



**THE PORT  
OF LOS ANGELES**

Executive Director's  
Report to the  
Board of Harbor Commissioners

**DATE: MARCH 12, 2014**

**FROM: ENVIRONMENTAL MANAGEMENT**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - PERSONAL SERVICES AGREEMENTS BETWEEN THE CITY OF LOS ANGELES AND STARCREST CONSULTING GROUP, LLC, TETRA TECH, INC., ENVIRON INTERNATIONAL CORPORATION, AND PARSONS BRINCKERHOFF, INC., TO CONDUCT AS-NEEDED AIR QUALITY SERVICES**

**SUMMARY:**

The Environmental Management Division staff recommends approval of Personal Service Agreements (Agreements) with Starcrest Consulting Group, LLC (Starcrest), Tetra Tech, Inc. (Tetra Tech), ENVIRON International Corporation (ENVIRON), and Parsons Brinckerhoff, Inc. (PB), to provide technical support for air quality programs. This action will authorize four Agreements each having a three-year contract term and for a combined not-to-exceed amount of \$7,500,000.

**RECOMMENDATION:**

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 Agreements can be performed more feasibly by independent consultants rather than by City employees;
2. Approve the Agreement with Starcrest Consulting Group, LLC (Albuquerque, NM) for a term of three years for the total not-to-exceed amount of \$3,000,000;
3. Approve the Agreement with Tetra Tech, Inc. (Pasadena, CA) for a term of three years for the total not-to-exceed amount of \$2,000,000;
4. Approve the Agreement with ENVIRON International Corporation (Los Angeles, CA) for a term of three years for the total not-to-exceed amount of \$1,500,000;
5. Approve the Agreement with Parsons Brinckerhoff, Inc. (New York, NY) for a term of three years for the total not-to-exceed amount of \$1,000,000;

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6. Authorize the Executive Director and the Board Secretary to execute and attest to said Agreements for and on behalf of the Board; and
7. Adopt Resolution No. \_\_\_\_\_.

**DISCUSSION:**

Background/Context - The proposed Agreements support the City of Los Angeles Harbor Department's (Harbor Department) air quality programs. This includes the development and implementation of programs to support the Clean Air Action Plan (CAAP) goals, Zero Emission Roadmap strategies, Energy Management Action Plan (E-MAP) development, climate change initiatives, regulatory permitting and reporting support for operation of Harbor Department stationary and mobile sources, and ongoing regulatory and legislative tracking and analysis.

The Harbor Department is a world leader in air quality programs and initiatives. With the adoption of the CAAP in 2006 and the CAAP Update in 2010, the Harbor Department has developed and implemented a number of important air quality programs including the Clean Truck Program, Vessel Speed Reduction Incentive Program, Environmental Ship Index Program, Alternative Maritime Power Program, Pacific Harbor Line Switcher Modernization Program, Zero Emission Roadmap, and Technology Advancement Program. With implementation of the CAAP, as of 2012, there have been emission reductions of 79% for diesel particulate matter, 56% for oxides of nitrogen, and 88% for oxides of sulfur compared to 2005. In addition to the CAAP-related accomplishments, the Harbor Department has been a leader in the area of climate change and greenhouse gas inventories and air emission reduction strategy development. The Harbor Department has been active in several international efforts in these areas including the World Ports Climate Initiative and the Pacific Ports Clean Air Collaborative. The Harbor Department is currently developing an E-MAP to address increased energy demand and energy resiliency in the coming years.

The Air Quality Group within the Environmental Management Division (EMD) provides project management overseeing consultants performing specialized technical work. This approach maximizes limited staff resources to meet the demands of projects requiring environmental support. Further, the scope and complexity of Harbor Department projects increasingly require personnel with specialized skill sets and expertise in areas such as control strategy development, air quality modeling, climate change, regulatory analysis, energy strategies, and health risk assessments. As a result, staff believes this level and quality of consultant services is necessary to continue to provide ongoing comprehensive and highly competent air quality assistance for the Harbor Department. In support of this growing effort, we request approval of the Agreements (Transmittal 1a-d) for a term of three years.

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Services to be Performed - The Scope of Work (Transmittal 2) in the proposed Agreements includes:

- Support and assistance with the implementation of the strategies in the CAAP, including special studies for the five (5) main source categories identified in the CAAP.
- Prepare annual updates to the Port-Wide Air Emissions Inventory and conduct related special studies.
- Prepare studies and assessments related to the development of the E-MAP program.
- Assist in the identification, evaluation, and demonstration/piloting of new and emerging emission reduction technologies/strategies applicable to the port industry.
- Support the Harbor Department greenhouse gas (GHG) programs, including leadership in local, national and international GHG and Climate Change initiatives.
- Provide technical expertise and review of air quality sections and health risk assessments of California Environmental Quality Act (CEQA)/National Environmental Protection Act (NEPA) documents.
- Support and track existing and proposed local, state, and federal regulations/legislation, and an analysis of the potential impact on the Port of Los Angeles.
- Assist in grant writing and tracking for air quality-focused grant opportunities and awards.
- Provide air permit compliance support for the Regional Clean Air Incentives Market (RECLAIM) Program, and other stationary and mobile sources.
- Assist in information sharing and outreach to national and international ports.
- Assist in preparing technical papers and presentations for conferences.
- Support staff development of strategies related to carbon cap-and-trade and carbon taxes.
- Provide additional air quality-related services requested by the Director of Environmental Management.

Work Assignments - Work under these Agreements will be authorized through a project directive (PD) process. Two selection procedures will be employed, depending on the situation. Where ongoing work is being carried out by a particular technical consultant, the same consultant could be selected to continue to the extent that it is cost-effective to do so. For larger tasks requiring more specialized skills, an internal Request for Proposals will be used, and the consultant whose skills, experience, and costs best apply will be selected. Each PD will include a detailed scope of work, schedule, Small Business Enterprise and Very Small Business Enterprise participation level, and a cost estimate.

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The current Air Quality As-Needed Agreements expire in April 2014, and these new Agreements are needed in order to continue to provide the necessary air support services for the Harbor Department. The current agreements have a combined not-to-exceed amount of \$7,000,000 and are listed below with invoice information as of 12/31/2013:

<b>CONSULTANT</b>	<b>AGMT AMOUNT</b>	<b>INVOICED</b>	<b>BALANCE</b>
Starcrest Consulting Group LLC	2,000,000	1,199,325	800,675
ENVIRON International Corporation	2,000,000	263,393	1,736,607
E2 Manage Tech Inc.	1,250,000	534,034	715,966
Tetra Tech Inc.	1,250,000	860,648	389,352
Integra Environmental Consulting Inc.	500,000	308,024	191,976
<b>TOTAL</b>	<b>\$7,000,000</b>	<b>\$3,165,424</b>	<b>\$3,834,576</b>

In addition to the invoiced amount, \$767,401 has been assigned in specific PDs, which will be completed and invoiced by the end of the agreements' term. Approximately \$3,000,000 will not be spent due to a variety of factors, including but not limited to delays for special studies and technical review for environmental documents that are expected to be handled in the next three-year contract. For the existing contract, the \$7,000,000 budget was based on over \$7,300,000 billed during the previous contract term (2008-2011).

EMD requests \$7,500,000 for this next three-year term. The \$7,500,000 will include the Port-Wide Emissions Inventory services which in the past contract period (2011-2014) was issued under a separate agreement with a not-to-exceed amount of \$1,095,000. Note that the current As-Needed and Port-Wide Emissions Inventory agreements have a combined not-to-exceed amount of \$8,095,000. Incorporating the Port-Wide Emissions Inventory services under the new As-Needed agreements for \$7,500,000 reflects a \$595,000 or 8% decrease from the existing combined not-to-exceed amount of \$8,095,000. This is due to the EMD's increased experience and efficiency in CAAP measures implementation and reflects efforts to reduce future expenditures for outside services. These efforts include training staff to undertake selected technical tasks that would otherwise be handled by consultants. The effectiveness of efforts to reduce such expenditures will be evaluated each fiscal year and actual budget requests for each year may be adjusted accordingly.

In addition to the studies and technical reviews described above, the following three new projects will add workload to the air quality staff: First, a draft E-MAP is currently being finalized and near-term measures may include development of a Port Energy Policy and Memorandums of Understanding; collaboration and outreach with utilities, universities, and other stakeholders; detailed energy assessments at individual terminals; and terminal lighting assessment and replacement. Second, EMD expects to incur expenses related to the development of the South Coast Air Quality Management District's (SCAQMD) Proposed Rule 4001. If this Rule is approved in its current form by the SCAQMD Governing Board, the Harbor Department would incur new expenses

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related to air quality compliance, including preparation of additional emissions inventories and, potentially, an Emissions Control Plan. Third, EMD is embarking on the Development of a Zero Emission Truck White Paper, due to the Board of Harbor Commissioners by the end of 2014, and anticipates working on an increased amount of zero emission technology projects through the contract term.

Selection Process - On June 12, 2013, an As-Needed Air Quality Request for Proposals (RFP) was posted on the Port of Los Angeles website and on the City of Los Angeles Business Assistance Virtual Network. In its commitment to maximize opportunities for local and regional businesses, the RFP was issued under the Local Business Preference Program where eligible prime consultants can receive a preference in their selection scores for qualifying as a Local Business Enterprises.

The Harbor Department received six proposals on July 9, 2013. Four of the six firms were local businesses: ENVIRON, Tetra Tech, PB, and PCR Services Corporation. Each of these firms received an eight percent (8%) preference in their selection score, but this did not impact the final results. The listing of all proposers and their classification and a summary of the proposal and oral interview scoring is attached in Transmittal 3. The proposal evaluation committee members were Lisa Wunder, Acting Marine Environmental Supervisor, Tim DeMoss and Carter Atkins, Environmental Specialists in EMD's Air Quality Group, and Rose Siengsubcharti, Environmental Specialist from the Port of Long Beach, Environmental Planning Division. Proposals were reviewed using evaluation criteria published in the RFP (Transmittal 4). All six proposers, listed below, were invited to oral interviews that occurred on September 25 and October 3, 2013.

- Environ International Corporation
- Parsons Brinckerhoff, Inc.
- PCR Services Corporation
- Sierra Research
- Starcrest Consulting Group, LLC
- Tetra Tech, Inc.

Interview questions (Transmittal 5) were used to assess the breadth and depth of the firms' expertise. The evaluation panel completed the scoring on the strength of the written proposal and interview.

Following the evaluation process, four firms were selected as the most qualified to meet the Harbor Department's anticipated needs over the next three years:

- Environ International Corporation
- Parsons Brinckerhoff, Inc.
- Starcrest Consulting Group, LLC
- Tetra Tech, Inc.

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These four firms exceed all necessary qualifications and possess the requisite experience to provide Air Quality As-Needed resource services. PB is new to EMD, while ENVIRON, Starcrest and Tetra Tech have previously been awarded Air Quality As-Needed contracts. In current and past contracts, ENVIRON has performed health risk assessment and modeling and zero emission technology evaluation; Starcrest has prepared the Port's annual Inventories of Air Emissions and state-mandated GHG inventories, developed EMD's Environmental Data System database, and assisted with the preparation of grant applications on behalf of the Harbor Department as well as Port tenants; and Tetra Tech has led international air quality collaboration with ports along the Pacific Rim through the Pacific Ports Clean Air Collaborative and staff exchange programs and has assisted with advanced technology evaluation as well as air quality compliance and permitting in coordination with the Construction and Maintenance Division. During the interview process, PB exhibited strength in sustainability and energy planning as well as GHG and compliance issues.

It is EMD's recommendation that the Harbor Department enter into three-year consultant agreements with these four firms at the following identified not-to-exceed contract amounts:

Starcrest	3,000,000
Tetra Tech	2,000,000
ENVIRON	1,500,000
PB	1,000,000
<b>Total</b>	<b>\$ 7,500,000</b>

The selection committee assigned the not-to-exceed amounts to each Agreement based on several factors. The selection committee weighed the strengths of each firm based on their experience and information gleaned from the written proposals and interviews, against the types of projects and activities EMD anticipates undertaking over the next three years and allocated funding accordingly. For instance, Starcrest is a niche consultant specializing in the marine/port sector and is currently performing emissions inventories and forecasts required by the CAAP and expected over the agreement term, thus more funding was allocated to this firm.

Small Business Enterprise and Very Small Business Enterprise Programs - The required Small Business Enterprise (SBE) participation for each agreement is 25% SBE participation, including 5% Very Small Business Enterprise (VSBE) participation. This requirement can be met through the prime consultant or subconsultants. The specific subconsultant participation levels will be committed through each individual PD when work is assigned. Starcrest is an SBE and VSBE, therefore, 100% of their services will apply towards these goals. If all funds are expended in these contracts (\$7,500,000), the consultants will cumulatively achieve an SBE participation level of 55% or \$4,125,000, and a VSBE participation of 43% or \$3,225,000. The composition of each consultant team is described in Transmittal 6.

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**ENVIRONMENTAL ASSESSMENT:**

The proposed action is approval of four three-year Personal Service Agreements for air quality technical support. 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 (CEQA) in accordance with Article II Section 2 (f) of the Los Angeles City CEQA Guidelines.

**ECONOMIC BENEFITS:**

Spending under the proposed Agreement will support 87 direct and 57 secondary one-year equivalent jobs for the five-county region.

**FINANCIAL IMPACT:**

Approval of the three-year Agreements authorizes a total amount not-to-exceed \$7,500,000 for environmental consulting services. It is anticipated that funds under the Agreements will be expended as follows:

FY 13/14	500,000
FY 14/15	2,600,000
FY 15/16	2,500,000
FY 16/17	1,900,000
<b>Total</b>	<b>\$ 7,500,000</b>

These four Agreements will help the Harbor Department to fulfill compliance with federal, state, and local regulatory requirements and completion of Capital projects on schedule. The Harbor Department will meet regulations and implement actions needed to comply with South Coast Air Quality Management District rules, CAAP commitments, and Strategic Plan goals.

In FY 13/14 the Environmental Management Division budgeted \$1,776,982 for air quality consultant services in Account 54260, Center 330 (Environmental Management Division), Program 000. As of January 2014, \$1,263,876 has been approved in Project Directives leaving an available balance of \$513,106 to cover the proposed funding for the new agreements in FY 13/14. Work slated for the remainder of FY 13/14 includes the development of an Electric Truck White Paper that is due to the Board of Harbor Commissioners by the end of the year; finalization the E-MAP and initiation of near-term measures; support related to development of the SCAQMD's Proposed Rule 4001 currently scheduled for adoption in July 2014; preparation for a 10-day visit from a delegation from the Port of Shanghai as part of the staff exchange program; analysis of environmental regulation including the update of state GHG AB32 regulation; and oversight of tenant compliance with new state shore power regulations. Also, due to recent resignation, promotion, and reassignment in EMD's air quality group, additional onsite consultant support is required for the evaluation and management of Technology

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Advancement Program projects as well as assistance with the Vessel Speed Reduction Incentive Program and Harbor Department air quality compliance and permitting issues.

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 Agreements, the Agreements 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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**CITY ATTORNEY:**

The Office of the City Attorney has prepared and approved these Agreements as to form and legality.

**TRANSMITTALS:**

- 1a. Agreement with Starcrest Consulting Group, LLC
- 1b. Agreement with Tetra Tech, Inc.
- 1c. Agreement with ENVIRON International Corporation
- 1d. Agreement with Parsons Brinckerhoff, Inc.
2. Scope of Work
3. Proposal List and Proposal and Interview Evaluation Scoring Summary
4. Evaluation Criteria
5. Oral interview questions
6. Consultant Team Composition

FIS Approval:  (initials)

CA Approval:  (initials)

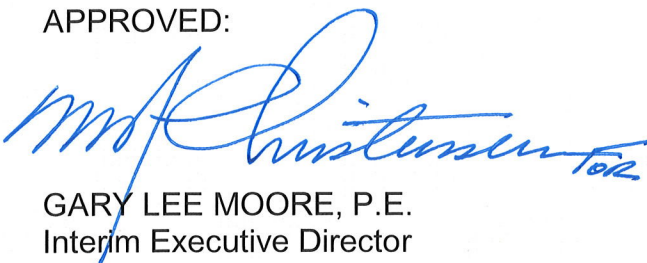


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