount, which would fund additional services that have been identified as necessary to facilitate the implementation of Maximo. These additional services include the following:

- Added support and training services until LADWP has gained the necessary knowledge and skills needed to support the Maximo system at approximately \$230,000.
- Added services needed for the development of required reports that were previously provided by MCS, IPRS, and Maximo 4.1.1 and Maximo 5.2 at approximately \$250,000. The original project scope did not provide for the development of MCS and IPRS reports.
- Services to develop enhanced Maximo Interface Error Handling at approximately \$358,000. Out-of-the-box, Maximo provides very basic error messaging and has a very limited ability to provide error record details.
- Services to plan and execute more robust Dry Run implementations for the SCS Go-Live Phase and a combined Power and Water Go-Live Phase at approximately \$151,000.
- Services for data load of Power and Water Maximo data into LADWP's Quality Assurance and Production Environments at approximately \$51,000. LADWP Information Technology Services originally planned to perform this function, but has subsequently determined that having TRM perform this service would significantly reduce the risk of data load errors, including reducing schedule impacts related to resolving the data load errors.
- Services for data migration of additional LADWP data into Maximo 7.X not included in the original scope at approximately \$155,000.
- Configuration and implementation of a Planning and Scheduling application that integrates with Maximo 7.X, allowing for ability to more efficiently manage personnel and resources at approximately \$179,000.
- Configuration and implementation of WorkTech Time application Leave Time module needed to support the Planning and Scheduling application at approximately \$59,000.
- System problems and/or additional modifications required for Go-Live and/or required post Go-Live, such as redefinition of requirements, redesign of interfaces, and changes in configurations, needed for SCS or Water and Power business needs, at approximately \$817,000. Task Orders will be issued and negotiated by the LADWP Contract Administrator for each item that is identified under this category.
- Project Management costs associated with the additional tasks under the Amendment and project delays directly attributed to the LADWP at approximately \$250,000.

Tasks to be implemented and deliverables to be provided under this Amendment will be specified in individual Task Orders authorized in accordance with the Task Order

Development provisions in the Agreement as specified in Article III, Compensation and Method of Payment, and Article V, Task Order Development and Approval.

Pursuant to Los Angeles City Charter (City Charter) Section 1022, the services covered by this Amendment can be performed more feasibly by an independent contractor than by City employees.

Per City Charter Section 373, City Council approval is required when contracts with one (1) vendor exceed the time period set by Ordinance. Amendment No. 1 to Agreement No. 47012 will extend the Agreement for an additional three (3) years; therefore City Council approval is required. Accordingly, attached is the City Administrative Officer (CAO) report dated March 24, 2014.

ENVIRONMENTAL DETERMINATION

In accordance with the California Environmental Quality Act (CEQA), it has been determined that the action of entering into the Agreement with TRM for services to implement Maximo 7.X for enterprise asset management, is exempt pursuant to the General Exemption described in CEQA Guidelines Section 15061 (b)(3). General Exemptions apply in situations where it can be seen with reasonable certainty that there is no possibility that the activity in question may have a significant effect on the environment.

CITY ATTORNEY

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

ATTACHMENTS

- A. Procurement Summary
- B. Resolution
- C. Amendment No. 1 to Agreement No. 47012

PROCUREMENT SUMMARY

1.	Recommended Vendor(s): Total Resource Management, Inc.
2.	Procurement Type: N/A
3.	Procurement Details: A. Contract Status: Amendment No. 1 to Agreement No. 47012 B. Bid Advertisement Date: N/A C. Pre-Bid Conference Date: N/A D. Number of Downloads of Solicitation: N/A E. Number of Bids/Proposals Received: N/A F. Protest Received: (Yes/No): N/A
4.	Buyer Assigned: Thuy Mauge
5.	Contract Administrator: Mark Roylance
6.	LADWP System: Power
7.	Contact Person for Item: Sanjar Ardalan

A. Summary of Bids Received/Evaluation Rating Summary of Proposals

Not applicable to this Amendment

B. Evaluation of Bid/Proposal/Cooperative Agreement

Not applicable to this Amendment

C. Contract/Vendor History

Contract History					
Contract/ PO No.	Contractor	Term of Contract	Start Date	Ending Date	Contract Amount
47012	TRM	3 Years	05/19/11	5/18/14	\$9,915,000

Vendor History					
Contract/ PO No.	Contract Description	Term of Contract	Start Date	Ending Date	Contract Amount
47012	Services to Implement Maximo 7.X for Enterprise Asset Management	3 Years	05/19/11	5/18/14	\$9,915,000

D. Local Business Preference Program (LBPP)

Not applicable to this Amendment. The LBPP was not included in the RFP associated with this Agreement, as the bid and award were completed prior to LBPP implementation.

E. Additional Outreach Efforts Taken

Not applicable to this Amendment

F. Small Business Enterprise (SBE)/Disabled Veterans Business Enterprise (DVBE)/Minority Business Enterprise (MBE)/Woman Business Enterprise (WBE)/Other Business Enterprise (OBE) Subcontracting Participation – can provide this

Amendment No. 1 to Agreement No. 47012 is to provide as-needed professional and technical support services to upgrade and re-implement LADWP’s asset and work management system. The tables shown below reflect TRM’s subcontracting participation record through September 2013.

The listed WBE subcontractor, Starboard Consulting (Starboard), has not been able to provide subcontracting resources to TRM for the project. Therefore, TRM is in the process of replacing Starboard with another WBE firm in order to better meet its committed WBE participation goal.

As a project control measure, the LADWP Contract Administrator will continue to review and monitor each task assignment to ensure that TRM utilizes listed MBE, WBE, and OBE subcontractors to the maximum extent possible.

MBE SUBCONTRACTING

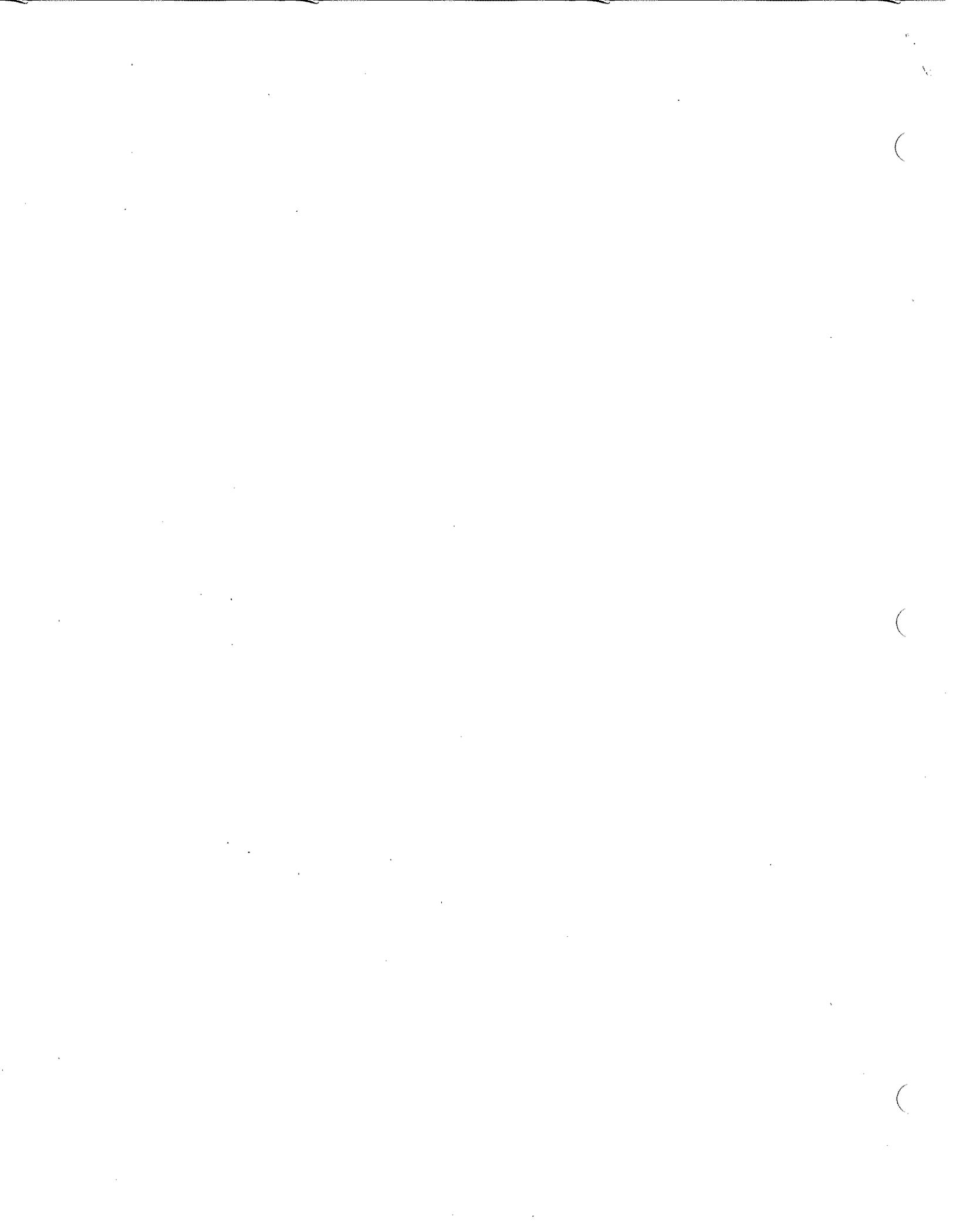
Name	Description of Subcontract Work	Original Contract Expenditure Limit (Professional Services Amount \$8,620,308.66)		Participation Through September 2013 (Professional Services Amount \$8,620,308.66)		Projected Participation Due to Proposed \$2.5 Million Amendment (Proposed Professional Services Amount \$10,920,308.68)		
		Committed Amount	Percent of Professional Services Amount	Actual Amount	Percent of Professional Services Amount	Proposed \$ in Amendment	Revised Total Sub Amount	Revised Percent of Contract
Trinus Corporation	Supplement resources and support all areas of work on the project, including technical. Serve as Supply Chain Lead.	\$1,036,100	12.0%	\$1,622,678.01	18.8%	\$356,000	\$1,978,678.01	18.1%
Macias Consulting Group	Provide hiring assistance to support JOTP candidates and other needed specialized resources	\$224,100	3.42%	\$0	0%	\$0	\$224,100	2.0%
Total:		\$1,260,200	15.42%	\$1,622,678.01	18.8%	\$356,000	\$2,202,778.01	20.1%

WBE SUBCONTRACTING

Name	Description of Subcontract Work	Original Contract Expenditure Limit (Professional Services Amount \$8,620,308.66)		Participation Through September 2013 (Professional Services Amount \$8,620,308.66)		Projected Participation Due to Proposed \$2.5 Million Amendment (Proposed Professional Services Amount \$10,920,308.68)		
		Committed Amount	Percent of Professional Services Amount	Actual Amount	Percent of Professional Services Amount	Proposed \$ in Amendment	Revised Total Sub Amount	Revised Percent of Contract
Starboard Consulting	Supplement resources and support all areas of work on the project, including technical	\$649,300	7.52%	\$0	0%	\$169,723	\$819,023	7.5%
Total:		\$649,300	7.52%	\$0	0%	\$169,723	\$819,023	7.5%

OBE SUBCONTRACTING

Name	Description of Subcontract Work	Original Contract Expenditure Limit (Professional Services Amount \$8,620,308.66)		Participation Through September 2013 (Professional Services Amount \$8,620,308.66)		Projected Participation Due to Proposed \$2.5 Million Amendment (Proposed Professional Services Amount \$10,920,308.68)		
		Committed Amount	Percent of Professional Services Amount	Actual Amount	Percent of Professional Services Amount	Proposed \$ in Amendment	Revised Total Sub Amount	Revised Percent of Contract
DataSplice, LLC	Mobile integration into Maximo	\$137,200	1.59%	\$36,720	0.4%	\$0	\$137,200	1.26%
Work Technology Corporation	Interfaces with EIS for Maximo/ WorkTech Time. Mapping of fields from 4.1.1 to 7.X MIF. Fleet Time for 7.X. WorkTech schema separation.	\$280,480	3.25%	\$185,160	2.1%	\$55,000	\$335,480	3.1%
Technology Concepts Group, Inc.	Interface development	\$150,000	1.7%	\$0	0%	\$0	\$150,000	1.37%
Total:		\$567,680	6.54%	\$221,880	2.5%	\$55,000	\$622,680	5.73%



REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: March 7, 2014

CAO File No.: 0150-10155-0000

Council File No.:

Council District:

To: The Mayor

From: Miguel A. Santana, City Administrative Officer



Reference: Communication from the Department of Water and Power dated January 28, 2014; referred by the Mayor for report on January 31, 2014

Subject: **FIRST AMENDMENT TO CONTRACT NO. 47012 BETWEEN THE LOS ANGELES DEPARTMENT OF WATER AND POWER AND TOTAL RESOURCE MANAGEMENT, INC.**

SUMMARY

The Department of Water and Power (DWP; Department) requests approval of a proposed resolution authorizing the First Amendment to Contract No. 47012 (Agreement) with Total Resource Management, Inc. (TRM). The purpose of this contract is to (i) complete services relating to the implementation and integration of the Maximo 7.X asset management system with other DWP software applications and (ii) replace two DWP legacy mainframe Supply Chain Services applications known as the Materials Control System (MCS) and the Integrated Purchasing Receiving System (IPRS). Collectively, the upgraded systems will be utilized by both the Water System and the Power System to manage DWP assets and work at numerous facilities involving a wide-range of utility operations such as power generation, electrical substations, chemical storage, water tanks, wells, and over 200 non-system facilities such as the John Ferraro Building and microwave sites. Approval of the proposed resolution provide both additional time and funding in order for TRM to complete the implementation of Maximo. Specifically, the resolution extends the existing 3 year term with an additional 3 years resulting in a cumulative 6 year term expiring on May 18, 2017 and increases the existing \$9.9 million (M) expenditure authority by an additional \$2.5M resulting in a total of \$12.4M. DWP states that total expenditures invoiced as of January 31, 2014 total approximately \$7.1M leaving approximately \$2.8M available for this contract.

Pursuant to Charter Section 373, for long term contracts, and the Los Angeles Administrative Code Section 10.5, "Limitation and Power to Make Contracts," City Council approval is required because the cumulative length of the agreement exceeds three years. The City Attorney has approved the proposed resolution as to form and legality.

The original 3 year contract term includes an 18 month implementation period, a 6 month warranty, and 1 year maintenance and support. DWP asserts that the implementation period was "overly aggressive" and did not include any contingency time for unanticipated delays. Several

delays did occur on the project which included:

- Underestimated the project complexity relating to the replacement of 40-year old legacy mainframe systems and the integration of Maximo with the DWP financial system;
- Incurred delays assessing the current (As-is) work process which is considered critical for developing best practices (To-be) work processes;
- Committed significant time to developing standard practices across the different organizations to minimize customization and maximize out-of-the-box functionality;
- Project personnel at TRM and DWP changed which resulted in delays.

Alternatives to the proposed Agreement were considered by DWP that provided various levels of implementation; however, due to the age of certain systems, it is highly anticipated that continued maintenance of legacy systems will not be feasible or economically advantageous. Furthermore, implementation of the upgraded Maximo 7.X system will ensure continued manufacturer support that reduces operational risk for the system.

DWP officials confirm that contractor (TRM), the proposed Agreement, and the Maximo 7.X upgrade is not associated or impacted by the ongoing implementation of the DWP Customer Information System.

Upon review of the attached DWP request, it is the opinion of this Office that the item can be approved as the requested action appears to be reasonable and in accordance with City policies and procedures.

RECOMMENDATION

That the Mayor:

1. Approve the proposed resolution authorizing the execution of the First Amendment to Contract No. 47012 with Total Resource Management, Inc. that (1) extends the contract term an additional 3 years for a cumulative total term of six years, expiring on May 18, 2017, and (2) increases the expenditure authority by \$2.5 million, from \$9.9 million to a total of \$12.4 million, to complete services relating to the implementation of the Maximo 7.X asset management system and replacement of two legacy mainframe Supply Chain Services applications.
2. Return the proposed resolution to the Department for further processing, including Council consideration.

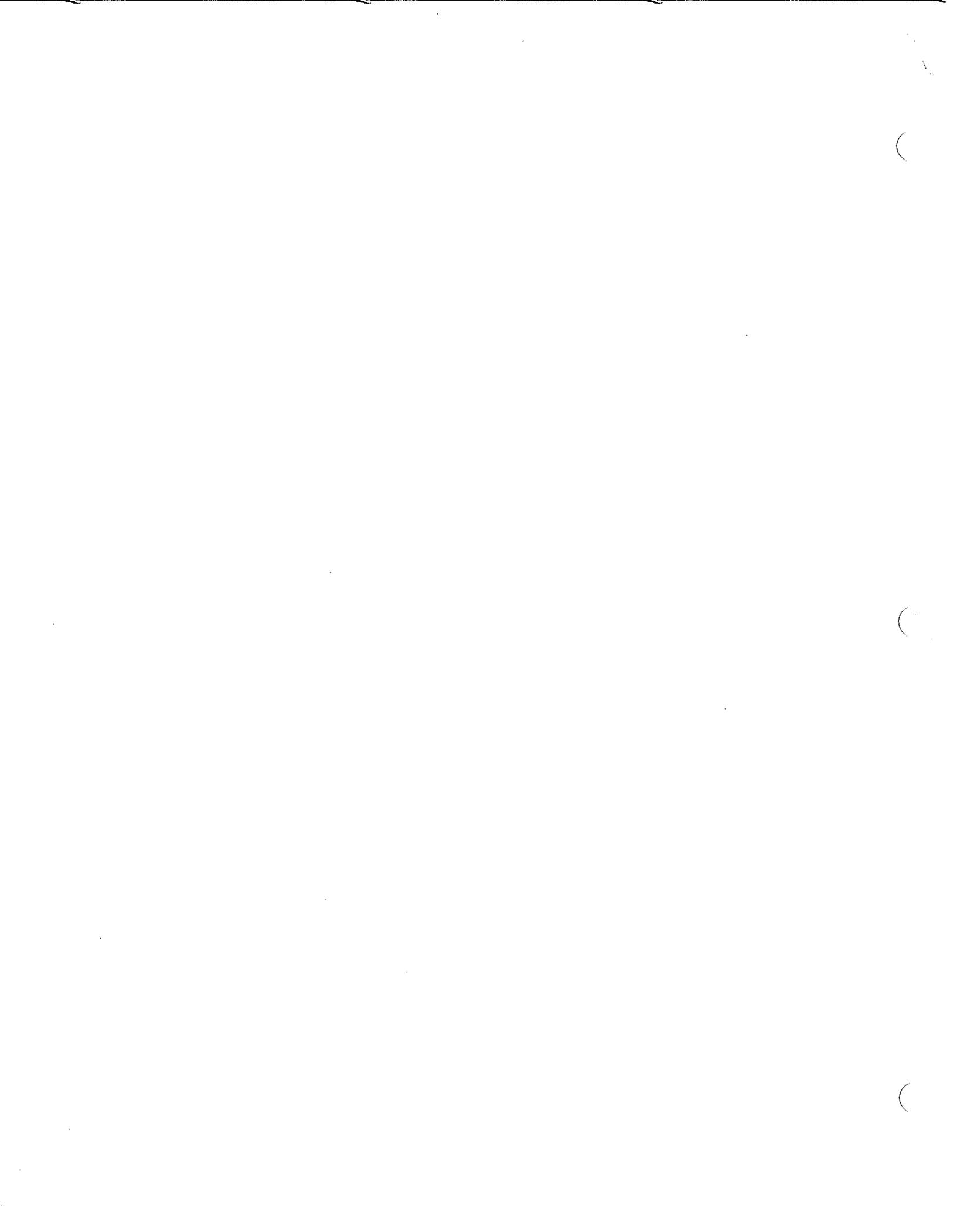
FISCAL IMPACT STATEMENT

Approval of the proposed resolution will increase DWP's expenditure authority from the Power Revenue Fund by \$2.5 million. The proposed Agreement complies with the Department's adopted Financial Policies. Approval of the proposed resolution will not impact the City's General Fund.

TIME LIMIT FOR COUNCIL ACTION

Pursuant to Charter Section 373, "Long Term Contracts Approved by Council," and the Los Angeles Administrative Code Section 10.5, "Limitation and Power to Make Contracts," unless the Council takes action disapproving a contract that is longer than three years within 60 days after submission to Council, the contract shall be deemed approved.

MAS:RPR:10140114



**AMENDMENT NO. 1 TO AGREEMENT 47012-1
BETWEEN
THE CITY OF LOS ANGELES DEPARTMENT OF WATER AND POWER
AND
TOTAL RESOURCE MANAGEMENT, INC.**

THIS AMENDMENT NO. 1 to Agreement No. 47012-1 (Agreement) is made and entered into by and between the Department of Water and Power of the City of Los Angeles (LADWP) acting by and through the Board of Water and Power Commissioners (Board) and Total Resource Management, Inc., hereinafter referred to as "Consultant".

WHEREAS, effective May 19, 2011 the parties entered into Agreement No. 47012-1 (which together with all amendments thereto is hereinafter referred to as the "Agreement"), for the Consultant to provide services to implement Maximo 7.X for enterprise asset management to upgrade, re-implement, and expand the use of Maximo, LADWP's asset and work management application; and

NOW THEREFORE, the parties hereby agree to amend Agreement No. 47012-1 as follows:

1. Article II, Section 201, Term of the Agreement is amended to extend the contract term by thirty-six (36) months to read as follows:

The term of this Agreement shall commence, provided the events identified in Exhibit F, PSC-4 have occurred, upon execution of this Agreement by all Parties hereto and shall terminate seventy-two (72) months thereafter, subject to the termination provisions herein. Performance shall not begin until the Consultant has obtained LADWP approval of insurance required herein.

2. Article III, Section 301.1, Not-to-Exceed Amount is amended to increase the Agreement not-to-exceed amount by \$2,500,000 to read as follows:

The total compensation that may be paid to the Consultant by the LADWP for complete and satisfactory performance of services under this Agreement shall not exceed Twelve Million Four Hundred and Fifteen Thousand dollars (\$12,415,000).

3. Except as herein amended above, all other terms and conditions of Agreement No. 47012-1 shall remain the same and are incorporated herein as if fully set forth.
4. This First Amendment is executed in two (2) duplicate originals, each of which is deemed to be an original. This Amendment No. 1 consists of two (2) pages.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 1 to Agreement No. 47012-1 to be executed by their authorized representatives on the day and year written below.

**DEPARTMENT OF WATER AND POWER
OF THE CITY OF LOS ANGELES BY
BOARD OF WATER AND POWER COMMISSIONERS
OF THE CITY OF LOS ANGELES**

By: _____
Marcie L. Edwards
General Manager

Date: _____

And: _____
Barbara E. Moschos
Board Secretary

APPROVED AS TO FORM AND LEGALITY
MICHAEL N. FEUER, CITY ATTORNEY

MAR 07 2014
BY _____
DIRK P. BROERSMA
DEPUTY CITY ATTORNEY

TOTAL RESOURCE MANAGEMENT, INC.

By: _____
Garner R. Bennett
Garner R. Bennett
President

Date: 3/10/2014

By: _____
Ray B. Brisbane, Jr.
Ray B. Brisbane, Jr.
Chairman

Date: 3/10/2014