

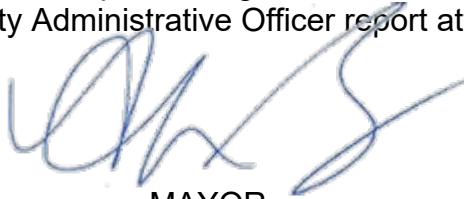
0150-11828-0000

TRANSMITTAL

TO Eugene D. Seroka, Executive Director Harbor Department	DATE 06/18/21	COUNCIL FILE NO. --
FROM The Mayor	COUNCIL DISTRICT 15	

**PROPOSED PURCHASE ORDER CHANGE NO. 1 TO CONTRACT NO. 39844 WITH INSIGHT
PUBLIC SECTOR, INC. FOR SOFTWARE SUPPORT SERVICES**

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



MAYOR

(Ana Guerrero for)

RHL:JCY:10210136t

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: June 1, 2021

CAO File No. 0150-11828-0000

Council File No. --

Council District: 15

To: The Mayor

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

Reference: Correspondence from the Harbor Department dated December 17, 2020; referred by the Mayor for report January 26, 2021

Subject: **PROPOSED PURCHASE ORDER CHANGE NO. 1 TO CONTRACT NO. 39844 WITH INSIGHT PUBLIC SECTOR, INC. FOR SOFTWARE SUPPORT SERVICES**

RECOMMENDATIONS

Approve Harbor Department (Port) Resolution No. 20-9736 authorizing a proposed Purchase Order Change No. 1 to Contract No. 39844 with Insight Public Sector, Inc. to continue software purchasing and support services for two additional years, for a total term of five years and increased contract limit of \$1,000,000 for a total not-to-exceed amount of \$6,500,000; and, return the Resolution document to the Port for further processing, including Council consideration.

SUMMARY

The Harbor Department (Port) Board of Harbor Commissioners (Board) requests approval of Resolution No. 20-9736 authorizing a proposed Purchase Order Change No. 1 (POC) to Contract No. 39844 (Contract) with Insight Public Sector, Inc. (Insight) to continue providing software and support services for two additional years, for a total term of five years, and increased cost not to exceed \$1 million, for a total compensation limit of \$6.5 million. All other terms and conditions of the Contract will remain in effect.

Under the Contract, Insight provides the Port computer software licenses, software maintenance renewal, and related software support services at volume price discounts. This includes front-end software such as business applications, desktop software, and email, and back-end software such as databases, operating systems, cyber security and network software. The proposed POC continues this access and support. Payment under the Contract is generally based on unit pricing. The current Contract is for a term of three years, from June 1, 2018 through May 31, 2021, with total compensation not to exceed \$5.5 million. The original Contract was for a term of one year, with two one-year renewal options. The proposed POC continues the Contract for an additional two years, through May 31, 2023, with an increase of \$1 million to the compensation limit. The Port reports an estimated expenditure of \$3.57 million under the Contract through the current three-year

term, or an average of \$1.19 million per year. Expenditures based on actual needs will be incurred only when the Port authorizes such services.

Insight is a software reseller, headquartered in Tempe, Arizona, with local offices in Southern California. The Board approved the original Contract with Insight at its meeting on April 19, 2018 based on a competitive request for proposal (RFP) process completed by Fairfax County, Virginia (Fairfax). Fairfax awarded Insight Contract No. 4400006644 on February 23, 2016. Several City departments procure software and services from Insight based on the Fairfax RFP, including General Services, which similarly purchases a variety of software and services through City Supply Contract No. 59749, currently valid through April 30, 2023.

The Port has budgeted \$1.3 million in the Harbor Revenue Fund for costs under the Contract in 2020-21. The City Attorney has approved the proposed POC as to form and legality. The Contract includes provisions to ensure compliance with applicable City Ordinances, contracting and insurance requirements, and Port Financial Policies. In accordance with Charter Section 373 and Administrative Code Section 10.5, the POC requires Council approval because it extends the term of the Contract, a personal services agreement, beyond three years. The Port reports that the proposed action is an administrative activity, and is therefore administratively 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.

FISCAL IMPACT STATEMENT

The proposed Purchase Order Change No. 1 to Contract No. 39844 (Contract) with Insight Public Sector, Inc. is for the continuance of software purchasing and support services for two additional years for a total term of five years and total cost not to exceed \$6,500,000, or average annual cost of \$1,300,000. The Port has budgeted \$1,300,000 in the Harbor Revenue Fund for costs under the Contract in Fiscal Year 2021. Funding required for subsequent years is subject to appropriation of funds through the Port annual budget process. The proposed action meets Port Financial Policies. There is no impact to the City General Fund.