

0150-09658-0004

T R A N S M I T T A L

TO Martin L. Adams, General Manager Los Angeles Department of Water and Power	DATE 09/28/2023	COUNCIL FILE
FROM The Mayor	COUNCIL DISTRICT	

PROPOSED RESOLUTION AUTHORIZING THE EXECUTION OF A SEVENTH AMENDMENT TO LOS ANGELES DEPARTMENT OF WATER AND POWER CONTRACT NO. 47789 WITH TTEC DIGITAL, LLC TO PROVIDE SYSTEM MAINTENANCE, SUPPORT SERVICES, AND UPGRADES TO THE EXISTING CUSTOMER CONTACT CENTER INTERACTIVE VOICE RESPONSE SYSTEM

Transmitted for further processing and Council consideration.
See the City Administrative Officer report attached.



MAYOR
(Chris Thompson for)

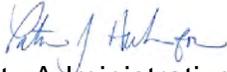
REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: August 30, 2023

CAO File No. 0150-09658-0004
Council File No.
Council District: All

To: The Mayor

From: Matthew W. Szabo, City Administrative Officer


Reference: Communication from the Department of Water and Power dated August 21, 2023; referred by the Mayor for report on August 24, 2023

Subject: **PROPOSED RESOLUTION AUTHORIZING THE EXECUTION OF A SEVENTH AMENDMENT TO LOS ANGELES DEPARTMENT OF WATER AND POWER CONTRACT NO. 47789 WITH TTEC DIGITAL, LLC TO PROVIDE SYSTEM MAINTENANCE, SUPPORT SERVICES, AND UPGRADES TO THE EXISTING CUSTOMER CONTACT CENTER INTERACTIVE VOICE RESPONSE SYSTEM**

RECOMMENDATION

That the Mayor:

1. Approve Los Angeles Department of Water and Power (LADWP) proposed Resolution authorizing a Seventh Amendment to Agreement No. 47789 with TTEC Digital, LLC to provide system maintenance, support services, and upgrades to the existing Customer Contact Center Interactive Voice Response system to:
 - a. Increase the not-to-exceed amount by \$4,000,000 from \$22,898,350 to \$26,898,350
 - b. Extend the term of the agreement for an additional one year through November 14, 2024 and add two additional one-year options for a possible total term of 18 years and three months;
2. Adopt the California Environmental Quality Act (CEQA) determinations of the Los Angeles Board of Water and Power Commissioners that the sale of the easement is exempt from CEQA pursuant to Section 15060(c)(3) and Section 15378(b)(4) that states an activity is not subject to CEQA if the activity is not a project;
3. Authorize and direct, upon proper certification, the Chief Accounting Employee to draw demands on the Power Revenue Fund over the term of the agreement incurred by such agreement; and,
4. Return the proposed Resolution to LADWP for further processing, including Council consideration.

SUMMARY

The Los Angeles Department of Water and Power (LADWP) requests authority to execute a Seventh Amendment to Agreement No. 47789 (Amendment) with TTEC Digital, LLC (TTEC), formerly eLoyalty Corporation (eLoyalty), to provide system maintenance, support services, and upgrades to the existing Customer Contact Center (CCC) Interactive Voice Response (IVR) system for an amount not-to-exceed increased by \$4,000,000 from \$22,898,350 to \$26,898,350, for an additional one year through November 14, 2024, and add two additional one-year options for a possible total term of 18 years and three months. The current contract expires on November 14, 2023. The amendment will provide continuation of services and needed upgrades by TTEC until Request for Proposal (RFP) No. 90642 is awarded and a new IVR system is deployed.

The City Attorney has approved the proposed amendment as to form. In accordance with Charter Section 373 and the Los Angeles Administrative Code Section 10.5(e), the amendment requires City Council approval because the total term of the agreement is greater than five years. Our office has reviewed the request and recommends approval.

BACKGROUND

Original Agreement – On August 5, 2008, the Los Angeles Board of Water and Power Commissioners (Board) awarded Agreement No. 47789 to eLoyalty for a not-to-exceed amount of \$7,272,715 plus a five percent contingency of \$636,350, for a three year term. LADWP contracted with eLoyalty to replace the customer call system which was outdated and prone to failure. eLoyalty designed and implemented the current CCC system which now includes call processing, automatic call distribution, IVR, automated speech services, electronic message boards, call recording, Telephone Device for the Deaf, and system administration. eLoyalty also integrated the CCC system with other customer service systems, such as the Customer Information System, Customer Relationship Management System, Outage Management System and Automated Meter Reading.

Amendments Nos. 1 through 6 allowed TTEC to provide LADWP with continued professional services to enhance, integrate, modify, upgrade, and ongoing system maintenance and support to the existing CCC IVR system.

Amendment No. 1 – On February 16, 2010, the Board approved Amendment No. 1 which increased the not-to-exceed amount by \$1,383,635 to \$8,656,350, with no time extensions.

Amendment No. 2 – On September 16, 2011, the Board approved Amendment No. 2 which increased the not-to-exceed amount by \$111,501 to \$8,767,851. Amendment No. 2 also extended the term by four months resulting in a new expiration date of January 7, 2012, for a total term of three years and four months.

Amendment No. 3 – On December 16, 2011, the Board approved Amendment No. 3 which increased the not-to-exceed amount by \$3,288,499 to \$12,056,350. Amendment No. 3 also extended the term by three years, ten months, and seven days resulting in a new expiration date of November 14, 2015, for a total term of seven years, two months and seven days.

Amendment No. 4 – On August 4, 2015, the Board approved Amendment No. 4 which increased the not-to-exceed amount by \$3,342,000 to \$15,398,650. Amendment No. 4 also extended the term by one year resulting in a new expiration date of November 14, 2016. A one-year option was also added. The one one-year option was exercised.

Amendment No. 5 – On October 17, 2017, the Board approved Amendment No. 5 which increased the not-to-exceed amount by \$3,000,000 to \$18,398,650. Amendment No. 5 also extended the term by one year resulting in a new expiration date of November 14, 2018. Two one-year options were also added. Both one-year options were exercised.

Administrative Amendment No. 1 – On August 6, 2019, Administrative Amendment No. 1 was processed to change the company name from eLoyalty to TTEC.

Amendment No. 6 – On October 27, 2020, the Board approved Amendment No. 6 which increased the not-to-exceed amount by \$4,500,000 to \$22,898,650. Amendment No. 6 also extended the term by one year resulting in a new expiration date of November 14, 2021. Two one-year options were also added. This amendment allowed TTEC to continue to provide ongoing system maintenance, support services, and upgrades to the existing CCC IVR system until a new RFP was advertised and a new agreement was awarded. Both one-year options were exercised.

RFP No. 90642 – In October 2022, RFP No. 90642 was advertised and closed on February 6, 2023. Negotiations for an award are currently in process. Once the RFP is awarded, the selected vendor will work on implementing a new CCC IVR system. LADWP anticipates the RFP process to be completed and the Board to approve the selected vendor by January 2024. The new CCC IVR system is anticipated to be operational by February 2025. Once a new system is configured, tested, and deployed, this Agreement can be terminated.

Proposed Amendment No. 7 – This Amendment would increase the not-to-exceed amount by \$4,000,000 from \$22,898,650 to \$26,898,350. This Amendment would also extend the term by one year resulting in a new expiration date of November 14, 2024 and two additional one-year options for a possible total term of 18 years and three months. This Amendment is necessary for continued support and services by TTEC until a new CCC IVR system is in place. TTEC's services will keep the CCC IVR system up to date with security and software updates. DWP reports that If the Amendment is not approved and TTEC's services do not continue, issues may arise that could compromise the CCC IVR system and not allow customers the ability to obtain automated services such as start and stop services, billing assistance, reporting of power and water trouble, reporting of illegal activity and water waste, and updates on LADWP programs.

Alternatives Considered – There are currently no alternatives to the Amendment. The CCC IVR system is critical to LADWP operations and without the Amendment, the system will be unsupported. TTEC's professional services and ongoing support are necessary to ensure the system continues to operate optimally. TTEC keeps the system secure and updated. TTEC has a deep knowledge of the CCC IVR system and TTEC's services are necessary to troubleshoot and repair these issues.

CITY COMPLIANCE

California Environmental Quality Act (CEQA) – The Board determined that the item is exempt from CEQA pursuant to Section 15060(c)(3) that states an activity is not subject to CEQA if the activity is not a project. Section 15378(b)(4) states 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 does not meet the definition of a project. Therefore, the Amendment is not subject to CEQA.

The City Attorney has approved the proposed amendment as to form. In accordance with Charter Section 373 and the Los Angeles Administrative Code Section 10.5(e), the amendment requires City Council approval because the total term of the agreement is greater than five years. Our Office has reviewed and recommends approval.

FISCAL IMPACT STATEMENT

Approval of the proposed Seventh Amendment increases the not-to-exceed amount by \$4,000,000, from \$22,898,650 to \$26,898,650: \$2,000,000 for ongoing maintenance support for the CCC system and third-party applications; \$1,250,000 for necessary major system upgrades due to software end-of-life support and hardware upgrades due to failure and/or end of sale; and up to \$750,000 for professional services for minor changes required and/or requested by CSD. The cost of the amendment is included in the LADWP's budget and will be financed through the Power Revenue Fund. There is no impact to the General Fund.

MWS:PJH/JVW:CMM:10240035

Attachments - LADWP August 21, 2023 Report; August 2, 2023 Board Correspondence, Resolution, and Amendment