



**THE PORT
OF LOS ANGELES**
Executive Director's
Report to the
Board of Harbor Commissioners

DATE: OCTOBER 8, 2014

FROM: INFORMATION TECHNOLOGY

**SUBJECT: RESOLUTION NO. _____ - AGREEMENT BETWEEN THE CITY
OF LOS ANGELES HARBOR DEPARTMENT AND DEFY AGENCY,
INC. FOR AS-NEEDED WEBSITE AND MOBILE APPLICATIONS
SUPPORT**

SUMMARY:

The Information Technology (IT) Division is requesting approval to enter into an agreement with Defy Agency, Inc. (Defy), located in Culver City, California, to provide as-needed technical and design support services for the City of Los Angeles Harbor Department's (Harbor Department) websites and mobile applications. The recommendation to select Defy is based on a competitive Request for Proposal (RFP) process performed by the Harbor Department. Defy is a certified Very Small Business Enterprise (VSBE); therefore, 100% of the agreement will contribute towards the Harbor Department's VSBE goals. The term of the agreement is three years at a not-to-exceed amount of \$360,000. Website and mobile applications support is the financial responsibility of the Harbor Department.

RECOMMENDATION:

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

1. Find that in accordance with the Los Angeles City Charter Section 1022, the services required can be performed more feasibly by an outside contractor than by City employees;
2. Approve the agreement with Defy for a term of three years at an amount not-to-exceed \$360,000;
3. Authorize the Executive Director to execute and the Board Secretary to attest to said agreement; and
4. Adopt Resolution No. _____.

SUBJECT: AGREEMENT FOR WEBSITE AND MOBILE APPLICATION SUPPORT SERVICES**DISCUSSION:**

Background/Context – The Harbor Department websites serve an important role in the Harbor Department's business and community outreach. Through its websites, the Harbor Department provides information on a myriad of topics and programs to enhance its communication with stakeholders. For the community, this has included communicating information on environmental initiatives, community events, Board meetings, and operations. Business outreach has included information about open bids, business statistics, and contract opportunities. The web and its associated social media, such as Facebook and Twitter, are an increasingly vital and necessary medium to communicate and do business with the various Harbor Department stakeholders in a transparent manner. In addition, the growing use of smart phones, tablet computers, and other mobile devices is driving the need for mobile applications.

Overall website support is fulfilled through a combination of Harbor Department staff and consultants. The Harbor Department currently has two existing staff persons in the Public Relations Division that serve as webmasters to manage the content of the websites, as part of their regular duties. In addition, two IT Division employees provide technical programming, infrastructure, and related support on a part-time basis, along with their other responsibilities. Consultants are typically utilized for more specialized tasks, complex technical programming, and peak workloads. The Harbor Department has been taking steps to transition work to staff, however, primarily in the areas of website maintenance. Consultants are anticipated to continue to be needed for website development due to complexity, increasing demands, short deadlines, and rapidly changing nature of website technologies. Furthermore, website development typically involves a team of individuals that are assembled for a specific, temporary effort; business website development is not typically done by one individual.

Proposed Agreement – The proposed agreement with Defy (Transmittal 1) is for as-needed technical and design support services for the Harbor Department's websites and mobile applications. Design support services include the graphic design, imagery, and visual aspects of websites. Technical support services include computer programming to create websites that present the design and enable functional requirements. Examples of services may include developing new websites, video and motion graphic production, flash banners, interactive web modules, calendar schedulers, and email alerts. To develop an effective and appealing website, multiple individuals with different skill sets - visual, content, functional and technical - are involved. 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 do 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. Therefore, the consultants will provide services on an as-needed basis alongside the existing Harbor Department staff.

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This model of using a combination of City staff and as-needed consultants is typical of other Departments. There is no civil service classification that can perform all of the work in the proposed contract. The scope of the services would require several classifications on a part-time and irregular basis.

The proposed three-year agreement is for an amount not-to-exceed \$360,000. Expenditures based on actual needs, will be incurred only when the Harbor Department authorizes services to be performed. Total expenditures will not exceed \$360,000 over the term of this contract. However, the Harbor Department is not committed to spending this entire amount.

The Harbor Department has spent an average of \$105,000 annually for website support and related tasks over the last three years. Examples of website work by the employee-consultant team in the past year include projects such as the school boat tour program enhancements, Tall Ships Festival LA website, and designing templates for the Trade Connect website. The proposed agreement will provide for base support. Significant work, such as redesigning the website, may be submitted to the Board for consideration at a later date.

Selection Process – The selection of Defy is based on a competitive RFP process performed by the Harbor Department. Five 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, and management; 4) rates, fees, and budget control; and 5) quality and comprehensiveness of the proposal. The selection committee was comprised of individuals from the Harbor Department's IT and Media Relations Divisions, and an external rater from the San Pedro Historic Waterfront Business Improvement District. Three firms were invited to participate in interviews with the selection committee and present their proposal. Based on the scoring criteria, the selection committee recommends Defy (Transmittal 3).

Defy is a certified Very Small Business Enterprise (VSBE), therefore 100% of the agreement will contribute towards the Harbor Department's VSBE goals. Defy is located in Culver City, California.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval to enter into a three-year agreement with Defy for as-needed website and mobile application support. 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.

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ECONOMIC BENEFITS:

Approval of the proposed Agreement will support 1 direct and 1 secondary one-year equivalent jobs for the five-county region.

FINANCIAL IMPACT:

The previous agreement for website support services was for a total amount of \$540,000 for three years. The financial impact of the proposed three-year agreement with Defy is that the Harbor Department would commit up to \$110,000 during fiscal year 2014/15 under the proposed Agreement. Funding for future fiscal years will be requested to be budgeted, upon Board approval each fiscal year, as part of the annual budget adoption process. It is expected that should the Board approve funds for the agreement in each subsequent future fiscal year, funds will be expended as follows:

Fiscal Year	Proposed Amount
2014/15	\$ 110,000
2015/16	\$ 120,000
2016/17	\$ 130,000
Not-To-Exceed	\$ 360,000

The Harbor Department has spent an average of \$105,000 annually on website development and related tasks over the last three years. However, the increased amounts to \$110,000 in FY2014/15, \$120,000 in FY2015/16 and \$130,000 in FY2016/17 is due to anticipated rising rates. The increase in rates is anticipated due to the improving economy and inflation. Increased costs are also anticipated to meet the Department's growing web presence and address new requirements such as ADA (Americans with Disabilities Act) compliance. However, the Harbor Department is not committed to spend the entire proposed amount in any given fiscal year listed above. Expenditures are based on an as-needed basis. Funds are budgeted in the IT Division's Account 54310, Center 0640, and Program 000.

Website and mobile applications support is the financial responsibility of the Harbor Department.

A Termination Due To Non-Appropriation of Funds clause is included in the proposed agreement and will be exercised in the event future funding is not approved.

The consultants will not require office space at the Harbor Department because the work will be performed remotely.

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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 Defy Agency, Inc.
2. List of Proposers
3. Combined Scores

FIS Approval: ef (initials)
CA Approval: me (initials)



LANCE KANESHIRO
Chief Information Officer



MOLLY CAMPBELL
Deputy Executive Director

APPROVED:



EUGENE D. SEROKA
Executive Director