

W
8/7

ADMINISTRATIVE EXEMPTION and INNOVATION, GRANTS, TECHNOLOGY, COMMERCE, AND TRADE COMMITTEE REPORT relative to the third amendment to the agreement with Microsoft Corporation (Microsoft) to provide product support and consulting services for the Los Angeles Harbor Department (LAHD).

Recommendations for Council action:

1. ADOPT the determination by the Los Angeles Harbor Department (LAHD) that the proposed action is exempt under the California Environmental Quality Act (CEQA) as provided in Article II, Section 2(f) of the Los Angeles City CEQA Guidelines.
2. APPROVE the LAHD Resolution No. 16-7938 authorizing Agreement No. 16-2903-C with Microsoft.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that approval of the proposed third amendment to the agreement between the LAHD and Microsoft will extend the existing agreement by three additional years, for a total contract term of nine years, with no change in the current compensation amount of \$1,492,027. All other remaining terms and conditions of the agreement will remain in effect. Approval of the proposed amendment complies with the LAHD's adopted Financial Policies and the proposed resolution will not impact the City's General Fund.

Community Impact Statement: None submitted.

TIME LIMIT FILE – SEPTEMBER 5, 2016

(LAST DAY FOR COUNCIL ACTION – SEPTEMBER 2, 2016)

SUMMARY

At the meeting held on August 2, 2016, your Innovation, Grants, Technology, Commerce and Trade Committee considered a LAHD transmittal relative to approval of Resolution No. 16-7938 authorizing the third amendment to sole-source Agreement No. 10-2903 with Microsoft to continue providing support and consulting services for all Microsoft products used by the LAHD. The CAO reports that the existing agreement with Microsoft is a sole-source agreement because the software and products are proprietary and can only be serviced by Microsoft. The LAHD states that these services are required to maintain and maximize the computing environment of the LAHD, which currently relies on Microsoft technology for its on-going operations. The proposed third amendment will extend the existing agreement by three additional years, for a total contract term of nine years, with no change in the total compensation amount of \$1,492,027. All remaining terms and conditions of the agreement will remain in full force and effect. In accordance with Charter Section 373, and the Los Angeles Administrative Code Section 10.5, Council approval is required for long term contracts that exceed three years. An opportunity for public comment was held. After a brief discussion, the Committee moved to approve the recommendations contained in the transmittal. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

INNOVATION, GRANTS, TECHNOLOGY, COMMERCE, AND TRADE COMMITTEE

A handwritten signature in blue ink, appearing to read "Ed Blumenthal", is written over the printed name.

<u>MEMBER</u>	<u>VOTE</u>
BLUMENFIELD:	YES
BONIN:	YES
KREKORIAN:	YES
BUSCAINO:	YES
MARTINEZ:	YES

ME

-NOT OFFICIAL UNTIL COUNCIL ACTS-