



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

Board of Harbor Commissioners

DATE: JULY 16, 2018

FROM: INFORMATION TECHNOLOGY

SUBJECT: RESOLUTION NO. _____ - AGREEMENT BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND MOTOROLA SOLUTIONS, INC. FOR PORT POLICE MOTOROLA RADIO SYSTEM SUPPORT

SUMMARY:

Staff is requesting approval to enter into an Agreement with Motorola Solutions, Inc. (Motorola) to provide maintenance and support services twenty-four hours per day, seven days per week (24x7) for the City of Los Angeles Harbor Department (Harbor Department) Motorola Radio System.

The recommendation to select Motorola is based on a competitive Request for Proposal (RFP) process performed by the Harbor Department. The proposed Agreement with Motorola is one of three agreements with the selected proposers from the RFP. The Board of Harbor Commissioners (Board) approved agreements with the two other selected proposers in its January 11 and February 1, 2018 meetings respectively.

The proposed Agreement is for a term of three years and a not-to-exceed compensation amount of \$988,085. Motorola will provide services and materials necessary to maintain and support the Motorola Radio System, which is a critical communications tool for Port Police operations. Motorola requested deviations from the Harbor Department's standard agreement provisions. Due to Motorola's proprietary knowledge of its radio system, staff recommends approval of the deviations as structured in the proposed Agreement.

Motorola is headquartered in Chicago, Illinois, with local offices in Southern California.

Expenditures under the proposed Agreement are the financial responsibility of the Harbor Department.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

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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 contractors to perform this work than City employees;
3. Find that it is in the best interest of the City of Los Angeles Harbor Department to deviate from the standard provisions of the Harbor Department personal services agreement due to Motorola's proprietary knowledge of its radio system that is critical to Port Police operations;
 - a. Section IX: Indemnification.
 - b. Section X(A)(1) and (2): Commercial General Liability Insurance, Automobile Insurance.
 - c. Section X(B): Insurance Procured by Consultant.
 - d. Section X(C)(1) and (4): Copies of Policies and Modification of Coverage.
 - e. Section X(C)(6): Limits of Coverage.
 - f. Section XIX(B): Proprietary information.
4. Approve the Agreement with Motorola for a duration of three years and a not-to-exceed compensation amount of \$988,085;
5. Authorize the Executive Director to execute and the Board Secretary to attest the said Agreement for and on behalf of the Board; and
6. Adopt Resolution No. _____

DISCUSSION:

Background and Context – The Port Police require the 24x7 availability of its IT systems to fulfill its public safety mission. This includes the Motorola Radio System, which is a critical communications tool for Port Police operations. The Motorola Radio System includes, but is not limited to, hardware, software, third party products, and related technologies, and all must be in excellent working condition together.

The Motorola Radio System has been in service since 2013. Initially, it was supported primarily through the warranty that was purchased when the system was implemented. As-needed support has also been provided on a time and materials basis. The annual cost to maintain and support the Motorola Radio System in Fiscal Year 2017/2018 was \$322,391.

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Proposed Agreement – The proposed Agreement with Motorola (Transmittal 1) is for 24x7 maintenance and support of the Motorola Radio System. The proposed Agreement is for a term of three years and a not-to-exceed compensation amount of \$988,085. Expenditures based on actual needs will be incurred only when the Harbor Department authorizes services to be performed. Therefore, the actual expenditure could be less than \$988,085. However, staff estimates that the full amount of the proposed Agreement will be required. Motorola will provide the following under the proposed Agreement:

- **Annual Maintenance Program:** This includes necessary annual maintenance and support to keep the Motorola Radio System in excellent working condition. Services to be performed include infrastructure repair with advanced replacement, dispatch, technical support, preventative maintenance, on-site infrastructure response, Cambium care prime, Exacom exacare essentials, NICE gold maintenance, communications system technician, and Port Pilots radio maintenance. Some of the service description names may change over the three-year term of the proposed Agreement due to changes of individual components. However, the services to be performed will be for maintenance and support of the Motorola Radio System.
- **Additional As-Needed Services:** This includes as-needed services for radio and system technicians, and materials beyond the annual maintenance program. Examples include, but are not limited to, new installations, removals, changes, supplies and other unforeseen needs required for the Motorola Radio System.

Approximately \$958,085 is estimated for the annual maintenance program. Approximately \$30,000 is estimated for as-needed services that are not included in the annual maintenance program. The amounts may change between these two categories based on actual needs. However, the total aggregate amount will not exceed \$988,085 over three years.

The proposed Agreement have the following provisions that deviate from the Harbor Department's standard terms and conditions:

1. **Section IX – Indemnification:** The standard indemnification provision has been modified to include a limitation on liability provision that limits Motorola's liability to two million (\$2,000,000) dollars for each year of the Agreement and must be brought within two years of the accrual of the cause of action. Motorola's liability will not be limited in cases of personal injury or death.
2. **Section X(A)(1) and (2) - Commercial General Liability Insurance, Automobile Insurance:** The Commercial General Liability provision has been modified to reflect Motorola's business practice of not maintaining first dollar coverage and

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self-insured retentions, but deductibles. The Automobile provision has been modified to include the Harbor Department as Motorola's designated insured.

3. Section X(B) - Insurance Procured by Consultant: The standard provision has been modified to designate the Harbor Department as an additional, rather than a primary additional insured, and required Motorola name the Harbor Department as an additional insured on all required general and automobile liability policies.
4. Section X(C)(1) and (4) – Copies of Policies and Modification of Coverage: Consultant is required to furnish copies of policies if City is named in a claim resulting from the performance of the Agreement and is allowed to produce redacted policies which protects Consultant's customers information. Consultant shall have the right to terminate the Agreement upon ninety days written notice without penalty under the termination provisions in the event the Executive Director decides to increase or decrease amounts or types of insurance coverage and Motorola is unable to reasonably obtain such coverage.
5. Section X(C)(6) – Limits of Coverage: The standard Harbor Department policy of receiving the benefit of Motorola's higher limit coverage as well as available insurance proceeds in excess of the specified minimum limits has been deleted.
6. Section XIX(B) - Proprietary information: The standard provision has been modified to exclude the right of the Harbor Department to use royalty free any information arising from possible research or development furnished in connection with the scope of work of the Agreement.

Staff recommends that it is in the best interest of the Harbor Department to deviate from the standard terms and conditions as detailed above because of the nature of the work to be performed by Motorola under the proposed Agreement. The work performed under the proposed Agreement is for the proprietary Motorola Radio System. The other bidders do not have this proprietary knowledge. Furthermore, the work performed will be maintenance of an existing system, therefore will not involve research or development.

As part of the 1022 process, the Contracts and Purchasing Division (CPD) asked the other City Departments if they had City staff that could do the work in the proposed Agreement. 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.

Selection Process – On August 10, 2017, the Harbor Department conducted an RFP process for maintenance and support of the Port Police IT systems. Five firms responded to the RFP and submitted proposals. The Selection Committee evaluated the proposals based on: 1) firm's qualifications, experience and references; 2) project

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organization, personnel, and staffing; 3) project approach, work plan, and management; 4) rates, fees, and budget control; and 5) clarity and comprehensiveness of the proposal. The Selection Committee was comprised of three individuals from the Harbor Department's IT and Port Police Divisions, and one external rater from the Los Angeles World Airports. Based on the scoring criteria (Transmittal 2), the Selection Committee recommends Motorola for support of the Motorola Radio System.

The Selection Committee also recommended two other companies for support of the other Port Police IT Systems. Knight Communications, Inc. (Knight) was recommended for overall Port Police IT Systems support. The agreement with Knight was approved by the Board at its January 11, 2018 meeting. Dailey-Wells Communications (Dailey-Wells) was recommended for support of the Harris System. The agreement with Dailey-Wells as approved by the Board at its February 1, 2018 meeting. The combination of overall and vendor-specific agreements will provide the most effective service for the Port Police.

Motorola is headquartered in Chicago, Illinois, with local offices in Southern California.

ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of a proposed agreement with Motorola to provide maintenance and support services for the Harbor Department, which is an administrative activity. Therefore, the Director of Environmental Management has determined that the proposed action is administratively 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.

FINANCIAL IMPACT:

Approval of the proposed Agreement with Motorola authorizes the IT Division to proceed with Motorola System Support for a not-to-exceed compensation amount of \$988,085. Funding for Fiscal Year 2018/2019 is available in the IT Division budget, in Center 0640, Account 54310, Program 000. Future Fiscal Year funds, as shown in the table below, will be requested as part of the annual budgeting process through the IT Division and the Port Police Division, subject to Board approval.

Fiscal Year	Amount
2018/2019	\$332,826
2019/2020	\$344,000
2020/2021	\$311,259
TOTAL	\$988,085

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Actual expenditures may differ from estimated amounts in any given fiscal year. However, the total expenditures under the proposed Agreement will not exceed \$988,085.

Office space for one to two consultants will be used intermittently within the Harbor Department office space reserved for the IT or Port Police Divisions. Staff will not be displaced.

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

CITY ATTORNEY:

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

TRANSMITTALS:

- 1. Agreement with Motorola Solutions, Inc.
- 2. Scoring Matrix

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



LANCE KANESHIRO
Chief Information Officer



THOMAS E. GAZSI
Chief of Public Safety and
Emergency Management

APPROVED:


FOR

EUGENE D. SEROKA
Executive Director

LK:lk