



DATE: NOVEMBER 9, 2016

FROM: ENVIRONMENTAL MANAGEMENT

**SUBJECT: RESOLUTION NO. _____ - PERSONAL SERVICES AGREEMENT
BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT
AND TETRA TECH, INC. FOR CLEAN TRUCK PROGRAM
ADMINISTRATION SERVICES**

SUMMARY:

Staff requests that the Board of Harbor Commissioners (Board) approve a proposed Agreement with Tetra Tech, Inc. (Tetra Tech) of Pasadena, California to provide concession, grant administration, and support services for the Clean Truck Program (CTP) at the Port of Los Angeles (Port). Tetra Tech was selected through a competitive Request for Proposal (RFP) process conducted jointly by the City of Los Angeles Harbor Department (Harbor Department) and the Port of Long Beach (POLB) in order to preserve synergies and significant cost savings that occur from having a single contractor serve both ports. The POLB will enter into a separate agreement with Tetra Tech. This action will authorize an agreement with Tetra Tech for a three-year term and a not-to-exceed amount of \$2,200,000. CTP expenditures are offset each year by approximately \$2,500,000 in average annual CTP fees. The Harbor Department is financially responsible for payment under the proposed agreement.

RECOMMENDATIONS:

It is recommended that the Board of Harbor Commissioners (Board):

1. Find that the Director of Environmental Management has determined that the proposed action is 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. Approve the Agreement with Tetra Tech, Inc. for a term of three years and a total amount not-to-exceed \$2,200,000;
3. Authorize the Executive Director to execute and the Board Secretary to attest to said Agreement for and on behalf of the Board; and
4. Adopt Resolution No. _____.

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DISCUSSION:

Background and Context - The CTP is a key component of the San Pedro Bay Clean Air Action Plan. The purpose of the CTP was to transform an aging fleet of drayage trucks into environmentally beneficial, safe, and secure vehicles. The CTP was successful in accomplishing its mission. As of January 1, 2012, 100% of the cargo gate moves at the Port's terminals are made by drayage trucks meeting the U.S. Environmental Protection Agency's (EPA) 2007 heavy duty truck emissions standards (clean trucks). The current fleet is comprised of over 15,000 clean trucks including approximately 1,000 trucks powered by alternative fuels. The CTP has been successful in reducing diesel particulate matter from trucks by 97% compared to 2005 levels.

Tetra Tech currently provides CTP administration support under Agreement No. 08-2702 which was amended and extended four times over eight years. The Harbor Department has spent \$9,092,374 to date on Agreement No. 08-2702, and the Agreement is set to expire on December 31, 2016. In June 2016, in anticipation of this contract expiration, the Harbor Department and POLB (Ports) released a joint RFP for "Clean Trucks Program Administration Services." The Ports' strategy to utilize the same consultant to administer both programs has proven successful as the Ports have realized synergy created through increased efficiency as well as significant cost savings. For instance, under Agreement No. 08-2702, Tetra Tech has provided the same Information Technology staff for both ports in managing and updating the ports Drayage Truck Registry. Additionally, Tetra Tech provided the same administrative multi-lingual staff to both ports for staffing and managing the CTP Access Center and Helpline. The costs to provide these services have been shared equally by both the Harbor Department and POLB. For these reasons, the RFP was released jointly to select one contractor who will contract separately with each organization.

The Harbor Department has considered moving the CTP administrative services in-house over the years, however, due to the complex structure and technical scope of the CTP, as well as constantly emerging operational challenges, thorough planning and staffing will be necessary to achieve this goal. In addition to substantial cost savings that occur by utilizing the same consultant in administering both Ports' CTPs, it makes sense for the Harbor Department to continue to utilize the support of a consultant for the following reasons:

- The Harbor Department would have to hire and train several full time employees to manage what is currently requiring eleven consultants working in various capacities over 7,500 hours per year.
- The Harbor Department is currently updating the Clean Air Action Plan which will include measures that affect the CTP. Additional support may be necessary to support future implementation of those measures.

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Services to be Performed - Services to be performed under the proposed Agreement (Transmittal 1) include concession, grant administration, information technology support, and support services such as:

- Administering over 1,200 concession agreements;
- Maintaining the Ports' Drayage Truck Registry which contains over 15,000 trucks;
- Providing special analysis of truck moves to support Harbor Department requests;
- Enforcing various concession agreement requirements including insurance coverage and identifying false Vehicle Identification Numbers;
- Collecting various fees for annual truck registration, concession agreement applications, and day passes for visiting trucks;
- Inspecting and affixing stickers to non-container terminal trucks and "exempt" trucks: and,
- Providing customer service through management of the CTP Access Center and Helpline.

Consultant Selection - On June 15, 2016, the RFP was released and posted on the Harbor Department and POLB websites. Automatic email notifications were sent out to all firms registered on the Los Angeles Business Assistance Virtual Network under the applicable North American Industry Classification System. Prior to issuing the RFP, notification was issued to labor unions including the Engineer and Architects Association and Service Employee International Union.

Two proposals were received by the July 28, 2016 deadline. The proposal evaluation panel (Panel) consisted of three representatives from the Harbor Department's Environmental Management Division and two representatives from POLB. Proposals were reviewed using evaluation criteria published in the RFP (Transmittal 2) and both firms were interviewed by the Panel on August 16, 2016. Interview questions were developed in consultation with POLB and the Contracts and Purchasing Division and were used to determine the breadth and depth of the firms' expertise (Transmittal 3). The Panel completed the evaluation scoring on the strength of the written proposals and interviews (Transmittal 4).

Following the evaluation process and interviews, Tetra Tech was selected as the most qualified to meet the Harbor Department's CTP needs over the next three years.

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Contract Requirements - Throughout the term of the proposed Agreement, Tetra Tech will maintain compliance with the City of Los Angeles contracting requirements. The required Small Business Enterprise participation for each Agreement is 25%, including 5% Very Small Business Enterprise participation.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of an Agreement with Tetra Tech to provide the Harbor Department Clean Truck Program Administration Services. As an administrative activity, the Director of Environmental Management has determined that the Board action on the proposed Agreement is exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with Article II, Section 2(f) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Approval of the proposed three-year Agreement would authorize a total contract amount not-to-exceed \$2,200,000. The CTP collects approximately \$2,500,000 each year in CTP related fees. The annual cost to manage and implement the CTP is offset by the monies collected from these fees assuming volumes continue at similar levels. It is anticipated that funds under the proposed Agreement will be expended as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2016/2017	\$ 366,000
2017/2018	\$ 733,333
2018/2019	\$ 733,333
2019/2020	\$ 367,334
Total	\$ 2,200,000

Funds in the amount of \$944,000 are budgeted in Account 59967, Center 330, Program 000 in FY 2016/2017. As only \$366,000 will be required in FY 16/17 for the contract, there will be budget savings of \$578,000 that may be used elsewhere. The Harbor Department's financial obligations after the current fiscal year are contingent upon the Board appropriation of funds. If any subsequent fiscal year funds are not appropriated by the Board for the work required by the Agreement, the Agreement shall be terminated. However, such termination shall not relieve the parties of liability for any obligations previously incurred. Future year funds will be requested to be budgeted through the Harbor Department's annual budgeting process, upon Board approval.

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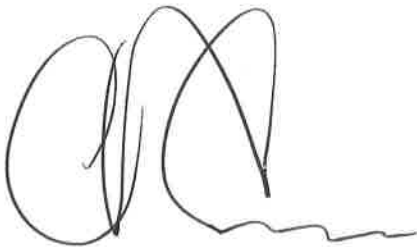
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CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved the subject Agreement as to form and legality.

TRANSMITTALS:

1. Agreement with Tetra Tech, Inc.
2. Proposal Evaluation Criteria
3. Interview Questions
4. Selection Summary



CHRISTOPHER CANNON
Director of Environmental Management

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



MICHAEL DiBERNARDO
Deputy Executive Director

APPROVED:



For

EUGENE D. SEROKA
Executive Director

CC:yo
AUTHOR: T. PISANO

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