

## TRANSMITTAL

To: **Janisse Quinones, General Manager**  
**Department of Water and Power**

Date: **04/16/2025**

From: **THE MAYOR**

THE MAYOR'S OFFICE IS RETURNING THIS TRANSMITTAL TO THE WATER AND POWER DEPARTMENT WITHOUT TAKING ANY ACTION. WATER AND POWER, AS THE AWARDED AUTHORITY, MAY PROCEED WITH ITS FINAL REVIEW AND DECISION IN A MANNER AS WATER AND POWER DETERMINES IS IN THE CITY'S BEST INTEREST.

A handwritten signature in black ink, appearing to read "Carolyn Webb de Macias".

(Carolyn Webb de Macias for)

**KAREN BASS**

**Mayor**

## REPORT FROM

# OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: April 15, 2025

CAO File No.: 0150-12942-0000

Council File No.:

Council District: ALL

To: The Mayor

From: Matthew W. Szabo, City Administrative Officer

Reference: Correspondence from the Department of Water and Power dated March 11, 2025; received and referred by the Mayor for a report on March 12, 2025

Subject: **LOS ANGELES DEPARTMENT OF WATER AND POWER PROPOSED BOARD RESOLUTION AUTHORIZING FIRST AMENDMENTS TO AGREEMENTS WITH ACCENTURE LLP; BRIDGEWATER CONSULTING GROUP, INC.; PA CONSULTING GROUP, INC.; KPMG LLP; WIPRO LLC; PANDORA CONSULTING ASSOCIATES, LLC; ARCADIS U.S. INC.; DELOITTE CONSULTING LLP; AND GARTNER, INC.; RESPECTIVELY, FOR ENTERPRISE TECHNOLOGY ADVISORY SERVICES**

## RECOMMENDATIONS

That the Mayor:

1. Approve the Los Angeles Department of Water and Power proposed Board Resolution authorizing a First Amendment to Agreement Nos. 47570A through 47670D, 47570G through 47570I and 47570K, eight agreements 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.; respectively, extending the term of April 13, 2020 through April 12, 2025 by four years retroactive to April 13, 2025, through April 12, 2029, for a total term of nine years without an increase in the aggregate not-to-exceed amount of \$75,000,000 for enterprise technology advisory services;
2. Authorize and direct, upon proper certification, the Chief Accounting Employee to draw demands on the Power and Water Revenue Funds over the term of both these Amendments to the Agreements and the accompanying Resolution; and
3. Return the proposed Resolution to the Los Angeles Department of Water and Power for further processing, including Council consideration.

## SUMMARY

The Board of Water and Power Commissioners (Board) awarded nine Enterprise Technology Advisory Services (ETAS) Agreements on March 10, 2020, in support of several large information

and operating technology initiatives. The initiatives included a new digital customer experience and communications system, a Distribution Automation program, an Enterprise Resource Planning (ERP) system, and a newly created Information Technology Program Management Office. These initiatives were all unique, complex, and large investments that required guidance by subject matter experts to help Los Angeles Department of Water and Power (LADWP, Department) avoid and mitigate project risks and provided the catalyst for requesting the ETAS services utilizing the ETAS Agreements.

The proposed Amendments are for eight of nine agreements to provide LADWP with additional time to obtain ETAS from consultants that have specific and technical subject matter expertise needed by LADWP to achieve various strategic goals and objectives. The Amendments extend the existing five-year term of each Agreement—originally executed on April 13, 2020—by four years to April 12, 2029 for a new total term of nine years. There is no change in the aggregate not-to-exceed amount of \$75,000,000. All other agreement terms and conditions remain unchanged.

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

## **BACKGROUND**

The proposed Amendments provides additional time necessary to obtain ETAS from consultants who have specific subject matter expertise that LADWP requires in order to achieve various strategic goals and objectives that involve complex business and technical programs and initiatives. The business and technical goals and objectives include, but are not limited to, supporting the implementation of the ERP system; providing business process optimization and transformation services, project management support, quality assurance, and quality control on critical projects; as well as supporting downstream systems impacted by the implementation of the ERP system such as supply chain.

The Board awarded nine ETAS Agreements on March 10, 2020, when the LADWP was working on several large information and operating technology initiatives. The initiatives included the following:

- *Two Projects Involving the New Digital Customer and Communications System Initiative* – The new digital customer experience and communications 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 under way. 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 Distributed Automation (DA) Initiative and Related Advanced Metering (AMI) Infrastructure Initiative* – The DA initiative and its related 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. The quality assurance and quality control subject matter expertise for these initiatives was provided by one of the ETAS

Agreement consultants.

- *Unsupported Legacy Mainframe Systems* – The 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. The Department has already utilized ETAS to obtain quality assurance and quality control services on the ERP project. The LADWP intends to further utilize ETAS to obtain additional subject matter expertise in areas such as supply chain system replacement, systems integration, project and risk management, testing and troubleshooting, and organizational change management to support the ERP project currently in progress.
- *Support for Information Technology Program Management (IT-PMO) and an Enterprise Requirements Planning Offices (ERP-PMO)* – The 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.

*Performance of ETAS Contractors* – Accenture, PA Consulting, KPMG, Pandora, Deloitte, and Gartner have performed satisfactorily on the current and previous agreements. Arcadis U.S. Inc. 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 cannot be evaluated.

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

The collective Amendments provide the additional time necessary to obtain ETAS from consultants who have specific subject matter expertise that LADWP requires in order to achieve various strategic goals and objectives that involve complex business and technical programs and initiatives.

*Financial Impact of Proposed Amendments* – The proposed Amendments will add four years to the existing agreement terms of April 13, 2020 through April 12, 2025, extending the terms through April 12, 2029, for a total of nine years. The existing aggregate not-to-exceed contract maximum of \$75,000,000 for all Agreements remains unchanged as do all other provisions of the Agreements. The cost of the Amendments is budgeted in the Power and Water Revenue Funds.

*Alternatives Considered* – There are no viable alternatives. Utilizing in-house staff to provide the ETAS services is not an option. The required services involve 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 enterprise technology systems, only professional consultants with deep subject matter experience, specialized training, and years of experience can effectively provide the services necessary to assist LADWP in developing the system integration and implementation strategies necessary to

achieve the Department's enterprise technology goals and objectives.

Releasing a new Request for Qualifications for these ETAS services would require approximately 12 months to prepare, advertise, evaluate, and award new agreements for a new group of qualified and experienced consultants. Furthermore, an additional three to four months would be necessary to prepare, advertise, evaluate, and award urgently needed task orders as the new group of consultants becomes familiar with the secondary competitive process associated with this type of multiple award agreement. Combining these two timelines would delay urgently need task orders for well over one year significantly impacting LADWP'S ability to achieve some of its most critical strategic goals and objectives.

The best option is therefore to amend the eight competitively bid Agreements by extending the terms by four years. The proposed extension will provide the time and services needed to allow LADWP to achieve its enterprise technology goals and objectives.

## **CITY COMPLIANCE**

*California Environmental Quality Act (CEQA)* – The LADWP has determined, subject to Board approval, that this action is exempt from CEQA pursuant to Section 15060(c)(3) which states that an activity is not subject to CEQA if it does not meet the definition of a project. Section 15378(b) (4) states that governmental 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 award of contract amendments for enterprise technology advisory services are not subject to CEQA.

*Charter Section 1022* – Pursuant to Charter Section 1022, the Department determined that the required expert and professional services can be performed more feasibly by independent contractors than by City employees.

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

## **FISCAL IMPACT STATEMENT**

Approval of the proposed First Amendments to Agreements 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.; respectively, extending the term by four years, for a total term of nine years, for enterprise technology advisory services will not have an impact on the General Fund. Approval of the proposed Amendments extend their respective terms, without any change in the aggregate not-to-exceed amount of \$75,000,000 which is budgeted in the Power and Water Revenue Funds. The recommendations in this report comply with the Los Angeles Department of Water and Power's adopted Financial Policies.

Attachment – March 11, 2025 Correspondence from LADWP, Proposed Resolution, and Amendments

MWS:PJH:JVW:DLG/JFH:10250183



BUILDING A STRONGER L.A.

Karen Bass, Mayor

Board of Commissioners

Richard Katz, President

George S. McGraw, Vice President

Nurit D. Katz

Mia Lehrer

Wilma J. Pinder

Chante L. Mitchell, Secretary

Janisse Quiñones, Chief Executive Officer and Chief Engineer

March 11, 2025

The Honorable Karen Bass  
Mayor, City of Los Angeles  
Room 303, City Hall  
Mail Stop 370

Attention: Legislative Coordinator

Dear Mayor Bass:

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

In accordance with Executive Directive No. 4, enclosed is a copy of a Board letter and supporting documents recommending approval and transmittal to the Los Angeles City Council of Amendment No. 1 to Agreements Nos. 47570A through 47570D, 47570F through 47570I, and 47570K between the Los Angeles Department of Water and Power and Accenture LLP; Bridgewater Consulting Group, Inc.; PA Consulting Group, Inc.; KPMG LLP; Wipro LLC; Pandora Consulting Associates, LLC; Arcadis U.S. Inc.; Deloitte Consulting LLP; and Gartner, Inc.; respectively, for enterprise technology advisory services.

It is respectfully requested that your office complete its review as soon as possible. Once the required City Administrative Officer 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 Los Angeles City Council for final consideration.

Please contact Mr. Paul Habib, Director of Legislative and Intergovernmental Affairs at (213) 367-3846 upon completion of the review, if the review will take longer than 30 days, or if there are any questions regarding this item.

Sincerely,

A handwritten signature in cursive script, appearing to read "Janisse Quiñones".

Janisse Quiñones

Chief Executive Officer and Chief Engineer

AWH:mb/sd

Enclosures

c/enc: Mr. Luis Gutierrez, Office of the Mayor

Dr. Frederick H. Pickel, Office of Public Accountability

Board of Water and Power Commissioners

Mr. Paul Habib