



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

Board of Harbor Commissioners

DATE: NOVEMBER 6, 2013

FROM: INFORMATION TECHNOLOGY

**SUBJECT: RESOLUTION NO. _____ - AGREEMENT BETWEEN THE CITY OF
LOS ANGELES HARBOR DEPARTMENT AND INTRATEK
COMPUTER, INC., FOR ON-SITE COMPUTER HARDWARE
MAINTENANCE**

SUMMARY:

The City of Los Angeles Harbor Department (Harbor Department) is requesting approval to enter into an agreement with Intratek Computer, Inc. (Intratek), for on-site maintenance of the Harbor Department's computer hardware, for a not-to-exceed amount of \$374,000 over three years. This selection is based on a competitive Request for Proposal (RFP) process performed by Harbor Department staff. Intratek is a certified small business and is based in Santa Ana, California.

This agreement is for necessary, on-going services and parts to properly maintain the Harbor Department's computer equipment to ensure smooth daily operations. This includes repair, replacement, preventive maintenance, and related services for over 2,100 pieces of computer hardware, such as personal computers, servers, printers, and peripherals. Properly maintained and repaired equipment will have higher availability and lower total cost of ownership.

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 agreement between the City of Los Angeles and Intratek for at term of three years for a total not-to-exceed amount of \$374,000;
3. Authorize the Executive Director to execute and the Board Secretary to attest to the agreement; and
4. Adopt Resolution No. _____.

SUBJECT: AGREEMENT WITH INTRATEK COMPUTER, INC.

DISCUSSION:

Background/Context – The Harbor Department currently owns more than 2,100 pieces of computer equipment, such as servers, PCs, printers, peripherals, and other miscellaneous items, that require on-going repair, upgrades, and preventative maintenance in order to ensure smooth daily operations. Approximately 700 computer users throughout the Harbor Department use this equipment to perform their work activities, including supporting basic tasks such as word processing to more complex needs such as accessing mission critical information systems.

Properly maintained computer equipment will have higher availability and lower total cost of ownership. The proposed agreement requires work to be performed by certified technicians to ensure proper maintenance and compliance with hardware manufacturer warranty requirements (Transmittal 1). Proper maintenance is required to maintain equipment warranties.

The Harbor Department currently has a three year contract with IntraTek, which will expire on October 28, 2013, for the repair and maintenance of the 2,100 pieces of equipment owned by the Harbor Department.

Having a vendor repair and maintain the Harbor Department's hardware inventory, frees Harbor Department staff to perform higher level duties and support functions such as software installation and configuration. By performing higher level duties and functions, staff is given the opportunity to learn skills necessary for career advancement. This approach to hardware maintenance is the same approach used by other City Departments.

Evaluation and Selection – The Information Technology Division (ITD) published a Request for Proposal (RFP) on May 20, 2013. The mandatory pre-proposal conference was held on June 4, 2013, and the proposal due date was June 11, 2013. The selection committee was comprised of individuals from the Harbor Department's IT and Real Estate Divisions, and an external rater from the City of Los Angeles Information Technology Agency.

A total of four proposals were received (Transmittal 2). The proposals were evaluated based on a weighted scale using the following criteria: 25% for firm qualifications, experience, and references; 20% for project organization, personnel and staffing; 20% for project approach, work plan, management and timeline; 20% for rates, fees and budget control; and 15% for quality and responsiveness of the proposal. Three firms were interviewed and the fourth was not interviewed based on the low score received.

Based on the selection criteria, Intratek was assessed to be best qualified for this work (Transmittal 3). Intratek's proposal and interview demonstrated a strong commitment to delivering a high level of service at a competitive price. The proposed agreement is for a not-to-exceed amount of \$374,000 for a period of three years. This is less than the amount of the previous agreement with IntraTek for computer hardware maintenance

SUBJECT: AGREEMENT WITH INTRATEK COMPUTER, INC.

that expired on October 28, 2013, which was for a not-to-exceed amount of \$435,000 over three years. The savings overall is 14% of the previous contract.

Small Business Enterprise and Local Business Enterprise Preference Programs - The required Small Business Enterprise (SBE) participation for this agreement is 25% SBE participation, including 5% Very Small Business Enterprise (VSBE) participation. Intratek is a qualified SBE; therefore, 100% of the proposed Agreement will contribute towards the Harbor Department's SBE objectives. Intratek will fulfill the VSBE requirement through the use of subcontractor(s). The contract opportunity was also eligible for the Local Business Enterprise Preference Program which provides for an eight percent (8%) preference for qualifying Local Business Enterprises (LBE). Intratek, located in Orange County, is a qualified Local Business Enterprise (LBE). Although the contract opportunity provided for an 8% preference for LBEs, Intratek scored the highest and as a LBE, the preference did not impact the final results.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of an Agreement with Intratek for on-site maintenance of the Harbor Department's computer hardware equipment. 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) under Article II, Section 2(f) of the Los Angeles City CEQA Guidelines.

ECONOMIC BENEFITS:

Spending under the proposed Agreement will support 2 direct and 2 secondary one-year equivalent jobs for the five-county region.

FINANCIAL IMPACT:

Approval of the proposed three-year agreement with Intratek Computer, Inc. authorizes the Information Technology Division to expend up to \$374,000.00 for on-site computer hardware maintenance services.

The benefits of continuing with on-site computer hardware maintenance include shorter turn-around times on equipment repairs, lower overall costs realized by proper maintenance, greater flexibility to respond to changing business requirements, and better protection of hardware warranties with work conducted by certified technicians.

If not approved, the Harbor Department will incur loss of productivity, higher repair costs (one-off repairs), slower turn-around on equipment repairs, higher inventory requirements (loaner equipment), and potential loss of equipment warranty.

Funds for Fiscal Year (FY) 2013/14 are budgeted in the amount of \$165,000. The budgeted amount for FY 2013/14 was an estimated amount based on the rates of the previous agreement. The first year cost of the agreement being requested is \$40,000

SUBJECT: AGREEMENT WITH INTRATEK COMPUTER, INC.

less than estimated budgeted amount and the new Agreement will yield, over the term of the Agreement, a net savings of 14%.

For FY 2014/15 and FY 2015/16, funds will be requested to be budgeted as part of the annual budget adoption process, upon Board approval. Funds are expected to be expended from Center 640, Program 000, Account 54120 as follows:

Agreement Funding	
Fiscal Year	Total
2013/14	\$ 124,667
2014/15	\$ 124,667
2015/16	\$ 124,666
<u>Total Not-To-Exceed Amount</u>	<u>\$ 374,000</u>

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

CITY ATTORNEY:

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

TRANSMITTALS:

1. Agreement with Intratek Computer, Inc.
2. List of Proposers
3. Evaluation Matrix

FIS Approval: WP (initials)
 CA Approval: MC (initials)

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