



**THE PORT
OF LOS ANGELES**
Executive Director's
Report to the
Board of Harbor Commissioners

DATE: MAY 27, 2025

FROM: CARGO & INDUSTRIAL REAL ESTATE

**SUBJECT: RESOLUTION NO. _____ - APPROVE THE FIRST
AMENDMENT TO AGREEMENT NO. E7270 WITH PARAGON
PARTNERS CONSULTANTS, INC. FOR AN ADDITIONAL TWO-YEAR
PERIOD AND ADDITIONAL FUNDING**

SUMMARY:

Staff requests approval of the First Amendment (Amendment) to Agreement No. E7270 (Agreement) between the City of Los Angeles Harbor Department (Harbor Department) and Paragon Partners Consultants, Inc. (Paragon) for consulting and professional assistance in commercial planning, analysis and technical real estate services to augment existing staffing resources at the Harbor Department. The proposed Amendment will: i) extend the Agreement by two years for a total aggregate term of three years; and ii) increase the not-to-exceed compensation authority amount from \$90,000 to \$180,000. The Harbor Department will continue to be financially responsible for payment of costs incurred under the 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. Find that in accordance with the Los Angeles City Charter Section 1022 the Harbor Department does not employ sufficient personnel to perform the required services, which are more feasibly and economically undertaken on a temporary basis by an independent contractor;
3. Approve the First Amendment to Agreement No. E7270 between the City of Los Angeles Harbor Department and Paragon Partners Consultants, Inc.;
4. Authorize the Executive Director to execute, and the Board Secretary to attest to, the First Amendment to Agreement No. E7270; and
5. Adopt Resolution No. _____.

SUBJECT: APPROVE FIRST AMENDMENT TO E7270 WITH PARAGON PARTNERS CONSULTANTS, INC.

DISCUSSION:

Background – Paragon’s Agreement arose from a Request for Proposals for on-call staff augmentation real estate services published on January 9, 2024. The Agreement commenced on July 25, 2024, for a term of one year. Under the Agreement, Paragon provides consulting and professional assistance in commercial planning, analysis, development of leasing strategy, and technical real estate professional services to augment existing staffing resources at the Harbor Department.

Proposed First Amendment – The Harbor Department continues to require real estate services beyond the Agreement’s current expiration date of July 24, 2025. The First Amendment to Agreement No. E7270 (Transmittal 1) will extend the term of Agreement No. E7270 (Transmittal 2) by two additional years through July 24, 2027, and increase compensation under the Agreement by \$90,000. During the extension period, Paragon will assist and serve as an extension of staff by processing various complex real estate transactions that require specialized expertise in rail right of way, and the laws, rules and regulations governing surplus sale of City-owned property.

The Agreement may be terminated with 10 days’ notice by either party. Although an agreement approved by the Board typically requires Board approval to terminate said agreement, for administrative efficiency, staff requests the Board to approve the Amendment without modifying Article 11 of the Agreement which grants the Executive Director sole authority to terminate the Agreement.

Below are the material terms of the proposed Amendment:

Provision	Description
Term Termination	Two-year extension, expiring July 24, 2027. Subject to termination resulting from non-appropriation of funds by the Harbor Department, or by the Executive Director for any reason upon 10 days’ written notice to the consultant.
Compensation	\$180,000 for the aggregate three-year term.

ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of the First Amendment to the Agreement with Paragon for consulting and professional assistance in commercial planning, analysis, and technical real estate services, 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 proposed Amendment will extend the term of the Agreement by two years and increase total compensation by \$90,000 from \$90,000 currently to \$180,000 as proposed.

Spending under the Agreement has occurred, and is anticipated to occur as follows:

Fiscal Year (FY)	\$ Amount
2024-2025	\$57,500
2025-2026	\$92,500
2026-2027	\$30,000
Total	\$180,000

FY 2024-2025 funding in the amount of \$57,500 has been budgeted in Account 544160 (Miscellaneous Professional Services), Division 40110 (Cargo/Industrial Real Estate). To date, \$4,312.50 has been billed to the Harbor Department by Paragon. An additional \$53,187.50 is anticipated to be spent by the end of FY 2024-2025 for a revised total of \$57,500. Funding for future fiscal years will be requested as part of the annual budget process upon Board approval.

The Harbor Department’s financial obligations after the current fiscal year are contingent upon the Board appropriation of funds. If funds are not appropriated by the Board for the work required by the Agreement, then the Agreement shall be terminated. However, such termination would not relieve the parties of liability for any obligations previously incurred.

CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved the proposed First Amendment to Agreement No. E7270 as to form and legality.

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TRANSMITTALS:

1. First Amendment to Agreement No. E7270
2. Agreement No. E7270

FIS Approval: *JS*
CA Approval: *SO*

Marisa L. Katnich
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Director, Cargo & Industrial Real Estate

Michael DiBernardo
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Deputy Executive Director

APPROVED:

Erica M. Calhoun for

EUGENE D. SEROKA
Executive Director