

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: December 30, 2014

CAO File No. 0220-04432-0005
Council File No. 08-2043
Council District: --

To: The Mayor
The Council

From: Miguel A. Santana, City Administrative Officer *MS*

Reference: Board of Police Commissioners reports dated November 4, 2014 and November 18, 2014; referred for report December 3, 2014.

Subject: **FIFTH AND SIXTH AMENDMENTS TO CONTRACT NO. 114355 RELATIVE TO THE LOS ANGELES POLICE DEPARTMENT ALARM AND PERMIT MANAGEMENT SYSTEM**

SUMMARY

The Los Angeles Police Department (LAPD) is requesting authority to execute two Amendments to the professional services agreement with Motorola Solutions, Inc. (Contractor) No. C-114355 for the purpose of adding funding for annual maintenance costs (\$726,903) and upgrades (\$353,948) for the Alarm and Permit Management System (APMS). The Board of Police Commissioners approved and forwarded the amendments to the Mayor in transmittals dated November 4, 2014 and November 18, 2014 (Attachment I and II). The proposed Amendments would increase the total value of the contract to \$3,747,924; however, the term of the contract would remain unchanged (August 28, 2008 to April 30, 2017).

BACKGROUND

The APMS facilitates the billing of false alarm incidents, the processing of invoices, and the transmission of billing and collection information to the Office of Finance. The LAPD, Office of Finance, and the Information Technology Agency selected the APMS contractor in September 2007, executed the contract in August 2008, and the APMS was successfully implemented in June 2009. The LAPD reports satisfactory performance by the Contractor and the APMS is meeting the goals established in the APMS Request for Proposals: Improving permitting and billing functionality and collections for false alarms.

The proposed Fifth Amendment to Contract No. 114355 would add \$726,903 for APMS maintenance costs for the period of August 2014 through April 2017:

August 2014 – April 2015	May 2015 – April 2016	May 2016 – April 2017	Total
\$189,400	\$263,835	\$273,668	\$726,903

Funding for this Amendment is available in the Department's Contractual Services account from previously budgeted General Fund appropriations. This Amendment will increase the value of the

contract from \$2,667,073 to \$3,393,976, and define maintenance requirements from August 2014 through April 2017. No other changes to the contract provisions will be made.

The proposed Sixth Amendment would add an additional \$353,948 to the contract for enhancements to the APMS, including but not limited to: 1) Upgrading to the latest .NET version of the software, enabling it to operate in the Windows 7 and 8 operating system environments; 2) facilitating online payment of false alarm fees by the public; 3) various management upgrades to improve reporting and correspondence functions; and, 4) provide additional software licenses. Funding for this Amendment is available in the Department's Contractual Services account from previously budgeted General Fund appropriations. If the proposed Fifth Amendment discussed above is approved, this Sixth Amendment will increase the value of the contract from \$3,393,976 to \$3,747,924 and define the increased scope of services for the APMS upgrades.

The City Attorney has opined that the APMS system is a proprietary software system for which the City does not have the legal right to open the system code to third parties. For this reason, the maintenance and upgrade work to implement enhancements to the APMS must be performed by Motorola and/or its subcontractor, Public Safety Corporation, and cannot be subject to a competitive bidding process. City Council approval of the Amendments is required because the compensation exceeds \$137,319 annually. Additionally, a Charter Section 1022 determination was not required for this contract, as the product being purchased is proprietary software.

RECOMMENDATIONS

That the Mayor authorize the Chief of Police, or designee, to:

1. Negotiate and execute a Fifth Amendment to the professional services agreement with Motorola Solutions, Inc. (C-114355) for maintenance of the Alarm and Permit Management System (APMS) from August 2014 through April 2017, adding \$726,903 for a new total contract value of \$3,393,976, subject to the review and approval by the City Attorney as to form and legality; and,
2. Negotiate and execute a Sixth Amendment to the professional services agreement with Motorola Solutions, Inc. (C-114355) for the enhancement of the APMS, adding \$353,948 for a new aggregate total contract value of \$3,747,924, subject to the review and approval by the City Attorney as to form and legality.

FISCAL IMPACT STATEMENT

There will be no impact to the General Fund since funding for the Fifth and Sixth Amendments to Contract No. 114355 will be provided from previously budgeted General Fund appropriations. Approval of this contract complies with the City's Financial Policies in that all one-time expenses are funded through one-time appropriations.

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Attachments