



**THE PORT
OF LOS ANGELES**
Executive Director's
Report to the

Board of Harbor Commissioners

DATE: SEPTEMBER 22, 2011

FROM: INFORMATION TECHNOLOGY

**SUBJECT: RESOLUTION NO. _____ - AGREEMENT WITH DEFY AGENCY, INC.
FOR AS-NEEDED WEBSITE AND MOBILE APPLICATIONS SUPPORT**

SUMMARY:

The Information Technology (IT) Division is requesting approval to enter into an agreement with Defy Agency, Inc. (Defy), located in Culver City, California, to provide as-needed technical and design support services for the City of Los Angeles Harbor Department's (Harbor Department) websites and mobile applications. The recommendation to select Defy is based on a competitive Request for Proposal (RFP) process performed by the Harbor Department. Defy is a certified Small Business Enterprise (SBE); therefore, 100% of the agreement will contribute towards the Harbor Department's SBE goals. The term of the proposed agreement is three years at an amount not-to-exceed \$540,000.

RECOMMENDATION:

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

1. 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;
2. Approve the agreement with Defy for a term of three years at an amount not-to-exceed \$540,000;
3. Authorize the Executive Director to execute and the Board Secretary to attest to said agreement; and
4. Adopt Resolution No. _____.

DISCUSSION:

Background – The Harbor Department websites serve an important role in the Harbor Department's business and community outreach. Through its websites, the Harbor Department provides information on a myriad of topics and programs to enhance its communication with stakeholders. For the community, this has included communicating

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information on environmental initiatives, community events, Board meetings, and operations. Business outreach has included information about open bids, business statistics, and contract opportunities. The web and its associated social media, such as Facebook and Twitter, are becoming an increasingly vital and necessary medium to communicate and do business with the various Harbor Department stakeholders. In addition, the growing use of smart phones, tablet computers, and other mobile devices is driving the need for mobile applications.

Overall website support is fulfilled through a combination of Harbor Department staff and consultants. The Harbor Department currently has one existing staff person in the Public Relations Division that serves as the webmaster to manage the content of the websites. In addition, two IT Division employees provide technical programming, infrastructure, and related support on a part-time basis, along with their other responsibilities. Consultants are typically utilized for more specialized tasks, complex technical programming, and peak workloads. The Harbor Department has been taking steps to transition work to staff, however, primarily in the areas of website maintenance. Consultants are anticipated to continue to be needed for website development due to complexity, increasing demands, short deadlines, and rapidly changing nature of website technologies. Furthermore, website development typically involves a team of individuals that are assembled for a specific, temporary effort; business website development is not typically done by one individual.

Proposed Agreement – The proposed agreement with Defy (Transmittal 1) is for as-needed technical and design support services for the Harbor Department's websites and mobile applications. Design support services include the graphic design, imagery, and visual aspects of websites. Technical support services include computer programming to create websites that present the design and enable functional requirements. Examples of services may include developing new websites, video and motion graphic production, flash banners, interactive web modules, calendar schedulers, and email alerts. To develop an effective and appealing website, multiple individuals with different skill sets – visual, content, functional and technical – are involved. As part of the 1022 process, the City did not have the required collective skills or availability. Therefore, the consultants will provide services on an as-needed basis alongside the existing Harbor Department staff.

The proposed three-year agreement is for an amount not-to-exceed \$540,000. Expenditures based on actual needs, will be incurred only when the Harbor Department authorizes services to be performed. Total expenditures will not exceed \$540,000 over the term of this contract. However, the Harbor Department is not committed to spending this entire amount.

The Harbor Department has spent an average of \$70,000 annually for external consulting costs to perform website development and related tasks over the last three years. The total website support cost, including the cost of Harbor Department employees, is estimated to be approximately \$200,000 per year. Examples of website

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work by the employee-consultant team in the past year include the 2010 holiday e-card, LAitude e-newsletter, initial website for the International Association of Ports and Harbors 2013 Conference, enhancements to the Harbor Department's main website, banners (e.g. – PASHA, Cunningham), and website templates for the Port Police.

The basis for the increased amount of the proposed agreement, which will be used on an as-needed basis, is to meet the rapidly growing needs for website development and new mobile applications. Significant new projects anticipated over the next three years may include:

- Website portal for security outreach and feedback (e.g. – See Something, Say Something). The preliminary estimate for this portal is up to \$136,000, depending on the final requirements.
- Major redesign of the Harbor Department main website. The current website was designed in fiscal year 2007/08 for approximately \$150,000. Businesses typically redesign their websites every two to four years.
- A new website for the Maritime Law Enforcement Training Center. The cost for a basic website (e.g. – static information) is typically between \$10,000 and \$20,000 each. The cost is significantly higher for websites that integrate enhanced features, functionality, workflows and data.
- Development of mobile applications, additional features and functions for existing websites, and additional e-communications. The cost to develop applications is estimated to be \$15,000 per mobile application. Furthermore, a single project typically requires multiple mobile applications for it to be compatible with different end-user devices. For example, smart phone applications may require development of four mobile applications for it to be functional with Apple, Android, Windows and Blackberry devices.
- Greater integration with evolving social media and other technologies. For example, integrated Short Message Service (SMS)/text integration is estimated to be \$30,000. Subscriber applications, similar to social media technologies, may cost about \$25,000.

In addition to the anticipated efforts mentioned above, additional projects that are unknown at this time are also expected over the next three years. The proposed agreement will enable the Harbor Department to continue its innovative outreach to both business and community stakeholders. Harbor Department employees will work with the consultants during the development, and transition the maintenance of the websites to employees.

Selection Process – The selection of Defy is based on a competitive RFP process performed by the Harbor Department. Nine firms responded to the RFP and submitted proposals (Transmittal 2). The selection committee evaluated the proposals based on: 1) firm's qualifications, experience and references; 2) project organization, personnel, and staffing; 3) project approach, work plan, and management; 4) rates, fees, and budget control; and 5) quality and responsiveness of the proposal. The selection

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committee was comprised of individuals from the Harbor Department's IT and Media Relations Division, and an external rater from the City of Los Angeles Information Technology Agency (ITA). Five firms were invited to participate in interviews with the selection committee and present their proposal. Based on the scoring criteria, the selection committee recommends Defy (Transmittal 3).

Defy is a certified Small Business Enterprise (SBE), therefore 100% of the agreement will contribute towards the Harbor Department's SBE goals. Defy is located in Culver City, California.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of an agreement with Defy Agency, Inc. for on-demand creative and technical support services for the Harbor Department's websites and mobile applications. As an administrative activity, the Director of Environmental Management has determined that the proposed action is exempt from the California Environmental Quality Act (CEQA) in accordance with Article II, Section 2(f) of the Los Angeles City CEQA Guidelines.

ECONOMIC BENEFITS:

Spending under the proposed contract will support approximately 1 direct plus 4 secondary one-year equivalent jobs in the five-county region.

FINANCIAL IMPACT:

The financial impact of the proposed three-year agreement with Defy is that the Harbor Department would commit up to \$100,000 during fiscal year 2011/12 under the proposed Agreement. Funding for future fiscal years will be requested to be budgeted, upon Board approval each fiscal year, as part of the annual budget adoption process. It is expected that should the Board approve funds for the agreement in each subsequent future fiscal year, funds will be expended as follows:

Fiscal Year	Proposed Amount
2011/12	\$ 100,000
2012/13	\$ 220,000
2013/14	\$ 220,000
Not-To-Exceed	\$ 540,000

The Harbor Department is not committed to spend the entire proposed amount in any given fiscal year listed above. Expenditures are based on an as-needed, task order basis. Funds will be expended from account 54310, center 0640, and Program 000.

The Harbor Department has spent an average of \$70,000 annually on website development and related tasks over the last three years. The internet and its related

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technologies continue to be increasingly used by organizations to communicate and conduct business. The amounts proposed above reflect this growing demand for website capabilities and anticipated future efforts.

A Termination Due To Non-Appropriation of Funds clause is included in the proposed agreement and will be exercised in the event future funding is not approved.

CITY ATTORNEY:

The Office of the City Attorney prepared the Agreement with Defy and has approved it as to form and legality.

TRANSMITTALS:

- 1. Agreement with Defy Agency, Inc.
- 2. List of Proposers
- 3. Combined Scores

FIS Approval: WJ (initials)
 CA Approval: TC (initials)



LANCE KANESHIRO
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APPROVED:


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