

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

0150-08813-0009

Date: November 7, 2012

To: Honorable Members of the City Council

From: The Information Technology Oversight Committee

Miguel A. Santana, City Administrative Officer, Chair

Gerry F. Miller, Chief Legislative Analyst

Monique Earl, Office of the Mayor

Subject: **CITY CONTRACT C-116359 WITH THE COMPUTER SCIENCES CORPORATION FOR E-MAIL SERVICES – PROPOSED AMENDMENTS****SUMMARY**

On September 14, 2012, the Information Technology Oversight Committee (ITOC) favorably considered a request from the Information Technology Agency (ITA) to execute Amendment No. 3 to City Contract C-116359 with the Computer Sciences Corporation (CSC) for the Software as a Service (SAAS) E-mail and Collaboration Solution (SECS) using the Google, Inc. (Google) platform (Contract). The City currently has access to 17,490 user accounts for Google e-mail, calendaring, and shared documents through this Contract. The current Contract has a term of three years with two one-year renewal options. The initial three-year term of the Contract expires on November 19, 2012. The requested Amendment No. 3 would exercise the first of the two one-year renewal options and extend the term of the Contract by one year through November 19, 2013. The requested Amendment No. 3 will not substantively alter any other Contract provisions, including the Contract maximum compensation which will remain at an amount not to exceed \$7.25 million.

Additionally, the ITOC concurred with a request from ITA to seek Council approval to exercise the second one-year renewal option, which would extend the term of the Contract through November 19, 2014. It is, therefore, recommended that ITA be authorized to negotiate and execute a subsequent amendment to the Contract, which would exercise this additional renewal option for a total overall Contract term of five years, subject to the availability of budgeted funds and the prior approval of the ITOC. Should that proposed amendment contain any substantive changes, Council approval will still be required.

CURRENT CONTRACT

In January 2009, ITA released a Request for Proposals (RFP) seeking proposals for an e-mail system and collaboration tools offered in an SAAS model. Under an SAAS model, which is a type of cloud computing, the software and associated data is hosted centrally at a remote location and accessed via a web browser. Following an evaluation of the 15 proposals submitted in response to the RFP, ITA recommended the selection of CSC, utilizing Google Apps Premier Edition (Google E-mail), as the most qualified bidder in response to the RFP. On

October 27, 2009, the Council approved a request from ITA to execute the Contract with CSC to replace the City's Novell GroupWise e-mail system with Google E-mail (C.F. 09-1714). ITA executed the Contract, along with subsequent amendments and addenda to the Contract as follows:

- Original Contract: The original Contract with CSC was executed in November 2009 for a term of three years with two one-year renewal options and total compensation not to exceed \$7.25 million.
- Addendum No. 1: The First Addendum to the Contract was executed with Google and CSC in August 2010. While this single document is entitled Addendum to City Contract No. C-116359, it is also referred to jointly as Amendment No. 1. Addendum No. 1 addressed the inability of City law enforcement users, including the Los Angeles Police Department (LAPD), to transition to Google E-mail due to Federal Bureau of Investigation (FBI) Criminal Justice Information Services Division (CJIS) security requirements. It, therefore, delineated these requirements, outlined a schedule for LAPD transition to Google E-mail, and required Google to reimburse the City for GroupWise licenses costs incurred due to delayed implementation.
- Amendment No. 2 and Addendum No. 2: Two documents, a Second Amendment and a separate Second Addendum, were both executed in April 2012. These documents were needed because it was determined that CJIS regulations were not compatible with cloud computing and therefore law enforcement users could not migrate to Google E-mail. The Second Amendment was executed with CSC, and formalized the agreement that law enforcement users would not migrate to Google E-mail under the Contract with CSC. Since that action reduced the overall number of potential City users, which would in turn have increased the price per user, the Second Amendment applied the discounted volume pricing of \$41.99 per year per user account (provided under the Contract for 30,000 users), as long as the City maintains a minimum of 15,300 user accounts. The Second Addendum was executed with Google, and requires Google to reimburse the City for the actual costs of GroupWise licenses for law enforcement users up to \$350,000 per year throughout the term of the Contract, including all extensions.

The original Contract was executed with maximum compensation of \$7.25 million. To date, the City has expended a total of \$2.35 million through the Contract, including \$356,000 for system implementation costs and slightly less than \$2.0 million for user account fees. In accordance with the provisions of Addenda Nos. 1 and 2, Google has reimbursed the City for actual GroupWise license costs incurred for law enforcement users since July 1, 2010. Thus far, the City has received a total of \$575,411 in reimbursement during fiscal years 2010-11 and 2011-12.

PROPOSED AMENDMENTS

The proposed Amendment No. 3 to the Contract would exercise the first of the two one-year renewal options, extending the term of the Contract by one year for a revised term effective four years from November 20, 2009 through November 19, 2013. The remaining terms and conditions of the Contract, including the Amendment and Addenda, will remain in place. Therefore, law enforcement users will not transition to Google E-mail, and Google will continue to reimburse the City for actual law enforcement user GroupWise license costs. A total of \$300,000 in anticipated revenue associated with this reimbursement is included in the

2012-13 Adopted Budget and is anticipated to be received. According to ITA, LAPD recently invoiced Google \$298,352 for the 2012-13 reimbursement.

As user accounts are \$41.99 per year each, it is anticipated that the City will expend approximately \$735,000 in 2012-13 under the proposed Amendment No. 3 for the current 17,490 Google E-mail user accounts. The 2012-13 Adopted Budget includes an appropriation of \$755,820 within ITA's Contractual Services Account to fund Citywide Google E-mail user accounts. Therefore, there are sufficient budgeted funds to support the anticipated expenditures under the proposed Amendment No. 3.

Charter Section 1022 does not apply to the proposed Amendment No. 3 as there is no discernible labor component associated with the provision of Google E-mail user accounts. CSC has complied with all applicable contracting requirements, including the Affirmative Action Program, the Equal Benefits Ordinance, the Contractor Responsibility Ordinance, First Source Hiring Ordinance, and the Slavery Disclosure Ordinance. In accordance with Los Angeles Administrative Code Section 10.5(a), Council approval of the proposed Amendment No. 3 is required because the Contract exceeds three years in term and the annual expenditure on the Contract exceeds \$137,319.

In addition to the proposed Amendment No. 3, ITOC further recommends approval of ITA's request to exercise the final one-year renewal option, which would increase the Contract to a total term of five years effective through November 19, 2014. In order to exercise the final renewal option, ITA would need to execute a subsequent amendment to the Contract to extend the term. ITA is requesting that the Council approve this amendment now, subject to the prior approval of the ITOC and the availability of budgeted funds. ITA anticipates reporting to the ITOC in December 2012 regarding the future of the City's e-mail services, including a discussion relative to a new competitive procurement process for e-mail services.

RECOMMENDATIONS

That the City Council:

1. Approve and authorize the interim General Manager of the Information Technology Agency (ITA), or designee, to execute Amendment No. 3 to City Contract No. C-116359 with the Computer Sciences Corporation (CSC) for the Software as a Services E-mail and Collaboration Solution (SECS), in order to exercise the first of the two one-year renewal options provided within the Contract, for a revised term effective four years from November 20, 2009 through November 19, 2013, subject to the approval of the City Attorney; and
2. Approve and authorize the General Manager of ITA, or designee, to negotiate and execute an amendment to City Contract No. C-116359 with CSC for SECS, in order to exercise the second of the two one-year renewal options provided within the Contract, for a revised term effective five years from November 20, 2009 through November 19, 2014, subject to the availability of budgeted funds and the prior approval of the Information Technology Oversight Committee and the City Attorney.

FISCAL IMPACT STATEMENT

Approval of the recommendations of this report will allow the Information Technology Agency (ITA) to execute Amendment No. 3 to City Contract No. C-116359 with the Computer Sciences Corporation (CSC) for the Software as a Services E-mail and Collaboration Solution (SECS) in order to extend the term of the Contract through November 19, 2013. Anticipated Contract expenditures during the term of the Amendment No. 3 are \$735,000. The 2012-13 Adopted Budget includes an appropriation of \$755,820 within ITA's Contractual Services Account for this Contract. Therefore, the proposed Amendment No. 3 is in compliance with the City's Financial Policies as budgeted funds are available to fund anticipated Contract expenditures. Approval of the recommendations of this report will also allow ITA to execute a subsequent amendment to the Contract in order to extend the term of the Contract through November 19, 2014. As this additional amendment will be subject to the availability of budgeted funds, approval of this recommendation is also in compliance with the City's Financial Policies.

Attachment: Draft Amendment No. 3 to City Contract C-116359 with the Computer Sciences Corporation

MAS:MAF:13110005c

THIRD AMENDMENT TO CONTRACT C-116359

Between

CITY OF LOS ANGELES

and

COMPUTER SCIENCES CORPORATION

For the SAAS E-Mail & Collaboration Solution (SECS)

This **Third Amendment** to Contract C-116359 is made and entered into between the City of Los Angeles, a municipal corporation ("**City**"), and Computer Sciences Corporation, a Nevada corporation ("**CSC**" or "**Contractor**").

WITNESSETH:

WHEREAS, the City, on or about November 20, 2009 entered into Contract C-116359 with CSC for the implementation of Google Apps Premier Edition ("**Contract**");

WHEREAS, on April 20, 2012, the City and CSC entered into the Second Amendment and Addendum No. 2 to include certain required additional changes and modifications to the Contract;

WHEREAS, the City desires to amend Contract C-116359 by exercising the right to extend the Contract one additional year from November 20, 2012 through November 19, 2013, and to grant the Information Technology Agency General Manager, or his designee, the right to extend the Contract an additional year from November 20, 2013 through November 19, 2014 subject to certain limitations.

NOW THEREFORE, in consideration of the promises and covenants set forth in this Third Amendment, it is mutually agreed that the Contract be amended as follows:

1. **Section 6. PERIOD OF PERFORMANCE** is hereby deleted in its entirety and the following substituted in its place:

Section 6. PERIOD OF PERFORMANCE. The term of this Contract shall commence on the date the Contract is fully executed in conformance with Appendix A, PSC-4 ("**Effective Date**"), and shall terminate four (4) years there from, or at such time as all funding provided herein has been expended, whichever occurs first. This Contract shall be subject to termination by the City if funds are not appropriated for these services in the ensuing fiscal years that commence each on July 1 of each calendar year. The Information Technology Agency General Manager, or his designee, may extend the term of the Contract one (1) additional year, no earlier than sixty (60) days before the end of the

fourth year of the Contract if it is determined to be in the interest of the City. Any such extension shall be reflected in an amendment to the Contract executed by the parties.

2. Due to the City's requirement for Contractor's services to be provided continuously on an ongoing basis, Contractor may have provided services prior to the execution of this Third Amendment. To the extent that said services were performed in accordance with the terms and conditions of this Third Amendment, those services are hereby ratified.
3. Unless otherwise exempt in accordance with the provisions of this Ordinance, this Contract is subject to the applicable provisions of the First Source Hiring Ordinance (FSHO), Section 10.44 et seq. of the Los Angeles Administrative Code, as amended from time to time.
 1. CONTRACTOR/CONSULTANT shall, prior to the execution of the contract, provide to the DAA a list of anticipated employment opportunities that CONTRACTOR/CONSULTANT estimates it will need to fill in order to perform the services under the Contract. The Department of Public Works Office of Contract Compliance is the Designated Administrative Agency (DAA).
 2. CONTRACTOR/CONSULTANT further pledges that, during the term of the Contract, it shall: a) At least seven (7) business days prior to making an announcement of a specific employment opportunity, provide notifications of that employment opportunity to the Community Development Department (CDD), which will refer individuals for interview; b) Interview qualified individuals referred by CDD; and c) Prior to filling any employment opportunity, the CONTRACTOR/CONSULTANT shall inform the DAA of the names of the Referral Resources used, the names of the individuals referred, the names of the referred individuals which the CONTRACTOR/CONSULTANT interviewed, and the reasons why referred individuals were not hired.
 3. Any Subcontract entered into by the CONTRACTOR/CONSULTANT relating to this Agreement, to the extent allowed hereunder, shall be subject to the provisions of FSHO, and shall incorporate the FSHO.
 4. CONTRACTOR/CONSULTANT shall comply with all rules, regulations and policies promulgated by the designated administrative agency, which may be amended from time to time.

Where under the provisions of Section 10.44.13 of the Los Angeles Administrative Code, the designated administrative agency has determined that

the CONTRACTOR/CONSULTANT intentionally violated or used hiring practices for the purpose of avoiding the article, the determination must be documented in the Awarding Authority's Contractor Evaluation, required under Los Angeles Administrative Code Section 10.39 et seq., and must be documented in each of the Contractor's subsequent Contractor Responsibility Questionnaires submitted under Los Angeles Administrative Code Section 10.40 et seq. This measure does not limit the City's authority to act under this article.

Under the provisions of Section 10.44.8 of the Los Angeles Administrative Code, the Awarding Authority shall, under appropriate circumstances, terminate this contract and otherwise pursue legal remedies that may be available if the designated administrative agency determines that the subject CONTRACTOR/CONSULTANT has violated provisions of the FSHO.

4. The following Key Personnel changes shall be made to the City and CSC, respectively, to Contract:
 - * Reference to City Representative in Section 9.3 shall be deleted in its entirety and replaced with: Mark Wolf, Executive Officer, 213-978-3311, Mark.Wolf@lacity.org.
 - * Reference to City's Project Manager in Section 9.4 shall be deleted in its entirety and replaced with: Greg Steinmehl, Interim Assistant General Manager, 213-922-7793, Greg.Steinmehl@lacity.org.
 - * Reference to Contractor Representative in Section 9.2 shall be deleted in its entirety and replaced with: Mike Gaffney, President, NPS Civil Group, 703-641-2213, mgaffney@csc.com.
 - * Reference to List of Key Personnel in Appendix G dated November 10, 2008 shall be deleted in its entirety and replaced with List of Key Personnel Appendix G dated September 14, 2012.

5. Except as amended by this Third Amendment., all other terms and conditions of Contract C-116359, and all prior amendments and addenda are incorporated by reference, and shall remain in full force and effect.

IN WITNESS THEREOF, the parties to the Contract have caused this instrument to be signed by their respective duly authorized representatives:

APPROVED AS TO FORM:
Carmen A. Trutanich, City Attorney

CITY OF LOS ANGELES

By: _____
Laurel L. Lightner
Assistant City Attorney

Gary Lee Moore, P.E.
Interim General Manager
Information Technology Agency

Date: _____

Date: _____

ATTEST: June Lagmay
City Clerk

Computer Sciences Corporation (CSC)

By: _____

Signature

Date: _____

Printed Name

Title

Date

Appendix G
List of Key Personnel

Appendix G List of Key Personnel

A. City of Los Angeles

1. During Implementation:

- 1) Randi Levin, General Manager & CTO
Contract Owner
213-978-3311
Randi.levin@lacity.org
- 2) Kevin Crawford, Assistant General Manager
City Representative for SECS Contract
213-978-3311
Kevin.Crawford@LACity.org
- 3) Maryam Abbassi, Information Services Mgr II
PMO, Director
213-473-9797
Maryam.Abbassi@lacity.org
- 4) Emilia Yanez, Information Services Manager I
SECS Project Manager
213-922-8379
Emilia.Yanez@lacity.org

2. Post Implementation:

- 1) Mark Wolf, Executive Officer
Contract Owner
213-978-3311
Mark.Wolf@lacity.org
- 2) Greg Steinmehl, Interim Assistant General Manager
City Representative for SECS Contract
213-922-7793
Greg.Steinmehl@lacity.org
- 3) Will Taylor, Systems Programmer III
Help Desk Manager
213-978-2855
Will.Taylor@lacity.org

3. Catalog

- 1) Greg Steinmehl, Interim Assistant General Manager
City Representative for SECS Contract
213-922-7793
Greg.Steinmehl@LACity.org

- 2) Laura Ito, Chief Management Analyst
Finance, Director
213-978-3322
Laura.Ito@LACity.org

B. CSC

1. During Implementation:

- 1) Mike Gaffney
President, NPS Civil Group
703-641-2213
mgaffney@csc.com

- 2) Annita McDonald
Project Manager
760-466-7244
azippill@csc.com

- 3) Paul G. Griffin
Senior Principal Contracts Administrator
301-921-3499
pgriffin@csc.com

2. Post Implementation:

- 1) Mike Gaffney
President, NPS Civil Group
703-641-2213
mgaffney@csc.com

- 2) Annita McDonald
Project Manager
760-466-7244
azippill@csc.com

- 3) Paul G. Griffin
Senior Principal Contracts Administrator
301-921-3499
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3 Catalog

- 1) Mike Gaffney
President, NPS Civil Group
703-641-2213
mgaffney@csc.com

- 2) Annita McDonald
Project Manager
760-466-7244
azippill@csc.com

- 3) Paul G. Griffin
Senior Principal Contracts Administrator
301-921-3499
pgriffin@csc.com

- 4) Jim Selwood
Solutions Development Division, Government Business Systems
Account Executive
301-921-3151
jselwood@csc.com

C. Operational Escalation

1. **Operational Escalations will be pursuant to agreed to Service Level Agreements and escalation lists exchanged between City and Contractor, with no less than 3 escalation levels.**