



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

Board of Harbor Commissioners

DATE: FEBRUARY 7, 2013

FROM: CONTRACTS AND PURCHASING

SUBJECT: RESOLUTION NO. _____ - AGREEMENT WITH BLUECRANE, INC. FOR THE IMPLEMENTATION AND EVALUATION OF A NEWLY DEVELOPED GRANTS MANAGEMENT POLICY

SUMMARY:

The Contracts and Purchasing Division (CPD) is requesting approval to award an Agreement to Bluecrane, Inc. (Redondo Beach, CA) to assist the City of Los Angeles Harbor Department (Harbor Department) with the implementation and evaluation of a newly developed grants policy and corresponding procedures, and grants organization, governance and portfolio management. The agreement is for a two-year term at an amount not-to-exceed \$160,000.

RECOMMENDATION:

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

1. Find that in accordance with the City Charter Section 1022, the work covered under this Agreement can be performed more economically or feasibly by an independent consultant rather than by City employees;
2. Approve the Agreement with Bluecrane, Inc. at an amount not-to-exceed \$160,000 for a term of two years;
3. Authorize the Executive Director or designee to execute the Agreement and the Board Secretary to attest to the Agreement; and
4. Adopt Resolution No. _____.

DISCUSSION:

Background and Context – On May 22, 2009, the City of Los Angeles (City), acting through the Office of the City Administrative Officer (CAO), entered into a three-year agreement with Bluecrane, Inc. in the amount of \$255,000 utilizing the State of

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California's Master Agreement, Contract No. 3-04-70-2099A. The purpose of the agreement was to provide an independent assessment of the City's current American Recovery and Reinvestment Act grants management effort, and to advise the CAO on portfolio management roles, responsibilities, and processes, metric standardization, process improvement and risk, and priority review.

On May 4, 2011, utilizing the City's existing agreement, the Harbor Department entered into a one-year agreement with Bluecrane, Inc. in the amount of \$81,000. The purpose of the agreement was to assist the Harbor Department with assessing grants administration processes and procedures, developing written policies and procedures for grantor compliance using industry best practices, and developing strategies for governance. During the term of the agreement, Bluecrane, Inc.: 1) developed a needs assessment for Harbor Department grants management administration through the grants lifecycle (research and identification, application submission, award acceptance, program/project implementation, and close-out); 2) assisted the Harbor Department in addressing elements of the lifecycle that are identified as most urgently needing process improvement, namely application processes and improvements in meeting application deadlines and key milestones, and compliance during program/project execution; and 3) developed a long-term strategy to guide the Harbor Department in its future plans to more fully mature its governance and portfolio management for grants activities with internal staff. Bluecrane, Inc. also assisted Harbor Department staff in drafting a Grants Management and Administration Policies and Procedures Manual (Manual). This agreement expired on May 3, 2012.

Summary – CPD is requesting approval to award a new Agreement to Bluecrane, Inc. The proposed agreement with Bluecrane, Inc. is for a two-year term at an amount not-to-exceed \$160,000. Under the terms of the Agreement, Bluecrane, Inc. will provide professional portfolio management and project management consulting services to support staff in their efforts to implement the Manual. The proposed agreement with Bluecrane, Inc. is for a two-year term at an amount not-to-exceed \$160,000. Major areas of focus will include (1) portfolio management oversight and compliance for the Harbor Department's active grant awards, which currently total \$367.6 million; (2) grants seeking protocols and other revenue considerations; (3) contracting and procuring considerations to meet grantor rules and regulations; (4) communications planning and cultural change management support for grants policy implementation; (5) asset tracking/equipment handling protocols; and (6) automated tools and quality assurance. It is staff's intent that the services and deliverables will be based on milestones, and the Manual implementation will be incremental in order to reduce risks and better manage the resources required. Upon approval of the Agreement with Bluecrane, Inc., it is anticipated that all work will be completed by Fiscal Year (FY) 2014/2015.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of an agreement with Bluecrane, Inc. for assistance with the implementation and evaluation of a newly developed grants management

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policy. 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 one direct and two secondary one-year equivalent jobs for the five-county region.

FINANCIAL IMPACT:

On May 4, 2011, the Harbor Department entered into a one-year Executive Director agreement with Bluecrane, Inc. in the amount of \$81,000. The amount expended under this now expired agreement was \$81,000. This proposed two-year Agreement is for a not-to-exceed amount of \$160,000. During FY 2012/2013, CPD budgeted \$60,000 for this Agreement. The remaining amount of \$100,000 will be requested to be budgeted as part of the annual budget adoption process in FY 2013/14 and FY 2014/15.

CITY ATTORNEY:

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

TRANSMITTAL:

1. Agreement with Bluecrane, Inc.

FIS Approval: MR (initials)

CA Approval: GC (initials)


GLENN R. ROBISON
Director of Contracts and Purchasing


MOLLY CAMPBELL
Deputy Executive Director

APPROVED:


GERALDINE KNATZ, Ph.D.
Executive Director

GR/tc
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