

TRANSMITTAL

0150-10399-0001

TO
Justin Erbacci, Chief Executive Officer
Department of Airports

DATE

08/12/20

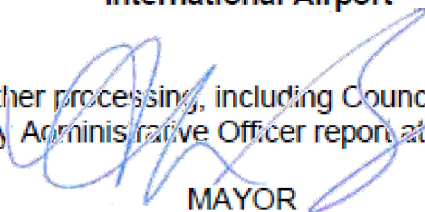
COUNCIL FILE NO.

FROM
The Mayor

COUNCIL DISTRICT
11

**Request to Approve the Second Amendment to a Contract with Interloc
Solutions, Inc. for Operation and Maintenance Support Services for the
Maximo Facilities Management System at the Los Angeles
International Airport**

Transmitted for further processing, including Council consideration. See the
City Administrative Officer report attached.


MAYOR

(Ana Guerrero for)

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: July 27, 2020

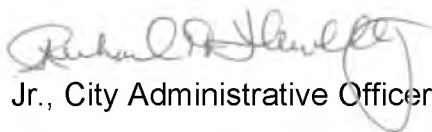
CAO File No. 0150-11399-0001

Council File No.

Council District: 11

To: The Mayor

From: Richard H. Llewellyn, Jr., City Administrative Officer



Reference: Communication from the Los Angeles World Airports dated July 15, 2020; referred by the Mayor for report on July 15, 2020

Subject: **REQUEST TO APPROVE THE SECOND AMENDMENT TO A CONTRACT WITH INTERLOC SOLUTIONS, INC. FOR OPERATION AND MAINTENANCE SUPPORT SERVICES FOR THE MAXIMO FACILITIES MANAGEMENT SYSTEM AT THE LOS ANGELES INTERNATIONAL AIRPORT**

RECOMMENDATIONS

That the Mayor:

1. Approve the proposed Second Amendment to Contract DA-5106 between the Los Angeles World Airports and Interloc Solutions, Inc. to extend the term of performance by an additional 18 months (for a total of six years) to February 28, 2022, with no additional funding requested, to continue maintenance and operations support for the Maximo facilities management system for the Los Angeles World Airports while the Department develops a Request for Proposal process to obtain a new consolidated Airport Technology Operations Support services contract, subject to City Attorney approval and the contractor's compliance with the following Standard Provisions for City contracts: the Living Wage Ordinance, Affirmative Action Program, Child Support Obligations Ordinance, Contractor Responsibility Program, First Source Hiring Program for all non-trade LAX airport jobs, and the Bidders Contributions CEC (City Ethics Commission) Form 55, approved insurance documents, Business Tax Registration Certificate, Iran Contracting Act of 2010 Affidavit;
2. Authorize the Chief Executive Officer of the Los Angeles World Airports to execute the proposed Second Amendment with Interloc Solutions, Inc., upon approval by the Los Angeles City Council and, prior to execution of the contract, must be determined by Public Works, Office of Contract Compliance, to be in compliance with the provisions of the Equal Benefits Ordinance; and,
3. Return the Amendment to the Department for further processing, including Council consideration.

SUMMARY

The Maximo Asset Management system, developed by multinational technology company, IBM, as an asset management life cycle and workflow process system to help business and facilities owners efficiently manage their operations and processes has been used by the Los Angeles World Airports (LAWA; Department) for the last seven years to manage its physical assets. To support the Maximo system, LAWA selected Interloc Solutions, Inc. (Interloc Solutions, contractor), in 2016 by way of a competitive process, to provide specific operations and maintenance support services for a system that tracks approximately 7,300 pieces of equipment and systems at the Los Angeles International Airport. The original three-year contract, for \$4,117,518, and the subsequent 18-month extension, expires on August 31, 2020.

The Maximo system is used by LAWA to track the management and maintenance of the Department's physical assets using a work order and service request system linked to a central database. A mobile application, EZMaxMobile, is integrated into the system to facilitate actions by over 200 of the Department's field technicians and supervisors; the system also tracks performance and supply chain elements, as well as trends, thereby enabling proactive management of the Department's elevators; escalators; moving walkways; Heating, Ventilation, and Air Conditioning (HVAC) systems; plumbing; buildings; and runways.

The Department reports that, in 2019, its Facilities Maintenance and Utilities Group completed 52,984 Service Requests and 47,414 Work Orders for LAX, the data from which can be used by Maximo to identify trends and develop proactive management strategies with the intent to minimize service disruptions for both passengers and employees and reduce costs.

The Department's request for an 18-month extension to the Interloc Solutions support contract is for the purpose of continuing operations and systems maintenance support while LAWA develops a Request for Proposals (RFP) to consolidate support for and reduce the costs of the Los Angeles International Airport's multiple technology operations.

To date, \$2,655,437 of the original \$4,117,518 contracting authority has been expended leaving a balance of \$1,462,082. The estimated cost of the Second Amendment is \$1,191,354, thereby leaving a balance of \$270,727 in the existing contracting authority. Consequently, no increase to the original contracting authority is required.

To ensure the continuation of support and maintenance services for the Maximo facilities management system while a new RFP is being developed, the Department's Chief Executive Officer requests approval to execute a Second Amendment to the agreement with Interloc Solutions, Inc. The proposed Amendment was approved by the Board of Airport Commissioners at its meeting of July 16, 2020.

FISCAL IMPACT STATEMENT

Approval of the Second Amendment to a contract with Interloc Solutions, Inc. for the continuation of support and maintenance services for the Maximo facilities management system at LAX will have no impact on the City's General Fund. Funding for the 18-month term extension, in the amount of \$1,191,354, is included as part of the original contracting authority's available balance in the Los Angeles World Airport's FY 2020-21 Operating Budget in Cost Centers "IT Airport Operations," "Contractual Services," and "Materials & Supplies." This project complies with the Department of Airports' adopted Financial Policies.

RHL:WDC:10200137