

DATE: OCTOBER 12, 2022

FROM: ENVIRONMENTAL MANAGEMENT

SUBJECT: RESOLUTION NO. _____ - THIRD AMENDMENT TO AGREEMENT NO. 16-3431 BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND TETRA TECH, INC. FOR CLEAN TRUCK PROGRAM ADMINISTRATION SERVICES

SUMMARY:

Staff requests approval of the proposed Third Amendment to Agreement No. 16-3431 between the City of Los Angeles Harbor Department (Harbor Department) and Tetra Tech, Inc. (Tetra Tech). Tetra Tech currently provides concession, grant administration, and support services for the Clean Truck Program (CTP) at the Port of Los Angeles (Port). This action will amend Agreement No. 16-3431 to add \$830,000 in total compensation and update the Scope of Work. CTP expenditures are offset each year by CTP Concession Application Fees, Annual Truck Fees, and Day Pass Fees, which have averaged approximately \$2,000,000 in revenue annually. The Harbor Department is financially responsible for payment of the expenses incurred under the proposed Third Amendment.

RECOMMENDATION:

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 administratively and categorically exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) and Article III Class 6(2) of the Los Angeles City CEQA Guidelines;
2. Approve the Third Amendment to Agreement No. 16-3431 with Tetra Tech, Inc. for Clean Truck Program Administration Services;
3. Direct the Board Secretary to transmit the Third Amendment to the City Council for approval pursuant to City Charter Section 606;
4. Authorize the Executive Director to execute and the Board Secretary to attest to said Third Amendment for and on behalf of the Board; and
5. Adopt Resolution No. _____.

SUBJECT: THIRD AMENDMENT TO AGREEMENT NO. 16-3431 WITH TETRA TECH, INC.

DISCUSSION:

Background/Context – The CTP is a key component of the San Pedro Bay Clean Air Action Plan (CAAP). The purpose of the CTP was to incentivize the early transition of an aging fleet of drayage trucks into environmentally beneficial, safe, and secure vehicles as required by State law. The CTP has been successful in accomplishing its mission and continues to evolve in accordance with advanced clean truck goals outlined in the 2017 CAAP Update.

Since January 1, 2012, 100% of the cargo gate moves at the Port's terminals have been made by drayage trucks meeting the U.S. Environmental Protection Agency's 2007 heavy duty truck emissions standards (clean trucks). This is now consistent with the California Air Resources Board (CARB) Drayage Truck Rule, which went into effect in 2014. The current fleet at the Port is comprised of over 18,000 clean trucks including approximately 850 trucks powered by alternative fuels. The use of clean trucks has resulted in reducing diesel particulate matter from trucks by 97% compared to 2005 levels. The adoption of the 2017 CAAP contains new CTP implementation strategies to provide new incentives to further modernize the existing fleet of trucks.

Tetra Tech has administered the CTP for the ports of Los Angeles and Long Beach (Ports) since its inception in 2008. The Ports' strategy to utilize the same consultant to administer both programs has proven successful, as the Ports have realized synergies created through increased efficiency as well as cost savings. For instance, Tetra Tech provides information and data in a similar format to both Ports in the Ports' Drayage Truck Registry (PDTR) system. Additionally, Tetra Tech provides the same administrative multi-lingual staff to both Ports for staffing and managing the CTP Terminal Access Center and Helpline. The costs to provide these services have been shared equally by both Ports.

Services Provided under Agreement No. 16-3431 – Services provided include concession and grant administration, information technology support, and support services such as:

- Administering over 1,200 concession agreements;
- Administrative needs to assist POLA in Clean Truck Fund (CTF) Rate incentives, new grant funding program development, and implementation;
- Maintaining the Ports' Drayage Truck Registry which contains over 18,000 trucks;
- Providing special analysis of truck moves to support Harbor Department requests;
- Enforcing concession agreement requirements, including insurance coverage and identifying false Vehicle Identification Numbers;
- Collecting 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;

DATE: OCTOBER 12, 2022

PAGE 3 OF 5

SUBJECT: THIRD AMENDMENT TO AGREEMENT NO. 16-3431 WITH TETRA TECH, INC.

- Providing customer service through management of the CTP Terminal Access Center and Helpline; and
- Providing support with the CTF Rate Collection and resulting PDTR enhancements.

Proposed Third Amendment – Agreement No. 16-3431 is set to expire on December 31, 2023. The proposed Third Amendment is requested to increase the funding level by \$830,000. The additional funding is necessary due to the extra amount of work associated with tracking the new CTF Rate incentive programs and associated data processing; as well as to support staff with data analysis for upcoming CARB truck regulations.

The CTF Rate revenues are used exclusively to fund incentive programs to replace Port drayage trucks with zero-emission (ZE) trucks that may include associated ZE infrastructure as needed. The incentive programs have or will have elements that will require a minimum number of truck trips to be tracked through the PDTR, and the data is processed through Tetra Tech.

Due to the impact of the various truck regulation and rulemaking, Tetra Tech has had to fulfill above average data requests from staff, the trucking industry, CARB, and the media. With the additional funding, the total not-to-exceed amount of the Agreement will be \$6,310,000.

The proposed Third Amendment will also update the following tasks in the Scope of Work included in the Agreement as Exhibit A-2:

- a. Move some duties from Task 1 -Program Management to Task 4 - Concession Agreement and Tariff/State Rule Enforcement
 - Processing of Concession Agreement,
 - Concession Agreement enforcement,
 - Maintain electronic filing system; and
- b. Add a duty to Task 4 - Concession Agreement and Tariff/State Rule Enforcement
 - Conversion of hardcopy Concession Agreements into electronic filing system; and
- c. Move a duty from Task 1 – Program Management to Task 5 - Ports Drayage Truck Registry Information Technology Services
 - Truck move data processing.

DATE: OCTOBER 12, 2022

PAGE 4 OF 5

SUBJECT: THIRD AMENDMENT TO AGREEMENT NO. 16-3431 WITH TETRA TECH, INC.

ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of the Third Amendment to Agreement No. 61-3431 between the Harbor Department and Tetra Tech for additional funding and to modify the Scope of Work for CTP administrative services provided to the Harbor Department, which is an administrative activity and an activity involving basic data collection and research. Therefore, the Director of Environmental Management has determined that the proposed action is administratively and categorically exempt from the requirements of CEQA in accordance with Article II Section 2(f) and Article III Class 6(2) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

The proposed action is approval of the Third Amendment to Agreement No. 16-3431 with Tetra Tech to increase the total contract not-to-exceed amount from \$5,480,000 to \$6,310,000. The annual cost to manage and implement the CTP is offset by the monies collected from CTP fees assuming truck volumes continue at similar levels. The Harbor Department has collected CTP Concession Application Fees, Annual Truck Fees, and Day Passes, which have averaged approximately \$2 million annually. Funds are available in Account 59967 (Clean Truck Program), Center 0330 (Environmental Management Division), Program 000 (Base Budget). It is anticipated that the proposed Third Amendment funds will be expended as follows:

	Current Agreement	3rd Amendment	Proposed Agreement
Prior Years	\$ 4,230,000	\$-	\$ 4,230,000
FY 2023	\$ 800,000	\$ 415,000	\$ 1,215,000
FY 2024	\$ 450,000	\$ 415,000	\$ 865,000
Total	\$ 5,480,000	\$ 830,000	\$ 6,310,000

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 Agreement No. 16-3431, the Agreement shall be terminated. However, such termination shall not relieve the parties of liability for any obligations previously incurred.

CITY ATTORNEY:

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

DATE: OCTOBER 12, 2022

PAGE 5 OF 5

SUBJECT: THIRD AMENDMENT TO AGREEMENT NO. 16-3431 WITH TETRA
TECH, INC.

TRANSMITTALS:

1. Third Amendment to Agreement No. 16-3431 with Tetra Tech, Inc.

FIS Approval: MB
CA Approval: SO



CHRISTOPHER CANNON
Director of Environmental Management



for MICHAEL DiBERNARDO
Deputy Executive Director

APPROVED:

Marla Bleairms For

EUGENE D. SEROKA
Executive Director

CC/yo
AUTHOR: A. COLUSO

FILE: Y:_ADMIN_BOARD REPORTS_AIR QUALITY\CTP\CTP ADMIN 2016 - TETRA TECH\THIRD AMENDMENT\Environmental_Tetra Tech 3rd Amendment_Board Report
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