



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

Board of Harbor Commissioners

DATE: SEPTEMBER 4, 2018

FROM: INFORMATION TECHNOLOGY

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

SUMMARY:

Staff is requesting approval to enter into Agreements with Birdi & Associates, Inc. (Birdi), Sierra Cybernetics, Inc. (Sierra), and LanceSoft, Inc. (LanceSoft) (Agreements) for City of Los Angeles Harbor Department (Harbor Department) Information Technology (IT) services on an on-call, as-needed basis. The on-call, as-needed services may include support for on-going IT operations, including 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 related IT services. The authority amount of each Agreement will be a maximum of \$1,333,000 over three years, with an aggregate amount not-to-exceed \$3,999,000 over three years.

The recommendation to select Birdi, Sierra and LanceSoft is based on the competitive Request for Qualifications (RFQ) process performed by the Harbor Department. Birdi and Sierra are qualified Local Business Enterprises (LBEs) and Small Business Enterprises (SBEs). Therefore, 100% of their proposed Agreements will contribute towards the Harbor Department's SBE objectives. Sierra is also a Very Small Business Enterprise (VSBE). LanceSoft is not a LBE or SBE, but proposed to subcontract thirty-five percent of the dollars it realizes under the proposed Agreement to a company that is a LBE and SBE.

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

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

1. Find that the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of the California

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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. Approve the Agreements with Birdi & Associates, Inc. at an amount not-to-exceed \$1,333,000; Sierra Cybernetics, Inc. at an amount not-to-exceed \$1,333,000; and LanceSoft, Inc. at an amount not-to-exceed \$1,333,000 to support information technology operations on an on-call, as-needed basis for a three-year term;
4. Authorize the Executive Director to execute and the Board Secretary to attest the said Agreement for and on behalf of the Board; and
5. Adopt Resolution No. _____

DISCUSSION:

Background and Context – The IT Division provides computer and communications systems support services to approximately 1,000 Harbor Department employees and on-site consultants. The as-needed services may include support for on-going IT operations, including 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 related IT services. All areas have grown significantly and continue to grow as technologies are deployed to digitize information, automate processes 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, On-Call IT Services agreements have been used to:

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

Currently, three On-Call IT Services agreements, similar to the proposed Agreements, are used with an aggregate not-to-exceed amount of \$3,000,000 over three years. The actual aggregate expenditure from the three current agreements is anticipated to be approximately \$2,600,000 when they expire on October 8, 2018. In addition to these

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three On-Call IT Services agreements, a separate agreement was used for Specialized On-Call IT Services for the Engineering and Construction IT Systems. This Specialized On-Call IT Services agreement had a not-to-exceed amount of \$645,000 over three years. The actual expenditure of the Specialized On-Call IT services agreement was \$520,726 over its three-year period from April 28, 2015 through April 27, 2018.

Proposed Agreement – 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;
- Continuity of services during staff turnover; and
- Providing IT Division staff with formal, hands-on training and experience for new technologies.

In addition, the proposed Agreements will be used for Specialized On-Call IT services previously provided by the separate agreement for the Engineering and Construction IT Systems.

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. 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 \$1,333,000 over three years, with an aggregate not-to-exceed amount of \$3,999,000 over three years. Expenditures based on actual needs will be incurred only when the Harbor Department issues a directive. The aggregate not-to-exceed amount of the proposed Agreements is approximately ten percent higher than the aggregate not-to-exceed amount of the current agreements and the specialized on-call IT services agreement. This dollar increase is due to anticipated hourly rate increases over the next three years. The number of on-call service hours is anticipated to be approximately the same. The

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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 perform 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.

Selection Process – Birdi, Sierra, and LanceSoft were selected based on the Harbor Department's competitive RFQ that was posted on November 15, 2017. Out of the twenty firms that responded, thirteen firms were responsive and seven firms were non-responsive. The Evaluation Committee was comprised of two representatives from the IT Division and one outside representative from the City of Los Angeles Department of Water and Power.

The Evaluation Committee reviewed and scored all thirteen responsive proposals according to the RFQ criteria, which were: (1) firm qualifications, experience and references; (2) personnel and staffing; (3) rates, fees and budget control; and (4) clarity and comprehensiveness of the proposal. Six firms with the highest written proposal scores were short-listed and invited for an interview. The three firms with the highest combined written and interview scores were Birdi, Sierra, and LanceSoft (Transmittal 4).

Birdi and Sierra are qualified LBEs and SBEs. Therefore, 100% of the proposed Agreements with Birdi and Sierra will contribute towards the Harbor Department's SBE objectives. Sierra is also a VSBE. Birdi is based in Pasadena, California. Sierra is based in Anaheim Hills, California. LanceSoft is based in Herndon, Virginia, but has proposed to sub-contract thirty-five percent of the dollars it realizes under the proposed Agreement to a company that is a LBE and SBE.

ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of proposed Agreements with Birdi, Sierra and LanceSoft for on-call services on an as-needed basis 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 CEQA in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

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FINANCIAL IMPACT:

Approval of the proposed Agreement with Birdi, Sierra and LanceSoft authorizes the IT Division to proceed with On-Call IT Services on an as-needed basis for a not-to-exceed compensation amount of \$3,999,000 over three years. 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, subject to Board approval.

Fiscal Year	Not-to-Exceed Amount			
	Birdi	Sierra	LanceSoft	TOTAL
2018/2019	\$296,296	\$296,296	\$296,296	\$888,888
2019/2020	\$444,444	\$444,444	\$444,444	\$1,333,332
2020/2021	\$444,444	\$444,444	\$444,444	\$1,333,332
2021/2022	\$147,816	\$147,816	\$147,816	\$443,448
TOTAL	\$1,333,000	\$1,333,000	\$1,333,000	\$3,999,000

The actual expenditures may differ from the estimated amounts in any given fiscal year and in any given budget account. However, the total expenditures under each proposed Agreement will not exceed \$1,333,000 over three years.

Office space for two to five consultants will be used intermittently within the Harbor Department office space reserved for the IT. 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.

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CITY ATTORNEY:

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

TRANSMITTALS:

1. Agreement with Birdi and Associates, Inc.
2. Agreement with Sierra Cybernetics, Inc.
3. Agreement with LanceSoft, Inc.
4. Scoring Matrix

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