

BOARD LETTER APPROVAL

Norma Grubb

Norma Grubb (Apr 16, 2025 15:12 PDT)

NORMA GRUBB

Chief Information Officer and Chief Artificial
Intelligence Officer

Janisse Quiñones

JANISSE QUIÑONES

Chief Executive Officer and Chief Engineer

DATE: April 16, 2025

SUBJECT: Amendment No. 1 to Agreements Nos. 47570A through 47570D, 47570G through 47570I, and 47570K for Enterprise Technology Advisory Services with Accenture LLP; Bridgewater Consulting Group, Inc.; PA Consulting Group, Inc.; KPMG LLP; Pandora Consulting Associates, LLC; Arcadis U.S., Inc.; Deloitte Consulting LLP; and Gartner, Inc.

SUMMARY

The proposed Amendment No. 1 (Amendment) to Agreements Nos. 47570A through 47570D, 47570G through 47570I, and 47570K (Agreements) with Accenture LLP (Accenture); Bridgewater Consulting Group, Inc. (Bridgewater); PA Consulting Group, Inc. (PA Consulting); KPMG LLP (KPMG); Pandora Consulting Associates, LLC (Pandora); Arcadis U.S., Inc. (Arcadis); Deloitte Consulting LLP (Deloitte); and Gartner, Inc. (Gartner), respectively, is to extend the terms by four years to April 12, 2029, for a total term of nine years. All other terms and conditions of the Agreements remain unchanged.

The Amendment provides LADWP with the additional time necessary to obtain Enterprise Technology Advisory Services (ETAS) from consultants who have specific subject matter expertise that LADWP needs in order to achieve various strategic goals and objectives that involve complex business and technical programs and initiatives. These include, but are not limited to, supporting the implementation of the Enterprise Resource Planning (ERP) system, providing business process optimization and transformation services, providing project management support, providing quality assurance and quality control on critical projects, and supporting downstream systems impacted by the implementation of the ERP system such as the supply chain.

City Council approval is required in accordance with Charter Section 373.

This Amendment expires on April 12, 2029.

RECOMMENDATION

It is recommended that the Board of Water and Power Commissioners (Board) adopt the attached Resolution recommending City Council approval of the Amendment to the Agreements as required in Charter Section 373.

ALTERNATIVES CONSIDERED

Advertising a new Request for Qualifications (RFQ) for these ETAS services isn't an option for two reasons. First, there is an approximate 12-month timeline necessary to prepare, advertise, evaluate, and award new agreements to establish a new group of qualified and experienced consultants. Second, there is an approximate 3 to 4-month timeline necessary to prepare, advertise, evaluate, and award some urgently needed task orders as the new group of consultants gets familiar with the secondary competitive process associated with these types of multiple award agreements. With these two timelines combined, these urgently needed task orders could be delayed well over one year which would significantly impact LADWP's ability to achieve some of its critical strategic goals and objectives.

Using in-house staff to provide ETAS services isn't an option. These services require specialized knowledge and expertise that LADWP employees do not possess. While in-house staff are continually expanding their skills, knowledge, and abilities to operate, maintain, and support LADWP's enterprise technology ecosystem, only professional consultants with deep subject matter expertise, specialized training, and years of experience can fully provide the services necessary to assist LADWP in developing the system integration and implementation strategies necessary to achieve its enterprise technology goals and objectives.

Therefore, the best option is to amend these eight competitively bid Agreements by extending the term by four years, giving LADWP the time it needs to obtain the aforementioned ETAS to achieve various strategic goals and objectives that involve complex business and technical programs and initiatives.

FINANCIAL INFORMATION

The Amendment will add four years to the term for a total of nine years. The aggregate not-to-exceed amount of \$75,000,000 (budgeted) will not change.

BACKGROUND

The Board awarded the ETAS Agreements on March 10, 2020, at the time, LADWP was working on several large information and operating technology initiatives. The initiatives included a new digital customer experience and communication system, a Distribution Automation (DA) program, an ERP system, and a newly created Information Technology Program Management Office (IT-PMO). These initiatives were all unique, complex, and large investments that required guidance by subject matter experts to help LADWP avoid and mitigate project risks which was the catalyst for requesting the ETAS services via the ETAS Agreements.

The new digital customer experience and communication system initiative encompasses two different projects. For the new digital customer experience project, services from two of the ETAS Agreement consultants were utilized to provide needed subject matter expertise. For the new communication system, the solicitation process associated with a competitive Request for Proposal is underway. It is possible that services from one or more of the ETAS Agreement consultants may be needed to provide subject matter expertise in specific areas of this project or for other customer facing initiatives.

The DA initiative and its related Advanced Metering Infrastructure (AMI) initiative are both still in progress. The foundation of the AMI initiative is a field communication network. Significant progress on building this AMI foundation has been achieved through Agreement No. 47560 with Itron, and quality assurance and quality control subject matter expertise was provided by one of the ETAS Agreement consultants.

LADWP has a series of unsupported legacy mainframe systems that underpin its human resources, payroll, and financial management business processes. These legacy systems run on aging platforms and are highly customized with heavy reliance on manual procedures and institutional knowledge from internal and external resources to make up for non-integrated technology. In April 2021, LADWP initiated a project with Workday under Agreement No. 47652 to implement a modern ERP solution to replace these legacy mainframe systems. LADWP has already utilized ETAS to obtain quality assurance and quality control services on the ERP project. LADWP intends to further utilize ETAS to obtain additional subject matter expertise in areas such as supply chain system replacement, system integration, project and risk management, testing and troubleshooting, and organizational change management to support the ERP project currently in progress.

LADWP has utilized ETAS services to assist in the implementation of an IT-PMO. After the implementation of the IT-PMO, an ERP-PMO team was formed to support the ERP project. The ERP-PMO team has utilized quality assurance and quality control services from ETAS to assist them with their project management efforts. Both ERP-PMO and IT-PMO teams intend to continue utilizing ETAS services to assist them in their efforts to support the ERP project and other related initiatives.

Accenture, PA Consulting, KPMG, Pandora, Deloitte, and Gartner have performed satisfactorily on the current and previous agreements. Arcadis has not yet been awarded any work under this multiple award agreement, but their work under two other agreements appears to be satisfactory to date. Bridgewater has also not yet been awarded any work under this multiple award agreement nor any other type of award from LADWP, therefore its performance can't be evaluated.

Wipro, LLC is not included in this proposed Amendment. LADWP staff have made multiple attempts to contact this firm and received no response. Therefore, Agreement 47570F will not be extended under this Amendment.

In accordance with the Mayor's Executive Directive No. 4, the City Administrative Officer's Report was approved on April 15, 2025.

ENVIRONMENTAL DETERMINATION

Determine item is exempt pursuant to California Environmental Quality Act (CEQA) Guideline 15060(c)(3). In accordance with this section, an activity is not subject to CEQA if it does not meet the definition of a project. Section 15378 (b)(4) states that government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment do not meet that definition. Therefore, the amendment of a contract for software services is not subject to CEQA.

CITY ATTORNEY

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

ATTACHMENTS

- Procurement Summary
- Resolution
- Amendment No.1 Letters
- CAO Report

PROCUREMENT SUMMARY

1.	Recommended Vendors: Accenture LLP (Accenture), Bridgewater Consulting Group, Inc. (Bridgewater), PA Consulting Group, Inc. (PA Consulting), KPMG LLP (KPMG), Pandora Consulting Associates, LLC (Pandora), Arcadis U.S. Inc. (Arcadis), Deloitte Consulting LLP (Deloitte), and Gartner, Inc. (Gartner)
2.	Procurement Type: Amendment
3.	Procurement Details: A. Contract Status: Amendment No. 1 (Amendment) to Agreement Nos. 47570A through D, 47570G through I and 47570K (Agreements) B. Bid Advertisement Date: Not applicable C. Pre-Bid Conference Date: Not applicable D. Bid/Proposal Due Date: Not applicable E. Number of Downloads of Solicitation: Not applicable F. Number of Bids/Proposals Received: Not applicable G. Protest Received: Not applicable
4.	Buyer Assigned: Carlos Aguilar
5.	Contract Administrator: Andrew Herd
6.	LADWP System/Division: Joint/Information Technology Services
7.	Contact Person for Item: Andrew Herd

A. Summary of Proposals Received

Not applicable to these Amendments.

B. Evaluation of Amendments

Prices are determined to be fair and reasonable since there is no change to the not-to-exceed amount of the contract.

C. Procurement History

Service/Item History – Number of Times Item or Service has been Procured					
Contract/ PO No.	Contractor	Term of Contract	Start Date	Ending Date	Contract Amount
47570A-D, 47570F-K	Accenture, Bridgewater Consulting Group, PA Consulting Group, KPMG, Pandora Consulting Associates, Wipro, LLC, Arcadis U.S., Deloitte Consulting, and Gartner.	5 Years	04/13/2020	04/12/2025	\$75,000,000

Vendor Experience – Number of Contracts Vendors had with LADWP During the Past 5 Years					
Contract/ PO No.	Contract Description	Term of Contract	Start Date	Ending Date	Contract Amount
Accenture 47570A 0	Enterprise technology advisory services	5 Years	04/13/2020	04/12/2025	Aggregate of \$75,000,000
Accenture 47599G 0	Cybersecurity consulting services	5 Years	05/21/2020	05/20/2025	Aggregate of \$82,500,000

Vendor Experience – Number of Contracts Vendors had with LADWP During the Past 5 Years					
Accenture 47693 2	Assessment of Customer Service Division	2 Years	01/26/2022	01/25/2024	\$3,000,000
Bridgewater 47570B 0	Enterprise technology advisory services	5 Years	04/13/2020	04/12/2025	Aggregate of \$75,000,000
PA Consulting 47478B 8	Marginal cost study and rate consulting services	6 Years	08/24/2018	08/23/2024	\$2,544,284
PA Consulting 47570C 0	Enterprise technology advisory services	5 Years	04/13/2020	04/12/2025	Aggregate of \$75,000,000
KPMG 47570D 0	Enterprise technology advisory services	5 Years	04/13/2020	04/12/2025	Aggregate of \$75,000,000
KPMG 47598 0	Annual audits of financial statements	5 Years	05/19/2020	05/18/2025	\$11,100,000
KPMG 47599H 0	Cybersecurity consulting services	5 Years	05/21/2020	05/20/2025	Aggregate of \$82,500,000
KPMG 47606H 1	Professional advice and assistance to IA and CIS	1 Year	07/28/2020	07/25/2021	Aggregate of \$1,830,000
KPMG 47736G 3	Internal audit, assistance audit, review services	1 Year, 10 Months	12/01/2022	09/15/2024	Aggregate of \$748,000
Pandora 47570G 0	Enterprise technology advisory services	5 Years	04/13/2020	04/12/2025	Aggregate of \$75,000,000
Arcadis U.S. 47570H 0	Enterprise technology advisory services	5 Years	04/13/2020	04/12/2025	Aggregate of \$75,000,000
Arcadis U.S. 47591A 0	Water quality professional and technical services	5 Years	06/15/2020	06/14/2025	Aggregate of \$5,000,000
Arcadis U.S. 47729 4	Owner's agent - Fairmont Sedimentation Plant Prjct.	9 Years	08/17/2023	08/16/2032	\$20,000,000
Deloitte 47570I 0	Enterprise technology advisory services	5 Years	04/13/2020	04/12/2025	Aggregate of \$75,000,000
Deloitte 47599A 0	Cybersecurity consulting services	5 Years	05/21/2020	05/20/2025	Aggregate of \$82,500,000
Gartner 48982 1	Gartner subscription for IT leaders	1 Year	02/01/2020	01/31/2021	\$31,300
Gartner 47570K 0	Enterprise technology advisory services	5 Years	04/13/2020	04/12/2025	Aggregate of \$75,000,000
Gartner 02146 1	Subscription for research and advisory services	3 Years	07/01/2020	06/30/2023	\$600,000
Gartner 47606E 1	Professional advice and assistance to IA and CIS	1 Year	07/28/2020	07/25/2021	Aggregate of \$1,830,000
Gartner 48133 2	Customer contact leadership council	1 Year	09/01/2021	08/31/2022	\$59,000
Gartner 48191 2	Gartner subscription for IT leaders	1 Year	02/01/2022	01/31/2023	\$33,000
Gartner 48254 3	Customer contact leadership council	1 Year	09/01/2022	08/31/2023	\$163,400
Gartner 47736D 3	Internal audit, assistance audit, review services	2 Years, 2 Months	12/01/2022	01/27/2025	Aggregate of \$748,000
Gartner 48398 4	Subscription for research and advisory services	6 Months	02/01/2023	07/01/2023	\$33,800
Gartner 02924 4	Subscription for research and advisory services	8 Months	07/01/2023	03/11/2024	\$750,000

Vendor Experience – Number of Contracts Vendors had with LADWP During the Past 5 Years					
Gartner 40887 4	Customer contact leadership council	1 Year	09/01/2023	08/31/2024	\$197,000

D. Local Business Preference Program (LBPP)

Not applicable to these Amendments.

E. Additional Outreach Efforts Taken

Not applicable to these Amendments.

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

The Request for Qualifications (RFQ) did not include a set SBE/DVBE participation requirement for these Agreements. Rather, the RFQ notified the proposers that “SBE/DVBE subcontracting goals [would] be set for each TORP.”

Actual SBE/DVBE participation requirements and achievements are provided below for those TORPs that set an SBE/DVBE participation requirement:

SBE/DVBE PARTICIPATION		
TORP ID / Prime Contractor / SBE/DVBE Subcontractor	Minimum Requirement	Achievement thru 02/25/2025
A-006 (CSD Website Upgrade) / Gartner / Urban Insight	20%	20%
B-001 (IT PMO Development & Acceleration) / PA Consulting / Trinus	10%	10%
B-005 (RFP for LIMS Replacement) / Accenture / Trinus	15%	0%
C-001 (Leadership Training for ITSD Managers) / Accenture / Solutions West	15%	14%
C-003 (Support for Disaster Recovery) / Pandora (SBE) / none (self)	25%	25%
D-004 (SharePoint Implementation) Wipro / Satwic	20%	20%
E-001 (CIS Upgrade 3 rd Party Independent Testing) / PA Consulting / ARG	15%	14%
E-002 (Quality Assurance Services for ERP PMO) / KPMG / Alexan RPM	18%	17%
E-002-T-1 (Testing Services for ERP PMO) / Deloitte / Hicks Prof. Group	18%	19%
E-007 (CIS 3 rd Party Testing – Round 2) / PA Consulting / ARG	15%	17%
E-008 (Distribution Automation Integration Testing / Deloitte / Hicks Prof. Group	20%	21%
SBE/DVBE Average Totals:	17.4%	16.1%