



**THE PORT
OF LOS ANGELES**

Executive Director's
Report to the
Board of Harbor Commissioners

DATE: OCTOBER 21, 2025

FROM: INFORMATION TECHNOLOGY

SUBJECT: RESOLUTION NO. _____ - PURCHASE ORDER CHANGE NO. 1 TO CONTRACT NO. 40024 WITH INSIGHT PUBLIC SECTOR, INC. FOR COMPUTER SOFTWARE AND RELATED SUPPORT SERVICES

SUMMARY:

Staff requests approval of Purchase Order Change (POC) No. 1 to Contract No. 40024 (Contract) with Insight Public Sector, Inc. (Insight) for the purchase of computer software licenses, software maintenance renewals, and related software support services. This includes purchases to support ongoing operations, new projects and future growth requirements for front-end software such as business applications, desktop software, email, and back-end software such as databases, operating systems, troubleshooting tools, technology management, cyber security and network software.

The proposed POC No.1 will increase the not-to-exceed amount by \$2,800,000 for a total not-to-exceed amount of \$7,540,000. The POC No. 1 will not change any other terms and conditions of the Contract.

The Contract utilizes the Cobb County, Georgia, Contract No. 23-6692-03, a national cooperative contract for technology product solutions and related services awarded by Cobb County to Insight effective May 1, 2023. The term of the master agreement will end on April 28, 2028.

Insight is headquartered in Tempe, Arizona, with offices in Southern California.

The City of Los Angeles (City) Harbor Department (Harbor Department) will continue to be financially responsible for the payment of expenses incurred under the Contract.

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 Class 2(f) of the Los Angeles City CEQA Guidelines;
2. Approve POC No. 1 to Contract No. 40024 with Insight Public Sector, Inc. for computer software licenses, software maintenance renewals, and related software support services for an amount not-to-exceed \$7,540,000 for a term of three (3) years;

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3. Authorize the Executive Director to execute and the Board Secretary to attest to said POC, for and on behalf of the Board; and
4. Adopt Resolution No. _____.

DISCUSSION:

Background – The Information Technology (IT) Division provides computers and communications systems support to over 1,000 computer users in the Harbor Department. This includes responsibilities for computer software for all Harbor Department divisions to support ongoing operations, new projects and future growth. The Harbor Department uses more than a hundred different types of software licenses for computer systems, databases, operating systems, tools, and other IT needs. Software expenditure includes the initial software license purchase and the ongoing annual software maintenance fees. Software maintenance is required to continue use of the software and receive updates to address security vulnerabilities, bug fixes and enhancements.

To purchase many different types of software through a single contract, the Harbor Department utilizes a software reseller. This provides volume price discounts and reduces the administrative burden of establishing hundreds of individual purchase requisitions, improves the management of software license compliance records, and reduces the time to acquire software. Other City Departments, including the City’s General Services Department, Los Angeles World Airports and Department of Water and Power, use software resellers to procure their many different types of software.

At its meeting on October 18, 2023, the Board approved Contract No. 40024 (Transmittal 1) with Insight for an amount not-to-exceed \$4,740,000 for a term of one year with two one-year renewal options. The current Insight Contract utilizes the Cobb County, Georgia, Contract No. 23-6692-03, a national cooperative contract for technology product solutions and related services awarded by Cobb County to Insight effective May 1, 2023. The master agreement will end on April 28, 2028. The actual expenditure to date is approximately \$3,429,000.

Proposed POC No. 1 – The proposed POC No. 1 (Transmittal 2) will increase the second contract year by \$400,000, and the third contract year by \$2,400,000. The proposed increase amount will be \$2,800,000, and the total contract amount not-to-exceed will be \$7,540,000. POC No. 1 will not change any other terms and conditions of the Contract.

With the proposed POC No. 1, Contract No. 40024 will continue to be used for software purchases of all Divisions at the Harbor Department to meet on-going operations, new projects and future growth requirements. Examples of existing software include front-end software such as business applications, desktop software, email, and back-end software such as databases, operating systems, troubleshooting tools, technology management, cyber security, and network software. The average annual expenditure on software renewals within the IT Division is approximately \$2,000,000. To accommodate unforeseen software requests, a ten (10) percent contingency has been allocated to accommodate unexpected software requests for divisions. There is growing demand for new software requests to support implementation of initiatives planned by several

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divisions including Financial Planning & Analysis, Community Relations, Real Estate, the Commission Office, and Information Technology for the third contract year as shown below:

- **Cybersecurity Artificial Intelligence (AI) Software:** The Cybersecurity AI software solution aims to enhance cybersecurity operations and protect digital infrastructure by increasing visibility, improving situational awareness, and predicting potential future threats.
- **Commission Office Records Management Software:** This software efficiently manages records, ensuring compliance with regulations, and improving staff productivity through streamlined record-keeping.
- **Community Relations Grant Management Software:** Grant Management Application to modernize and streamline the application process, enhancing efficiency and security for applicants and staff.
- **Real Estate Property Management Solution:** A new software solution will manage agreements, property records, and documents, streamlining lease tracking, document storage, and integration with POLA Fusion Enterprise Resource Planning (ERP), Klein Billing and PortControl Systems.
- **Artificial Intelligence (AI) Solutions:** AI solutions facilitate the automation of routine processes, enable sophisticated data analysis, and support accelerated, informed decision-making across diverse sectors. Microsoft Copilot enhances productivity and creativity by seamlessly integrating AI into everyday tasks, offering intelligent assistance across writing, coding, data analysis, and decision-making.
- **Enhanced Business Intelligence (BI) Tools:** Integrate BI tools into the POLA Fusion ERP System, leading to better analysis, reconciliation, financial monitoring, and data-driven decision-making.
- **Data Lakehouse:** This initiative is integral to the Port's digital transformation strategy, which seeks to consolidate data streams for real-time insights, enhance operational efficiency, and support advanced analytics. The cloud-based software solution will be the focus; however, a hybrid and/or on-premise solution may be required to ensure scalability, cost-effectiveness, secure data sharing, and improved decision-making across various divisions.

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ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of POC No. 1 to Contract No. 40024 with Insight for the purchase of computer software licenses, software maintenance renewals, and related software support 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.

FINANCIAL IMPACT:

Approval of the proposed POC No. 1 authorizes the IT Division to continue purchases of computer software and related support services from Insight with an additional \$2,800,000, for a total not-to-exceed amount of \$7,540,000.

Fiscal Year (FY) 2025/2026 funding in the amount of \$3,980,000 is available across multiple Divisions within Account 542000 (Software Subscriptions). The projected spending for FY 2025/2026 is anticipated to be approximately \$3,284,000, which includes an estimated \$2,261,000 for the IT Division and \$1,023,000 for other divisions respectively. Each division budgets funds for their anticipated IT software needs. When a division requests IT software, the requesting Division will pay for the order from its budgeted funds. Upon Board approval, funding for future fiscal years will be budgeted as shown in the following table:

Account 542000			
Fiscal Year	Approved Budget Amount	Proposed Increase (Additional)	Total Budget Amount
2023/2024	\$ 1,050,000	\$ 0	\$ 1,050,000
2024/2025	\$ 1,580,000	\$ 0	\$ 1,580,000
2025/2026	\$ 1,580,000	\$ 2,400,000	\$ 3,980,000
2026/2027	\$ 530,000	\$ 400,000	\$ 930,000
Total Not-to-Exceed	\$ 4,740,000	\$ 2,800,000	\$ 7,540,000

Actual expenditures may differ from the estimated amounts in any given fiscal year presented in the table above. However, the total aggregate amount will not exceed \$7,540,000.

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 Purchase Order Change No.1 as to form and legality.

TRANSMITTALS:

1. Contract No. 40024 with Insight Public Sector, Inc.
2. Purchase Order Change (POC) No. 1

FIS Approval: JS (initials)
CA Approval: SO (initials)

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THOMAS E. GAZSI
Chief of Public Safety and Emergency
Management

APPROVED:

Erica M. Calkoun for

EUGENE D. SEROKA
Executive Director

SV:hn