



Executive Director's  
Report to the  
Board of Harbor Commissioners

**DATE: JUNE 12, 2012**

**FROM: INFORMATION TECHNOLOGY**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - AGREEMENT BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND KIEFER CONSULTING, INC. FOR MICROSOFT SHAREPOINT 2010 UPGRADE AND SUPPORT SERVICES**

**SUMMARY:**

The Information Technology (IT) Division is requesting approval to enter into an agreement with Kiefer Consulting, Inc. (Kiefer), located in Folsom, California, to provide necessary professional and technical services for the City of Los Angeles Harbor Department's (Harbor Department) SharePoint System. These services are required to upgrade the Harbor Department's SharePoint System (SharePoint), which includes the iPOLA intranet, to implement new business requirements, maintain the existing system, and provide related services.

The recommendation to select Kiefer is based on a competitive Request for Proposals (RFP) process performed by the Harbor Department. Kiefer is a qualified very small business enterprise (VSBE). The term of the proposed agreement is three years at a not-to-exceed amount of \$965,800. This amount will be capitalized in the Capital Improvement Program (CIP) budget.

**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 with Kiefer at an amount not-to-exceed \$965,800 for a three-year term;
3. Authorize the Executive Director to execute and the Board Secretary to attest to said agreement; and
4. Adopt Resolution No. \_\_\_\_\_.

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**DISCUSSION:**

Background – On February 18, 2010, the Board approved Agreement No. 10-2839 with Neudesic, LLC to implement the SharePoint System. This system was part of the IT Strategic Plan to implement a central database for documents and improve the Harbor Department's intranet. The initial implementation was completed successfully and the new system went live in June 2010.

Today, SharePoint is a central location where employees can access policies, procedures, relevant news, forms, and information alerts. SharePoint has more than 500 users, 380 My Sites, and approximately 150 sites and sub-sites, including division sites and team sites. Since its implementation, fifteen workflows have been developed to automate a number of different processes to reduce the amount of time spent searching for information, reducing manual processes, reducing the need to distribute information in paper format, and streamlining review and approval processes. Examples of how some divisions are using SharePoint as a central tool for information sharing and teamwork, include:

- The Commission Office now stores all executed Board reports and agreements online in a central repository accessible to all employees eliminating the need to distribute and file in paper format and reducing the amount of time staff spends searching for information.
- The Financial Management Division utilizes SharePoint to streamline the annual budget preparation process by providing a central repository of all relevant information, instructions and documents for divisions to submit their annual budgets for distribution, review, and approval process.
- The Human Resources Division site provides employees access to frequently requested documents and forms including the employee manual, employee reference library, Harbor Department and City forms, and training information.
- The Wharfinger Division is using SharePoint to automate the Parking Permit Requests.

Proposed Agreement – The proposed agreement (Transmittal 1) is for necessary professional and technical services to upgrade the software to the current version of SharePoint, implement new requirements to improve internal communications and workflow automation, provide support for the existing system, and provide related services.

- SharePoint 2010 Upgrade and Data Migration  
The proposed agreement includes \$307,150 to upgrade the existing software to Microsoft SharePoint 2010, which is the current version of the software. This upgrade is necessary because Microsoft will be ending Mainstream Support of the existing software on October 9, 2012. The Extended Support option is available after this date, however, it is more limited and does not provide non-security hotfixes, incident support, design changes or warranty claims. During

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the upgrade, data and automated workflows from the initial implementation will be retained and migrated from the existing system to the new system.

- Development and Training Services

Approximately \$458,650 of the proposed agreement is for additional development and modifications of the SharePoint software to support the Harbor Department's new requirements and priority initiatives, such as the internal communications improvements, information dashboards, automated workflows, and information sharing between other systems. This work includes changes to the iPOLA intranet, additional workflow automation, and integration with other systems. Also included in the proposed agreement is training services for staff affected by the implemented software modifications. For example, if a SharePoint workflow is created for a new permit process, then staff that work with permits will be trained on how to use the software to perform their new responsibilities through the software. Training is essential for the affected staff to know how to effectively use the modified software.

The development work will be performed with a combination of Harbor Department staff and consultants from the proposed agreement. Harbor Department staff can perform routine development and infrastructure tasks, but the agreement's services are required for complex and proprietary work on the software. Without the proposed agreement, the SharePoint software cannot be further developed to meet many of the Harbor Department's new requirements for communication, collaboration and workflows. Alternate manual processes will be needed.

- System Support

Approximately \$200,000 of the proposed agreement is for system support services. These services are required on an as-needed basis to support and backup the Harbor Department employee currently responsible for the SharePoint system. The previous employee that helped support the SharePoint system transferred to the Department of Water and Power. That position has since been reallocated to support the new Enterprise Resource Planning (ERP) system. Due to headcount staffing limitations, the SharePoint support services are now being performed from an existing as-needed contract.

During the 1022 process, the Harbor Department contacted other City Departments (Animal Services, Building and Safety, Contract Administration, Engineering, Finance, General Services, Housing, Los Angeles City Employees' Retirement Systems, Los Angeles Police Department, Los Angeles World Airports (LAWA), Pensions, and Personnel), but was told that they did not have staff available to provide these services. Without these system support services, updates to the system content (e.g. – announcements, spotlights, project sites, etc.) and the technical services (e.g. – security patches, troubleshooting, issue resolution, etc.) would not be able to be done in a timely manner and would significantly reduce the usefulness of the system.

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The proposed three-year agreement is for an amount not-to-exceed \$965,800, which is capitalized in the Capital Improvement Program (CIP) budget. Harbor Department staff negotiated this amount with the vendor, and it is necessary in order to meet the Harbor Department's needs stated above, including improving internal communications. However, the Harbor Department is not committed to spending this entire amount.

Subsequent development and support agreements will likely be required to continue to enhance the system to meet new business requirements including new or modified business processes, information management, or new initiatives.

Selection Process – The selection of Kiefer is based on a competitive RFP process performed by the Harbor Department. Seven 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, management and timeline; 4) rates, fees and budget control; and 5) quality and responsiveness of the proposal. The selection committee was comprised of individuals from the Harbor Department's IT and Engineering Divisions, and an external rater from LAWA. Four firms were invited to participate in interviews with the selection committee and present their proposal. Based on the scoring criteria, the selection committee recommends Kiefer (Transmittal 2).

Kiefer is a qualified Very Small Business Enterprise (VSBE) and is located in Folsom, California.

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is approval of an agreement with Kiefer for professional, technical services for the Harbor Department's SharePoint System. 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:**

Spending under this contract will have minimal economic impact (less than one job) in the five-county region.

**FINANCIAL IMPACT:**

During the initial implementation of SharePoint in fiscal year 2009/10, \$900,000 was budgeted for Agreement No. 10-2839, of which all \$900,000 was spent to complete the implementation. Approval of the proposed \$965,800 agreement with Kiefer authorizes the IT Division to retain SharePoint technical services to upgrade the Harbor Department's SharePoint System and intranet and obtain development and technical

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support. The total amount authorized for both agreements – the proposed agreement and Agreement No. 10-2839 for the initial implementation – is \$1,865,800. This is the total amount to complete the current requirements. However, new Harbor Department requirements (e.g. – new automated workflows) will require additional funds in the future.

CIP funds for fiscal year 2012/13 in the amount of \$817,050 are budgeted under Work Order 25140 in Account 54310, Center 1206, Program 000. Upon Board approval, future fiscal year funds, as shown in the table below, will be requested to be budgeted as part of the annual budget adoption process:

<b>Fiscal Year</b>	<b>Anticipated Amount</b>
2012/13	\$817,050
2013/14	\$ 85,000
2014/15	\$ 63,750
Total Not-To-Exceed Amount	\$965,800

The majority of the funds in the proposed agreement are anticipated to be spent in fiscal year 2012/13 for the SharePoint 2010 Upgrade and Data Migration, Development and Training, and System Support services. In fiscal years 2013/14 and 2014/15, the anticipated use of the proposed agreement will be for System Support services.

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 agreement as to form and legality.

**TRANSMITTALS:**

1. Agreement with Kiefer Consulting, Inc.
2. List of Proposers and Evaluation Matrix

FIS Approval: LR (initials)  
CA Approval: JAN (initials)



LANCE KANESHIRO  
Chief Information Officer



MOLLY CAMPBELL  
Deputy Executive Director

APPROVED:



GERALDINE KNATZ, Ph.D.  
Executive Director

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