

ENERGY AND ENVIRONMENT COMMITTEE REPORT relative to a proposed agreement amendment with International Business Machines Corporation (IBM) for software licenses, subscriptions, support, and implementation of the Maximo Asset Management System.

Recommendation for Council action:

CONCUR with the Board of Water and Power Commissioner's action of December 1, 2015, Resolution No. 016-126, authorizing Amendment No. Seven to Agreement No. 47553-7 with IBM to extend the contract by 26 months, resulting in a total duration of 12 years and two months, and to increase the expenditure authority by \$15.5 million, resulting in a total up to \$52.2 million for the Los Angeles Department of Water and Power (LADWP) to continue software licenses, subscriptions, support, and implementation and expansion of the Maximo Asset Management System.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that approval of the proposed agreement with IBM will increase the expenditure authority by \$15.5 million and result in a total expenditure limit up to \$52.2 million from the LADWP Water Revenue Fund and Power Revenue Fund. The CAO notes that there is no impact on the City General Fund. The amendment is consistent with the LADWP adopted Financial Policies.

Community Impact Statement: None submitted.

TIME LIMIT FILE - FEBRUARY 2, 2016

(LAST DAY FOR COUNCIL ACTION - FEBRUARY 2, 2016)

Summary

At the public hearing held on January 20, 2016, the Energy and Environment Committee considered reports from Board of Water and Power Commissioners and CAO, and Resolution No. 016-126 authorizing Amendment No. Seven to Agreement No. 47553-7 with IBM to extend the contract by 26 months, resulting in a total duration of 12 years and two months, and to increase the expenditure authority by \$15.5 million, resulting in a total up to \$52.2 million for the LADWP to continue software licenses, subscriptions, support, and implementation and expansion of the Maximo Asset Management System.

Staff from LADWP and CAO gave the Committee background information on the matter. After an opportunity for public comment, the Committee recommended that Council approve the Resolution and authorize the agreement amendment between the LADWP and IBM. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

A handwritten signature in black ink, appearing to be 'W. J. F.', written in a cursive style.

ENERGY AND ENVIRONMENT COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
FUENTES:	YES
BLUMENFIELD:	YES
CEDILLO:	ABSENT
KORETZ:	YES
O'FARRELL:	YES

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-NOT OFFICIAL UNTIL COUNCIL ACTS-