



RESOLUTION NO. _____

BOARD LETTER APPROVAL

Mona Guirguis

MONA T. GUIRGUIS
Interim Chief Information Technology Officer

Quinones

JANISSE QUIÑONES
Chief Executive Officer and Chief Engineer

DATE: November 27, 2024

SUBJECT: Amendment No. 1 to Agreement No. 47584 for IT Mainframe Application Assistance Services with International Business Machines Corporation

SUMMARY

The proposed Amendment No. 1 (Amendment) to Agreement No. 47584 (Agreement) with International Business Machines Corporation (IBM) will increase the amount by \$2,000,000 for a new not-to-exceed amount of \$9,500,000 (budgeted). The Agreement is a cooperative purchase utilizing the National Cooperative Purchasing Alliance (NCPA), Region 14 - Education Service Center Contract No. 01-67.

IBM provides Information Technology Application Assistance (IT Application Assistance) in LADWP's mainframe software such as Mainframe Operating System (z/OS), Information Management System, Database, and Customer Information Control System. LADWP needs to provide continued service to ITS mainframe in support of critical applications such as payroll, financials, and Customer Care and Billing.

City Council Approval is not required.

This Agreement/Contract/Amendment expires on January 18, 2025

RECOMMENDATION

It is recommended that the Board of Water and Power Commissioners (Board) adopt the attached Resolution authorizing and approving the Amendment to the Agreement with IBM.

ALTERNATIVES CONSIDERED

An alternative considered was for LADWP to advertise its own Request for Proposal (RFP) to establish its own agreement. While LADWP intends to conduct an RFP in the future, that could not be completed before this cooperative agreement would expire, and these services are needed now. Additionally, this contract provides price and volume discounts from the combined purchasing power of multiple states made available through the NCPA contract. LADWP can take advantage of both discounted base price and volume discounts available under the NCPA contract.

This Amendment will provide ITS continuous support while working on gathering the requirements and initiating the necessary forms for the requisition of a new solicitation.

FINANCIAL INFORMATION

This Amendment will increase the Agreement by \$2,000,000 from \$7,500,000 to a new not-to-exceed amount of \$9,500,000 (budgeted).

BACKGROUND

On February 18, 2020, LADWP established Cooperative Purchasing Agreement No. 47584 under Resolution No. 020 125 for IT mainframe application assistance services with IBM for a term of 4 years and 11 months and a not-to-exceed amount of \$7,500,000 (budgeted).

The Information Technology Services (ITS) Data Center Operations Section (Data Center) manages the operation of LADWP business applications running on an IBM ZSeries Enterprise Server. The Data Center provides 24/7 operation services and batch processing support for various critical systems such as payroll, Financial Information System, Human Resources Information System, and Supply Chain Services. The Data Center also operates high speed printers for customer bills, payroll checks, and various reports (approximately 90,000 pages per day).

The IT Application Assistance services under the cooperative opportunity available through NCPA/IBM logically aligns with LADWP's current hardware and software infrastructure needs. IBM is the Original Equipment Manufacturer (OEM) for LADWP's mainframe and storage subsystems. In addition, many of LADWP's mainframe systems are running on IBM software, as IBM is also the OEM software developer. IBM has been providing software support to LADWP for many years and is familiar with LADWP's software stack and configuration.

IT Application Assistance provides key knowledge in mainframe z/OS operating systems and its related database, and transactional and job scheduling subsystem in support of LADWP's critical applications. IBM will focus on supporting the older mainframe technology, for which LADWP has limited resources due to the retirement of

LADWP personnel. This approach will allow LADWP staff the time to learn and build expertise in newer technologies. LADWP must continue to support mainframe hardware and software since LADWP's financials, including payroll, are still on the mainframe and must be maintained until such time that these mainframe systems are replaced.

IBM has performed satisfactorily on this and previous contracts.

ENVIRONMENTAL DETERMINATION

Determine item is exempt pursuant to California Environmental Quality Act (CEQA) Guidelines Section 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)(5) states that organizational or administrative activities that will not result in direct or indirect physical changes in the environment do not meet that definition. Therefore, the amendment of a contract to provide information technology application assistance is not subject to CEQA.

CITY ATTORNEY

The Office of the City Attorney reviewed and approved the Resolution and Amendment as to form and legality.

ATTACHMENTS

- Procurement Summary
- Resolution
- Amendment

PROCUREMENT SUMMARY

1.	Vendor: International Business Machines Corporation (IBM)
2.	Procurement Type: Amendment
3.	Procurement Details: A. Contract Status: Amendment No. 1 (Amendment) to Agreement No. 47584 B. Bid Advertisement Date: NA C. Pre-Bid Conference Date: NA D. Proposal Due Date: NA E. Number of Downloads of Solicitation: NA F. Number of Proposals Received: NA G. Protest Received: NA
4.	Buyer Assigned: Andrew Castro
5.	Contract Administrator: Jon Hoang
6.	LADWP System/Division: Joint/Information Technology Services
7.	Contact Person for Item: Jon Hoang

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 in the Past 10 Years					
Contract/ PO No.	Contract Description	Term of Contract	Start Date	Ending Date	Contract Amount
47584 0	International Business Machines Corporation	4 years, 11 months	02/18/2020	01/18/2025	\$7,500,000
01518	Mainframe Hardware Maintenance and Integrated Software	1 year	02/01/2014	01/31/2015	\$100,000

Vendor Experience – Number of Contracts Vendor had with LADWP During the Past 10 Years					
Contract/ PO No.	Contractor	Term of Contract	Start Date	Ending Date	Contract Amount
47584 0	International Business Machines Corporation	4 years, 11 months	02/18/2020	01/18/2025	\$7,500,000
42484	International Business Machines Corporation	One-Time PO	12/21/2018	N/A	\$4,008,715
42305	International Business Machines Corporation	One-Time PO	06/15/2018	N/A	\$43,662.68
01518	International Business Machines Corporation	1 year	02/01/2014	01/31/2015	\$1,928,554

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

Not applicable to the Amendment because no subcontracting opportunities were identified when the agreement was established.