



REPORT TO THE BOARD OF AIRPORT COMMISSIONERS

<p><i>Aura Moore</i></p> <hr/> <p>Approved by: Aura Moore, Deputy Executive Director and Chief Information Officer</p> <p><i>Becca Doten</i></p> <p><u>Becca Doten (Jan 27, 2022 08:22 PST)</u></p> <hr/> <p>Reviewed by: Becca Doten, Deputy Executive Director</p> <p><i>Brian C. Ostler</i></p> <p><u>Brian Ostler (Jan 27, 2022 09:55 PST)</u></p> <hr/> <p>Brian C. Ostler, City Attorney</p> <p><i>JH</i></p> <p><u>Justin Erbacci (Jan 27, 2022 12:28 PST)</u></p> <hr/> <p>Justin Erbacci, Chief Executive Officer</p>		<p><u>Meeting Date:</u></p> <p>2/3/2022</p>	
<p><u>CAO Review:</u></p>		<input type="checkbox"/> Completed <input checked="" type="checkbox"/> Pending <input type="checkbox"/> N/A	
<u>Reviewed for</u>	<u>Date</u>	<u>Approval Status</u>	<u>By</u>
Finance	1/20/2022	Y <input checked="" type="checkbox"/> N <input type="checkbox"/> NA	JS
CEQA	1/14/2022	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	VW
Procurement	1/18/2022	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> Cond	BG
Guest Experience	1/19/2022	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	TB
Strategic Planning	1/13/2022	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> NA	KC

SUBJECT

Request to approve the Third Amendment to Contract DA-5106 with Interloc Solutions, Inc. to extend the contract term through August 31, 2023, to provide technical operations and maintenance support services for the Maximo Asset Management System of Los Angeles World Airports.

RECOMMENDATIONS

Management RECOMMENDS that the Board of Airport Commissioners:

- ADOPT the Staff Report.
- DETERMINE that this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Article II, Section 2.f. of the Los Angeles City CEQA Guidelines.
- FIND that the work can be performed more economically or feasibly by an independent contractor than by City employees.
- FURTHER FIND that pursuant to Los Angeles Administrative Code Section 10.15(a)(2) and Los Angeles Charter Section 371(e)(10) that the services to be provided under this contract include expert, technical and/or special services of a temporary and occasional character for which a competitive bidding process is not practical or advantageous.

5. APPROVE the Third Amendment to Contract No. DA-5106 with Interloc Solutions, Inc. to extend the term to August 31, 2023, to provide operations and maintenance support services for the Maximo System at Los Angeles World Airports.
6. AUTHORIZE the Chief Executive Officer or designee to execute the contract amendment after approval as to form by the City Attorney and approval by the Los Angeles City Council.

DISCUSSION

1. Purpose

To extend the contract term to August 31, 2023, with Interloc Solutions, Inc., to provide continued 24-hours-a-day, 7-days-a-week technical operations and maintenance support services for the Maximo Asset Management System at Los Angeles World Airports (LAWA).

2. Prior Related Actions

- **July 20, 2016 – Resolution No. 26027 (DA-5106)**
The Board of Airport Commissioners (Board) awarded a three-year contract to Interloc Solutions, Inc. for Maximo system support services for Los Angeles World Airports in an amount not to exceed \$4,117,518.
- **June 20, 2019 – Resolution No. 26787 (DA-5106)**
The Board approved the First Amendment to Contract DA-5106 with Interloc Solutions, Inc. to extend the term for an additional 12 months to provide operations and maintenance support services for the Maximo System at Los Angeles World Airports. This contract expired on August 31, 2020.
- **August 25, 2020 – Resolution No. 27065 (DA-5106)**
The Board approved the Second Amendment to Contract DA-5106 with Interloc Solutions, Inc. to extend the term for an additional 18 months to provide operations and maintenance support services for the Maximo System at Los Angeles World Airports. This contract expires on February 28, 2022.

3. Current Action

The Maximo System is an Enterprise Asset Management System used primarily by the LAWA Facilities Maintenance Division to track and manage daily response to and resolution of incidents pertaining to physical assets such as elevators, escalators, moving walkways, restrooms, HVAC, baggage handling systems, and passenger boarding bridges. Maximo facilitates the efficient distribution, management, approval, communication, and execution of service requests and preventive maintenance tasks. The Maximo system includes an integrated mobile application - EZMaxMobile. EZMaxMobile equips over 200 field technicians and supervisors with the ability to efficiently receive push notifications, update, and resolve service requests and work orders from the field, via assigned mobile devices.

The current Maximo system support contract expires on February 28, 2022. A Consolidated Managed Services Request for Proposals (RFP) is being developed to consolidate and

reduce the total cost of support services for multiple systems, including the Maximo system. To prevent a gap in service, and to allow time for the RFP process to be completed, the existing contract with Interloc Solutions Inc. will be extended an additional 18 months. There is sufficient authority remaining on the contract to cover the third amendment costs, so no increase in authority is required.

Action Requested

Staff requests that the Board of Airport Commissioners authorize the Chief Executive Officer or designee to execute the Third Amendment to Contract DA-5106 with Interloc Solutions, Inc. to extend the contact term to August 31, 2023, for the ongoing operations and maintenance services of the Maximo system.

Below is a summary of the current expenditures.

Description	Total Expenditures
Year 1 to 5 – Base Maintenance & Support	\$2,145,588
Year 1 to 5 – Maximo System Software	\$518,515
Year 1 to 5 – Maximo System Enhancements	\$539,255
Total Expenditures to Date	\$3,203,358
Current Contract Authority	\$4,117,518
Remaining Contract Authority	\$914,160

Estimated services and expenditures under the Third Amendment:

Description	Estimated Costs *
Base Maintenance & Support Services	\$468,480
Annual Maximo Software Renewal (2 Renewals)	\$284,202
As-Needed System Enhancements	\$51,000
Total 3rd Amendment Costs	\$803,682

*Note: Costs for individual line items may vary, but the total expenditures shall not exceed \$803,682.

Fiscal Impact

- The costs incurred under this contract will be recovered through landing fees, terminal building rates and charges, and non-aeronautical revenues.

4. Alternatives Considered

- **Take No Action**

Without this contract, LAWA will not have adequate qualified resources available to support, monitor, and maintain the system on a 24-hours-a-day, 7-days-a-week basis. If the current contract expires in February 2022, there will be a lapse in support services, which will have a negative impact on the operation and support of the Maximo system..

APPROPRIATIONS

Funds for this contract are included in the FY 2021-2022 Los Angeles World Airports Operating Budget in LAX Cost Center 1170010 - IT Airport Operations, Commitment Item 520 - Contractual Services and Commitment Item 522 – Materials and Supplies. Funding for subsequent years will be requested as part of the annual budget process.

STANDARD PROVISIONS

1. This item, as a continuing administrative, maintenance and personnel-related activity, is exempt from California Environmental Quality Act (CEQA) requirements pursuant to Article II, Section 2.f. of the Los Angeles City CEQA Guidelines.
2. The proposed document(s) is/are subject to approval as to form by the City Attorney.
3. Actions taken on this item by the Board of Airport Commissioners will become final pursuant to the provisions of Los Angeles City Charter Section 373.
4. Interloc Solutions, Inc. is required by contract to comply with the applicable provisions of the Living Wage Ordinance.
5. Procurement Services has reviewed this action (File No. 10037916) and established a mandatory 20 percent Small Business Enterprise (SBE) goal for the project. Interloc Solutions, Inc. has committed to 100 percent SBE participation, as it is a certified SBE firm and has achieved 100 percent participation to date.
6. Interloc Solutions, Inc. is required by contract to comply with the provisions of the Affirmative Action Program.
7. Interloc Solutions, Inc. has been assigned Business Tax Registration Certificate number 0002922484-0001-4.
8. Interloc Solutions, Inc. is required by contract to comply with the provisions of the Child Support Obligations Ordinance.
9. Interloc Solutions, Inc. has approved insurance documents, in the terms and amounts required, on file with the Los Angeles World Airports.
10. Pursuant to Charter Section 1022, staff determined the work specified on the proposed contract can be performed more feasibly or economically by an Independent Contractor than by City employees.
11. Interloc Solutions, Inc. has submitted the Contractor Responsibility Program Questionnaire and Pledge of Compliance and will comply with the provisions of the Contractor Responsibility Program.
12. Interloc Solutions, Inc. must be determined by Public Works, Office of Contract Compliance, to be in compliance with the provisions of the Equal Benefits Ordinance prior to execution of the Contract Amendment.
13. Interloc Solutions, Inc. will be required to comply with the provisions of the First Source Hiring Program for all non-trade LAX Airport jobs.
14. Interloc Solutions, Inc. has submitted the Bidder Contributions CEC Form 55 and will comply with its provisions.
15. Interloc Solutions, Inc. will be required to comply with the provisions of the Iran Contracting Act of 2010 Affidavit.

THIRD AMENDMENT TO CONTRACT NO. DA-5106 BETWEEN THE CITY OF LOS ANGELES AND INTERLOC SOLUTIONS, INC. TO PROVIDE MAXIMO SYSTEM SUPPORT SERVICES FOR THE DEPARTMENT OF AIRPORTS FOR THE CITY OF LOS ANGELES

This THIRD AMENDMENT TO CONTRACT NO. DA-5106 (“Third Amendment”) is made and entered into this _____ day of _____, 2022, by and between the CITY OF LOS ANGELES, a municipal corporation, acting by order of and through its Board of Airport Commissioners of the Department of Airports also known as Los Angeles World Airports or LAWA (hereinafter referred to as "City"), and INTERLOC SOLUTIONS, INC., a Nevada corporation (hereinafter referred to as "Contractor").

RECITALS

WHEREAS, City and Contractor previously entered into Contract No. DA-5106 dated August 10, 2016 for Maximo system support services, as amended by the First Amendment to Contract No. DA-5106A dated August 16, 2019 and the Second Amendment to Contract No. DA-5106B dated August 27, 2020 (collectively, the “Contract”); and

WHEREAS, City and Contractor, by mutual agreement, desire to amend the Contract, as set forth in this Third Amendment;

NOW, THEREFORE, the parties hereto, for and in consideration of the terms, covenants and conditions herein contained, City and Contractor do hereby mutually agree that the Contract shall BE AMENDED AS FOLLOWS:

AMENDMENTS

Section 1. Section 1.0 of the Contract is hereby deleted and replaced in lieu thereof with the following:

“The term of this Contract shall commence upon the Chief Executive Officer's issuance of a Notice to Proceed and shall terminate on August 31, 2023, unless earlier terminated pursuant to Section 11 below.”

Section 2. On March 1, 2022, the terms in the document “20160720-Interloc-Maximo-DA-5106-Contract Extension Proposal from March 2022 through August 31, 2023 For Los Angeles World Airports” attached as Exhibit B-2, shall be applicable to the Contract.

Section 3. It is understood and agreed by and between the parties hereto that, except as specifically provided herein, this Third Amendment shall not in any manner alter, change, modify or affect any of the rights, privileges, duties or obligations of either of the parties hereto under or by reason of the Contract, and except as expressly amended herein, all of the terms, covenants, and conditions of the Contract shall remain in full force and effect.

IN WITNESS WHEREOF, City has caused this Third Amendment to be executed by the Chief Executive Officer and Contractor has caused the same to be executed by its duly authorized officers and its corporate seal to be hereunto affixed, all as of the day and year first hereinabove written.

APPROVED AS TO FORM:
MICHAEL N. FEUER,
City Attorney

CITY OF LOS ANGELES

Date: _____

Date: _____

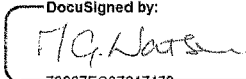
By: _____
Deputy/Assistant City Attorney

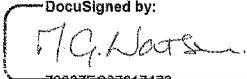
By: _____
Chief Executive Officer
Department of Airports

By: _____
Deputy Executive Director
Chief Financial Officer

ATTEST:

INTERLOC SOLUTIONS, INC., a Nevada corporation

By:  _____
73087EC07017479...
Signature (Secretary)

By:  _____
73087EC07017479...
Signature

Mike Watson

Print Name

Mike Watson

Print Name

President & CEO

Print Title



**20160720-Interloc-Maximo-DA-5106-Contract Extension
Proposal from March 2022 through August 31, 2023**

For

Los Angeles World Airports (LAWA)

Submitted to:

Ardene Blackhall
Project Manager, IMTG
Department of Airports
1 World Way
Post Office Box 92216
Los Angeles, CA 90009 -2216

Submitted by:

Interloc Solutions, Inc.
340 Palladio Parkway, Suite 526
Folsom, CA 95630
Gretchen Gallagher, EVP for Business
Development and Marketing
Phone: (905) 906-4590
FAX: (916) 817-4594
Email: gretchenq@interlocsolutions.com



Ardene Blackhall
Project Manager, IMTG
Department of Airports
1 World Way
Post Office Box 92216
Los Angeles, CA 90009 -2216

January 24, 2022

Subject: 20160720-Interloc Maximo DA-5106 Contract Extension Proposal For Los Angeles World Airports (LAWA) from March 2022 through August 2023

Dear Mr. Blackhall,

With regards to LAWA's request for contract extension of LAWA Contract DA-5106 through August 31, 2023, which will extend our current agreement for an additional 18 months. Interloc Solutions, Inc. (Interloc) is pleased to provide the enclosed proposal to Los Angeles World Airports (LAWA) for Maximo support services.

Offer Summary:

Continue offsite only support model limited to 40 hours per week of support as described below, with a primary single assigned full time Maximo Services and Support Consultant, approved by LAWA. Proposed support terms under this adjustment:

1. Fixed Price Monthly Maximo Support Services, in accordance with the service level below (which have been brought forward from base contract) from 3/1/2022 through August 31, 2023 as follows:

1 March 2022 – 28 February 2023: \$25,600 monthly

- Proposed support schedule: Monday through Friday 8 hours per day all remote.
- There are no additional technical hours accumulating.
- Should LAWA elect to have any part of this service conducted onsite, there will be a travel "premium" of \$2,000 per one week trip invoiced to LAWA. No travel will occur without written direction/approval by LAWA.

2. Fixed Price Monthly Maximo Support Services, in accordance with the service level below (which have been brought forward from base contract) through February 28, 2024 as follows:

1 March 2023 – 31 August, 2023: \$26,880 monthly for term defined by LAWA Purchase Order.

- Proposed support schedule: Monday through Friday 8 hours per day all remote.
- There are no additional technical hours accumulating.



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- Should LAWA elect to have any part of this service conducted onsite, there will be a travel "premium" of \$2,000 per one week trip invoiced to LAWA. No travel will occur without written direction/approval by LAWA.

Enclosure (1) are the DA-5106 Services Levels which will apply to included Maximo Support Services under this extension and economic adjustment.

Should questions arise, or if you need additional information regarding the proposed solution, please do not hesitate to contact me at gretcheng@interlocsolutions.com or you can reach me at (856) 217-8690.

Sincerely,

Gretchen Gallagher
Executive Vice President for Business Development and Marketing
Interloc Solutions, Inc.



Enclosure (1) DA-5106 Contract Service Levels (Base Contract Scope of Services Page 20)

4. SERVICE LEVEL REQUIREMENTS (SLR)

a) CONSULTANT RESPONSES:

- i. Acknowledge receipt of an incident call with return notification to LAWA IMTG by telephone and email per the SLR identified in this Section III, Item 4. e) Matrix.
- ii. Communicate to LAWA IMTG all support progress and developments made related to any MAXIMO System incident. The status update shall include:
 - Summary of the problem
 - Cause of the problem (if known)
 - Recommended solution
 - Projected timeframe required to restore the service (if known)
 - All changes must be communicated and approved by LAWA before they are applied to any of the MAXIMO System environments.

b) SEVERITY LEVEL 1 AND 2 INCIDENTS:

- i. For a Severity Level 1 incident, as defined in Section III, Item 4. e) Matrix, Consultant shall provide a status update to LAWA's designee or a distribution list provided by LAWA IMTG within 30 minutes of the initial response, and every 30 minutes thereafter, until the problem is resolved.
- ii. Within 24 hours of final resolution, Consultant shall submit a LAWA Outage Report which contains a detailed analysis of the incident to include:
 - Nature of the problem
 - Duration
 - Impact
 - Resolution
 - Root cause analysis
 - What proactive efforts would eliminate the root cause of the problem(s)

c) COMPENSATION DEDUCTIONS

Compensation Deductions will be assessed for failure of the Consultant to meet the Service Level Requirements as defined in this Section III, Item 4. e) Matrix. Compensation Deductions will not be assessed for a delay that occurs beyond the control and without the act, fault or negligence of the Consultant and/or its subconsultants or suppliers, at any tier. Waiting for a manufacturer to replace or repair equipment may not be an acceptable reason for time extension.

d) CONSULTANT DEVIATION FROM SERVICE LEVEL REQUIREMENTS

If a problem cannot be identified and/or corrected within the time requested by LAWA, the Consultant shall submit a written statement to LAWA IMTG requesting a repair time extension. If LAWA IMTG approves the time extension; the respective Compensation Deductions will be waived for that period of time.



SEVERITY LEVEL	DEFINITION	INCIDENT NOTIFICATION		INCIDENT RESPONSE/STATUS REPORT PERIOD	COMPENSATION DEDUCTIONS
		BUSINESS HOURS	AFTER HOURS		
1-CRITICAL	<ul style="list-style-type: none"> Critical situation/System Down Business Critical Software Component* is inoperable (Usually applies to production environment.) Critical Interface** has failed. <p><i>Only outages or imminent outages (such as indicated by a partial server failure), or failure or business critical interfaces are considered critical.</i></p>	Consultant shall acknowledge within 30 minutes, 24 hours a day, 7 days a week		Work on a critical Incident shall be continuous regardless of time of day, or day of week, until a complete or satisfactory interim resolution is implemented.	<p>Incident Notification: \$100.00/hour beginning with the first (1) minute after the response period, and for each 30-minute period thereafter, until acknowledgement is received.</p> <p>Incident Response: \$100.00/Status Report Period until a complete or satisfactory interim resolution is implemented.</p>
2-HIGH	A software component is severely restricted in its use, causing significant business impact.				
3-MEDIUM	A non-critical software component*** is malfunctioning, causing moderate business impact.	Consultant shall acknowledge within 4 hours	Consultant shall acknowledge by 9:00am the next business day	Within 1 business day	
4-LOW	Minimal impact: A non-critical software component is malfunctioning, causing minimal impact, or a non-technical request is made.	Consultant shall acknowledge within 8 hours		Within 2 business days	

1 AUTHORIZATION:

Department of Airports
 1 World Way
 Post Office Box 92216
 Los Angeles, CA 90009 -2216

This Agreement is completed on behalf of the LAWA by:

Signed: _____
 Name: _____
 Position: _____
 Date: _____