



RESOLUTION NO. 024 063

BOARD LETTER APPROVAL

Mona Guirguis

MONA T. GUIRGUIS
Interim Chief Information Technology Officer

AB
Aram Benyamin (Oct 2, 2023 09:44 PDT)

ARAM BENYAMIN
Chief Operating Officer

Martin L. Adams

MARTIN L. ADAMS
General Manager and Chief Engineer

DATE: September 29, 2023

SUBJECT: Amendment No. 7 to Agreement No. 47789 for Software Maintenance and Support with TTEC Digital, LLC

SUMMARY

The proposed Amendment No. 7 (Amendment) to Agreement No. 47789 (Agreement) with TTEC Digital, LLC (TTEC), formerly eLoyalty Corporation (eLoyalty), is to increase the Agreement by \$4,000,000 from \$22,898,350 to a not-to-exceed amount of \$26,898,350 (budgeted), extend the term by one year to November 14, 2024, and add two additional one-year options for a total term of 18 years and 3 months. All other terms and conditions of the Agreement will remain unchanged.

The Amendment allows TTEC to continue providing ongoing system maintenance, support services, and upgrades to the existing Customer Contact Center (CCC) Interactive Voice Response (IVR) system until Request for Proposal (RFP) No. 90642 is awarded and a new IVR system is deployed.

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

RECOMMENDATION

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

ALTERNATIVES CONSIDERED

There are no acceptable alternatives to the Amendment. Without the Amendment, the system will be unsupported. The CCC IVR system is critical to LADWP operations. TTEC’s professional services and ongoing support are necessary to ensure the system continues to operate optimally. TTEC performs the patching and updates necessary to keep the system secure and on supported versions. Should we encounter any issues with the system, TTEC’s services are necessary to troubleshoot and repair any issues due to their deep knowledge of our system. The automation features of the system provide for self-service and automated call routing to a live agent among many other features.

Amending the Agreement is the best alternative for LADWP which will allow for upgrades and maintenance to the current system and continued support until a new system is implemented.

FINANCIAL INFORMATION

The Amendment will add one year and two additional one-year options for a total term of 18 years and 3 months and increase the Agreement limit by \$4,000,000 (budgeted) which includes:

- \$2,000,000 for ongoing maintenance support for CCC system and third-party applications.
- \$1,250,000 for necessary major system upgrades due to software end-of-life support or hardware upgrades due to failure and/or end of sale.
- Not-to-exceed amount of \$750,000 for professional services for minor changes required and/or requested by Customer Service Division (CSD), which may negatively impact customers if not implemented.

Term of the Agreement	Current Maximum Expenditure	Amendment Increase Amount	Total Maximum Expenditure
Original Agreement Total Term: 3 years	\$7,272,715 (Plus, 5 percent contingency, \$363,635)		\$7,272,715
Amendment No. 1		\$1,383,635	\$8,656,350
Amendment No. 2 (Added 4 months and 24 days) Total Term: 3 years, 4 months, and 24 days		\$111,501	\$8,767,851
Amendment No. 3 (Added 3 years, 10 months, and 7 days) Total Term: 7 years and 3 months		\$3,288,499	\$12,056,350
Amendment No. 4 (Added 2 years) Total Term: 9 years and 3 months		\$3,342,000	\$15,398,350

Amendment No. 5 (Added 3 years) Total Term: 12 years and 3 months		\$3,000,000	\$18,398,350
Amendment No. 6 (Added 3 years) Total Term: 15 years and 3 months		\$4,500,000	\$22,898,350
Amendment No. 7 (Adds 3 years) Total Term: 18 years and 3 months		\$4,000,000	\$26,898,350
Agreement Total			\$26,898,350

BACKGROUND

On August 5, 2008, LADWP established Agreement No. 47789 (Agreement) with eLoyalty under Resolution No. 009 025. The Agreement was for a 3-year term and a not-to-exceed amount of \$7,636,350, including a five percent contingency to ensure that any minor additional changes in system requirements and design can be expeditiously accommodated.

LADWP contracted with eLoyalty to replace the customer call system, which was outdated and prone to failure. eLoyalty designed and implemented the CCC system, which now includes call processing, automatic call distribution, IVR, automated speech services, electronic message boards, call recording, telephone devices for people who are deaf or hard of hearing, and system administration. eLoyalty also integrated the CCC system with the Customer Information System.

On February 16, 2010, Amendment No. 1 to the Agreement under Resolution No. 010 233 was processed to increase the Agreement amount by \$1,383,635 to a not-to-exceed amount of \$8,656,350, with no extension of time, to provide additional professional services to enhance the functionality of the CSD Internet Protocol (IP) Contact Center.

On September 6, 2011, Amendment No. 2 and ratification of the Agreement with eLoyalty was processed under Resolution No. 012 043. Amendment No. 2 increased the Agreement by \$111,501 to a not-to-exceed amount of \$8,767,851; and extended the term by four months from September 8, 2011 to January 7, 2012, for a total Agreement term of three years and four months.

On December 16, 2011, Amendment No. 3 and ratification of the Agreement with eLoyalty was processed under Resolution No. 012 136. Amendment No. 3 increased the Agreement by \$3,288,499 to a not-to-exceed amount of \$12,056,350; and extended the term by three years, ten months, and seven days from January 7, 2012 to November 14, 2015, for a total Agreement term of seven years, two months, and seven days to make the Agreement coterminous with the expiration of maintenance.

On August 4, 2015, Amendment No. 4 to the Agreement was processed under Resolution No. 016 030 to increase the Agreement amount by \$3,342,000 from

\$12,056,350 to a new not-to-exceed amount of \$15,398,350; and extend the term by one year to November 14, 2016; and add an additional one-year option.

On October 17, 2017, Amendment No. 5 to the Agreement was processed under Resolution No. 018 055 to increase the Agreement amount by \$3,000,000 from \$15,398,350 to a new not-to-exceed amount of \$18,398,350, extend the term by one year to November 14, 2018, and add two additional one-year options.

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

On October 27, 2020, Amendment No. 6 to the Agreement was processed under Resolution No. 021 055 to increase the Agreement amount by \$4,500,000 from \$18,398,350 to a new not-to-exceed amount of \$22,898,350. It extended the term by one year to November 14, 2021, and added two additional one-year options. This Amendment allowed TTEC to continue providing ongoing system maintenance, support services, and upgrades to the existing CCC IVR system until a new RFP was advertised and an agreement was awarded.

In mid-October of 2022, RFP No. 90642 was advertised and closed on February 6, 2023. Negotiations for an award are in process. This Amendment is necessary for continued support and services until a new CCC IVR system is in place. Once a new system is configured, tested, and deployed this Agreement can be terminated. CSD is the lead on RFP No. 90642 and below is the anticipated timeline.

#	Item	Estimated Timeline
1	Completion of Technical and Resource Evaluation	July 2023
2	Completion of Business (Cost Proposal) Evaluation - Evaluation Summary, and Short List Provided to SCS	July 2023
3	Oral Presentations Conducted	August 2023
4	Price Reasonableness Determination (Highest Rated Proposer)	September 2023
5	Negotiation with Highest Rated Proposer	October 2023
6	Targeted Board Meeting Date	January 2024
7	Select Notice to Contractor	January 2024
8	Targeted Performance Start Date (after insurance receipt)	February 2024
9	Requirements and Design	February - April 2024
10	Build and Configure	May - August 2024
11	Test	September - December 2024
12	Cutover/Go Live	January – February 2025

TTEC’s services will keep the IVR system up to date with security and software updates. If not implemented, issues may arise that can compromise LADWP’s CCC system and the ability for customers 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.

TTEC has performed satisfactorily under the current Agreement.

In accordance with the Mayor's Executive Director No. 4, the City Administrative Officer's Report was approved on September 29, 2023.

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 Amendment and Resolution as to form and legality.

ATTACHMENTS

- Procurement Summary
- Resolution
- Amendment
- CAO Report

PROCUREMENT SUMMARY

1.	Recommended Vendor(s): TTEC Digital, LLC
2.	Procurement Type: Amendment
3.	Procurement Details: A. Contract Status: Amendment No. 7 to Agreement No. 47789 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: Shaun Larsuel
5.	Contract Administrator: Henry Chen
6.	LADWP System: Joint/Information Technology Services
7.	Contact Person for Item: Alex Valdez

A. Evaluation Rating Summary of Proposals

Not applicable to the Amendment.

B. Evaluation of Proposal

Not applicable to the Amendment.

C. Procurement History

Service/Item History – Number of Times Item or Service has been Procured During the Past 10 Years					
Contract/ PO No.	Contractor	Term of Contract	Start Date	Ending Date	Original Contract Amount
47789	TTEC Digital LLC formerly eLoyalty	15 years and 3 months	8/15/2008	11/14/2023	\$22,898,350

Vendor Experience – Number of Contracts Vendor had with LADWP During the Past 5 Years					
Contract/ PO No.	Contract Description	Term of Contract	Start Date	Ending Date	Contract Amount
47789	Services, Professional, Implementation IP Contact Center system	15 years and 3 months	08/15/2008	11/14/2023	\$22,898,350

D. Local Business Preference Program (LBPP)

Not applicable to the Amendment.

E. Additional Outreach Efforts Taken

Not applicable to the Amendment.

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

The original contract was issued with a good faith effort requirement. Actual subcontractor participation commitments and achievements are provided below

MBE PARTICIPATION			
Name	Description of Subcontracting Work	Original Commitment	Achievement thru 6/30/2023
HBMG, Inc.	IPT Voice Data Network & Security	1.83%	0.58% ¹
MBE Totals:		1.83%	0.58%

WBE PARTICIPATION			
Name	Description of Subcontracting Work	Original Commitment	Achievement thru 06/30/2023
Ascolta	Cisco Product Training	3.30%	1.11% ¹
WBE Totals:		3.30%	1.11%

OBE PARTICIPATION (Non-Certified Firms)			
Name	Description of Subcontracting Work	Original Commitment	Achievement thru 6/30/2023
Adtech	Licensing and support for call recording application	2.70%	2.93% ²
INOVA Solutions	Licensing and support for message board technology solution	0.47%	1.34% ²
Calabrio, Inc	Licensing and support for workforce management pilot application	2.06%	1.63% ²
OBE Totals:		5.23%	5.90%

1. Subcontracting provided by HBMG, Inc and Ascolta were one-time solutions only for the original contract.
2. Subcontracting provided by Adtech, INOVA Solutions, and Calabrio, Inc are recurring licensing and support.