

**DATE: SEPTEMBER 23, 2025**

**FROM: INFORMATION TECHNOLOGY**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - APPROVAL OF CONTRACT FOR BID NO. F-1249 WITH ZONES, LLC FOR INFORMATION TECHNOLOGY EQUIPMENT, SUPPLIES AND RELATED SERVICES**

**SUMMARY:**

Staff requests approval to award Contract Bid No. F-1249 (Contract) to Zones, LLC (Zones) for information technology (IT) equipment, supplies and related services. This contract will be used on an as-needed basis to purchase computer-based hardware, including (but not limited to) desktops, laptops, tablets, monitors, servers, keyboards, printers, routers, switches, peripherals, related software, supplies, and various IT-related services. This is to support on-going operations, new projects, and future growth. The proposed contract is for an estimated amount of \$2,350,000 annually and a term of one year, with two one-year renewal options, for a not-to-exceed amount of \$7,050,000 over its three-year term.

The recommendation to select Zones is based on the competitive bid process performed by the Contracts and Purchasing Division (CPD) of the City of Los Angeles Harbor Department (Harbor Department) for Bid Number F-1249. Zones is headquartered in Auburn, Washington, with a local office in Cerritos, California.

Payment of expenditures incurred under the proposed Contract 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;
2. Approve the contract with Zones for the purchase of IT equipment, supplies, and related services for a duration of one year, with two one-year renewal options, and an

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estimated compensation amount of \$2,350,000 annually, for a total not-to-exceed amount of \$7,050,000 over the three-year term;

3. Authorize the Executive Director to execute and the Board Secretary to attest to the said Contract for and on behalf of the Board; and
4. Adopt Resolution No. \_\_\_\_\_.

**DISCUSSION:**

Background – The Information Technology Division (ITD) provides computer, and communications systems support to over 1,000 computer users at the Harbor Department. This includes responsibility for the purchase, installation, maintenance, and replacement of computer-based equipment for all Harbor Department divisions. This is required to support on-going operations, new projects, and future growth. Due to the different manufacturers of IT equipment used by the Harbor Department, it is more efficient to establish and administer one contract with a company that is an authorized reseller of the different IT equipment, rather than multiple contracts with each manufacturer.

Prior to this proposed contract and at its meeting on September 22, 2022, the Board approved Contract No. 39979 with Zones for a not-to-exceed amount of \$5,400,000 and a term of three years. The total amount spent is approximately \$5,370,000 or \$1.79 million per year, on average, over the three-year term of the existing contract.

Proposed Contract – The proposed contract is for the purchase of IT equipment, supplies and related services in a similar way to the existing Zones contract. Examples of equipment purchased include, but are not limited to, computer-based desktop computers, laptops, tablets, monitors, servers, keyboards, printers, routers, switches, peripherals, and related software, supplies and various IT related services.

Most purchases will replace existing IT equipment as they become inoperable, reach end-of-life, or become obsolete. The industry best practice for hardware replacement age is 3-4 years for laptop computers, 3-5 years for desktop computers, and 4-6 years for network equipment. Beyond this age, the IT equipment may not be supported by the vendor, be incompatible with other technologies, have performance issues or be costly to repair. In addition, ITD anticipates the need for IT equipment purchases to accommodate new projects and growth.

The proposed contract is for an estimated amount of \$2,350,000 and duration of one year, with two one-year renewal options, and a not-to-exceed compensation amount of \$7,050,000 over the term of this contract. This amount is based on the current asset inventory due for replacement and anticipated spending. Expenditures based on actual

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needs will be incurred only when the Harbor Department authorizes an order. Total expenditures will not exceed \$7,050,000 over the term of this contract. However, the Harbor Department is not committed to spending this entire amount.

The proposed Contract is the best way for the Harbor Department to procure IT equipment, supplies, and related IT services to support on-going operations, new projects, and future growth. In addition to reduced administrative burden, public entities save on IT products and services that have been pre-scoped, negotiated, and bid.

Selection Process – On July 28, 2025, the Harbor Department conducted a Request for Bid (RFB) process for IT equipment, supplies, and related services (Bid Number F-1249). Five firms responded to the RFB and submitted bids. Three bids were disqualified as they were found to be incomplete and non-responsive. Two were included in the bid analysis.

The recommendation to select Zones is based on the competitive bid process performed by the Contracts and Purchasing Division for Bid Number F-1249 (Transmittal 1). With the proposed contract, the Harbor Department will pay a mark-up percentage of 2% to 5% over authorized reseller's landed unit cost, which is much lower than the Manufacturer's suggested retail price (MSRP) from specified IT equipment manufacturers. Without this contract, the Harbor Department has to establish multiple contracts with different manufacturers and may not receive the lower pricing if purchasing IT equipment with individual purchase requisitions.

Zones' bid was the most responsive, thorough, and complete. It was the only submission out of the five that was the most capable of meeting requested specifications. In addition, Zones' bid is the lowest bid based on net unit price for most of the essential IT equipment that the Harbor Department will purchase.

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is the approval of a purchase order with Zones for as-needed IT equipment, supplies and related services, 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.

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**FINANCIAL IMPACT:**

Approval of the proposed contract authorizes ITD to purchase IT equipment, supplies, and related IT services from Zones for a not-to-exceed amount of \$7,050,000 over its three-year term.

Fiscal Year 2025/2026 funding in the amount of \$1,550,000 is available across multiple divisions within Accounts 161210 (Capital Equipment Purchase), 542015 (IT Hardware Maintenance) and 553000 (Computers, Furniture, and other Office Equipment). Each division budgets funds for their anticipated IT equipment needs. When a division requests IT equipment, the requesting division will pay for the order from its budgeted funds.

Future fiscal year funds, as shown in the table below, will be requested as part of the annual budgeting process, subject to Board approval.

Fiscal Year	Budget Accounts		Total Budget Amounts
	161210	542015 & 553000	
2025/26	\$400,000	\$1,150,000	\$1,550,000
2026/27	\$400,000	\$1,950,000	\$2,350,000
2027/28	\$400,000	\$1,950,000	\$2,350,000
2028/29	\$150,000	\$ 650,000	\$ 800,000
Total Not-To-Exceed Amount:			\$7,050,000

The actual expenditures may differ from the estimated amounts in any given fiscal year and in any given budget account. However, the total aggregate amount will not exceed \$7,050,000.

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

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**CITY ATTORNEY:**

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

**TRANSMITTAL:**

1. Harbor Department Bid No. F-1249

FIS Approval: JS  
CA Approval: SO

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APPROVED:

*Erica M. Calhoun* for

EUGENE D. SEROKA  
Executive Director

SV/HQ