

RESOLUTION NO. RES-23-0119

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT, AND ANY NECESSARY DOCUMENTS INCLUDING ANY NECESSARY AMENDMENTS, WITH KYNDRYL HOLDINGS, INC., OF NEW YORK, NY, WITHOUT ADVERTISING FOR BIDS FOR THE TRANSITION OF THE CITY'S IN-HOUSE MAINFRAME SYSTEMS TO A HOSTED MAINFRAME SERVICE, IN AN ANNUAL AMOUNT NOT TO EXCEED \$1,841,772 AND A ONE-TIME COST OF \$101,549

WHEREAS, City Council approval is requested to enter into a contract with Kyndryl Holdings, Inc., to provide hosting services for the transition of the City's in-house mainframe systems to a hosted mainframe for City applications; and

WHEREAS, in 2008, the City purchased the existing mainframe from IBM to host large enterprise systems; and

WHEREAS, today the mainframe hosts the critical applications used to manage business functions of Budget (BPREP), HR/Payroll, and Labor Distribution; and

WHEREAS, the current mainframe hardware is at risk of physical failure due to its age and complexity of maintenance, as well as being out of support with IBM since 2016; and

WHEREAS, the Technology and Innovation Department (TID) has leveraged a best effort contract via a third-party company for support of the mainframe; and

WHEREAS; as part of the LBCOAST Phase 2 project, the mainframe applications and services were planned to be transitioned from the existing mainframe

1 and onto more modern computing platforms; and

2 WHEREAS, with the LBCOAST Phase 2 project delayed for several years
3 as discussed in a January 30, 2023 memo to City Council, stabilization of mainframe
4 applications is a critical City priority; and

5 WHEREAS, it is necessary to mitigate any potential mainframe risk to
6 ensure availability of these critical applications; and

7 WHEREAS, after careful analysis, it was determined that the best course of
8 action is to transition all mainframe workloads to a cloud-hosted mainframe environment
9 rather than investing in acquiring new mainframe hardware and upgrading the
10 applications for compatibility; and

11 WHEREAS, As part of the due diligence process to identify cloud-hosted
12 mainframe solutions, TID identified three foundational requirements needed for hosting
13 the City's mainframe applications: 1) The new hosted environment must support the
14 existing mainframe operating system and applications without an upgrade requirement.
15 2) The hosted solution must be compatible with our existing mainframe disaster recovery
16 solution, Kyndryl. 3) The hosting partner must have the ability to supplement mainframe
17 staffing support, if needed.

18 WHEREAS, a competitive procurement for these services are not feasible
19 since there is only one provider who meets all three foundational requirements: Kyndryl
20 Holdings, Inc. is our current disaster recovery solution provider and is uniquely
21 positioned to meet all of the City's foundational requirements and also able to provide
22 enhanced value by improving the City's disaster recovery configuration;

23 NOW, THEREFORE, the City Council of the City of Long Beach resolves as
24 follows:

25 Section 1. The above recitals are true and correct and are incorporated
26 herein.

27 Section 2. The City Manager is hereby authorized to enter a contract,
28 and any necessary documents including any necessary amendments, with Kyndryl

1 Holdings, Inc., for the transition of the City's in-house mainframe systems to a hosted
2 mainframe service, in an annual amount of One Million Five Hundred Thirty-Four
3 Thousand Eight Hundred Ten Dollars (\$1,534,810), with a 20% contingency in the
4 amount of Three Hundred Six Thousand Nine Hundred Sixty-Two Dollars (\$306,962), for
5 a total annual contract amount not to exceed One Million Eight Hundred Forty-One
6 Thousand Seven Hundred Seventy-Two Dollars (\$1,841,772) and a one-time cost of One
7 Hundred One Thousand Five Hundred Forty-Nine Dollars (\$101,549), for a period of
8 three (3) years, with the option to renew for two (2) additional one-year periods, at the
9 discretion of the City Manager.

10 Section 3. This resolution shall take effect immediately upon its adoption
11 by the City Council, and the City Clerk shall certify the vote adopting this resolution.

12 I hereby certify that the foregoing resolution was adopted by the City
13 Council of the City of Long Beach at its meeting of August 15, 2023 by the
14 following vote:

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16 Ayes: Councilmembers: Zendejas, Allen, Kerr, Austin, Ricks-Oddie.

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20 Noes: Councilmembers: None.

21
22 Absent: Councilmembers: Duggan, Supernaw, Saro, Uranga.

23
24 Recusal(s) Councilmembers: None.

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26 for Monique DeLaGaza
27 City Clerk
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