

CITY OF LOS ANGELES
CALIFORNIA

KAREN E. KALFAYAN
City Clerk



ANTONIO R. VILLARAIGOSA
MAYOR

Office of the
CITY CLERK

Council and Public Services
Room 395, City Hall
Los Angeles, CA 90012
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CLAUDIA M. DUNN
Chief, Council and Public Services Division

www.cityclerk.laciv.org

When making inquiries
relative to this matter,
please refer to the Council
File No.

04-2545

April 25, 2008

PLACE IN FILES

MAY - 2 2008
MW
DEPUTY

City Administrative Officer
Department of Water and Power
Board of Water and Power Commissioners
Attn: B. Moschos

RE: EXECUTING AN AGREEMENT WITH LOGICACMG TO PROVIDE MAINTENANCE SERVICES FOR THE
DEPARTMENT OF WATER AND POWER'S ENTERPRISE WORK MANAGEMENT INFORMATION
SYSTEM/MOBILE WORK MANAGEMENT INFORMATION SYSTEM PROGRAM

At the meeting of the Council held April 23, 2008, the following action was taken:

Attached report adopted	_____ X _____
Attached motion (-) adopted	_____
Attached resolution (-) adopted	_____
FORTHWITH	_____
Mayor concurred	_____
To the Mayor FORTHWITH	_____
Motion adopted to approve committee report recommendation(s)	_____
Motion adopted to approve communication recommendation(s)	_____
Ordinance adopted	_____
Ordinance number	_____
Publication date.....	_____
Effective date	_____
Mayor vetoed.....	_____
Mayor approved	_____
Mayor failed to act – deemed approved	_____
Findings adopted	_____
Negative Declaration adopted	_____
Categorically exempt.....	_____
Generally exempt.....	_____

Karen E. Kalfayan

City Clerk
kw

*5/2/08
KW*

**TO THE COUNCIL OF THE
CITY OF LOS ANGELES**

Your

ENERGY AND ENVIRONMENT

Committee

reports as follows:

ENERGY AND ENVIRONMENT COMMITTEE REPORT relative to executing an agreement with LogicaCMG to provide maintenance services for the Department of Water and Power's Enterprise Work Management Information System/ Mobile Work Management Information System Program.

Recommendation for Council action:

CONCUR with the Board of Water and Power Commissioners action on February 19, 2008 authorizing the execution of Agreement No. 47724-8 with LogicaCMG, and approval of a Letter of Agreement with the International Brotherhood of Electrical Workers, Local 18, to provide maintenance services for the Enterprise Work Management Information System/ Mobile Work Management Information System Program for the Department of Water and Power's Power and Water Systems' Asset and Resource Management System.

Fiscal Impact Statement: The City Administrative Officer reports that approval of the agreement with LogicaCMG will have no impact on the General Fund. All expenditures for this agreement will be from the Department's Power Revenue Fund and Water Revenue Fund over a three- to five-year period. Since the Department of Water and Power is only bound by the City Debt Management Policies, the City Financial Policies are not applicable.

**TIME LIMIT FILE – APRIL 25, 2008
(LAST DAY FOR COUNCIL ACTION – APRIL 25, 2008)**

Summary:

At its meeting on April 15, 2008, the Energy and Environment Committee considered a Board of Water and Power Commissioners report relative to an agreement with LogicaCMG to provide maintenance services for the Enterprise Work Management Information System/ Mobile Work Management Information System Program (EWMIS/MWMIS) for the Department of Water and Power's (DWP) Power and Water Systems' Asset and Resource Management System. The City Administrative Officer (CAO) reports that the agreement would continue the contractor's current proprietary software maintenance services while, at the same time, promote the assumption by in-house staff of 1) non-proprietary technology support task, and 2) the expansion of the system to automate and manage jobs received by other City departments, as well as jobs from large clients such as local utilities. The cost of the three year agreement is \$3,754,746; with two additional one-year renewal options factored in, the cost of the fixed-price agreement is \$5,521,430. Funding will be apportioned between the Department's Power Revenue Fund and Water Revenue Fund based on the usage of the software application for the Power and Water Systems.

The CAO further reports that under the proposed agreement, both DWP's personnel and other City department personnel, as well as the Department's business and residential customers, will have increased access to account information, as well as enhanced service capabilities. The planned enhancements will affect on-line scheduling of water meter installations and removals by providing increased system functionalities. Additionally, the Department intends, incrementally over a three

year period, to reduce its dependence on contractor services for software maintenance and system support and increase DWP staff support. The Department anticipates that savings will occur by bringing more of the support in-house, however, there is no estimate of the savings available at this time.

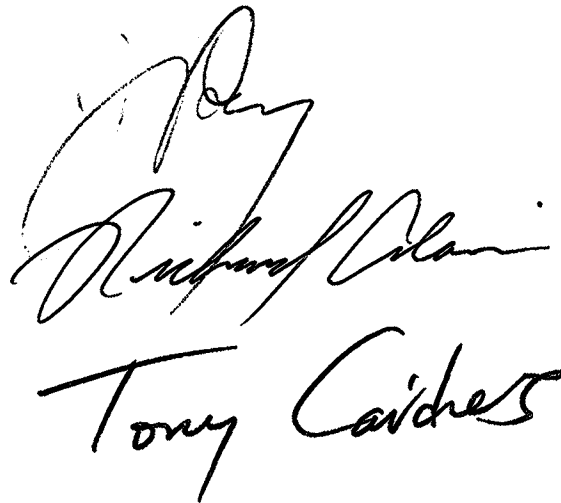
During the discussion of this matter, representatives from DWP and the City Administrative Officer provided an overview of the report and addressed related questions from the Committee. Councilmember Tony Cardenas requested that DWP obtain input from the Information Technology Agency relative to this matter prior to this matter being considered by Council. This matter is now forwarded to Council for its consideration.

Respectfully submitted,

ENERGY AND ENVIRONMENT COMMITTEE

MEMBERS
PERRY
GARCETTI
CARDENAS
ALARCON
GREUEL

VOTE
YES
ABSENT
YES
YES
ABSENT



Richard Alarcon
Tony Cardenas

PYL
4/16/08
#042545.doc

Report
ADOPTED

APR 23 2008

LOS ANGELES CITY COUNCIL

COUNCIL VOTE

Apr 23, 2008 10:11:06 AM, #1

Items for Which Public Hearings Have Been Held - Items 2-12
Voting on Item(s): 3-5,7-8,10-12
Roll Call

ALARCON	Yes
CARDENAS	Yes
GREUEL	Yes
HAHN	Yes
HUIZAR	Yes
LABONGE	Absent
PARKS	Absent
PERRY	Yes
REYES	Yes
ROSENDAHL	Absent
SMITH	Yes
WEISS	Absent
WESSON	Absent
ZINE	Yes
*GARCETTI	Yes

Present: 10, Yes: 10 No: 0

**ENERGY AND ENVIRONMENT COMMITTEE
SUGGESTED NOTIFICATION OF COUNCIL ACTION**

Council File No. 04-2545

- Petitioner/Communicant
 - Council Member(s)
 - Board of Public Works (Mail Stop 465)
 - Office of the Mayor (w/file) (w/o file)
 - City Administrative Officer (CAO)**
 - Chief Legislative Analyst (CLA)
 - Department of Public Works (DPW)
 - City Attorney (w/file) (w/o file)
 - Controller
 - Bureau of Engineering (BOE) (Mail Stop 901)
 - Bureau of Street Services (BSS) (Mail Stop 550)
 - Bureau of Contract Administration (BCA) (Mail Stop 480)
 - Bureau of Street Lighting (BSL) (Mail Stop 545)
 - Bureau of Sanitation (BOS)
 - Department of Water and Power**
 - Board of Water and Power Commissioners**
 - Environmental Affairs Department
 - General Services Department
-

Department of Water and Power



the City of Los Angeles

ANTONIO R. VILLARAIGOSA
Mayor

Commission
NICK PATSAOURAS, *President*
EDITH RAMIREZ, *Vice President*
LEE KANON ALPERT
WALLY KNOX
FORESCEE HOGAN-ROWLES
BARBARA E. MOSCHOS, *Secretary*

H. DAVID NAHAI,
Chief Executive Officer and General Manager

February 22, 2008

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

Dear Members:

Subject: Agreement No. 47724-8 with LogicaCMG

Pursuant to Charter Section 373, enclosed for approval by your Honorable Body is Resolution No. 008-164, adopted by the Board of Water and Power Commissioners (Board) on February 19, 2008, approved as to form and legality by the City Attorney, which authorizes execution of Agreement No. 47724-8 with LogicaCMG, and approval of a Letter of Agreement with the International Brotherhood of Electrical Workers, Local 18, to provide maintenance services for the Enterprise Work Management Information System/Mobile Work Management Information System Program for the LADWP Power and Water Systems' Asset and Resource Management System. As directed by the Board, transmitted to you are supporting documents.

If there are any questions regarding this item, please contact Ms. Winifred Yancy, DWP Council Liaison at (213) 367-0025, or Mr. Ali Morabbi at (213) 367-2908.

Sincerely,

Barbara E. Moschos
Board Secretary

BEM:oja

Enclosures: DWP Resolution
Board Letter
Letter of Agreement, IBEW Local 18
Agreement No. 47724-8

FEB 29 2008
ENERGY & ENVIRONMENT

Water and Power Conservation ... a way of life

111 North Hope Street, Los Angeles, California 90012-2607 Mailing address: Box 51111, Los Angeles 90051-5700
Telephone: (213) 367-4211 Cable address: DEWAPOLA

RECEIVED
CITY CLERK'S OFFICE

2008 FEB 25 PM 4:30

CITY CLERK
BY EGG DEPUTY

c/enc: Mayor Antonio Villaraigosa

Ms. Jan C. Perry, Chair, Energy and the Environment Committee

Mr. Gerry F. Miller, Chief Legislative Analyst

Ms. Karen L. Sisson, City Administrative Officer

Mr. Rafael Prieto, Legislative Analyst, CLA

Mr. William R. Koenig, Supvr. Proprietary Dept. Analysis Grp.

Ms. Winifred Yancy

Mr. Ali Morabbi

WHEREAS, the City of Los Angeles Department of Water and Power Board of Commissioners (Board) requires Agreement with LogicaCMG to provide maintenance services for the Enterprise Work Management Information System/Mobile Work Management Information System (EWMIS/MWMIS) to maintain, enhance, and provide proprietary products and services including, software maintenance, software upgrades, technical support services, escrow services and renewal of licenses as part of the Los Angeles Department of Water and Power's (LADWP) asset and resource management system and is a pivotal component for construction and maintenance operations to the citizens of Los Angeles with regard to electrical and water service, and

WHEREAS, the duration of EWMIS/MWMIS maintenance services shall be over a period of three years, with two one-year renewable options, for total expenditures not exceeding \$5,521,430.00, and

WHEREAS, the representatives of the LADWP and Local 18 of the International Brotherhood of Electrical Workers have executed (subject to the review and approval of this Board) a Letter of Agreement regarding the LADWP's Agreement No 47724-8 for EWMIS/MWMIS maintenance services which shall terminate upon the expiration and/or completion of said Agreement.

NOW THEREFORE BE IT RESOLVED that the proposed Agreement No 47724-8 and Software Licensing Agreement, approved as to form and legality by the City Attorney and filed with the Secretary of the Board between LADWP and LogicaCMG, consistent with City Charter Section 371(e)(2), to provide proprietary professional, expert, and technical services and software maintenance for EWMIS/MWMIS in the Water and Power Systems, be and the same are hereby approved.

BE FURTHER IT RESOLVED that the Board approves the Letter of Agreement between LADWP and Local 18 of the International Brotherhood of Electrical Workers regarding the LADWP Agreement No 47724-8, as filed with the Secretary of the Board, for the purposes and under the terms set forth in the Letter of Agreement.

BE IT FURTHER RESOLVED that pursuant to Section 1022 of the City Charter, the Board finds that such services can be performed more economically or feasibly by independent contractors than by city employees due to proprietary nature of the software provided.

BE IT FURTHER RESOLVED that due to the LADWP's need to ensure continued support and maintenance of the EWMIS/MWMIS system, LogicaCMG may begin performance of the services specified in Agreement No 47724-8, prior to City Council approval and prior to LADWP execution the Agreement; provided, however, that the terms and conditions set forth in Agreement No. 47724-8 are not effective until and unless the City Council approves the Agreement and it is executed by LADWP.

BE IT FURTHER RESOLVED that the Chief Accounting Employee of LADWP, upon proper certification, is authorized and directed to draw demands on the Power Revenue Fund in payment of the obligations arising under said Agreement.

BE IT FURTHER RESOLVED that the President or Vice President of the Board, the General Manager, or such person as the General Manager shall designate in writing, and the Secretary, the Assistant Secretary, or Acting Secretary of the Board are hereby authorized and directed to execute Agreement No. 47724-8 for and on behalf of LADWP upon approval by the City Council pursuant to City Charter Section 373.


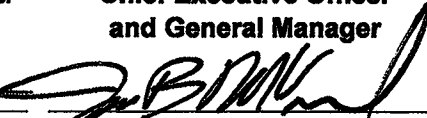

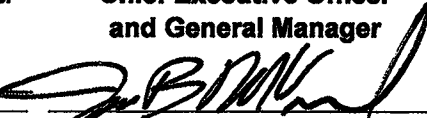
I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of a resolution adopted by the Board at its meeting held. FEB 19 2006

Barbara E. Mosley
Secretary

APPROVED AS TO FORM AND LEGALITY
ROCKARD J. DELGADILLO, CITY ATTORNEY

FEB 14 2006
BY *Marcia H. Kamine*
MARCIA H. KAMINE
Assistant City Attorney

L) BOARD APPROVAL LL . . :

TO: BOARD OF WATER AND POWER COMMISSIONERS		DATE: February 19, 2008
SUBMITTED BY:		SUBJECT:
 ARAM BENYAMIN Acting Senior Assistant General Manager Power System		Agreement No. 47724-8 LogicaCMG Enterprise Work Management Information System/Mobile Work Management Information System Maintenance Program
ORIGINAL SIGNED BY H. DAVID NAHAI  H. DAVID NAHAI Chief Executive Officer and General Manager		
 MATTHEW H. LAMPE Chief Information Officer		FOR COMMISSION OFFICE USE:
 JAMES B. McDANIEL Senior Assistant General Manager Water System		
BOARD COMMITTEE APPROVAL:		
CITY COUNCIL APPROVAL REQUIRED: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	IF YES, BY WHICH CITY CHARTER SECTION: 373	

PURPOSE:

Transmitted for approval by your Honorable Board is a resolution that authorizes execution of:

- 1) Agreement No. 47724-8 with LogicaCMG to provide maintenance services for the Enterprise Work Management Information System (EWMIS)/Mobile Work Management Information System (MWMIS) Program including proprietary maintenance, upgrades, and non-proprietary software maintenance and services for the Los Angeles Department of Water and Power's (LADWP) Water and Power Systems – Asset and Resource Management System, for expenditures not to exceed \$5,521,430 and for a term of three years with 2 one-year renewable options.

- 2) A Letter of Agreement (LOA) with Local 18 of the International Brotherhood of Electrical Workers (IBEW) regarding the hiring of a total of seven additional Information Technology (IT) staff in Fiscal Year 2008-2009 and hiring of one existing position in the current year to transition non-proprietary software support services currently provided via consultant services under proposed Agreement No. 47724-8 with LogicaCMG for EWMIS/MWMIS Maintenance Program; proposed Agreement No. 47721-8 with Intergraph Corporation (Intergraph) for Geospatial Electric System Maintenance Program; and proposed Agreement No. 47723-8 with CGI, Inc. (CGI) for Outage Management System and Mobile Dispatch System (OMS/MDS) Maintenance Program, including communication protocols regarding hiring status.

BACKGROUND:

- Between 1989 and 1994, there were two separate audits performed by the City on LADWP. Both audits documented that there were no work force management programs to manage the work force and the work at LADWP.

- In the early 1990s, Power System Management created an internal Power System organizational team (currently called Control and Business Systems Subsection) and chartered them to create this work force management program. The assembled team was composed of employees from management, field and office supervisors, engineering, field and crew personnel, clerical, and IT, in addition to many individuals that participated on an ad-hoc basis.
- Eight “best-of-breed” packages were selected which comprise today's work force management program for the Power System. The eight proprietary systems being used by the Power System to manage its assets and work force are listed as follows: EWMIS/MWMIS; OMS/MDS; Geospatial Electric System (GES); FastGate Gateway; MicroStation; Energy Control System Historical Information System (ECSHIS); Supervisory Control and Data Acquisition System (SCADA); and Maximo. Additionally many of these packages have field mobile devices supporting field personnel in a wired/wireless mode.
- In particular, EWMIS/MWMIS proprietary software provided by LogicaCMG supports all of the power distribution work where all of the design and accelerated work by engineering personnel is handled through EWMIS and then passed on to construction personnel with an accurate real-time estimate of crew types, length of job, material to be used in construction, and cost of job using a mobile unit. All of Customer Services Division meter jobs are also supported in EWMIS/MWMIS. The Water System also manages all of the water meter new business work in their version of the EWMIS package, which differs from the version the Power System utilizes and is called WMIS Lite.
- EWMIS was initially installed as a Power System pilot program at the Van Nuys District in early 1995 to handle work related to new business, permanent fixes of the reported trouble work, system improvements, and maintenance of the Power System. The EWMIS function allowed all of the design work by the engineering personnel to be passed on to construction personnel with an accurate real-time estimate of crew types, length of job, material to be used in construction, and cost of job. The pilot program proved successful and the full implementation of EWMIS began toward the end of 1995.
- EWMIS installation continued over the next few years, which included four major phases. Phase One implemented the base software package with interfaces to the existing mainframe legacy systems, Customer Information System, and the Accounting System. Phase Two implemented additional enhancements and more interfaces to the Power System Application's OMS and the Geographic Information System. Phase Three included automated reports, replacement of the mainframe-based systems with Y2K issues (Distribution Maintenance Program, Maintenance Program for substations, and the Project Management Program for substations). Phase Four included more interfaces to the mainframe legacy system's material management, timekeeping, fleet system, a significant activity-based accounting system for the Power Transmission and Distribution Division (Distribution Construction and Maintenance Section) and the

Engineering Services Division (Distribution System Engineering Section), the message queuing technology to the mainframe system to allow the exchange of real-time information with the legacy mainframe systems, and MWMIS.

- Power System MWMIS installation was completed by July 2004 to incorporate laptop computers to be carried out in the field by construction crews and returned to the offices to allow reporting, scheduling, and tracking of daily construction work, usage of material, daily personnel time sheets, and daily usage of fleet equipment.
- In July 2007, Power System EWMIS was upgraded to the latest version and LADWP now has full capability of using the Internet/Intranet technology to support customer service on the WEB.
- Water System transferred their work management to EWMIS application in the late 1990s in order to achieve Y2K compliance. EWMIS was selected, based upon the Power System's use of the application at the time. However, the Water System is utilizing a version of EWMIS which is separate and distinct from the version the Power System uses. It uses a subset of the functions available in WMIS.
- Ongoing maintenance and upgrades of EWMIS/MWMIS software are essential to continued LADWP operations since they are used as an integral part of daily operational work for engineering and construction personnel supporting 1,400 users LADWP-wide. EWMIS/MWMIS software is proprietary and maintenance services can only be obtained from the software provider.
- In addition to ongoing maintenance services, LADWP has also historically used the EWMIS/MWMIS software contract to obtain non-proprietary expert services related to system configuration, report writing, data extraction, data input, etc.
- With several of the Power System proprietary software contracts expiring, including LogicaCMG, and the arrival of Mr. Matthew M. Lampe as Chief Information Officer in November 2007, the Power and Water Systems worked with IT to review these contracts and establish a path forward regarding the systems and contracts.
- As part of that process, it was determined that it would be in the best interest of LADWP to develop and maintain internal expertise regarding these mission critical systems. The non-proprietary components of the existing contract was reviewed to determine the skill sets required for such a transition to LADWP staff support, the Civil Service positions that match such skill sets, and the time required to train internal staff regarding the non-proprietary application support services. This review also resulted in a recommendation to review the Water and Power versions of EWMIS/MWMIS to move toward a common version of the application to reduce long-term operation, maintenance, and support costs.

- It was determined that in approximately three years, eight IT positions (one existing and seven new Fiscal Year 2008-2009 positions) would be required to fully transition non-proprietary software support service responsibilities to LADWP staff for the following software applications: EWMIS/MWMIS (LogicaCMG proprietary software); Geospatial Electric System (Intergraph proprietary software); and OMS/MDS (CGI proprietary software). The three-year time horizon is also consistent with the time required to review Water and Power EWMIS/MWMIS Systems and other related LADWP applications and develop a strategy and timeline to standardize on one application and version LADWP-wide, if determined appropriate.
- LADWP met with IBEW, Local 18, to discuss its plans regarding transitioning non-proprietary software support service responsibilities to LADWP staff for the software applications discussed above. IBEW, Local 18, supports LADWP's plan and it is the basis of the proposed LOA with IBEW, Local 18, regarding proposed Agreement No. 47724-8 with LogicaCMG for EWMIS/MWMIS Maintenance Program; proposed Agreement No. 47721-8 with Intergraph for Geospatial Electric System Maintenance Program; and proposed Agreement No. 47723-8 with CGI for OMS/MDS Maintenance Program.
- Agreement No. 47391-5 with LogicaCMG for maintenance and upgrades of EWMIS/MWMIS software was approved by City Council on January 19, 2005, for three years and expired on January 18, 2008. In order to avoid a lapse in maintenance coverage while LADWP coordinated internally to develop a long-term plan for the needed services, a six-week interim contract (No. 49051-8), was issued beginning January 19 and ending March 11, 2008, in the amount of \$123,000.
- Consistent with LADWP's ongoing EWMIS/MWMIS software maintenance and support needs and LADWP's associated plan to transition responsibility for non-proprietary support services to in-house staff, proposed Agreement No. 47724-8 with LogicaCMG includes:
 - Three years of Standard Core Software Proprietary Maintenance Service for the Power System and Water System applications.
 - Three years of Software Escrow Services that ensure LADWP access to EWMIS/MWMIS source code in the event of issues associated with LogicaCMG's ability to provide source code maintenance.
 - Three years of non-proprietary support services and knowledge transfer/training services, with services declining in year three as LADWP staff become more proficient in application support services.

- The 2 one-year extension options for Standard Core Software Proprietary Maintenance Service for the Power System and Water System applications and Software Escrow Services are annual optional periods that provide LADWP with long-term price protection for proprietary services. Prior to exercising these extension options, LADWP will evaluate other city and state contracts to ensure that LogicaCMG pricing in the Agreement is still the most favorable market pricing. Both Senior Assistant General Manager, Power System, and Chief Information Officer approval is required for exercising such options, ensuring that the need for continued EWMIS/MWMIS software operation is reviewed within the context of the IT strategic plan and best pricing.
- Proposed Agreement No. 47724-8 with LogicaCMG would exceed the three-year contract period set by ordinance; therefore, City Council approval is required in accordance with City Charter Section 373. Although your Honorable Board may approve the amendment prior to the current March 11, 2008, contract termination date, the contract cannot be executed until after the City Council acts upon the contract. Due to LADWP's need to ensure continuity of EWMIS/MWMIS operations, and to be consistent with the proposed Agreement No. 47724-8 effective date of March 12, 2008, a ratification clause is included in the Board resolution.

COST AND DURATION:

The total contract expenditure will not exceed \$5,521,430 for the three-year contract period with 2 one-year renewable options and includes the following services:

Service	Fixed Price for 3-Year Period	2 One-year Renewable Options	Total
Standard Core Software Proprietary Maintenance Services for the Power System	(1st Yr) \$556,680 (2nd Yr) \$556,680 (3rd Yr) \$556,680	(4th Yr) \$556,680 (5th Yr) \$556,680	\$2,783,400
Standard Software Proprietary and Maintenance Services for the Water System	(1st Yr) \$324,780 (2nd Yr) \$324,780 (3rd Yr) \$324,780	(4th Yr) \$324,780 (5th Yr) \$324,780	\$1,623,900
Non-Proprietary Software Tasks in Power System (Programming Tasks) **	(1st Yr) \$296,388 (2nd Yr) \$296,388 (3rd Yr) \$296,388	\$0	\$889,164
Non-Proprietary Software Tasks in Power System (Document Writer)	(1 st year) \$215,556	\$0	\$215,556
Escrow Services	(1st Yr) \$1,882 (2nd Yr) \$1,882 (3rd Yr) \$1,882	(4th Yr) \$1,882 (5th Yr) \$1,882	\$9,410
TOTAL	\$3,754,746	\$1,766,684	\$5,521,430

** This cost should be reduced significantly starting toward the end of the second year and tapering off in the third year once the internal resources are fully trained.

FUNDING SOURCE:

Power Revenue Fund

Fiscal Years: 2007/2008 – 2012/2013
 Functional Item Nos.: 28840 and 3583137
 Location in Budget: Under Control and Business Systems Subsection's budget

Water Revenue Fund

Fiscal Years: 2007/2008 – 2012/2013
 Functional Item Nos.: 29153 and 80031
 Location in Budget: Under WSO Information Technology Group's budget

FISCAL IMPACT STATEMENT:

There is no fiscal impact as the job is already included in the budgeted.

TYPE OF INSURANCE COVERAGE(S):

<input checked="" type="checkbox"/>	Workers' Compensation	\$1,000,000	<input type="checkbox"/>	Property Damage	
<input checked="" type="checkbox"/>	Automobile Liability	\$1,000,000	<input type="checkbox"/>	Water Craft	
<input checked="" type="checkbox"/>	General Liability	\$1,000,000	<input type="checkbox"/>	Pollution	
<input checked="" type="checkbox"/>	Professional Liability	\$1,000,000	<input type="checkbox"/>	Crime	
<input type="checkbox"/>	Aircraft Liability		<input type="checkbox"/>	Asbestos	

PRE-AWARD CHECKLIST:

- Yes No N/A Contract Compliance
 Yes No N/A Subcontracting Opportunities
 Yes No N/A Service Contractor Worker Retention Ordinance
 Yes No N/A Child Support Policy
 Yes No N/A Living Wage Ordinance
 Yes No N/A Labor Relations Notification
 Yes No N/A Charter Section 1022 Findings

CONTRACT ADMINISTRATION:

The Contract Administrator, who shall be an Electrical Engineer, shall verify completion of maintenance services prior to approval for payment on a monthly basis. An acceptable performance by the vendor will be measured by both LADWP Power System's EWMIS/MWMIS Operations Manager and the Water System's WMIS Operations Manager. Monthly contract reports will be provided to management as well as reports regarding the continuous monitoring of maintenance services for quality and completeness. The Contract Administrator shall verify correct pricing, receipt of materials, and completion of milestone objectives against the issued contract prior to approval for payment.

The Contract Administrator will ensure, to the extent practical, that software updates are obtained via electronic media to reduce overall costs to LADWP. The Contract Administrator will review all sales tax charges included on invoices for appropriateness.

The Contract Administrator will coordinate with IT staff and the consultant to ensure knowledge transfer training is occurring. The Contract Administrator will meet with the Chief Information Officer, or his designee, on a quarterly basis to review use of non-proprietary services and knowledge transfer to LADWP staff.

Both Senior Assistant General Manager, Power System and Chief Information Officer approval is required for exercising optional annual extensions, ensuring that the need for continued EWMIS/MWMIS software operation is reviewed within the context of the IT strategic plan and best pricing. The Contract Administrator will verify pricing with other city and state entities for alternatives to ensure that LADWP is being offered the most favorable market pricing.

Time and Material: Yes No **Mark-Up:** None

FORMAL OBJECTIONS TO AWARD OF CONTRACT: None to date.

JOB OPPORTUNITIES AND TRAINING POLICY: Applicable Not Applicable

INTERNAL AUDIT: Yes No

Disposition of Findings: The Internal Audit Group recently audited a computer-related contract and identified that LADWP inappropriately paid sales tax on software updates provided electronically pursuant to a software maintenance and support contract. LADWP is in the process of requesting that all LADWP software contract administrators and contractors review current and past contracts to ensure LADWP was not inappropriately charged sales tax, and to also review all future sales tax charges for appropriateness. In addition, to the extent practical, software updates will be obtained via electronic media, to reduce overall costs to LADWP.

EXTERNAL AUDIT: Yes No

Disposition of Findings: GCAP completed an audit of various LADWP contracts on December 18, 2007, which included a review of the recent three-year agreement with LocicaCMG for EWMIS/MWMIS maintenance and support. The audit recommended that LADWP better utilize the knowledge transfer provision of the contract, allowing LADWP staff to provide system support services in the future. The audit also recommended that a cost/benefit analysis be performed to determine whether it is more cost-effective to train in-house staff or continue to contract out for non-proprietary support services. As noted in the audit and above, LADWP is planning to train staff and transition non-proprietary support services to LADWP staff over the coming three-year period. The knowledge transfer process will be reviewed on a quarterly basis by the Contract Administrator and the Chief Information Officer, or his designee.

The audit also determined that there were some cost discrepancies between the Water System and LogicaCMG, but it was later corrected. We will now closely monitor all invoices in both Water and Power Systems to ensure that does not happen again.

CHARTER SECTION 1022 FINDINGS AND BASIS THEREOF:

Consistent with City Charter Section 1022, the expert services required by EWMIS/MWMIS maintenance and support are more feasibly and appropriately performed by outside professional services. Non-proprietary services are anticipated to be temporary and intermittent in nature; therefore, LADWP will be trained to perform such services.

MEMORANDUM OF UNDERSTANDING PROPOSED CONTRACT REVIEW PROCESS:

- **Date Proposed Contract Submitted to the Labor Organization:** 12/11/2007
- **Description Materials Submitted:** Request for Notice of Compliance Letter, Copy of Contract, 1022 Forms, and White Paper
- **Date of Meetings:** 1/4/08, 1/10/08, 1/18/08 and 1/29/08.
- **Labor Organization's Response:** At the 1/4/08 meeting, IBEW, Local 18, expressed concerns regarding the scope of the proprietary and non-proprietary work included and the length of the contract.
- **LADWP's Response:**
 - At the 1/18/08 and the 1/29/08 meetings, LADWP suggested development of an LOA, consistent with LADWP's plans for three separate systems, as discussed above, and modification to the contract to better reflect the intent of non-proprietary support services and knowledge transfer.
 - IBEW, Local 18, now has no objection to this contract.
- **30-Day Non-Binding Arbitration:** NA

METHOD OF SELECTION:

Competitive Cooperative Purchase Sole Source

LogicaCMG is the sole provider of LADWP's Work Management Information System Software. LogicaCMG 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. Therefore, pursuant to City Charter Section 371(e)(7), it has been determined that the competitive bidding process is not practical nor advantageous for these services.

MINORITY/WOMEN BUSINESS ENTERPRISE (MBE/WBE) SUBCONTRACTING PARTICIPATION:

MBE SUBCONTRACTING:

Name	Description of Subcontracting Work	Dollar Amount for 3-year Period	Percent for 3-year Period	Dollar Amount for 2 One-year Renewable Period	Percent for 2 One-year Renewable Period
Wizard Consulting, LLC / Pacific Rim Engineering **	Non-Proprietary Support Tasks for Power Systems	\$165,708	15.0	NA	NA
Total:		\$165,708	15.0	NA	NA

WBE SUBCONTRACTING:

Name	Description of Subcontracting Work	Dollar Amount for 3-year Period	Percent for 3-year Period	Dollar Amount for 2 One-year Renewable Period	Percent for 2 One-year Renewable Period
Management Advising Consultants / P. Murphy & Associates**	Non-Proprietary Support Tasks for Power Systems	\$77,330.40	7.0	NA	NA
Total:		\$77,330.40	7.0	NA	NA

**At the expiration and/or termination of the Optional/Non-Proprietary Tasks, the MBE/WBE services will also be terminated and only proprietary services will remain.

VENDOR HISTORY:

Contract No.	Contractor	Term of Contract	Original Contract Amount	Change Order No. (CO)/Amendment No. (A)				Ending Date
				CO/A No. (Descending Order)	Increase/Decrease	Term of Extension	Other	
Agreement No. 10810 (with Amendment 1,2,3)	LogicaCMG	31 Months	\$4,890,950					8/30/1999
P.O. No. 41876	LogicaCMG	3 months	\$97,500					8/30/1998
Agreement No. 8104	LogicaCMG	2 Years	\$1,387,095					8/28/1999
Agreement No. 10025	LogicaCMG	3 Years	\$3,873,500					8/17/2003
Agreement No. 10480 (with Amendment 1)	LogicaCMG	5 Years	\$4,162,500					1/11/2005
Agreement 47391-5	LogicaCMG	3 Years	\$4,916,400					1/18/2008
P.O. No. 49051-8	LogicaCMG	50 days	\$123,000					3/11/2008

VENDOR PERFORMANCE:

LogicaCMG has performed in an acceptable manner on all previous Agreements.

ENVIRONMENTAL DETERMINATION:

In accordance with the California Environmental Quality Act (CEQA), it has been determined that the action of awarding a contract for help line, hardware, and software support 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.

RECOMMENDATION:

It is recommended that your Honorable Board adopt the accompanying resolution, approved as to form and legality by the City Attorney, and that Agreement No. 47724-8 and the associate LOA with IBEW, Local 18, be executed.

ASF:jdr

Attachments

c/atts: H. David Nahai

Raman Raj

Barbara K. Garrett

Richard M. Brown

Aram Benyamin

James B. McDaniel

Robert K. Rozanski

Ronald O. Vazquez

Lillian Y. Kawasaki

Matthew M. Lampe

Hal D. Lindsey

Pamela T. Porter

David Sickler

Cecilia K. T. Weldon

Jeffery L. Peltola

Albert A. Stephens

Marvin D. Moon

Alice S. Fung

07 000035 MG



ANTONIO R. VILLARAIGOSA
Mayor

Commission
NICK PATSAOURAS, *President*
EDITH RAMIREZ, *Vice President*
LEE KANON ALPERT
WALLY KNOX
FORESCEE HOGAN-ROWLES
BARBARA E. MOSCHOS, *Secretary*

H. DAVID NAHAI,
Chief Executive Officer and General Manager

**LETTER OF AGREEMENT BETWEEN THE DEPARTMENT OF
WATER AND POWER AND LOCAL 18 OF THE INTERNATIONAL BROTHERHOOD
OF ELECTRICAL WORKERS, RE: POWER SYSTEM CONTROL AND BUSINESS
SYSTEMS MAINTENANCE AGREEMENTS**

Provided that the Board of Water and Power Commissioners ("Board") approves, by resolution, this Letter of Agreement between the City of Los Angeles Department of Water and Power ("Department") and Local 18, International Brotherhood of Electrical Workers ("Union") (hereinafter, "Agreement"), this Agreement will provide as follows. This Agreement shall be effective upon the effective date of the resolution signifying the Board's approval. Until that resolution is promulgated, this Agreement is void and of no effect.

The parties agree as follows:

The following provisions will be followed during the administration of the Intergraph Corporation Agreement for Geospatial Electric System Maintenance Program (Agreement No. 47721-8), the CGI Agreement for Outage Management System and Mobile Dispatch System Maintenance Program (Agreement No 47723-8) ("System Maintenance Contracts") and the Logica Agreement for Enterprise Work Management Information System / Mobile Work Management Information System Maintenance Program (Agreement No 47724-8), collectively referred to as "System Maintenance Contracts." Any requirement to adhere to the following provisions shall expire three (3) years from the start of each System Maintenance Contracts, or upon termination of each System Maintenance Contracts, whichever occurs first. Each System Maintenance Contract may have a different start date.

1. As part of an overall support architecture that the Information Technology Section (ITS) supports the current Power System Control and Business System Plan, ITS will appoint employees to the following positions, subject to existing civil service procedures and Department appointment and promotional procedures and practices:

Water and Power Conservation ... a way of life

111 North Hope Street, Los Angeles, California 90012-2607 Mailing address: Box 51111, Los Angeles 90051-5700
Telephone: (213) 367-4211 Cable address: DEWAPOLA

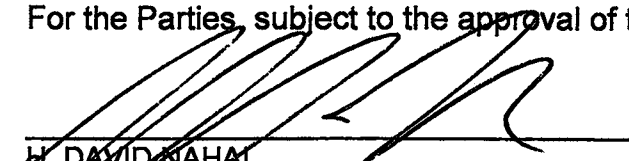


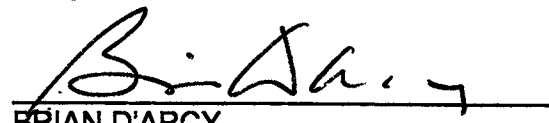
- a. Two (2) Database Architect positions (Class Code 1470) shall be allocated by the Board and shall be filled. It is the intent of the parties that such allocations and appointments shall be made before January 31, 2009, provided that such a timetable does not impose additional duties otherwise required on the Board of Civil Service Commissioners or the City's Personnel Department, and that such a timetable may be met by following existing Department appointment and promotion procedures and practices.
 - b. One (1) System Analyst position (Class Code 1596) shall be allocated by the Board and shall be filled. It is the intent of the parties that such allocations and appointments shall be made before January 31, 2009, provided that such a timetable does not impose additional duties otherwise required on the Board of Civil Service Commissioners or the City's Personnel Department, and that such a timetable may be met by following existing Department appointment and promotion procedures and practices.
 - c. Four (4) Programmer Analyst positions (Class Code 1431) shall be allocated by the Board and shall be filled. It is the intent of the parties that such allocations and appointments shall be made before January 31, 2009, provided that such a timetable does not impose additional duties otherwise required on the Board of Civil Service Commissioners or the City's Personnel Department, and that such a timetable may be met by following existing Department appointment and promotions procedures and practices.
 - d. Management has already exercised its prerogative and is in process of filling One (1) System Analyst position (Class Code 1596, Position No. 548) in support of the Enterprise Work Management Information System/Mobile Work Management Information System, which is anticipated to be filled before March 31, 2008.
2. The resources defined in paragraph 1(a) – (d) will be provided for training to develop the expertise of in-house staff to provide support for the Non-Proprietary Tasks of the Power System's Control and Business Systems as defined in the System Maintenance Contracts.
 3. The resources defined in paragraph 1(a) – (d) are to be used in conjunction with the System Maintenance Contracts.

4. The Union will meet with the Department's Chief Information Officer (CIO), Power System's Engineer Services Division Manager and the required contract administrators one year from the date of execution of the above contracts and every six months thereafter, to review usage of these contracts, as they relate to the defined Non-Proprietary work. These reviews are for informational purposes only, and do not have any bearing on terms of the System Maintenance Contracts.

5. This Agreement does not bind the Union and Department with respect to discussions regarding future contracts or amendments thereto. However, with respect to Agreement Nos. 47721-8, 47723-8 and 47724-8, this is the sole and entire agreement between the parties, and the Union hereby acknowledges and agrees that the Department has complied with the Appendix B process with respect to the System Maintenance Contracts.

For the Parties, subject to the approval of the Board by resolution:


H. DAVID NAHAI
Chief Executive Officer
and General Manager
Department of Water and Power


BRIAN D'ARCY
Business Manager
Local 18 of the International
Brotherhood of Electrical Workers

Date: _____

Date: 2-19-08

**AGREEMENT
FOR
ENTERPRISE WORK MANAGEMENT INFORMATION SYSTEM /
MOBILE WORK MANAGEMENT INFORMATION SYSTEM
MAINTENANCE PROGRAM**

**LOGICACMG
AND
LOS ANGELES DEPARTMENT OF WATER AND POWER**

Dated: Jan 28, 2008
Agreement No.: 47724-8

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**MAINTENANCE SERVICE AGREEMENT
LOGICACMG CONTRACT NO. 712-01-06-01-M**

Los Angeles Department of Water & Power – Agreement No. _____

THIS AGREEMENT FOR INFORMATION TECHNOLOGY PRODUCTS & SERVICES (“Agreement”), is entered into this ___ day of _____, 20__ by and between the LOS ANGELES DEPARTMENT OF WATER AND POWER (the “LADWP”), acting by and through the BOARD OF WATER AND POWER COMMISSIONERS (Board), and *LogicaCMG Inc.*, a *Delaware corporation* with a principal place of business at 10375 Richmond Avenue, Suite 1000, Houston, Texas 77042 (“Contractor”).

This Agreement establishes the terms and conditions to which LogicaCMG and the Department have agreed with respect to a LogicaCMG Maintenance Program (“Program”) that includes the services (“Services”) defined below in Section 2.0 and in Exhibit A.2 Software - Sections 1, 2, and 3 hereto, to be provided by LogicaCMG in connection with the ARM Suite software components, Application Extensions, and WMIS 2.4.2 software, all of which are defined in Attachment A of LogicaCMG Software Licensing Agreement Contract No. 712-01-06-01-L. (The Department assigned Licensing Agreement No. _____).

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Definitions

Capitalized terms used in this Agreement shall have the following meanings:

a) **“Authorized Subcontractor”** shall mean a subcontractor or service provider of Contractor who has been approved by the LADWP beforehand and in writing to carry out any part of Contractor’s obligations under this Agreement.

b) **“Application Extensions”** shall mean custom tables, GUIs, or other custom functions that have been developed to work in conjunction with the core ARM Suite Software in use within Power Systems to ensure that the installed product(s) meet the Department’s functional and data requirements. Application Extensions built by LogicaCMG will be covered under this

Agreement. The Maintenance Program Services provided for Application Extensions are defined in section 3.1 of Exhibit A.2 Software.

c) **“ARM Suite”** shall mean the components of LogicaCMG’s integrated suite of software which is designed to support the business processes of electric, gas and water distribution utilities. Currently the Department is licensed for the following ARM Suite components: WMIS, IMFPlus and the ARM Web Portal; and these components are in use by Power Systems. The Maintenance Program Services provided for the ARM Suite components licensed to the Department are defined in section 1 of Exhibit A.2 Software.

d) **“Board”** shall mean Board of Water and Power Commissioners

e) **“Confidential Information”** shall have the meaning assigned to it in Section 18.

f) **“Contract Administrator”** shall mean the LADWP’s representative who has been identified as such from time to time by the LADWP, and who shall have authority to act for the LADWP under this Agreement.

g) **“Core Software”** shall mean the standard, unmodified ARM Suite components in use by the Department within Power Systems and covered by the Maintenance Program Services defined in section 1 of Exhibit A.2 Software to this Agreement.

h) **“Deliverables”** shall mean collectively all items provided or to be provided by Contractor hereunder, including without limitation all Services.

i) **“Defect”** shall mean, for the purposes of the Program, any covered Software function, window, control, report, or process that does not function as specified in the applicable published feature checklist document or other standard documentation for that version of the Software, or that portion of a mutually-agreed requirements document, as applicable. Defects reported in covered Software are classified by LogicaCMG according to the categories identified in sections 1, 2, and 3 of Exhibit A.2 Software.

j) **“Developed Software”** shall mean Software, in both Object Code and Source Code formats, which is not Existing Software, and which is identified as such in a Statement of Work.

k) **“Disclosing Party”** shall have the meaning assigned to it in Subsection 18(a) (**“Protection”**).

l) **“Documentation”** shall mean all information reasonably necessary or desirable, or as described in a Statement of Work, to be

provided to Contractor by the LADWP which describes the form, features or operation of the Deliverables and which is contained in a tangible medium, such as written format, tape, magnetic or other media, and including without limitation all Updates of Documentation and Documentation which the LADWP may require at any time.

m) **“Effective Date”** shall mean the first date upon which all of the following shall have occurred: (a) this Agreement has been signed by the LADWP by the person authorized by the LADWP to sign on its behalf and also signed by the Contractor’s authorized representative; (b) this Agreement has been approved by the City’s Council or by the Board, or by the City’s or the Board’s officer or employee authorized to give such approval; and (c) the Office of the City Attorney has indicated in writing its approval of this Agreement as to form and legality.

n) **“Error”** shall mean any material failure of any Deliverable to conform with its Specifications.

o) **“Escrow Agent”** shall have the meaning assigned to it in Subsection 18(g) (**“Escrow”**).

p) **“Escrow Services”** shall mean Software source code escrow services being provided by LogicaCMG through its escrow agent according to an agreement previously-executed between the parties.

q) **“Escrow Agreement”** shall mean a written agreement in substantially the form and format as described in EXHIBIT C (**“ESCROW AGREEMENT”**).

r) **“Existing Software”** shall mean that Software, in Object Code format (but subject to Subsection 18(g) (**“Escrow”**)), which exists as of the Effective Date, and which is

identified as such in a Statement of Work, and including Documentation and Updates.

s) "**Fees**" shall mean those amounts to be paid to Contractor hereunder, and which are described as such in the Statement of Work.

t) "**Force Majeure**" shall have the meaning assigned to it in Section 11 (Force Majeure)

u) "**Indemnified Parties**" shall have the meaning assigned to it in SECTION 19 ("INTELLECTUAL PROPERTY AND DELIVERABLES INDEMNITY").

v) "**Invoice**" shall have the meaning assigned to it in Subsection 12 c) (Invoices).

w) "**Maintenance**" shall mean: Software Maintenance.

x) "**Object Code**" shall mean computer software programs, not readily perceivable by humans, and which are suitable for machine execution without the intervening steps of interpretation or compilation.

y) "**Operating Environment**" shall mean the technical environment components such as the server hardware platform, client hardware platform, operating system, other third-party software including database software, and any other components required for operation of the Software.

z) "**Program**" shall mean the maintenance Services provided under the direction of LogicaCMG according to the terms of service defined in Sections 1, 2 and 3 of Exhibit A.2 Software to this Agreement.

aa) "**Receiving Party**" shall have the meaning assigned to it in Subsection 18(a) ("Protection").

bb) "**Release(s)**" shall mean any update provided to the Department by LogicaCMG

for any of the core Software Products covered under the terms of the Maintenance Program Services. Each Release shall be identified by a version number.

cc) "**SSG**" shall mean the Solutions Support Group, the function within LogicaCMG energy and utilities division that provides core Software maintenance Services to those customers covered by a maintenance program agreement.

dd) "**Services**" shall mean collectively, the Tasks described in each Statement of Work.

ee) "**Software**" shall mean LogicaCMG-supplied computer programs, including the ARM Suite Core Software, WMIS 2.4.2, and the Application Extensions, which are licensed to the Department by LogicaCMG under the terms of a separately-executed licensing agreement or amendments thereto.

ff) "**Software Maintenance**" shall have the meaning assigned to it in Section 20 (Maintenance).

gg) "**Source Code**" shall mean computer software programs not in machine readable format and which are not suitable for machine execution without the intervening steps of interpretation or compilation.

hh) "**Specifications**" shall mean the operational, functional or other specifications applying to the Software covered by the Program.

ii) "**Statement of Work**" shall mean the description of the work to be carried out by LogicaCMG under the Program, and the Fees to be paid, which Statement of Work is contained in the format described in Sections 1, 2, and 3 of Exhibit A.2 Software.

jj) "**Update**" shall mean any modification of or addition to the Software or Documentation, including without limitation

all new releases, versions, sub-versions, corrections, "patches" and maintenance releases, which Contractor may prepare, obtain, or have prepared at any time.

kk) "*Viruses*" shall have the meaning assigned to it in **Subsection 21(d)** ("*Viruses*").

ll) "*WMIS 2.4.2*" shall mean a non-core, non-current version of the WMIS software in use by the Department's Water Systems and covered under the terms of this Agreement. The Maintenance Program Services provided for WMIS 2.4.2 are defined in section 2 of *Exhibit A.2 Software*.

2. Deliverables

a) **Services.** Contractor shall perform Services, strictly in accordance with each Statement of Work.

b) **Authorized Subcontractors.** With prior approval of the LADWP, the Contractor may enter into contracts and agreements with Authorized Subcontractors for the performance of portions of this Agreement. The Contractor shall at all times be responsible for the acts, errors or omissions of its Authorized Subcontractors and persons directly or indirectly employed by them. Nothing in this Agreement shall constitute any contractual relationship between any others and the LADWP or any obligation on the part of the LADWP to pay, or to be responsible for the payment of, any sums to any Authorized Subcontractors or any other third party. No such Authorized Subcontractor shall be a third party beneficiary of this Agreement. Upon written request from the Contract Administrator, the Contractor shall promptly supply the LADWP with all subcontractor agreements.

c) **Site Visits by Contractor.** All visits by Contractor to the LADWP's facilities must

have prior approval by the Contract Administrator. Visiting Contractor representatives must carry LADWP-issued identification badges, and conform to such security, safety and other requirements as the LADWP may from time to time impose.

d) **Permits.** The Contractor and its Authorized Subcontractors, officers, agents and employees shall obtain and maintain all permits and licenses necessary for the Contractor's performance hereunder and shall pay any third-party fees required therefor.

3. Change Order Process. (Section Intentionally Deleted) Section not included; does not pertain to this agreement.

4. Packing and Shipment. (Section Intentionally Deleted) Section not included; does not pertain to this agreement.

5. Delivery. (Section Intentionally Deleted) Section not included; does not pertain to this agreement.

6. Substitutions and Quality

a) **Substitutions.** (Section Intentionally Deleted)

b) **Quality.** The Contractor's reflect competent professional knowledge, judgment, and accepted industry practice. Subject to **SECTION 13 ("TERM AND TERMINATION")**, and for the Term of the Agreement the Contractor shall promptly correct, or remedy any work, errors, or omissions, at its sole expense, which do not conform to the provisions of this Agreement.

7. Delivery, Inspection, Acceptance and Rejection. (Section Intentionally Deleted) Section not included; does not pertain to this agreement.

8. Samples. (Section Intentionally Deleted) Section not included; does not pertain to this agreement.

9. Safety and Accident Prevention. The Department agrees to provide a suitable and safe environment at its facilities with respect to Services to be provided under this Agreement. The parties understand and agree that LogicaCMG has not included in its charges any expense for dealing with or removing potentially hazardous substances, such as asbestos, unless otherwise expressly provided by a Statement of Work. If not so provided in such Statement of Work, the Department shall be responsible for handling such substances at its own cost. In performing work under this Agreement, LogicaCMG shall conform to all specific safety requirements contained in the Agreement and as required by law or regulation. LogicaCMG shall take any additional precautions as the Department may reasonably require for safety and accident prevention purposes, and shall at all times exercise reasonable and prudent judgment with respect thereto. Any violation of such requirements, laws or regulations shall be considered a material breach of this Agreement.

10. Personnel

a) Information. The Department shall provide reasonably necessary representatives with authority to act on the Department's behalf with respect to approvals, requests, and meeting scheduling.

b) Capacity. LogicaCMG warrants that the size of the staff employed by LogicaCMG in its performance hereunder shall be reasonably adequate in number and quality at all times to perform the work required by this Agreement and to add such additional personnel as are necessary to accomplish any work required.

c) Identification. LogicaCMG shall furnish the Department from time to time upon request the names, titles, and qualifications of its key project personnel and subcontractors, including without limitation individual resumes, and the tasks to be performed by such individuals. Upon receipt of such request, LogicaCMG shall respond within five (5) business days.

d) Approval. The Contract Administrator shall have the right to interview and approve all personnel of LogicaCMG and Authorized Subcontractors. Resumes of individual personnel will be reviewed and approved by the Department's Contract Administrator before the individual shall be assigned work. LogicaCMG shall minimize changes to any LogicaCMG personnel with respect to any Statement of Work. Any unreasonable assignment or discharge of such personnel may, at the Department's option, be deemed a material breach of this Agreement by LogicaCMG. The Department shall have the right to request key personnel changes and to review and approve key personnel changes proposed by LogicaCMG. No change can be made without the Department's approval. The Department shall have the right to require removal of any personnel with or without cause, which removal shall be effected no later than seventy-two (72) hours, or in the case of any removal requested for security or work rule reasons, immediately.

e) Control. LogicaCMG's and the Authorized Subcontractors' personnel shall at all times remain under the control of LogicaCMG.

11. Force Majeure. If either party is unable to perform its obligations because of strikes, lockouts, labor disputes, embargos, acts of God, governmental regulations, judicial orders, enemy or hostile governmental action beyond the reasonable control of the

Contractor or its Authorized Subcontractors ("Force Majeure"), then such party shall immediately notify the other party in writing, and such party's performance shall be suspended for the period equal to the period time of such cause for suspension of performance.

12. Fees, Invoices and Payment

a) Fees. The LADWP shall pay the Fees described in each Statement of Work for Services and Deliverables which have been accepted by the LADWP. Any Fees called for in any Statement of Work shall not increase for at least one (1) year after the date of such Statement of Work, unless expressly agreed to otherwise by the LADWP. Unless expressly stated in a Statement of Work, all salaries, wages, or other payments (including without limitation any overtime) to any third parties, Authorized Subcontractors or employees, shall be the sole responsibility of the Contractor, and the Contractor hereby agrees to fully indemnify, defend and hold harmless the LADWP with respect thereto.

b) Travel and Costs Travel time of the Contractor's personnel shall not be charged to, or paid by, the LADWP unless specifically provided for in the Response and the Statement of Work. Any allowed travel time shall be at the LADWP's own normal rates, without allowance for premium or overtime.

c) Invoices Each such Invoice shall meet all the invoice criteria described in EXHIBIT G ("INVOICE CRITERIA"), and shall contain the contract/purchase order number, the vendor code number, the City of Los Angeles Business Tax Registration Certificate Number, and the identification of material, equipment and/or services covered by the Invoices. In all cases the amount of applicable sales tax or use tax shall be separately stated on the Invoice. All Invoices shall be accompanied by such written documentation as the LADWP may

reasonably require in order to support the amount and calculation of all corresponding Fees. Invoices for Services shall be issued monthly for all Services provided during the immediately preceding month.

d) Payment Such Invoices, if correct, will be certified, and paid within thirty (30) days after receipt of Invoice. Invoice payments will not be made if the Invoice is received more than six (6) months after acceptance of corresponding Deliverables. No such Invoice shall be certified for payment, or paid, unless and until it shall first conform with Subsection 12(c) ("Invoices") above. In the event of any dispute of any Fees under any Invoices, the LADWP agrees to make payment of all undisputed amounts as hereinabove provided.

e) Tax Registration Certificate Contractor shall obtain and keep in full force and effect during the Term of this Agreement all "Business Tax Registration Certificates" required by the City of Los Angeles Business Tax Ordinance, Article 1, Chapter II, Section 21.00 and following, of the Los Angeles Municipal Code. Contractor's current Business Tax Registration Certificate Number or, for those firms that are exempt, a Vendor Registration Number, must be shown on all Invoices submitted for payment.

LogicaCMG's current Business Tax Registration Certificate Number 751569-07 or, if exempt, a Vendor Registration Number, must be shown on all invoices submitted for payment. Failure to do so may delay payment.

f) Taxpayer Identification Number ("TIN") Contractor hereby represents and warrants that its TIN is 13-3306288. No Fees shall be payable or paid to Contractor unless and until such TIN is verified by the LADWP as valid.

Third Party Claims The LogicaCMG shall promptly pay, when due, all amounts payable for labor and materials furnished in the performance of this Agreement so as to prevent any lien or other claim under any provision of law from arising against any Department property (including reports, documents, and other tangible matter or Deliverables produced hereunder), against LogicaCMG's rights to payments hereunder, or against the City, and shall pay all amounts due that relate to LogicaCMG employees under the Unemployment Insurance Act with respect to such labor.

13. Term and Termination

a.1) **Term** The term of this Agreement ("Term") shall commence upon the Effective Date of this Agreement and shall expire 3 (three) years thereafter, unless earlier terminated as hereinafter provided.

a.2) **Renewal Option** At the Department's sole option, the term of this Agreement may be extended for up to an additional 2 (two) years, exercisable in yearly increments, or any portion thereof.

b) **Termination without Cause.** This Agreement may be terminated by the LADWP, without cause, upon written notice. Upon receipt of such notice, the Contractor shall immediately stop all work under this Agreement. The Contractor shall be entitled to payment of Fees for all Deliverables completed, including without limitation Services provided (in both cases where accepted by the LADWP), until the date of such notice, and also to reimbursement for reasonable and documented re-stocking charges imposed on Contractor by third party suppliers due to such termination, where such charges have been called to the LADWP's attention beforehand and in writing. The Contractor shall then deliver to the LADWP, in an organized and usable form, all

Deliverables "work in process" as of such date.

c) **Default** If either party commits a material breach of any term or condition of this Agreement, the non-breaching party shall be entitled to give to the other party written notice requiring it to cure such default.

If the alleged default has not been cured within thirty (30) days following receipt from the party alleging the default of the written notice, then the defaulting party shall immediately submit to the other party a plan of action including, where relevant, time scales and specified delivery dates, to cure the alleged default.

If the proposed plan is not acceptable to the party alleging default, the parties shall promptly begin to negotiate a resolution of their disagreement. If an agreement is not reached within ten (10) days after notice by the party alleging default of its refusal of said plan, the parties shall refer the disagreement to their respective Sponsor (or any other senior officer in charge of the operation of the Software and Designated System) for resolution of said disagreement through negotiations. Should these negotiations fail and no plan of action is agreed upon by both parties within fifteen (15) days of the beginning of the negotiation between the two (2) officers or any other delay agreed upon by the parties, only then shall the alleged defaulting party be considered in default hereunder, and the party alleging default shall be entitled to terminate this Agreement.

Upon approval of the plan of action or the successful outcome of the negotiations as contemplated herein, both parties shall resume their undertakings under this Agreement, as amended by such plan of action or these negotiations. The delays incurred by reason of such amendment shall not give rise to any

liability, be construed as a default or otherwise trigger the termination of this Agreement.

d) Disqualification. In the event Contractor receives one (1) or more notices of material breach as described in **Subsection 13(c) ("Default")**, whether such material breaches are cured or not, the LADWP may consider such material breaches in making any subsequent determination of responsibility with respect to future awards.

e) Remedies Not Exclusive. Any election by the LADWP to seek any remedy under this **SECTION 13 ("TERM AND TERMINATION")**, including without limitation any right to reject Deliverables or to require expedited shipping, shall not limit any other rights or remedies which the LADWP may have with respect to any breach of this Agreement.

f) Errors and Omissions. For the Term of this Agreement, the Contractor will be responsible for correcting or remedying any errors or omissions which occur in performance of the services under this Agreement and which are the result of the Contractor's negligence, action or omission, regardless of whether the foregoing are a material breach hereof or not. The cost of correcting or remedying any such error or omission shall be borne by the Contractor. Revising Contractor-prepared documents at the request of the LADWP to incorporate comments by the public or by agencies having jurisdiction in matters of the particular task assignment is not considered to be a remedy of errors or omissions, but is considered an integral part of document preparation which may be called for by a Task Assignment.

14. Taxes. Unless otherwise required by law, the LADWP is exempt from Federal excise taxes. The LADWP will only pay for any State or local sales or use taxes on the Services rendered or other Deliverables

supplied to the LADWP pursuant to this Agreement.

15. Newly Manufactured Deliverables. (Section Intentionally Deleted).

16. Records and Audit

a) Records and Audits. Incorporated by Reference. See Exhibit K.

b) Progress Reports. (Section Intentionally Deleted).

c) Right to Review. The LADWP reserves the right to review any portion of the Services performed by the Contractor under this Agreement, and the Contractor agrees to cooperate to the fullest extent. Contractor shall furnish to the LADWP such reports, statistical data, and other information pertaining to the Contractor's Services as shall be reasonably required by the LADWP. The right of the LADWP to conduct such review shall not relieve the Contractor of any obligation set forth herein.

17. Rights in Work Product and Licenses. (Section Intentionally Deleted) Section not included; does not pertain to this agreement.

18. Confidential Information and Source Code Escrow

a) Protection. Each party (the Disclosing Party") may from time to time during the term of this Agreement disclose to the other party (the "Receiving Party") certain non-public information regarding the Disclosing Party's business, including technical, marketing, financial, personnel, planning and other information ("Confidential Information"). The Disclosing Party shall mark all such Confidential Information in tangible form with the legend 'confidential', 'proprietary', or with similar legend. With

respect to Confidential Information disclosed orally, the Disclosing Party shall describe such Confidential Information as such in writing within thirty (30) days after the date of oral disclosure. Regardless of whether so marked, however, any non-public information regarding the Developed Software (in Source Code and Object Code formats), shall be deemed to be the Confidential Information of the LADWP.

b) Department's Drawings, Specifications, Technical Reports and Data. All information contained in drawings, specifications, technical reports, and data provided by the Department to LogicaCMG in the course of the work performed hereunder which is marked Confidential shall be held in confidence by LogicaCMG and used only to maintain services to the Department. LogicaCMG shall not disclose said information without the Contract Administrator's written consent. LogicaCMG shall not copy any drawing, specification, technical report, or data provided by the Department except with the Department's consent.

LogicaCMG's obligation of confidentiality regarding the Department's Confidential Information shall terminate with respect to any particular portion of the Confidential Information only in the event that one or more of the following conditions occur:

- a) It was in the public domain at the time of its communication to LogicaCMG;
- b) It entered the public domain through no fault of either party subsequent to the time of the Department's communication thereof to LogicaCMG;
- c) It was in LogicaCMG's possession free of obligation of confidence prior to its communication as Confidential Information;

- d) It was rightfully communicated to LogicaCMG by the Department free of any obligation of confidence subsequent to the time of its communication as Confidential Information.

c) Protection of Confidential Information. Except as expressly permitted by this Agreement, the Receiving Party shall not disclose the Confidential Information of the Disclosing Party (using the same degree of care which the Receiving Party ordinarily uses with respect to its own proprietary information, but in no event with less than reasonable care). The Receiving Party shall also not use the Confidential Information of the Disclosing Party for any purpose not expressly permitted by this Agreement, and shall limit the disclosure of the Confidential Information of the Disclosing Party to the employees or agents of the Receiving Party who have a need to know such Confidential Information of the Disclosing Party to the employees or agents of the Receiving Party who have a need to know such Confidential Information for purposes of this Agreement, and who are, with respect to the Confidential Information of the Disclosing Party, bound in writing by confidentiality terms no less restrictive than those contained herein. The Receiving Party shall provide copies of such agreements to the Disclosing Party upon request; provided, however, that such agreement copies shall themselves be deemed the Confidential Information of the Receiving Party. Notwithstanding the foregoing, after the expiration or termination of this Agreement and the return by the Receiving Party of the Confidential Information of the Disclosing Party as provided in subsection 18(f) ("Return of Confidential Information"), the Receiving Party shall be free to use internally (but not disclose) any ideas, concepts and know-how contained in such Confidential Information: (i) which relate to the business of the Receiving Party; and (ii) which have been retained mentally by

employees of the Receiving Party through the course of their performance under this Agreement.

d) State Law Requirements - Protection For Personal Information. (Section Intentionally Deleted).

e) Exceptions. Notwithstanding anything herein to the contrary, Confidential Information shall not be deemed to include any information which: (i) was already lawfully known to the Receiving Party at the time of disclosure by the Disclosing Party as reflected in the written records of the Receiving Party; (ii) was or has been disclosed by the Disclosing Party to a third party without obligation of confidence; (iii) was or becomes lawfully known to the general public without breach of this Agreement; (iv) is independently developed by the Receiving Party without access to, or use of, the Confidential Information; (v) is approved in writing by the Disclosing Party for disclosure by the Receiving Party; (vi) is required to be disclosed in order for the Receiving Party to enforce its rights under this Agreement; or (vii) is required to be disclosed by law or by the order of a court or similar judicial or administrative body; provided, however, that the Receiving Party shall notify the Disclosing Party of such requirement immediately and in writing, and shall cooperate reasonably with the Disclosing Party, at the Disclosing Party's expense, in the obtaining of a protective or similar order with respect thereto.

f) Return of Confidential Information. The Receiving Party shall return to the Disclosing Party, destroy or erase all Confidential Information of the Disclosing Party in tangible form upon the written request of the Disclosing Party (except for Deliverables and any other items which the LADWP is otherwise entitled to retain under this Agreement) and the Receiving Party shall

certify promptly and in writing that it has done so.

g) Escrow. LogicaCMG and the Department previously entered into an escrow agreement whereby LogicaCMG has enrolled the Department in an escrow program using LogicaCMG's current escrow services provider Iron Mountain Intellectual Property Management (formerly known as DSI Technology Escrow Services, Inc.). The Department pays LogicaCMG for the annual cost for the LogicaCMG escrow program. Iron Mountain Incorporated (NYSE:IRM), the parent company of Iron Mountain Intellectual Property Management, helps organizations around the world reduce the costs and risks associated with information protection and storage. Founded in 1951, Iron Mountain has over 17,750 employees around the world, in excess of 310,000 customer accounts, and more than 900 facilities worldwide. The company's corporate headquarters are located in Boston, MA. More information about the company's services can be found at its web site: <http://www.ironmountain.com>.

LogicaCMG will provide the Department with copies of the executed escrow agreement upon its request.

A fixed fee for escrow services of \$5,646.00 shall be invoiced to the Department over the 3-year Term in the amount of \$1,882.00 per year which will be invoiced annually in July during each year of the Term. At the Department's sole option for renewal, the escrow services for the extended term of the agreement will be charged at \$1,882.00 per year, which will be invoices annually in July during the year of that term.

19. Intellectual Property and Deliverables Indemnity

a) Statement of Indemnity. Contractor agrees that from and after the Effective Date it

shall fully indemnify, defend and hold harmless the LADWP, the Board, and its and their affiliates, officers, directors, agents, employees, customers and assigns (the "Indemnified Parties") from and against any and all claims, losses, liabilities, damages and costs (including attorneys' fees and court costs) arising from or relating to any Deliverables or arising from or relating to any claim, demand, threat, suit or proceeding by any third party regarding the Deliverables, including without limitation any claims of injury to persons or property, or of intellectual property infringement or misappropriation, by any third party. The LADWP shall notify Contractor promptly of any third party claim in connection with the foregoing, shall cooperate reasonably with Contractor in connection therewith (at Contractor's expense), in the defense or settlement of the foregoing. The LADWP shall have the right at its own expense to be represented in any action related to the foregoing by counsel of its own choice, and shall cooperate reasonably with Contractor with respect to such litigation.

b) Control. In Contractor's defense of the LADWP, negotiation, compromise, and settlement of any foregoing infringement or misappropriation action, the LADWP shall retain discretion in and control of the litigation, negotiation, compromise, settlement, and appeals therefrom, as required by the Los Angeles City Charter, particularly Article II, Sections 271, 272 and 273 thereof.

c) Bonds. (Section Intentionally Deleted)

d) Claims and Remediation. If Contractor receives notice of a claim, demand, threat, suit or proceeding regarding alleged intellectual property infringement or misappropriation by the Deliverables, or if in Contractor's judgment such a claim is likely, Contractor may, at its sole expense, procure for LADWP ownership of, or the right to

continue using, the Deliverables, modify the Deliverables so that they are no longer infringing, or replace the Deliverables with other items of the same technical specifications and the same or better functionality and performance, which shall, upon acceptance by the LADWP, be considered Deliverables.

e) Use of Funds. (Section Intentionally Deleted)

20. Maintenance

a. Hardware Maintenance. (Section Intentionally Deleted)

b. Software Maintenance. (Section Substituted with LogicaCMG information)

i) Section 1 of Exhibit A.2 "Statement of Work - Standard Core Software Proprietary Maintenance Program Services for Power System" – Defines LogicaCMG core Software Maintenance Services, and the Department's maintenance obligations.

ii) Section 2 of Exhibit A.2 "Statement of Work - WMIS 2.4.2 Software Proprietary Maintenance Program Services Terms for Water Systems" – Defines LogicaCMG Software Maintenance Services, and source code provisions with terms.

iii) Section 3 of Exhibit A.2 "Statement of Work - Non-Proprietary Support Tasks for Power Systems" – Defines Non-Proprietary Support Tasks.

c. Failure to Provide Maintenance. Any material failure of Contractor to timely provide Maintenance services as described in Exhibit A hereunder shall thereupon immediately suspend any obligation of the LADWP to pay any Fees, and may, in addition and at the LADWP's option, be considered a material breach of this

Agreement for purposes of SECTION 13 ("TERM AND TERMINATION").

d. Availability. (Section Intentionally Deleted)

21. Warranties. (Section Substituted with LogicaCMG information).

a) Deliverables. (Section Intentionally Deleted).

b) Services. Contractor represents and warrants that Contractor shall perform the Services in a professional and workmanlike manner, in accordance with the best practices of Contractor's industry, and in material conformity with corresponding Specifications (including without limitation all Documentation). In the event of any breach of the foregoing warranty, the LADWP shall promptly notify Contractor, and Contractor shall immediately re-perform the non-conforming Services. Any failure of Contractor to carry out the foregoing in a manner reasonably satisfactory to the LADWP, may, at the LADWP's option, be considered a material breach of this Agreement for purposes of SECTION 13 ("TERM AND TERMINATION").

c) General. Contractor represents and warrants that: (i) Contractor has full power and authority to enter into this Agreement and the person signing the Agreement on Contractor's behalf has been duly authorized and empowered to enter into this Agreement; (ii) the Deliverables shall not contain any materials which are unlawful, defamatory, libelous, threatening, abusive, racist, vulgar, harassing, pornographic or obscene; (iii) Neither the Deliverables (including without limitation the provision of Services) nor any element thereof, infringes or shall infringe or misappropriate the intellectual property rights of any third party, including without limitation any patent, copyright, trademark or trade

secret rights; (iv) the Deliverables shall not be subject to any restrictions, including without limitation any liens, mortgages, pledges, security interests, encumbrances, or encroachments; (v) Contractor is not under, and shall not enter into any, obligation or obligations inconsistent with the provisions of this Agreement; and (vi) Contractor shall not violate any law, statute, ordinance, or regulation in the course of its performance under this Agreement.

d) Viruses. Contractor represents and warrants that it has exercised and shall exercise its most diligent efforts to ensure that no viruses, "Trojan Horses", "Worms" or other damaging, dangerous or objectionable code (collectively, "Viruses") are included with the Deliverables. If at any time a Virus may be found to exist in or have emanated from the Deliverables, or any electronic data, information or report generated thereby, Contractor agrees, at its sole expense, to exercise its most diligent efforts (including but not limited to providing appropriate replacement products, software, installation, and diagnostic testing) to remove such Virus within five (5) days of LADWP's notice.

e) Disclaimer THE FOREGOING WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES. THERE ARE NO OTHER WARRANTIES, EXPRESS OR IMPLIED, AND ANY AND ALL SUCH WARRANTIES ARE HEREBY DISCLAIMED AND NEGATED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY, AND FITNESS FOR A PARTICULAR PURPOSE.

22. Limitation of liability. IN NO EVENT SHALL THE TOTAL LIABILITY OF EITHER PARTY UNDER THIS AGREEMENT EXCEED THE HIGHER OF ONE MILLION DOLLARS (\$1,000,000) OR THE TOTAL AGREEMENT PRICE,

REGARDLESS OF THE CAUSE OF ACTION, IN TORT, CONTRACT OR OTHERWISE.

23. Survival and Order of Precedence. In the event of any expiration or termination of this Agreement, the provisions of Section 1 (“Definitions”), Section 13 (“Term and Termination”), Section 16 (“Records and Audit”), Section 18 (“Confidential Information and Source Code Escrow”), Section 19 (“Intellectual Property and Deliverables Indemnity”), Section 21 (“Warranties”), Section 22 (“Limitation of Liability”), Section 23 (“Survival and Order of Precedence”), and Section 24 (“General”) shall survive and shall continue to bind the parties. In the event of any conflict between the terms of this Agreement and the terms of any exhibit, the terms of the exhibit shall control. In the event of any conflict between the following documents, all of which are hereby incorporated by reference into this Agreement, the order of precedence shall be as follows:

- o Agreement
- o Other referenced documents

24. General

a) Governing Law. This Agreement shall be governed in all respects by the laws of the United States of America and the State of California without regard to conflicts of law principles. The parties agree that the United Nations Convention on Contracts for the International Sale of Goods is specifically excluded from application to this Agreement.

b) Attorneys’ Fees. In the event any proceeding or lawsuit is brought by the LADWP or Contractor in connection with this Agreement, each party shall bear its own attorneys’ fees and costs.

c) Forum. Each party’s performance hereunder shall comply with all applicable laws of the United States of America, the State of California, and the City of Los Angeles. The State and Federal Courts located in the City of Los Angeles shall have exclusive jurisdiction over any disputes under this Agreement, and the parties hereby submit to the personal jurisdiction of such courts.

d) Injunctive Relief. It is understood and agreed that, notwithstanding any other provisions of this Agreement, breach of the provisions of this Agreement by Contractor will cause the LADWP irreparable damage for which recovery of money damages would be inadequate, and that the LADWP shall therefore be entitled to obtain timely injunctive relief to protect the LADWP’s rights under this Agreement in addition to any and all remedies available at law.

e) Notices. All notices or reports permitted or required under this Agreement shall be in writing and shall be delivered by personal delivery or by certified or registered mail, return receipt requested, and shall be deemed given upon personal delivery or five (5) days after deposit in the mail. Any such notice or report directed to the LADWP shall be delivered to:

LOS ANGELES DEPARTMENT OF WATER AND POWER

Mr. Ali Morabbi
Power Engineering Manager,
Control and Business Systems Group
111 North Hope Street, Room 851
Los Angeles, California 90012-2694

With a Copy To:
Chief Assistant City Attorney

111 North Hope Street
Los Angeles, California 90012-2694

Any such notice or report directed to the Contractor shall be delivered to:

LogicaCMG
Energy and Utilities Division
C/O Contracts Administrator
10375 Richmond Avenue
Suite 1000
Houston, Texas 77042

Either party, by written notice, may designate different or additional person(s) or different addresses.

f) Agency. Nothing contained herein shall be construed as creating any agency, partnership, or other form of joint enterprise between the parties.

g) Waiver. The failure of either party to require performance by the other party of any provision hereof shall not affect the full right to require such performance at any time thereafter; nor shall the waiver by either party of a breach of any provision hereof be taken or held to be a waiver of the provision itself.

h) Severability. In the event that any provision of this Agreement shall be unenforceable or invalid under any applicable law or be so held by applicable court decision, such unenforceability or invalidity shall not render this Agreement unenforceable or invalid as a whole, and, in such event, such provision shall be changed and interpreted so as to best accomplish the objectives of such unenforceable or invalid provision within the limits of applicable law or applicable court decisions.

i) Headings. The section headings appearing in this Agreement are inserted only as a matter of convenience and in no way define, limit, construe, or describe the scope

or extent of such section or in any way affect this Agreement.

j) Assignment. Neither this Agreement nor any rights or obligations of Contractor hereunder may be assigned by Contractor in whole or in part without the prior written approval of the LADWP. Such approval may be withheld for any reason or no reason as this Agreement is a personal services contract and was awarded to Contractor based on the qualities of Contractor. For the purposes of this **Subsection 24(j)** ("Assignment"), a change in the persons or entities who control fifty percent (50%) or more of the equity securities or voting interest of Contractor shall be considered an assignment of Contractor's rights and obligations. The LADWP's rights and obligations, in whole or in part, under this Agreement may be assigned by the LADWP. The LADWP may exercise full transfer and assignment rights in any manner at the LADWP's discretion.

Notwithstanding the above, LogicaCMG may assign this Agreement to its parent corporation or an affiliate within LogicaCMG's group without the Department's prior written consent.

k) Counterparts. This Agreement may be executed simultaneously in two (2) or more counterparts, each of which will be considered an original, but all of which together will constitute one and the same instrument.

l) Relationship of the Parties. LogicaCMG is acting hereunder as an independent Contractor and not as an agent or employee of the Department. LogicaCMG shall not represent or otherwise hold out itself or any of its directors, officers, partners, employees, or agents to be an agent or employee of the Department.

m) Entire Agreement. Each of the parties acknowledges that it has read this

Agreement and agrees that it, inclusive of Appendices A through F, is the complete and exclusive statement of the agreement between the parties and supersedes all prior proposals and understandings, oral or written, relating to the subject matter of this Agreement.

25. Signature Authorizing Agent. Each of the parties to this Agreement was represented by counsel in the negotiations and execution of this Agreement.

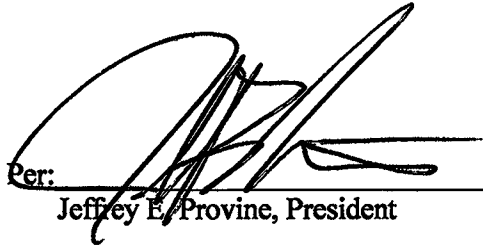
[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their authorized representatives on the day and year written below.

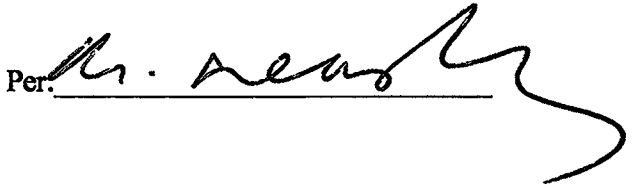
**DEPARTMENT OF WATER AND
POWER OF THE CITY OF LOS
ANGELES**

LogicaCMG Inc.

Per: _____

Per: 
Jeffrey E. Provine, President

Per: _____

Per: 

Date: _____

Date: Jan. 28, 2008

APPROVED AS TO FORM AND LEGALITY
ROCKARD J. DELGADILLO, CITY ATTORNEY


JAN 29 2008
BY 
MARCIA H. KAMINE
Assistant City Attorney

EXHIBIT A

A.1 HARDWARE

(Section Intentionally Deleted)

Section not included; does not pertain to this agreement.

A.2 SOFTWARE

Section 1 Statement of Work - Standard Core Software Proprietary Maintenance Program Services For Power Systems include:

Section 1.1 Proprietary Tasks

- Access to source code, either directly or indirectly, and to the proprietary business logic within the application.
- System Interfaces - programming and configuration related to Logica API.
- Technical Support related to impacts of any proprietary software
- Technical resource for software upgrades, periodic maintenance, performance tuning of system, and business process enhancements implementation
- Develop application extension for Department business within framework of proprietary services.

The following table defines the Services that are included in this Agreement.

Service	Description	Program Service Level
Software Maintenance		
LogicaCMG core Software Proprietary Maintenance Program Services as described in this Section.	For each year of the Term, LogicaCMG will provide the Program Services defined herein.	<p><u>Access to Service</u></p> <ol style="list-style-type: none"> 1. LogicaCMG's SSG is the conduit through which core Software Program Services under this Exhibit A are provided to the Department. SSG Services are provided from LogicaCMG's SSG offices. Services are delivered via telephone, Internet, email and/or facsimile contact. 2. Remedy, an Internet-based tracking system used by the SSG, shall be the principal method by which the Department reports possible core Software Defects to LogicaCMG and makes other Software inquiries. The Department may report possible Core Software defects via remedy 24 hours a day. 3. During LogicaCMG's normal business hours, from 8:00 a.m. (CST/CDT) to 5:00 p.m. (CST/CDT), Monday through Friday excluding LogicaCMG holidays, the Department may contact the LogicaCMG SSG to raise questions related to the operation and use of the core Software that do not involve Defect reporting.

Service	Description	Program Service Level
		<p>4. LogicaCMG will also enable the Department to raise questions via faxes and email.</p> <p>5. LogicaCMG responses to telephone calls, faxes and email received from the Department will be handled during normal business hours.</p> <p>6. Emergency help required after LogicaCMG's normal business hours (including weekends and holidays) will be provided through LogicaCMG's telephone messaging and emergency-only pager access.</p> <p><u>Nature of Program Services</u></p> <p>This Program offers Maintenance Services for LogicaCMG standard core Software. The Program is not intended to provide a "Help Desk" facility in lieu of the Department's own user support facility, nor is it intended to supply consulting services or take the place of periodic training of the Department's users. LogicaCMG expects the Department to establish a Help Desk that provides a first line of response for day-to-day operational questions and through which maintenance inquiries about the Software can be routed to LogicaCMG.</p> <p><u>Contact Information</u></p> <p>LogicaCMG will provide the Department with the applicable Internet and email addresses and the telephone numbers for the Services above. Telephone numbers will be toll-free in the United States and Canada. LogicaCMG will notify the Department in advance of any change to contact information.</p>
Defect Resolution		
Definition of a Defect in the Software	For the purposes of the Program under this Exhibit A, a Defect is defined as any covered core Software function, window, control, report, or process operating in the Department's production environment for LogicaCMG's Core Software that does not function as specified in the applicable documentation.	Defects are classified according to the priority categories identified herein. Standard product documentation supplied by LogicaCMG will provide the specifications that apply to the standard Software and will be used in validating a reported Defect.
Investigate and rectify Software defects	<p>LogicaCMG handles Defects through a structured, step-wise resolution process as defined in the flow diagrams shown in Exhibit A, Section 1.3.</p> <p>Defect reporting is made by customers through Remedy, a defect reporting system that is accessed through the Internet. The current status of reported Defects and other information about each Defect is supplied to customers when they access Remedy.</p>	<p><u>LogicaCMG's Standard Defect Priority Classifications Under This Program Are As Follows:</u></p> <p><u>Priority 1:</u> means a Defect in which a critical task to be performed by the Software cannot be completed and/or data corruption has occurred, and there is no known workaround.</p> <p><u>Process:</u> For priority 1 Defects, LogicaCMG's immediate, primary objective will be to restore the Software to normal operation and/or to define a workaround to restore the stability of the Software. If a workaround is possible, LogicaCMG will, after providing the workaround, continue to work on the Defect according to the process identified by</p>

Service	Description	Program Service Level
	<p>(A) When the Department reports a possible Defect by accessing the Remedy system through the Internet, LogicaCMG will provide the Department a Defect tracking number via email for future reference, and then:</p> <p>(B) The SSG will:</p> <ul style="list-style-type: none"> • assess the action required by the Defect • define the resolution steps <p>(C) The SSG will then:</p> <ul style="list-style-type: none"> • inform the Department of the priority level assigned to the Defect if different than entered by the Department into Remedy • indicate the resolution process the SSG expects to follow, if different than the standard process identified in this Agreement; and • where possible, provide an initial estimated target timeframe for Defect resolution. <p>(D) While a Defect resolution is pending, the SSG will supply periodic updates via Remedy or via email that summarize the status of Defects to the Department's representative.</p> <p>(E) As appropriate, the SSG will:</p> <ul style="list-style-type: none"> • request further information from the Department or • reject the Defect report as not an error in the Software in accordance with the standard product specifications and/or the exclusions stated herein. <p>(F) If LogicaCMG rejects a Defect report, LogicaCMG will provide a written explanation of the rejection to the Department.</p> <p>(G) If a customer reports a Priority 1 Defect during LogicaCMG's standard SSG hours, LogicaCMG will provide an initial response (i.e.,</p>	<p>the SSG to the Department's representative.</p> <p>Once a priority 1 Defect has been identified, LogicaCMG personnel will work continuously, in close communication with Department personnel, maintaining routine contact through the Remedy tracking system, and if necessary, also by email, phone or facsimile, until there is a resolution of the problem.</p> <p>Resolution Target: the SSG will use its best and continuous efforts to resolve a priority 1 problem within 48 hours of the SSG's validation of the Defect. The Parties acknowledge that it will not be possible to meet this target in all cases. However, LogicaCMG personnel will work continuously to resolve the problem, even after the 48 hours has passed.</p> <p>Priority 2: means a portion of the system is impacting performance and efficiency and one or more workarounds exist that have to be applied. If necessary, the appropriate management of each organization will discuss and agree to the workaround to be implemented.</p> <p>Process: All priority 2 Defects will be researched promptly and when corrections are made, they will be issued to customers enrolled in a LogicaCMG maintenance program.</p> <p>LogicaCMG will provide periodic updates to the Department regarding the status of priority 2 Defects.</p> <p>Resolution Target: the SSG will use its best efforts to issue Priority 2 Defect fixes on a twice-yearly basis (within 180 days of Defect validation). The Parties acknowledge that it will not be possible to meet this target in all cases.</p> <p>Priority 3: means the Defect may affect production but a relatively simple workaround is available (if applicable) or the Defect is cosmetic or represents a nuisance.</p> <p>Process: Priority 3 Defect corrections will, when made, be incorporated into a new Standard Release as such Releases become available.</p> <p>Resolution Target: Targets for Priority 3 resolution will vary. Typically, although not always, such items will be corrected no later than 12-18 months following the initial Defect report. Should a customer wish to move the schedule of Priority 3 items forward, then LogicaCMG may do so by mutual agreement on a "Time and Materials" basis at rates quoted to the Department for the additional staffing and efforts required.</p> <p>Other Reports: In addition to the various customer communications described herein, LogicaCMG will also hold telephone conference calls on a regular basis, typically although not always quarterly, to update the Department on the status of issues concerning the Software. The Remedy</p>

Service	Description	Program Service Level
	<p>confirmation of the Defect report) within two (2) hours after receipt of the customer's request.</p> <p>(H) During LogicaCMG's non-business hours, LogicaCMG will provide an initial response to emergency pager requests associated with Priority 1 Defects within three (3) hours.</p> <p><i>Final response and resolution will be as set forth under "Program Service Level."</i></p> <p>(I) LogicaCMG will use commercially reasonable efforts to provide resolutions to reported Defects submitted by the Department to LogicaCMG. In every case where available and practical, the SSG will provide a workaround to the Department in its initial report. A workaround typically consists of verbal instructions for keeping production going despite the existence of a Defect. If necessary, the appropriate management of each organization will discuss and agree to the workaround to be implemented.</p> <p>(J) Once a Defect has been fixed, LogicaCMG's SSG will test the component of the Software containing the Defect, build a "patch" or maintenance Release containing the fix, test the Release, and then send the Release to the Department. Said Release will then become part of the licensed Software and subject to the terms and conditions of the Department's licensing agreement(s).</p> <p>Once the Department has confirmed that the Release has remedied the reported Defect, LogicaCMG's SSG will update the status of the Defect in the Defect tacking system to "closed".</p>	<p>tracking system will provide status tracking for reported Defects.</p>
Exclusions	<p>Certain types of circumstances are excluded from coverage under the Program.</p>	<p><u>Exclusions from the Maintenance Program:</u></p> <p>Except as may be specifically agreed in writing by LogicaCMG to the contrary, the Program excludes correction of the following:</p>

Service	Description	Program Service Level
		<p>(a) Reported Defects or loss of functionality due to or arising from any customizations made to any part of the Software by the Department or any third party; and</p> <p>(b) Reported Defects due to or arising from accident, misuse, fault or negligence of the Department, its employees, agents or LogicaCMG; or by causes external to the Software, or otherwise beyond LogicaCMG's reasonable control; and</p> <p>(c) Reported Defects or loss of functionality due to or arising from improper installation of the Software in a production environment (unless the problem occurred as a result of the Department's having followed LogicaCMG's installation instructions); and</p> <p>(d) Correction of errors associated with components of the Department's computer hardware or software – for example, problems originating in data, third-party hardware, or non-LogicaCMG software not covered by this Program; and</p> <p>(e) Reported Defects or loss of functionality due to or arising from data configurations maintained by the Department relating to the <i>IMFPlus</i> application (if supplied and installed); and</p> <p>(f) Reported Defects or loss of functionality due to or arising from use by the Department of software or hardware products not tested by LogicaCMG to run with the Software; and</p> <p>(g) Modifications made by the Department, or any third party, to the database(s) used by the Software where such modifications enable external programs to directly write to, and make changes in, such database(s).</p> <p style="padding-left: 40px;">(i) If the Department desires to make such modifications, the Department shall notify LogicaCMG in writing, giving the details of the modifications that are required and the purpose therefor.</p> <p style="padding-left: 40px;">(ii) LogicaCMG shall review the request and shall then notify the Department in writing that it approves or disapproves the request. In addition, LogicaCMG will advise the Department of alternate methods of achieving the desired result.</p> <p>(h) Modifications made by the Department, or any third party not authorized by LogicaCMG, that involve the addition of stored procedures or triggers to the database(s) used by the Software.</p> <p>Time expended by LogicaCMG in researching excluded problems will be billable to the Department on a time and materials basis at LogicaCMG's then-current rates. LogicaCMG will notify the Department that such billing</p>

Service	Description	Program Service Level
		will take place and the billing will begin from the point of notification forward. The Department will have the option to request a proposal that defines a work scope, and a fixed price fee therefor, to resolve the issue.
Operating Environment Support		
The Department will maintain an Operating Environment that supports the Software	<p>In order for LogicaCMG to provide Services for the Software covered by this Agreement, the Department agrees that it will use an Operating Environment that supports the covered Software. "Operating Environment" here means the technical environment components such as the server hardware platform, client hardware platform, operating system, other third-party software including database software, and any other components required for operation of the Software.</p> <p>LogicaCMG will notify the Department of its intention to change the definition of what Operating Environments are supported by the Software in advance of such change.</p>	<p>At the start of the Term of this Agreement, the Department will have deployed the Software on a currently-supported Operating Environment in which the Software will operate.</p> <p>If the Department desires to change this currently-supported Operating Environment to a different Operating Environment, the Department will notify the SSG in advance and confirm that the proposed different Operating Environment currently supports the Software.</p> <p>If LogicaCMG does not currently support the Department's proposed different Operating Environment, LogicaCMG will so notify the Department.</p>
Standard and Maintenance Releases of Software		
The Department will use only Software Releases supported by LogicaCMG.	<p><u>Included:</u></p> <p>See description in column at right.</p> <p><u>Not Included:</u></p> <ul style="list-style-type: none"> • Installation of Core Software Releases or any implementation Services for Releases. <p>Installation and implementation of Standard Releases by LogicaCMG is required. Installation / implementation services will take place principally at the Department's site.</p> <p>For each Standard Release, LogicaCMG and the Department will define a</p>	<p><u>Standard Release</u></p> <p>A Release of software for a core Software product or module covered by this Program that provides enhancements or improvements to that existing product or module. Standard Releases are provided periodically at no additional charge to subscribers to its maintenance Program. Standard Releases, when made, will be "Product Suite" releases, encompassing changes for all product modules (if more than one product or module applies) licensed by the Department in one Release.</p> <p>LogicaCMG or its applicable Third Party Supplier will identify when a Release constitutes a Standard Release. Such a Release may be a two-digit numbered Release (for example, 4.0) or a three-digit numbered Release (for example, 4.0.1) at LogicaCMG's or its Third Party Supplier's discretion.</p> <p>A Standard Release may also include, as applicable:</p> <ul style="list-style-type: none"> • Defect corrections (sometimes also issued in interim Maintenance Releases)

Service	Description	Program Service Level
	<p>Statement of Work for installation and implementation services which will include an agreed work scope, pricing and timeline.</p>	<ul style="list-style-type: none"> • Release notes (including installation description) • Database conversion scripts • Updates to any standard documentation • A redeveloped version of an existing product or module ("existing" for purposes of this Agreement meaning a product or module currently licensed by the Department) that represents a new technology platform, if and when such a version is made available <p>In order to obtain maintenance services under this Program, the Department must be using in production the current Standard Release of Software or the immediately preceding Standard Release.</p> <p>Customers enrolled in LogicaCMG maintenance Programs will be advised in advance that a Standard Release is scheduled so that they can plan for its implementation.</p> <p><u>Maintenance Release</u></p> <p>A Release of Software providing Defect fixes for an existing product or module and/or for any custom software covered by this Program. Maintenance Releases are provided by LogicaCMG as needed and are included in the Annual Fee for this Program.</p> <p>At LogicaCMG's discretion, depending on the timing and nature of the Release, a Maintenance Release may be numbered with two, three or four digits.</p> <p>The Department acknowledges its understanding that:</p> <p>(a) patches and Maintenance Releases are iterative; that is, each patch or Maintenance Release builds upon past fixes; and if the Department desires to install a specific patch or Maintenance Release, it must also install or have installed all prior patches or Maintenance Releases first;</p> <p>(b) upon reporting a Defect that has been remedied by issuance of a previous patch or Maintenance Release, the Department will be informed, as part of the Defect reporting process, that the Defect is no longer considered a Defect since it has been fixed by a previously-issued patch or Release; and</p> <p>(c) when LogicaCMG provides the Department with a new Standard Release, the Department will be required to install or have installed all previously-issued Maintenance Releases prior to installing the new Standard Release.</p> <p>Note that all maintenance releases will be provided based upon the current build of the applicable Software.</p>

Section 1.2 The Department's Obligations in order to receive program services

The Department and LogicaCMG agree that the following obligations are required for LogicaCMG's delivery of Program Services under the terms of this Agreement.

Section 1.2.1 Maintenance Obligations

The Department shall unless otherwise agreed:

- (A)** Use only those Releases(s) of Software supported and supplied by LogicaCMG under the Maintenance Program, operating in an Operating Environment supported by the Software. In order to obtain maintenance services under this Program, the Department must be using in production the current Standard Release of Core Software or the immediately preceding Standard Release.
- (B)** Keep full back-up copies of Software, including Releases, and keep a record of the location of such copies which shall be open to inspection by LogicaCMG, at reasonable times upon reasonable notice during the Department's normal business hours.
- (C)** Use its reasonable skill and care to follow any investigative procedure specified by LogicaCMG and agreed by the Department, reasonably cooperate with LogicaCMG in diagnosing and rectifying any fault or error, and subject to the Department's security and operational requirements, grant LogicaCMG access to the Department's premises and facilities during normal office hours; and
- (D)** Enable LogicaCMG to access the Department's location and/or systems via remote access, in accordance with security guidelines determined and agreed with the Department, as necessary for LogicaCMG to perform the Services under this Agreement; and
- (E)** Make available to LogicaCMG all information and Department resources reasonably required by LogicaCMG to enable LogicaCMG to perform the Services under this Agreement; and
- (F)** Maintain an internal Help Desk capability to answer routine operational questions from internal users about the Software, and assign a person on the Department's staff to be responsible to report Defects and questions to the LogicaCMG SSG; and
- (G)** Maintain the data configurations associated with integration framework tools (if installed); and
- (H)** Test each Release within a Department test environment before deploying same into a production environment.

Section 1.2.2 Upgrade Implementation Services

The Department will involve LogicaCMG in any planning discussions regarding upgrades (Standard Releases) in order to enable LogicaCMG to define the level of upgrade support services that may be required from LogicaCMG and in order to help mitigate the Department's risk and ensure a successful upgrade effort. No upgrade services are included in this program or the pricing shown herein.

Section 1.3 MAINTENANCE PROCESS FLOW DIAGRAMS

Section 1.3.1 summarizes in a diagram form the maintenance processes defined in Sections 1 of *Exhibit A.2 Software*.

Section 1.3.1 Maintenance Process Flow Diagrams

The following process flow diagrams depict the steps in LogicaCMG's Defect Resolution processes for Core Software. These diagrams are summaries and from time to time the processes shown in these summary diagrams may be updated by LogicaCMG's SSG.

Flow Diagram #1

Interface between LogicaCMG and Customer

(Customer = The Department)

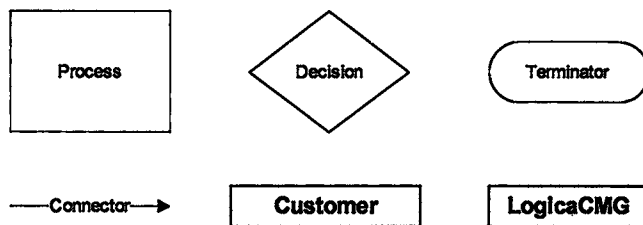
LOGICACMG

1. Shall enable Customer to enter Defect reports into an automated tracking system.
2. Shall maintain a solution baseline that addresses the reported issues of the Customer.
3. Shall maintain staff knowledgeable in the Customer's solution.
4. Shall maintain the solution as indicated by all contractual agreements.

THE CUSTOMER

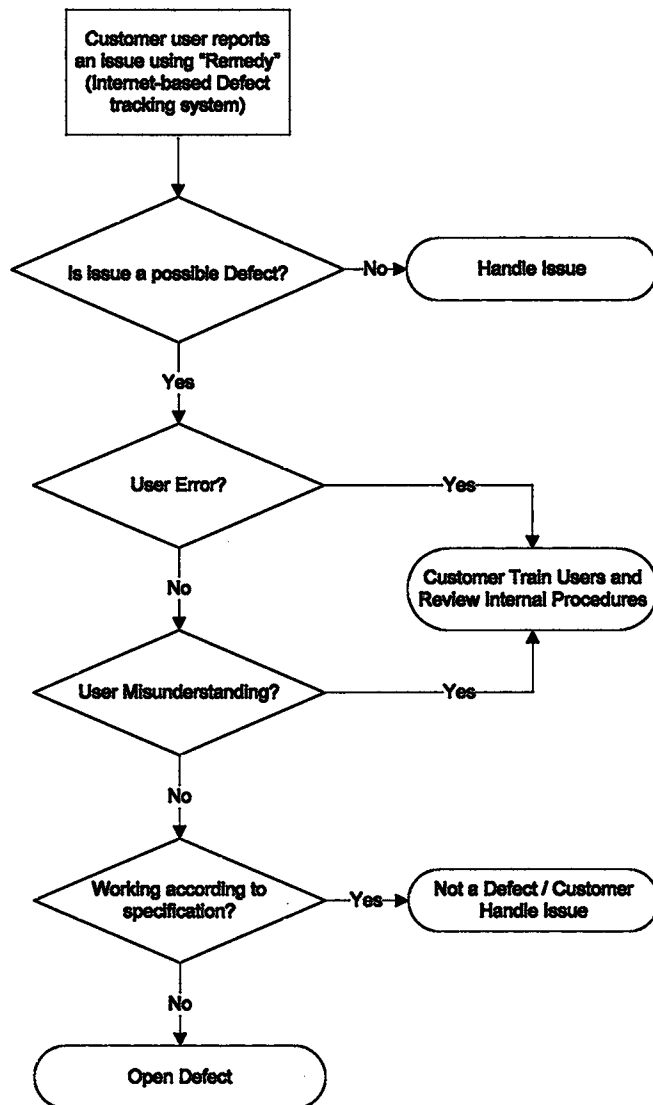
1. Shall maintain a list of issues submitted to LogicaCMG including the internal owner of the issue in order to facilitate discussions with LogicaCMG's SSG.
2. Shall exercise diligence in determining if the reported issue is an internal issue (the Customer use or internal operations problem) or external issue (vendor system issue).
3. Shall present a complete description of the issue to LogicaCMG once the Customer has determined that LogicaCMG has primary responsibility. For Defects, this includes a complete description of the issue along with a data entry/ modification sequence to enable LogicaCMG to consistently duplicate the issue.
4. Is responsible for applying all Releases and Defect Corrections, establishing a structured testing methodology (maintaining separate training, testing, and production environments), and conducting all on-site testing of Releases / Defect Corrections.
5. Shall provide remote access to its system so that LogicaCMG staff may view issues that cannot be duplicated at LogicaCMG.
6. Shall abide by the Customer's obligations stated in the Maintenance Program contract.

Symbol Legend

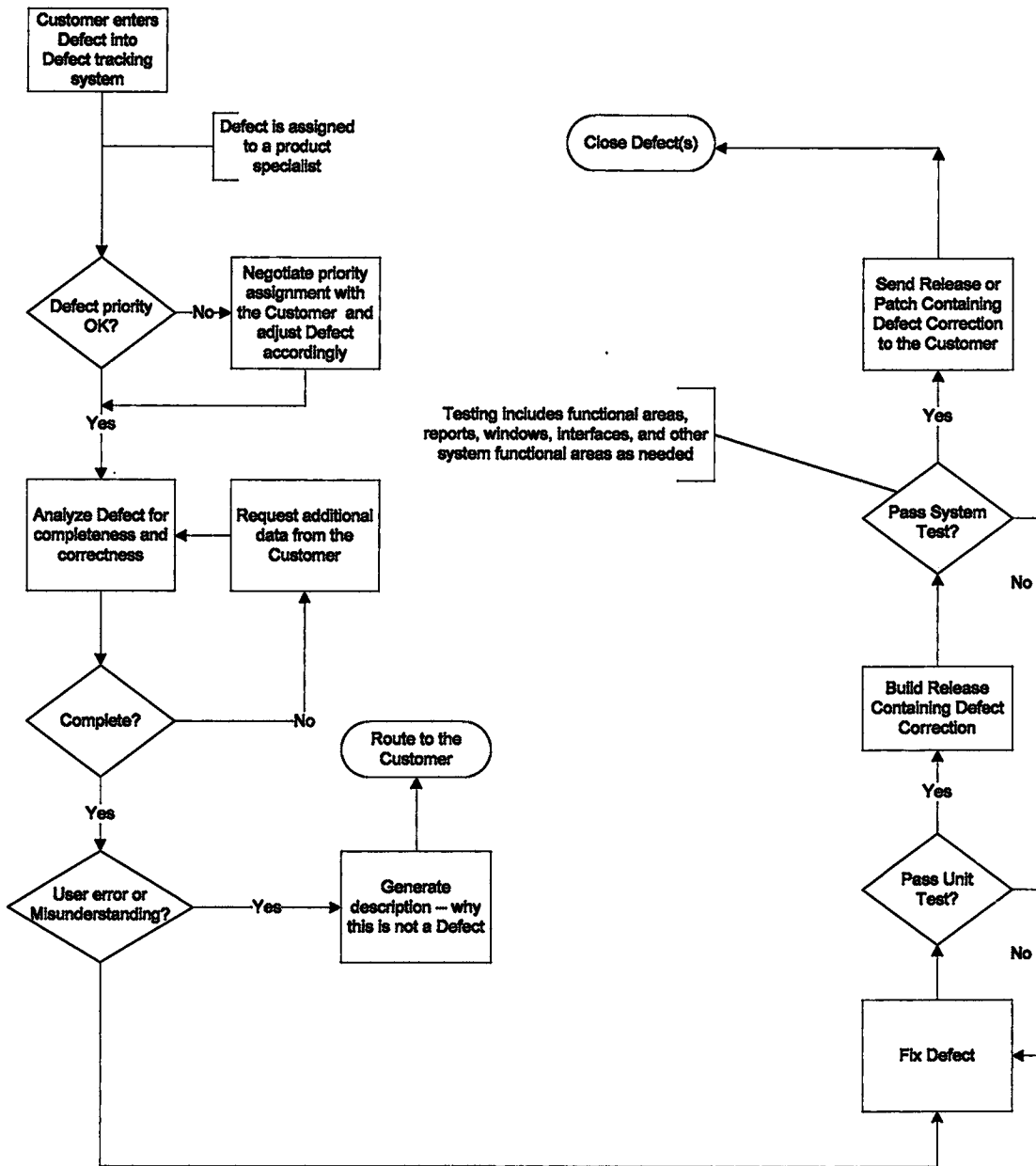


Flow Diagram #2

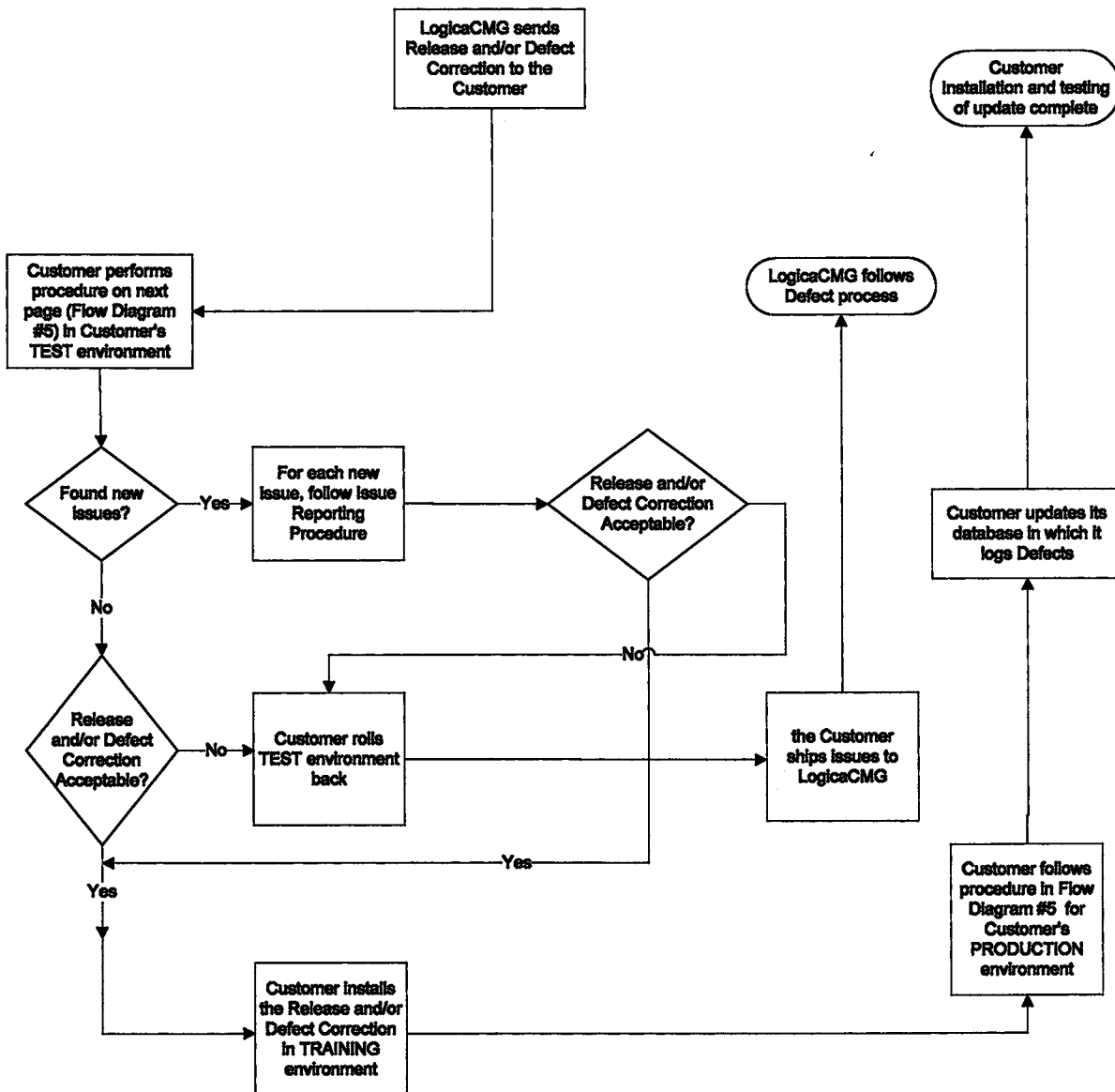
Expected Information Flow for Defect Reporting and Analysis



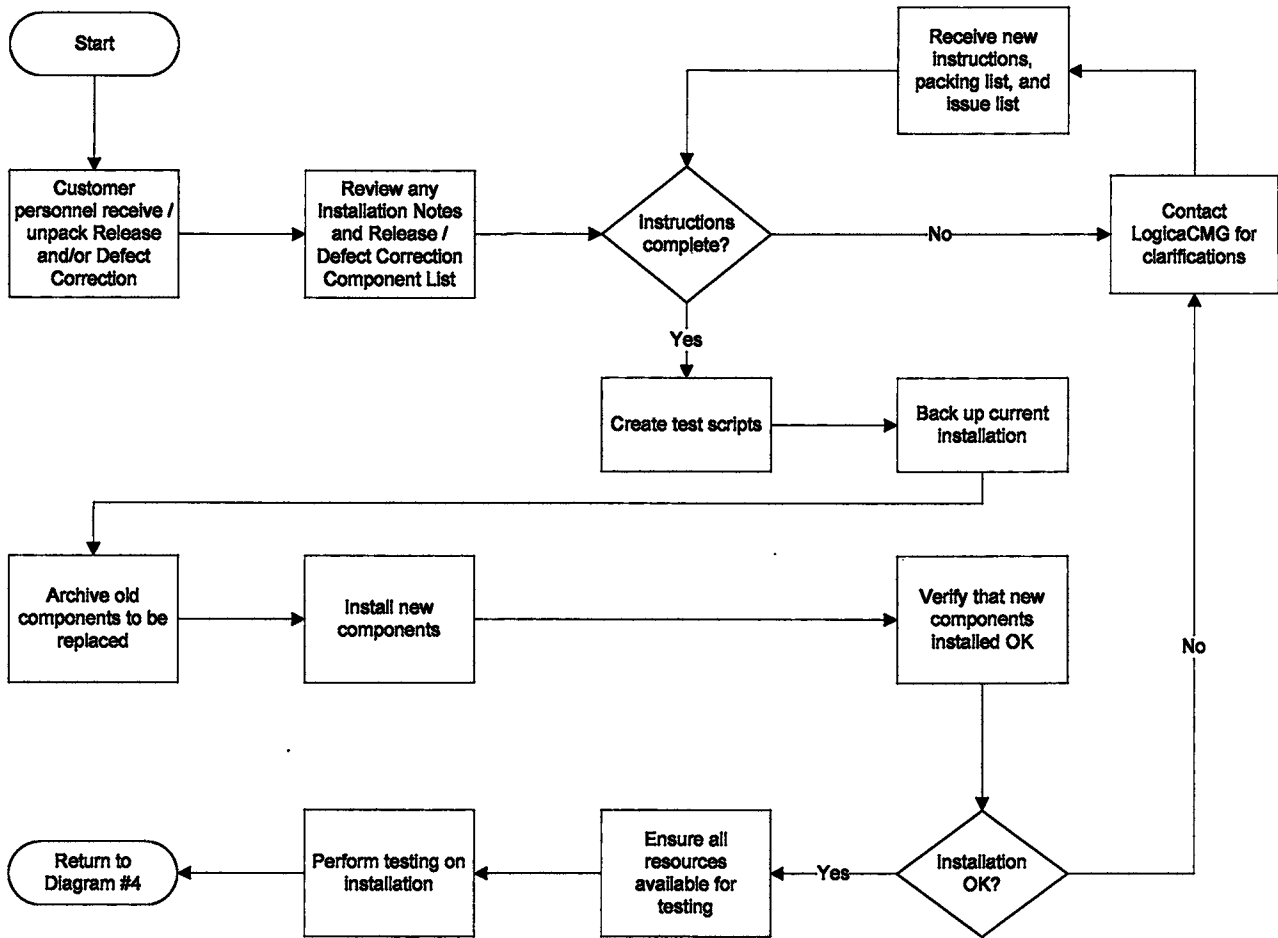
Flow Diagram #3 LogicaCMG Defect Process



Flow Diagram #4 Overview -- Maintenance Release and/or Defect Correction Installation in Customer's Environments



Flow Diagram #5 Process Details – Maintenance Release and/or Defect Correction Installation



**Section 2 Statement of Work - WMIS 2.4.2 Software Proprietary Maintenance Program
 Services Terms for Water Systems
 Section 2.1 Description**

The following table defines the Program Services that are included in this Agreement for WMIS 2.4.2 for Water Systems.

Service	Description	Program Service Level
Software Maintenance		
LogicaCMG Software Maintenance Program Services as described in this Section.	For each year of the Term, LogicaCMG will provide the Program Services defined herein.	<p><u>Access to Service</u></p> <ol style="list-style-type: none"> 1. LogicaCMG is the conduit through which Program Services under this Exhibit A are provided to the Department. Services are delivered via telephone, email and/or personal contact. 2. The principal method by which the Department reports possible Water Systems Software Defects to LogicaCMG is via telephone or email. Each reported defect is documented with the following information: <ul style="list-style-type: none"> • What PowerBuilder, Oracle and Coldfusion object may be affected • Serial Number -- used as a key for all Source Control associated with the change, if a rollback is required. • Objects changed • Description of change • Requested by • Date 3. During LogicaCMG's normal business hours, from 7:00 a.m. (PST) to 4:00 p.m. (PST), Monday through Friday excluding LogicaCMG holidays, the Department may contact LogicaCMG to raise questions related to the operation and use of the WMIS 2.4.2 Software. 4. LogicaCMG will also enable the Department to raise questions via email. 5. LogicaCMG responses to telephone calls and email received from the Department will be handled during normal business hours. 6. Emergency help required after LogicaCMG's normal business hours (including weekends and holidays) will be provided through LogicaCMG's telephone messaging and/or cell phone. <p><u>Nature of Program Services</u></p> <p>This Program offers maintenance Services for</p>

Service	Description	Program Service Level
		<p>WMIS 2.4.2 Software installed at Water Systems and customizations that have been supplied by LogicaCMG for WMIS 2.4.2. This Program includes "Help Desk" support, consulting services and periodic training of the Department's users regarding WMIS 2.4.2. The following is a list of services that are included in the Program for Water Systems.</p> <ol style="list-style-type: none"> 1. Maintenance and enhancement to the front-end WMIS Powerbuilder code, including windows and business rule code 2. Developer Database Administration tasks including maintenance and enhancements to back-end WMIS Oracle database objects, including tables, views, functions and stored procedures and storage 3. WMIS Platform upgrades including Oracle, Powerbuilder, Coldfusion and Crystal Reports upgrades (3rd party software provided by the Department) 4. WMIS software builds for application upgrades and software distribution to user PCs 5. WMIS Source code version control and supporting documentation 6. WMIS User maintenance including security groups and permissions 7. Maintenance and enhancements to the WMIS-Web Intranet portal 8. Maintenance and support of the Water Meter Maintenance System (MMS) and its interface to WMIS 9. Analysis and reporting of WMIS Service and Meter data for various Water Distribution requirements 10. Implementing programs with Water New Business to improve customer service, using WMIS information 11. Maintenance and support of WMIS Internet Service Installation Tracking system 12. Development of a Web portal for detailed Job Tracking and Job Management for Service Installations, using WMIS information 13. Maintenance and support for the Cash Memorandum Receipting WMIS sub-system (eCMR) used to collect non-CIS money from Water customers 14. Maintenance and support for the following Interfaces with WMIS 15. CIS (Customer Information System)

Service	Description	Program Service Level
		<p>inbound and outbound</p> <p>16. GIS (Geographic Information System) outbound</p> <p>17. RCAS (Responsibility Cost Accounting System) inbound and outbound</p> <p>18. Process improvements for Water New Business as well as District and Meter Shops for information gathering and entry into WMIS database</p> <p>19. Implementation and maintenance of the Meter Inventory sub-system and its interface to WMIS</p> <p>20. Maintain and refresh the WMIS development database for development and training</p> <p>21. Assist Admin services and districts in WMIS user training for all the above systems</p> <p><u>Contact Information</u></p> <p>LogicaCMG will provide the Department with the applicable email addresses and the telephone numbers for the Services above. Telephone numbers will be toll-free in the United States and Canada. LogicaCMG will notify the Department in advance of any change to contact information.</p>
Defect Resolution		
<p>Definition of a Defect in the Software</p>	<p>For the purposes of the Program, under this Exhibit A, a Defect is defined as any covered Software function, window, control, report, or process operating in the Department's WMIS 2.4.2 production environment that does not function as specified in the applicable documentation.</p>	<p>Defects are classified according to the priority categories identified herein. The WMIS version implemented in Water Systems is WMIS 2.4.2 which is customized to meet the Water Systems' requirements. The functional and technical specification documents supplied by LogicaCMG will be used in validating a reported Defect.</p> <p>Those customizations that are covered by this Agreement; the applicable previously-agreed specifications will apply as the documentation to be used in validating a Defect.</p>
<p>Investigate and rectify Software defects</p>	<p>LogicaCMG handles Defects through a structured, step-wise resolution process.</p> <p>Defect reporting is made by Department representatives to LogicaCMG is via telephone or email. Each reported defect is documented with the following information:</p> <ul style="list-style-type: none"> • What PowerBuilder, Oracle and Coldfusion object may be 	<p><u>LogicaCMG's Standard Defect Priority Classifications Under This Program Are As Follows:</u></p> <p><u>Priority 1:</u> means a Defect in which a critical task to be performed by the Software cannot be completed and/or data corruption has occurred, and there is no known workaround.</p> <p><u>Process:</u> For priority 1 Defects, LogicaCMG's immediate, primary objective will be to restore</p>

Service	Description	Program Service Level
	<p>affected</p> <ul style="list-style-type: none"> • Serial Number – used as a key for all Source Control associated with the change, if a rollback is required. • Objects changed • Description of change • Requested by • Date <p>The current status of reported Defects and other information about each Defect is supplied to the Department via telephone or email.</p> <p>(A) When the Department reports a possible Defect, LogicaCMG will provide the Department a Defect tracking number via email for future reference, and then:</p> <p>(B) LogicaCMG will:</p> <ul style="list-style-type: none"> • assess the action required by the Defect • define the resolution steps <p>(C) LogicaCMG will then:</p> <ul style="list-style-type: none"> • inform the Department of the priority level assigned to the Defect. • indicate the resolution process LogicaCMG expects to follow; and • where possible, provide an initial estimated target timeframe for Defect resolution. <p>(D) While a Defect resolution is pending, LogicaCMG will supply periodic updates via email that summarize the status of Defects to the Department representative.</p> <p>(E) As appropriate, LogicaCMG will request further information from the Department.</p> <p>(G) If a the Department reports a Priority 1 Defect during LogicaCMG's standard hours, LogicaCMG will provide an initial response (i.e., confirmation of the Defect report) within two (2) hours after receipt of the Department's request.</p> <p>(H) During LogicaCMG's non-</p>	<p>the Software to normal operation and/or to define a workaround to restore the stability of the Software. If a workaround is possible, LogicaCMG will, after providing the workaround, continue to work on the Defect according to the process identified by the SSG to the Department's representative.</p> <p>Once a priority 1 Defect has been identified, LogicaCMG personnel will work continuously, in close communication with Department personnel, maintaining routine contact through the Remedy tracking system, and if necessary, also by email, phone or facsimile, until there is a resolution of the problem.</p> <p>Resolution Target: LogicaCMG will use its best and continuous efforts to resolve a priority 1 problem within 48 hours of LogicaCMG's validation of the Defect. The Parties acknowledge that it will not be possible to meet this target in all cases. However, LogicaCMG personnel will work continuously to resolve the problem, even after the 48 hours has passed.</p> <p>Priority 2: means a portion of the system is impacting performance and efficiency and one or more workarounds exist that have to be applied.</p> <p>Process: All priority 2 Defects will be researched promptly and when corrections are made, they will be issued.</p> <p>Resolution Target: LogicaCMG will use its best efforts to issue Priority 2 Defect fixes within 7 working days.</p> <p>Priority 3: means the Defect may affect production but a relatively simple workaround is available (if applicable) or the Defect is cosmetic or represents a nuisance.</p> <p>Process: All priority 3 Defects will be researched promptly and when corrections are made, they will be issued.</p> <p>Resolution Target: Targets for Priority 3 resolution will vary. Typically, although not always, such items will be corrected no later than 30 days following the initial Defect report.</p>

Service	Description	Program Service Level
	<p>business hours, LogicaCMG will provide an initial response to emergency pager requests associated with Priority 1 Defects within three (3) hours.</p> <p><i>Final response and resolution will be as set forth under "Program Service Level."</i></p> <p>(I) LogicaCMG will use commercially reasonable efforts to provide resolutions to reported Defects submitted by the Department to LogicaCMG. In every case where available and practical, LogicaCMG will provide a workaround to the Department in its initial report. A workaround typically consists of verbal instructions for keeping production going despite the existence of a Defect.</p> <p>(J) Once a Defect has been fixed, LogicaCMG will test the component of the Software containing the Defect, build a "patch" or maintenance Release containing the fix, test the Release, and then install the Release. Said Release will then become part of the licensed Software and subject to the terms and conditions of the Department licensing agreement(s).</p>	
Operating Environment Support		
<p>The Department will maintain an Operating Environment that supports the Software</p>	<p>In order for LogicaCMG to provide Services for the Software covered by this Agreement, the Department agrees that it will use an Operating Environment that supports the covered Software. "Operating Environment" here means the technical environment components such as the server hardware platform, client hardware platform, operating system, other third-party software including database software, and any other components required for operation of the Software.</p> <p>LogicaCMG will notify the Department of its intention to change the definition of what Operating Environments are supported by the Software in advance of such change.</p>	<p>At the start of the Term of this Agreement, the Department will have deployed the Software on a currently-supported Operating Environment in which the Software will operate.</p> <p>If the Department desires to change this currently-supported Operating Environment to a different Operating Environment, the Department will notify LogicaCMG in advance and confirm that the proposed different Operating Environment currently supports the Software.</p> <p>If LogicaCMG does not currently support the Department's proposed different Operating Environment, LogicaCMG will so notify the Department.</p>

Section 2.2 Source Code

The WMIS version implemented in the Department Water Systems is WMIS 2.4.2 which is customized to meet the Water Systems' requirements. The source code for the Water Systems version of WMIS will be available to the Water Systems as long as there is a maintenance agreement in place between the parties to this Agreement. No source code escrow will be provided for the Water Systems version of WMIS. Title to and ownership of the source code remains with LogicaCMG.

Section 3 Statement of Work – Non-Propriety Support Tasks for Power System include:

Section 3.1 Non Proprietary Tasks (Application Extension Software Maintenance Services) are as follows and the person responsible should possess extensive knowledge of the applications:

- Programming and additional applications.
- System and management reporting development, including upgrades to current web system for operations and management reports, and development of system reliability reports.
- Data conversion, documentation, consulting services, quality assurance and project management as related to the EWMIS/MWMIS system
- Programming and Support Tasks of Software as related to the existing legacy applications and Interfaces, and web based applications.
- Provides programming tasks services for Integration of the existing Power System applications including OMS, GES, and ECS Historian.
- Programming services for additional Power System Applications, including PDMS/FileNet, Pictometry, Transmission System and Maximo, and integration of these applications into the Power System core applications listed above.
- The following operational functions:
 - On the UNIX server, every morning check all the interface and system log files and resolve the errors, if any.
 - Create UNIX shell scripts for running jobs / interfaces on the server.
 - Write tools such as SQL or PL/SQL programs for generating reports.
 - Check for and resolve any database locking issues.
 - Analyze, design and develop applications for reporting, tracking invoices, etc. using tools such as PowerBuilder and Oracle.
 - Document all operations and maintenance activities that need to be performed on the servers and desktops.
 - Resolve any MQ Series errors that might be encountered by the interfaces between WMIS and the legacy applications on the Mainframe.
 - Test and apply PowerBuilder and Oracle patches that are delivered by these application vendors.
 - Develop, test and install interfaces between WMIS and outside applications using tools such as Pro*C, PL/SQL and UNIX.
 - Resolve any issues that the users might encounter while using EWMIS, MWMIS and LA Reports.
 - Knowledge transfer to other employees in the group.
 - Refresh Training Database from Production on a periodic basis using tools such as Oracle's Export and Import utilities.
 - Troubleshoot every day problems encountered by users.
 - Compile reports (i.e. District Workload Report, Cost Status Report)

Source Codes

This Program provides Maintenance Services for Application Extension Software installed at the Department's Power Systems. Applications are defined as custom tables, GUIs, or other custom functions that have been developed to work in conjunction with the core ARM Suite

Software to ensure that the installed product(s) meet the Department functional and data requirements. The following Application Extensions including the associated source code have been supplied to the Department by LogicaCMG:

- RCAS Financials
- Work Request Key Personnel
- Recall Work Request
- WR Initiation / Update Extension
- RCAS WO Mass Copy
- Suspense Message – CIS
- All People (the Department)
- Task completion
- Calendar Scheduling
- WR and Crew Assignment
- WR Cancellation
- Close RCAS WO
- Address Validation
- RCAS Combination Look-up
- Trouble Memo
- Mobile WMIS

Section 3.2 Non Proprietary Tasks (Document Writer) are as follows:

- Document all the operations and maintenance activities that need to be performed on the servers and desktops
- Create, maintain/update and index documents for CABS Groups
- Working closely with engineers, developers, system administrators, managers, etc. to gather required information and converting into documents such as Operations Manual, Procedures Manual, Technical Specifications Manual, etc
- Ensure each document provide technical information as well as standard sections such as Title Page, table of contents, preface, revision history, etc.
- Tasks as defined by LADWP Project Manager

A.3 Authorized Representatives

A maximum of five (5) Authorized Department Representatives may contact the LogicaCMG SSG to make inquires regarding standard Software Maintenance Services. Following is a list of four representatives, including telephone numbers, e-mail addresses, fax numbers and any other information that may be required. The Department will notify the LogicaCMG SSG in writing if there are changes in or additions to this representatives list.

1. **Name:** Massoud Saboury
 E-mail: massoud.saboury@ladwp.com
 Telephone numbers: (213)367-2476
 Fax numbers: (213)367-3592

2. **Name:** Alice Fung
 E-mail: alice.fung@ladwp.com
 Telephone numbers: (213)367-3045
 Fax numbers: (213)367-3592

3. **Name:** Peter Kwa
 E-mail: peter.kwa@ladwp.com
 Telephone numbers: (213)367-2670
 Fax numbers: (213)792-6478

4. **Name:** Thomas Black
 E-mail: thomas.black@ladwp.com
 Telephone numbers: (213)367-2842
 Fax numbers: (213)367-1441

A.4 WBE / MBE Subcontractors

Following is a current list of Minority Business Enterprises (MBEs) and/or Women Business Enterprises (WBEs) being sub-contracted by LogicaCMG for the MBE/WBE Services herein in accordance with Exhibit B, Section B.1.3 of the Agreement. Sub-contractors are subject to change based on need and service required by the Department as part of these efforts. Participation percentages for each enterprise are to remain set throughout the Term of the contract on a yearly basis.

Women Business Enterprises (WBEs)

- Minimum Percentage of full contract: 7%
- Company name:

P. Murphy & Associates
4405 Riverside Drive, Suite 105
Burbank, CA 91505
Contact: Phyliss Murphy
Phone: 818-841-2002

Management Advising Consultants
11901 Santa Monica Blvd., Suite 349
Los Angeles, CA 90025
Contact: Naghmed Melody Eskandari
Phone: 310-710-3222

Minority Business Enterprises (MBEs)

- Minimum Percentage of full contract: 15%
- Company name:

Wizard Consulting, LLC
18912 Stratheim Street
Reseda, CA 91335
Contact: Shabbir Balddiwala
Phone: 213-840-5509

Pacific Rim Engineering
2314 Arcadian Shores
Oxnard, CA 93036
Contact: Steve Coronado
Phone: 213-367-2189

A.5 FEES schedule

A.5.1 TERM AND PRICING for Standard Core Software Proprietary Maintenance Services in POWER System

Standard Software Maintenance Services for Core Software as defined herein (Exhibit A.2 Section 1) will begin as of the date of the Execution Letter received by LogicaCMG from the Department, provided such letter is received no later than March 12, and will extend for a period of three (3) years thereafter (the "Term") for the amount of \$1,670,040.00. At the Department's sole option for renewal, the Standard Core Software Maintenance Services in the Power System will be charged at \$556,680 for each extended year.

Payment schedule: the fixed fee for the standard core Software Maintenance Services will be paid in monthly increments over a 36-month period. Each monthly payment shall be \$46,390.00.

LADWP hereby approves Sarath Tipirneni as the authorized contractor to work on the Standard Core Software Maintenance Services in Power System for this contract.

A.5.2 TERM AND PRICING for Standard Software Proprietary Maintenance Services in WATER System

Software Maintenance Services for Standard Software as defined herein (Exhibit A.2 Section 2) will begin as of the date of the Execution Letter received by LogicaCMG from the Department, provided such letter is received no later than March 12, 2008, and will extend for a period of three (3) years thereafter (the "Term") for the amount of \$974,340.00. At the Department's sole option for renewal, the Standard Software Maintenance Services in the Water System will be charged at \$324,780 for each extended year.

Payment schedule: the fixed fee for the standard Software Maintenance Services will be paid in monthly increments over a 36-month period. Each monthly payment shall be \$27,065.00.

LADWP hereby approves Shabbir Baldiwala as the authorized contractor to work on the Standard Software Maintenance Services in Water System for this contract.

A.5.3 TERM AND PRICING for Non-Proprietary Support Tasks in POWER System (Programming Tasks)

Programming tasks support service levels as defined herein (Exhibit A.2 Section 3.1) will begin as of the date of the Execution Letter received by LogicaCMG from the Department, provided such letter is received no later than March 12, 2008, and will extend for a period of three (3) years thereafter (the "Term") for the amount of \$889,164.00.

Payment schedule: The fixed fee for the Programming tasks will be paid in monthly increments over a 36-month period for the months in which services are performed.

Payment breakdown is as follows:

Month 1-36 \$24,699 per month
 Not to exceed \$889,164 for the 36 month period.

Contractor for the Support Task in Power System (Programming Tasks) will be determined as the contract became effective on the Effective Date, and assigned during the Task Assignment Process.

A.5.4 TERM AND PRICING for Non-Proprietary Support Tasks in POWER System (Document Writer)

Document Writer tasks support service levels as defined herein (Exhibit A.2 Section 3.2) will begin as of the date of the Execution Letter received by LogicaCMG from the Department, provided such letter is received no later than March 12, 2008, and will extend for a period of one (1) year thereafter (the "Term") for the amount of \$215,556.00.

Payment schedule: The fixed fee for the Document Writer tasks will be paid in monthly increments over a 12-month period for the months in which services are performed.

Payment breakdown is as follows:

Month 1-12 \$17,963 per month
 Not to exceed \$215,556 for the 12 month period.

Contractor for the Support Task in Power System (Document Writer) will be determined as the contract became effective on the Effective Date, and assigned during the Task Assignment Process.

A.5.5 Summary

Service	Fixed Price for 3-Year Period	2 One-year Renewable Options	Total
Standard Core Software Proprietary Maintenance Services for the Power System	\$1,670,040	(4th Yr) \$556,680 (5th Yr) \$556,680	\$2,783,400
Standard Software Proprietary and Maintenance Services for the Water System	\$974,340	(4th Yr) \$324,780 (5th Yr) \$324,780	\$1,623,900
Non-Proprietary Software Tasks in Power System (Programming Tasks)	\$889,164		\$889,164
Non-Proprietary Software Tasks in Power System (Document Writer)	\$215,556		\$215,556
Escrow Services	\$5,646	(4th Yr) \$1,882 (5th Yr) \$1,882	\$9,410
TOTAL	\$3,754,746	\$1,766,684	\$5,521,430

A.6 Deliverable Schedule

(Section Intentionally Deleted)

Section not included; does not pertain to this agreement.

EXHIBIT B GOVERNMENT AND INSURANCE TERMS

B.1 Business Policies

B.1.1 Los Angeles Department of Water and Power's Recycling Policy

A. The Department of Water and Power supports the use of recycled-content products of all types. Recycled-content products help conserve natural resources, including water and energy, and reduce demands upon landfills.

B. LogicaCMG shall submit all written documents on paper with a minimum of 30 percent post-consumer recycled content. Existing company/corporate letterhead/stationery that accompanies these documents is exempt from this requirement. Documents of two or more pages in length shall be duplex-copied (double-sided pages). Neon or fluorescent paper shall not be used in any written documents submitted to the Department.

B.1.2 Affirmative Action

A. The Affirmative Action Plan submitted by LogicaCMG and approved by the Office of Contract Compliance of the City of Los Angeles and on file therein is incorporated by reference and made a part of this Agreement as if fully set forth therein. The Affirmative Action Plan that LogicaCMG has submitted to the Department includes an ethnic composition table of their work force.

B.1.3 Minority and Women Business Enterprise (MBE/WBE)

A. It is the policy of the Department to provide Minority Business Enterprises (MBEs), Women Business Enterprises (WBEs), and all other business enterprises an equal opportunity to participate in the performance of all Department contracts. LogicaCMG shall assist the Department in implementing the policy and shall use its best efforts to attain MBE and WBE participation of 15 percent and 7 percent, respectively, and to ensure that all available business enterprises, including MBEs and WBEs, have an equal opportunity to compete for and participate in the work of this contract.

Current MBE and WBE sub-contractors are listed in WME / MBE Subcontractors with percentage of participation.

B.1.4 Service Contract Worker Retention And Living Wage Policy

A. General Provisions. This contract is subject to the Service Contractor Worker Retention Ordinance (SCWRO), Section 10.36 et. seq., and the Living Wage Ordinance (LWO), Section 10.37 et. seq., of the Los Angeles Administrative Code. The Ordinances require that, unless specific exemptions apply, employers who are awarded service contracts that involve expenditures in excess of \$25,000, and have a duration of at least three months; and any persons who receive City financial assistance of one million dollars or more in any 12-month period, shall comply with the following provisions of the ordinances:(Retention for a 90-day transition period, the employees who were employed for the preceding 12 months or more by the terminated LogicaCMG or

subcontractor, if any, as provided for in the SCWRO; Payment of a minimum initial wage rate to employees as defined in the LWO, of \$8.27 per hour, with health benefits of at least \$1.25 per hour, or otherwise \$9.52 per hour without benefits.

B. Termination Provisions. Under the provisions of Section 10.36.3(c) and Section 10.37.5 (c) of the Los Angeles Administrative Code, the Department of Water and Power, shall have the authority, under appropriate circumstances, to terminate this contract and otherwise pursue legal remedies that may be available, if the Department of Water and Power determines that the subject LogicaCMG or financial assistance recipient violated the provisions of the referenced Code Section.

B.1.5 Child Support Policy

The Department requires LogicaCMG to adopt a stated policy on childcare. Information is available at the Department's childcare Administration Office located in Room L-43, Lobby Southwest, 111 North Hope Street, Los Angeles, California 90012.

LogicaCMG and all of its subcontractor(s) must fully comply with all applicable State and Federal employment reporting requirements for LogicaCMG's and its subcontractors' employees. LogicaCMG and its subcontractors must fully comply with all lawfully served Wage and Earnings Assignments Order and Notices of Assignment in accordance with the California Family Code. LogicaCMG's and its subcontractor(s) must certify that the principal owner(s) thereof (any person who owns an interest of 10 percent or more) are in compliance with any Wage and Earnings Assignments Order and Notices of Assignment applicable to them personally. LogicaCMG and its subcontractors must verify that such compliance will be maintained throughout the term of this Agreement.

Failure of LogicaCMG and its subcontractors to fully comply with all application reporting requirements or to implement lawfully served Wage and Earnings Assignments Order and Notices of Assignment or failure of the principal owner(s) to comply with any Wage and Earnings Assignments Order and Notices of Assignment applicable to them personally shall constitute a default under this Agreement. Failure of LogicaCMG and / or Subcontractor(s) or principal owners(s) thereof to cure the default within 90 days of notice of such default by the City shall subject this Agreement to termination.

B.2 Insurance Requirements

B.2.1 General Requirements

Prior to the start of work, but not later than 30 days after the date of award of contract, LogicaCMG shall furnish the Department evidence of coverage from insurers acceptable to the Department and in a form acceptable to the Risk Management Section and the Office of the City Attorney. Such insurance shall be maintained by LogicaCMG at LogicaCMG's sole cost and expense.

Such insurance shall not limit or qualify the liabilities and obligations of LogicaCMG assumed under the contract. The Department shall not by reason of its inclusion under these policies incur liability to the insurance carrier for payment of premium for these

policies. Any insurance carried by the Department which may be applicable shall be deemed to be excess insurance and LogicaCMG's insurance is primary for all purposes despite any conflicting provision in LogicaCMG's policies to the contrary.

Said evidence of insurance shall contain a provision that the policy cannot be canceled or reduced in coverage or amount without first giving 30 calendar days' notice thereof by registered mail to The Office of the City Attorney, Water and Power Division, Post Office Box 51111, GOB Room 340, Los Angeles, California 90051-0100.

Should any portion of the required insurance be on a "Claims Made" policy, LogicaCMG shall, at the policy expiration date following completion of work, provide evidence that the "Claims Made" policy has been renewed or replaced with the same limits, terms and conditions of the expiring policy, or that an extended discovery period has been purchased on the expiring policy at least for the contract under which the work was performed.

Failure to maintain and provide acceptable evidence of the required insurance for the required period of coverage shall constitute a breach of contract, upon which the Department may immediately terminate or suspend the agreement.

LogicaCMG shall be responsible for all subcontractors' compliance with the insurance requirements.

B.2.2 Commercial Automobile Liability

LogicaCMG shall provide Commercial Automobile Liability insurance which shall include coverage's for liability arising out of the use of owned, non-owned, and hired vehicles for performance of the work as required to be licensed under the California or any other applicable state vehicle code. The Commercial Automobile Liability insurance shall have not less than \$1,000,000 combined single limit per occurrence and shall apply to all operations of LogicaCMG.

The Commercial Automobile Liability policy shall name the City of Los Angeles, the Board of Water and Power Commissioners of the City of Los Angeles, the Department of Water and Power of the City of Los Angeles, and their officers, agents, and employees while acting within, the scope of their employment, as additional insured with LogicaCMG, and shall insure against liability for death, bodily injury, or property damage resulting from the performance of this Agreement.

B.2.3 Commercial General Liability

LogicaCMG shall provide Commercial General Liability insurance with Blanket Contractual Liability, Independent Contractors, Broad Form Property Damage, Premises and Operations, Products and Completed Operations, and Personal Injury coverages included. Such insurance shall provide coverage for total limits actually arranged by LogicaCMG, but not less than \$2,000,000 combined single limit per occurrence. Should the policy have an aggregate limit, such aggregate limits should not be less than double the Combined Single Limit and be specific for this contract. Umbrella or Excess Liability

coverage may be used to supplement primary coverage to meet the required limits. Evidence of such coverage shall be on the Department's additional 'insured endorsement form or on an endorsement to the policy acceptable to the Risk Management Section and provide for the following:

- (A) Include the Department and its officers, agents, and employees as additional insured with the Named Insured for the activities and operations under the contract.
- (B) Severability-of-Interest or Cross-Liability Clause such as: "The policy to which this endorsement is attached shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the company's liability."
- (C) A brief description of the coverages included under the policy.

B.2.4 Excess Liability

LogicaCMG may use an Umbrella or Excess Liability Coverage to meet coverage limits specified in the contract. Evidence of Excess Liability shall be in the form of the Department's Excess Liability-Additional Insured Endorsement form. LogicaCMG shall require the carrier for Excess Liability to properly schedule and to identify the underlying policies as provided for on the Additional Insured Endorsement form, including, as appropriate, Commercial General Liability, Commercial Automobile Liability, Employer's Liability, or other applicable insurance coverage.

B.2.5 Workers' Compensation/Employer's Liability Insurance

LogicaCMG shall provide Workers' Compensation insurance covering all of LogicaCMG's employees in accordance with the laws of any state in which the work is to be performed and including Employer's Liability insurance. The limit for Employer's Liability coverage shall be not less than \$1,000,000 each accident and shall be a separate policy if not included with Workers' Compensation coverage. Evidence of such insurance shall be in the form of a special endorsement of insurance and include a Waiver of Subrogation in favor of the Department. Workers' Compensation/Employer's Liability exposure may be self-insured provided that the Department is furnished with a copy of the certificate issued by the state authorizing LogicaCMG to self-insure. LogicaCMG shall notify the Risk Management Section by receipted delivery as soon as possible of the state withdrawing authority to self-insure.

B.2.6 Professional Liability

LogicaCMG shall provide Errors and Omissions insurance covering liability rising from errors and omissions made during the executing of this contract for the total limits actually arranged by LogicaCMG, but not less than \$1,000,000 per occurrence. The coverage shall include Contractual Liability, and should the policy be of a claims-made

form, such policy shall be maintained for not less than three (3) years after the date of final acceptance or completion of all work performed under this Agreement. During the period of three (3) years after the date of final acceptance of all work performed under this Agreement, Errors and Omissions insurance maintained by LogicaCMG will be LogicaCMG's standard coverage, will meet the limits stated above, will not name the Department as a named insured, and shall be renewed each subsequent year to provide continuous coverage from the inception date of this agreement through the expiration of the two year period after final acceptance.

EXHIBIT C ESCROW AGREEMENT

LogicaCMG Escrow Agreement attached.

Attachment B

Task Assignment Document 001 for Amendment No. 1 Agreement No. 10480 Change Request 002 for Task 5.1.1

PREFERRED BENEFICIARY ACCEPTANCE FORM

Account Number 1215037-0000³ - 1215140
1215037-0000⁴ - 1215140

Depositor: Logica Inc.
Preferred Beneficiary: Los Angeles Department of Water and Power
Escrow Agent: DSI Technology Escrow Services, Inc.

Depositor, Preferred Beneficiary and DSI Technology Escrow Services, Inc. ("DSI"), hereby acknowledge that Los Angeles Department of Water and Power is a Preferred Beneficiary as such term is defined in the Master Preferred Escrow Agreement effective November 17, 1999 with DSI as the escrow agent and Logica Inc. as the Depositor ("the Main Agreement"). Preferred Beneficiary hereby agrees to be bound by all provisions of the Main Agreement, together with the supplementary conditions provided herein below. In the event of any conflict between these supplementary conditions and any condition of the Main Agreement, then the former shall prevail.

1. RELEASE OF DEPOSIT

1.1 As used in the Main Agreement, "Release Condition" shall mean the following:

- (a) Depositor ceases all its business operations in North America and has not sold the rights to license and maintain the WMIS software to any other party;
- (b) Depositor files a petition in bankruptcy or insolvency, or a petition or answer seeking reorganization, readjustment or restructuring under any law relating to bankruptcy or insolvency, or a receiver is appointed for full or substantial portion of its property, or it makes any assignment or attempted assignment for the benefit of creditors, unless any of the above-referenced petitions are dismissed in favor of Depositor within sixty (60) days of filing.

2. TERM OF THIS AGREEMENT

2.1 The initial term of the agreement made pursuant to this Acceptance Form ("this Agreement") is for a period of one year. Thereafter, it shall automatically renew from year-to-year unless:

- (a) Depositor and Preferred Beneficiary jointly instruct DSI in writing that this Agreement is terminated;
- (b) this Agreement is terminated by DSI for nonpayment in accordance with Article 5.2 of the Main Agreement; or
- (c) Depositor notifies DSI in writing that Preferred Beneficiary is no longer enrolled in depositor's Software Maintenance Program for the deposited software (as described in Exhibit A).

3. FEES AND PAYMENT

3.1 Preferred Beneficiary is responsible for payment to DSI of all fees due under this Agreement as stated in section 3.2 below or as may be amended by DSI from time to time according to Article 6.1 of the Main Agreement.

*After
Muller
9-5-03*

3.2 The fees payable in relation to this Deposit are as follows:

Description	Amount	Payment Frequency
Preferred Beneficiary Fee	\$650	Annually in advance throughout the term of this Agreement
Deposit Fee	\$700	Annually in advance throughout the term of this Agreement
Per Incident Deposit Fee	\$200	Each deposit subsequent to the initial deposit *
Total Fee:	\$1,550	Annually

* = Logica will deposit WMIS source code once per year. If the Department authorizes it, Logica will make additional deposits at \$200 each or the then-applicable fee for the additional deposit.

These fees are subject to change annually.

4. ENROLLMENT

4.1 Depositor hereby enrolls Preferred Beneficiary to the following account(s):

<u>Account Name</u>	<u>Account Number</u>
Los Angeles Department of Water and Power	1215037-0000_3

4.2 Notices and communications to Preferred Beneficiary should be addressed to:

<u>Company Name:</u>	Los Angeles Department of Water and Power
<u>Address:</u>	111 North Hope Street, Room 851 Los Angeles, California 90012-2694
<u>Designated Contact:</u>	Mr. Ali Morabbi
<u>Telephone:</u>	(213) 367-2908
<u>Facsimile:</u>	(213)-367-3592

4.3 Notices and communications to Depositor should be addressed to:

<u>Company Name</u>	Logica Inc
<u>Address:</u>	10375 Richmond Avenue, Suite 1000 Houston, Texas 77042
<u>Designated Contact:</u>	Contracts Administrator
<u>Telephone:</u>	(713)-954-7000
<u>Facsimile:</u>	(713)-785-0880



4.4 Notices and communications to escrow agent should be addressed to:

Company Name **DSI**
Address: **9265 Sky Park Court, Suite 202
San Diego, California 92123**
Designated Contact: **Contracts Administrator**
Telephone: **(619) 694-1900**
Facsimile: **(619) 694-1919**

4.5 Invoices to Preferred Beneficiary should be addressed to:

Company Name: **Los Angeles Department of Water and Power**
Address: **111 North Hope Street, Room 851
Los Angeles, California 90012-2694**
Designated Contact: **Mr. Ali Morabbi.**
Telephone: **(213) 367-2908**
Facsimile: **(213)-367-3592**
P.O.# (if required):

4.6 Signed by the parties:

For Preferred Beneficiary: By:  Name: Ali Morabbi Title: Project Manager Date: 12/2/01	For Depositor: By:  Name: JAMES P. GATELY Title: EOP Date: 1/16/02
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For DSI: By:  Name: Christie Woodward Title: Manager, Contracts Admin Date: 12/22/02
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EXHIBIT C

**Task Assignment Document 001 for Amendment No. 1
Agreement No. 10480
Change Request 002 for Task 5.1.1**

MATERIALS TO BE DEPOSITED

Account Number 1215037-0000~~3~~ - 1215140
1215037-0000~~4~~ - 1215140

Depositor represents to Preferred Beneficiary that Deposit Materials delivered to DSI shall consist of the following:

Source code for version 2.5 or above of WMIS, the Work Management Information System, licensed to Preferred Beneficiary under the terms of WMIS Licensing Agreement No. 305W.

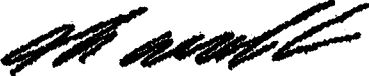

For Preferred Beneficiary:	For Depositor:
By: 	By: 
Name: Ali Morabbi	Name: JEROME D. CYELT
Title: Project Manager	Title: EVP
Date: 12/20/01	Date: 1/16/02

EXHIBIT D Contractor' s Quality Assurance Program

(Section Intentionally Deleted)

Exhibit E Background Technology

(Section Intentionally Deleted)

Exhibit F Response

(Section Intentionally Deleted)

EXHIBIT G INVOICE CRITERIA

Los Angeles Department of Water and Power

NOTE: ANY FEE PAYMENTS MADE IN EXCESS OF FEES ACTUALLY OWED TO CONTRACTOR ARE NULL AND VOID, SHALL BE DEDUCTED FROM FUTURE FEE PAYMENTS AND/OR RETENTION, AND MAY RESULT IN LIABILITY FOR DAMAGES FOR PRESENTING FALSE CLAIMS

INVOICE PREPARATION CHECKLIST

ANY "NO" ANSWERS MAY RESULT IN THE DELAY OF PAYMENT

	<u>YES</u>	<u>NO</u>
1. Are you sending your invoice in triplicate to: (unless other specific instructions appear on your Purchase Order [PO])	_____	_____
Accounts Payable Business Unit Los Angeles Department of Water and Power City of Los Angeles PO Box 51211, Room 424 Los Angeles, CA 90051-5511		
<i>(NOTE: Delivery slips and invoices delivered with goods will not initiate payment)</i>		
2. Is your firm's invoice name exactly the same as on the PO/SPO?	_____	_____
3. Does your invoice, delivery slip, credit memo, or correspondence have		
a. Your correct vendor number?	_____	_____
b. The correct PO/SPO number?	_____	_____
c. Your Business Tax Registration Certificate Number or Vendor Requisition Number?	_____	_____
4. Have all materials/services been delivered?	_____	_____
5. Do invoice prices and quantities agree with the PO/SPO?	_____	_____
6. Does each billed item indicate the corresponding number on the PO/SPO? (Payment will not be made for any item or charges such as freight, restocking, etc. if not specifically allowed for in the PO.)	_____	_____
7. If freight charges are authorized in the PO, are you, and not the freight company, billing for the charges?	_____	_____
8. Are all taxes stated separately? (DWP is not exempt from payment of sales tax. Out-of-State vendor: Please indicate if California sales/use tax should be paid directly to the State of California.)	_____	_____

9. Is your invoice submitted in accordance with contract terms?

10. Does your invoice number appear on any credit memo?

Exhibit H Prior Work Product

(Section Intentionally Deleted)

Exhibit I Hardware Maintenance

(Section Intentionally Deleted)

Exhibit J Software Maintenance

(Section Intentionally Deleted)

Exhibit K Right to Audit Clause

Right to Audit: Except for fixed price for lump sum, the Contractor and the Contractor's subcontractors and suppliers shall be subject at any time with 7 calendar days prior written notice to audits by the Department or the Department's agents, collectively defined as "Authorized Auditors", relating to all billings and to verify compliance with all contract requirements relative to practices, methods, procedures, and documentation. The Authorized Auditors shall have access to all records and data relating to the contract. The audits will be performed using FAR, Part 30 and 31, et seq., generally accepted accounting practices and principles, and City Contractor Cost Guidelines, and any other applicable City, State and Federal government audit standards if any. The Contractor shall maintain and the Authorized Auditors will have the right to examine and audit all books, records, documents, accounting procedures and practices, and other evidence, regardless of form (e.g., machine readable media such as disk, tape, etc.) or type (e.g., databases, applications software, database management software, utilities, etc.), sufficient to properly reflect all costs claimed to have been incurred or anticipated to be incurred in performing the Contract. Any information provided on machine-readable media shall be provided in a format accessible and readable by the Authorized Auditors. The Contractor shall not, however, be required to furnish the Authorized Auditors with commonly available software. If the Contractor, the Contractor's subcontractors and/or suppliers are required to submit cost or pricing data in connection with the Contract and/or the Contract Amendment, the Authorized Auditors will have the right to examine all documents necessary to permit adequate evaluation of the cost or pricing data submitted, along with the computations and projections used. The Authorized Auditors will also have the right to reproduce, photocopy, download, transcribe, and the like any such records. The Contractor shall make said evidence or to the extent accepted by the Authorized Auditors, photographs, micro-photographs etc. or other authentic reproductions thereof available to the Authorized Auditors at the Contractor's offices at all reasonable times and without charge. The Contractor and the Contractor's subcontractors and suppliers shall keep and preserve all such records for a period of not less than 3 years from and after Final Payment or, if the Contract is terminated in whole or in part, until 3 years after final Contract closeout.

The Contractor, the Contractor's subcontractors and suppliers shall account for and be responsible for unallowable costs and mutually agreed unallowable costs. The detail and depth of records required as backup support for proposals, billings, or claims shall be that which adequately establishes and maintains visibility of identified unallowable costs, costs directly associated to unallowable costs, and allowable costs.

All Changes are subject to audit. Changes with an absolute value of one hundred thousand (\$100,000) dollars or more shall require an audit. The City may waive the right to audit where there was adequate price competition, an established catalog or market prices for commercial items sold in substantial quantities to the public, and/or prices set by law or regulation.

The Contractor shall maintain and segregate cost and pricing data, books, records, documents, and any other accounting evidence sufficient to properly reflect all direct and indirect

costs of whatever nature claimed to have been incurred or anticipated to be incurred by a Contract Amendment, including a change order.

For a period of 3 years from the date of Final Payment under the Contract, and prior to the execution of any Contract Amendment that exceeds an absolute value of one hundred thousand dollars (\$100,000), the Authorized Auditors will have the right to examine all books, records, documents, and any other applicable data or evidence that relate to the negotiation and/or performance of the Contract and/or a contract amendment for the purpose of evaluating the accuracy and completeness of the cost or pricing data submitted by the Contractor. To the extent that the examination reveals inaccurate, incomplete, or non-current data, the data shall be considered defective; if the audit indicates the Contractor has been overpaid under a previous payment application, such overpayment, after 10 calendar days notice to the Contractor, shall be paid to the Department.

The Authorized Auditors may require that the Contractor supply appropriate documentation to support the costs or prices proposed for a Contract amendment, including a change order, and will refuse to complete negotiations until satisfactory documentation is submitted. The Contractor's books, records, documents and any other applicable data or evidence that relate to the negotiations and/or performance of the contract amendment shall be subject to audit and inspection.

Also subject to audit shall be the Contractor's records, books, documents and any other applicable data or evidence relating to those items on a billing that relates to:

- a. Work performed under the contract and/or a change order;
- b. Goods not yet incorporated into the work;
- c. Services or work performed under a contract amendment negotiated on an indefinite quantity basis; and
- d. Fixed-price change orders to validate the claimed percentage of completion on the payment application.

Notwithstanding the foregoing, if the audit reveals that the overpayment is more than 5 % of the billing, the Contractor shall pay all expenses and costs incurred by the Authorized Auditors arising out of or related to the audit.

**EXHIBIT L Contract Insurance Requirements --
For Contractors, Service Providers, Vendors, and Tenants**

Agreement/Activity/Operation: LogicaCMG – Enterprise Work Management Info System Services
 Reference/Agreement: Legal Agreement
 Term of Agreement: 5 years
 Contract Administrator and Phone: Alice Fung 213-367-3045
 Buyer and Phone Number: Jackie Antonio 213-367-1454
 Risk Manager / Date: Avery Neaman 213-367-4678 / 9-27-07

Contract-required types and amounts of insurance as indicated below by checkmark are the minimum which must be maintained. All limits are Combined Single Limit (Bodily Injury/Property Damage) unless otherwise indicated. Firm 30 day Notice of Cancellation required by Receipted Delivery.

PER OCCURRENCE LIMITS

- | | | |
|---|---|---|
| (x) WORKERS' COMPENSATION(Stat. Limits)/Employer's Liability: | | (\$1,000,000.00) |
| <input checked="" type="checkbox"/> Broad Form All States Endorsement | <input type="checkbox"/> US L&H (Longshore and Harbor Workers) | |
| <input type="checkbox"/> Jones Act (Maritime Employment) | <input type="checkbox"/> Outer Continental Shelf | |
| <input checked="" type="checkbox"/> Waiver of Subrogation | <input type="checkbox"/> Black Lung (Coal Mine Health and Safety) | |
| <input type="checkbox"/> Other: _____ | <input type="checkbox"/> Other: _____ | |
| (x) AUTOMOBILE LIABILITY: | | (\$1,000,000.00) |
| <input checked="" type="checkbox"/> Owned Autos | <input type="checkbox"/> Any Auto | |
| <input checked="" type="checkbox"/> Hired Autos | <input checked="" type="checkbox"/> Non-Owned Auto | |
| <input type="checkbox"/> Contractual Liability | <input checked="" type="checkbox"/> Additional Insured | |
| <input type="checkbox"/> MCS-90 (US DOT) | <input type="checkbox"/> Trucker's Form | |
| <input type="checkbox"/> Waiver of Subrogation | <input type="checkbox"/> Other: _____ | |
| (x) GENERAL LIABILITY: () Limit Specific to Project | | (\$1,000,000.00) |
| <input checked="" type="checkbox"/> Broad Form Property Damage | <input checked="" type="checkbox"/> Contractual Liability | <input checked="" type="checkbox"/> Personal Injury |
| <input checked="" type="checkbox"/> Premises and Operations | <input checked="" type="checkbox"/> Products/Completed Ops. | <input checked="" type="checkbox"/> Independent Contractors |
| <input type="checkbox"/> Fire Legal Liability | <input type="checkbox"/> Garagekeepers Legal Liab. | <input type="checkbox"/> Child Abuse/Molestation |
| <input type="checkbox"/> Corporal Punishment | <input type="checkbox"/> Collapse/Underground | <input type="checkbox"/> Explosion Hazard |
| <input type="checkbox"/> Watercraft Liability | <input type="checkbox"/> Pollution | <input checked="" type="checkbox"/> Addition Insured Status |
| <input type="checkbox"/> Waiver of Subrogation | <input type="checkbox"/> Airport Premises | <input type="checkbox"/> Hangarkeepers Legal Liab. |
| <input type="checkbox"/> Marine Contractors Liability | <input type="checkbox"/> Other: _____ | <input type="checkbox"/> Other: _____ |
| (x) PROFESSIONAL LIABILITY: | | (\$1,000,000.00) |
| <input checked="" type="checkbox"/> Contractual Liability | <input type="checkbox"/> Waiver of Subrogation | <input checked="" type="checkbox"/> 3 Year Discovery Tail |
| <input type="checkbox"/> Additional Insured | <input type="checkbox"/> Vicarious Liability Endt. | <input type="checkbox"/> Other: _____ |
| () AIRCRAFT LIABILITY: () | | |
| <input type="checkbox"/> Passenger Per Seat Liability | <input type="checkbox"/> Contractual Liability | <input type="checkbox"/> Hull Waiver of Subrogation |
| <input type="checkbox"/> Pollution | <input type="checkbox"/> Additional Insured | <input type="checkbox"/> Other: _____ |
| () PROPERTY DAMAGE: | | () |
| <input type="checkbox"/> Replacement Value | <input type="checkbox"/> Loss Payable Status (AOIMA) | <input type="checkbox"/> Agreed Amount |
| <input type="checkbox"/> All Risk Form | <input type="checkbox"/> Actual Cash Value | <input type="checkbox"/> Earthquake: _____ |
| <input type="checkbox"/> Builder's Risk:\$ _____ | <input type="checkbox"/> Named Perils Form | <input type="checkbox"/> Flood: _____ |
| <input type="checkbox"/> Transportation Floater:\$ _____ | <input type="checkbox"/> Boiler and Machinery | <input type="checkbox"/> Loss of Rental Income: _____ |
| <input type="checkbox"/> Scheduled Locations/Propt. | <input type="checkbox"/> Contractors Equipment\$ _____ | <input type="checkbox"/> Other: _____ |
| () WATERCRAFT: | | () |
| <input type="checkbox"/> Protection and Indemnity | <input type="checkbox"/> Pollution | <input type="checkbox"/> Additional Insured |
| <input type="checkbox"/> Waiver of Subrogation | <input type="checkbox"/> Other: _____ | <input type="checkbox"/> Other: _____ |
| () POLLUTION: () | | |
| <input type="checkbox"/> Incipient/Long Term | <input type="checkbox"/> Sudden and Accidental | <input type="checkbox"/> Additional Insured |
| <input type="checkbox"/> Waiver of Subrogation | <input type="checkbox"/> Contractor's Pollution | <input type="checkbox"/> Other: _____ |
| () CRIME: () Joint Loss Payable Status | | <input type="checkbox"/> Additional Insured |
| <input type="checkbox"/> Fidelity Bond | <input type="checkbox"/> Financial Institution Bond | <input type="checkbox"/> Loss of Monies/Securities |
| <input type="checkbox"/> Employee Dishonesty | <input type="checkbox"/> In Transit Coverage | <input type="checkbox"/> Wire Transfer Fraud |
| <input type="checkbox"/> Computer Fraud | <input type="checkbox"/> Commercial Crime | <input type="checkbox"/> Forgery/Alteration of Docs. |
| <input type="checkbox"/> Other: _____ | <input type="checkbox"/> Other: _____ | |
| () ASBESTOS LIABILITY: () Additional Insured | | () |

Page 2. CONTRACT INSURANCE REQUIREMENTS (continued)

PER OCCURRENCE LIMITS

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REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: February 22, 2008

CAO File No. 0150-07524-0002

Council File No.

Council District: Citywide

To: The Mayor
The Council

From: Karen L. Sisson, City Administrative Officer

*KLS
hmt*

Reference: Letter from the Department of Water and Power dated January 30, 2008; referred for report February 5, 2008

Subject: **RESOLUTION NO. 008-164 AND AMENDMENT NO. 1 TO CONTRACT NO. 608 (NEW AGREEMENT NO. 47724-8) BETWEEN THE DEPARTMENT OF WATER AND POWER AND LOGICACMG FOR MAINTENANCE, UPGRADES, AND PROPRIETARY SOFTWARE AND SERVICES IN SUPPORT OF THE POWER AND WATER SYSTEMS' WORK, ASSET, AND RESOURCE MANAGEMENT SYSTEMS**

SUMMARY

The Board of Water and Power Commissioners, by its February 19, 2008 approval of Resolution No. 008-164 (attached), requests authority to execute a proposed Agreement No. 47724-8 (attached) with LogicaCMG. The Agreement would provide for proprietary software maintenance and upgrades, programming services, and the software source code and maintenance in support of DWP's Enterprise Work Management Information System (EWMIS)/Mobile Work Management Information System (MWMIS), which support the Power System, and the Work Management Information Systems (WMIS), which supports the Water System.

The Agreement would continue the contractor's current proprietary software maintenance services while, at the same time, promote the assumption by in-house staff of (1) non-proprietary technology support tasks, and (2) the expansion of the system to automate and manage jobs received by other City departments, as well as jobs from large clients such as local utilities (e.g., Southern California Gas Company, AT&T).

The software and services provided by this Agreement represent one component of six related agreements that are needed to help DWP effectively manage its Power system. Along with this Agreement, five others will be, or have been, reviewed by this Office and reports submitted to the Mayor and Council as follows:

- Outage Management System (OMS) – CGI
- Geospatial Electric System (GES) – Intergraph
- Fastgate – Osrose
- MicroStation – Bentley

FEB 29 2008
ENERGY & ENVIRONMENT

RECEIVED
CITY CLERK'S OFFICE

2008 FEB 25 PM 1:27

CITY CLERK
BY EGG DEPUTY

- Energy Control System Historical Information System (ECSHIS) – OSISoft

The cost of the three-year Agreement is \$3,754,746; with two additional one-year renewal options factored in, the cost of the fixed-price Agreement is \$5,521,430 allocated as shown in the following table.

LogicaCMG Services	Fixed Cost for Three Years	With Two One-Year Renewal Options	Cost Over Five Years
1. Escrow Services for Source Code*	\$5,646	\$1,882 (4 th Yr.) \$1,882 (5 th Yr.)	\$9,410
2. Non-Proprietary Software Tasks in the Power System (Document Writer)	\$215,556		\$215,556
3. Non-Proprietary Software Tasks in the Power System (Programming)	\$889,164		\$889,164
4. Standard Core Software Proprietary Maintenance Services for the Power System	\$1,670,040	\$556,680 (4 th Yr.) \$556,680 (5 th Yr.)	\$2,783,400
5. Standard Software Proprietary and Maintenance Services for the Water System	\$974,340	\$324,780 (4 th Yr.) \$324,780 (5 th Yr.)	\$1,623,900
TOTAL	\$3,754,746	\$1,766,684	\$5,521,430

*Escrow services ensure DWP access to the EWMIS/MWMIS source code in the event of any problems associated with LogicaCMG's ability to provide ongoing source code maintenance.

The average annual cost of the proposed Agreement, if spread over five years, is \$1,104,286 (\$5,521,430 divided by 5 = \$1,104,286). That is a reduction of over 32.7 percent in average annual costs when compared to that of the previous three-year Agreement (\$1,638,800). However, the average annual cost of the proposed Agreement, if spread over three years, is \$1,251,582 (\$3,754,746 divided by 3 = \$1,251,582). The difference between the proposed Agreement and the recently-expired Agreement's average annual costs is primarily due to the fact that a major system upgrade was implemented in July 2007 that will not be required under the new Agreement.

Funding will be apportioned between the Department's Power Revenue Fund and Water Revenue Fund based on the usage of the software application for the Power and Water Systems. The Power System, for example, uses this application to a much greater extent in that it tracks the distribution of jobs—including time, materials, and fleet usage—using the EWMIS. Field crews report their time and job progress using MWMIS. The Water System, on the other hand, while using the WMIS to track new business jobs, does not use the mobile component for its field crews; rather, it uses a subset of the available functions in WMIS. As a result, the Power System is currently the largest user of the system.

To avoid a lapse in the contract and the associated contractor maintenance services, the Department recently executed a six-week interim contract (Agreement No. 49051-8) for the period January 19, 2008 to March 11, 2008. This will enable the Board of Water and Power Commissioners and the City Council more time to review and deliberate on this Agreement without the risk of losing system maintenance support.

In the event the proposed Agreement No. 47724-8 is not executed before the interim contract

expires, the City Attorney has included in the Amendment what is known as a “ratification clause.” This clause acts in the manner of a “gap” authority ensuring that there is no interruption to LogicaCMG’s provision of software support to DWP between the expiration of the interim contract and the execution of the proposed Agreement No. 47724-8. It further ensures that the Agreement’s start date remains March 12, 2008, though the Council’s approval of the Agreement may not occur until after March 12.

During the three-year contract period, and prior to exercising the one-year contract extension options, DWP will evaluate other City and state contracts to ensure that the LogicaCMG Agreement pricing is the most favorable to the Department.

City Council approval of the proposed Agreement is required in accordance with Charter Section 373 in that the term of the Agreement exceeds three years. The City Attorney has approved the Agreement as to form and legality.

Background

The Department first contracted with LogicaCMG, a global information technology and management consultancy company, in January 1996, for a Work Management Information System (WMIS) for the Power System in response to two departmental audits and a Council direction to implement a work force management program.

What began as a pilot project for the Van Nuys power system was expanded to other elements of the Power System to be used by DWP employees to track the various components of power distribution, from initiation of a job assignment to its completion. As an example of the system’s features, once a construction project has been designed, the information is electronically communicated to construction personnel using mobile devices with an estimate of crew types needed, the length of the job, materials to be used, and cost. From there, the system tracks material usage, records individuals’ time on the job—for both construction and non-construction personnel, provides accounting and scheduling information, and tracks related fleet vehicle usage.

An item of particular interest that resulted from enhancements added to the system under the recently-expired Agreement No. 47391-5 with LogicaCMG was the ability for DWP’s water and electricity customers to access and view information related to the progress and status of work that they have requested. Additionally, the Department is in the process of making available this same system and account access to City employees in departments other than DWP for the purpose of accounts reconciliation, water meter installation and removal, and processing and sharing of permits that affect utilities (e.g., building permits, telephone lines, natural gas service, etc.).

Under the proposed Agreement, both DWP’s personnel and other City department personnel, as well as the Department’s business and residential customers, will have increased access to account information, as well as enhanced service capabilities. The planned enhancements will affect on-line scheduling of water meter installations and removals by providing increased system functionalities.

In 1999, DWP decided to use LogicaCMG for the Water System to manage its water business and meter replacement activities. Since, at the time, the Water System’s existing software application was (1) not able to handle Y2K issues, and (2) the LogicaCMG software agreement was already

licensed to DWP as a whole and no additional licensing fees would be required, it was decided to also use the LogicaCMG application for the Water System.

One of the primary accomplishments during the three-year term of Agreement No. 47391-5 was that the software application was expanded to include new functions such as timekeeping and integration with other Department legacy (older, established) systems. The system now supports 1,400 DWP internal users and 170 field crews. In fact, as a testimony to the value of the Work Management Information, especially the mobile field data capture component, DWP was awarded the City's 2003 Quality and Productivity Award for "Leading Edge E-Innovation."

The following reflects new features that have been incorporated into the proposed Agreement with LogicaCMG:

- Additional vendor support to assist with transitioning DWP staff into a greater system and software support role
- Support for extending the application to the automation of jobs received from other City agencies
- Support to help document all enhanced processes, operations, and users manuals, including electronic bulletins on both the Internet and Intranet

These changes are necessary to address either anticipated reductions in contractor systems and software support or a change in the mix of contractor services that may occur with the planned transition of support from the software vendor to the DWP staff.

Additionally, the Department reports that it intends to—incrementally, and over a three-year period—reduce its dependence on contractor services for software maintenance and system support and increase DWP staff support. A January 2008 Letter of Agreement between DWP and Local 18 of the International Brotherhood of Electrical Works (IBEW) reflects the Department's commitment to appoint eight additional systems staff, by January 31, 2008, to its Information Technology Section to help with the transition to in-house systems support for these systems.

The Department anticipates that savings will occur by bringing more of the support in-house, however, there is no estimate of the savings available at this time. Overall, as a result of the implementation of the Enterprise Work Management Information System/Mobile Work Management Information System during the last nine years, DWP reports significant savings and efficiencies, as well as improved customer service.

The emphasis on transitioning more of the system support to in-house staff is the reason for the three-year agreement, with two one-year renewal options, rather than a five-year agreement. It is anticipated that the level of support needed from the contractor will diminish over three years to a point where the contract and scope of work can be reconsidered by DWP before committing to an additional one or two years.

Including the proposed Agreement No. 47724-8, the following illustrates the funding and contract periods for the Department's related contracts with LogicaCMG:

Agreement No.	Amendment Number(s)	Term	Original Contract Amount	Total Contract Amount
10910	1, 2, 3	1/26/96 – 6/30/99	\$4,205,000	\$4,890,950
P.O. 41676		3/30/98 – 6/30/98	\$97,500	\$97,500
8104		8/29/97 – 8/28/99	\$1,361,095	\$1,367,095
10480	1	1/12/00 – 1/11/05	\$4,152,500	\$4,152,500
10025		8/18/00 – 8/17/03	\$3,673,500	\$3,673,500
47391-5		1/18/05 – 1/17/08	\$4,916,400	\$4,916,400*
49051-8		1/19/08 – 3/11/08	\$123,000	\$123,000
47724-8 Proposed		3/12/08 – 3/11/13	\$5,521,430	\$5,521,430*
			\$24,050,425	\$24,742,375

*Assumes no additional expenditures beyond the original contract amount.

Because the Power WMIS system is much larger than that for the Water system, the \$5,521,430 cost for Agreement No. 47724-8 will be apportioned 77/23 percent between the two funding sources as follows: \$4,251,501 - Power Revenue Fund and \$1,269,929 - Water Revenue Fund.

The Department made a Charter Section 1022 determination that concluded that these services can be more feasibly performed by an outside contractor, LogicaCMG, because DWP neither owns nor can it modify the proprietary source code to enable software changes. Contractor services include customization of the software for DWP-specific tasks (“enhancements”), support for various system interfaces, and proprietary and non-proprietary maintenance support.

The original contract with LogicaCMG was executed in 1996 through a competitive bid process. And, according to DWP, LogicaCMG has performed in an acceptable manner with respect to its obligations for all previous agreements.

Because the current six-week interim contract expires on March 11, 2008, DWP is seeking to expedite execution of the proposed Agreement so as to avoid a gap in software support and consulting services that could jeopardize the availability of the software application.

MBE/WBE Subcontracting

The Department reports that a minimum of 15 percent of the total three-year Agreement cost of \$1,104,720 for non-proprietary support tasks for the Power Systems, or \$165,708, will be contracted with qualified Minority Business Enterprise (MBE) firms.

A minimum of 7 percent of the total three-year Agreement cost of \$1,104,720 for non-proprietary support tasks for the Power Systems, or \$77,330, will be contracted with qualified Women Business Enterprise (WBE) firms.

RECOMMENDATION

That the Council, subject to approval by the Mayor, approve the attached Resolution No. 008-164 authorizing the Board of Water and Power Commissioners to execute the proposed Agreement No. 47724-8 with LogicaCMG for proprietary software maintenance and upgrades, programming services, and the software source code and maintenance in support of DWP’s Enterprise Work

Management Information System (EWMIS)/Mobile Work Management Information System (MWMIS) for three years, with two one-year renewal options, in an amount not to exceed \$5,521,430.

FISCAL IMPACT STATEMENT

Approval of the Agreement with LogicaCMG will have no impact on the General Fund. All expenditures for this Agreement will be from the Department's Power Revenue Fund and Water Revenue Fund over a three- to five-year period. Since the Department of Water and Power is only bound by the City Debt Management Policies, the City Financial Policies are not applicable.

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.

KLS:WDC:10080074

Attachments

Ms. June Lagmay

Department of Water and Power



the City of Los Angeles

ANTONIO R. VILLARAIGOSA
Mayor

Commission
NICK PATSAOURAS, *President*
EDITH RAMIREZ, *Vice President*
LEE KANON ALPERT
WALLY KNOX
FORESCEE HOGAN-ROWLES
BARBARA E. MOSCHOS, *Secretary*

H. DAVID NAHAI,
Chief Executive Officer and General Manager

Date: January 30, 2008

To: The Honorable Antonio R. Villaraigosa
Mayor of the City of Los Angeles

Attention: Ms. June Lagmay

From: H. David Nahai
Chief Executive Officer
and General Manager

Subject: Execution of Agreement No. 47724-8, LogicaCMG, Enterprise Work
Management Information System/Mobile Work Management Information
System Maintenance Program with LogicaCMG

In accordance with Executive Directive No. 4, enclosed are a Board letter and resolution recommending the approval and transmittal to the City Council of the subject Agreement No. 47724-8 with LogicaCMG for the Enterprise Work Management Information System/Mobile Work Management Information System (EWMIS/MWMIS) Maintenance Program.

It is respectfully requested that your review be completed as soon as possible. As soon as the required City Administrative Office report has been received, the matter will be scheduled for action by the Los Angeles Board of Water and Power Commissioners and forwarded to the City Council for final consideration.

Please contact Ms. Winifred J. Yancy, Governmental Affairs Representative, at (213) 367-0025 upon completion of the review or if the review will take longer than 30 days. If there are any questions regarding this matter, please contact Ms. Yancy or Ms. Alice S. Fung at (213) 367-3045.

ASF:jdr
Enclosures


c/encs: Ms. Nancy H. Sutley, Mayor's Office
Ms. Kecia M. Washington, Mayor's Office
Ms. Winifred J. Yancy
Ms. Alice S. Fung

2008 FEB -6 AM 8:15
CITY ADMINISTRATIVE OFFICE

Water and Power Conservation ... a way of life

111 North Hope Street, Los Angeles, California 90012-2607 Mailing address: Box 51111, Los Angeles 90051-5700
Telephone: (213) 367-4211 Cable address: DEWAPOLA

LADWP BOARD APPROVAL LETTER

TO: BOARD OF WATER AND POWER COMMISSIONERS		DATE:
SUBMITTED BY:		SUBJECT:
 ARAM BENYAMIN Acting Senior Assistant General Manager, Power System	H. DAVID NAHAI Chief Executive Officer and General Manager	Agreement No. 47724-8 LogicaCMG Enterprise Work Management Information System/Mobile Work Management Information System Maintenance Program
MATTHEW H. LAMPE Chief Information Officer	JAMES B. McDANIEL Chief Operating Officer, Water System	FOR COMMISSION OFFICE USE:
BOARD COMMITTEE APPROVAL:		
CITY COUNCIL APPROVAL REQUIRED: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	IF YES, BY WHICH CITY CHARTER SECTION: 373	

PURPOSE:

- Transmitted for approval by your Honorable Board is Agreement No. 47724-8 approved as to form and legality by the City Attorney, between the City of Los Angeles (City), acting by and through the Los Angeles Department of Water and Power (LADWP), and LogicaCMG to provide maintenance services for the Enterprise Work Management Information System (EWMIS) / Mobile Work Management Information System (MWMIS) Maintenance Program including maintenance, upgrades, and proprietary maintenance software and services for LADWP's Power and Water Systems – Asset and Resource Management System.
- Expenditures will not exceed \$5,952,542 for a term of three years with two one-year renewable options, and are funded under both the Power Revenue Fund and Water Revenue Fund. The base-contract expenditure amounts to \$2,783,400 for ongoing Standard Core Software Proprietary Maintenance Services in the Power System; and \$1,623,900 for ongoing Standard Software Proprietary Maintenance Services in the Water System for the contract period. Non-Proprietary Software Tasks (Programming Tasks) will amount to \$889,164 in the Power System, and Non-Proprietary Software Tasks (Document Writer) will amount to \$646,668 in the Power System for the contract period. Escrow services will amount to \$9,410 for the contract period.
- In order to avoid a lapse in maintenance coverage, a six-week interim contract (No. 49051-8), beginning January 19, 2008 and ending March 11, 2008 in the amount of \$123,000, was issued. Issuing the purchase order, which cause the term to exceed three years, allowed continued maintenance services while the Board Package was in process for Board and City Council approval.
- Language referencing Letter of Agreement between LADWP and IBEW to be inserted here (currently being draft by Labor Relations)

BACKGROUND:

- Between 1989 and 1994, there were two separate audits performed by the City on LADWP. Both audits documented that LADWP's Information Technology (IT) was seriously flawed, and that there were no work force management programs to manage the work force and the work at LADWP.
- In the early 1990s, the City Council directed LADWP management to implement a significant work force management program and system based on the auditor's reports. Power System Management created an internal Power System organizational team (currently called Control and Business Systems Subsection) and chartered them to create this work force management program. The assembled team was composed of employees from management, field and office supervisors, engineering, field and crew personnel, clerical, and IT, in addition to many individuals that participated on an ad-hoc basis.
- Eight "best-of-breed" packages were selected which comprise today's work force management program for the Power System. The eight proprietary systems being used by the distribution system to manage its assets and work force are listed as follows: Enterprise Work Management Information System (EWMIS); Outage Management System (OMS); Geospatial Electric System (GES); FastGate Gateway; MicroStation; Energy Control System Historical Information System (ECSHIS); Supervisory Control and Data Acquisition System (SCADA); and Maximo. Additionally many of these packages have field mobile devices supporting field personnel in a wired/wireless mode.
- In particular, EWMIS/MWMIS supports all of the power distribution work where all of the design and accelerated work by engineering personnel is handled through EWMIS and then passed on to construction personnel with an accurate real-time estimate of crew types, length of job, material to be used in construction, and cost of job using a mobile unit. All of Customer Services Division meter jobs are also supported in EWMIS/MWMIS. The Water System also manages all of the water meter new business work in their version of the EWMIS package.
- EWMIS was initially installed as a pilot program at the Van Nuys District in early 1995 to handle work related to new business, permanent fixes of the reported trouble work, system improvements, and maintenance of the Power System. The EWMIS function allowed all of the design work by the engineering personnel to be passed on to construction personnel with an accurate real-time estimate of crew types, length of job, material to be used in construction, and cost of job. The pilot program proved successful and the full implementation of EWMIS began toward the end of 1995.
- EWMIS installation continued over the next few years, which included four major phases. Phase One implemented the base software package with interfaces to the existing mainframe legacy systems, Customer Information System, and the Accounting System. Phase Two implemented additional enhancements and

more interfaces to the Power System Application's OMS and the Geographic Information System. Phase Three included automated reports, replacement of the mainframe-based systems with Y2K issues (Distribution Maintenance Program, Maintenance Program for substations, and the Project Management Program for substations). Phase Four included more interfaces to the mainframe legacy systems material management, timekeeping, fleet system, a significant activity-based accounting system for the Power Transmission and Distribution Division (Distribution Construction and Maintenance Section) and the Engineering Services Division (Distribution System Engineering Section), the message queuing technology to the mainframe system to allow the exchange of real-time information with the legacy mainframe systems, and MWMIS.

- MWMIS installation was completed by July 2004 to incorporate laptop computers to be carried out in the field by construction crews and returned to the offices to allow reporting, scheduling, and tracking of daily construction work, usage of material, daily personnel time sheets, and daily usage of fleet equipment.
- In July 2007, EWMIS was upgraded to the latest version and LADWP now has full capability of using the Internet/Intranet technology to support customer service on the WEB.
- Maintenance of EWMIS/MWMIS is required since they are used as an integral part of daily operational work for engineering and construction personnel supporting 1,400 users LADWP wide.
- The base-contract for the three-year contract with two one-year renewable contract periods include: Standard Core Software Proprietary Maintenance Service for the Power System, and Standard Software Proprietary Maintenance Service for the Water System are required to keep the existing EWMIS/MWMIS software in operation in the Power and Water Systems; Escrow Services that ensure LADWP access to the EWMIS/MWMIS source code in the event of issues associated with LogicaCMG's ability to provide source code maintenance; Non-Proprietary Services that will provide access to source code for programming services, and documentation related services.
- The two one-year renewable options will benefit the Department with a long-term identical pricing commitment and continuous maintenance service without interruption. Prior to exercising these renewable options, the Department will evaluate other city, and state contracts to ensure that LogicaCMG is offering the Department the most favorable market pricing. In addition, Chief Operating Officer – Power System, and Chief Information Officer approval is required for exercising such options.
- The previous Agreement No. 47391-5 was approved by City Council on January 19, 2005, for three years and was expired on January 18, 2008. An emergency Purchase Order was prepared for the period from January 19 – March 11, 2008.

- In a recent external audit of the current agreement, it was found that:
 1. The current agreement was well executed and managed by LADWP delivering the desired results.
 2. The auditors recommended using in-house Information Technology Services personnel where applicable instead of contractors for non-proprietary tasks. This is the current LADWP plan.

COST AND DURATION:

The total contract expenditure will not exceed \$5,952,542 for the three-year contract with two one-year renewable options contract period which includes the following services:

Service	Fixed Price for 3-Year Period	2 One-year Renewable Options	Total
Standard Core Software Proprietary Maintenance Services for the Power System	\$1,670,040	(4th Yr) \$556,680 (5th Yr) \$556,680	\$2,783,400
Standard Software Proprietary and Maintenance Services for the Water System	\$974,340	(4th Yr) \$324,780 (5th Yr) \$324,780	\$1,623,900
Non-Proprietary Software Tasks in Power System (Programming Tasks)	\$889,164		\$889,164
Non-Proprietary Software Tasks in Power System (Document Writer)	\$646,668		\$646,668
Escrow Services	\$5,646	(4th Yr) \$1,882 (5th Yr) \$1,882	\$9,410
TOTAL	\$4,185,858	\$1,766,684	\$5,952,542

FUNDING SOURCE:

Power Revenue Fund

Fiscal Years: 2007/2008 – 2012/2013
 Functional Item Nos.: 28840 and 3583137
 Location in Budget: Under Control and Business Systems Subsection's budget

Water Revenue Fund

Fiscal Years: 2007/2008 – 2012/2013
 Functional Item Nos.: 29153 and 80031
 Location in Budget: Under WSO Information Technology Group's budget

FISCAL IMPACT STATEMENT:

There is no fiscal impact as the job is already budgeted for.

TYPE OF INSURANCE COVERAGE(S):

<input checked="" type="checkbox"/>	Workers' Compensation	\$1,000,000	<input type="checkbox"/>	Property Damage	
<input checked="" type="checkbox"/>	Automobile Liability	\$1,000,000	<input type="checkbox"/>	Water Craft	
<input checked="" type="checkbox"/>	General Liability	\$1,000,000	<input type="checkbox"/>	Pollution	
<input checked="" type="checkbox"/>	Professional Liability	\$1,000,000	<input type="checkbox"/>	Crime	
<input type="checkbox"/>	Aircraft Liability		<input type="checkbox"/>	Asbestos	

PRE-AWARD CHECKLIST:

- Yes No N/A Contract Compliance
 Yes No N/A Subcontracting Opportunities
 Yes No N/A Service Contractor Worker Retention Ordinance
 Yes No N/A Child Support Policy
 Yes No N/A Living Wage Ordinance
 Yes No N/A Labor Relations Notification
 Yes No N/A Charter Section 1022 Findings

CONTRACT ADMINISTRATION:

The contract administrator, who shall be an Electrical Engineer, shall verify completion of maintenance services prior to approval for payment on a monthly basis. An acceptable performance by the vendor will be measured by both LADWP Power System's EWMIS/MWMIS Operations Manager and the Water System's WMIS Operations Manager. Monthly contract reports will be provided to management as well as reports regarding the continuous monitoring of maintenance services for quality and completeness. The contract administrator shall verify correct pricing, receipt of materials, and completion of milestone objectives against the issued contract prior to approval for payment.

The contract administrator will also seek approval from Chief Operating Officer of Power System, and Chief Information Officer prior to exercising the Renewable Options. Additionally, the contractor administrator will verify pricing with other city and state entities for alternatives to ensure that the Department is being offered the most favorable market pricing:

Time and Material: Yes No **Mark-Up:** None

FORMAL OBJECTIONS TO AWARD OF CONTRACT: None to date.

JOB OPPORTUNITIES AND TRAINING POLICY: Applicable Not Applicable

INTERNAL AUDIT: Yes No

EXTERNAL AUDIT: Yes No

CHARTER SECTION 1022 FINDINGS AND BASIS THEREOF:

In accordance with City Charter, Section 1022, the following findings have been realized by LADWP that make it more feasible to contract out rather than performing the work by LADWP forces:

- EWMIS/MWMIS software is proprietary software with exclusive rights purchased through LogicaCMG by LADWP. Software updates are provided only by LogicaCMG, the developer of EWMIS/MWMIS software.
- LADWP had recognized the advantage of maintaining the system with LADWP forces; however, all customizations and enhancements to EWMIS/MWMIS software, currently in use by LADWP, would require technical expertise available only through LogicaCMG personnel who are involved with the development and continued support of EWMIS/MWMIS, and are the only authority to access and modify the proprietary source code.
- Currently, there is no LADWP work force that can perform these duties to maintain and operate the systems. Therefore, contracting out is required.
- In addition, in order for LADWP work force to gain the technical expertise to support EWMIS/MWMIS users, extensive training would be required taking a long period of time, which is not feasible for LADWP at this time. This option was exercised previously and ultimately LADWP had lost the expert personnel to outside companies.
- The contract does include Transfer of Knowledge to LADWP personnel. It is expected that LADWP personnel will be used to both support and expand the use of non-proprietary portions of EWMIS/MWMIS in the future.

MEMORANDUM OF UNDERSTANDING PROPOSED CONTRACT REVIEW

PROCESS:

- **Date Proposed Contract Submitted to the Labor Organization:** 12/11/2007
- **Description Materials Submitted:** Request for Notice of Compliance Letter, Copy of Contract, 1022 Forms, and White Paper
- **Date of Meetings:** 1/4/08, 1/10/08, 1/18/08 and 1/25/08.
- **Labor Organization's Response:** On 1/4/08 meeting, Union had concerns about what was the scope of the proprietary and non-proprietary work included and the length of the contract.
- **LADWP's Response:** On 1/18/08 meeting, LADWP suggested the following to move forward with an NOC: (1) Sign a Letter of Agreement with the Union, and (2) revise the contract to go for 5 years (3 years + 2 option years) for the proprietary maintenance services, and reduce the non-proprietary tasks to 3 years. Another meeting is pending for 1/25/08.
- **30-Day Non-Binding Arbitration:** NA

METHOD OF SELECTION:

- Competitive Cooperative Purchase Sole Source

LogicaCMG is the sole provider of LADWP's Work Management Information System (WMIS) software. LogicaCMG 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.

MINORITY/WOMEN BUSINESS ENTERPRISE (MBE/WBE) SUBCONTRACTING PARTICIPATION:

MBE SUBCONTRACTING:

Name	Description of Subcontracting Work	Dollar Amount for 3-year Period	Percent for 3-year Period	Dollar Amount for 2 One-year Renewable Period	Percent for 2 One-year Renewable Period
Wizard Consulting, LLC / Pacific Rim Engineering	Non-Proprietary Support Tasks for Power Systems	\$230,374.80	15.0	NA	NA
Total:		\$230,374.80	15.0	NA	NA

WBE SUBCONTRACTING:

Name	Description of Subcontracting Work	Dollar Amount for 3-year Period	Percent for 3-year Period	Dollar Amount for 2 One-year Renewable Period	Percent for 2 One-year Renewable Period
Management Advising Consultants / P. Murphy & Associates	Non-Proprietary Support Tasks for Power Systems	\$107,508.24	7.0	NA	NA
Total:		\$107,508.24	7.0	NA	NA

VENDOR HISTORY:

Contract No.	Contractor	Term of Contract	Original Contract Amount	Change Order No. (CO)/Amendment No. (A)				Ending Date
				CO/A No. (Depending Order)	Increase/Decrease	Term of Extension	Other	
P.O No. 41676	LogicaCMG	3 months	\$97,500					6/30/1998
Agreement No. 10910 (with Amendment 1,2,3)	LogicaCMG	31 Months	\$4,890,950					6/30/1999
Agreement No. 8104	LogicaCMG	2 Years	\$1,387,095					8/28/1999
Agreement No. 10025	LogicaCMG	3 Years	\$3,673,500					8/17/2003
Agreement No. 10480 (with Amendment 1)	LogicaCMG	5 Years	\$4,152,500					1/11/2005
Agreement 47391-5	LogicaCMG	3 Years	\$4,816,400					1/18/2008
P.O. No. 49051-8	LogicaCMG	50 days	\$123,000					3/11/2008

VENDOR PERFORMANCE:

LogicaCMG has performed in an acceptable manner on all previous Agreements.

ENVIRONMENTAL DETERMINATION:

In accordance with the California Environmental Quality Act (CEQA), it has been determined that the action of awarding a contract for help line, hardware, and software support 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.

RECOMMENDATION:

It is recommended that your Honorable Board adopt the accompanying resolution, approved as to form and legality by the City Attorney, and that Agreement No. 47724-8 be executed.

ASF:jdr

Attachments

c/atts: H. David Nahai

Raman Raj

Barbara K. Garrett

Richard M. Brown

Aram H. Benyamin

James B. McDaniel

Robert K. Rozanski

Ronald O. Vazquez

Lillian Y. Kawasaki

Matthew M. Lampe

Hal D. Lindsey

Pamela T. Porter

David Sickler

Cecilia K. T. Weldon

Jeffery L. Peltola

Albert A. Stephens

Marvin D. Moon

Alice S. Fung

07 000035 MG

RESOLUTION NO. 008 164

WHEREAS, the City of Los Angeles Department of Water and Power Board of Commissioners (Board) requires Agreement with LogicaCMG to provide maintenance services for the Enterprise Work Management Information System/Mobile Work Management Information System (EWMIS/MWMIS) to maintain, enhance, and provide proprietary products and services including, software maintenance, software upgrades, technical support services, escrow services and renewal of licenses as part of the Los Angeles Department of Water and Power's (LADWP) asset and resource management system and is a pivotal component for construction and maintenance operations to the citizens of Los Angeles with regard to electrical and water service, and

WHEREAS, the duration of EWMIS/MWMIS maintenance services shall be over a period of three years, with two one-year renewable options, for total expenditures not exceeding \$5,521,430.00, and

WHEREAS, the representatives of the LADWP and Local 18 of the International Brotherhood of Electrical Workers have executed (subject to the review and approval of this Board) a Letter of Agreement regarding the LADWP's Agreement No 47724-8 for EWMIS/MWMIS maintenance services which shall terminate upon the expiration and/or completion of said Agreement.

NOW THEREFORE BE IT RESOLVED that the proposed Agreement No 47724-8 and Software Licensing Agreement, approved as to form and legality by the City Attorney and filed with the Secretary of the Board between LADWP and LogicaCMG, consistent with City Charter Section 371(e)(2), to provide proprietary professional, expert, and technical services and software maintenance for EWMIS/MWMIS in the Water and Power Systems, be and the same are hereby approved.

BE FURTHER IT RESOLVED that the Board approves the Letter of Agreement between LADWP and Local 18 of the International Brotherhood of Electrical Workers regarding the LADWP Agreement No 47724-8, as filed with the Secretary of the Board, for the purposes and under the terms set forth in the Letter of Agreement.

BE IT FURTHER RESOLVED that pursuant to Section 1022 of the City Charter, the Board finds that such services can be performed more economically or feasibly by independent contractors than by city employees due to proprietary nature of the software provided.

BE IT FURTHER RESOLVED that due to the LADWP's need to ensure continued support and maintenance of the EWMIS/MWMIS system, LogicaCMG may begin performance of the services specified in Agreement No 47724-8, prior to City Council approval and prior to LADWP execution the Agreement; provided, however, that the terms and conditions set forth in Agreement No. 47724-8 are not effective until and unless the City Council approves the Agreement and it is executed by LADWP.

BE IT FURTHER RESOLVED that the Chief Accounting Employee of LADWP, upon proper certification, is authorized and directed to draw demands on the Power Revenue Fund in payment of the obligations arising under said Agreement.

BE IT FURTHER RESOLVED that the President or Vice President of the Board, the General Manager, or such person as the General Manager shall designate in writing, and the Secretary, the Assistant Secretary, or Acting Secretary of the Board are hereby authorized and directed to execute Agreement No. 47724-8 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 at its meeting held. **FEB 14 2008**

Balvino E. Sanchez
Secretary

APPROVED AS TO FORM AND LEGALITY
ROCKARD J. DELGADILLO, CITY ATTORNEY

FEB 14 2008
BY *Marcia H. Kamine*
MARCIA H. KAMINE
Assistant City Attorney

Y OF LOS ANGELES
CALIFORNIA



ANTONIO R. VILLARAIGOSA
MAYOR

FRANK T. MARTINEZ
City Clerk

KAREN E. KALFAYAN
Executive Officer

When making inquiries
relative to this matter
refer to File No.

04-2545

CD 9

December 28, 2005

Office of the Mayor
City Attorney
City Administrative Officer
Chief Legislative Analyst
Department of Water and Power
Board of Water and Power Commissioners
Attn: B. Moschos

LogicaCMG
10375 Richmond Avenue, Ste. 1000
Houston, TX 77042

Controller, Room 300
Accounting Division, F&A
Disbursement Division

RE: AMENDMENT NO. 001 TO AGREEMENT NO. 47391-5 BETWEEN THE DEPARTMENT OF
WATER AND POWER AND LOGICACMG, INC.

At the meeting of the Council held DECEMBER 21, 2005, the following action
was taken:

Attached report adopted.....	_____
Attached motion (-) adopted.....	_____
Attached resolution adopted.....	_____
FORTHWITH.....	_____ X _____
Mayor concurred	_____
To the Mayor FORTHWITH	_____
Motion adopted to approve communication recommendation(s).....	_____
Motion adopted to approve committee report recommendation(s)...	_____ X _____
Ordinance adopted.....	_____
Ordinance number.....	_____

Frank T. Martinez

City Clerk
kw

PLACE IN FILES

JAN 06 2006

DEPUTY

1/6/06
[Signature]



TO THE COUNCIL OF THE
CITY OF LOS ANGELES

Your **COMMERCE, ENERGY AND NATURAL RESOURCES** Committee

reports as follows:

Public Comments: Yes No
XX

COMMERCE, ENERGY AND NATURAL RESOURCES COMMITTEE REPORT relative to Amendment No. 001 to Agreement No. 47391-5 between the Department of Water and Power (DWP) and LogicaCMG, Inc.

Recommendation for Council action:

CONCUR in the Board of Water and Power Commissioners' action on November 1, 2005, by Resolution No. 006-071, and APPROVE the recommendation for Amendment No. 001 to Agreement No. 47391-5 with LogicaCMG, Inc. to increase expenditure limit to amount not to exceed \$1,016,410 and a total not to exceed \$4,916,410 during the period January 19, 2005 to January 20, 2008 for professional, expert and technical services and software maintenance for an existing DWP Water System work management information system.

Fiscal Impact Statement: The City Administrative Officer states that there is no impact on the City's General Fund as a result of this action. The DWP Water Revenue Fund will finance the proposed expenditure total of an additional \$1,016,410. Since the proposed amendment will not negatively impact the City's General Fund, the City's Financial Policies are not applicable.

TIME LIMIT FILE: JANUARY 14, 2006

LAST DAY FOR COUNCIL ACTION: JANUARY 13, 2006

Summary:

On December 14, 2005, the Commerce, Energy and Natural Resources Committee considered the DWP's request for approval of a n amendment to its agreement with LogicaCMG (Logica). The expiration date of January 2008 remains the same however, the expenditure limit is being increased by amount not to exceed \$1,016,410 for a total cost not to exceed \$4,916,410

At the direction of the Council, DWP in 1996 implemented its work force management system for which Logica was selected to develop and maintain a proprietary, off-the-shelf Work Management Information System (WMIS). The WMIS has expanded throughout the Power system and is utilized by DWP engineers, managers, personnel and in-field employees to follow virtually every aspect of power distribution work, from creation to completion of a job assignment.

The Water System's WMIS was customized by Logica and is used for water business activities and for water meter replacement activities.

The proposed amendment provides for three years of maintenance for existing Water System WMIS

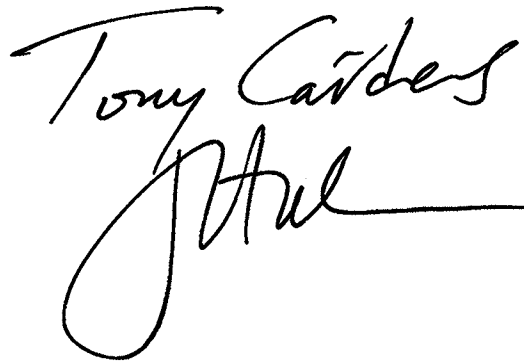
and its term coincides with the current agreement term. In anticipation of installation of a customer relationship management system, the Water System WMIS maintenance services were not included in the current maintenance agreement.

The Commerce, Energy and Natural Resources Committee approved the amendment with LogicaCMG on December 14, 2005.

This matter is now being forwarded to Council for consideration.

Respectfully submitted,

COMMERCE, ENERGY, AND NATURAL RESOURCES COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
CARDENAS	YES
HAHN	YES
ROSENDAHL	YES

REPT.
ADOPTED

DEC 21 2005

LOS ANGELES CITY COUNCIL

FORTHWITH

COUNCIL VOTE

Dec 21, 2005 10:21:24 AM, #2

Items for Which Public Hearings Have Been Held - Items 14-52
Voting on Item(s) ~~20~~ 22-23, 26, 28-37, 39-42, 45, 47-48, 50-52
Roll Call

CARDENAS	Yes
GARCETTI	Yes
GREUEL	Yes
HAHN	Yes
HUIZAR	Yes
LABONGE	Yes
PARKS	Yes
PERRY	Yes
REYES	Absent
ROSENDAHL	Yes
SMITH	Yes
WEISS	Absent
WESSON	Absent
ZINE	Yes
*PADILLA	Yes

Present: 12, Yes: 12 No: 0

COMMERCE, ENERGY AND NATURAL RESOURCES COMMITTEE

Report/Communication for Signature

Council File Number: 04-2545

Committee Meeting Date: 12/14/05

Council Date: 12/21/05

COMMITTEE MEMBER	YES	NO	ABSENT
Councilmember Cárdenas, Chair	/		
Councilmember Hahn	/		
Councilmember Rosendahl	/		

Remarks

DWP - Logica amendment

COMMERCE, INDUSTRY AND NATURAL RESOURCES COMMITTEE
SUGGESTIONS AND NOTIFICATION OF COUNCIL ACTION

Council File No. 09-2545

Petitioner/Communicant Cogica CMB

Council Member(s) _____

Office of the Mayor

Board of Airport Commissioners

* Certify stamp and return Commission copy (on file)

Department of Airports

Board of Harbor Commissioners

Harbor Department

Board of Water and Power Commissioners

Department of Water and Power

City Attorney

City Administrative Officer

Chief Legislative Analyst

Controller



LogicaCMG
10375 Richmond Avenue
Suite 1000
Houston, TX 77042
USA
tel + 1 713 954 7000
fax + 1 713 785 0880
www.logicacmg.com

December 14, 2005

Ali Morabbi/ Sandra J. Foster
Manager of Control and Business Systems- Power Trans. Dist. Org/
Manager of Administrative Services-Water Dist. Business Unit
111 North Hope Street Room 851/1237
Los Angeles, California 90012-2694

Re: Agreement No. 47391-5 Amendment #001 section 1.3

This letter is to confirm that LogicaCMG, Inc. agrees to extend our pricing offer of \$666,410 in Agreement No. 47391-5 Amendment #001 section 1.3 until February 1, 2006. This pricing is for on-site maintenance services. All other Terms and Conditions shall remain the same as in said agreement.

Regards,

A handwritten signature in black ink, appearing to read "Gary High".

Gary High
Vice President
Sales & Marketing
LogicaCMG
Energy & Utilities

Cc: Lucie Smith
Gerry Anderson

04-2545

From: Andrea Mills
To: Arce, Arcelia; Hollis, Christine; Lund, Louisa; Nishiyama, Himiko; Windie Yancy
Date: 12/09/2005 9:37:24 AM
Subject: Logica report - typo

hello all,

please note a typo - sorry :(- in the **Summary** paragraph,
page one, of the CAO report.

"... however, the January 20, 2006 expiration ..." is the printed text.

The correct date that should have been typed is "... January 20, 2008 expiration ..."

*corrected
in email
12/14/05*

Do contact me if you have any additional questions.

Thanks,
Andrea

Andrea V. Mills
Office of the City Administrative Officer (CAO)
Room 1230, City Hall East
Los Angeles, CA 90012
213-978-7626
andrea.mills@lacity.org

CC: KOENIG, William; Saboury, Massoud

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: *December 8, 2005*

CAO File No. 0150-07524-0001

Council File No. 04-2545

Council District:

To: The Council

From: William T Fujioka, City Administrative Officer



Reference: Correspondence from the Board of Water and Power Commissioners

Subject: **PROPOSED AMENDMENT NO. 001 TO AGREEMENT NO. 47391-5
WITH LOGICACMG INC.**

SUMMARY

The Department of Water and Power (DWP) Board of Commissioners (Board) requests approval of Resolution No. 006-071. The Resolution authorizes a proposed Amendment No. 001 (Amendment) to Agreement No. 47391-5 (Agreement) with LogicaCMG Inc. (Logica) to continue to provide professional, expert and technical services and software maintenance for an existing work management system utilized by the DWP Water System. Approval of the proposed Amendment will increase the Agreement expenditure limit by an amount not to exceed \$1,016,410 for a total cost not to exceed \$4,916,410; however, the January 20, 2008 expiration date will remain unchanged. The Board adopted Resolution No. 006-071 at its November 1, 2005 meeting. Pursuant to Charter Section 373, Council approval is required because the cumulative Agreement term is beyond three years. The City Attorney has approved the proposed Amendment and Resolution No. 006-071.

Agreement Background

As a result of the City's 1989 decennial audit of the DWP by Anderson Consulting and the Barrington and Wellesley audit of 1994, the Council instructed DWP to implement a work force management system as a tool to better manage its workload and work force. According to DWP staff, a work management program for the Power System was initiated internally in 1994. In 1996, when assistance was sought to develop a work management system which would improve and expand the in-house-developed system, Logica was selected through a bid process. Logica developed and maintained a proprietary, off-the-shelf Work Management Information System (WMIS) which was used successfully in a pilot program for the Van Nuys district Power System. Subsequently, the WMIS was expanded throughout the Power System and is used by DWP engineers, managers, personnel and in-the-field employees to follow virtually every aspect of power distribution work, from the creation to the completion of a job assignment.

An IBM legacy system, the Field Installation Order System (FIOS), was the first work management information system utilized by the Water System. It was operational from April 1993 to July 1999. In


DEC 09 2005

COMMERCE, ENERGY &
NATURAL RESOURCES

04-2545

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2005 DEC -9 AM 11:17

CITY CLERK
BY  DEPUTY

1999, it was determined that FIOS was not upgradeable to meet the Y2K requirements. Since DWP already owned Logica licensing for as many users as needed, the Water System administrators decided to utilize the existing WMIS (from Power System) for their needs and Logica personnel developed a highly customized version of WMIS for the Water System. The Water System WMIS is used for water business activities and for water meter replacement activities.

The following table lists each previous Logica agreement with its associated portion of Water System WMIS cost and total agreement cost. The total cost of previous Logica agreements included WMIS maintenance service charges for both the Power and Water System WMIS. The previous DWP Logica agreements, with any amendments, began August 18, 2000 and ended January 11, 2005.

Agreement Number	Term, Approval to Expiration	Water System WMIS amount	Agreement Total (w/amendments)
10910	January 26, 1996 to June 30, 1999	none	\$4,890,950
8104	August 29, 1997 to August 28, 1999	none	\$1,367,095
10025	August 18, 2000 to August 17, 2003	\$1,200,000	\$3,673,500
10480	January 12, 2000 to January 11, 2005	\$ 690,000	\$4,152,500
Total Cost of previous Agreements and amendments		\$1,890,000	\$14,084,045

Request to Amend Agreement No. 47391-5

Prior to the expiration of the previous Logica agreement, the Water System WMIS was slated to be replaced by a new customer relationship management (crm) system. Expecting a new crm system to be in place soon, WMIS Water System maintenance services were not included in the current maintenance Agreement, which began January 19, 2005. Then, unanticipated and significant implementation delays arose, necessitating a re-evaluation of the crm system project. A decision whether or not to replace the existing Water System WMIS, to continue with the crm system project or to explore other work management system options is expected soon, according to DWP staff.

Meanwhile, the Water System WMIS was without timely maintenance services due to the delayed crm system. To address this concern, DWP staff allocated \$350,000 from the current Agreement (C.F. 04-2545) for Power System WMIS maintenance services to support the Water System WMIS needs. This initial 'loan' provided Water System WMIS maintenance services through the end of November, 2005. The Power System WMIS staff explains that support for the Water System WMIS needs will continue throughout the remainder of this calendar year or until the proposed Amendment is approved, whichever ever transpires first.

The proposed Amendment will provide three years of maintenance for the existing Water System WMIS and its term will coincide with the current Agreement term. The proposed Amendment total of \$1,016,410 includes \$350,000 for proprietary maintenance and \$666,410 for standard program maintenance. The \$350,000 portion actually will 'repay' for Power System WMIS services; any cost for December, 2005 Logica maintenance services also will be repaid by the Water System. The following table shows the total cost for the current Agreement and the proposed Amendment as well as its portion of Water System WMIS cost.

Agreement Number	Term, Approval to Expiration	Water System's part of the Total	Agreement Total (w/ amendments)
47391-5	January 19, 2005 to January 20, 2008	none	\$3,900,000
47391-5, amend	January 19, 2005 to January 20, 2008	<u>\$1,016,410</u>	<u>\$1,016,410</u>
Total Cost of Current Agreement and amendment		\$1,016,410	\$4,916,410

The current Agreement is in compliance with City contract requirements. DWP staff reports that through August, 2005, Logica had utilized two Minority Business Enterprise (MBE) and Women Business Enterprise (WBE) subcontractors, Wizard Consulting, LLC for 17 percent performance and P. Murphy & Associates for nine percent performance, respectively. To help meet their MBE/WBE commitment, Logica projects that 100 percent of the standard maintenance services for the Water System WMIS, from December, 2005 through January, 2008, may be performed by Wizard Consulting, LLC. Prior to the current Agreement, Logica had not subcontracted out its system maintenance services provided to DWP.

RECOMMENDATION

That the Council approve the Department of Water and Power Board of Commissioners Resolution No. 006-071, authorizing Amendment No. 001 to Agreement No. 47391-5 with LogicaCMG Inc. to provide professional, expert and technical services and software maintenance for an existing DWP Water System work management information system, for an additional amount not to exceed \$1,016,410 and a total not to exceed \$4,916,410 during the period January 19, 2005 to January 20, 2008.

FISCAL IMPACT STATEMENT

Approval of Resolution No. 006-071 will not impact the City General Fund. The DWP Water Revenue Fund will finance the proposed expenditure total of an additional \$1,016,410. Since the proposed Logica Amendment No. 001 will not negatively impact the City's General Fund, the City's Financial Policies are not applicable.



ANTONIO R. VILLARAIGOSA
Mayor

RONALD E. DEATON, *General Manager*

November 3, 2005

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

Dear Members:

Subject: Amendment No. 001 to Agreement No. 47391-5 with LogicaCMG Inc.

Pursuant to Charter Section 373, enclosed for approval by your Honorable Body is Resolution No. 006-071, adopted by the Board of Water and Power Commissioners (Board) on November 1, 2005, approved as to form and legality by the City Attorney, which authorizes execution of Amendment No. 001 to Agreement No. 47391-5 with LogicaCMG Inc., to increase the agreement's expenditure limit by \$1,016,410, to continue to provide proprietary professional, expert and technical services and software maintenance for LADWP Water System's Work Management Information System. As directed by the Board, transmitted to you are supporting documents.

If there are any questions regarding this item, please contact Ms. Winifred Yancy, DWP Council Liaison, at (213) 367-0025, or Mr. Nathan Look at (213) 367-2426.

Sincerely,

Barbara E. Moschos
Board Secretary

BEM:oja

Enclosures: DWP Resolution
Board Letter
Amendment No. 001 to Agreement No. 47391-5

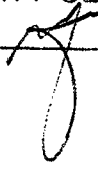
NOV 16 2005
COMMERCE, ENERGY &
NATURAL RESOURCES

Water and Power Conservation ... a way of life

111 North Hope Street, Los Angeles, California 90012-2607 Mailing address: Box 51111, Los Angeles 90051-5700
Telephone: (213) 367-4211 Cable address: DEWAPOLA

RECEIVED
CITY CLERK'S OFFICE

2005 NOV 15 PM 2:13

CITY CLERK
BY  DEPUTY

c/enc: Mayor Antonio Villaraigosa
Mr. Tony Cardenas, Councilmember, Chair CE&NR Committee
Mr. Gerry F. Miller, Chief Legislative Analyst
Mr. William T. Fujioka, Chief Administrative Officer
Ms. Louisa Lund, Legislative Analyst, CLA
Mr. William R. Koenig, Supvr. Proprietary Dept. Analysis Grp.
Ms. Winifred Yancy
Mr. Nathan Look

WHEREAS, the Los Angeles Department of Water and Power (LADWP) requires the procurement of maintenance services for the Work Management Information System which provides proprietary services as part of LADWP's Work Management Information System which is a pivotal component of Water Distribution Engineering & Construction Support with regard to water services, and;

WHEREAS, the duration of Work Management Information System maintenance services shall be for a period not to exceed 26 months at a cost not to exceed \$1,016,410. This Amendment No. 001 will not extend the duration of existing Agreement No. 47391-5.

NOW, THEREFORE, BE IT RESOLVED that the proposed Amendment No. 001 to Agreement No. 47391-5, approved as to form and legality by the City Attorney and filed with the Secretary of the Board, between LADWP and LogicaCMG Inc., to provide proprietary professional, expert, and technical services, and software maintenance for the Work Management Information System of the Water System, be and the same is hereby approved.

BE IT FURTHER RESOLVED, pursuant to City Charter Section 1022, the Board finds that LADWP personnel do not have the skills and required expertise to perform the type of work specified in Amendment No. 001 to Agreement No. 47391-5; and the work contemplated under this Amendment can be performed more economically or feasibly by an independent contractor, such as LogicaCMG Inc.

BE IT FURTHER RESOLVED, that the Chief Accounting Employee of the LADWP, upon proper certification, is authorized and directed to draw demands on the Water Revenue Fund in payment of the obligations arising under this Amendment; and

BE IT FURTHER RESOLVED, that the President or Vice President of this Board, or General Manager, or such person as he shall designate in writing as his designee, and the Secretary, Assistant Secretary, or the Acting Secretary of this Board are hereby authorized, empowered, and directed to execute said Amendment No. 001 to Agreement No. 47391-5 for and on behalf of LADWP, upon approval by the Los Angeles 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 its meeting held **NOV 01 2005**


Secretary

APPROVED AS TO FORM AND LEGALITY
ROCKARD J. DELGADILLO, CITY ATTORNEY

SEP 29 2005

BY 
DIRK P. PROFFENSMAN
Deputy City Attorney

LADWP BOARD LETTER FOR APPROVAL

O: BOARD OF WATER AND POWER COMMISSIONERS		DATE: November 1, 2005
SUBMITTED BY:		SUBJECT:
ORIGINAL SIGNED BY JAMES B. McDANIEL <hr style="width: 100%;"/> JAMES B. McDANIEL Chief Operating Officer – Water System	ORIGINAL SIGNED BY RONALD F. DEATON <hr style="width: 100%;"/> RONALD F. DEATON General Manager	Amendment No. 001 to Agreement No. 47391-5 With LogicaCMG Inc.
CITY COUNCIL APPROVAL REQUIRED: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>		FOR COMMISSION OFFICE USE: IF YES, BY WHICH CITY CHARTER SECTION: 373

PURPOSE:

- Amendment No. 001 to Agreement No. 47391-5 with LogicaCMG Inc. provides standard program maintenance and proprietary (customization) maintenance for the Water System's version of Work Management Information System (WMIS). The original Agreement No. 47391-5 is for \$3,900,000 and for a period of three years beginning January 19, 2005. Amendment No. 001 adds up to \$1,016,410 of additional services through the duration of the existing Agreement, and will not extend the duration.
- Amendment No. 001 will allow LogicaCMG Inc., to provide maintenance services for the Water System's version of the WMIS, including normal maintenance, on-call support, and to provide on-site proprietary services to support the Water System's WMIS application.
- The Water System utilizes a highly customized version of WMIS for its new business activities and water meter replacement activities. WMIS was originally slated to be replaced by the Siebel Customer Relationship Management (CRM) system. This has not occurred due to substantial delays on the CRM project. Until either the CRM project is able to finish the originally scheduled work or the Water System and Information Technology Services jointly decide to replace WMIS with a new or different system, maintenance on the current WMIS system will need to be continued.
- Expenditures may total up to \$1,016,410 (\$666,410 for standard program maintenance services, and \$350,000 to support proprietary maintenance services on a task assignment basis), and are budgeted in the fiscal years of 2005-06, 2006-07, and 2007-08 out of the Water Revenue Fund.

- The City Attorney has determined, since the original Agreement No. 47391-5 was approved by the City Council therefore this Amendment is subject to City Council approval.
- Duration: The Amendment No. 001 start date will be upon approval by the Los Angeles City Council, but not later than December 1, 2005. The end date is January 18, 2008, as currently defined in existing Agreement No. 47391-5.

BACKGROUND:

- Between 1989 and 1994, there were two separate audits of Los Angeles Department of Water and Power (LADWP) performed by the City of Los Angeles. Both audits documented problems with LADWP's Information Technology (IT) and noted that there were no Work Force Management programs to assist in managing personnel and work at LADWP.
- In the early 1990s, LADWP management was directed by the City Council to implement a significant work force management system based on the auditor's reports. Power System management created an internal Power System organizational team (currently called Control and Business Systems Support Team) and chartered them to create this work force management program. The assembled team consisted of employees representing management, supervisory, engineering, field, clerical, IT, as well as many individuals that participated on an ad-hoc basis.
- The Enterprise Work Management Information System (EWMIS) was initially installed as a pilot program at the Van Nuys District in early 1995 to handle work related to new business, permanent fixes of the reported trouble work, system improvements, and maintenance of the Power System. The EWMIS function allowed all of the design work by the engineering personnel to be passed on to construction personnel with an accurate real-time estimate of the crew types, the length of the job, the material to be used in the construction, and the cost of the job. The pilot program proved successful and the full implementation of EWMIS began toward the end of 1995.
- The EWMIS installation continued over the next few years, which included four major phases. Phase one implemented the base software package with interfaces to the existing mainframe legacy systems, customer information system, and the accounting system. Phase two implemented additional enhancements, and more interfaces to the Power System Applications Outage Management System and the Geographic Information System. Phase three included automated reports, replacement of the mainframe-based systems with Y2K problems (distribution maintenance program, maintenance program for substations, and the project management program for substations). Phase four included more interfaces to the mainframe legacy systems material management, timekeeping, fleet system, the message queuing technology to the mainframe system to allow the exchange of real-time information with the legacy mainframe systems, and MWMIS.

- The Mobile Work Management Information System (MWMIS) installation was completed by July 2004 to incorporate laptop computers for the construction crews to be carried out in the field and returned to the offices to allow reporting, scheduling and tracking of the daily construction work, the usage of the material, the daily personnel time sheets, and the daily usage of the fleet equipment. The maintenance is required since EWMIS/MWMIS is used as an integral part of the daily operational work for the engineering and construction personnel supporting 1,400 users LADWP-wide.
- The contract being amended (No. 47391-5) follows a previous agreement with LogicaCMG Inc., Contract No.10480, for maintenance services performed by LogicaCMG Inc., was approved by the City Council on January 11, 2000, for five years in the amount of \$2,652,500. That contract expired on January 10, 2005 and was succeeded on January 19, 2005 by the current contract.
- Please refer to CAO letter (file no. 04-2545) recommending the current Maintenance Agreement No. 47391-5.

MINORITY/WOMEN BUSINESS ENTERPRISE (MBE/WBE) SUBCONTRACTING PARTICIPATION:

- To date, MBE/WBE performance for the Agreement No. 47391-5, through August 2005, are 17% and 9.3% performed by Wizard Consulting, LLC and P, Murphy & Associates respectively which exceeds the LADWP's requirements.
- 100 percent of these standard maintenance services will be supplied by Wizard Consulting, LLC., an MBE/WBE subcontractor to LogicaCMG Inc.;

Wizard Consulting, LLC
18912 Strathern Street
Reseda, CA 91335

LEGAL AGREEMENT CHECKLIST

- Yes No Affirmative Action Plan
Yes No Service Contractor Worker Retention Ordinance
Yes No Child Support Policy
Yes No Living Wage Ordinance
Yes No Labor Relations Notification
Yes No Statement of Findings
Yes No Contract Compliance

METHOD OF SELECTION

The selection process was sole sourced for the following reasons:

1. WMIS is proprietary software with exclusive rights purchased through LogicaCMG Inc., by LADWP.
2. All customizations to WMIS currently in use by LADWP would require the technical expertise available only through LogicaCMG Inc., personnel who have been involved in the initial software installation and continued support, and are the only authority to access and modify the system source code.

A City Administrative Office report is not required. The City Attorney has determined that this Amendment is subject to City Council approval and is not subject to Executive Directive 39.

It is recommended that your Honorable Board adopt the accompanying resolution, approved as to form and legality by the City Attorney, and that Amendment No. 001 to Agreement No. 47391-5 be executed as authorized in the resolution.

NL:db

Attachments

c/att: Commerce, Energy and Natural Resource Committee
Ronald F. Deaton
Richard M. Brown
S. David Hotchkiss
Mahmud A. Chaudhry
Thomas C. Hokinson
Albert A. Stephens
Lillian Y. Kawasaki
Hal D. Lindsey
Enrique Martinez
C. Edward Miller
Pamela T. Porter
Robert K. Rozanski
Ronald O. Vazquez
Cecilia K.T. Weldon
Nathan L. Look
James B. McDaniel
Martin L. Adams
James G. Yannotta
Cecilia P. Huynh

WMIS
FileNET

Amendment No. 001
To
Agreement No. 47391-5
Maintenance Program

A Maintenance Program Agreement ("Agreement") was previously made and entered into by and between the **DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES**, hereinafter called "LADWP", and **LogicaCMG Inc.**, having a place of business at 10375 Richmond Avenue, Suite 1000, Houston, Texas 77042-4156, hereinafter called "LogicaCMG".

The parties have agreed to additions to and/or changes in the Agreement, and these additions and/or changes are defined in this Amendment No. 001 ("Amendment No. 001"). The Agreement extends from a period ("Term") that began January 19, 2005 and which ends on January 18, 2008. The Agreement covers maintenance program services for the LADWP's Power System. Through this Amendment No. 001, the parties will add to the Agreement services, and the pricing associated therewith, for the Water System as defined below. This Amendment No. 001 shall become effective on the date of its approval by LADWP and LogicaCMG Inc. and no later than December 1, 2005.

1.0 ON-SITE MAINTENANCE SERVICES

1.1 What Is Covered

This Amendment No. 001 covers maintenance services to be delivered by an on-site consultant for the Water System's version of the WMIS application. The Water System WMIS application is a different version of WMIS than EWMIS and MWMIS in use by the Power System. The source code for the Water System's version of WMIS will be available to the Water System as long as there is a maintenance agreement in place between the parties to this Agreement. No source code escrow will be provided for the Water System's version of WMIS. All of the on-site maintenance services will be provided by Wizard Consulting, LLC, a MBE/WBE firm.

1.2 Services

All paragraphs defined in Appendix B of Agreement No. 47391-5 will apply to the Water System's WMIS application except that the services shall be delivered by one on-site Consultant; and only "patch" releases reflecting any remediation of validated defects will be provided for the Water System for its WMIS application. No standard releases will be developed or supplied. No routine maintenance releases will be developed and supplied.

1.3 Pricing

The fee for the on-site maintenance services will be \$666,410. This fee is based on the assumption that this Amendment No. 001 shall become effective no later than December 1, 2005, end on January 18, 2008, and include no more than 515 total days of Consultant effort.

Payment for services shall be invoiced in 25 equal monthly increments (December 2005 through December 2006) of \$25,631.15, with a final 26th payment (January 2007) of \$25,631.25 to be invoiced.

2.0 ON-SITE PROPRIETARY MAINTENANCE SERVICES

2.1 Description of Proprietary Services

Under this Amendment No. 001, LogicaCMG shall also provide to the Water System proprietary maintenance services as defined in Appendix C, Section 4.0 of Agreement No. 47391-5. These proprietary maintenance services will be delivered on a Task Assignment basis.

2.2 Services Delivery

- Total Proprietary Services under Amendment No. 001 over the period of Contract, not to exceed: \$350,000.
- Services will be defined in and delivered according to work scopes provided in mutually agreed Task Assignment letters provided by the Department to LogicaCMG.
- Payment schedule: milestones for payments will be defined in each Task Assignment letter.

2.3 Records and Audits

LogicaCMG shall maintain books, records, documents and other evidence showing all costs and expenses incurred by LogicaCMG for this Agreement. The LADWP shall have the right, upon twenty-four (24) hours' notice, to audit such books, records, documents, and other evidence, and LogicaCMG's accounting procedures and practices, as determined by the LADWP, to verify all Fees and any costs and expenses claimed. The LADWP may also request, and LogicaCMG shall provide, on two (2) business days' notice, full and complete Job Cost Reports. The LADWP retains this right for at least three (3) years after final payment of any Fee hereunder and until all disputes, appeals, litigation, or claims have been resolved. This right shall also include audit at reasonable times of LogicaCMG's office or facilities which are engaged in the performance of the Agreement. In addition, LogicaCMG shall, at no cost or expense to the LADWP, furnish reasonable facilities and assistance for such an audit. Upon request, LogicaCMG shall also provide copies of documents applicable to this Agreement. The LADWP shall have the right to use and disclose all audit findings, including without limitation any Job Cost Reports, to the extent reasonably necessary or desirable in order to enforce the LADWP's rights under this Agreement.

3.0 ADDITIONS TO APPENDICES D AND E

Addition to Appendix D of Agreement No. 47391-5	An additional Authorized Representative of the LADWP relating to the Water System is named as follows:
---	--

	<p>Sandy Foster 111 North Hope Street, Room 1237 Los Angeles, California 90012-2694 Telephone: (213) 367-1253</p>
<p>Addition to Appendix E of Agreement No. 47391-5</p>	<p>An additional MBE firm is added to the list as follows:</p> <p>Wizard Consulting, LLC 18912 Strathern St, Reseda, CA 91335</p>

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 001 to Agreement No. 47391-5 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

Date: _____

By: _____

And: _____
Secretary

LOGICACMG, INC.

Date: _____

By: _____

Title: _____

APPROVED AS TO FORM AND LEGALITY
ROCKARD J. DELGADILLO, CITY ATTORNEY

OCT 19 2005

BY


DIRK K. BOERSMA
Deputy City Attorney

FRANK T. MARTINEZ
City Clerk

KAREN E. KALFAYAN
Executive Officer

When making inquiries
relative to this matter
refer to File No.

04-2545

TY OF LOS ANGELE
CALIFORNIA



JAMES K. HAHN
MAYOR

Office of the
CITY CLERK
Council and Public Services
Room 395, City Hall
Los Angeles, CA 90012
Council File Information - (213) 978-1043
General Information - (213) 978-1133
Fax: (213) 978-1040

HELEN GINSBURG
Chief, Council and Public Services Division

January 20, 2005

Office of the Mayor
Board of Water & Power Commissioners
Attn: Barbara Moschos
Department of Water & Power
City Attorney
Chief Legislative Analyst
City Administrative Officer

Controller, Room 300
Accounting Division, F&A
Disbursement Division

RE: AN AGREEMENT BETWEEN THE DEPARTMENT OF WATER AND POWER AND LOGICACMG,
INCORPORATED FOR ENTERPRISE AND WORK MANAGEMENT INFORMATION SYSTEMS
MAINTENANCE PROGRAM

At the meeting of the Council held January 19, 2005, the following action
was taken:

Attached report adopted.....	_____ X _____
Findings adopted.....	_____
Mayor concurred	_____
To the Mayor FORTHWITH	_____
Motion adopted to approve communication recommendation(s).....	_____
Motion adopted to approve committee report recommendation(s)...	_____
Ordinance adopted.....	_____
Ordinance number.....,	_____
Effective date.....	_____
Posted date.....	_____
Mayor approved	_____

Frank T. Martinez

City Clerk
SOS

PLACE IN FILES

JAN 25 2005

DEPUTY

steno/042545

02 1/25/05



TO THE COUNCIL OF THE
CITY OF LOS ANGELES

Your COMMERCE, ENERGY AND NATURAL RESOURCES COMMITTEE

reports as follows:

Public Comments	<u>Yes</u>	<u>No</u>
	<u>XX</u>	

COMMERCE, ENERGY AND NATURAL RESOURCES COMMITTEE REPORT relative to Agreement between the Department of Water and Power (DWP) and LogicaCMG, Incorporated (Logica) for Enterprise and Work Management Information Systems Maintenance Program..

Recommendation for Council action:

CONCUR with the Board of Water and Power Commissioners (Board) action on December 7, 2004, Resolution No. 005-136, approving Agreement No. 47391-5 with Logica to provide proprietary professional, expert and technical services and software maintenance for the Enterprise Work Management Information System and Mobile Work Management Information System for a term of three years and at a cost not to exceed \$3,900,000.

Fiscal Impact Statement: The CAO reports that approval of the proposed Agreement will not impact the City General Fund. The DWP Power Revenue Fund has and will allocate budgeted funds, which will total \$3,900,000 over the three-year period in Fiscal Years 2004-05, 2005-06 and 2006-07, for the Logica provided systems maintenance services.

Summary:

At its January 11, 2005 meeting, your Committee considered Board of Water and Power Commissioners' and CAO reports relative to proposed Agreement No. 47391-5 with Logica to provide proprietary professional, expert and technical services and software maintenance for the Enterprise Work Management Information System and Mobile Work Management Information System for a term of three years and at a cost not to exceed \$3,900,000.

As a result of the City's decennial audit of 1989 by Anderson Consulting and the Barrington and Welsley audit of 1994, the Council instructed the DWP to implement a work force management system as a tool to better management its workload and work force. According to DWP staff, a work management program was initiated internally in 1994 and a Van Nuys District pilot program was created in 1995 as a small part of other projects. This was accomplished through an existing agreement with the Intergraph Corporation, by the subcontractor Logica. In 1996, assistance was sought to develop an improved and expanded work management system. Logica developed a proprietary, off-the-shelf system referred to as the Work Management System (WMIS).

Subsequently, DWP staff changed the name of WMIS to Enterprise Work Management Information System (EWMIS) to avoid confusion with other systems. The EWMIS was installed to expand the pilot program in the Van Nuys District and manage aspects of the Power System workload and workforce. A successful pilot program led to a four-phase implementation plan. According to DWP staff, in 2001 the Mobile Work Management Information System (MWMIS) was created from EWMIS to incorporate data input through laptop computers used by distribution crews and employees in the field.

After review, your Committee recommended that Council concur with the Board and approve Agreement No. 47391-5. This matter is now forwarded to the Council for its consideration.

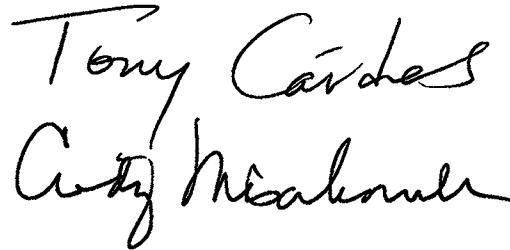
Respectfully submitted,

COMMERCE, ENERGY AND NATURAL RESOURCES COMMITTEE

MEMBER
CARDENAS:
HAHN:
MISCIKOWSKI:

VOTE
YES
ABSENT
YES

ARL
#042545
1-13-05



REPT.

ADOPTED

JAN 19 2005

LOS ANGELES CITY COUNCIL

COUNCIL VOTE

Jan 19, 2005 10:35:06 AM, #2

Items for Which Public Hearings Have Been Held - Items 7- 15

Voting on Item(s): 8-15

Roll Call

CARDENAS	Yes
GARCETTI	Yes
GREUEL	Absent
HAHN	Yes
LABONGE	Yes
LUDLOW	Absent
MISCIKOWSKI	Yes
PARKS	Absent
PERRY	Yes
REYES	Yes
SMITH	Yes
VILLARAIGOSA	Yes
WEISS	Absent
ZINE	Absent
*PADILLA	Yes

Present: 10, Yes: 10 No: 0

D

COMMERCE, CITY AND NATURAL RESOURCES COMMITTEE
SUGGESTED NOTIFICATION OF COUNCIL ACTION

Council File No. 04-2545

- Petitioner/Communicant _____
- Council Member(s) _____
- Office of the Mayor
- Board of Airport Commissioners
- * Certify stamp and return Commission copy (on file)
- Department of Airports
- Board of Harbor Commissioners
- Harbor Department
- Board of Water and Power Commissioners
- Department of Water and Power
- City Attorney
- City Administrative Officer
- Chief Legislative Analyst
- Controller
- _____
- _____
- _____
- _____
- _____



JAMES K. HAHN
Mayor

Commission
DOMINICK W. RUBALCAVA, *President*
SID C. STOLPER, *Vice President*
ANNIE E. CHO
GERARD McCALLUM II
SILVIA SAUCEDO
BARBARA E. MOSCHOS, *Secretary*

DAVID H. WIGGS, *General Manager*
FRANK SALAS, *Chief Administrative Officer*

December 9, 2004

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

Dear Members:

Subject: Agreement No. 47391-5 with LogicaCMG, Inc.

Pursuant to Charter Section 373, enclosed for approval by your Honorable Body is Resolution No. 005-136, adopted by the Board of Water and Power Commissioners (Board) on December 7, 2004, approved as to form and legality by the City Attorney, which authorizes providing DWP with maintenance services for the Enterprise Work Management Information System and Mobile Work Management Information System.

If there are any questions regarding this item, please contact Ms. Winifred Yancy, DWP Council Liaison at (213) 367-0025, or Mr. Massoud Saboury at (213) 367-2476.

Sincerely,

Barbara E. Moschos
Board Secretary

BEM:oja

Enclosures: DWP Resolution
Board Letter
Agreement No. 47391-5

COMMERCE ENERGY & NAT RES

DEC 16 2004

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111 North Hope Street, Los Angeles, California 90012-2607 Mailing address: Box 51111, Los Angeles 90051-5700
Telephone: (213) 367-4211 Cable address: DEWAPOLA



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2004 DEC 15 AM 7: 57

CITY CLERK

BY VM
DEPUTY

c/enc: Mayor James K. Hahn
Mr. Gerry F. Miller, Acting Chief Legislative Analyst
Mr. William T. Fujioka, Chief Administrative Officer
Mr. Joseph Avila, Legislative Analyst, CLA
Mr. William R. Koenig, Supvr. Proprietary Dept. Analysis Grp.
Ms. Winifred Yancy
Mr. Massoud Saboury

WHEREAS, the Los Angeles Department of Water and Power (LADWP) requires the procurement of maintenance services for the Enterprise Work Management Information System & Mobile Work Management Information System which provides proprietary services as part of LADWP's Work Management System which is a pivotal component of Distribution Construction & Maintenance Operation with regard to electrical services, and,

WHEREAS, the duration of Enterprise Work Management Information System & Mobile Work Management Information System maintenance services shall be for a period of 36 months at a cost not to exceed \$3,900,000.

THEREFORE BE IT RESOLVED that the proposed Agreement No. 47391-5, approved as to form and legality by the City Attorney and filed with the Secretary of the Board, between LADWP and LogicaCMG Inc., consistent with City Charter Section 371(e)(2), to provide proprietary professional, expert, and technical services and software maintenance for Enterprise Work Management Information System & Mobile Work Management Information System in the Power System, be and the same are hereby approved.

BE IT FURTHER RESOLVED pursuant to City Charter Section 1022 the Board finds that LADWP personnel do not have the skills and required expertise to perform the type of work specified in Agreement No. 47391-5, and the work contemplated under this Agreement can be performed more economically or feasibly by an independent contractor such as LogicaCMG, Inc.

BE IT FURTHER RESOLVED that the Chief Accounting Employee of LADWP, upon proper certification, is authorized and directed to draw demands on the Power Revenue Fund in payment of the obligations arising under said Agreement.

BE IT FURTHER RESOLVED that the President or Vice President of the Board, the General Manager, or such person as the General Manager shall designate in writing, and the Secretary, the Assistant Secretary, or Acting Secretary of the Board are hereby authorized and directed to execute Agreement No. 47391-5 for and on behalf of LADWP, upon approval by the Los Angeles 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 its meeting held **DEC 07 2004**

Rosie A. Garcia

Assistant Secretary

APPROVED AS TO FORM AND LEGALITY
ROCKARD J. ... CITY ATTORNEY

NOV 18 2004
BY *Edward J. Perez*

EDWARD J. PEREZ
Assistant City Attorney

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: *December 2, 2004*

CAO File No. 0150-07524-0000
Council File No.
Council District: all

To: The Mayor

From: William T Fujioka, City Administrative Officer 

Reference: Correspondence from the Department of Water and Power

Subject: **PROPOSED AGREEMENT WITH LOGICACMG FOR ENTERPRISE AND WORK
MANAGEMENT INFORMATION SYSTEMS MAINTENANCE PROGRAM**

SUMMARY

In accordance with Executive Directive No. 39, the Department of Water and Power (DWP) requests approval of a resolution to authorize a proposed sole-source Agreement No. 47391-5 with LogicaCMG, Inc. (Logica) to provide three years of professional, expert and technical services and software maintenance for existing work management systems at DWP. Upon the receipt of the Mayor's response, the request will be scheduled as an item for the DWP Board of Commissioners (Board) meeting and then forwarded to the City Council for consideration. Pursuant to Charter Section 373, Council approval is required when the term of the agreement extends beyond three years. The draft resolution has been approved by the City Attorney.

Background

As a result of City's decennial audit of 1989 by Anderson Consulting and the Barrington and Welsley audit of 1994, the Council instructed DWP to implement a work force management system as a tool to better manage its workload and work force. According to DWP staff, a work management program was initiated internally in 1994 and a Van Nuys District pilot program was created in 1995 as a small part of other projects. This was accomplished through an existing agreement with the Intergraph Corporation, by the subcontractor Logica. In 1996, assistance was sought to develop an improved and expanded work management system. A Request for Proposals was released and Logica was selected through the bid process to develop the system. Logica developed a proprietary, off-the-shelf system referred to as the Work Management Information System (WMIS). Subsequently, DWP staff changed the name of WMIS to Enterprise Work Management Information System (EWMIS) to avoid confusion with other systems. The EWMIS was installed to expand the pilot program in the Van Nuys District and manage aspects of the Power System workload and work force. A successful pilot program led to a four-phase implementation plan. According to DWP staff, in 2001 the Mobile Work Management Information System (MWMIS) was created from EWMIS to incorporate data input through laptop computers used by distribution crews and employees in the field.

There have been four DWP and Logica agreements (including amendments) pertaining to work management information systems (C. F. 99-0039 and C.F. 00-1301). As shown below, the cost of these agreements totals \$14,084,045. Agreement No. 10910 addressed the capital project aspect to implement WMIS in phases and it overlapped with Agreement No. 8104, which provided systems maintenance as the phases were implemented.

Agreement Number	Term, Approval to Expiration	Agreement Total (with amendments)
10910	January 26, 1996 to June 30, 1999	\$4,890,950
8104	August 29, 1997 to August 28, 1999	\$1,367,095
10025	August 18, 2000 to August 17, 2003	\$3,673,500
10480, current	January 12, 2000 to January 11, 2005	<u>\$4,152,500</u>
Total Cost of Agreements		\$14,084,045

DWP engineers, managers, field personnel, timekeepers and other employees, use the work management systems to follow virtually every aspect of power distribution work, from the creation to the completion of a job (work assignment). The interaction of the EWMIS and MWMIS programs not only manage the power distribution workload and work force, but these systems interface with many DWP mainframe legacy systems, including Responsible Cost Accounting System, Customer Information System, Fleet System, Geographic Information System, Outage Management System and timekeeping. DWP staff has provided an overview diagram of WMIS (Attachment A). The Attachment also contains a simplified description of how the EWMIS and the MWMIS are an integral part of DWP Power System work information management.

Proposed Agreement No. 47391-5

The proposed Agreement No. 47391-5 with Logica, for a three-year total cost of \$3,900,000, continues the EWMIS and MWMIS maintenance program and provides three significant enhancements to these systems. First, new software applications added to EWMIS and MWMIS will allow DWP customers to access and view information regarding the job progress/status of power distribution related work they requested. Secondly, software will be developed by Logica to transfer a greater portion of the systems maintenance duties to DWP staff. The result of this modification will be less reliance on Logica and a reduction in the cost of future maintenance agreements. DWP staff states the annual maintenance agreement from Logica could be reduced by \$461,000 if DWP follows the recommendations of providing the basic information technology infrastructure support and sufficient internal resources. Lastly, the proposed Agreement provides for DWP to continue to receive updated releases of any software covered by the maintenance program.

The DWP staff report that using the EWMIS and MWMIS programs increase the effectiveness and efficiency of power distribution work. All aspects of jobs assigned from offices throughout the City are processed through these two systems. The reported information available to managers and employees helps them better serve DWP customer needs, provides accurate daily job data used to

evaluate and improve productivity and reduces paperwork.

DWP staff has advised that without approval of the proposed Agreement No. 47391-5, there would be a major reduction in the efficiency of work flow and automated management of jobs in the Power System. Additionally, they would lose the increased productivity gained from standardization and the transmission of shared information from EWMIS and MWMIS to the many DWP mainframe legacy systems which interface with the Systems and the customer service benefits would be negatively impacted. Further, DWP staff advised that the Department would incur a great financial expense and valuable time lost in purchasing new software and equipment, re-designing the system and its interfaces and retraining staff.

The draft resolution notes that pursuant to Charter Section 1022, the Board finds that DWP personnel do not have the skills and required expertise to perform the work specified in Agreement No. 47391-5 and that work can be performed more economically or feasibly by an independent contractor. The DWP staff documented that no bargaining unit work is involved in the proposed Agreement and it was not sent to unions. According to prior CAO reports, in previous Logica agreement review, the Engineers and Architects Association indicated no objection to Logica agreements. Logica is in compliance with the appropriate insurance and City contract requirements. The proprietary departments, including DWP, have yet to adopt policies regarding the City Contractor Responsibility Ordinance, Equal Benefits Ordinance and the Slavery Disclosure Ordinance.

The Outreach Program section of the proposed Agreement notes that Minority Business Enterprise (MBE) and Women Business Enterprise (WBE) subcontractors could provide services totaling up to 22 percent of the value of the Agreement over the Agreement term. Logica shall use its best efforts to attain 15 percent MBE and seven percent WBE participation. DWP staff explains that Logica selected the proposed subcontractor companies based upon their interviews and profiles. The Department has the option of selecting from the four listed businesses based upon their performance. The listed companies are: 1) MBE – E2 Consulting Engineers, Inc. and Cordoba Corporation; and, 2) WBE - P. Murphy & Associates and B2 Consulting.

RECOMMENDATION

That the Mayor approve the Department of Water and Power (DWP) request for a proposed Agreement No. 47391-5 with LogicaCMG, Inc. (Logica) to provide professional, expert and technical services and software maintenance for the existing Enterprise Work Management Information System and Mobile Work Management Information System, for a total cost of \$3,900,000 over a three-year period beginning January 11, 2005, and return the proposed Agreement and draft resolution to the DWP Board of Commissioners for further processing, including Council consideration.

FISCAL IMPACT STATEMENT

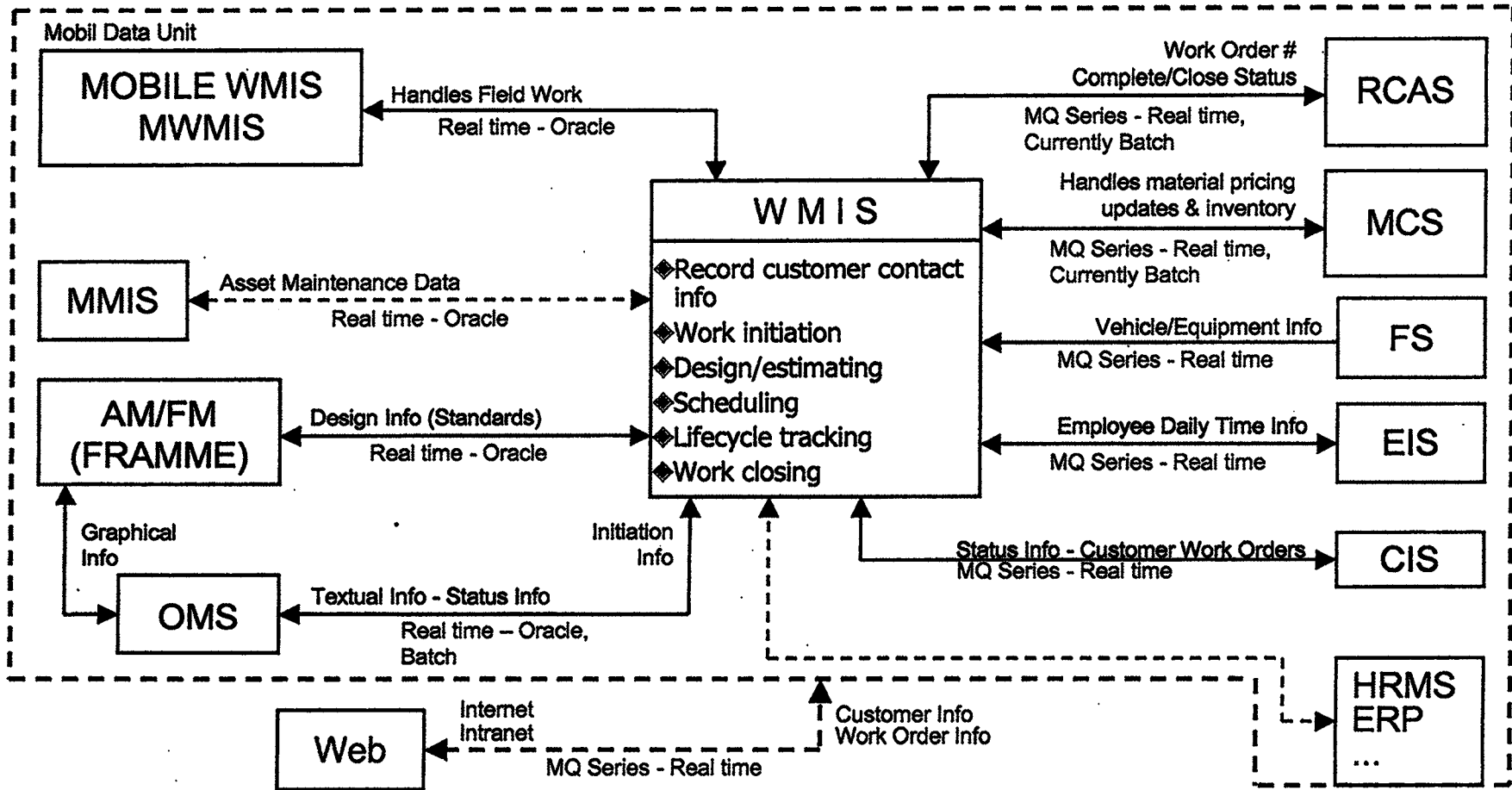
Approval of the proposed Agreement will not impact the City General Fund. The DWP Power Revenue Fund has and will allocate budgeted funds, which will total \$3,900,000 over the three-year period in Fiscal Years 2004-05, 2005-06 and 2006-07, for the Logica provided systems maintenance services.

WTF:AVM:10050087

Attachment

Management Overview Diagram - Work Management Information System (WMIS)

Attachment A



WMIS, AM/FM, OMS, MMIS, MWMIS - PTDBU Systems
 --- Future Systems and Pilots

<p>D W P</p>	<p>Los Angeles Department of Water & Power Power Transmission and Distribution Business Unit Work Management System Project</p>
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AM/FM - Automated Mapping/Facility Management
 CIS - Customer Information System
 EIS - Time Keeping System
 ERP - Enterprise Resource Planning
 FS - Fleet System
 HRMS - Human Resource Management System
 MCS - Material Control System
 MMIS - Maintenance Management Information System
 MPRO - Maintenance Prioritization & Resource Optimization
 OMS - Outage Management System
 MWMIS - Field Computers
 RCAS - Responsibility Cost Accounting System
 Web - World Wide Web
 ... - Any Other LADWP System

Attachment A

This is a simplified description of how the Enterprise Work Management Information System (EWMIS) and the Mobile Work Management Information System (MWMIS) are an integral part of Department of Water and Power (DWP) Power System work information management.

1. Upon receipt of an assignment, clerical, engineers, or other employees use the EWMIS to create a new job in EWMIS. The EWMIS function is used keep track of all jobs and their cost and to pass the work, design or non-design type specifics to other entities.
2. Engineers or pole spotter design jobs and other jobs, which do not need design, will go to construction after a few easy steps.
3. Supervisors review the design jobs and approve them as to the design, cost, and practicality.
4. Superintendents assign daily jobs to crews via the EWMIS, after all construction requirements are met.
5. Job information contained in the EWMIS is downloaded daily to the MWMIS, accessible through the mobile laptop computers, utilized by DWP staff in the field.
6. Construction personnel receive accurate information design and estimate of each job through their Mobile unit. This information consists of: crew/labor types, type of materials to be used for construction, vehicles and equipments to be used for construction. After the job is completed the crew reports accurate As-Built information on the particular job, this information consist of all the labor and material the job took, length and timeframe of the job, and the total cost of the job including the indirect costs.
7. Crews use the MWMIS to log their daily job progress by completing work status reports, personnel timesheets, codes of materials used and vehicles and equipment time charged to each job.
8. At the end of each workday, the MWMIS information is uploaded back into EWMIS. The information detailed in the EWMIS is transmitted to many Legacy systems at DWP as explained above and many DWP business units extract accurate information from EWMIS.
9. Other groups outside of power system such as accounting or legal use EWMIS to extract actual data for various jobs.

LADWP BOARD LETTER FOR APPROVAL

BOARD OF WATER AND POWER COMMISSIONERS		DATE: November 23, 2004
SUBMITTED BY:		SUBJECT:
 C. EDWARD MILLER Director of Power System Operations & Maintenance	ORIGINAL SIGNED BY ENRIQUE MARTINEZ <hr/> ENRIQUE MARTINEZ Acting General Manager	Agreement No. 47391-5 LogicaCMG Inc. Enterprise Work Management Information System, Mobile Work Management Information System Maintenance Program
		FOR COMMISSION OFFICE USE:
CITY COUNCIL APPROVAL REQUIRED: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	IF YES, BY WHICH CITY CHARTER SECTION: 373	

PURPOSE:

- Agreement No. 47391-5 between LADWP and LogicaCMG Inc., to provide maintenance services for the Enterprise Work Management Information System (EWMIS) & Mobile Work Management Information System (MWMIS), including normal maintenance, on-call support, periodic upgrades for the existing software, major upgrades, maintenance of the associated operating systems and database upgrades, and to provide proprietary services for the LADWP's power system.
- Expenditures that may total \$3,900,000 are budgeted in the fiscal year of 2004-05, 2005-06, and 2006-2007 out of the Power Revenue Fund and will be used for maintenance service of EWMIS & MWMIS by the Power System in LADWP.
- Duration: 36 months.

BACKGROUND:

- Between 1989 and 1994, there were two separate audits performed by the City of Los Angeles on LADWP. Both audits documented that the LADWP's Information Technology (IT) is seriously flawed, and that there are no work force management programs to manage the work force and the work at LADWP.
- In the early 1990's, LADWP management was told, by the City Council, to implement a significant work force management program and system, based on the auditor's reports. The Power System Management created an internal Power System organizational team (currently called, Control and Business Systems Support Team) and chartered them to create this work force management program. The assembled team was put together from the employees of the management, field and office supervisors, engineering, field and crew personnel, clerical, IT, and many individuals that participated on an ad-hoc basis.

- The EWMIS was initially installed as a pilot program at the Van Nuys District in early 1995 to handle work related to new business, permanent fixes of the reported trouble work, system improvements, and maintenance of the Power System. The EWMIS function allowed all of the design work by the engineering personnel which was passed on to the construction personnel with an accurate real-time estimate of the crew types, the length of the job, the material to be used in the construction, and the cost of the job. The pilot program proved successful and the full implementation of EWMIS began towards the end of 1995.
- The EWMIS installation continued over the next few years, which included four major phases. Phase one implemented the base software package with interfaces to the existing mainframe legacy systems, Customer Information System, and the Accounting System. Phase two implemented additional enhancements, and more interfaces to the Power System Applications Outage Management System, and the Geographic Information System. Phase three included automated reports, replacement of the mainframe-based systems with Y2K problems (Distribution Maintenance Program, Maintenance program for substations, and the project management program for substations). Phase four included more interfaces to the mainframe legacy systems material management, timekeeping, fleet system, the message queuing technology to the mainframe system to allow the exchange of real-time information with the legacy mainframe systems, and MWMIS.
- The MWMIS installation was completed by July 2004 to incorporate laptop computers for the construction crews to be carried out in the field and returned to the offices to allow reporting, scheduling and tracking of the daily construction work, the usage of the material, the daily personnel time sheets, and the daily usage of the fleet equipment.
- The maintenance is required since EWMIS & MWMIS is used as an integral part of the daily operational work for the engineering and construction personnel supporting 1400 users LADWP wide.
- The current Agreement No.10480 was approved by the City Council on January 11, 2000, for five years, and will expire on January 12, 2005.

METHOD OF SELECTION

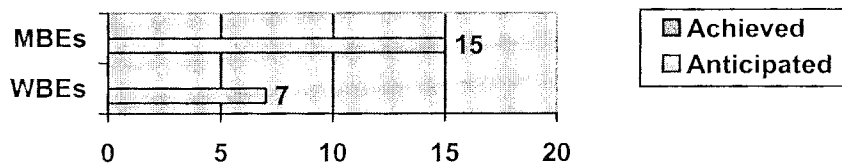
The selection process was sole sourced for the following reasons:

1. The EWMIS & MWMIS is proprietary software with exclusive rights purchased through LogicaCMG Inc., by LADWP.

2. The latest software enhancements and updates will be made available to LADWP via this Agreement.
3. All customizations to EWMIS & MWMIS, currently in use by LADWP, would require the technical expertise available only through LogicaCMG Inc., personnel who have been involved in the initial software installation and continued support, and are the only authority to access and modify the system source code.

MINORITY/WOMEN BUSINESS ENTERPRISE (MBE/WBE) SUBCONTRACTING PARTICIPATION:

- The anticipated achieved participation based on expenditures for this agreement is:



- The current agreement with LogicaCMG Inc., which expires on January 12, 2005, does not include MBE/WBE target participation because the system agreements include proprietary software license and maintenance of these licenses; however, to demonstrate good faith, LogicaCMG has spent over 30 percent of the optional services of the current contract for \$1,000,000 on a WBE company. This translates to about 7 percent of the total agreement amount.

LEGAL AGREEMENT CHECKLIST

- Yes No Affirmative Action Plan
- Yes No Service Contractor Worker Retention Ordinance
- Yes No Child Support Policy
- Yes No Living Wage Ordinance
- Yes No Labor Relations Notification
- Yes No Statement of Findings
- Yes No Agreement Compliance

Board of Water and Power Commissioners
Page 4
November 23, 2004

It is recommended that your Honorable Board adopt the resolution and that the Agreement be executed as authorized in the resolution.

MS:jdr

Attachments

c/atts: General Manager
Enrique Martinez, Acting General Manager
Chief Administrative Officer
Gerald A. Gewe
Richard M. Brown
Thomas C. Hokinson
Mahmud A. Chaudhry
Hal D. Lindsey
Lillian Y. Kawasaki
Pamela T. Porter
Ronald O. Vazquez
Cecilia K. T. Weldon
John W. Schumann
Albert A. Stephens
C. Edward Miller
04 000045 MG

Agreement No. 47391-5
Enterprise Work Management Information System
(EWMIS) & Mobile Work Management Information System
(MWMIS) Maintenance Program

This Maintenance Program Agreement ("Agreement") is made and entered into by and between the **DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES**, hereinafter called "Department", and **LogicaCMG Inc.**, having a place of business at 10375 Richmond Avenue, Suite 1000, Houston, Texas 77042-4156, hereinafter called "LogicaCMG".

1.0 AGREEMENT

This Agreement establishes the terms and conditions to which LogicaCMG and the Department have agreed with respect to a LogicaCMG Maintenance Program ("Program") that includes the services defined below in Section 2.0 and in Appendices B and C hereto, to be provided by LogicaCMG in connection with (a) the LogicaCMG Enterprise Work Management Information System and Mobile Work Management Information System (hereafter referred to as "EWMIS" and "MWMIS") software products, and the *IMFPlus* Application Edition and ARM Web Portal software products ("Products"); and (b) custom software developed by LogicaCMG for the Department ("Adaptations") which is included in the scope of this Program; and (c) Releases ("Releases") as defined in Appendices A and B. The Products, the Adaptations and the Releases, and any modifications thereto, are hereinafter collectively referred to as the "Software".

Capitalized terms not already defined in this Agreement are defined in Appendix A hereto.

2.0 TERM, SERVICES AND PRICING

Provided payment is made as described in Section 5.2 hereof, this Agreement will begin as of the date of the Execution Letter received by LogicaCMG from the Department, provided such letter is received no later than January 4, 2005, and will extend for a period of three (3) years thereafter (the "Term") for the amount of \$3,900,000. This amount includes the following Services components: (i) standard Software Maintenance Services, as defined in Appendix B, to be provided for a fixed fee of \$756,600 over a three-year period; (ii) WMIS Re-architecture and Upgrade Services, as defined in Appendix C, to be provided for a fixed fee of \$1,400,000 during the three-year period; Escrow Services, as defined in Section 4 herein, to be provided for a fixed fee of \$5,646

over a three-year period; and (iii) fees for Proprietary Maintenance Services, as defined in Appendix C, that include (a) MBE/WBE Services that will not exceed a total of \$858,000 over a three-year period and (b) Other Proprietary Maintenance Services that will not exceed a total of \$879,754 over a three year period. The MBE/WBE Services and Other Proprietary Maintenance Services will be delivered based on Task Assignments as described in Section 5.5 of this Agreement. How payment will be made for each of the Services components defined herein is described in Appendix C.

3.0 KNOWLEDGE TRANSFER

As part of the various services that LogicaCMG will deliver under this Agreement, LogicaCMG will also provide knowledge transfer services. These services will entail LogicaCMG personnel transferring to the Department's personnel, at various appropriate times, knowledge about the structure and definition of the WMIS schema within Oracle, Oracle entities relating to WMIS, WMIS stored procedures, and the configuration of WMIS database tables, all for the purpose of enabling the Department's personnel to gain the WMIS technical knowledge necessary to perform tasks that may include (a) produce reports incorporating information from WMIS using third-party reporting tools, (b) enable external applications to read the WMIS database, (c) develop interfaces to WMIS from other applications, using third party integration tools, and (d) configure administration tables to reflect changes in the Department's organization. The cost of these knowledge transfer services is included in the pricing for all other Services components.

4.0 SOURCE CODE ESCROW

LogicaCMG and the Department have previously entered into an escrow agreement whereby LogicaCMG has enrolled the Department in an escrow program using LogicaCMG's current escrow services provider DSI. The Department pays the annual cost for the LogicaCMG escrow program.

5.0 FEES, PAYMENT TERMS AND TASK ASSIGNMENTS

5.1 Fees

See Appendix C for fees and payment information therefor.

5.2 Payment Terms

All invoices shall be due and payable net thirty (30) days from date of receipt of the invoice. If, at any time during the Term of this Agreement, the payment by the Department to LogicaCMG of the maintenance fees or any other amount payable hereunder is in arrears of ten (10) days or more, LogicaCMG may, at its discretion, send written notice to the Department that LogicaCMG will terminate Services under this

Agreement. When LogicaCMG sends such written notice to the Department, the Department shall have ten (10) days in which to pay all such arrears and all interests due following such ten (10) day period, LogicaCMG shall have the right to cease supplying Services to the Department and may terminate this Agreement at its option without further notice or delay. LogicaCMG shall have the right to recover payment of all amounts due under this Agreement to the date of any termination of this Agreement, notwithstanding any termination of the Services under this Section.

All Services fees are exclusive of all federal, state, provincial, or local sales, use, goods and services, value added, excise and other taxes, duties, levies and other charges. Any taxes, duties, levies or other charges LogicaCMG may be required to collect or pay upon provision of Services, shall be paid by the Department to LogicaCMG unless the Department provides direct payment authority or an exemption certificate valid in the State in which the Services will be provided. In the event that taxes are determined to be payable, the Department shall promptly pay them upon demand by LogicaCMG.

Any amount not paid on or before the due date shall bear interest at a rate of three-quarters of one percent (3/4%) per month not compounded (8% per annum) or the maximum allowed by law whichever is less, calculated monthly, not in advance, from the date payment is due until the date full payment is made.

5.3 Current Los Angeles City Business Tax Registration Certificate Required

LogicaCMG represents that it has obtained and presently holds the Business Tax Registration Certificate(s) required by the City's Business Tax Ordinance (Section 1, Chapter 2, Sections 21.00 and following, of the Los Angeles Municipal Code). For the term covered by this Agreement, LogicaCMG shall maintain, or obtain as necessary, all such Certificates required of it under said Ordinance and shall not allow any such Certificate to be revoked or suspended.

LogicaCMG's current Business Tax Registration Certificate Number 751569-07 or, if exempt, a Vendor Registration Number, must be shown on all invoices submitted for payment. Failure to do so may delay payment.

5.4 Taxpayer Identification Number (TIN)

LogicaCMG declares that its authorized TIN is 13-3306288. No payment will be made under this Agreement without a valid TIN.

5.5 Task Assignments

Fees for the approved Task Assignments are to be paid as defined in the Task Assignment letter agreements made between the Department and LogicaCMG. All payment terms of section 5.2 are applicable to the Task Assignment fee invoices.

5.5.1 Task Management System

The Proprietary Maintenance (MBE/WBE Services and Other Proprietary Maintenance Services) defined in Appendix C will be requested by the Department through its Contract Administrator under this Agreement in accordance with a task management system. Accordingly, prior to any Department request to LogicaCMG for Proprietary Maintenance Services under the Agreement, the Department will prepare a written document called a "Task Assignment".

A separate Task Assignment proposal will be prepared for each Task Assignment and will include, but not be limited to, the following information:

1. Task number;
2. Task name or title;
3. Purpose and objective of the Task assignment;
4. Prerequisites to LogicaCMG's performance;
5. Scope of the work to be performed;
6. Results of work expected;
7. Premises (assumptions, benefits envisioned, conditions, or restrictions);
8. Key Task Assignment management personnel;
9. Schedule, including expected progress reports and transmission of interim results;
10. Mutually established fixed cost to be paid to LogicaCMG to perform the Task Assignment, and performance completion/payment schedules; or "time and material" rates applicable in accordance herewith and an estimate of total "time and material" fees; and
11. Name of the Department's authorized representative

The provisions of this Agreement shall be deemed incorporated into all Task Assignments entered into between the parties.

5.5.2 Task Modification

Upon receipt of a proposed Task Assignment from the Department, LogicaCMG will evaluate said proposed Task Assignment for completeness, understandability, its ability to perform, and other factors in LogicaCMG's discretion. Any request by LogicaCMG to change or modify the proposed Task Assignment shall be transmitted in writing to the Contract Administrator. The Contract Administrator and LogicaCMG shall enter into good faith negotiations to agree upon and sign the final Task Assignment. The Task Assignment will include the amount and method of compensation and maximum expenditure for the task assigned therein.

Once agreed to and signed by the parties, no modification or alteration in said Task Assignment is permitted without prior modification of the existing Task Assignment, in writing, by the Contract Administrator and an authorized LogicaCMG representative.

In the event that the parties fail to agree on such modifications, LogicaCMG shall be under no obligation to perform work under such Task Assignment.

5.5.3 Task Compensation

Proprietary Maintenance Services may be performed on a time-and-materials basis, including a maximum amount established for a Task Assignment, on a fixed-price basis, or any combination thereof. The particular method of compensation for each Task Assignment will be agreed upon by the parties during negotiations relating to the Task Assignment.

Every Task Assignment shall clearly state the method of compensation, i.e., time-and-materials, or fixed-price, or combination thereof, used for the particular Task Assignment. In the event payments by the Department are to be made prior to completion of the Task Assignment, the Task Assignment shall contain a performance schedule; and following performance in accordance with such schedule, as previously approved by the parties, interim payments shall be approved by the Contract Administrator and made to LogicaCMG.

The Department will pay for time and materials task Services for a Technical Lead at the rate of \$1150 per day.

6.0 FORCE MAJEURE

- 6.1 For the purpose hereof, force majeure shall be any of the following events: acts of God or the public enemy; compliance with any order, rule, regulation, decree, or request of any governmental authority or agency or person purporting to act therefore; acts of war, public disorder, rebellion, terrorism, or sabotage; earthquakes, floods, hurricanes, or other storms; strikes or labor disputes; or any other cause, whether or not of the class or kind specifically named or referred to herein, not within the reasonable control of the party affected.
- 6.2 A delay in or failure of performance of either party shall not constitute a default hereunder nor be the basis for, or give rise to, any claim for damages, if and to the extent such delay or failure is caused by force majeure.
- 6.3 The party who is prevented from performing by force majeure: (i) shall be obligated, within a period not to exceed fourteen (14) days after the occurrence or detection of any such event, to give notice to the other party setting forth in reasonable detail the nature thereof and the anticipated extent of delay, and (ii) shall remedy such cause as soon as reasonably possible. If such event exceeds one hundred eighty (180) days, either party may terminate this Agreement upon written notice to the other.

7.0 WARRANTY

7.1 Services

LogicaCMG warrants to the Department that the Services furnished under this Agreement will be performed by experienced and well qualified personnel. Reasonable prudence and diligence will be used by LogicaCMG in order to carry out its obligations hereunder.

7.2 Disclaimer

THE FOREGOING WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES. THERE ARE NO OTHER WARRANTIES, EXPRESS OR IMPLIED, AND ANY AND ALL SUCH WARRANTIES ARE HEREBY DISCLAIMED AND NEGATED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY, AND FITNESS FOR A PARTICULAR PURPOSE.

NO EMPLOYEE, AGENT OR REPRESENTATIVE OF LOGICACMG HAS ANY AUTHORITY TO MAKE OR BIND LOGICACMG TO ANY REPRESENTATIONS OR WARRANTY CONCERNING THE SERVICES FURNISHED UNDER THIS AGREEMENT AND ANY SUCH ORAL OR WRITTEN REPRESENTATION OR WARRANTY NOT EXPRESSLY SET FORTH IN THIS AGREEMENT SHALL NOT BE ENFORCEABLE. LOGICACMG DOES NOT WARRANT THAT THE SERVICES WILL ENSURE THAT THE OPERATION OF THE SOFTWARE WILL BE ERROR FREE OR UNINTERRUPTED.

8.0 INSURANCE

8.1 General Requirements

Prior to the start of work, but not later than 30 days after the date of award of contract, LogicaCMG shall furnish the Department evidence of coverage from insurers acceptable to the Department and in a form acceptable to the Risk Management Section and the Office of the City Attorney. Such insurance shall be maintained by LogicaCMG at LogicaCMG's sole cost and expense.

Such insurance shall not limit or qualify the liabilities and obligations of LogicaCMG assumed under the contract. The Department shall not by reason of its inclusion under these policies incur liability to the insurance carrier for payment of premium for these policies. Any insurance carried by the Department which may be applicable shall be deemed to be excess insurance and LogicaCMG's insurance is primary for all purposes despite any conflicting provision in LogicaCMG's policies to the contrary.

Said evidence of insurance shall contain a provision that the policy cannot be canceled or reduced in coverage or amount without first giving 30 calendar days' notice thereof by

registered mail to The Office of the City Attorney, Water and Power Division, Post Office Box 51111, GOB Room 340, Los Angeles, California 90051-0100.

Should any portion of the required insurance be on a "Claims Made" policy, LogicaCMG shall, at the policy expiration date following completion of work, provide evidence that the "Claims Made" policy has been renewed or replaced with the same limits, terms and conditions of the expiring policy, or that an extended discovery period has been purchased on the expiring policy at least for the contract under which the work was performed.

Failure to maintain and provide acceptable evidence of the required insurance for the required period of coverage shall constitute a breach of contract, upon which the Department may immediately terminate or suspend the agreement.

LogicaCMG shall be responsible for all subcontractors' compliance with the insurance requirements.

8.2 Specific Coverage Required

8.2.1 Commercial Automobile Liability

LogicaCMG shall provide Commercial Automobile Liability insurance which shall include coverage's for liability arising out of the use of owned, non-owned, and hired vehicles for performance of the work as required to be licensed under the California or any other applicable state vehicle code. The Commercial Automobile Liability insurance shall have not less than \$1,000,000 combined single limit per occurrence and shall apply to all operations of LogicaCMG.

The Commercial Automobile Liability policy shall name the City of Los Angeles, the Board of Water and Power Commissioners of the City of Los Angeles, the Department of Water and Power of the City of Los Angeles, and their officers, agents, and employees while acting within, the scope of their employment, as additional insured with LogicaCMG, and shall insure against liability for death, bodily injury, or property damage resulting from the performance of this Agreement.

8.2.2 Commercial General Liability

LogicaCMG shall provide Commercial General Liability insurance with Blanket Contractual Liability, Independent Contractors, Broad Form Property Damage, Premises and Operations, Products and Completed Operations, and Personal Injury coverages included. Such insurance shall provide coverage for total limits actually arranged by LogicaCMG, but not less than \$2,000,000 combined single limit per occurrence. Should the policy have an aggregate limit, such aggregate limits should not be less than double the Combined Single Limit and be specific for this contract. Umbrella or Excess Liability coverage may be used to supplement primary coverage to meet the required limits. Evidence of such coverage shall be on the Department's additional insured endorsement form or on an endorsement to the policy acceptable to the Risk Management Section and provide for the following:

- a) Include the Department and its officers, agents, and employees as additional insured with the Named Insured for the activities and operations under the contract.
- b) Severability-of-Interest or Cross-Liability Clause such as: "The policy to which this endorsement is attached shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the company's liability."
- c) A brief description of the coverages included under the policy.

8.2.3 Excess Liability

LogicaCMG may use an Umbrella or Excess Liability Coverage to meet coverage limits specified in the contract. Evidence of Excess Liability shall be in the form of the Department's Excess Liability-Additional Insured Endorsement form. LogicaCMG shall require the carrier for Excess Liability to properly schedule and to identify the underlying policies as provided for on the Additional Insured Endorsement form, including, as appropriate, Commercial General Liability, Commercial Automobile Liability, Employer's Liability, or other applicable insurance coverage.

8.2.4 Workers' Compensation/Employer's Liability Insurance

LogicaCMG shall provide Workers' Compensation insurance covering all of LogicaCMG's employees in accordance with the laws of any state in which the work is to be performed and including Employer's Liability insurance. The limit for Employer's Liability coverage shall be not less than \$1,000,000 each accident and shall be a separate policy if not included with Workers' Compensation coverage. Evidence of such insurance shall be in the form of a special endorsement of insurance and include a Waiver of Subrogation in favor of the Department. Workers' Compensation/Employer's Liability exposure may be self-insured provided that the Department is furnished with a copy of the certificate issued by the state authorizing LogicaCMG to self-insure. LogicaCMG shall notify the Risk Management Section by receipted delivery as soon as possible of the state withdrawing authority to self-insure.

8.2.5 Professional Liability

LogicaCMG shall provide Errors and Omissions insurance covering liability rising from errors and omissions made during the executing of this contract for the total limits actually arranged by LogicaCMG, but not less than \$1,000,000 per occurrence. The coverage shall include Contractual Liability, and should the policy be of a claims-made form, such policy shall be maintained for not less than two (2) years after the date of final acceptance or completion of all work performed under this Agreement. During the period of two (2) years after the date of final acceptance of all work performed under this Agreement, Errors and Omissions insurance maintained by LogicaCMG will be LogicaCMG's standard coverage, will meet the limits stated above, will not name the

Department as a named insured, and shall be renewed each subsequent year to provide continuous coverage from the inception date of this agreement through the expiration of the two year period after final acceptance.

9.0 DEFAULT

- 9.1 If either party commits a material breach of any term or condition of this Agreement, the non-breaching party shall be entitled to give to the other party written notice requiring it to cure such default.
- 9.2 If the alleged default has not been cured within thirty (30) days following receipt from the party alleging the default of the written notice, then the defaulting party shall immediately submit to the other party a plan of action including, where relevant, time scales and specified delivery dates, to cure the alleged default.
- 9.3 If the proposed plan is not acceptable to the party alleging default, the parties shall promptly begin to negotiate a resolution of their disagreement. If an agreement is not reached within ten (10) days after notice by the party alleging default of its refusal of said plan, the parties shall refer the disagreement to their respective Sponsor (or any other senior officer in charge of the operation of the Software and Designated System) for resolution of said disagreement through negotiations. Should these negotiations fail and no plan of action is agreed upon by both parties within fifteen (15) days of the beginning of the negotiation between the two (2) officers or any other delay agreed upon by the parties, only then shall the alleged defaulting party be considered in default hereunder, and the party alleging default shall be entitled to terminate this Agreement.
- 9.4 Upon approval of the plan of action or the successful outcome of the negotiations as contemplated herein, both parties shall resume their undertakings under this Agreement, as amended by such plan of action or these negotiations. The delays incurred by reason of such amendment shall not give rise to any liability, be construed as a default or otherwise trigger the termination of this Agreement.

10.0 LIMITATION OF LIABILITY

- 10.1 Except for losses resulting from any claims pursuant to section 11 hereof, LogicaCMG shall not be liable in contract, in tort, or otherwise, for consequential, indirect, or incidental damages of any nature whatsoever, with exception of those types of damages covered in whole or in part by LogicaCMG's policies of liability insurance. The total and cumulative liability of LogicaCMG to the Department arising from or in connection with this Agreement for all claims and series of claims not covered by the insurance limits set out in section 8 of this Agreement resulting from LogicaCMG's performance under this agreement (whether liabilities arise from breach of contract or warranty, negligence, strict liability in tort or otherwise or under any other doctrine in law or equity) shall in no circumstances exceed the total amount of \$3,500,000 (three million five hundred thousand).

10.2 Nothing in this Agreement shall exclude or limit the liability of LogicaCMG for death or personal injury caused by its negligent acts or omissions.

11.0 INDEMNITY

LogicaCMG undertakes and agrees to defend, hold harmless, and indemnify the City of Los Angeles, the Department of Water and Power, the Board of Water and Power Commissioners of the City of Los Angeles, and all its officers and employees, and defend the Department, and any and all of their Boards, officers, agents, representatives, employees, assigns and successors in interest, from and against all suits and causes of action, claims, charges, damages, demands, judgments, civil fines and penalties, or losses of any kind or nature whatsoever for death or injury to any person, including LogicaCMG's employees and agents, or damage or destruction to any property of either party hereto, arising directly by reason of errors, omissions or willful misconduct incident to the performance of the Agreement on the part of LogicaCMG, of LogicaCMG's officers, agents, employees, except for the active negligence or willful misconduct of the Department, its Board, offices, agents, representatives, or employees.

12.0 INTELLECTUAL PROPERTY RIGHTS INFRINGEMENT

LogicaCMG will defend any claim against the Department and pay the damages and costs finally awarded against the Department by a court of competent jurisdiction, after appeals there from, if any, have been exhausted, to the extent that the Software constitutes an infringement of a patent or copyright registered in the United States of a third party. This obligation is contingent on the Department's prompt written notification to LogicaCMG of such claim, LogicaCMG's retention of sole control over the defense and settlement negotiations related to the claim subject to the requirement that when a particular decision will directly affect the Department, the Department's approval, which shall not be unreasonable withheld, shall be obtained, furthermore, the Department's consent, which shall not be unreasonably withheld shall be obtained as to the legal representative appointed by LogicaCMG to undertake the defense, and the Department's assistance (at LogicaCMG's expense) in the defense or settlement of the claim.

In the event an injunction shall be obtained prohibiting the Department's use of the Software, or if in LogicaCMG's opinion, any of the Software is likely to become the subject of a claim of infringement or violation of a patent, copyright, trade secret, or proprietary information of a third party, LogicaCMG shall, at its expense and option either:

1. Obtain for the Department the right to continue using the Software,
2. Replace the Software with a non-infringing product of similar functionality; or
3. Modify the Software so that it is no longer infringing.

LogicaCMG will not be liable to the Department if an infringement is based on:

1. Use of the Software in any manner for which it was not designed according to the requirements and specification documentation.
2. Unauthorized modification of the Software in a manner causing the Software to become infringing.
3. Use of any Software Release where use of the most current Release of the Software would have avoided the claim or infringement.

This Section 12 states the sole and exclusive remedy of the Department with respect to any claim of infringement related to the Software.

12.1 Attorney Fees and Costs

The Parties agree that in any action to enforce the terms of this Agreement that each Party shall be responsible for its own attorney fees and costs.

13.0 TERMINATION OF SERVICES

13.1 Termination of Services by the Department for Convenience

The Department may terminate the Services under this Program at any time upon ninety (90) days' prior written notice to LogicaCMG. The Department shall within thirty (30) days of termination then pay to LogicaCMG all of its fees and expenses incurred up to the date of such termination plus LogicaCMG's other expenses (including the termination costs of resources hired for the purposes hereof) incurred or to be incurred in connection with such termination.

13.3.1 Termination for Default – By The Department

In the event that the Department elects to terminate this Agreement because LogicaCMG materially breaches its obligations hereunder as defined in Section 9 and fails to cure such default in the manner prescribed herein in Section 9, the Department shall be entitled to a refund of the monthly maintenance fee, if any, that has been paid to LogicaCMG for the month during which the termination occurs.

13.4 Termination – by LogicaCMG

Upon prior written notice to the Department, LogicaCMG may terminate its obligation to perform Maintenance Service hereunder (i) upon the Department's failure to pay when due any amounts owing to LogicaCMG for services rendered under this Agreement, with such notice period as specified in Section 5.2 to apply; or (ii) if, in the opinion of LogicaCMG, the Department or any third party has altered the Software or any portion thereof or the Designated Environment so as to impair substantially LogicaCMG's ability to perform its

maintenance obligations under this Agreement, with a thirty (30) days notice period to apply; unless the Department cures such noncompliance during the defined notice period. Except as otherwise contemplated herein, LogicaCMG shall have no right to terminate this Agreement.

14.0 NONWAIVER

Either party's failure to enforce any provision of this Agreement, or the waiver thereof, in any instance shall not be construed as a general waiver or relinquishment on its part of any such provision, but the same shall nevertheless remain in full force and effect. If any provision or part of the Agreement is declared illegal, void, or unenforceable, the remaining provisions shall continue in full force and effect.

15.0 ENTIRE AGREEMENT

Each of the parties acknowledges that it has read this Agreement and agrees that it, inclusive of Appendices A through E, is the complete and exclusive statement of the agreement between the parties and supersedes all prior proposals and understandings, oral or written, relating to the subject matter of this Agreement.

16.0 CHOICE OF LAW

Each party's performance hereunder shall comply with all applicable laws of the United States of America, the State of California, and the City of Los Angeles. This Agreement shall be enforced and interpreted under the laws of the United States of America, the State of California, and the City of Los Angeles with venue litigation in Los Angeles, California.

If any part, term or provision of the Agreement shall be held void, illegal, unenforceable, or in conflict with any law of a Federal, State or Local Government having jurisdictions over this Agreement, the validity of the remaining portions or provisions shall not be affected thereby.

In the event of litigation regarding enforcement or interpretation of the provisioning of this agreement, each party will pay its own attorneys' fees and costs.

17.0 BUSINESS POLICIES

17.1 Department of Water and Power's Recycling Policy

The Department of Water and Power supports the use of recycled-content products of all types. Recycled-content products help conserve natural resources, including water and energy, and reduce demands upon landfills.

The contractor shall submit all written documents on paper with a minimum of 30 percent post-consumer recycled content. Existing company/corporate letterhead/stationery that accompanies these documents is exempt from this requirement. Documents of two or more pages in length shall be duplex-copied (double-sided pages). Neon or fluorescent paper shall not be used in any written documents submitted to the Department.

17.2 Affirmative Action

The Affirmative Action Plan submitted by LogicaCMG and approved by the Office of Contract Compliance of the City of Los Angeles and on file therein is incorporated by reference and made a part of this Agreement as if fully set forth therein. The Affirmative Action Plan that LogicaCMG has submitted to the Department includes an ethnic composition table of their work force.

17.3 Departments Outreach Program

It is the policy of the Department to provide Minority Business Enterprises (MBEs), Women Business Enterprises (WBEs), and all other business enterprises an equal opportunity to participate in the performance of all Department contracts. LogicaCMG shall assist the Department in implementing the policy and shall use its best efforts to attain MBE and WBE participation of 15 percent and 7 percent, respectively, and to ensure that all available business enterprises, including MBEs and WBEs, have an equal opportunity to compete for and participate in the work of this contract.

Current MBE and WBE sub-contractors, which are listed in Appendix E with percentage of participation, are to provide services stated in Appendix C, which include, but are not limited to, those prospective tasks listed in Appendix C which are related to the EWMIS and MWMIS systems. Services are limited to twenty-two percent (22%) of the total value of the contract over the contract term.

17.4 Child Support Policy

The Department requires LogicaCMG to adopt a stated policy on childcare. Information is available at the Department's childcare Administration Office located in Room L-43, Lobby Southwest, 111 North Hope Street, Los Angeles, California 90012.

LogicaCMG and all of its subcontractor(s) must fully comply with all applicable State and Federal employment reporting requirements for LogicaCMG's and its subcontractors' employees. LogicaCMG and its subcontractors must fully comply with all lawfully served Wage and Earnings Assignments Order and Notices of Assignment in accordance with the California Family Code. LogicaCMG's and its subcontractor(s) must certify that the principal owner(s) thereof (any person who owns an interest of 10 percent or more) are in compliance with any Wage and Earnings Assignments Order and Notices

of Assignment applicable to them personally. LogicaCMG and its subcontractors must verify that such compliance will be maintained throughout the term of this Agreement.

Failure of LogicaCMG and its subcontractors to fully comply with all application reporting requirements or to implement lawfully served Wage and Earnings Assignments Order and Notices of Assignment or failure of the principal owner(s) to comply with any Wage and Earnings Assignments Order and Notices of Assignment applicable to them personally shall constitute a default under this Agreement. Failure of LogicaCMG and / or Subcontractor(s) or principal owners(s) thereof to cure the default within 90 days of notice of such default by the City shall subject this Agreement to termination.

18.0 SERVICE CONTRACT WORKER RETENTION AND LIVING WAGE ORDINANCES

18.1 General Provisions

This contract is subject to the Service Contract Worker Retention Ordinance (SCWRO), Section 10.36 et seq., and the Living Wage Ordinance (LWO), Section 10.37 et seq., of the Los Angeles Administrative Code. The Ordinances require that, unless specific exemptions apply, all employers under contracts primarily for the furnishing of services to or for the City and that involves an expenditure or receipt in excess of \$25,000, and a contract term of at least three months or certain recipients of City financial assistance shall provide the following:

- (a) Retention by a successor contractor for a 90-day transition period, the employees who have been employed for the preceding 12 months or more by the terminated contractor or subcontractor, if any, as provided for in the SCWRO;
- (b) Payment of a minimum initial wage rate to employees as defined in the LWO of \$8.87 per hour with health benefits of at least \$1.25 per hour or otherwise \$10.03 per hour, to be adjusted annually. (Please note that adjustments are made annually on June 15, and become effective July 1 of that year.)

18.2 Termination Provisions

Under the provisions of Section 10.36(c) and Section 10.37.5(c) of the Los Angeles Administrative Code, the City Department shall have the authority, under appropriate circumstances, to terminate this contract and otherwise pursue legal remedies that may be available if the City Department determines that LogicaCMG or financial assistance recipient violated the provisions of the referenced Code Section.

18.3 Survival Provisions

Sections 7, 8, 10, 11, 12, 14, 15, 16, 20 and 21 hereof and the Department's obligation to pay LogicaCMG's fees and expenses for services rendered prior to the termination hereof shall survive the termination of the Agreement.

19.0 NONDISCLOSURE

19.1 Department's Drawings, Specifications, Technical Reports and Data

All information contained in drawings, specifications, technical reports, and data provided by the Department to LogicaCMG in the course of the work performed hereunder which is marked Confidential shall be held in confidence by LogicaCMG and used only to maintain services to the Department. LogicaCMG shall not disclose said information without the Contract Administrator's written consent. LogicaCMG shall not copy any drawing, specification, technical report, or data provided by the Department except with the Department's consent. LogicaCMG shall return all material provided by the Department at the conclusion of a given Task Assignment.

LogicaCMG's obligation of confidentiality regarding the Department's Confidential Information shall terminate with respect to any particular portion of the Confidential Information only in the event that one or more of the following conditions occur:

- a) It was in the public domain at the time of its communication to LogicaCMG;
- b) It entered the public domain through no fault of either party subsequent to the time of the Department's communication thereof to LogicaCMG;
- c) It was in LogicaCMG's possession free of obligation of confidence prior to its communication as Confidential Information;
- d) It was rightfully communicated to LogicaCMG by the Department free of any obligation of confidence subsequent to the time of its communication as Confidential Information.

19.2 LogicaCMG Confidential Information

The Department acknowledges that through its Services LogicaCMG may provide to the Department highly confidential and valuable trade secrets and/or copyrighted material developed by LogicaCMG and/or Third Parties. The Department agrees to preserve the confidential nature of these trade secrets and/or copyrighted materials by retaining and using these trade secrets and/or copyrighted materials ("Confidential Information") in trust and confidence, solely for the Department's own internal use by its authorized employees, and by not using or permitting the use of the Confidential Information and by not disclosing or permitting the disclosure of the Confidential Information, except pursuant to the Department's internal use as permitted herein or as may be required by law to be disclosed.

LogicaCMG's Confidential Information shall consist of:

- a) Information relating to the design and functionality of the Software defined herein; such as but not limited to the entity relationship model, function hierarchy, data flow diagrams, and function documentation; the Products defined herein and any associated Adaptations, including but not limited to the program code in any form, database design, On-Line Help, program screen designs and layouts, installation guides, and user and training documentation;

- b) Information about the Software or additional or future Software products or modules;
- c) Information relating to the design and functionality of other LogicaCMG software products;
- d) LogicaCMG's non-public financial and sales information;
- e) Details of LogicaCMG's customer systems and projects; and
- f) Any other information clearly identified by LogicaCMG as confidential.

The Department's obligations of confidentiality regarding LogicaCMG Confidential Information shall terminate with respect to any particular portion of the Confidential Information only in the event that one or more of the following conditions occur:

- a) It was in the public domain at the time of its communication to the Department;
- b) It entered the public domain through no fault of either party subsequent to the time of the LogicaCMG's communication thereof to Department;
- c) It was in Department's possession free of obligation of confidence prior to its communication as Confidential Information;
- d) It was rightfully communicated to Department by the LogicaCMG free of any obligation of confidence subsequent to the time of its communication as Confidential Information

The Department shall request that its employees fulfill its obligations hereunder and acknowledges that a violation or threatened violation of any of the provisions of the Section would result in immediate and irreparable injury for which LogicaCMG would have no adequate remedy at law and, accordingly, agrees that in the event of a threatened or actual breach of this Section, LogicaCMG shall be entitled to seek preliminary injunctive relief in addition to all of its other remedies.

20.0. REPRESENTATIVES AND NOTICES

Official notices, demands, or requests relating to this Agreement (Official Correspondence) shall be in writing and shall be personally served or sent by first-class mail, postage prepaid, or sent by courier to the address supplied herein:

If to the Department:

Los Angeles Department of Water and Power
C/O Mr. Ali Morabbi
Manager Control Business Systems
111 North Hope Street, Room 851
Los Angeles, California 90012-2694

If to LogicaCMG:

LogicaCMG
Energy and Utilities Division
C/O Ms. Lucie Smith
Customer Engagement Director
10375 Richmond Avenue
Suite 1000
Houston, Texas 77042

Official Correspondence transmitted by facsimile shall be followed by original copies delivered by regular mail services. Official Correspondence sent only by facsimile will not meet submittal requirements. The facsimile number for the Department is (213) 367-3592.

Service of Official Correspondence will be deemed complete upon receipt if personally served, including via courier services, or within five (5) calendar days after mailing, or ten (10) calendar days if outside the State of California (first-class United States mail, postage prepaid), delivery confirmation requested.

Either party may, at any time, by written notice to the other party, designate different or additional persons or different addresses for the giving of notices hereunder.

Other correspondence that is not Official Correspondence may be transmitted by any appropriate means.

21.0 TRANSFERS AND ASSIGNS

Neither party shall be liable for delays or failures in performance resulting from acts beyond the control of such party, including but not limited to acts of God, acts of war, riot, fire, flood or other disaster, acts of government, strikes, lockouts, communication line or power failures.

Notwithstanding the above, LogicaCMG may assign this Agreement to its parent corporation or an affiliate within LogicaCMG's group without the Department's prior written consent.

22.0 SIGNATURE AUTHORIZING AGENT

Each of the parties to this Agreement was represented by counsel in the negotiations and execution of this Agreement.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their authorized representatives on the day and year written below.

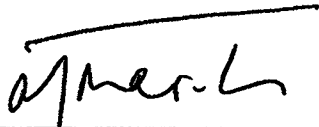
**DEPARTMENT OF WATER AND
POWER OF THE CITY OF LOS
ANGELES**

Per: _____

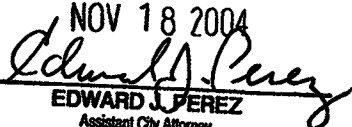
Per: _____

LogicaCMG Inc.

Per: 
Bradley S. Kitterman
Senior Vice President

Per: 
Andy Marsh
Maintenance and Support Director

APPROVED AS TO FORM AND LEGALITY
ROCKARD J. DELGADILLO, CITY ATTORNEY

NOV 18 2004
BY 
EDWARD J. PEREZ
Assistant City Attorney

APPENDIX A

DEFINITIONS

Unless otherwise defined in the Agreement, capitalized terms use herein shall have the following meaning:

- “Adaptations”** - shall mean any custom software developed for the Department which is being used with version 2.7.1 of the WMIS software product.
- “Contract Administrator”** - shall mean the person designated by either party as being responsible to administer this Agreement.
- “Defects”** - shall mean, for the purpose of the Program, any covered Software function, window, control, report, or process that does not function as specified in the applicable published feature checklist document or other standard documentation for that version of the Software, or that portion of a mutually-agreed requirements document, as applicable. Defects are classified by LogicaCMG according to the categories identified in Appendix B.
- “Documentation”** - shall mean LogicaCMG’s published documentation provided by LogicaCMG to a customer that defines the functionality of the Software.
- “Escrow Services”** - shall mean Software source code escrow services being provided by LogicaCMG through its escrow agent according to an agreement previously-executed between the parties.
- “Extensions”** - Adaptations to be made part of 2.9.x and supported by the Department
- “Maintenance Program”** - shall mean Services provided off-site or on-site under the direction of LogicaCMG according to the terms of service defined in Appendix B and Appendix C to this Agreement.
- “Products”** - shall mean the standard, core LogicaCMG software products EWMIS, MWMIS, IMF*Plus* Application Edition and ARM Web Portal licensed to the Department under the terms of a separately-executed licensing agreement or amendments thereto, and any other LogicaCMG products so licensed that are covered by this Agreement.

“Release(s)” -

shall mean any update provided to the Department by LogicaCMG for any of the Software Products covered under the terms of the Maintenance Program. Each release shall be identified by a version number.

“Services” -

shall mean the standard Software Maintenance Services and/or the Proprietary Maintenance Services and/or WMIS Re-architecture and Upgrade Services and/or Escrow Services, as the case may be, that are provided under the Program.

“Software” -

shall mean the LogicaCMG-supplied computer programs, including Products and Adaptations, which are licensed to the Department by LogicaCMG under the terms of a separately-executed licensing agreement or amendments thereto.

APPENDIX B

STANDARD SOFTWARE MAINTENANCE SERVICES TERMS

1.0 SERVICES

This Appendix B defines the terms of service for the standard Software Maintenance Services to be provided by LogicaCMG under this Agreement.

2.0 ACCESS TO STANDARD SOFTWARE MAINTENANCE SERVICES

2.1 Support Team

LogicaCMG delivers its standard Software Maintenance Services through a group called the Solutions Support Group, or SSG. LogicaCMG's SSG is the conduit through which the Software Maintenance Services under this Agreement are provided to the Department. SSG services are provided from LogicaCMG's SSG offices. Support is delivered via telephone, email and facsimile contact.

From 8:00 a.m. (CST/CDT) to 5:00 p.m. (CST/CDT), Monday through Friday excluding LogicaCMG holidays, the Department may call the LogicaCMG SSG to raise questions, obtain general support related to the operation and use of the Software, and report Software Defects.

Emergency help-line support required after LogicaCMG's normal business hours (including weekends and holidays) will be provided through LogicaCMG's telephone messaging and emergency-only pager access. This service will support Priority 1 Defect reports during the hours of 3-5 p.m. PST/PDT.

LogicaCMG will also provide the ability to receive Department faxes and emails related to Maintenance Services. LogicaCMG responses to faxes and email received from the Department will be handled during normal business hours.

Standard Software Maintenance Services that are supplied by LogicaCMG off-site are designed to provide support for standard, core Software. These Services are not intended to provide a "Help Desk" facility in lieu of the Department's own user support facility, nor are they intended to supply consulting services or take the place of training of the Department's user community. LogicaCMG expects the Department to establish a Help Desk that provides a first line of response for day-to-day operational questions and through which support inquiries about the Software can be routed to LogicaCMG. Appendix D shows the names of two Department representatives who may contact the SSG with inquiries. This list may be modified by the Department's Project Manager at any time with written notice to the manager of the SSG.

2.2 Telephone Numbers

LogicaCMG will provide the Department with telephone numbers for the Software Maintenance Services. These numbers will be toll-free in the United States and Canada. LogicaCMG will notify the Department in advance of any change to such numbers.

3.0 **DEFECT RESOLUTION UNDER STANDARD SOFTWARE MAINTENANCE SERVICES**

The following provisions apply to the Software covered by standard Software Maintenance Services.

3.1 Defect Logging and Assessment

LogicaCMG handles all defects through a structured, step-wise resolution process as defined in the flow diagrams shown in Exhibit 1 to this Appendix B. Upon receipt of a call, facsimile or email from the Department reporting a problem, the SSG will verify the problem occurrence; open a Defect tracking record in LogicaCMG's Defect Tracking System; and generate a Defect Tracking number to the Department that allows future reference to the Defect. The SSG will then categorize the Defect for resolution; assess the action required by the Defect; define the resolution steps; where possible, identify a projected resolution schedule; and inform the Department representative of the priority level assigned, the resolution process the SSG expects to follow, and the initial estimated timeframe for resolution. The SSG will also supply periodic reports or telephone updates that summarize the status of Defects to the Department's representative.

As appropriate, the SSG will request further information from the Department or reject the Defect report as not an error in the Software in accordance with the exclusions stated in Section 6.0 hereof. If LogicaCMG rejects a Defect report, LogicaCMG will provide a written explanation of the rejection to the Department.

3.2 Classification of Priority Levels

Software Defects will be categorized as one of the priority level codes shown below:

- Priority 1: The Defect renders the Software unusable or a critical task cannot be completed and there is no known workaround.
- Priority 2: The Defect seriously affects production but there is a difficult workaround.
- Priority 3: The Defect may affect production but a relatively simple workaround is available (if applicable) or the Defect is cosmetic or represents a nuisance.

After obtaining information from the Department's representative, LogicaCMG will determine the category of the reported Defect.

3.3 Response by LogicaCMG

If the Department's call comes in during LogicaCMG's standard SSG hours, LogicaCMG will provide an initial response (that is, the SSG will contact the Department's representative via phone or email to verify that the SSG has received the report) within two (2) hours after receipt of the Department's request. During LogicaCMG's emergency help-line hours, LogicaCMG will provide an initial response to all pager requests within three (3) hours. Final response and resolution will be as set forth below in this Section 3.3. LogicaCMG will use commercially reasonable efforts to provide resolutions to reported Defects submitted by the Department to LogicaCMG.

In every case where available and practical, the SSG will provide a workaround to the Department. A workaround typically consists of verbal instructions for keeping production going despite the existence of a Defect. Usually the workaround will be supplied over the telephone in a call to the Department's point of contact.

Once a Defect has been fixed, LogicaCMG's SSG will test the component of the Software containing the Defect, build a "patch" Release containing the fix, test the patch, and then send the patch to the Department. Once the Department has confirmed that the patch Release has remedied the reported Defect, LogicaCMG's SSG will update the status of the Defect in the Defect Tracking System to "closed".

For priority 1 Defects, LogicaCMG's immediate, primary objective will be to restore the Software to normal operation and/or to provide a workaround to restore the stability of the Software. If a workaround is possible, LogicaCMG will, after providing the workaround, continue to work on the Defect according to the process identified by the SSG to the Department's representative. Once a priority 1 Defect has been identified, LogicaCMG personnel will continue to work closely with the Department personnel, maintaining routine contact by email, phone or facsimile, until there is a resolution of the problem.

All priority 2 Defects will be researched promptly and corrections will be issued to the Department and other customers enrolled in a LogicaCMG maintenance program on a regular schedule, but generally not less than quarterly.

LogicaCMG will provide updates to the Department regarding the status of priority 2 Defects, according to a schedule to be mutually agreed to on a case by case basis.

Priority 3 Defect corrections will, when made, be issued to the Department as part of a Release as such Releases become available.

3.4 Status Reports

In addition to any other Department reports specified herein, LogicaCMG will hold telephone conference calls and/or issue status reports, including a copy of the current

Software Critical Defect Backlog Report, relating to defects reported by the Department regarding its installed application, on a monthly basis, to update the Department on the status of Defects, enhancements, and other issues concerning the installed Software.

4.0 RELEASES

4.1 Contents

Under standard Software Maintenance Services, LogicaCMG will in its sole discretion provide Releases of the Software licensed by the Department that are covered by this Program from time to time as these Releases are made available to subscribers to a LogicaCMG maintenance program. Releases may, where appropriate, incorporate:

- Defect corrections (sometimes issued in interim maintenance Releases)
- Software improvements or enhancements
- Release notes (including installation description)
- Database conversion scripts
- Software On-Line Help distribution
- Updates to any other standard documentation
- Major improvements in Software functionality or new functionality for the current Software

Additional software products or new software products not currently licensed to the Department, or new extra-cost software modules for existing Software, will not be covered by the Releases provided under this Program but instead will be available from LogicaCMG at additional cost.

Release notes and any other standard documentation updates will be provided in machine-readable form or hard copy, at the LogicaCMG's discretion. Scheduled Releases will be provided in machine-readable form and will contain all corrections to the applicable Software that were completed by the cut-off date for the Release. No source code will be supplied.

4.2 Types of Releases

LogicaCMG Releases are generally considered to fall into two categories:

- Maintenance Release – a Release of Software providing Defect fixes for an existing product or module covered by this Program.
- Standard Release – a Release of Software providing enhancements or improvements to an existing product or module covered by this Program. Standard Releases are provided periodically by LogicaCMG at no additional charge to subscribers to its

maintenance Program.

4.3 WMIS Release 2.7.1

LogicaCMG will formally discontinue support of WMIS Release 2.7.1 to its customer base as of December 31, 2004. However, under the terms of this Agreement and this Appendix B, LogicaCMG will continue to support the Department's installed version of WMIS Release 2.7.1 until such time during the Term of this Agreement as LogicaCMG has delivered and tested (at one site) Release 2.9.x and the other products named in Appendix C.

4.4 WMIS Release 2.9.x

Once WMIS 2.9.x and the other products named in Appendix C have been delivered to the Department, support for WMIS Release 2.7.1 will cease; and support for WMIS 2.9.x, the Web Portal, and *IMFPlus* Enterprise Edition under this Program will begin.

4.5 No Implementation Tasks

Except for the activities that will be associated with implementing Release 2.9.x of the WMIS Product, activities which are separately described and priced in Appendix C, no implementation tasks or activities (for example, no training or rollout support) associated with any Releases supplied under this Program are included as part of the fees for the standard Software Maintenance Services.

4.6 Installation of Maintenance Releases

The Department is not obligated to install interim patches or Maintenance Releases that are issued between Standard Releases. However, the Department acknowledges its understanding that:

- (a) patches and Maintenance Releases are iterative; that is, each patch or Maintenance Release builds on past fixes; and if the Department desires to install a specific patch or Maintenance Release, it must also install or have installed all prior patches or Maintenance Releases first; and
- (b) upon reporting a Defect that has been remedied by issuance of a previous patch or Maintenance Release, the Department will be informed, as part of the Defect reporting process, that the Defect is no longer considered a Defect since it has been fixed by a previously-issued patch or Release; and
- (c) when LogicaCMG provides the Department with a new Standard Release, the Department will be required to install or have installed all previously-issued Maintenance Releases prior to installing the new Standard Release.

5.0 DEPARTMENT'S OBLIGATIONS

The Department may, unless otherwise agreed to:

- (a) Use only the Releases of the Software supported by LogicaCMG. See this Appendix B Section 4.2 for a description of supported Releases;
- (b) Use only an operating environment supported by the Software covered by this Maintenance Program. "Operating Environment" here means the technical environment components such as the server hardware platform, client hardware platform, operating system, and third-party software including database software, and any other components required for operation of the Software.

If the Department desires to make changes to a currently-supported Operating Environment, the Department will notify LogicaCMG in advance in writing to confirm that the proposed changes will support the Software. If LogicaCMG does not currently support the Department's proposed changes, LogicaCMG will so notify the Department that the proposed changes are not supported;

- (c) Keep full back-up copies of the Software, including Releases, and keep a record of the location of such copies which shall be open to inspection by LogicaCMG, at reasonable times upon reasonable notice during the Department's normal business hours;
- (d) Use its reasonable skill and care to follow any investigative procedure specified by LogicaCMG and agreed by the Department, reasonably cooperate with LogicaCMG in diagnosing and rectifying any fault or error, and subject to the Department's security and operational requirements, grant LogicaCMG access to the Department's premises and facilities during normal office hours;
- (e) Allow LogicaCMG to access the Department's location and/or systems via remote access, in accordance with security guidelines determined and agreed with the Department, as necessary for LogicaCMG to perform the Services; and
- (f) Make available to LogicaCMG all information and Department resources reasonably required by LogicaCMG to enable LogicaCMG to perform its Services.

6.0 EXCLUSIONS FROM STANDARD SOFTWARE MAINTENANCE SERVICES

The standard Software Maintenance Services exclude correction of the following:

- (a) Reported Defects or loss of functionality due to or arising from any customizations made to any part of the Software by the Department or any third party (without LogicaCMG's authorization); and
- (b) Reported Defects due to or arising from accident, misuse, fault or negligence of the Department, its employees, Agents or Contractors or by causes external to the Software, or otherwise beyond LogicaCMG's reasonable control; and

- (c) Reported Defects or loss of functionality due to or arising from improper installation of the Software by the Department's personnel in the Department's production environment (unless the problem occurred as a result of the Department's having followed LogicaCMG's installation instructions); and
- (d) Correction of errors associated with components of the Department's computer hardware or software – for example, problems originating in data, third-party hardware, or non-LogicaCMG software not covered by this Program; and
- (e) Reported Defects or loss of functionality due to or arising from the Department-maintained data configurations relating to the *IMFPlus* application; and
- (f) Reported Defects or loss of functionality due to or arising from use by the Department of software or hardware products not part of an Operating Environment supported by the Software; and
- (g) Modifications made by the Department, or any third party (without LogicaCMG's authorization) to the database(s) used by the Software where such modifications enable external programs to directly write to, and make changes in, such database(s), unless LogicaCMG has provided the Department with written authorization to make such modifications.
 - If the Department desires to make such modifications, the Department shall notify LogicaCMG in writing, giving the details of the modifications that are required and the purpose therefor.
 - LogicaCMG shall review the request and shall then notify the Department in writing that it approves or disapproves the request. In addition, LogicaCMG will advise the Department of alternate methods of achieving the desired result.
- (h) Adaptations that have been moved into extensions which are not maintained by LogicaCMG's SSG.

APPENDIX B

Exhibit 1

Maintenance Process Flow Diagrams

Interface between LogicaCMG and the Department

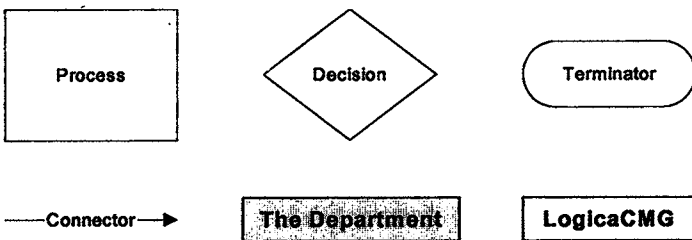
LogicaCMG

1. LogicaCMG shall maintain a solution baseline that addresses the reported issues of the Department using LogicaCMG's CORTEX/CM procedures
2. LogicaCMG shall maintain staff knowledgeable in the Department's solution
3. LogicaCMG shall maintain the solution as indicated by all contractual agreements.

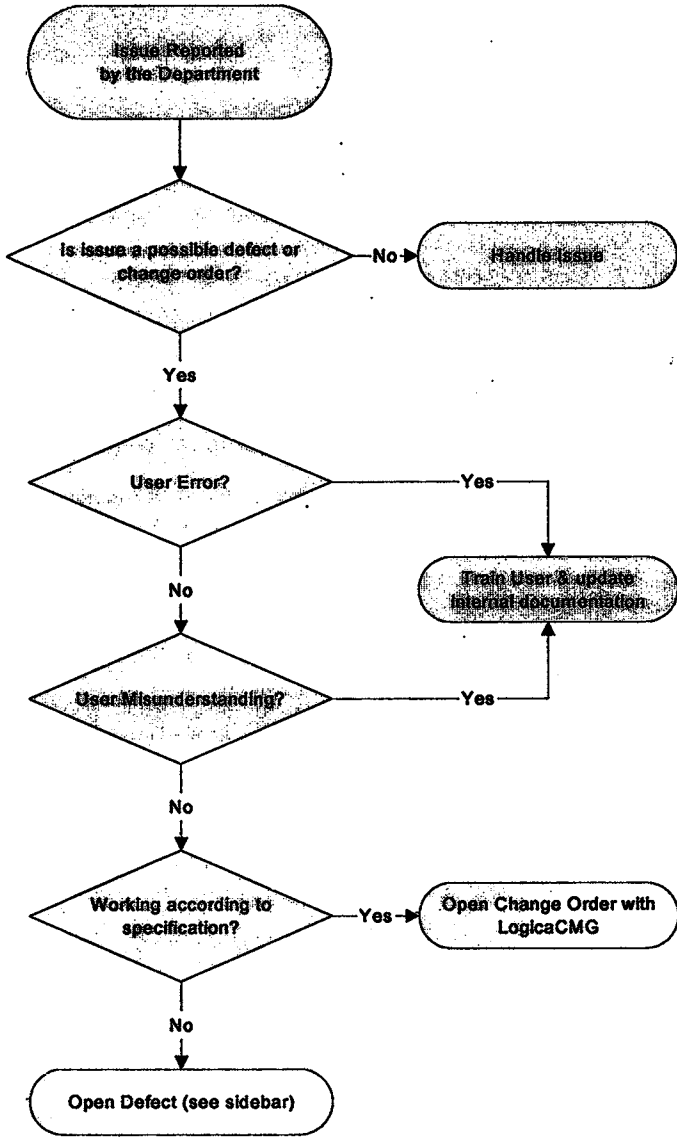
The Department

1. The Department shall maintain an issue tracking database that contains sufficient information to completely describe the issue, track issue owner and status, and identify the issue with a unique Department issue tracking identifier.
2. The Department shall abide by the Department's obligations stated in the WMIS Maintenance Program agreement.
3. The Department shall exercise diligence in determining if the reported issue is an internal issue (Department's use or internal operations problem) or external issue (vendor system issue).
4. The Department shall present a complete description of the issue to LogicaCMG once Customer has determined that LogicaCMG has primary responsibility. For defects, this includes a complete description of the issue along with a data entry/modification sequence to enable LogicaCMG to consistently duplicate the issue.
5. The Department is responsible for applying all patches / Releases, establishing a structured testing methodology (maintaining separate training, testing, and production environments), and conducting all on-site testing of patches / Releases.
6. The Department shall provide remote access to their system so that LogicaCMG staff may view issues that cannot be duplicated at LogicaCMG.

Symbol Legend



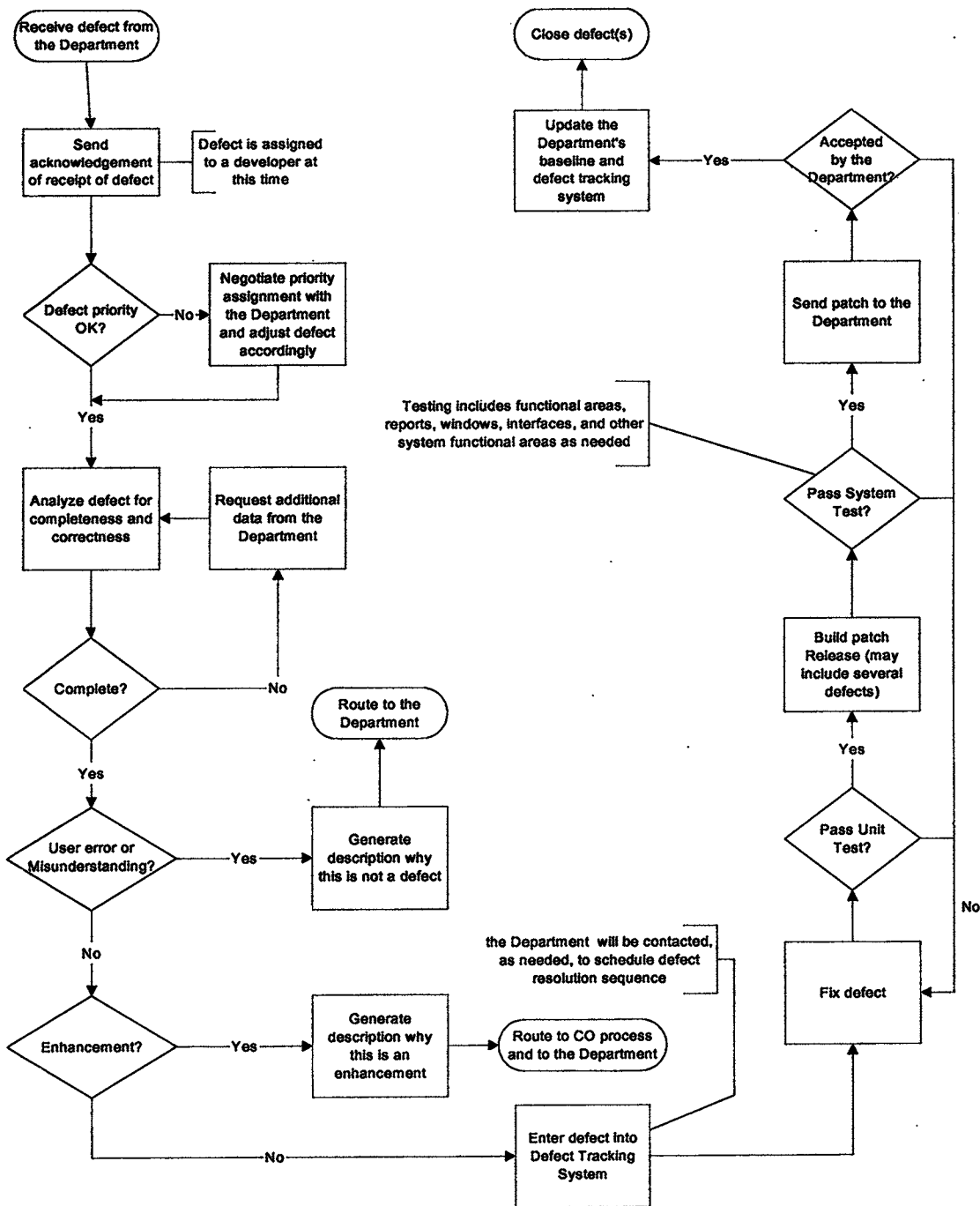
Expected Information Flow for Defect Reporting and Analysis



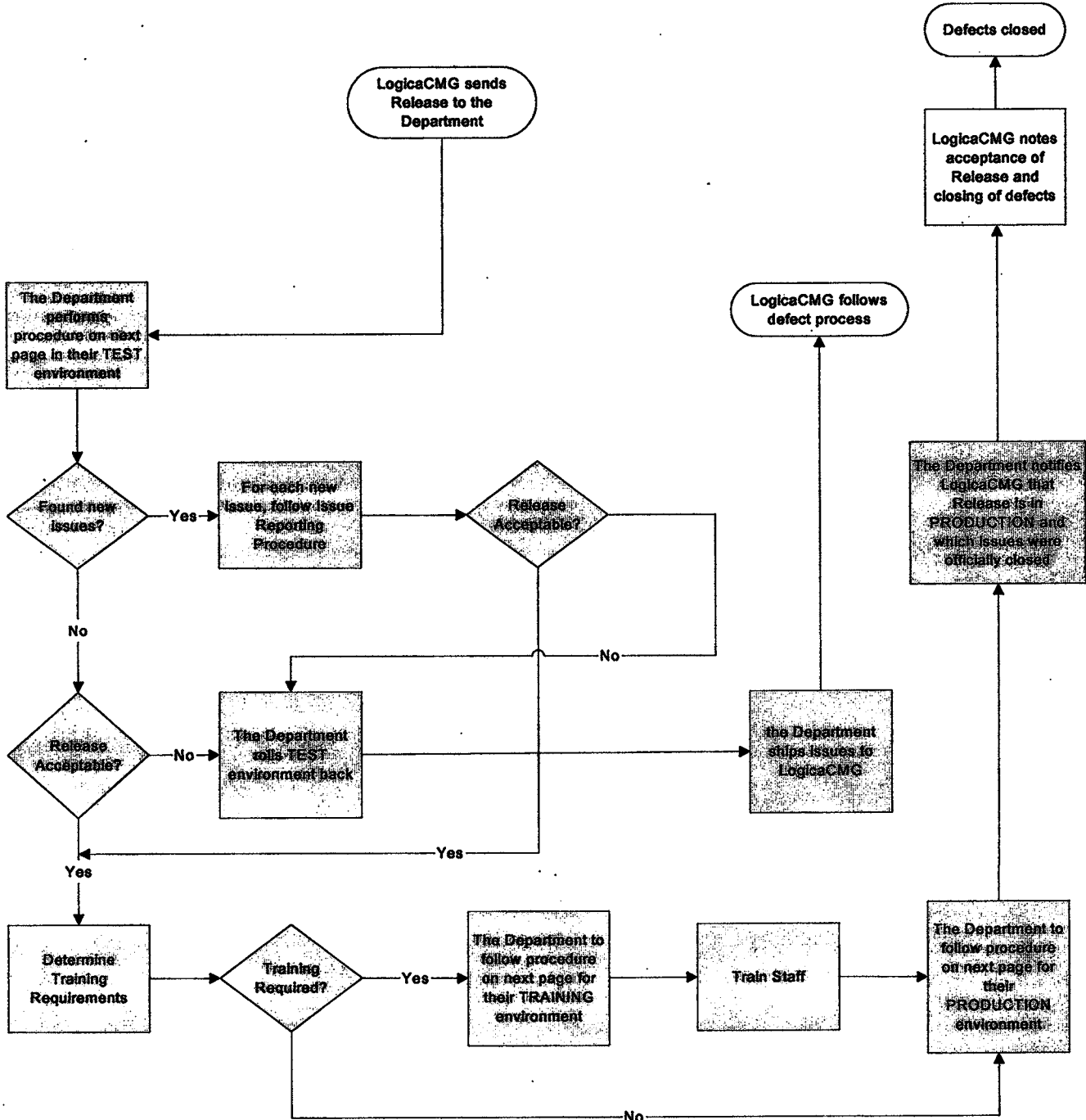
When a possible Defect is identified, the following data is gathered and reported to LogicaCMG:

- 1) The work order number affected.
- 2) The screens and reports affected.
- 3) The sequence used to duplicate the defect.
- 4) A description of the defect/expected behavior.
- 5) After consulting the contractual definitions for priority assignments, initially assign the proposed Defect a priority number (1, 2 or 3).

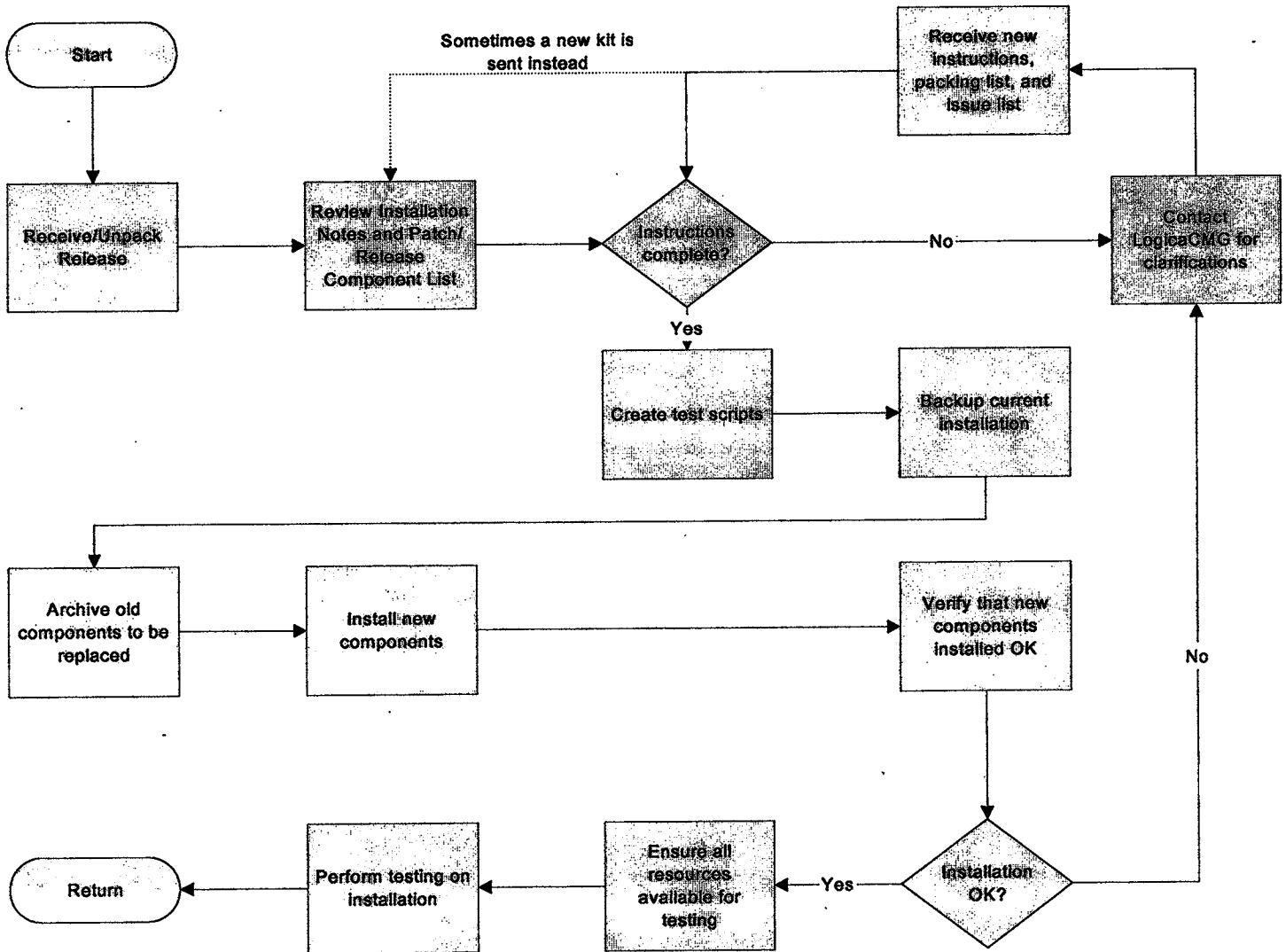
LogicaCMG Defect Process



Expected Release Procedure



Release Installation In Department's Environment



APPENDIX C
SERVICES STATEMENT OF WORK AND PRICING SUMMARY

1.0 STANDARD SOFTWARE MAINTENANCE SERVICES

See description of services in Appendix B.

- Total for above services over period of Contract: Fixed Fee of \$756,600
- Payment schedule: the fixed fee for the standard Software Maintenance Services will be paid in monthly increments over a 36-month period. Each monthly payment shall be \$21,016.67.

2.0 ESCROW SERVICES

Escrow services for Software covered by this program will be supplied as per a separate agreement between LogicaCMG and the Department.

- Fee for these services is a Fixed Fee of \$1,882 per year.
- Total for above services over period of Contract: \$5,646
- Payment schedule: the fixed annual fee shall be invoiced each July 1st. The first invoice under this agreement shall be dated July 1, 2005.

3.0 WMIS RE-ARCHITECTURE AND UPGRADE SERVICES

During the period of the Contract, LogicaCMG will assign a team of technical and functional resources to align the Department's current version of EWMIS and MWMIS to the current Standard Release of the LogicaCMG WMIS software product and to upgrade the WMIS installation to this current Standard Release. This alignment to the new Standard Release of WMIS will include a re-architecture project and the installation of these software products:

- WMIS 2.9.x including an updated version of Mobile WMIS
- Web Portal
- IMF*Plus* Enterprise Edition

The Department understands and agrees that as part of this Re-architecture and Upgrade project, it will execute an amendment to its current WMIS licensing agreement or a new licensing agreement, as may be most appropriate, to reflect the current terms and conditions for licensing WMIS 2.9.x and the other products named above.

The following are the tasks that will be performed during the re-architecture project life cycle. The Re-architecture and Upgrade Services project will begin on a date or dates as separately defined by LogicaCMG after the Term of the Agreement has begun.

Upgrade Task	Estimated Duration	Description
Customization Verification	15 to 20 Days	<p>This work will be performed in Houston and on-site at the Department.</p> <p>Houston Tasks</p> <ul style="list-style-type: none"> • Review documentation • Categorize customization (referred to as “Adaptations” in the Agreement) <ul style="list-style-type: none"> ○ Exists in current release of WMIS ○ Not in current release and will not be moved forward ○ Not in current release, required by the Department – will be captured in a Black Box environment <p>On-Site at the Department</p> <ul style="list-style-type: none"> • Review categorized customizations <ul style="list-style-type: none"> ○ Department to demo current system ○ LogicaCMG to demonstrate core product ○ Compare and confirm categorized items
Prepare Solution Design	20 Days	LogicaCMG will complete the Solution Design
Prepare Functional Specification	30 days	LogicaCMG will complete the Functional Specification
Walk Through with Department	3 days	<p>LogicaCMG Technical and Functional Staff will prepare presentation of Functional Specifications – categorizing customizations as functions that:</p> <ul style="list-style-type: none"> • Exist in current release of WMIS and will not be moved forward • Are not in current release and will be moved to core WMIS product • Are not in current release, but required by the Department – Black Box environment
Approval		Department to Approve / Sign off on Functional Specifications
Complete Integration Design	20 days	After Department approves – complete the final integration design
Development	180 – 200 days	Complete development
System Test Plans	90 day	This effort will run concurrently with development.

Upgrade Task	Estimated Duration	Description
		Test Plans will be used by Test Team in Houston and provided to the Department for review so they can be used for System Acceptance Test
Training Plan	30 Days	Department prepares with assistance from LogicaCMG
System Test	40 – 50 Days	Houston – Test System
Factory Testing	5 – 10 days	Department staff performs tests in Houston
Data Conversion	30 Days	Completing scripts required to convert existing data to new format
Deliver System	1 day	LogicaCMG delivers system on site
System Acceptance Testing	30 Days	To be completed by the Department with support from LogicaCMG

- The fixed fee for the Re-Architecture and Upgrade Services is: \$1,400,000
- Payment schedule for the above fixed price services will be based upon project milestones as shown in the chart below

Milestone #	Milestone Description	Payment Amount
1.	Customization Verification complete and Solution Design delivered	\$400,000
2.	Functional Specification delivered and Walk Through complete	\$250,000
3.	System Test Plans complete	\$249,256
4.	System Test in Houston complete	\$262,544
5.	System Acceptance Testing on site at the Department complete	\$238,200
	TOTAL	\$1,400,000

4.0 ON-SITE PROPRIETARY MAINTENANCE SERVICES

Under this Maintenance Program, LogicaCMG will deliver Proprietary Maintenance Services on-site.

- \$858,000 (22% of the total contract price) will be MBE/WBE Services supplied by LogicaCMG's MBE/WBE sub-contractors.
- \$879,754 will be Other Proprietary Services delivered by LogicaCMG and its sub-contractors.

These Proprietary Maintenance Services will entail tasks such as those identified in the following list of services.

1. **Report conversion** – Review the Department's Customer Reports, identify which reports should be converted for use with new Standard Release (2.9.x) of the core WMIS product, and create specifications for the reports to run under the new Standard Release of WMIS.

2. **EWMIS/MWMIS train-the-trainer services** – due to software upgrades, enhancements, timekeeping application implementation and business process improvements.
 3. **EWMIS/MWMIS software upgrades** – includes periodic maintenance of Adaptations, performance tuning of system, and implementation of business process enhancements.
 4. **Interfacing of EWMIS/MWMIS to external computer systems** – including interface to CGI Outage management System (OMS), Intergraph FRAMME/GIS, the Legacy mainframe systems, including but not limited to Customer Information System (CIS), Material Control System (MCS), Employee Information System (EIS), Fleet system, Responsibility Cost Accounting System (RCAS), the Candle product, and internal and external EWMIS/MWMIS reporting applications, as a result of software upgrades.
 5. **Interfacing of EWMIS/MWMIS to external computer systems, other Services** – resources to perform services that include data conversion, documentation, consulting, quality assurance and project management as related to interfacing legacy systems with the EWMIS and MWMIS systems.
 6. **EWMIS/MWMIS proprietary Software changes** – resulting from SUN server platform maintenance and upgrades including the workstation/client.
 7. **EWMIS/MWMIS proprietary Software changes** – resulting from tuning/upgrading the Software and databases (Oracle, Compilers, etc.), and on-site Technical Support related to impacts to any EWMIS/MWMIS proprietary Software.
 8. **EWMIS/MWMIS train the trainer services** – as due to software upgrades, enhancements, timekeeping application implementation and business process improvements.
 9. **EWMIS/MWMIS miscellaneous services** – software upgrades, periodic maintenance, performance tuning of system, and business process enhancements implementation.
 10. **System and management reporting development** – including upgrades to current web system for operations and management reports, development of system reliability reports, and mapping of outage locations.
 11. **Miscellaneous OMS / MDS interface Services** – to include data conversion, documentation, consulting services, quality assurance and project management as related to the OMS / MDS system.
- Total MBE/WBE Services over period of Contract, not to exceed: \$858,000
 - Total Other Proprietary Services over period of Contract, not to exceed: \$879,754
 - Services will be defined in and delivered according to work scopes provided in mutually-agreed Task Assignment letters provided by the Department to LogicaCMG.

- Payment schedule: milestones for payments will be defined in each Task Assignment letter.

5.0 SUMMARY

Summary of Services to Be Provided Under This Agreement

Service	Price
Core Software Maintenance Services	Fixed Fee for 3-year period: \$756,600
Escrow Services	Fixed Fee for 3 year period: \$5,646
Re-architecture and Upgrade Services for WMIS	Fixed Fee: \$1,400,000
On-Site Proprietary Maintenance Services <ul style="list-style-type: none"> • MBE/WBE Services • Other Proprietary Maintenance Services 	Not To Exceed Fees: \$858,000 \$879,754
TOTAL	\$3,900,000

APPENDIX D

AUTHORIZED REPRESENTATIVES

A maximum of four (4) Authorized Department Representatives may contact the LogicaCMG SSG to make inquires regarding standard Software Maintenance Services. Following is a list of two representatives, including telephone numbers, e-mail addresses, fax numbers and any other information that may be required. The Department will notify the SSG in writing if there are changes in or additions to this representatives list.

1. Name: Massoud Saboury
E-mail: massoud.saboury@ladwp.com
Telephone numbers (213)367-2476
Fax numbers: (213)367-3592

2. Name: Peter Kwa
E-mail: peter.kwa@ladwp.com
Telephone numbers: (213)367-2670
Fax numbers: (213)367-3592

APPENDIX E

MBE/WBE SUB-CONTRACTORS

Following is a current list of Minority Business Enterprises (MBEs) and Women Business Enterprises (WBEs) being sub-contracted by LogicaCMG for the MBE/WBE Services herein in accordance with Section 18 of the Agreement. Sub-contractors are subject to change based on need and service required by the Department as part of these efforts. Participation percentages for each enterprise are to remain set throughout the Term of the contract on a yearly basis.

Women Business Enterprises (WBEs)

Percentage of full contract: 7%

P. Murphy & Associates
4405 Riverside Drive, Suite 105
Burbank, CA 91505
Contact: Phyliss Murphy
Phone: 818-841-2002

B2 Consulting
19259 Braemore Road
Northridge, CA 91326
Contact: Karolina Bakalarova
Phone: 818-368-3575

Minority Business Enterprises (MBEs)

Percentage of full contract: 15%

E2 Consulting Engineers, Inc.
1900 Powell Street, Suite 250
Emeryville, CA 94608
Contact: Hersh Saluja
Phone: 510-428-4723

Cordoba Corporation
660 South Figueroa Street, Suite 1170
Los Angeles, CA 90017
Contact: Randall Martinez
Phone: 213-895-0224

Confidential