



COUNTY OF LOS ANGELES

CHIEF INFORMATION OFFICE

Los Angeles World Trade Center
350 South Figueroa Street, Suite 188
Los Angeles, CA 90017

RICHARD SANCHEZ
CHIEF INFORMATION OFFICER

Telephone: (213) 253-5600
Facsimile: (213) 633-4733

August 23, 2011

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

14 August 23, 2011

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

APPROVAL OF AMENDMENT NUMBER THREE TO COUNTY MASTER SERVICES AGREEMENT NUMBER 75869 WITH INTERNATIONAL BUSINESS MACHINES CORPORATION

**CIO RECOMMENDATION: APPROVE (X) APPROVE WITH MODIFICATION ()
DISAPPROVE ()**

SUBJECT

The Chief Information Office requests approval of Amendment Number Three to Master Services Agreement Number 75869 with International Business Machines Corporation to exercise the second option to extend the term for two years through September 5, 2013.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Mayor of the Board to sign the attached Amendment Number Three to Master Services Agreement (MSA) Number 75869 with International Business Machines Corporation (IBM) extending the term of the MSA from September 5, 2011 to September 5, 2013.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this action is to approve the attached Amendment Number Three to the IBM MSA which will extend the term for two years through September 5, 2013. This action will provide County departments with continued access to IBM professional and consulting services under the IBM MSA.

On September 5, 2006, your Board approved the IBM MSA with an initial three year term and two (2)

two-year extensions upon mutual agreement of the parties. The total amount authorized for expenditure under the IBM MSA is not to exceed \$4,000,000 per year.

On September 18, 2007, your Board approved Amendment Number One increasing the annual maximum contract sum by \$3,000,000 to \$7,000,000 for calendar year 2007 to accommodate departmental demand for IBM professional and consulting services.

On August 25, 2009, your Board approved Amendment Number Two to the IBM MSA to exercise the first option to extend the term for two years from September 5, 2009 through September 5, 2011.

IBM MSA provides a structure that streamlines the acquisition process for highly-skilled IBM technical services. These technical resources assist with the planning and implementation of IBM technologies, enable timely problem resolution, and ensure that IBM product capabilities are maximized.

County department engagements under the IBM MSA are executed through a Work Order (WO) process. Your Board authorizes all departmental WO's exceeding \$300,000. Since January 1, 2007, 30 WO's were issued under the IBM MSA with a total value of \$10,843,998.

Implementation of Strategic Plan Goals

The recommended action supports the County's Strategic Plan Goal Number 1: Organizational Effectiveness. The Agreement offers the flexibility necessary to meet varied departmental needs while providing a structure for acquiring desired services through a streamlined acquisition process that is standard across the entire enterprise.

FISCAL IMPACT/FINANCING

By approving Amendment Number Three, County departments will continue to have the ability to acquire IBM technical services under WO's, which are governed by the terms and conditions set forth in the IBM MSA. Funding for individual WO's will continue to be obtained from departmental budgets. The administrative provisions of the IBM MSA require confirmation that department funding is available before each individual WO is executed.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Amendment Number Three has been approved as to form by County Counsel. All existing terms and conditions of the IBM MSA, including information technology provisions, will continue to apply following execution of the Amendment.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of Amendment Number Three will provide County departments with continued access to IBM professional and technical resources. There will be no impact upon, or interruption of, the current services being provided to County departments by IBM.

CONCLUSION

Upon approval by your Board, it is requested that the Executive Officer of the Board return one (1) adopted stamped copy of the Board letter and three (3) executed copies of Amendment Number Three to the Chief Information Office for further processing.

Respectfully submitted,

A handwritten signature in black ink that reads "Richard Sanchez". The signature is written in a cursive, flowing style with a long horizontal stroke at the end.

RICHARD SANCHEZ
Chief Information Officer

RS:GM:GF:pg

Enclosures

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors

AMENDMENT NUMBER THREE

TO

MASTER SERVICES AGREEMENT

BY AND BETWEEN

THE COUNTY OF LOS ANGELES

AND

INTERNATIONAL BUSINESS MACHINES CORPORATION

FOR

INFORMATION TECHNOLOGY SERVICES

75869 Supplement No. 3

AMENDMENT NUMBER THREE TO
MASTER SERVICES AGREEMENT BY AND BETWEEN
THE COUNTY OF LOS ANGELES AND
INTERNATIONAL BUSINESS MACHINES CORPORATION FOR
INFORMATION TECHNOLOGY SERVICES

This Amendment Number Three to Master Services Agreement ("Amendment No. 3") is entered into as of September 5, 2011 by and between the County of Los Angeles, a political subdivision of the State of California ("County") and International Business Machines Corporation, a New York corporation ("Contractor"), with reference to the following facts:

Recitals

A. County and Contractor entered into that certain Master Services Agreement for Information Technology Services (the "Agreement") which was approved by County's Board of Supervisors on September 5, 2006.

B. On September 18, 2007 the Agreement was amended pursuant to that certain Amendment No. 1 to increase the maximum contract sum under the Agreement.

C. On August 25, 2009, the Agreement was further amended pursuant to that certain Amendment No. 2 to exercise the first two-year Extended Term as provided for under Paragraph 11.12.2 of the Agreement.

D. The parties now wish to further amend the Agreement under this Amendment No. 3 in order to provide for a further extension of the term of the Agreement.

NOW, THEREFORE, pursuant to Paragraph 10 (Change Notices and Amendments) of the Agreement, County and Contractor hereby agree to amend the Agreement as follows:

1. County and Contractor hereby mutually agree to extend the Term of the Agreement by the exercise of the second two-year Extended Term as provided for under Paragraph 11.1 of the Agreement.
2. In all other respects, the Agreement, as amended under Amendment No. 1, Amendment No. 2 and this Amendment No. 3, shall remain in full force and effect.

SIGNATURES ON FOLLOWING PAGE

**AMENDMENT NUMBER THREE TO
MASTER SERVICES AGREEMENT FOR
INFORMATION TECHNOLOGY SERVICES**

IN WITNESS WHEREOF, the Los Angeles County Board of Supervisors has caused this Amendment Number Three to be subscribed by its Mayor and the seal of such Board to be hereto affixed and attested by the Executive Officer-Clerk thereof, and Contractor has caused this Amendment Number Three to be subscribed in its behalf by its authorized officer, effective as of the date approved by such Board.

COUNTY OF LOS ANGELES

By *Mike Antonovich*
MICHAEL D. ANTONOVICH
Mayor, Board of Supervisors

ATTEST:
SACHI HAMAI
Executive Officer-Clerk
Los Angeles County
Board of Supervisors



I hereby certify that pursuant to
Section 25103 of the Government Code,
delivery of this document has been made.

SACHI A. HAMAI
Executive Officer
Clerk of the Board of Supervisors

By *Sachelle Smitherman*
Deputy
AUG 23 2011

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Deputy
AUG 23 2011

INTERNATIONAL BUSINESS
MACHINES CORPORATION
Contractor

Signed: *Deborah A. Lis*
Printed: Deborah A. Lis
Title: Client Executive

APPROVED AS TO FORM:

ANDREA SHERIDAN ORDIN
County Counsel

By *[Signature]*
José Silva
Principal Deputy County Counsel

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

14 AUG 23 2011

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

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