

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: March 16, 2022

CAO File No. 0150-11399-0002

Council File No. 19-0729

Council District: 11

To: The Mayor



From: Matthew W. Szabo, City Administrative Officer

Reference: Communication from the Los Angeles World Airport dated February 8, 2022; referred by the Mayor for a report on February 8, 2022

Subject: **REQUEST TO APPROVE THE THIRD AMENDMENT TO CONTRACT DA-5106 WITH INTERLOC SOLUTIONS, INC. FOR OPERATION AND MAINTENANCE SUPPORT SERVICES FOR THE MAXIMO ASSET MANAGEMENT SYSTEM AT THE LOS ANGELES INTERNATIONAL AIRPORT**

RECOMMENDATION

That the Mayor:

1. Approve the proposed Third Amendment to Contract DA-5106 with Interloc Solutions, Inc. to extend the term of the agreement by an additional 18-months, to August 31, 2023, with no additional funding, to continue maintenance and operation support for the Maximo Asset Management systems while the Department develops a Request for Proposal process to obtain a new Consolidated Managed Services contract, subject to City Attorney approval as to form and compliance with the City's Standard Provisions, including: Living Wage Ordinance, Affirmative Action Program, Business Tax Registration Certification, Child Support Obligations Ordinance, Contractor Responsibility Program, First Source Hiring Program, Bidder Contributions CEC Form 55, and the Iran Contracting Act of 2010;
2. Authorize the Chief Executive Officer to execute the proposed Third Amendment to Contract DA-5106, upon approval by the Los Angeles City Council, and prior to the execution of the Third Amendment, Interloc Solutions, Inc. must:
 - a. Have approved insurance documents, in the terms and amounts required, on file with the Los Angeles World Airports; and
 - b. Be determined by the Public Works, Office of Contract Compliance to be in full compliance with the provisions of the Equal Benefits Ordinance; and
3. Return the request to the Los Angeles World Airports for further processing, including Council Consideration.

SUMMARY

The Maximo Asset Management (Maximo) 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 eight years to manage its physical assets. Through a competitive process, LAWA selected Interloc Solutions, Inc. (Interloc Solutions; Contractor) to provide technical operations and maintenance support services for a system that tracks approximately 9,760 pieces of equipment at the Los Angeles International Airport (LAX) and Van Nuys Airport (VNY). The original three-year contract, for \$4,117,518, and two subsequent amendments, expired on February 28, 2022.

The Maximo system is used by LAWA to track 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 205 of the Department's field technicians and supervisors. The system also tracks performance and supply chain elements, as well as trends, which enables LAWA to proactively manage the Department's physical assets, such as elevators; escalators; moving walkways; Heating, Ventilation, and Air Conditioning (HVAC) systems; baggage handling systems; and passenger boarding bridges.

LAWA reports that, in 2021, its Facilities Maintenance Division completed 28,500 service requests and 29,485 work orders between LAX and VNY. Data obtained from the work items are used by Maximo to identify trends and develop proactive management strategies with the intent to minimize service disruptions for both passengers and employees, in addition to being utilized as a cost reduction tool.

The Department's request to extend the Interloc Contract for an additional 18-months is to ensure the continuation of operations and maintenance of the Maximo facilities management system while a new Consolidated Managed Services Request for Proposal (RFP) is being developed to combine approximately 12 different airport technology operations support services contracts. LAWA indicates that the consolidation will ultimately serve as a cost reduction benefit to the Department, as well as facilitating its contract management system by reducing the number of outstanding service contracts in its scope.

To date, \$3,203,358 of the original authority has been expended, leaving a balance of \$914,160. The estimated cost of the proposed Third Amendment is \$803,682, thus an excess of \$110,478 will remain in the contracting authority upon the conclusion of the 18-month term extension. The proposed extended period does not require additional funding since there will be a sufficient balance available from the original contract authority to finance the continued services.

LAWA's Procurement Services staff has reviewed the proposed action (File No. 10037916) and established a mandatory 20 percent Small Business Enterprise (SBE) goal for this project. As reported by LAWA staff, Interloc has proposed 100 percent SBE participation and achieved 100 percent SBE participation levels to date, as the firm is a certified SBE.

The BOAC approved the proposed Third Amendment with Interloc Solutions, Inc. on February 3, 2022. Actions taken on this item by the BOAC will become final pursuant to the provisions of Los Angeles City Charter Section 373.

FISCAL IMPACT STATEMENT

Approval of the Third Amendment to Contract No. DA-5106 with Interloc Solutions, Inc. for the continuation of support and maintenance services for the Maximo Asset Management system at LAX and VNY will have no impact on the City's General Fund. Funding for the proposed 18-month term extension is available in the Fiscal Year 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. Associated costs will continue to be recovered through landing fees, terminal building rates and charges, and non-aeronautical revenues. Funding for subsequent years will be requested as part of the annual budget process. This item complies with the Department's adopted Financial Policies.