



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

Board of Harbor Commissioners

DATE: JULY 28, 2020

FROM: MEDIA RELATIONS

**SUBJECT: RESOLUTION NO. _____ - FIRST AMENDMENT TO
AGREEMENT NO. 17-3542 WITH STATUS NOT QUO FOR WEBSITE
SUPPORT**

SUMMARY:

Staff requests approval of the First Amendment to Agreement No. 17-3542 with Status Not Quo (SNQ) for as-needed website design and development (Transmittal 1), mobile design and development, hosting and related support services for all Port of Los Angeles-branded websites. The amendment assigns Agreement 17-3542 to Faye Business Systems Group, Inc. (FayeBSG) and extends the term of the agreement by two years through December 22, 2022, increasing the compensation by \$400,000 from \$900,000 to a new total amount not-to-exceed \$1,300,000 for the duration of the five-year agreement. The City of Los Angeles Harbor Department (Harbor Department) is financially responsible for payment of expenses under the proposed agreement.

RECOMMENDATION:

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

1. Find that the Director of Environmental Management had 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 Los Angeles City Charter Section 1022, it is more feasible for outside contractors to perform this work than City employees;
3. Approve the First Amendment to Agreement No. 17-3542 with Status Not Quo, assigning it to Faye Business Group, Inc., and extending the three-year term to a total of five (5) years with \$400,000 additional compensation for a not-to-exceed total of \$1,300,000 for the entire five-year term;
4. Authorize the Executive Director to execute and the Board Secretary to attest to the First Amendment to Agreement No. 17-3542;
5. Direct the Board Secretary to transmit the Resolution and First Amendment to Agreement No. 17-3542 to the City Council for approval pursuant to City Charter Section 373 and Los Angeles Administrative Code Section 10.5; and

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SUBJECT: FIRST AMENDMENT TO AGREEMENT NO. 17-3542 (WEBSITE SUPPORT AGREEMENT)

6. Adopt Resolution No. _____.

DISCUSSION:

Background – On November 16, 2017, the Board approved a contract with Status Not Quo for Website Support Services (Transmittal 2). The firm was selected through a Request for Proposals (RFP) in 2017, in accordance with the City of Los Angeles' policy of open competition for contractual services. The agreement provided the resources to augment existing Harbor Department staff with website support and developed a complete redesign of all Port of Los Angeles-branded websites in 2018.

Web management for similarly structured organizations are generally managed by a team of multiple individuals. Since the Port of Los Angeles first launched its website in the late '90s, outside contractors have provided web services on an as-needed basis to support existing Harbor Department staff. The model of using a combination of City staff and outside contractors on an as-needed basis is comparable to other City Departments. The scope of these services exceeds the job description and functions of Harbor Department staff, as there is no existing civil service classification that performs all the duties outlined in the proposed contract.

On July 1, 2020, SNQ was acquired by Faye Business Systems Group, Inc. (FayeBSG) (Transmittals 3, 4 and 5), a global technology company headquartered in Woodland Hills. As part of this acquisition, nearly all SNQ employees were hired by FayeBSG, establishing a dedicated division for customer relationship management and digital marketing services. Since the transition occurred, there has been no disruption in service or support, and any projects that were started last fiscal year continue as planned. The same project manager who has been assigned to the Port of Los Angeles for the past three years, moved from SNQ to FayeBSG, resulting in a seamless transition. It is anticipated FayeBSG will continue to provide the same level of excellent customer service that SNQ has delivered through the entire duration of the contract.

Proposed First Amendment – The First Amendment for Agreement No. 17-3542 with SNQ assigns this agreement to FayeBSG and extends the three-year term to a total of five (5) years, with \$400,000 additional compensation for a total of \$1,300,000 for the entire five-year term.

City Council Approval Required – Pursuant to Los Angeles Administrative Code Section 10.5(b) (2), City Council approval is required for this agreement.

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ENVIRONMENTAL ASSESSMENT:

The proposed action is for the approval of the First Amendment to Agreement No. 17-3542 with Status Not Quo 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 Amendment will assign Agreement No. 17-3542 to FayeBSG, extend the Agreement by two years and increase the total not-to-exceed amount by \$400,000 from \$900,000 to \$1,300,000. Spending under Agreement No. 17-3542 has occurred, and is anticipated to occur under the proposed Amendment as follows:

Fiscal Year	Original Agmt. No. 17-3542	Proposed First Amendment	Total
2018*	\$307,473		\$307,473
2019	\$259,075		\$259,075
2020	\$231,696		\$231,696
2021	\$101,756	\$76,161	\$177,917
2022		\$200,000	\$200,000
2023*		\$123,839	\$123,839
Total	\$900,000	\$400,000	\$1,300,000

**Half of the fiscal year*

Funds in the amount of \$177,917 are available in the FY 2020/21 budget in Account 54310 (Information System Consulting Services), 0250 (Media Relations), Program 000. Funding for future fiscal years, will be requested to be budgeted as part of the annual budget adoption process, upon Board approval. A funding out clause is included in Agreement 17-3542.

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CITY ATTORNEY:


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

TRANSMITTALS:

1. First Amendment to Agreement 17-3542 with Status Not Quo, Inc.
2. Agreement 17-3542 with Status Not Quo, Inc.
3. SNQ Notification Letter to POLA
4. Faye Letter To Harbor Department Re: Acquisition
5. FayeBSG Press Release



PHILLIP SANFIELD
Director of Media Relations



ARLEY M. BAKER
Senior Director of Communications

FIS Approval 
CA Approval 



DAVID J. LIBATIQUE
Deputy Executive Director

APPROVED:


FOR

EUGENE D. SEROKA
Executive Director

PS:RC:JB:bb
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