

TRANSMITTAL

0150-11399-0000

TO Deborah Flint, Chief Executive Officer Department of Airports	DATE JUL 19 2019	COUNCIL FILE NO.
FROM The Mayor		COUNCIL DISTRICT 11

Request to Approve the First 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

RHL:WDC: 10190141t

CAO 649-d

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: July 15, 2019

CAO File No. 0150-11399-0000

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 June 18, 2019; referred by the Mayor for report on June 21, 2019

Subject: **REQUEST TO APPROVE THE FIRST 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 First Amendment to Contract DA-5106 between the Los Angeles World Airports and Interloc Solutions, Inc. to extend the term of performance by one additional year to August 31, 2020, with no increase in funding, to continue support services for the maintenance and operation of the Maximo facilities management system for the Los Angeles World Airports while the Department develops a Request for Proposal process to obtain a new 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;
2. Authorize the Chief Executive Officer of the Los Angeles World Airports to execute the proposed First Amendment with Interloc Solutions, Inc.; and,
3. Return the Amendment to the Department for further processing, including Council consideration.

SUMMARY

The IBM Maximo Asset Management system is described as "an asset management life cycle and workflow process system" to help business and facilities owners efficiently manage their operations and processes. The Los Angeles World Airports (LAWA; Department) has used the Maximo system

for the last six years to manage its physical assets. To support the system, LAWA selected Interloc Solutions, Inc., 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, expires on August 31, 2019.

The Maximo system is used by LAWA specifically 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 is integrated into the system to facilitate actions by over 200 of the Department's field staff; 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 2018, its Facilities Maintenance and Utilities Group completed 43,233 Service Requests and 52,873 Work Orders for LAX, the data from which can be used by Maximo to identify trends and develop proactive management strategies with the goal to minimize service disruptions for passengers and employees and reduce costs.

The Department request for a one-year extension to the Interloc Solutions support contract is predicated on the fact that LAWA is in the process of developing a Request for Proposal (RFP) for the required services, which will include assets at Van Nuys Airport. The time extension will not require additional funding since there is a sufficient balance available from the original \$4,117,518 contract authority to finance the estimated one-year cost of \$750,509.

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 First Amendment to the agreement with Interloc Solutions, Inc. The proposed Amendment was approved by the Board of Airport Commissioners at its meeting of June 20, 2019.

FISCAL IMPACT STATEMENT

Approval of the First Amendment will have no impact on the City's General Fund. Funding for the one-year term extension is being requested in the Department's FY 2019-20 Operating Budget in Cost Center 1170010 – IT Airport Operations, Commitment Item 520 – Contractual Services and Commitment Item 522 – Materials & Supplies. This project complies with the Department of Airports' adopted Financial Policies.

RHL:WDC:10190141