

FMC AGREEMENT NO. 201364
LOS ANGELES HARBOR DEPARTMENT AGREEMENT NO. 21-9805
LONG BEACH HARBOR DEPARTMENT AGREEMENT NO. HD-9338A

FIRST AMENDMENT TO AGREEMENT BETWEEN AND AMONG
THE CITY OF LOS ANGELES, THE CITY OF LONG BEACH, PORTCHECK LLC AND
MARINE TERMINAL OPERATORS

THIS FIRST AMENDMENT TO AGREEMENT (“Amendment”) is made and entered into between and among the CITY OF LOS ANGELES, a municipal corporation, acting by and through its Board of Harbor Commissioners (“POLA”), the CITY OF LONG BEACH, a municipal corporation, acting by and through its Board of Harbor Commissioners (“POLB”) (POLA and POLB, hereinafter referred to collectively as the “Ports”), PORTCHECK LLC (“Vendor”), and the following marine terminal operators (each individual referred to as an “MTO” and collectively referred to as “MTOs”): APM TERMINALS PACIFIC LLC, FENIX MARINE SERVICES, LTD., EVERPORT TERMINAL SERVICES, INC., INTERNATIONAL TRANSPORTATION SERVICE, LLC, LBCT, LLC, TOTAL TERMINALS INTERNATIONAL, LLC, WEST BASIN CONTAINER TERMINAL LLC, PACIFIC MARITIME SERVICES, L.L.C., SSAT (Pier A), LLC, YUSEN TERMINALS, LLC, TRAPAC LLC, and SSA TERMINALS, LLC as follows:

WHEREAS, the Ports, Vendor, and MTOs (each referred to as a “Party” and collectively as the “Parties”) previously entered into that certain Agreement dated as of August 20, 2021 (the “Agreement”) to provide the terms and conditions under which Vendor and MTOs collect certain fees and administer certain aspects of the Ports’ Clean Truck Program; and

WHEREAS, the Agreement had a term of three (3) years and will expire on August 19, 2024;

WHEREAS, the Parties desire to extend the term of the Agreement by five (5) years to expire on August 19, 2029, and to increase the compensation for said extension term by \$21,068,130 for a maximum Agreement compensation of \$31,068,130.

NOW, THEREFORE, the parties, intending to be legally bound, hereby agree as follows:

1. Term. Sections 3.A and 3.B.1. of the Agreement are amended to read as follows:

“3. EFFECTIVE DATE AND TERM OF AGREEMENT

A. This Agreement and any amendment shall become effective on the date it becomes effective pursuant to the Shipping Act of 1984, as amended (“Shipping Act), including, without limitation, action by the Federal Maritime Commission, if any, which initially occurred on August 20, 2021 (“Effective Date”).

B. This Agreement shall be in full force and effect commencing from the Effective Date and shall continue until the earlier of the following occurs:

1. Eight (8) years have lapsed from the Effective Date of this Agreement.”

2. Compensation. Section 5.A of the Agreement is amended to read as follows:

“5. COMPENSATION AND PAYMENT

A. Maximum Compensation. The maximum amount payable under this Agreement, including Development Costs, Operating Costs, and applicable reimbursable expenses and Profit & Overhead, in total, to Vendor shall be Thirty-One Million Sixty-Eight Thousand One Hundred Thirty Dollars (\$31,068,130).”

3. Vendor Operating Costs Compensation. The first sentence of Section 5.C of the Agreement is amended to read as follows:

“C. Vendor Operating Costs Compensation. The Operating Costs of this Agreement shall not exceed \$30,193,130, as set forth on Exhibit D – Operating Costs.¹”

4. Exhibit B – Scope of Work. Exhibit B Clean Truck Rate Collection Mechanism Services Scope Of Work is replaced by the attached Exhibit B-1.

5. Exhibit D – Operating Costs. Exhibit D is supplemented with the addition of the attached Exhibit D-1 (Years 2024-2029), applicable to the five-year extended term added by this Amendment. Exhibit D-1 (Years 2024-2029) includes the Ports' contribution to the costs of PortCheck Technology Upgrade.

6. Except as amended herein, all remaining terms and conditions of the Agreement shall remain unmodified and in full force and effect.

EXHIBITS attached hereto and made a part hereof:

Exhibit B-1 - Clean Truck Rate Collection Mechanism Services Scope Of Work

Exhibit D-1 – Operating Costs (Years 2024-2025)

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment to Agreement on the date to the left of their signatures.

**PORTCHECK LLC,
a limited liability company**

Dated: 28 MAY 2024

By: 
JOHN CUSHING
President

**THE CITY OF LONG BEACH
HARBOR DEPARTMENT,
acting by and through its
Board of Harbor Commissioners**

Dated: _____

By: _____
MARIO CORDERO
Chief Executive Officer

Attest: _____
SHANA ESPINOZA
Exec. Officer to the Board

APPROVED AS TO FORM:

_____, 20____
DAWN MCINTOSH, Long Beach City Attorney

By _____
SUDHIR N. LAY, Deputy City Attorney

**THE CITY OF LOS ANGELES
HARBOR DEPARTMENT,
acting by and through its
Board of Harbor Commissioners**

By signing below, I attest that I have no personal, financial, beneficial, or familial interest in this Agreement.

Dated: _____

By: _____
EUGENE D. SEROKA
Executive Director

Attest: _____
AMBER M. KLESGES
Board Secretary

APPROVED AS TO FORM AND LEGALITY

June 7, 2024
HYDEE FELDSTEIN SOTO, Los Angeles City Attorney
Steven Y. Otera, General Counsel

By: JM Crose
JOY M. CROSE, Assistant General Counsel

MARINE TERMINAL OPERATORS:

APM TERMINALS PACIFIC LLC



By: _____
Name: *KURT SULZBACH*
Title: *CHIEF LABOR RELATIONS OFFICER*

FENIX MARINE SERVICES, LTD.

By: _____
Name: _____
Title: _____

EVERPORT TERMINAL SERVICES, INC.

By: _____
Name: _____
Title: _____

INTERNATIONAL TRANSPORTATION
SERVICE, LLC

By: _____
Name: _____
Title: _____

LBCT LLC

By: _____
Name: _____
Title: _____

TOTAL TERMINALS INTERNATIONAL,
LLC

By: _____
Name: _____
Title: _____

WEST BASIN CONTAINER TERMINAL
LLC

By: _____
Name: _____
Title: _____

PACIFIC MARITIME SERVICES, L.L.C.


By: _____
Name: _____
Title: _____

MARINE TERMINAL OPERATORS:

APM TERMINALS PACIFIC LLC

By:
Name:
Title:

FENIX MARINE SERVICES, LTD.



By:
Name: CHRISTOPHER HICKS
Title: DIRECTOR

EVERPORT TERMINAL SERVICES, INC.

By:
Name:
Title:

INTERNATIONAL TRANSPORTATION
SERVICE, LLC

By:
Name:
Title:

LBCT LLC

By:
Name:
Title:

TOTAL TERMINALS INTERNATIONAL,
LLC

By:
Name:
Title:

WEST BASIN CONTAINER TERMINAL
LLC

By:
Name:
Title:

PACIFIC MARITIME SERVICES, L.L.C.

By:
Name:
Title:

MARINE TERMINAL OPERATORS:

APM TERMINALS PACIFIC LLC

By:
Name:
Title:

FENIX MARINE SERVICES, LTD.

By:
Name:
Title:

EVERPORT TERMINAL SERVICES, INC.



By:
Name: *Ron Neal*
Title: *President*

INTERNATIONAL TRANSPORTATION
SERVICE, LLC

By:
Name:
Title:

LBCT LLC

By:
Name:
Title:

TOTAL TERMINALS INTERNATIONAL,
LLC

By:
Name:
Title:

WEST BASIN CONTAINER TERMINAL
LLC

By:
Name:
Title:

PACIFIC MARITIME SERVICES, L.L.C.

By:
Name:
Title:

MARINE TERMINAL OPERATORS:

APM TERMINALS PACIFIC LLC

By:
Name:
Title:


FENIX MARINE SERVICES, LTD.

By:
Name:
Title:

EVERPORT TERMINAL SERVICES, INC.

By:
Name:
Title:

INTERNATIONAL TRANSPORTATION
SERVICE, LLC

By: 
Name: Christopher Rapp
Title: Vice President

LBCT LLC

By:
Name:
Title:

TOTAL TERMINALS INTERNATIONAL,
LLC

By:
Name:
Title:

WEST BASIN CONTAINER TERMINAL
LLC

By:
Name:
Title:

PACIFIC MARITIME SERVICES, L.L.C.

By: 
Name: SAL FENALIGANO
Title: VICE PRESIDENT

MARINE TERMINAL OPERATORS:

APM TERMINALS PACIFIC LLC

By:
Name:
Title:

FENIX MARINE SERVICES, LTD.

By:
Name:
Title:

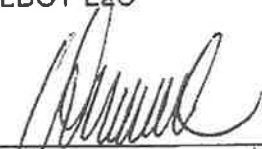
EVERPORT TERMINAL SERVICES, INC.

By:
Name:
Title:

INTERNATIONAL TRANSPORTATION
SERVICE, LLC

By:
Name:
Title:

LBCT LLC



By: ON BEHALF OF ANTHONY OTTO, CEO
Name: DINO BON
Title: CHIEF COMPLIANCE OFFICER

TOTAL TERMINALS INTERNATIONAL,
LLC

By:
Name:
Title:

WEST BASIN CONTAINER TERMINAL
LLC

By:
Name:
Title:

PACIFIC MARITIME SERVICES, L.L.C.

By:
Name:
Title:

MARINE TERMINAL OPERATORS:

APM TERMINALS PACIFIC LLC

FENIX MARINE SERVICES, LTD.

By:
Name:
Title:

By:
Name:
Title:

EVERPORT TERMINAL SERVICES, INC.

INTERNATIONAL TRANSPORTATION
SERVICE, LLC

By:
Name:
Title:

By:
Name:
Title:

LBCT LLC

TOTAL TERMINALS INTERNATIONAL,
LLC



By:
Name:
Title:

By: *Robert M. Johnson*
Name: *Robert M. Johnson*
Title: *CEO*

WEST BASIN CONTAINER TERMINAL
LLC

PACIFIC MARITIME SERVICES, L.L.C.



By:
Name:
Title:

By: *SAL FERRIGNO*
Name:
Title: *VICE PRESIDENT*

MARINE TERMINAL OPERATORS:

APM TERMINALS PACIFIC LLC

By:
Name:
Title:

FENIX MARINE SERVICES, LTD.

By:
Name:
Title:

EVERPORT TERMINAL SERVICES, INC.

By:
Name:
Title:

INTERNATIONAL TRANSPORTATION
SERVICE, LLC

By:
Name:
Title:

LBCT LLC

By:
Name:
Title:

TOTAL TERMINALS INTERNATIONAL,
LLC

By:
Name:
Title:


WEST BASIN CONTAINER TERMINAL
LLC

By:
Name: *CHRISTIN YANG*
Title: *VICE PRESIDENT*

PACIFIC MARITIME SERVICES, L.L.C.

By:
Name:
Title:

SSAT (Pier A), LLC


By: _____
Name: SAL FERRIGNO
Title: VICE PRESIDENT

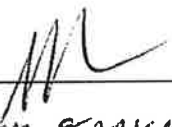
YUSEN TERMINALS LLC

By: _____
Name:
Title:

TRAPAC LLC

By: _____
Name:
Title:


SSA TERMINALS, LLC


By: _____
Name: SAL FERRIGNO
Title: VICE PRESIDENT

SSAT (Pier A), LLC

By:
Name:
Title:

YUSEN TERMINALS LLC



By:
Name: ERIK CRICHTON
Title: VP OPERATIONS

TRAPAC LLC

By:
Name:
Title:

SSA TERMINALS, LLC

By:
Name:
Title:

SSAT (Pier A), LLC

YUSEN TERMINALS LLC

By:
Name:
Title:

By:
Name:
Title:

TRAPAC LLC

SSA TERMINALS, LLC

Pana James

By: 5/28/2024
Name: PANA JAMES
Title: SVP Operations

By:
Name:
Title:

FUNDS AVAILABLE STAMP

FMC AGREEMENT NO. 201364
LOS ANGELES HARBOR DEPARTMENT AGREEMENT NO. 21-9805
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Account#	59967	W.O. #	78090
Ctr/Div#	0330	Job Fac.#	637-00
Proj/Prog#	000		
Budget FY:		Amount:	
24-25		\$ 1,500,000	
25-26		\$ 2,500,000	
26-27		\$ 2,500,000	
27-28		\$ 2,500,000	
28-29		\$ 3,134,065	
29-30		\$ 300,000	
TOTAL		\$12,434,065	
<u>For Acct/Budget Div. Use Only</u>			
Verified by:	Flora Khaw	<small>Digitally signed by Flora Khaw Date: 2024.06.06 13:53:00 -0700</small>	
Verified Funds Available:	<i>Flora</i>	<small>Digitally signed by Frank Liu Date: 2024.06.07 10:48:27 -0700</small>	
Date Approved:	6/7/24		

Exhibit B-1
CLEAN TRUCK RATE COLLECTION MECHANISM SERVICES
SCOPE OF WORK

Capitalized Terms used in this Exhibit B to the Agreement (“Agreement”) between the City of Los Angeles, the City of Long Beach, PortCheck LLC and Marine Terminal Operators, shall have the meanings as defined in the Agreement.

Vendor shall perform its Agreement responsibilities in accordance with this scope of work and the Tariffs. Pursuant to Agreement Section 1F, the Ports have sole authority to set the CTF Rate amount with applicable exemptions and conditions for access to the Ports’ terminals in their respective Tariffs, resolutions and otherwise.

Work under this Agreement shall be divided into two distinct phases: (1) Developmental Phase and (2) Operational Phase. The Ports shall provide a separate written Notice to Proceed (NTP) to authorize Vendor to commence the work of these two Phases as stated in each Phase scope of work below.

I. Developmental Phase:

The Ports shall provide a written NTP to Vendor to authorize beginning the Developmental Phase upon full execution of this Agreement. During the Developmental Phase of this work, Vendor shall work to establish and prepare the Clean Truck Rate Collection System per the requirements detailed below, according to the cost and schedule in Exhibit C.

A. Collection System Requirements:

Vendor shall develop the Collection System and procedures that must be able to perform the following minimum requirements:

1. Rate shall be applied to all loaded cargo containers that enter or exit a POLA or POLB marine terminal by non-exempt truck.¹ The Rate shall not be applied to empty containers or bare chassis without loaded cargo.
2. Collection System shall charge the Rate in both import and export gate scenarios: trucks bringing cargo containers into a terminal or trucks picking up cargo containers and departing a terminal for inland delivery.
3. The Rate shall be collected from the cargo’s BCO or a BCO-authorized agent. Rate shall be authorized against a chargecard or authorized against an electronic check, or funds shall be encumbered/debited against the payer’s established credit account. Collection System shall establish

¹ “Exempt” trucks shall be defined by the Ports under the Tariffs. For Vendor planning purposes, it is anticipated that Exempt trucks are likely to be heavy duty trucks that meet the zero emissions and near-zero emissions manufacturing standards adopted and certified by CARB or the US EPA.

electronic credit and debit transaction capability with appropriate financial institutions and BCOs and/or their agents.

4. Vendor shall send electronic confirmation to Marine Terminal Operator that cargo moving by trucks through terminal gates has satisfied the Rate requirement, and may be released. This Vendor confirmation shall be based on either cargo movement by exempt truck or that Vendor has collected/encumbered the applicable Rate for non-exempt trucks. MTO measures shall be in place to preclude cargo from being moved through terminal gates that lack this Vendor confirmation.
5. Collection System shall accommodate multiple rate levels based on the "category" of vehicle. The system shall be able to accommodate at least 10 rates.
6. Collection System shall provide the ability to easily increase or decrease each of the rate levels individually as needed over time.
7. Collection System shall, in a timely manner, process the Rate transactions and complete the chargecard authorization and settlement process or invoice the payers with established credit. System shall in a timely manner allow for adjustments to the Rate level if the vehicle that actually moves the cargo is different from the vehicle reported by the MTO.
8. Vendor shall provide customer service to the gate transaction parties, MTOs and users of the Collection System, on Non-Holiday weekdays from 6:00 AM to 6:00 PM and be able to acknowledge trouble tickets within 30 minutes of notification.
9. Vendor shall develop its reasonable Rate Collection Procedures per Agreement Section 1E, submit to the Ports for approval no later than 30 days prior to the commencement of Rate collection in Phase II Operations, and obtain Ports' prior consent to any material changes.
10. User interface shall be developed in cooperation with Ports' staff. System shall, at minimum, incorporate state of the art data processing features and functionality that allow users to easily work with multiple shipments and multiple different locations. Ports' staff will work with the Vendor for screen designs and workflows during the development phase of the project.
11. System must be available 24 hours a day, every day of the year, except for scheduled maintenance periods during low activity times. Scheduled maintenance periods will be clearly advertised in advance and be communicated via email to users at least 3 days before the period. The system must achieve 99.95% full system availability during non-

maintenance periods. Additionally, the provider must be able to respond to errors according to the following timelines:

- a. Level 1 Errors (system unavailable to all users): Begin professional resolution efforts within 1 hour of receiving error notification. Summary of efforts must be e-mailed every 2 hours detailing issues and attempts at resolution.
- b. Level 2 Errors (system is experiencing updating or processing errors, reporting capabilities not working properly, but the system is substantially usable and available to all users): Begin professional resolution efforts within 4 hours of receiving error notification. Summary of efforts must be e-mailed every 4 hours detailing issues and attempts at resolution.
- c. Level 3 Errors (system is exhibiting minor field or page display errors, but the system is substantially usable and available to all users): Begin professional resolution efforts within 8 business hours of receiving error notification. Summary of efforts must be emailed every 8 business hours detailing issues and attempts at resolution.

B. Vendor Reports and Invoices

Vendor shall submit detailed progress reports on the various Collection System components with its invoices for reimbursement of authorized cost reimbursement in accordance with Agreement Section 5D and Exhibit C – Development Costs Detailed Budget and Schedule.

II. Operational Phase:

A. Staff Hiring, Training and Final Preparations

The Ports will provide a second written NTP to inform Vendor of the operational start date for Vendor to start collecting the Clean Truck Rate. This second notice shall be provided no later than 60 days before the Rate Collection start date, and will authorize Vendor to begin final staffing, training for the performance of operations services in accordance with Section 2B below, and other preparations for the start of the Operations phase.

Invoices for this preparatory work shall be processed similarly to the Developmental Costs reimbursement for authorized costs reimbursement paid by the Ports following approval, pursuant to Agreement 5.D.1 and Exhibits F & G. The integrated revenue remittance and invoice payment process of Agreement Section 5.D.2. shall not apply, due to lack of operations revenue during the preparatory work.

Vendor will notify the Ports 30 days prior to the operational start date stated in the second NTP, of the date when Vendor expects these final staffing preparations will be complete. No later than 7 days prior to the noticed operational start date, Vendor shall confirm readiness to timely commence the Rate collection, or advise of any concerns and a recommended revised date.

The Ports will confirm via a third written NTP the final Rate Collection start date, in accordance with Vendor's confirmation of readiness to commence collections, and authorize the commencement of the Operational phase of this project. Effective on the noticed commencement date in the 3rd NTP, Vendor shall operate System to collect the Clean Truck Rate as detailed in the Tariffs and this scope of work.

B. Rate Collection, Credit-debit-encumbrance and Customer Service.

1. Rate Collection Process

- Vendor shall develop its reasonable Rate Collection Procedures per Agreement Section 1E, submit to the Ports for approval no later than 30 days prior to the commencement of Rate collection in Phase II Operational Phase, and obtain Ports' prior consent to any material changes.
- Vendor shall operate System to collect the Clean Truck Rate as detailed in the Tariffs, this scope of work, and the Rate Collection Procedures as consented to by the Ports.

2. Credit-debit-encumbrance of BCO accounts for payment

The Rate shall be collected from the cargo's BCO or a BCO-authorized agent. Rate shall be authorized against an on-file chargecard or funds shall be encumbered/debited against the payer's established credit account, prior to each terminal gate transaction. Collection System shall establish electronic credit and debit transaction capability with appropriate financial institutions and payers. Vendor shall, in a timely manner, process the Rate transactions and complete the chargecard authorization and settlement process or invoice the payers with established credit. Collection System shall in a timely manner allow for adjustments to the Rate level if the vehicle that actually moves the cargo is different from the vehicle reported by the MTO.

3. Software & Hardware Upgrades

When necessary, software or hardware upgrades to the Collection System to maintain optimal performance and security can be approved in writing by the Ports. The cost of the upgrade(s) cannot exceed the budgeted amount set forth in Exhibit D.

4. Customer Service

- Vendor shall provide customer service to the gate transaction parties, MTOs and users of the Collection System, on Non-Holiday weekdays

from 6:00 AM to 6:00 PM and be able to acknowledge receipt of trouble tickets within 30 minutes of notification.

C. Vendor's Remittance of Collected Rate Revenues, Reports and Invoices

Vendor shall remit to the Ports the revenues from their Rate collections in a manner approved by the Ports. The Ports have agreed to an integrated revenue remittance and invoice payment process set forth in Agreement Section 5.D. The integrated submittal package deliverables below apply to the Vendor's integrated revenue remittance and invoice payment procedure.

1. Vendor's Integrated Submittal Package

As set forth in the Agreement, Section 5.D, Vendor shall submit to each Port an Integrated Revenue Remittance and Invoice Payment Submittal Package containing the items listed here (Integrated Package) for each month of Operational Phase by the 5th business day of the next calendar month.

Each Integrated Package shall review the previous month of operations and will include, at a minimum

- a. Proposed Summary Invoice: setting forth the details of authorized charges including monthly operating costs incurred, in accordance with Exhibits F & G; and
- b. Clean Truck Rate Collection Data:

As part of each package submitted by Vendor during the Operational Phase of this agreement, Vendor shall include electronic data reports to each respective Port of the Rate Collection activity at that Port's terminals. These Excel-based detailed reports shall include, at a minimum, the following:

- Total loaded container moves per gate, by each Rate
- Total Transactions
- Total truck moves entering per gate
- Rate Collections System Availability (uptime and outage details)
- The following data shall be provided per each activity recorded in the previous month:
 - Terminal ID
 - Move Date/Time of each interaction
 - Container or Truck Status (Import, Export, Drayage Truck, and Drayage Truck with chassis)
 - Container Size
 - Full/Empty Status
 - In/Out Gate
 - Motor Carrier Standard Carrier Alpha Code (SCAC)

- RFID
- Plate Number / State

Technical Changes to this Exhibit

Changes of a technical nature that do not increase the overall compensation under this agreement or extend the duration of the agreement may be made to any of these specifications or schedules by joint decision of the Ports' Executive Directors with Vendor's consent. Such changes will be provided by written notice from both Ports to Vendor, and will become effective no less than 30 days following Vendor's written acknowledgment and concurrence with the changes.

Exhibit D-1

PortCheck CTF Budget
Years 1 - 5
(2024 - 2029)

	Budget	Year 1	% of Revenue	Year 2	% of Revenue	Year 3	% of Revenue	Year 4	% of Revenue	Year 5	% of Revenue	Budget Total	% of Revenue
		79,059,680	100%	82,222,060	100%	85,510,950	100%	88,931,380	100%	92,488,640	100%	428,212,710	100%
Estimated CTF Revenue													
Total Variable Sales Expenses													
MC/Visa	1,185,890	1,315,550	1.6%	1,453,690	1.7%	1,600,760	1.8%	1,757,280	1.9%	1,924,800	2.1%	7,313,170	1.7%
AMEX	474,360	575,550	0.7%	684,090	0.8%	800,380	0.9%	924,890	1.0%	1,059,380	1.1%	3,459,270	0.8%
Telecheck	79,060	90,440	0.1%	102,610	0.1%	115,610	0.1%	129,480	0.1%	143,350	0.1%	517,200	0.1%
Bank Fees	23,720	32,890	0.0%	42,750	0.0%	53,360	0.1%	64,740	0.1%	77,000	0.1%	217,460	0.1%
Bad Debts	23,430	24,360	0.0%	25,340	0.0%	26,350	0.0%	27,400	0.0%	28,490	0.0%	126,880	0.0%
Total Variable Sales Expenses	1,786,460	2,038,790	2.5%	2,308,480	2.7%	2,596,460	2.9%	2,903,790	3.1%	3,217,080	3.4%	11,633,980	2.7%
Fixed Expenses													
Legal Expenses	12,000	3,150	0.0%	3,310	0.0%	3,480	0.0%	3,660	0.0%	3,830	0.0%	25,600	0.0%
Auditing and Tax Services	27,000	28,350	0.0%	29,770	0.0%	31,260	0.0%	32,830	0.0%	34,480	0.0%	149,210	0.0%
Subcontractor expenses - SBE	287,400	296,500	0.4%	304,900	0.4%	315,500	0.4%	323,500	0.3%	333,000	0.3%	1,527,800	0.4%
Subcontractor expenses - Equipment & Service-SBE	2,820	2,970	0.0%	3,120	0.0%	3,280	0.0%	3,450	0.0%	3,630	0.0%	15,640	0.0%
Subcontractor expenses - OBE	534,500	550,500	0.7%	567,000	0.7%	584,000	0.7%	601,500	0.7%	620,000	0.7%	2,837,500	0.7%
PortCheck Labor	350,420	364,440	0.4%	379,020	0.4%	394,180	0.4%	409,950	0.4%	426,330	0.4%	1,898,010	0.4%
Information Technology [A]	483,980	43,320	0.1%	43,930	0.1%	44,580	0.1%	45,230	0.1%	45,880	0.1%	661,650	0.2%
LEFT BLANK INTENTIONALLY													
Office	1,000	1,030	0.0%	1,070	0.0%	1,110	0.0%	1,150	0.0%	1,190	0.0%	5,360	0.0%
Taxes and Licenses	25,000	26,250	0.0%	27,570	0.0%	28,950	0.0%	30,400	0.0%	31,900	0.0%	138,170	0.0%
General & Administrative Multiplier (2f x 5%)	1,300	1,370	0.0%	1,430	0.0%	1,500	0.0%	1,580	0.0%	1,660	0.0%	7,180	0.0%
Profit Multiplier on PC Labor (2e x 5%)	17,520	18,220	0.0%	18,950	0.0%	19,710	0.0%	20,500	0.0%	21,320	0.0%	94,900	0.0%
Subcontractor Overtime (2b, 2c x 10%)	82,470	85,000	0.1%	87,500	0.1%	90,000	0.1%	92,500	0.1%	95,000	0.1%	438,100	0.1%
Data Delivery expenses [B]	107,200	129,600	0.2%	130,610	0.2%	131,650	0.2%	132,720	0.2%	133,800	0.2%	631,780	0.1%
Total Fixed Expenses	1,932,610	1,550,700	1.9%	1,598,180	1.9%	1,649,480	1.9%	1,699,930	1.8%	1,751,400	1.8%	8,430,900	2.0%
Total Budgeted Expenses Before Contingency	3,719,070	3,589,490	4.4%	3,906,660	4.6%	4,245,940	4.8%	4,603,720	5.0%	4,978,480	5.4%	20,064,880	4.7%
Add 5% contingency	185,950	179,480	0.2%	195,330	0.2%	212,300	0.2%	230,190	0.2%	248,970	0.2%	1,003,250	0.2%
Total Budget Expenses With Contingency	3,905,020	3,768,970	4.6%	4,101,990	4.8%	4,458,240	5.0%	4,833,910	5.2%	5,177,450	5.6%	21,068,130	4.9%
Total Ports Distributions With Contingency	75,154,660	78,453,090	95.4%	81,408,960	95.2%	84,473,140	95.0%	87,654,730	94.8%	90,911,200	94.6%	407,144,580	95.1%

Comments

[A] Year 1 of information Technology includes purchase cost of new computer equipment, software, and associated licenses. Subsequent years include licenses and support. See EXHIBITS 1 and 2 which includes detail of purchases.
 [B] Standard data delivery charges of \$4k monthly to each Port with addition of \$2,800 monthly for new Bobtail & bare chassis data collection, monitoring, and delivery. Budgeted 3% labor escalation each year.
 NOTE: In this budget, the Total Budget Expenses With Contingency on Row 36 reads 21,068,130, a total of 9,613 higher than the budget sent on Feb 27, 2024. This is due to our omission to include the costs of the Azure Defender for

March 19, 2024 (Updated)

EXHIBIT 1 (Revised)

Portcheck Information Technology Upgrade - reference to proposed PortCheck Budget, Years 1 - 5 (2024 - 2029) Line 2.f.1.

PortCheck will be allocated a 50% proportional cost of the total quantity of hardware listed as:

Description	Purpose	Manufacturer	Total Qty
VxRail VP-760	Computing & Storage	Dell	6
PowerVault ME5012	Backup Repository	Dell	2
PowerSwitch S5224-ON	Data Center Connections	Dell	4
Power Cords for Switches	Data Center Connections	Dell	8
PowerEdge R360	Domain Controller	Dell	3
Ruckus ICX 8200 - Switch	DMZ Access	Ruckus	2
Ruckus - Power cable	DMZ Access	Ruckus	2
Dell Digital KVM Switch DMPU108e	Data Center Components	Dell	2
Server interface module KVM Switch	Data Center Components	Dell	16
Dell FPM185 - KVM console - 18.5"	Data Center Components	Dell	2
Dell KVM mounting bracket - Console	Data Center Components	Dell	2
APEX Cloud MC-760	Computing & Storage	Dell	4

EXHIBIT 2

Portcheck Information Technology Upgrade - reference to proposed PortCheck Budget, Years 1 - 5 (2024 - 2029) Line 2.f.1.

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Information Technology						
Equipment	369,061	-	-	-	-	369,061
Labor - Setup, Installation, & Testing	43,850	-	-	-	-	43,850
Software Licenses [A]	69,452	43,320	43,930	44,580	45,840	247,122
Maintenance & Support [B]	1,617	-	-	-	-	1,617
TOTAL INFORMATION TECHNOLOGY	483,980	43,320	43,930	44,580	45,840	661,650

[A] Software Licenses (Detail)

VMware eOEM Licenses	6,264	-	-	-	-	6,264
FORTIGATE	6,503	-	-	-	-	6,503
APEX Cloud Foundation Software	23,074	-	-	-	-	23,074
Azure Defender for Servers	3,900	7,800	7,800	7,800	7,800	35,100
Backup VMs daily @200GB with 30 day retention	210	420	420	420	420	1,890
VMs Plus UAT	1,500	3,000	3,000	3,000	3,000	13,500
Logic Monitor - monitors Plus Site 24x7 web tests	3,000	6,000	6,000	6,000	6,000	27,000
Microsoft Licenses	18,009	18,549	18,550	18,550	19,106	92,765
IBM DB2 Licenses for BRIC VTX	6,993	7,550	8,160	8,810	9,514	41,027
	\$ 69,452	\$ 43,320	\$ 43,930	\$ 44,580	\$ 45,840	\$ 247,122

[B] Maintenance & Support (Detail)

Ruckus WatchDog End User Support (5 years)	228	-	-	-	-	228
Dell 5-year Gold Hardware Maintenance - KVM Switch	761	-	-	-	-	761
Dell 5-year Gold Hardware Maintenance - KVM Console	629	-	-	-	-	629
	\$ 1,617	\$ -	\$ -	\$ -	\$ -	\$ 1,617