

DATE: APRIL 9, 2024

FROM: PORT PILOTS

**SUBJECT: RESOLUTION NO. _____ - AGREEMENT WITH TRELLEBORG
MARINE SYSTEMS DENMARK A/S FOR A PORTABLE PILOTING UNIT
SYSTEM**

SUMMARY:

Staff requests approval of an agreement (Agreement) between the City of Los Angeles Harbor Department (Harbor Department) and Trelleborg Marine Systems Denmark A/S (Trelleborg). Under the proposed agreement, Trelleborg will lease navigation equipment, license software, and provide support for a portable piloting unit (PPU) system used by Port Pilots. The proposed Agreement is a successor agreement to Agreement No. 21-3553-A that expired on January 24, 2024. The proposed Agreement has a three-year term, with an effective date retroactive to January 25, 2024, to maintain continuity of services. The proposed compensation amount is \$114,270. The Harbor Department will be financially responsible for expenses incurred under the proposed Agreement.

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 Agreement between the City of Los Angeles Harbor Department and Trelleborg Marine Systems A/S;
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 - In July 2017, the Harbor Department released a Request for Proposals (RFP) seeking qualified entities to provide a comprehensive PPU system that included hardware, software, support, maintenance, and training. The Harbor Department received four proposals in response, and Trelleborg's proprietary system, "SafePilot," was selected for contract award. The Board approved the selection of Trelleborg and Agreement No. 18-3553 at its January 11, 2018, Board meeting. Agreement No. 18-3553 had a compensation amount of \$270,000 and a three-year term, from January 25, 2018 to January 24, 2021. At its April 1, 2021 Board meeting, the Board approved a second agreement with Trelleborg, Agreement No. 21-3553-A, with a compensation amount of \$122,980 and a three year term from January 25, 2021 to January 24, 2024.

SafePilot is the main navigational tool utilized by Port Pilots during piloting operations. SafePilot is comprised of either the "CAT ROT" and the "CAT I" or the "CAT MAX" which work to provide real-time speed, positioning, and "rate-of-turn," which is the path on a curve that a ship traverses when turning. These devices transmit data to the SafePilot software on the pilot's tablet for navigational purposes, with the "CAT ROT" and "CAT I" requiring the use of the ship's Automatic Identification System (AIS) plug and the "CAT MAX" being independent of the ship's instruments.

Staff recommends awarding Trelleborg the proposed Agreement (Transmittal 1) so Port Pilots may continue to use the SafePilot system. Port Pilots' is satisfied with the performance of the hardware, software, and support provided by Trelleborg since the system's inception six years ago. After approval by the Board, completion of the City Council review period, and upon signature by the Executive Director, the effective date of the Agreement will be retroactive to January 25, 2024, the day after the expiration of Agreement No. 21-3553-A. The retroactive effective date is proposed to allow the Harbor Department to compensate Trelleborg for the use of the SafePilot system during the gap period starting from January 25, 2024 and to provide contractual coverage between the parties during this same time.

Selection Process - The proposed Agreement is being awarded as a sole source contract to allow for the continued use of the SafePilot system that is currently in place. A 1022 determination was not required because there are no labor costs associated with the proposed Agreement. The Harbor Department did conduct a competitive selection process in 2017 to select Trelleborg and the SafePilot system has been in use for six years since 2018.

Approval of the proposed Agreement will enable Port Pilots to continue utilizing Trelleborg's proprietary system. The alternative option is to conduct another competitive selection process. If a system other than SafePilot is selected, it would require an entirely new navigational system to be implemented. New hardware would have to be purchased. Each pilot would have to be re-trained to learn how to utilize new hardware and to operate

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new software to re-learn the main navigational tools that they already use on each job, every day.

Trelleborg manufactures the hardware and has developed the software for the SafePilot system. Some pilot organizations utilize the hardware of one manufacturer and the software of another. A major advantage of using Trelleborg's hardware and software is that they are designed to work together. Should there be an issue with the system, Port Pilot goes to one place. The hardware company can't point fingers at the software company and vice versa. In addition, Port Pilots is satisfied with the product and service that Trelleborg has provided.

ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of a successor agreement with Trelleborg for the lease of navigation equipment, license of software, and support for a PPU system, 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.

FINANCIAL IMPACT:

Approval of the proposed Agreement authorizes expenditures in the not-to-exceed amount of \$114,270 over three years for annual software license fees, cloud hosting, software support, and equipment leasing fees related to the PPU system used by Port Pilots. Spending under the proposed Agreement is anticipated to occur as follows:

Fiscal Year (FY)	Account 54110	Account 55160	Total
2023-2024	\$ 28,380	\$ 5,010	\$ 33,390
2024-2025	\$ 20,000	\$ 16,990	\$ 36,990
2025-2026	\$ 26,880	\$ 17,010	\$ 43,890
Total	\$ 75,260	\$ 39,010	\$114,270

FY 2023-2024 funds in the amount of \$28,380 have been budgeted within Account 54110 (Computer Software Maintenance Services), Center 0414, Program 000, to cover software licensing, cloud hosting fees, and support, while funds in the amount of \$5,010 have been budgeted within Account 55160 (Office Equipment), Center 0414, Program 000, to cover equipment costs.

Funding has been requested through the annual budget process for FY 2024/2025 and is pending Board approval. Funding for future fiscal years will be requested as part of the annual budget process upon Board approval. A funding out clause, also known as a

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termination of the agreement for non-appropriation of funds clause, has been included in the proposed Agreement.


CITY ATTORNEY:

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

TRANSMITTALS:

1. Proposed Agreement with Trelleborg Marine Systems Denmark A/S

FIS Approval: MB
CA Approval: SO



JOHN M. BETZ
Chief Port Pilot



THOMAS E. GAZSI
Chief of Public Safety and
Emergency Management

APPROVED:



EUGENE D. SEROKA
Executive Director