



**THE PORT
OF LOS ANGELES**
Executive Director's
Report to the
Board of Harbor Commissioners

DATE: DECEMBER 16, 2025

FROM: INFORMATION TECHNOLOGY

SUBJECT: RESOLUTION NO. _____ - AGREEMENT BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND GRAVITON CONSULTING SERVICES, INC. FOR THE FUSION ERP SYSTEM MANAGED SERVICES SUPPORT

SUMMARY:

Staff requests approval to enter into an Agreement with Graviton Consulting Services, Inc. (Graviton) to provide managed services support for the City of Los Angeles Harbor Department (Harbor Department) Oracle Fusion Enterprise Resource Planning (Fusion ERP) system. This professional services agreement will deliver technical and functional services, including system monitoring, maintenance, optimization, and specialized advisory services related to the Fusion ERP system. The term of the proposed Agreement is three (3) years with a not-to-exceed compensation amount of \$5,700,000.

The recommendation to select Graviton is based on a competitive Request for Proposal (RFP) process conducted by the Harbor Department. Graviton is a certified Small Business Enterprise (SBE) that is located in Sacramento, California.

The Harbor Department will be financially responsible for the payment of expenditures incurred under the proposed Agreement.

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. Find that in accordance with the Los Angeles City Charter Section 1022, it is more feasible for outside consultants to perform this work than City employees;
3. Approve the Agreement with Graviton Consulting Services, Inc. to provide managed services support for a not-to-exceed compensation amount of \$5,700,000 over a three-year term;
4. Authorize the Executive Director to execute and the Board Secretary to attest to the said Agreement for and on behalf of the Board; and

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5. Adopt Resolution No. _____.

DISCUSSION:

Background - The Harbor Department transitioned from the legacy Oracle E-Business Suite (EBS) to the Oracle Fusion Cloud Enterprise Resource Planning system on October 1, 2024. Since go-live, the system has supported core financial operations and achieved several milestones, including automation of invoice and purchase order processing, streamlined approval workflows, regular security updates, a redesigned general ledger for improved financial oversight, and a successful integration with Payroll (Workday) and Project Systems (PICS and MaintStar).

The Fusion ERP system is currently supported by the Harbor Department Information Technology Division, with supplemental managed services provided under Agreement No. 25-9854-B with NITI Systems Consultants Inc. (NITI) (Transmittal 1).

As the current agreement with NITI is set to expire on March 14, 2026, the Harbor Department must transition to a new managed services agreement to ensure continuity of operations.

Proposed Agreement – The proposed Agreement (Transmittal 2) is for Graviton to provide managed services support for a not-to-exceed amount of \$5,700,000 over a three (3) year term. As the Fusion ERP system enters its operational support and optimization phase, this managed services support is necessary to ensure continuity of operations, system stability, and ongoing enhancements to meet the Harbor Department’s business and technical objectives.

Under the proposed Agreement, Graviton will deliver comprehensive managed services for the Harbor Department’s Fusion ERP system, including Oracle Integration Cloud (OIC) and Oracle Cloud Infrastructure (OCI). These services are designed to maintain a secure, high-performing ERP environment while supporting continuous improvement and user adoption.

Scope of work includes, but is not limited to:

- Day-to-day helpdesk support, including issue resolution and root cause analysis.
- End-user training, documentation, and knowledge transfer to support adoption and self-sufficiency.
- Internal and external audit support, including data extraction, documentation, and compliance validation.
- Optimization of approval workflows for requisitions, purchase orders, and change orders.
- Support for month-end close, year-end processing, and 1099 reporting activities.

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- Support for Oracle quarterly updates, monthly patches, new features, and security updates. Application of security patches and maintenance of configurations to meet internal control and industry standards.
- Maintain high performance of OCI and support governance through proactive monitoring, tuning, performance reporting, and continuous improvement initiatives.
- Enhance and optimize the Fusion ERP systems by improving reports, integrations, financial configurations in alignment with Oracle best practices to meet business and compliance requirements and implementing new modules and features to support automation and user experience.

Over the three-year term, the managed services engagement will support the Harbor Department through system stabilization, optimization, and steady-state support. In year one of the Agreement, the focus will be on developing and executing a Transition Plan that includes resolving outstanding support tickets, reducing backlog, launching key remediation and training efforts, assessing system performance, and initiating planning for legacy data archiving. Year two will build on this foundation by completing major enhancements, expanding automation, delivering a comprehensive training program, and conducting ongoing performance reviews and system tuning. In year three, the engagement will transition into steady-state operations, emphasizing daily support, system reliability, user training on new features, and preparation for future support planning or contract renewal.

These services will supplement the Harbor Department's internal IT and Finance teams by providing specialized Oracle Cloud expertise, both functional and technical. The support will help resolve system issues, improve business processes, and keep the Fusion ERP system aligned with the Harbor Department's goals. This agreement ensures the resources needed to maintain a secure, stable, and efficient system, while supporting ongoing improvements and user adoption. Services will be closely coordinated with Harbor Department staff and designed to support both daily operations and long-term needs.

Selection Process – The recommendation to select Graviton for the proposed Agreement was based on a competitive RFP process performed by the Harbor Department. The Contracts and Purchasing Division (CPD) issued an RFP for managed services and support for the Fusion ERP system on May 28, 2025. Thirteen firms responded to the RFP and submitted proposals. One of the 13 was deemed unresponsive due to administrative requirements.

The Selection Committee, comprised of four Harbor Department staff and one external rater from Los Angeles World Airports, reviewed the 12 responsive proposals. The four Harbor Department staff were from Accounting, CPD, and ITD. The Selection Committee reviewed and scored the proposals based on the following weighted criteria: (1) firm qualifications, experience, and references; (2) project organization, personnel, and

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staffing; (3) project approach and work plan; (4) project management; and (5) cost of the proposal.

Five firms were invited to participate in a virtual interview. The interviews were evaluated using the same weighted criteria. Based on the interview scores (Transmittal 3), the Selection Committee recommends Graviton for the Fusion ERP system managed services support.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of an Agreement for the Fusion ERP system managed services support, 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 Agreement with Graviton authorizes ITD to proceed with managed services support for the Fusion ERP system with a not-to-exceed amount of \$5,700,000 over a three (3) year term. Fiscal Year (FY) 2026 funding in the amount of \$774,280 is available within Account 542025 (IT Implementation and Consulting Services), Division 50010 (Information Technology). Upon Board approval, funding for future fiscal years will be budgeted as shown in the table below:

Fiscal Year	ITD Division OPEX Account 542025
FY2026	\$ 774,280
FY2027	\$ 2,175,160
FY2028	\$ 1,679,280
FY2029	\$ 1,071,280
Total Not-To-Exceed	\$ 5,700,000

The projected budget for FY 2027 is higher than other fiscal years because it represents the first full year (12 months) of managed services support under the new Agreement. In addition to baseline support activities, increased use of as-needed services is anticipated to address end-user requests, enhance system functionality, and implement improvements that support operational efficiency and business process needs.

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The 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 \$5,700,000. The Harbor Department is not committed to spending this entire amount. Expenditures based on actual needs will be incurred only when the Harbor Department authorizes services to be performed.

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

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CITY ATTORNEY:

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

TRANSMITTALS:

1. NITI Agreement No. 25-9854-B (Incumbent managed services provider)
2. Agreement with Graviton Consulting Services, Inc.
3. Scoring Matrix

FIS Approval: JS
CA Approval: SO

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APPROVED:

Dina Aryan-Zahlan
EUGENE D. SEROKA for
Executive Director

SV:hn