

ENERGY AND ENVIRONMENT COMMITTEE REPORT relative to proposed Amendment No. 1 to Agreement No. 47012-1 with Total Resource Management Inc. (Total Resource Management) for implementation of the Maximo 7.X asset management system.

Recommendation for Council action:

CONCUR with the Board of Water and Power Commissioner's (Board) action of April 1, 2014, Resolution No. 014-180, authorizing execution of Amendment No. 1 to Agreement No. 47012-1 with Total Resource Management to increase the contract amount by \$2,500,000 and increase the contact term by three years for services to implement the Maximo 7.X asset management system.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that approval of Resolution No. 014-180 will increase the Los Angeles Department of Water and Power's (LADWP) expenditure authority from the Power Revenue Fund by \$2.5 million. The proposed Amendment No. 1 to Agreement No. 47012-1 will not impact the City's General Fund.

Community Impact Statement: None submitted.

TIME LIMIT FILE - JUNE 5, 2014

(LAST DAY FOR COUNCIL ACTION - JUNE 4, 2014)

Summary:

On April 29, 2014, your Committee considered an April 3, 2014 Board and March 7, 2014 CAO reports relative to proposed Amendment No. 1 to Agreement No. 47012-1 with Total Resource Management for implementation of the Maximo 7.X asset management system. Amendment No. 1 increases the contract amount by \$2,500,000 and the contract term by three years. According to the CAO, the the purpose of this contract is to 1) complete services relating to the implementation and integration of the Maximo 7.X asset management system with other LADWP software applications; and 2) replace two LADWP legacy mainframe Supply Chain Services applications known as the Materials Control System (MCS) and the Integrated Purchasing Receiving System. Collectively, the upgraded systems will be utilized by both the Water System and the Power System to manage LADWP 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 Amendment No. 1 provides both additional time and funding in order for TRM to complete the implementation of Maximo. Specifically, the Amendment extends the existing three-year term with an additional three years resulting in a cumulative six- year term expiring on May 18, 2017 and increases the existing \$9.9 million expenditure authority by an additional \$2.5 million resulting in a total of \$12.4 million. The LADWP states that total expenditures invoiced as of January 31, 2014 total approximately \$7.1 million leaving approximately \$2.8 million available for this contract.

After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of Amendment No. 1 to Agreement No. 47012-1 with Total Resource Management 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:	ABSENT
HUIZAR:	ABSENT
KORETZ:	YES

ARL

4/29/14

-NOT OFFICIAL UNTIL COUNCIL ACTS-