

**AGENDA OF THE SPECIAL MEETING OF THE
LOS ANGELES BOARD OF HARBOR COMMISSIONERS 1
THURSDAY, OCTOBER 2, 2008, AT 3:00 P.M.
PORT OF LOS ANGELES ADMINISTRATION BUILDING
425 S. PALOS VERDES STREET
SAN PEDRO, CA 90731**

**BOARD OF HARBOR COMMISSIONERS
President S. David Freeman
Vice President Jerilyn López Mendoza
Commissioner Kaylynn L. Kim
Commissioner Douglas P. Krause
Commissioner Joseph R. Radisich**

**A. OPENING STATEMENT – AN OPPORTUNITY FOR MEMBERS
OF THE PUBLIC TO ADDRESS THIS BOARD**

**PERSONS IN THE AUDIENCE MAY ADDRESS THIS BOARD
IN CONNECTION WITH ANY AGENDA ITEM OR DURING
THE PUBLIC COMMENT PERIOD.**

**AS PROVIDED BY THE BROWN ACT, THE BOARD HAS
LIMITED EACH INDIVIDUAL'S SPEAKING TIME TO THREE
MINUTES. ANYONE DESIRING TO SPEAK DURING THE
PUBLIC COMMENT PERIOD IS REQUESTED TO COMPLETE
A SPEAKER CARD AND SUBMIT IT TO THE COMMISSION
SECRETARY, VIA THE SERGEANT AT ARMS, PRIOR TO THE
START OF THE MEETING.**

Commission actions, except actions which are subject to appeal or review by the Council pursuant to other provisions of the Charter, ordinance or other applicable law, are not final until the expiration of the next five meeting days of the City Council during which the Council has convened in regular session. If the Council asserts jurisdiction during this five meeting day period the Council has 21 calendar days thereafter in which to act on the matter.

Please note that this agenda is subject to revision in accordance with the Brown Act. In the event the agenda is revised prior to the meeting, Port staff will endeavor to post the revised agenda on the Port's web site (<http://www.portoflosangeles.org>). Updated agendas also will be available in hard copy at the meeting. Live Board meetings can also be heard at: (213) 621-City (Metro), (818) 904-9450 (Valley), (310) 471-City (Westside) and (310) 547-City (Harbor).

As a covered entity under Title II of the Americans with Disabilities Act, the City of Los Angeles does not discriminate on the basis of disability and, upon request, will provide reasonable accommodation to ensure equal access to its programs, services, and activities.

Sign language interpreters, assistive listening devices, and translation services may be provided. To ensure availability, 72-hour advance notice is required. Contact the Commission office at (310) 732-3444.

Interpretes de señas, sistemas auditivos y servicios de traducciones están disponibles. Para asegurar disponibilidad, se requiere solicitarlos con 72 horas de anticipación. Para hacer la solicitud, llame a la oficina de la Comisión al (310) 732-3444.

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B. COMMENTS FROM THE PUBLIC ON NON-AGENDA ITEMS

C. REPORT OF THE EXECUTIVE DIRECTOR

Clean Truck Program

- 1. Re: RESOLUTION NO. _____ - AUTHORIZATION TO ENTER INTO A CONTRACT WITH PORTCHECK, LLC FOR THE COLLECTION OF FEES IN CONNECTION WITH THE CLEAN TRUCK PROGRAM AND CERTAIN INFRASTRUCTURE PROJECTS**

SUMMARY: The Clean Truck Program (CTP) is a key component of the San Pedro Bay Ports Clean Air Action Plan (CAAP) that will require the fleet of approximately 17,000 drayage trucks serving the Port of Los Angeles and Port of Long Beach (Ports) to meet United States Environmental Protection Agency (USEPA) 2007 standards through replacement or retrofit within a period of approximately five years. This letter recommends that the Board of Harbor Commissioners authorize the Port of Los Angeles in conjunction with the Port of Long Beach to enter into a sole source agreement with PortCheck, LLC, to reimburse for costs incurred in billing and collecting CTP tariff revenue. PortCheck is a company created by the West Coast Marine Terminal Operators Association (WCMTOA) to carry out their obligations under certain tariffs enacted by the Ports.

The tariffs, enacted in December 2007 and January 2008, require that the Marine Terminal Operators (MTOs) collect the Clean Truck Fee (CTF) under the CTP and the Infrastructure Cargo Fee (ICF) to support the funding of Port-related infrastructure projects that are identified by the Ports. The proposed Agreement only reimburses PortCheck for its costs in collecting such fees. The first year reimbursement for the

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1. (Continued)

development and operation of the fee collection system are estimated to be \$11,482,842 of which one half or \$5,741,421 will be the responsibility of the Port of Los Angeles. This will be for the collection of \$310-\$360 million in CTP tariff fees.

This agreement is a sole source agreement with PortCheck, LLC on a cost share basis with the Port of Long Beach. This is sole source due to the cost-reimbursement-only nature of the contract and WCMTOA's previous experience in implementing PierPass. PierPass is a similar system used by WCMTOA to collect funds from the Beneficial Cargo Owners (BCOs) to defer the cost of keeping the terminals open and moving cargo at night. WCMTOA, through PierPass, has the experience, relationships and infrastructure to implement this program far more rapidly and cost effectively than using an outside vendor. The Agreement with PortCheck is the result of considerable negotiation among the Ports and the MTOs. Staff recommends that the Board authorize the Port of Los Angeles to enter into an Agreement in substantially the form attached to this Board letter as Transmittal 1.

Despite the apparent advantages of using the PortCheck system as a sole source for CTP fee collection, port staff recognizes the uniqueness of this relationship. As such additional diligence will be exercised in the prosecution of this contract in order to ensure that costs are appropriate and conduct review to assess the effect that the system has on existing port tariffs and labor agreements. Should the Port find irregularities in the contract or its implementation immediate action will be taken.

Recommendation: Board resolve that (1) the Executive Director be authorized to enter into an Agreement substantially in the form of Transmittal 1 with PortCheck, LLC and the City of Long Beach; (2) funding for this action, in the amount of \$5,741,421 in Account No. 59967, Center No. 0210, Program No. 652 be appropriated; (3) the Executive Director and the Board Secretary be authorized to execute and to attest to the Agreement for and on behalf of the Board; and (4) Resolution No. _____ be adopted.