



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

DATE: JULY 27, 2011

FROM: FINANCE DIVISION

SUBJECT: RESOLUTION NO. _____ - AGREEMENT BETWEEN THE CITY OF LOS ANGELES AND INTELLIBRIDGE PARTNERS LLC TO PROVIDE AS-NEEDED ACCOUNTING & FINANCE STAFF

SUMMARY:

The proposed three-year Agreement with IntelliBridge Partners LLC (IntelliBridge), Newport Beach, California, is to provide as-needed accounting and finance staff to the City of Los Angeles Harbor Department (Harbor Department). This is an Agreement for a not-to-exceed, all-inclusive amount of \$1,852,296. Staff recommends that the Board of Harbor Commissioners (Board) approve the proposed Agreement with IntelliBridge.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

1. Find that in accordance with the City Charter Section 1022, work under the proposed Agreement can be performed more feasibly by temporary help provided by an independent contractor;
2. Approve the proposed Agreement for a not-to-exceed, all-inclusive amount of \$1,852,296 with IntelliBridge, for a period of three (3) years;
3. Authorize the Executive Director and the Secretary to execute and attest to said proposed Agreement for and on behalf of the Board; and
4. Adopt Resolution No. _____ .

DISCUSSION:

Background – The Harbor Department intends to replace its main-frame based financial system with an Enterprise Resource Planning (ERP) system. As a consequence of this proposed replacement, certain designated staff in the Finance Division, deemed subject matter experts, will need to work directly with the system integrator on a full time basis to implement the new system. In order to enable these designated staff members to spend time assisting the ERP software vendor, as-needed, temporary staffing needs to be obtained to ensure smooth, day-to-day operations in the Harbor Department. It is intended that the designated Harbor Department staff will train the temporary staff to

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perform these operational tasks before the arrival of the system integrator to allow for a seamless transition for the subject matter experts to work with the integrator upon their arrival. The temporary staff will perform their assigned tasks for as long as a Harbor Department staff member is involved in assisting the system integrator in implementing the various financial modules of the new ERP system. As the implementation will take place in phases, different types of personnel may be required for different periods of time. Once a segment of the implementation is completed, for example, accounts payable, the associated temporary staff member will no longer be requested of the contractor by the Harbor Department. Temporary staff will be hired only when the ERP project is approved by the Board of Harbor Commissioners.

In accordance with Los Angeles City Charter Section 1022, which refers to the use of independent contractors, a determination was made to use an independent contractor after contacting eight City departments. The alternative approach undertaken included, making a written request to these eight departments and determining if these departments could provide suitable staff for the duration of the project. The departments contacted were chosen based on the largest number of staff employed by these departments for the designated job classifications. All eight departments contacted declined to provide suitable staff for the project. The names of departments contacted for this purpose are provided in Transmittal No. 5.

Selection Process - The Harbor Department engaged in a competitive request for proposals process to select an independent staffing firm to provide as-needed financial staff to perform daily accounting and financial tasks. An evaluation committee was constituted, as part of this request for proposals process, to evaluate the submitted proposals and recommend the best qualified firm based on defined criteria. A five-member evaluation committee was selected, incorporating four representatives from the Harbor Department's Finance Division and one representative from the Financial Reporting Division of the Los Angeles World Airports.

On April 13, 2011, the Harbor Department published and issued a Request for Proposals (RFP) for As-Needed Accounting & Budget Staff. The RFP was posted on the Harbor Department's website at www.portoflosangeles.org and City of Los Angeles Business Assistance Virtual Network website at <http://www.labavn.org>.

A pre-proposal meeting was held on April 27, 2011, to provide prospective proposers an opportunity to discuss any matters of concern regarding the proposal request. Representatives from twelve firms attended the pre-proposal conference and eight of the attendee firms subsequently submitted a proposal. In total, eight written proposals were received by the May 4, 2011 deadline published in the RFP. The list of proposers is included in Transmittal No. 1. The eight proposals were evaluated and scored by the evaluation committee, based on the following four weighted criteria: 1) firm qualifications, experience and references; 2) project organization, personnel and

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staffing; 3) rates, fees and budget control; and 4) quality and responsiveness of the proposal. Consideration was also given to whether the proposals were in compliance with the Harbor Department's small business participation requirements, and whether the required forms were submitted completely and accurately. A copy of the RFP Selection Evaluation Form is attached as Transmittal No. 2.

Selected Staffing Firm - IntelliBridge was selected as the successful proposer based upon the final total composite score, as well as ordinal scoring done in accordance with the evaluation criteria stated above. The final composite scores are presented in Transmittal No. 3. In selecting IntelliBridge, the evaluation committee members recognized IntelliBridge's experience in providing accounting and financial staff with expertise in local government business and financial policies and procedures, the firm's well qualified and experienced staff, and the vast array of services offered by the firm, including executive and specialty position recruitment, information management, business process review, strategic planning and performance based evaluations. The past and current client list of IntelliBridge includes the City of Los Angeles Bureau of Street Lighting, the City of Los Angeles Community Development Department, City of Sacramento Building and Planning Department, City of Fresno and City of San Diego. IntelliBridge is an Other Business Enterprise and does not qualify for small business, woman business enterprise or disabled veteran owned status. There was no subcontracting requirement and therefore no amount of work set aside for Small Business Enterprises.

Scope of Work - The scope of work covered in the proposed Agreement with IntelliBridge, includes the hiring for the following six designated positions, namely:

Payroll Advisor (Payroll-Cash Office)
Principal Accountant (Revenue & Accounts Receivable)
Principal Accountant (Accounts Payable)
Senior Accountant (General Accounting)
Senior Accountant (Fixed Assets & Grant Accounting)
Budget Analyst

The detailed tasks performed by each of these designated staff positions are included in Exhibit A of the proposed Agreement. The proposed Agreement is included as Transmittal No. 4.

ENVIRONMENTAL ASSESSMENT:

The proposed action is to award an agreement to an independent, accounting and budgeting staffing firm for as-needed accounting and finance staff. The Director of Environmental Management has determined that the proposed action is an ongoing administrative activity and as such is exempt from the California Environmental Quality

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Act (CEQA) in accordance with Article II, Section 2(f) of the Los Angeles City CEQA guidelines.

ECONOMIC BENEFITS:

Spending under this agreement will support six one-year-equivalent direct jobs in the five-county region.

FINANCIAL IMPACT:

The proposed three-year Agreement specifies a not-to-exceed amount of \$1,852,296 and will commit the Harbor Department to fund \$772,600 during FY 2011/2012. It is expected that the proposed appropriations for the as-needed accounting and financial staff shall be as follows, subject to Board approval:

Fiscal Year	Amount (\$)
2011/2012	772,600
2012/2013	644,100
2013/2014	435,596
Total	1,852,296

Funding for this Agreement has been budgeted in the amounts of \$695,800 and \$76,800, for a total of \$772,600, in the FY 2011-2012 Operating Budget, Account No. 54310 (Information Systems Consulting Services), Center 0630 (Accounting) and Center 0610 (Financial Management), Program No. 000 respectively. A funding out clause is included in the proposed Agreement.

As the permanent staff of the Harbor Department moves to work on the ERP, their associated ERP related expenses will be capitalized as part of the overall ERP capital costs and be incorporated into the baseline budget for the project. It is expected that on an operating basis, these temporary staff costs will be relatively neutral when compared to the permanent staff.

The anticipated costs for each fiscal year are based on an estimate that follows the likely implementation schedule of the ERP system.

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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. List of Proposers
2. RFP Selection Evaluation Form
3. Final Scores for Proposers
4. Proposed Agreement with IntelliBridge
5. List of City of Los Angeles departments contacted

FIS Approval: WP (initials)
CA Approval: TR (initials)


KARL K. Y. PAN
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APPROVED:


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