

0150-12176-0000

TRANSMITTAL

TO
Martin L. Adams, General Manager
Los Angeles Department of Water and Power

DATE

10/11/2022

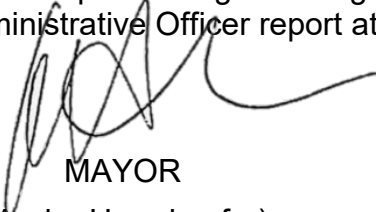
COUNCIL FILE NO.

FROM
The Mayor

COUNCIL DISTRICT
All

**AMENDMENT NO. 3 (AGREEMENT NO. 47424) BETWEEN THE LOS ANGELES
DEPARTMENT OF WATER AND POWER AND SIMPLAR SOURCING SOLUTIONS, LLC
FOR STRATEGIC PROCUREMENT AND PROJECT MANAGEMENT SERVICES**

Approved and transmitted for further processing including Council consideration.
See the City Administrative Officer report attached.


MAYOR
(Andre Herndon for)

MWS:IR:10230026

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: October 4, 2022

CAO File No. 0150-12176-0000
Council File No.
Council District:

To: The Mayor



From: Matthew W. Szabo, City Administrative Officer

Reference: Communication from the Department of Water and Power dated August 25, 2022:
referred by the Mayor for report on August 26, 2022

Subject: **AMENDMENT NO. 3 BETWEEN THE LOS ANGELES DEPARTMENT OF WATER
AND POWER AND SIMPLAR SOURCING SOLUTIONS, LLC. (Agreement No.
47424) FOR STRATEGIC PROCUREMENT AND PROJECT MANAGEMENT
SUPPORT**

RECOMMENDATION

That the Mayor:

1. Approve the proposed Resolution authorizing the execution of Amendment No. 3 to Agreement No. 47424 with Simplar Sourcing Solutions, LLC., to extend the term by four years and one month, from November 11, 2022 to December 11, 2026, for a new total term of ten years to support on-going for strategic procurement and project management support for Los Angeles Department of Water and Power (LADWP) Water System capital projects; and,
2. Upon proper certification, the Chief Accounting Employee is authorized and directed to draw demands on the Water Revenue Fund over the term of the Agreement incurred by such agreement; and,
3. Return the proposed Resolution to the Department for further processing, including Council consideration.

SUMMARY

The LADWP requests authority to execute a Third Amendment with Simplar Sourcing Solutions, LLC. (Simplar) to extend the term by four years and one month to continue on-going support for LADWP's Water Systems Water Engineering and Technical Services (WETS) Division in the delivery of capital projects utilizing Simplar's expertise in procurement, evaluation and project management for large scale alternative delivery projects. The current contract expires on November 11, 2022 and will be extended to December 11, 2026. The procurement phase for several current projects has been delayed due to labor challenges in securing a Notice of

Compliance, which is required to award LADWP contracts. LADWP reports that extending the Agreement to 2026, will allow Simplar the ability to track the performance and the development of a performance matrix for several of these projects through the end of construction. No additional funds are required at this time.

Pursuant to Charter Section 373, for long term contracts, and the Los Angeles Administrative Code Section 10.5 (e) City Council approval is required for LADWP contract amendments involving the same parties with a cumulative term exceeding five years. The City Attorney has approved the proposed Resolution as to form and legality.

Contract Background and Proposed Amendment

The LADWP Board of Water and Power Commissioners (Board) approved Simplar's original sole source Agreement on December 6, 2016 for a one year term, with two one-year renewal periods, for an amount not to exceed \$992,000. Subsequent amendments increased the contract amount from \$992,000 to \$1,607,000, and extended the term to November 10, 2022. LADWP is requesting a time extension only to increase the term by four years and one month, from November 11, 2022 to December 11, 2026. No additional funding is needed.

LADWP reports that Simplar's business model and experience in providing expertise driven project delivery and organizational measurement tools is unique. The original scope of work included support on six large water projects, which have now experienced delays due to labor negotiations. These planned projects are in various stages (construction, procurement or pre-procurement) and Simplar's on-going support will be needed through 2026, as the projects progress. Lastly, Simplar is providing training to LADWP staff to develop the skills and knowledge needed to use their process once the contract expires.

FISCAL IMPACT STATEMENT

There is no General Fund impact. Approval of the proposed Resolution and contact amendment impacts the Water Revenue Fund. No additional funds are required as the amendment is for time extension only. The proposed action complies with the LADWP Financial Policies in that funding is available to support this purpose.

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Attachments