



Los Angeles
Department of
Water & Power

RESOLUTION NO. 015 184

APR 07 2015

BOARD LETTER APPROVAL

DAVID H. WRIGHT
Senior Assistant General Manager
Power System

MARCIE L. EDWARDS
General Manager

DATE: March 19, 2015

SUBJECT: Agreement No. 47290 for Osmose FastGate Gateway Software Maintenance Program with Osmose Utilities Services, Inc.

SUMMARY

The purpose of this sole-source Agreement is to provide continuing maintenance, support, escrow services, and as-needed professional services for Osmose Utilities Services, Inc.'s (Osmose) proprietary software, FastGate. The term of this Agreement is for three years with four optional one-year renewable options for an amount not to exceed \$1,296,500 (budgeted).

LADWP utilizes FastGate to translate electric distribution circuit data from the GeoSpatial Electric System (GES) data model into a format that is compatible for importation into the Outage Management System (OMS).

Relying largely upon the translated circuit information, electric trouble dispatchers diagnose the source and location of power outages and power quality issues and dispatch repair crews. OMS is an integral part of Electric Trouble Section's daily operations in maintaining reliable and high quality power to our customers.

City Council approval is required according to Charter Section 373.

RECOMMENDATION

It is requested that the Board of Water and Power Commissioners adopt the attached Resolution recommending City Council's approval of the execution of Agreement No. 47290 between LADWP and Osmose Utilities Services, Inc. (Osmose) for Osmose FastGate Gateway Software Maintenance Program.

ALTERNATIVES CONSIDERED

One alternative to awarding this sole-source Agreement is to advertise a new solicitation to establish a new software system and new systems interfaces to replace the existing Osmose's FastGate product which has been in use by LADWP for over seven years. However, this alternative would not be effective, as LADWP would be required to abandon all the time and funding invested in the current software and interfaces to LADWP systems.

Osmose is the sole provider of LADWP's FastGate software. Osmose provides proprietary services, owns the source code necessary to make changes to the software, ensures that changes are made to the software, and provides proprietary support for enhancements and fixes to the core software and system interfaces.

Once LADWP moves forward and implements a new geographical data model of its power system, anticipated in approximately 3 years, this software will no longer be needed.

FINANCIAL INFORMATION

The total contract expenditure will not exceed \$1,296,500 for three years with four one-year renewable options.

Services	Fixed Price for 3-year Period	4 One-year Renewable Options	Total
Standard Software Maintenance Services	(1st Year) \$97,300 (2nd Year) \$97,300 (3 rd Year) \$97,300	(4th Year) \$97,300 (5th Year) \$97,300 (6th Year) \$97,300 (7th Year) \$97,300	\$681,100
Escrow Services	(1st Year) \$2,200 (2nd Year) \$2,200 (3 rd Year) \$2,200	(4th Year) \$2,200 (5th Year) \$2,200 (6th Year) \$2,200 (7th Year) \$2,200	\$15,400
Proprietary New Software and Upgrade Tasks	\$400,000	(4th Year) \$50,000 (5th Year) \$50,000 (6th Year) \$50,000 (7th Year) \$50,000	\$600,000
Total Agreement	\$698,500	\$598,000	\$1,296,500

BACKGROUND

The FastGate interface has been in production use for over seven years and has successfully processed all 1,685 4.8 kV circuits in the GES data model. It is presently being used to process the 382 34.5 kV circuits that presently exist in the GES model. It will be used to process or reprocess circuits that are either new to the data model or that have been reconfigured in the data model since their initial processing. Additionally,

the data validation aspect of FastGate assists in the identification of circuit configuration anomalies that are not otherwise captured by other GES utilities.

A sole-source contract is being requested pursuant to City Charter Sections 371(e)(10), where competitive bidding is undesirable, impractical, or impossible.

Osmose has performed satisfactorily on the previous contract with LADWP.

The proposed Agreement will require City Council approval in accordance with Charter Section 373. A copy of the City Administrative Officer (CAO) report dated February 6, 2015 is attached.

ENVIRONMENTAL DETERMINATION

In accordance with the California Environmental Quality Act (CEQA), it has been determined that the action of awarding a contract for software maintenance is exempt pursuant to the General Exemptions described in CEQA Guidelines Sections 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 the Resolution as to form and legality.

ATTACHMENTS

- Procurement Summary
- Resolution
- Agreement
- CAO Report dated February 6, 2015

PROCUREMENT SUMMARY

1.	Recommended Vendor: Osmose Utilities Services, Inc. (Osmose)
2.	Procurement Type: Sole-Source
3.	Procurement Details: A. Contract Status: New 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) No
4.	Buyer Assigned: Hector Lucero
5.	Contract Administrator: John C. Litwin
6.	LADWP System: Power System
7.	Contact Person for Item: Emil S. Abdelshehid

A. Evaluation of Proposal

This proposed agreement for software maintenance and support for the FastGate software is proprietary. FastGate was originally selected as the result of a competitive Request for Proposal process. LADWP contacted Osmose for this proposal because they are the sole provider of the software. Osmose provides proprietary services, owns the source code necessary to make changes to the software, warrants changes to the software, and provides proprietary support for enhancements and fixes to the core software and system interfaces.

B. Contract/Vendor History

Contract and Vendor History					
Contract/ PO No.	Contract Description	Term of Contract	Start Date	Ending Date	Contract Amount
47726-8	FastGate Gateway maintenance program	Three years with four optional one-year renewable periods	1/1/2008	12/31/2014	\$1,476,300

C. Local Business Preference Program (LBPP)

Not applicable to this agreement.

D. Additional Outreach Efforts Taken

Not applicable to this agreement.

E. Small Business Enterprises (SBE)/Disabled Veterans Business Enterprises (DVBE)/Minority Business Enterprises (MBE)/Women Business Enterprises (WBE)/Other Business Enterprises (OBE) Subcontracting Participation

This sole-source agreement with Osmose is to procure software maintenance services. Osmose will perform all services under this agreement. As a result, no subcontractors will be utilized.