



**DATE:** JULY 14, 2023

**FROM:** INFORMATION TECHNOLOGY DIVISION

**SUBJECT:** RESOLUTION NO. \_\_\_\_\_ - APPROVAL OF FIRST AMENDMENT TO AGREEMENT NO. 21-9826 WITH SIERRA CYBERNETICS, INC. FOR ON-CALL INFORMATION TECHNOLOGY SERVICES

**SUMMARY:**

Staff requests approval of a First Amendment to City of Los Angeles Harbor Department (Harbor Department) Agreement No. 21-9826 with Sierra Cybernetics, Inc. (Sierra) for Information Technology (IT) services on an on-call, as-needed basis which may include support for on-going IT operations, including the helpdesk, end user support, data center, servers, storage, network, cyber security, software applications, databases, telephones, cellular services, data circuits, physical security systems, and related IT services.

The proposed Amendment will increase the not-to-exceed agreement amount by \$970,000, from \$1,500,000 currently to \$2,470,000 as proposed. The three-year agreement term will remain unchanged. The Harbor Department will continue to be financially responsible for the payment of expenses incurred under the Agreement.

**RECOMMENDATION:**

It is recommended that the Board of Harbor Commissioners (Board):

1. Find that the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) of the Los Angeles City CEQA Guidelines;
2. Find that in accordance with the Los Angeles City Charter Section 1022, the services required can be performed more feasibly by an outside contractor than by City employees;
3. Approve the First Amendment to Agreement No. 21-9826 with Sierra Cybernetics Inc. to provide on-call, as-needed Information Technology services for an additional amount of \$970,000 with a new total not-to-exceed agreement amount of \$2,470,000 and no change to the three-year agreement term;
4. Authorize the Executive Director to execute and the Board Secretary to attest to said Amendment for and on behalf of the Board; and
5. Adopt Resolution No. \_\_\_\_\_.

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**DISCUSSION:**

Background – The IT Division (ITD) provides computer and communications systems support services to approximately 1000 Harbor Department employees and on-site consultants. The as-needed services may include support for on-going IT operations, including the helpdesk, end user support, data center, servers, storage, network, cybersecurity, software applications, databases, telephones, cellular services, data circuits, physical security systems, and related IT services. All areas have grown significantly and continue to grow as technologies are deployed to digitize information, automate processes, and improve efficiency.

ITD currently has thirty-seven (37) employees who perform the base workload requirements for the Harbor Department's IT needs. Eight (8) positions are currently vacant in the division, and turnover of technical staff continues to be a challenge. ITD's support requirements have also increased due to greater utilization of technology throughout the Harbor Department. To meet these needs, the On-Call IT Services Agreements have provided the Harbor Department with additional IT capabilities when required, such as being able to provide services and systems to meet the Harbor Department's technology needs when City staff or expertise is not available. Also, the On-Call Services Agreements provide support for urgent, unexpected, or peak workloads. To augment the IT staff on an as-needed basis, On-Call IT Services Agreements have been used to:

- Provide continuity of services due to staff turnover;
- Improve internal customer service by being more responsive for peak and unexpected work;
- Enable staff to work on new technologies and develop skills; and
- Reduce the administrative burden of establishing multiple smaller agreements.

Currently, three On-Call IT Services Agreements are used with an aggregate not-to-exceed amount of \$4,500,000 over three years. The aggregate expenditure for the three current agreements to date is approximately \$2,700,000.

Reasons for the Amendment – Sierra was selected, along with two other On-Call IT Services vendors based on the Harbor Department's competitive Request for Proposal (RFP) process. When on-call IT services were needed, ITD staff prepared a scope of work and sent it to the three vendors to request pricing, qualifications, and availability. The vendor with the best responses was issued a task order to authorize the work to be performed under their individual agreement. Each of the three On-Call IT Services vendors had an opportunity to bid on the scope of work. To date, Sierra has been issued 10 of 24 task order opportunities because they were the lowest bid or, in a few cases, Sierra was the only consultant to respond. As a result, approximately \$1,497,000 of the Sierra agreement's not-to-exceed limit of \$1,500,000 has been spent to date. ITD staff has discussed the need to be competitive and responsive with the vendors.

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**ENVIRONMENTAL ASSESSMENT:**

The proposed action is the approval of the First Amendment to Agreement No. 21-9826 with Sierra Cybernetics, Inc. for IT services to support the Harbor Department. Therefore, the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

**FINANCIAL IMPACT:**

Approval of the proposed First Amendment will increase the not-to-exceed amount under Agreement No. 21-9826 by \$970,000, from \$1,500,000 currently to \$2,470,000 as proposed. Funding for the proposed Amendment is primarily sourced within ITD; however, other Harbor Department divisions may also utilize this agreement on an as-needed basis so long as funding has been allocated within the Fiscal Year (FY) 2023/2024 Budget.

FY 2023/2024 funding is available within Account 54310 (Information Systems Consulting Services), Program 000 within the following Centers:

<b>Fiscal Year</b>	<b>Center 0640</b>	<b>Other Divisions</b>	<b>Total</b>
Previous Fiscal Years			\$ 1,500,000
2023/2024	\$ 930,000	\$ 40,000	\$ 970,000
<b>Total</b>			<b>\$ 2,470,000</b>

Under the proposed Amendment, \$970,000 will be reallocated amongst the three vendors for On-Call IT Services such that the aggregate amount of funding available for On-Call IT Services in the amount of \$4,500,000 over three years across the three vendors will remain unchanged.

**CITY ATTORNEY:**

The Office of the City Attorney has prepared and approved the proposed Amendment as to form and legality.

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TRANSMITTALS:

1. First Amendment to Agreement No. 21-9826 Sierra Cybernetics, Inc.

FIS Approval: MB  
CA Approval: kfm

*SheebaVarughese*

Sheeba Varughese  
dc=pola, dc=lahd, ou=HQ,  
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SHEEBA VARUGHESE  
Chief Information Officer



Digitally signed by  
Thomas E. Gazi  
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THOMAS E. GAZI  
Chief of Public Safety and  
Emergency Management

APPROVED:

*Mark Deavins FOR*

EUGENE D. SEROKA  
Executive Director

SV:IM