



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

**DATE: AUGUST 19, 2015**

**FROM: INFORMATION TECHNOLOGY**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - AGREEMENTS BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND BIRDI & ASSOCIATES, INC., SIERRA CYBERNETICS, INC., AND E.K. ASSOCIATES FOR ON-CALL INFORMATION TECHNOLOGY SERVICES**

**SUMMARY:**

The City of Los Angeles Harbor Department (Harbor Department) is requesting approval to enter into Agreements with Birdi & Associates, Inc. (Birdi), Sierra Cybernetics, Inc. (Sierra), and E.K. Associates (EK) (Agreements) for Information Technology (IT) services on an on-call/as-needed basis. The authority amount of each Agreement will be up to \$1,000,000, with an aggregate amount not-to-exceed \$3,000,000. The term for each Agreement is three years.

The recommendation to select Birdi, Sierra and EK is based on the competitive Request for Qualifications (RFQ) process performed by the Harbor Department. All three firms are qualified local Small Business Enterprises (SBEs). Therefore, 100% of the proposed Agreements will contribute towards the Harbor Department's SBE objectives. Sierra and EK are also Very Small Business Enterprises (VSBES). Birdi is based in Los Angeles, California. Sierra is based in Anaheim Hills, California. EK is based in Cerritos, California.

IT services are the financial responsibility of the Harbor Department.

**RECOMMENDATION:**

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

1. Find that in accordance with the Los Angeles City Charter Section 1022, it is more feasible for outside contractors to perform this work than City employees;
2. Approve the Agreements with Birdi & Associates, Inc. at an amount not-to-exceed \$1,000,000; Sierra Cybernetics, Inc. at an amount not-to-exceed \$1,000,000; and E.K. Associates at an amount not-to-exceed \$1,000,000 to support information technology operations on an on-call/as-needed basis for a three-year term;

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3. Authorize the Executive Director or designee to execute each Agreement and authorize the Board Secretary to attest to said Agreements; and

4. Adopt Resolution No. \_\_\_\_\_.

**DISCUSSION:**

Background – The IT Division provides computer and communications systems support services to approximately 1,000 Harbor Department employees and on-site consultants. The services include support for on-going operations and new projects. On-going operations support areas include the help desk, end user support, data center, servers, storage, network, cyber security, software applications, databases, telephones, cellular services, data circuits, physical security systems, and other IT related areas. New projects include internal IT projects and support for the IT components of projects led by other divisions. All areas have grown significantly and continue to grow as technologies are deployed to automate processes, manage information, and improve efficiencies.

The IT Division currently has 45 employees who perform the base workload requirements for the Harbor Department's IT needs. However, staff may not be able to provide support for urgent, unexpected, or peak workloads. In addition, staff may need assistance to transition skills to new technologies.

To augment the IT staff on an as-needed basis, the current On-Call IT Services agreements have been used to:

- Improve internal customer service by being more responsive for peak and unexpected work,
- Provide continuity of services due to staff turnover,
- Enable staff to work on new technologies and develop skills, and
- Reduce the administrative burden of establishing multiple smaller agreements.

The three current On-Call IT Services agreements are with Trinus Corporation, Birdi, and Sierra. The aggregate authority of these three current On-Call IT Services agreements is \$3,000,000 over three years. The actual expenditure from all three current agreements is anticipated to be approximately \$2,657,000 when the current agreements expire at the end of September 2015.

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Proposed Agreements – The proposed Agreements for On-Call IT Services (Transmittals 1 – 3) will allow the IT Division to continue to meet the Harbor Department's technology needs when City staff or expertise is not available. The proposed Agreements will be used similarly to the current On-Call IT Services agreements, including for:

- As-needed services for urgent, unexpected or peak work for all Harbor Department Divisions;
- Enabling IT Division staff to work on new technologies/projects; and
- Providing IT Division staff with formal, hands-on training and experience for new technologies.

Urgent, unexpected or peak work may occur due to the time required to backfill staff vacancies, new technologies, or new Harbor Department initiatives, business or technical requirements. Because of the temporary and diverse nature of these peak workload situations, the services can be performed more feasibly through the proposed On-Call IT Services Agreements than by hiring new Harbor Department employees and later laying them off after the peak work has concluded. It is anticipated that a combination of Harbor Department employees and on-call/as-needed contractors will continue to be used in the future.

Three On-Call IT Services Agreements will ensure that the Harbor Department is able to procure the IT services it needs at competitive prices and in a timely manner. When work is needed, the IT Division will request current pricing and availability from the three contractors, then select the vendor that best meets the Harbor Department's requirements for that task at that time. This process benefits the Harbor Department by ensuring that the lowest cost per required services is realized.

Each of the proposed Agreements is for an amount not-to-exceed \$1,000,000, with an aggregate amount not-to-exceed \$3,000,000, for a term of three years. The proposed amount is the same as the current On-Call IT Services agreements. Expenditures based on actual IT needs will be incurred only when the Harbor Department issues a directive. The Harbor Department is not committed to spend the entire proposed amount of each Agreement.

As part of the 1022 process, the Contracts and Purchasing Division (CPD) asked the other City of Los Angeles (City) Departments if they had City staff that could do this work. For the Departments that did respond to CPD's inquiry, they stated that they do not have available staff. A few City Departments did not respond, which is understood to mean that they cannot provide staff.

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Selection Process – Birdi, Sierra, and EK were selected based on the Harbor Department's competitive RFQ that was posted on April 7, 2015. Nineteen firms responded (Transmittal 4). Two representatives from the IT Division and one outside representative from the City of Los Angeles Information Technology Agency were on the evaluation committee.

The evaluation committee reviewed and scored all nineteen proposals according to the RFQ criteria, which were: (1) qualifications and experience; (2) project organization; (3) personnel and staffing; (4) project approach; (5) work plan and management; and (6) rates, fees, and budget control. Ten firms with an average proposal score of higher than 80 points were short-listed and invited for an interview. The three firms with the highest combined scores were Birdi, Sierra, and EK (Transmittal 5).

All three firms are qualified local SBEs. Therefore, 100% of the proposed Agreements will contribute towards the Harbor Department's SBE objectives. Sierra and EK are also VSBEs. Birdi is based in Los Angeles, California. Sierra is based in Anaheim Hills, California. EK is based in Cerritos, California.

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is approval of three on-call/as-needed Agreements for IT services. As an administrative activity, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

**ECONOMIC BENEFITS:**

Approval of the proposed Agreement will support 11 direct and 15 secondary one-year equivalent jobs for the five-county region.

**FINANCIAL IMPACT:**

Approval of the proposed three-year On-Call IT Services Agreements with Birdi, Sierra, and EK authorizes the IT Division to retain on-call/as-needed services for Harbor Department-wide IT needs. Funds for Fiscal Year 2015/16 are budgeted in the IT Division budget, approved capital projects, and other Divisions that may need on-call IT

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services. Approval of the proposed three Agreements will commit \$750,000 in the current fiscal year under the subject Agreements. For Fiscal Years 2016/17, 2017/18, and 2018/2019, funds will be requested to be budgeted as part of the annual budget adoption process, subject to Board approval in each fiscal year. Funds are expected to be expended from Account 54310, Center 640, Program 000 as follows:

<u>Fiscal Year</u>	<u>Birdi</u>	<u>Sierra</u>	<u>EK</u>	<u>Total</u>
2015/16	\$250,000	\$250,000	\$250,000	\$750,000
2016/17	\$333,334	\$333,334	\$333,334	\$1,000,002
2017/18	\$333,334	\$333,334	\$334,334	\$1,000,002
2018/19	<u>\$83,332</u>	<u>\$83,332</u>	<u>\$83,332</u>	<u>\$249,996</u>
<b>Total</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>	<b>\$3,000,000</b>

Other Divisions requiring IT services may also provide funding from their respective Division's account when on-call IT services are requested, as long as the total authority amount of \$1,000,000 per Agreement is not exceeded. If funds are not available in the requesting Division's account, an offset will need to be found to provide the funding.

The estimated total amounts per fiscal year presented in the table above may change between fiscal years up to the available budget. However, the total aggregate amount will not exceed \$3,000,000 over three years.

Approximately 300 square feet of space is currently used for three on-site consultants under the existing agreements referenced herein. Additional consultants may be used under the proposed Agreements, however, they may work off-site or be accommodated within existing space.

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

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CITY ATTORNEY:

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

TRANSMITTALS:

1. Agreement with Birdi & Associates, Inc.
2. Agreement with Sierra Cybernetics, Inc.
3. Agreement with E.K. Associates
4. List of Proposers
5. Scoring Matrix

FIS Approval: MB (initials)  
CA Approval: MB (initials)



LANCE KANESHIRO  
Chief Information Officer



THOMAS E. GAZSI  
Acting Chief of Public Safety and  
Emergency Management

APPROVED:



*FOR* EUGENE D. SEROKA  
Executive Director

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