

DATE: AUGUST 3, 2021

FROM: INFORMATION TECHNOLOGY

SUBJECT: RESOLUTION NO. _____ - AGREEMENTS BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND BIRDI SYSTEMS, INC., SATWIC INC., AND SIERRA CYBERNETICS, INCORPORATED FOR ON-CALL/AS-NEEDED INFORMATION TECHNOLOGY SERVICES

SUMMARY:

Staff is requesting approval to enter into agreements with Birdi Systems, Inc. (Birdi), Satwic Inc. (Satwic), and Sierra Cybernetics, Incorporated (Sierra) (Agreements) for City of Los Angeles Harbor Department (Harbor Department) Information Technology (IT) services on an on-call, as-needed basis. The on-call, as-needed services may include support for on-going IT operations, including the help desk, 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 authority amount will be a maximum of \$1,500,000 per agreement over three years.

The recommendation to select Birdi, Satwic, and Sierra is based on the competitive Request for Proposals (RFP) process performed by the Harbor Department. Birdi, Satwic, and Sierra are qualified Local Business Enterprises (LBEs) and Small Business Enterprises (SBEs). Therefore, 100% of their proposed Agreements will contribute towards the Harbor Department's SBE objectives.

Expenditures incurred under the proposed Agreements are the financial responsibility of the Harbor Department.

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;

SUBJECT: AGREEMENTS FOR ON-CALL IT SERVICES

2. Find that, in accordance with the Los Angeles City Charter Section 1022, it is more feasible for outside contractors to perform this work than City employees;
3. Approve the Agreements with Birdi Systems, Inc., Satwic Inc., and Sierra Cybernetics, Incorporated to support information technology operations on an on-call, as-needed basis for a three-year term;
4. Authorize the Executive Director to execute and the Board Secretary to attest the said Agreements for and on behalf of the Board; and
5. Adopt Resolution No. _____

DISCUSSION:

Background and Context – The IT Division provides computer and communications systems support services to approximately 1,000 Harbor Department employees and on-site consultants. The as-needed services may include support for on-going IT operations, including the help desk, 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. All areas have grown significantly and continue to grow as technologies are deployed to digitize information, automate processes and improve efficiencies.

The IT Division currently has 44 employees who perform the base workload requirements for the Harbor Department's IT needs. However, staff may not be able to provide support for urgent, unexpected, or peak workloads. In addition, staff may need assistance to transition skills to new technologies. 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, similar to the proposed Agreements, are used with an aggregate not-to-exceed amount of \$3,999,999 over three years. The actual aggregate expenditure from the three current agreements over the three year term is anticipated to be approximately \$2,600,000 when they expire on October 1, 2021. The expenditure rate in July 2021 is approximately \$122,000 per month.

Proposed Agreements – The proposed Agreements for On-Call IT Services (Transmittals 1 – 3) will allow the IT Division to continue to meet the Harbor

SUBJECT: AGREEMENTS FOR ON-CALL IT SERVICES

Department's technology needs when City staff or expertise is not available. The proposed Agreements will be used similarly to the current On-Call IT Services agreements, including for:

- As-needed services for urgent, unexpected or peak work for all Harbor Department Divisions;
- Continuity of services during staff turnover; and
- Providing IT Division staff with formal, hands-on training and experience for new technologies.

Urgent, unexpected or peak work may occur due to the time required to backfill staff vacancies, new technologies, or new Harbor Department initiatives, business or technical requirements. Because of the temporary and diverse nature of these peak workload situations, the services can be performed more feasibly through the proposed On-Call IT Services Agreements. It is anticipated that a combination of Harbor Department employees and on-call, as-needed contractors will continue to be used in the future.

Three On-Call IT Services Agreements will ensure that the Harbor Department is able to procure the IT services it needs at competitive prices and in a timely manner. When work is needed, the IT Division will request current pricing and availability from the three contractors, then select the vendor that best meets the Harbor Department's requirements for that task at that time. This process benefits the Harbor Department by ensuring that the lowest cost per required service is realized.

Each of the proposed Agreements is for an amount not-to-exceed \$1,500,000 over three years, with an aggregate not-to-exceed amount of \$4,500,000 over three years. Expenditures based on actual needs will be incurred only when the Harbor Department issues a project directive. The aggregate not-to-exceed amount of the proposed Agreements is approximately twelve percent higher than the aggregate not-to-exceed amount of the current agreements. This dollar increase is due to anticipated hourly rate increases over the next three years and anticipated vacancies. The Harbor Department is not committed to spend the entire proposed amount of each Agreement.

As part of the 1022 process, the Contracts and Purchasing Division (CPD) asked the other City of Los Angeles (City) Departments if they had City staff that could perform this work. For the Departments that did respond to CPD's inquiry, they stated that they do not have available staff. A few City Departments did not respond, which is understood to mean that they cannot provide staff.

Selection Process – Birdi, Satwic, and Sierra were selected based on the Harbor Department's competitive RFP that was posted on February 26, 2021. A total of 32 firms responded. The Evaluation Committee was comprised of three representatives from the IT Division. The Evaluation Committee reviewed and scored all 32 proposals

SUBJECT: AGREEMENTS FOR ON-CALL IT SERVICES

according to the RFP criteria, which were: (1) firm qualifications, experience and references; (2) personnel and staffing; (3) rates, fees and budget control; and (4) clarity and comprehensiveness of the proposal. Nine firms with the highest written proposal scores were short-listed and invited for an interview. The three firms with the highest combined written and interview scores were Birdi, Satwic, and Sierra (Transmittal 4).

Birdi, Satwic, and Sierra are qualified LBEs and SBEs. Therefore, 100% of the proposed Agreements with Birdi, Satwic, and Sierra will contribute towards the Harbor Department's SBE objectives. Birdi and Satwic are based in Pasadena, California. Sierra is based in Anaheim Hills, California.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of Agreements with Birdi, Satwic, and Sierra for IT services on an on-call, as-needed basis, which is an administrative activity. Therefore, the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of CEQA in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Approval of the proposed Agreements with Birdi, Satwic, and Sierra authorizes the IT Division to proceed with On-Call IT Services on an as-needed basis for a not-to-exceed compensation amount of \$4,500,000 over three years. Funding for Fiscal Year 2021/2022 is available in Account 54310 (Information Systems Consulting Services), Program 000 within the IT Division (Center 0640) budget. Future Fiscal Year funds, as shown in the table below, will be requested as part of the annual budgeting process through the IT Division, subject to Board approval.

Fiscal Year	Not-to-Exceed Amount			
	Birdi	Satwic	Sierra	TOTAL
2021/2022	\$170,000	\$170,000	\$170,000	\$510,000
2022/2023	\$500,000	\$500,000	\$500,000	\$1,500,000
2023/2024	\$500,000	\$500,000	\$500,000	\$1,500,000
2024/2025	\$330,000	\$330,000	\$330,000	\$990,000
TOTAL	\$1,500,000	\$1,500,000	\$1,500,000	\$4,500,000

The actual expenditures may differ from the estimated amounts in any given fiscal year. However, the total expenditures under each proposed Agreement will not exceed \$1,500,000 over three years.

DATE: AUGUST 3, 2021

PAGE 5 OF 5

SUBJECT: AGREEMENTS FOR ON-CALL IT SERVICES



A Termination for Non-Appropriation of Funds Clause (also known as a Funding Out Clause) is included in the Agreements.

CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved the Agreements as to form and legality.

TRANSMITTALS:

1. Agreement with Birdi Systems, Inc.
2. Agreement with Satwic Inc.
3. Agreement with Sierra Cybernetics, Incorporated
4. Scoring Matrix

FIS Approval: 
CA Approval: 



Digitally signed by Lance Kaneshiro
DN: cn=Lance Kaneshiro, o=Port of Los Angeles, email=lkaneshiro@portla.org, c=US
Date: 2021.08.03 14:37:34 -07'00'

LANCE KANESHIRO
Chief Information Officer



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THOMAS E. GAZSI
Chief of Public Safety and Emergency
Management

APPROVED:



EUGENE D. SEROKA
Executive Director

LK:lk