



**DATE: AUGUST 28, 2013**

**FROM: ENVIRONMENTAL MANAGEMENT**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - PERSONAL SERVICES AGREEMENT BETWEEN THE CITY OF LOS ANGELES AND LLOYD'S REGISTER QUALITY ASSURANCE, INC. FOR INTERNATIONAL ORGANIZATION OF STANDARDIZATION 14001 RECERTIFICATION OF THE CONSTRUCTION & MAINTENANCE DIVISION ENVIRONMENTAL MANAGEMENT SYSTEM**

**SUMMARY:**

Staff is recommending approval of an Agreement with Lloyd's Register Quality Assurance, Inc. (LRQA) of Houston, TX, to provide International Organization of Standardization (ISO) 14001 certification audits of the City of Los Angeles Harbor Department's (Harbor Department) Environmental Management System (EMS). The EMS was implemented at the Harbor Department, Construction and Maintenance (C&M) Division in January 2004. In 2007, the EMS was certified to meet ISO 14001, the internationally recognized standard for environmental management systems. The EMS has provided a structured approach to improve environmental performance as well as operational efficiencies in day-to-day operations. The ISO 14001 EMS standard requires a recertification audit of the entire EMS every three years and periodic surveillance audits by an independent auditor to maintain the ISO 14001 certification. The recertification audit is now due. The Agreement (Transmittal 1) will provide the Harbor Department with audit, certification and surveillance services of the EMS in compliance with ISO 14001. The contract would be for a term of three years and a not-to-exceed amount of \$25,000.

**RECOMMENDATIONS:**

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

1. Find that in accordance with the City Charter Section 1022, work under the subject agreement can be performed more feasibly by independent consultants rather than by City employees;
2. Approve the Agreement with Lloyd's Register Quality Assurance Inc., substantially as to form, for a term of three years and a total not-to-exceed amount of \$25,000;

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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. \_\_\_\_\_.

**DISCUSSION:**

Background/Context - The ISO 14000 series is a family of internationally recognized standards for environmental management systems that are applicable to any business or organization, regardless of size, location or income. These standards were developed by the ISO which has representation from committees all over the world (comprised of 157 countries) and is the world's largest developer of standards. The ISO 14000 family includes most notably the ISO 14001 standard, which represents the core set of standards used by organizations for designing and implementing an effective environmental management system.

The ISO 14000 environmental management standards exist to help organizations minimize how their operations negatively affect the environment. The major objective of the ISO 14000 series is "to promote more effective and efficient environmental management in organizations and to provide useful and usable tools - ones that are cost effective, system-based, flexible and reflect the best organizations and the best organizational practices available for gathering, interpreting and communicating environmentally relevant information."

It offers a source of guidance for introducing and adopting management systems based on the best universal practices, in a similar manner to what the ISO 9000 series accomplishes for quality management systems.

ISO 14001 provides companies and government agencies with a proactive approach to environmental management by integrating environmental considerations into management and decision-making structures in a systematic and organized way.

Lloyd's Register Quality Assurance (LRQA) - The ISO 14001 standard requires that initial certification, annual audits, and three-year recertification audits of the EMS be conducted by an independent third-party registrar that is accredited by an accreditation body approved by the ISO. LRQA is recognized and respected world-wide for high standards, experience, and technical competence in the area of management and environmental system assessment. LRQA is accredited by over 32 accreditation bodies around the world.

ISO 14001 at the Harbor Department - The Harbor Department initiated a pilot EMS in 2004 at C&M, its largest division. The EMS was initiated as part of a program sponsored by the American Association of Port Authorities (AAPA) and the U.S. Environmental Protection Agency (EPA) to encourage U.S. ports to develop environmental management systems and become ISO 14001 certified. In 2007, the Harbor Department's EMS was certified to comply with ISO 14001, which made it the first Western U.S. seaport to achieve the certification.

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The Harbor Department's implementation and certification of the EMS provides an example for all Port of Los Angeles tenants, and further emphasizes the Harbor Department's commitment to continual improvement. This approach is consistent with the Mayor's and the Board of Harbor Commissioners' commitment to environmental stewardship and consideration of our employees and the well-being of the surrounding communities, and sustainability of operations.

Staff recommends continuing the certification for the EMS system as 1) a proactive measure to meet the Harbor Department's environmental goals, 2) to assure compliance with legal and regulatory requirements, and 3) to better manage the impact of Harbor Department maintenance activities on the environment.

EMS Benefits - The EMS incorporates planning activities, organization structure review, development of objectives and operational controls, document controls, and resource management to improve environmental compliance and awareness. Since implementing the EMS, employees are engaged with the system on a daily basis, creating a sense of ownership and accountability. Furthermore, there have been significant improvements in recycling, minimization of hazardous waste streams, increased pollution prevention activities, and improved environmental awareness and compliance through use of the system.

Consultant Selection - ISO 14001 certification must be conducted by an independent third-party registered by ISO. In early February 2013, four firms received Request for Proposals (RFP) via email and to inform them of the Harbor Department's service needs and to request their qualifications. The firms included:

- Eagle Registrations
- Bureau Veritas
- QMI-SAI Global
- Lloyd's Register Quality Assurance, Inc. (LRQA)

Proposals were received from Eagle Registrations, QMI-SAI Global and LRQA. The proposal evaluation committee members were Kenneth Ragland, Marine Environmental Supervisor, and Manny Ramirez, Environmental Specialist, both from the Environmental Management Division's (EMD) site restoration group and Christina Chang (an EMS management consultant for the Harbor Department). Proposals were reviewed using evaluation criteria published in the RFP (Transmittal 2). EMD recommends LRQA based on their qualifications and knowledge of the C&M EMS. A summary of the proposal evaluations is as follows:

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Firm	Proposal Reviewer			Total	Final Score (Avg.)
	1	2	3		
Proposal 1	88	77	81	246	82
Proposal 2	97	86	92	275	92
Proposal 3	49	74	72	195	65

Contract Requirements - Throughout the term of the Agreement, LRQA will maintain compliance with the City's contracting requirements. A Small Business Enterprise (SBE) goal was not established for this contract due to the lack of registered ISO certification firms with this status and their inability to subcontract certification services.

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is approval of an Agreement with LRQA to provide ISO 14001 certification audits of the Harbor Department EMS. As an administrative activity, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of the California Environmental Quality Act in accordance with Article II, Section 2 (f) of the Los Angeles City CEQA Guidelines.

**FINANCIAL IMPACT:**

Approval of the three-year Agreement discussed herein would authorize the total not-to-exceed amount of \$25,000 for audit, certification and surveillance services of the EMS in compliance with ISO 14001.

It is anticipated that funds under this Agreement will be expended as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2013/2014	\$ 8,200
2014/2015	\$ 8,200
2015/2016	\$ 8,100
<b>Total</b>	<b>\$ 24,500</b>

Funds in the amount of \$8,200 are budgeted in Account 54260, Center 330, Program 000 for FY 2013/2014. Funds for future fiscal years will be requested to be budgeted as part of the annual budget adoption process, upon Board approval. A funding out clause has been included in the contract.

**ECONOMIC BENEFITS:**

Approval of the proposed Agreement will have very minor (less than 1) employment impact for the five-county region.

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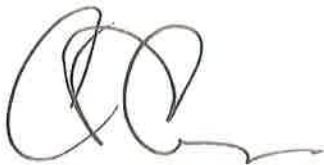
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**CITY ATTORNEY:**

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

**TRANSMITTALS:**

1. Agreement with Lloyd's Register Quality Assurance
2. RFP Selection Evaluation Form



CHRISTOPHER CANNON  
Director of Environmental Management

FIS Approval:  (initials)

CA Approval:  (initials)

  
for MICHAEL R. CHRISTENSEN  
Deputy Executive Director

APPROVED:

  
for GERALDINE KNATZ, Ph.D.  
Executive Director

AUTHOR: MANNY RAMIREZ  
BHC MEETING: 9/05/2013

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