

December 5, 2024

AM Klesges

AMBER M. KLESGES
Board Secretary



Executive Director's
Report to the
Board of Harbor Commissioners

DATE: NOVEMBER 25 2024

FROM: ACCOUNTING

SUBJECT: RESOLUTION NO. 24-10477 - SECOND AMENDMENT TO SERVICE AGREEMENT NO. 21-9843 BETWEEN BYRD PROFESSIONAL RESOURCES LLP dba BYRD GROUP AND THE CITY OF LOS ANGELES HARBOR DEPARTMENT FOR STAFFING AS-NEEDED BUSINESS SYSTEMS ANALYSTS SERVICES

SUMMARY:

Staff requests approval of the Second Amendment to Agreement No. 21-9843 (Agreement) with Byrd Professional Resources LLP (Byrd Group), a professional staffing services business headquartered in John's Creek Georgia, to provide experienced Business Systems Analysts to assist the City of Los Angeles Harbor Department (Harbor Department) on continued work requirements resulting from the upgrade of its on-premises Oracle E-Business Suite (EBS) Enterprise Resources Planning (ERP) System to the Oracle ERP Cloud (POLA Fusion ERP). The proposed Second Amendment will extend the term of the Agreement by two (2) years, for a total term not to exceed five (5) years; and increase funding by \$3,500,000 for a total not-to-exceed amount of \$9,581,200. The Harbor Department will continue to be financially responsible for payment of expenses incurred under the Agreement.

RECOMMENDATION:

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

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 consultants to perform this work than City employees;
3. Approve the proposed Second Amendment to Agreement No. 21-9843 with Byrd Professional Resources LLP to extend the term of the Agreement by two (2) years, for a total term not to exceed five (5) years and, to increase funding by \$3,500,000 for a total not-to-exceed amount of \$9,581,200;

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4. Direct the Board Secretary to transmit said Second Amendment to the Los Angeles City Council for approval pursuant to Section 373 of the Charter of the City of Los Angeles and Section 10.5 of the Los Angeles Administrative Code;
5. Authorize the Executive Director or designee and the Board Secretary to attest to the said Second Amendment for and on behalf of the Board upon approval by City Council; and
6. Adopt Resolution No. 24-10477.

DISCUSSION:

Background/Context – Following a competitive Request for Proposals process, Byrd Group was awarded a two-year agreement (Agreement No. 21-9843) with an option to renew for one (1) year to provide as-needed Business Systems Analysts (BSAs) to assist the Harbor Department in upgrading and stabilizing its on-premises Oracle EBS ERP System to the cloud-based POLA Fusion ERP.

The ERP system is the Harbor Department's core accounting, finance, and purchasing system, with thousands of transactions generated through the system each month to facilitate the acquisition of goods and services, close the financial books on a monthly and yearly basis, and perform a multitude of other accounting and purchasing functions.

Original Contract – The Agreement commenced on December 16, 2021 for a two (2) year term with an option to renew for one (1) year and a total not-to-exceed amount of \$4,140,800.

First Amendment – The First Amendment to the Agreement extended the original contract term by one (1) year to December 15, 2024, and authorized an additional \$1,940,400 for a total not-to-exceed amount of \$6,081,200.

POLA Fusion ERP was originally forecasted to be completed within 12 months from the start date of July 1, 2022, with a planned Go-Live date of July 1, 2023. Byrd Group agreed to provide BSAs until December 2023, through the migration's stabilization period. After extensive review of various options, and to ensure the overall success of the project, the ERP Project Team recommended to the Project Steering Committee to extend the Go-Live date for a year, from July 1, 2023 to July 1, 2024, consequently extending the need for the services of the BSAs to December 2024 for the same purpose as outlined in the Agreement.

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Proposed Second Amendment – The proposed Second Amendment will extend the Agreement for two (2) additional years through December 2026, for a total term not to exceed five (5) years, and increase funding by \$3,500,000 for a total not-to-exceed amount of \$9,581,200.

During the spring of 2024, the Go-Live date was extended by an additional three months, and the system went live recently on October 1st 2024. While the system is live and its core functionality has been configured, there is still work required to continue driving the migration project to ultimate success in the areas of knowledge transfer, integration tuning, system configuration, and report development and implementation. Therefore, the ERP Project Team has determined that the continued assistance of the BSAs is vital in completing objectives within the above mentioned areas.

There are currently six BSAs working on the project, with half of them working on the project since April 2022, one working on the project for the past 18 months, and another working on the project for the past year. The current group of BSAs have extensive knowledge of the current project build and configuration of POLA Fusion ERP, the accounting, finance, and purchasing requirements of the Harbor Department, and the configurations and processes of the previous on-premises EBS ERP system. The current group of BSAs are also fully integrated within the ERP Project Team, working with functional and technical staff throughout the department on a regular basis. They are currently working on pertinent action items and open help-desk tickets to improve and stabilize POLA Fusion ERP.

Therefore to retain the expertise and knowledge of the current BSAs, and in the best interests of the overall project success, the ERP Project Team proposes to extend the current agreement with Byrd Group by two years to provide as-needed support throughout the continued stabilization of the new POLA Fusion ERP system.

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ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of a professional services agreement with Byrd Professional Resources LLP to provide as-needed Business Systems Analysts to 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.

FINANCIAL IMPACT:

Approval of the proposed Second Amendment to Agreement No. 21-9843 will extend the Agreement by two (2) additional years, for a total term not to exceed five (5) years, and increase funding by \$3,500,000 for a total not-to-exceed amount of \$9,581,200.

If the proposed Amendment is approved, spending is anticipated to occur as follows:

Fiscal Year (FY)	Capital	Operating	Total
2022 to 2024	\$4,761,300		\$4,761,300
2025	548,725	\$1,646,175	2,194,900
2026		1,750,000	1,750,000
2027		875,000	875,000
TOTAL	\$5,310,025	\$4,271,175	\$9,581,200

FY 2025 capital funding in the amount of \$548,725 is available within Capital Project No. 2564800 (Oracle ERP Cloud Migration). FY 2025 operating funding in the amount of \$1,646,175 is available within Account 542025 (IT Implementation and Consulting Services), Division 60010 (Accounting). Funding for future fiscal years will be requested as part of the annual budgeting process, subject to Board approval.

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CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved the Second Amendment to Agreement No. 21-9843 as to form and legality.

TRANSMITTALS:

1. Second Amendment to Agreement No. 21-9843 with Byrd Professional Resources LLP and Exhibit B-1 (Compensation)
2. First Amendment to Agreement No. 21-9843 with Byrd Professional Resources LLP
3. Agreement No. 21-9843 with Byrd Professional Resources LLP

FIS Approval: JS (initials)
CA Approval: SO (initials)



Digitally signed by
Frank Liu
Date: 2024.11.25
17:23:44 -08'00'

FRANK LIU
Director of Accounting



JEFFREY STRAFFORD
Director of Financial Planning
and Analysis & Interim CFO

APPROVED:

Erica M.
Calhoun

Digitally signed by Erica M.
Calhoun
Date: 2024.11.25 18:22:29
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EUGENE D. SEROKA
Executive Director

JS/FL/JL

Authors: J. Lustado & J. Strafford