



**THE PORT  
OF LOS ANGELES**

Executive Director's  
Report to the  
Board of Harbor Commissioners

**DATE: MAY 19, 2021**

**FROM: EXECUTIVE OFFICE**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ – FIRST AMENDMENT TO  
AGREEMENT NO. E-7080 WITH PHILIP J. REICHERT FOR PORT  
OPTIMIZER™ CONSULTING SERVICES**

**SUMMARY:**

Staff requests approval of a First Amendment to Agreement No. E-7080 with Philip J. Reichert, located in Kewaskum, Wisconsin, to assist the City of Los Angeles Harbor Department (Department) in gaining subscribers to the Port Optimizer™ Portal and accomplishing the goal of maintaining its position as the nation's number one container port. Moreover, the Department requires the professional, expert and technical services of Mr. Reichert to aid in implementing supply chain optimization digital solutions. The First Amendment will extend the term of the Agreement by one year, from one year to two years, and will increase the total not-to-exceed amount by \$150,000 from \$150,000 to \$300,000. The Department will be financially responsible for the payment of expenses under the First Amendment.

**RECOMMENDATION:**

It is recommended that the Board of Harbor Commissioners:

1. Find that the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) of the Los Angeles City CEQA Guidelines;
2. Find in accordance with Los Angeles City Charter Section 1022 that the scope of work of the proposed Agreement can be more economically and feasibly provided by an independent contractor than by City Employees;
3. Approve the First Amendment to Agreement No. E-7080 between the Harbor Department and Philip J. Reichert to extend the term by one year and increase the total compensation to \$300,000;
4. Authorize the Executive Director to execute and the Board Secretary to attest; and
5. Adopt Resolution No. \_\_\_\_\_

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**DISCUSSION:**

Background/Context – On May 7, 2019, the Department issued a Request for Proposals (RFP) to establish a pool of consultants to assist in advancing its supply chain optimization initiatives, in particular through its digital solution the Port Optimizer™. After a competitive process, a single consultant was selected, and a contract was issued for a one-year term commencing on January 9, 2020. Within three weeks of executing the contract Department staff was notified that the consultant desired to cancel the agreement as he had accepted a position with a private corporation and could no longer provide consulting services.

As a result of the consultant's cancellation, the Department reissued the RFP for Port Optimizer™ consulting services on February 20, 2020. After another competitive process Mr. Philip J. Reichert was selected for a one-year Executive Director Agreement for a total not-to-exceed amount of \$150,000 (Transmittal 1) which is set to expire on June 10, 2021.

Mr. Reichert has made great strides while providing consultant services to the Department. Specifically, he was able to develop and implement the following three features within the Port Optimizer™ Portal:

- The Signal (September 2020) – The data tool provides a three-week look at cargo coming into the Port of Los Angeles, with information updated daily.
- The Return Signal (November 2020) – This instrument identifies data that lets the trucking community know when and where to return empty containers to cargo terminals throughout the San Pedro Bay port complex. Return Signal information is updated every five minutes.
- The Control Tower (February 2021) – Offers real-time views of truck turn times, as well as other truck capacity management information, to help cargo owners, truckers and other supply chain stakeholders better predict and plan cargo flows.

Due to the successes generated under Agreement E-7080, and the need for the professional, expert and technical services of the consultant remains, the Harbor Department would like to amend the existing agreement with Mr. Reichert to extend the term and compensation by one year and \$150,000, for a total term of two years and not-to-exceed amount of \$300,000 (Transmittal 2).

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is the approval of a First Amendment to Agreement No. E-7080 with Philip J. Reichert to aid the Department in implementing supply chain optimization digital solutions, which is an administrative activity. Therefore, the Director of Environmental Management has determined that the proposed action is administratively

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exempt from the requirements of CEQA in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

**FINANCIAL IMPACT:**

Approval of the proposed First Amendment would extend by one year the term of the Agreement from one year to two years and would increase by \$150,000 total compensation under the Agreement from \$150,000 to \$300,000. Fiscal Year 2021/2022 funding of \$150,000 is available in the Executive Office budget, Account 54290 (Misc. Professional Services), Center 0210, Program 000. Pending approval of the First Amendment, spending under the Agreement is anticipated to occur as follows:

Fiscal Year	Amount
2020/2021	\$ 150,000
2021/2022	\$ 150,000
TOTAL	\$ 300,000

The total aggregate amount will not exceed \$300,000 over the life of the contract.

A funding out clause is included in the Agreement.

**CITY ATTORNEY:**

The Office of the City Attorney has reviewed and approved the proposed First Amendment as to form and legality.

**TRANSMITTALS:**

1. Executive Director Agreement E-7080
2. First Amendment to Agreement E-7080



EUGENE D. SEROKA  
Executive Director

FIS Approval: MB (initials)  
CA Approval: SO (initials)