

0150-11307-0003

TRANSMITTALTO
The City Council

DATE

05/04/20

COUNCIL FILE NO.

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FROM
The Mayor

COUNCIL DISTRICT

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**Proposed First Amendment between the Los Angeles Fire Department
and 3Di, Inc. for the development and support of the
Fire Inspection Management System**

Transmitted for your consideration.
See the City Administrative Officer report attached.



(Ana Guerrero for)

MAYOR

RHL:SI:04200113

Report From
OFFICE OF THE CITY ADMINISTRATIVE OFFICER
Analysis of Proposed Contract
(\$25,000 or Greater and Longer than Three Months)

To: The Council The Mayor	Date: 03-17-20	C.D. No. --	CAO File No.: 0150-11307-0003
Contracting Department/Bureau: Los Angeles Fire Department		Contact: Muriel Gee (213) 978-3461	
Reference: Transmittal from the Board of Fire Commissioners dated January 22, 2020; referred for report on January 22, 2020			
Purpose of Contract: To provide custom software development and hosting for the Fire Inspection Management System.			
Type of Contract: () New contract (X) Amendment, Contract No. 133394		Contract Term Dates: March 1, 2017 through February 28, 2021 (one year extension)	
Contract/Amendment Amount: \$180,000			
Proposed amount \$180,000 + Prior award(s) \$1,868,521 = Total \$2,048,521			
Source of funds: Los Angeles Fire Department Contractual Services and Office and Administrative accounts			
Name of Contractor: 3Di, Incorporated			
Address: 3 Pointe Drive, Suite 307, Brea, CA 92821			
	Yes	No	N/A
1. Council has approved the purpose	X		
2. Appropriated funds are available	X		
3. Charter Section 1022 findings completed	X		
4. Proposals have been requested		X	
5. Risk Management review completed	X		
6. Standard Provisions for City Contracts included	X		
7. Workforce that resides in the City: 11%			
Contractor has complied with:		Yes	No
8. Business Inclusion Program			X
9. Equal Benefits & First Source Hiring Ordinances		X	
10. Contractor Responsibility Ordinance		X	
11. Disclosure Ordinances		X	
12. Bidder Certification CEC Form 50		X	
13. Prohibited Contributors (Bidders) CEC Form 55		X	
14. California Iran Contracting Act of 2010		X	


RECOMMENDATION

That the Council, subject to the approval of the Mayor, authorize the Fire Chief, or designee, to execute the proposed First Amendment between the Los Angeles Fire Department and 3Di, Incorporated for custom software development and hosting costs for the Fire Inspection Management System to extend the term by one year from February 29, 2020 through February 28, 2021 and to increase the total maximum compensation amount by \$180,000 from \$1,868,521 to \$2,048,521, subject to the approval of the City Attorney as to form.

SUMMARY

The Los Angeles Fire Department (LAFD) requests authority to enter into a First Amendment (Amendment) with 3Di, Incorporated (Contractor) for technical services to further develop and maintain the LAFD's Fire Inspection Management System (FIMS), a customized software system utilized to better manage brush inspection and clearance tasks. The Amendment will extend the term of the total agreement by one year, from February 29, 2020 through February 28, 2021, and increase the total maximum compensation by \$180,000 from \$1,868,521 to \$2,048,521.

The Fire Prevention and Public Safety Bureau of the LAFD utilizes several different computer systems built in-house, such as the Fire Prevention Application, Fire Prevention Operating System, and

 SJ Analyst 04200113	 City Administrative Officer
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Vegetation Management System, to manage LAFD fire prevention operations. As these systems are not integrated, the LAFD states that information cannot efficiently be shared between systems and could potentially result in data inconsistencies across platforms. In 2016, the LAFD purchased proprietary software from the Contractor as a replacement for the outdated fire prevention systems. The new system, known as FIMS, would be capable of managing multiple brush inspection tasks and processes, including recording data on inspection results, sending out inspection notices, issuing citations and invoices, and managing the citation appeals process.

As part the multi-departmental initiative to create BuildLA, a unified system for infrastructure development services, the FIMS is funded through a \$3.0 million appropriation (\$2.0 million to the Contractual Services Account and \$1.0 million to the Office and Administrative Account) to the LAFD from the Development Services Trust Fund (C.F. 16-0600-S178). Unspent funds have been reappropriated annually since then to maintain the source of funding for the project, with funding last reappropriated in the 2018-19 Year-End Financial Status Report to the LAFD's 2019-20 budget. The LAFD initially intended to recapture costs for the FIMS build-out through a Fire Systems Development and Maintenance Fee; however, the LAFD has opted not to pursue this fee based on City Attorney opinion.

The LAFD had previously utilized existing agreements between the Department of Building and Safety and the Contractor (C-123449 and C-128720) to develop the FIMS; however, customizing the system to suit the LAFD's needs exceeded the scope of the agreements and necessitated a separate agreement between the LAFD and Contractor. Subsequently, the LAFD retroactively entered into an agreement with the Contractor from March 1, 2017 through February 28, 2020 for an agreement amount not to exceed \$1,868,521. Retroactive execution was attributed to the immediate need to have the FIMS operational for the brush clearance season, and due to extended review and discussions with the City Attorney.

At the time of original agreement execution, the LAFD was in the process of releasing a Request for Proposals (RFP) to select a vendor to complete the implementation of FIMS. The LAFD released the RFP on October 16, 2019 and is currently evaluating submitted proposals. The LAFD anticipates selecting a vendor by the end of June 2020 and estimates full contract execution by the end of calendar year 2020. Accordingly, the LAFD requests approval of the Amendment to extend the agreement by one year through February 28, 2021 to allow adequate time to complete the RFP and a potential transition process from one vendor to another, contingent upon the outcome of the RFP.

The LAFD also requests an increase to the total maximum compensation amount by \$80,000 from \$1,868,521 to \$2,048,521 to pay a monthly \$15,000 service charge. The \$15,000 monthly charge will cover maintenance and monitoring for the FIMS. The LAFD does not expect additional work from the Contractor that would result in any further costs. Of the \$3.0 million appropriated to fund this project, approximately \$1.0 million in funding is currently available; costs in excess of the available balance will be absorbed by the LAFD. Continued funding is subject to future-year appropriations approved by the Mayor and Council.

In accordance with Charter Section 1022, the Personnel Department determined that City employees have the expertise to perform the proposed work; however, because of the limited scope and intermittent nature of this work, as well as insufficient existing City staff to perform the work, this Office finds that it is more feasible to secure these services through a contractor.

In accordance with the Los Angeles Administrative Code Section 10.5(b)(2), Council approval of the proposed Amendment is required because the proposed contract term exceeds three years. To the best of our knowledge, the Contractor has complied with all standard provisions for City contracts.

FISCAL IMPACT STATEMENT

There is no additional impact to the General Fund associated with the recommendation in this report. The total maximum compensation amount will increase by \$180,000 from \$1,868,521 to \$2,048,521 to provide for a monthly maintenance fee of \$15,000. An amount of \$3.0 million was provided from the Development Services Trust Fund (Fund 58V) to the Los Angeles Fire Department (LAFD) Contractual Services and Office and Administrative accounts to fund this project. Approximately \$1.0 million of the original appropriation is currently available. Expenditures in excess of the appropriation will require appropriations from the General Fund.

FINANCIAL POLICIES STATEMENT

The action stated in this report is in compliance with the City's Financial Policies in that one-time revenues will be used to fund one-time expenditures.

RHL:SJ:04200113

Attachment

LOS ANGELES FIRE COMMISSION

BOARD OF
FIRE COMMISSIONERS

DELIA IBARRA
PRESIDENT

ANDREW GLAZIER
VICE PRESIDENT

JIMMY H. HARA, M.D.
REBECCA NINBURG
JIMMIE WOODS-GRAY

LETICIA GÓMEZ
COMMISSION EXECUTIVE ASSISTANT II



ERIC GARCETTI
Mayor

SUE STENGEL
INDEPENDENT ASSESSOR

EXECUTIVE OFFICE
200 NORTH MAIN STREET, SUITE 1840
LOS ANGELES, CA 90012

(213) 978-3838 PHONE
(213) 976-3814 FAX

January 22, 2020

Honorable Eric Garcetti
Mayor, City of Los Angeles
Room 303, City Hall
Attn: Legislative Coordinator

[BFC 20-002] – FIRST AMENDMENT TO AGREEMENT C-133394 WITH 3Di
INCORPORATED FOR SOFTWARE DEVELOPMENT AND SUPPORT

At its meeting of January 21, 2020, the Board of Fire Commissioners approved the report and its recommendations. The report is hereby transmitted to the Mayor for consideration and approval.

Should you need additional information, please contact the Board of Fire Commissioners' office at 213-978-3838.

Sincerely,

Leticia Gómez
Commission Executive Assistant II

Attachment

cc: Board of Fire Commissioners (without attachments)
Fire Chief Ralph M. Terrazas (without attachments)

APPROVED: 1/21/20
BOARD OF FIRE COMMISSIONERS
BY: *[Signature]*
COMMISSION EXECUTIVE ASSISTANT

January 21, 2020



LOS ANGELES FIRE DEPARTMENT

RALPH M. TERRAZAS
FIRE CHIEF

December 30, 2019

BOARD OF FIRE COMMISSIONERS
FILE NO. 20-002

TO: Board of Fire Commissioners

FROM: Ralph M. Terrazas, Fire Chief

SUBJECT: FIRST AMENDMENT TO AGREEMENT C-133394 WITH 3Di,
INCORPORATED FOR SOFTWARE DEVELOPMENT AND SUPPORT

FINAL ACTION:	<input checked="" type="checkbox"/> Approved	<input type="checkbox"/> Approved w/Corrections	<input type="checkbox"/> Withdrawn
	<input type="checkbox"/> Denied	<input type="checkbox"/> Received & Filed	<input type="checkbox"/> Other

SUMMARY

In April, 2015, the Mayor and City Council approved a joint report by several General Managers (Building and Safety, Engineering, Fire, Planning, Transportation) recommending development of "BuildLA," a unified system for development services, including a common architecture and infrastructure, common business applications, and common support tools (C.F. 15-0316). The common business application platform would streamline and improve the efficiency, transparency, and predictability of the review process.

The Los Angeles Fire Department (LAFD), Fire Prevention and Public Safety Bureau (FPB), has several different computer applications and systems (e.g., Fire Prevention Application; Fire Prevention Operating System; Vegetation Management System (VMS)) for managing its business processes. These applications and systems were developed in-house several years ago, are not based on a common platform, are not integrated, are very inefficient, and have extremely limited capabilities. For example, data cannot be migrated between systems, resulting in potential inconsistencies for such information as property and ownership. To enable the LAFD to initiate development of a Fire Inspection Management System (FIMS), the City Council appropriated \$3 million from the Development Services Trust Fund on June 12, 2017. An FIMS would be a component of and interface with BuildLA.

The VMS had been used by the FPB, Brush Clearance Unit to manage the approximately 165,000 annual inspections of properties located in the Very High Fire Hazard Severity Zone. In 2016, FPB purchased proprietary software from 3Di as a replacement to VMS, in anticipation of the older system no longer being supported. The new system provides enhanced capabilities, and improved the efficiency and accuracy of managing the various brush inspection tasks and processes. In addition to recording and maintaining data on the results of inspections, the application enables administrative tasks, such as sending out notices, creating administrative files, issuing citations, issuing invoices, managing the brush clearance contractor bid process, and managing the appeals process.

In March 2017, LAFD engaged 3Di for further development of its proprietary software to ensure the various aspects of the brush inspection process were completed efficiently, effectively and accurately. The necessary enhancements continued for the 2018 and 2019 brush clearance cycles. It was projected that the systems development requirements would be completed by February 2020.

The ongoing support of this highly specialized, proprietary software system is essential to public safety. The system must be continuously available in order for the LAFD to effectively manage the brush inspection program that is vital to maintaining public safety and reducing the risk of fires in these high fire hazard areas. In order to continue to perform these vital services in an uninterrupted manner, the LAFD determined that there was no suitable alternative available, so 3Di's services were retained to complete the final stages of development and continue support of the system.

On June 28, 2019, the LAFD entered into Agreement C-133394 with 3Di for software development and support. The contract term is for the period from March 1, 2017 through February 28, 2020, for a maximum compensation amount not to exceed \$1,868,521, for software development and maintenance, operations and support services regarding the LAFD's brush inspection program.

On October 16, 2019, the LAFD released Request for Proposals No. 2019-038-006 for an FIMS. Because a new contract for the FIMS will not be executed before February 28, 2020, the agreement with 3Di needs to be extended for one year, through February 28, 2021, in order to avoid a disruption in the maintenance, operations and support services. The compensation to 3Di will continue at \$15,000 per month, for an amount totaling \$180,000 during the one year extension, and for a maximum compensation not to exceed \$2,048,521.

The First Amendment has been reviewed and approved by the City Attorney as to legal form. Pursuant to Los Angeles City Charter Section 373, approval by the City Council is required.

RECOMMENDATIONS

That the Board:

1. Approve and authorize the Fire Chief to execute the First Amendment to Agreement C-133394 between the City and 3Di, Inc. to extend the term to provide the required hosting and maintenance services for one year, from March 1, 2017 through February 28, 2021, for a maximum compensation amount not to exceed \$2,048,521.
2. Transmit the First Amendment to Agreement C-133394 to the Mayor for approval in accordance with Executive Directive No. 3.

FISCAL IMPACT

There is no impact to the General Fund. Funding for this Agreement is available through an appropriation from the Construction Services Trust Fund.

Board report prepared by Scott Porter, Chief Information Officer, Information and Technology Bureau.

Attachment

**FIRST AMENDMENT TO AGREEMENT C-133394
BETWEEN
THE CITY OF LOS ANGELES
AND
3Di, INCORPORATED
FOR
SOFTWARE DEVELOPMENT AND SUPPORT**

THIS FIRST AMENDMENT to Agreement C-133394 (hereinafter referred to as "Agreement") is made and entered into by and between the City of Los Angeles, a municipal corporation (hereinafter referred to as "City"), acting by and through the Los Angeles Fire Department (hereinafter referred to as "Fire Department" or "LAFD"), and 3Di, Incorporated, a California corporation (hereinafter referred to as "Contractor"), with reference to the following:

WHEREAS, the LAFD, Fire Prevention Bureau (FPB) uses several different computer applications and other systems that are not based on a common platform for managing its various business processes; and

WHEREAS, the lack of integration of these systems results in, among other things, numerous inefficient processes and potential errors in identifying important data such as property and owner information, used by FPB personnel to effectively fulfill its fire prevention responsibilities; and

WHEREAS, development of an integrated Fire Inspection Management System (FIMS) to implement a common business application platform to support all current and future FPB inspection and enforcement activities and processes would address the deficiencies of the older disparate systems; and

WHEREAS, the implementation of a common business application platform is consistent with the objectives of the Citywide BuildLA Project adopted by Mayor and Council in April 2015 (C.F. 15-0316); and

WHEREAS, the Brush Clearance Unit (BCU) performs approximately 165,000 annual inspections of properties located in the Very High Fire Hazard Severity Zone (VHFHSZ); and

WHEREAS, in 2016, the LAFD purchased from Contractor proprietary software to enhance the capabilities, efficiency and accuracy of brush inspection processes in anticipation of the aging in-house systems no longer being supported; and

WHEREAS, the LAFD depends on the use of this highly customized software system to complete these inspections and to perform the required administrative tasks associated with managing these inspection programs such as sending notices, creating

administrative files, issuing citations, issuing invoices, managing the brush clearance contractor bidding process, and managing the appeals process; and

WHEREAS, this brush inspection system will be integrated into and interface with an FIMS and the Citwide BuildLA application platform; and

WHEREAS, the LAFD depends on the continued availability and ongoing support of this highly specialized, proprietary software in order to manage these inspection programs that are vital to maintaining public safety and reducing the risk of fires in these high fire hazard areas; and

WHEREAS, the LAFD identified the need for further software development services by Contractor to ensure the effective, efficient and accurate completion of the 2017, 2018 and 2019 brush inspection processes; and

WHEREAS, the Contractor is a professional services and software development company with over 20 years of experience developing software of similar size and complexity for other City departments and other municipalities located throughout the U.S.; and

WHEREAS, pursuant to Charter Section 1022, the City has found that this service can be performed more economically or feasibly by an independent contractor than by City employees; and

WHEREAS, the City has determined the Contractor's services must be retained for an appropriate term and compensation amount to reflect the complexities in developing and implementing the required Fire Prevention Bureau systems; and

WHEREAS, a threat to public safety exists if there is a disruption in services currently provided for by Contractor; and

WHEREAS, it is not reasonably practicable or in the City's interest to contract with another vendor at this time due to the possibility of a disruption in services and significant risk to public safety; and

WHEREAS, on June 28, 2019, the City and Contractor entered into Agreement C-133394, for software development and support, from March 1, 2017 through February 28, 2020, and for a maximum compensation amount not to exceed \$1,868,521; and

WHEREAS, on October 16, 2019, the LAFD released RFP No. 2019-038-006 for an FIMS, but because a new contract for the FIMS will not be approved and executed before February 28, 2020, the Agreement with the Contractor needs to be extended in order to avoid a disruption in services currently provided by the Contractor; and

WHEREAS, the parties now desire in this First Amendment to extend the term of Agreement C-133394 from March 1, 2017 through February 28, 2021, with the cost of the maintenance, operations and support continuing at \$15,000 per month, for a maximum compensation amount for this Agreement not to exceed \$2,048,521.

NOW, THEREFORE, in consideration of the promises, representations, covenants and agreements provided below, the parties agree as follows:

1. TIME OF PERFORMANCE

Section 3.1, Time of Performance, is hereby amended to read as follows:

The term of the Agreement shall commence as of the date of execution by all parties, and shall end no later than February 28, 2021, subject to the termination provisions herein.

2. RATIFICATION

Section 3.2, Ratification, is hereby amended to add the following:

To the extent that the Contractor may have provided services prior to the execution of this Agreement at the City's request and due to the immediate needs of the LAFD, the City hereby ratifies and accepts those services performed in accordance with the terms and conditions of this Agreement.

Except as amended by this FIRST AMENDMENT, all other provisions of Agreement C-133394 shall remain in full force and effect.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective duly authorized representatives.

THE CITY OF LOS ANGELES

3Di, Inc., a California Corporation

By: _____
Ralph M. Terrazas
Fire Chief

By*: _____
Mihir Desai
Vice President

Date: _____

Date: _____

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

By**: _____

Name: _____

By: _____
Samuel Petty
Deputy City Attorney

Title: _____

Date: _____

Date: _____

ATTEST:
HOLLY L. WOLCOTT, City Clerk

By: _____
Deputy City Clerk

Date: _____

NOTE: If Contractor is a corporation, two signatures are required.

* The signature of President, Chairman of the Board, or Vice President is required here; and

** an additional signature of Secretary, Assistant Secretary, Chief Financial Officer, or Assistant Treasurer is also required for the Corporation.

City Agreement Number: C-133394-1