

DATE: OCTOBER 28, 2025

FROM: ENVIRONMENTAL MANAGEMENT

**SUBJECT: RESOLUTION NO. _____ - APPROVAL OF THE FIRST
AMENDMENT TO AGREEMENT NO. 22-9917 WITH MLI LEASING, LLC
FOR THE ZERO EMISSION 25 TRUCK PILOT PROGRAM**

SUMMARY:

Staff requests approval of the proposed First Amendment to Agreement No. 22-9917 with MLI Leasing, LLC (MLI Leasing) to deploy zero emission (ZE) trucks into drayage service at the Port of Los Angeles (Port). The proposed First Amendment will extend the term of Agreement No. 22-9917 by three years for a total term of six years. All other terms and conditions will remain the same. The City of Los Angeles Harbor Department (Harbor Department) will continue to be financially responsible for funding up to \$3,000,000 for the deployment of twelve zero-emission drayage trucks under Agreement No. 22-9917.

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 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 proposed First Amendment with MLI Leasing, LLC for an additional three years, for a total term of six years;
3. Direct the Board Secretary to transmit said Amendment to the Los Angeles City Council for approval pursuant to Section 373 of the Charter of the City of Los Angeles and Section 10.5(a) of the Los Angeles Administrative Code;
4. Authorize the Executive Director to execute and the Board Secretary to attest to said Amendment on behalf of the Board; and
5. Adopt Resolution No. _____.

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SUBJECT: FIRST AMENDMENT TO AGREEMENT NO. 22-9917 WITH MLI LEASING FOR ZERO EMISSION TRUCK PILOT PROGRAM

DISCUSSION:

Background/Context – On December 15, 2022, the Board approved Agreement No. 22-9917 with MLI Leasing for the deployment of twelve ZE Class 8 drayage trucks. MLI Leasing was selected from a competitive Request for Proposals (RFP). The intent of the RFP was to deploy at least ten ZE trucks into drayage service at the Port to assess the current capabilities of these truck models and receive feedback on overall driver satisfaction. Staff envisioned that near term deployments would be ideally suited for drayage operators that operate within 25 miles of the Port. The “ZE 25” project would include a minimum one year demonstration period with detailed reporting requirements, followed by extended operations through the remaining term of the contract.

Proposed First Amendment – MLI Leasing has been unable to deploy and operate the vehicles as anticipated. Upon execution of Agreement No. 22-9917, MLI Leasing placed orders for twelve ZE trucks. Due to manufacturer delays, MLI Leasing began receiving delivery of the ZE trucks in 2025. In addition, there was not enough power from the grid to meet the demands of the electrical infrastructure for the trucks. The utility provider was required to build out for the additional power demand from MLI Leasing’s facility. This additional build out has delayed the infrastructure charging installation until the latter half of 2026. In the meantime, MLI Leasing has secured temporary charging that will be used to allow the trucks to be deployed into service. The temporary charging installation will be completed by November 2025.

Due to these delays, MLI Leasing has not been able to meet the deployment requirements for Agreement No. 22-9917. The proposed First Amendment extends the term of the Agreement by three years to allow MLI Leasing to complete the deployment of the vehicles and installation of the permanent charging infrastructure. There is no additional funding or changes to the scope of work as part of the proposed First Amendment (Transmittal 1).

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of the proposed First Amendment with MLI Leasing, LLC to deploy 12 ZE drayage trucks into service which is an administrative activity. Therefore, the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of CEQA in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

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FINANCIAL IMPACT:

Approval of the First Amendment to Agreement 22-9917 will extend the term of the agreement by three years, for a total contract term of six years. All other terms and conditions will remain the same.

The Harbor Department will continue to remain financially responsible for funding up to \$3,000,000 for the deployment of twelve zero-emission drayage trucks. Spending under the proposed Amendment is anticipated to occur as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2025/26	\$500,000
2026/27	\$500,000
2027/28	<u>\$2,000,000</u>
Total	\$3,000,000

Fiscal Year 2025/26 funding in the amount of \$500,000 is available within Account 562015 (Clean Truck Program Subsidies), Division 42010 (Environmental Management). Future fiscal year funding will be requested as part of the annual budget adoption process, subject to Board approval.

CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved this Amendment as to Form and Legality.

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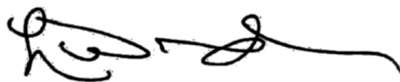
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LEASING FOR ZERO EMISSION TRUCK PILOT PROGRAM

TRANSMITTAL:

1. First Amendment to Agreement No. 22-9917 with MLI Leasing, LLC

FIS Approval: MM

CA Approval: SO



LISA WUNDER
Director of Environmental Management

Dina Aryan-Zaklan
MICHAEL DiBERNARDO ^{for}
Deputy Executive Director

APPROVED:

Erica M. Calhoun ^{for}

EUGENE D. SEROKA
Executive Director

LW:TP:AC
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