



RESOLUTION NO. _____

BOARD LETTER APPROVAL

A handwritten signature in purple ink, which appears to read 'Janisse Quiñones', is positioned above a horizontal line.

JANISSE QUIÑONES

Chief Executive Officer and Chief Engineer

DATE: December 9, 2024

SUBJECT: Amendment No. 1 to Agreement No. 47851 for Organizational Design Consulting Services with Korn Ferry (US)

SUMMARY

The proposed Amendment No. 1 (Amendment) to Agreement No. 47851 (Agreement) with Korn Ferry (US) (Korn Ferry) for organizational design consulting services for the LADWP Chief Executive Officer (CEO), will increase the agreement amount by \$1,444,000.00, for a new agreement limit of \$1,904,000.00 (budgeted) and increase the agreement term by twelve (12) months for a total of one (1) year and eleven (11) months. The Amendment is for additional funds, to extend the duration of the Agreement and expand the scope of work to include additional organizational design consulting services for the Power System organizational review. All other terms and conditions remain unchanged.

The Amendment will allow Korn Ferry to continue to provide organizational design consulting services to the CEO by designing a strong organization and talent blueprint to support the CEO's transformation agenda at LADWP. These services are necessary to optimize the transformation of the Executive Leadership Team, conduct assessments for top leaders, and provide the necessary knowledge transfer for the transformation teams during the critical second year of the CEO's tenure.

City Council approval is not required.

RECOMMENDATION

It is recommended that the Board adopt the attached Resolution authorizing approval of the Amendment to the Agreement with Korn Ferry.

ALTERNATIVES CONSIDERED

One alternative considered was to competitively bid these services. Competitive bidding is undesirable or impractical for the following reasons:

1. The services to be performed by Korn Ferry under this contract are time sensitive. The Board of Water and Power Commissioners expects the new CEO to begin making changes needed to prepare LADWP for the future immediately – the work required under this Agreement will take time to complete, and adding an additional 6 to 12 months to complete a competitive process is not feasible;
2. The “Integrated Enterprise Leadership Framework”, “Impact Accelerator” and “Power System organizational review” services included within the Korn Ferry Statement of Work are critical to ensuring LADWP leadership team development and alignment. Without this contract, it will take substantially more time to ensure that existing organizational leadership is aligned and able to move LADWP’s objectives forward. It is critical to the success of the new CEO that this work begins immediately.

FINANCIAL INFORMATION

The Amendment will increase the agreement amount by \$1,444,000.00, for a new total amount of \$1,904,000.00 (budgeted) and extend the term by twelve (12) months for a new total term of one (1) year and eleven (11) months.

Description	Original Agreement	Amendment No. 1	Total Not-to-Exceed Amount
Impact Accelerator Consulting Services	\$418,000	\$456,000	\$874,000
Power System Organizational Review	-	\$920,000	\$920,000
Expenses	\$42,000	\$68,000	\$110,000
Total	\$460,000	\$1,444,000	\$1,904,000

BACKGROUND

Resolution No. 025- 018 approved by the Board of Water and Power Commissioners at its meeting held August 13, 2024, authorized the sole source contract award to Korn Ferry for a term of 11 months, from August 31, 2024 to July 31, 2025.

Korn Ferry is currently providing consulting services to the CEO and is designing an organization and talent blueprint to support the CEO’s transformation agenda at LADWP. During the initial activities, Korn Ferry identified that based on the existing leadership and organizational structure, the extent, scale, and necessary duration of the organizational design work required were not clearly defined. Korn Ferry also identified

additional critical services regarding the Power System organizational design. However, the detailed scope, activities, and deliverables required for the transformation roadmap were not clearly articulated for the Power System organizational review. After re-evaluating and specifically defining these items, it was determined that the extent of the effort required for the desired outcomes were not included in the original scope of work.

The CEO has determined that expanding the existing scope of work and adding the organizational design consulting services for the Power System organizational review are necessary to optimize the transformation of the executive leadership team, and foundational for LADWP's clean energy transition by 2035.

Korn Ferry has performed satisfactorily under the current Agreement.

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)(4) states that government fiscal activities that 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 to an agreement for organizational design consulting 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 No. 1

PROCUREMENT SUMMARY

1.	Recommended Vendor: Korn Ferry (US) (Korn Ferry)
2.	Procurement Type: Amendment
3.	Procurement Details: A. Contract Status: Amendment No. 1 B. Bid Advertisement Date: N/A C. Pre-Bid Conference Date: N/A D. Bid/Proposal Due Date: N/A E. Number of Downloads of Solicitation: N/A F. Number of Bids/Proposals Received: N/A G. Protest Received: N/A
4.	Buyer Assigned: Carlos Aguilar
5.	Contract Administrator: Evelyn Cortez-Davis
6.	LADWP System/Division: Joint / Office of the CEO
7.	Contact Person for Item: Evelyn Cortez-Davis, Jason Rondou

A. Summary of Proposals

Not applicable to the Amendment.

B. Evaluation of Amendment

A Request for Information solicited before signing the original Agreement indicated the costs for organizational design consulting services provided by Korn Ferry were price competitive for the original scope of the agreement and length of services. By extension, the additional services proposed under the Amendment are priced competitively for the extended contract period and additional scope of services for the Power System organizational review.

C. Procurement History

Service/Item History and Vendor Experience – Number of Times Item or Service has been Procured					
Contract/ PO No.	Contractor	Term of Contract	Start Date	Ending Date	Contract Amount
47851	Korn Ferry	Eleven months	8/31/2024	7/31/2025	\$460,000.00

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) Participation

Not applicable as this is a single source Agreement.