



Executive Director's  
Report to the  
Board of Harbor Commissioners

**DATE:** AUGUST 15, 2013

**FROM:** CONSTRUCTION AND MAINTENANCE

**SUBJECT:** RESOLUTION NO. \_\_\_\_\_ - APPROVAL OF A PERSONAL SERVICES AGREEMENT WITH L.A. CONSULTING, INC. TO PROVIDE SUPPORT FOR THE COMPUTERIZED MAINTENANCE MANAGEMENT SYSTEM

**SUMMARY:**

The Construction and Maintenance Division (C&M) requests approval of a Personal Services Agreement between the City of Los Angeles Harbor Department (Harbor Department) and L.A. Consulting, Inc. (LAC) of Manhattan Beach, CA to provide support related to C&M's Computerized Maintenance Management System (CMMS). This support is requested by C&M to provide technical assistance and CMMS configuration. The CMMS produces the data and reports necessary to best manage resources and ensure the highest level of customer service. This agreement is for a not-to-exceed amount of \$180,000 over three years.

**RECOMMENDATION:**

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

1. Find that in accordance with City of Los Angeles Administrative Code Division 10, Chapter 1, Article 2, Section 10.15 (a)(2), a competitive selection process is not practicable or advantageous and the Harbor Department may enter into an agreement with L.A. Consulting, Inc. based on the rates and services in an LAC agreement with the Orange County Public Works Department;
2. Find that in accordance with City Charter Section 1022, the services under this Personal Services Agreement are temporary and of a professional, expert, and technical nature, which can be performed more feasibly by an independent contractor;
3. Approve a Personal Services Agreement between the Harbor Department and L.A. Consulting, Inc. for an amount not to exceed \$180,000 over three years;
4. Authorize the Executive Director to execute and the Board Secretary to attest to this Personal Services Agreement; and
5. Adopt Resolution No. \_\_\_\_\_ .

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SUBJECT: APPROVAL OF AGREEMENT WITH L.A. CONSULTING, INC.

**DISCUSSION:**

Background/Context – In March 2009, the Board approved an agreement with MaintStar, Inc. (selected through a competitive process) to purchase a CMMS. The CMMS is designed to improve work efficiencies by: utilizing an activity-based costing system; assisting in the development of employee and project work schedules; allowing managers to designate and delegate daily work activities; developing budget and resource needs to improve budget projections and utilization rates; and organizing and maintaining a good record system.

With the MaintStar CMMS in place, at a cost of \$592,000 including hardware, software and support services, C&M has realized organizational efficiencies and customer service improvements. One hundred percent of employee and hiring hall staff hours are now tracked and accounted for by activity. Improvements also include biweekly scheduling and monitoring of capital and maintenance work and prioritization of all activities. C&M has strengthened its focus on regular communication with clients and tenants and increased its ability to respond with the proper resources.

The new CMMS has allowed C&M to be more efficient and therefore able to successfully take on additional maintenance responsibilities. This includes more than 500,000 square feet of new facilities and 74 acres of new landscaping and parks in just the last three years. C&M is also now proactively targeting deferred maintenance projects throughout the Port of Los Angeles.

LAC has estimated that over 62 full-time equivalent positions, or approximately \$6.3 million worth of labor, have been absorbed without adding new employees to maintain these additional facilities and areas. This is equivalent to a 20 percent improvement in C&M staff productivity.

CMMS was installed four years ago and it is not currently linked to the Harbor Department's new Enterprise Resource Planning (ERP) financial system. The ERP purchased by the Harbor Department is not structured to address the specific needs of C&M's operations that are supported by the CMMS, including service request management. However, this does not exclude the possibility of incorporating future service request-based modules into the ERP.

Scope of Work – LAC provided technical support of the CMMS in a one-year agreement that expired in July 2013. It was a \$60,000 annual agreement that included technical enhancements to the CMMS software, work plan updates, and specialized reports, which was necessary to make the CMMS fully functional and responsive to C&M operational needs.

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The proposed agreement with LAC (Transmittal 1) will provide the services necessary to guide Harbor Department staff through the recent web-based CMMS enhancements and further improvements related to customer service and output efficiency.

The LAC agreement includes tasks that will provide C&M with the expertise needed to optimize the functionality of the CMMS and the performance of C&M in providing service to its clients and tenants. This includes:

- A review of work activities to be added or deleted;
- An update of the annual work plan with inventories by feature (such as number of road miles, number of signs, number of drains, etc.);
- A review and estimate of service levels for activities in each C&M shop;
- An update of performance guidelines for changes in crew size, resources required, production targets, etc.;
- An update of hourly rates, including overhead and benefits, in CMMS;
- A new and/or revised work program and budget for each shop as well as an analysis of the workloads required;
- Quality control of the data entered into CMMS and discussion of discrepancies;
- Regular review of schedules and the optimal use of C&M crews;
- Creation of specialized CMMS reports for C&M, Wharfingers and tenants;
- A report of key activities, statistics, and costs for C&M; and
- System enhancements, assistance in fully utilizing web-based tracking in CMMS.

Selection Process – LAC currently has an agreement with the Orange County Public Works (OCPW) Department, contract No. MA-080-10012030, which addresses the same support required by the Harbor Department. The agreement was created as a result of a competitive bid process performed by OCPW. As the scope of work matches the requirements of the Harbor Department, and the terms and conditions would be identical to the existing contract with OCPW, and with LAC's existing knowledge of C&M's operations, it would be impractical to proceed with a Request for Proposals. Therefore, it is proposed that the Harbor Department enters into an agreement with LAC

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via the OCPW contract. In addition, the Harbor Department will maintain the rates charged by LAC in the OCPW contract for the full term of the agreement.

Small Business Enterprise - LAC is a Small Business Enterprise (SBE) firm and will contribute to the success of the Harbor Department's SBE Program goals. Moreover, LAC has the professional, expert, and technical expertise to deliver on the proposed services, and specialized skills to develop a CMMS work plan and provide CMMS support.

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is approval of a Personal Services Agreement with LAC for technical support of C&M's CMMS. 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 Personal Services Agreement will support 2 direct and 2 secondary one-year equivalent jobs for the five-county region.

**FINANCIAL IMPACT:**

This proposed Personal Services Agreement will cost the Harbor Department a maximum total of \$180,000 over three years, or \$60,000 per year.

Funding for FY 2013-14 in the amount of \$60,000 is in C&M Budget Account No. 54310 (Information System Consulting Services), Center No. 0510 (C&M), and Program No. 000. A funding out clause has been included in the Agreement. Funding for future years will be requested as part of the annual budget process in the amounts shown below, upon Board approval.

<b>Fiscal Year</b>	<b>Anticipated Amount</b>
2013-14	\$60,000
2014-15	\$60,000
2015-16	\$60,000
<b>Total Not-To-Exceed Amount</b>	<b>\$180,000</b>

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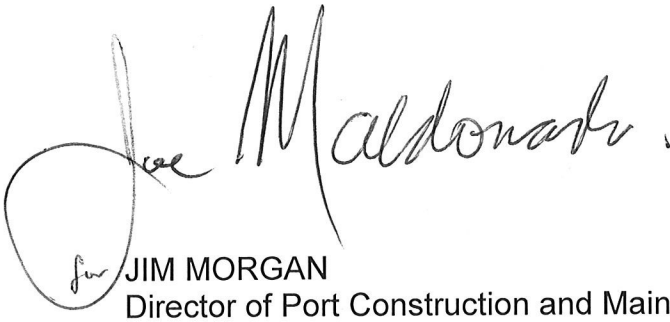
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**CITY ATTORNEY:**

The Office of the City Attorney has reviewed and approved this agreement as to form and legality.

**TRANSMITTAL:**

1. Proposed Personal Services Agreement with LAC

  
for JIM MORGAN  
Director of Port Construction and Maintenance

FIS Approval:  (initials)

CA Approval:  (initials)

  
JOHN M. HOLMES  
Deputy Executive Director

APPROVED:

  
GERALDINE KNATZ, Ph.D.  
Executive Director

Author: Damien Young

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