



**THE PORT  
OF LOS ANGELES**

Executive Director's  
Report to the  
Board of Harbor Commissioners

**DATE: JULY 30, 2013**

**FROM: CLEAN TRUCK PROGRAM**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - THIRD AMENDMENT TO AGREEMENT NO. 08-2702 BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND TETRA TECH, INC. FOR ADMINISTRATION OF THE CLEAN TRUCK PROGRAM**

**SUMMARY:**

On September 18, 2008, the City of Los Angeles Harbor Department (Harbor Department), after completion of a competitive bidding process, entered into Agreement No. 08-2702 (Agreement) with Tetra Tech, Inc. (Tetra Tech) located in Pasadena, California for \$8.4 million to provide concession, grant administration, and support services for the Clean Truck Program (CTP). The Agreement is scheduled to expire on December 31, 2013. The Harbor Department requests that the Agreement be extended 18 months until June 30, 2015 (Transmittal 1). This proposed extension will not require additional funding authority, as unspent funding in the amount of \$1,695,355 remains available in the original \$8.4 million.

**RECOMMENDATION:**

It is recommended that the Board of Harbor Commissioners (Board):

1. Approve the proposed Third Amendment to Agreement No. 08-2702 with Tetra Tech, Inc. to extend the current contract to June 30, 2015;
2. Authorize the Board Secretary to transmit the proposed Third Amendment to Agreement No. 08-2702 to the Los Angeles City Council for approval in accordance with Charter Section 373 and Los Angeles Administrative Code Section 10.5(a);
3. Authorize the Executive Director to execute and Board Secretary to attest to the proposed Amendment to Agreement No. 08-2702 for and on behalf of the Board of Harbor Commissioners upon approval by the City Council; and
4. Adopt Resolution No. \_\_\_\_\_.

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**DISCUSSION:**

Background/Context - As of January 1, 2012, 100% of the cargo gate moves at the ports of Los Angeles and Long Beach (Ports) terminals are made by trucks meeting the State of California Environmental Protection Agency's (EPA) 2007 heavy duty truck emissions standards (clean trucks). The fleet of approximately 12,000 trucks currently servicing the Ports is comprised of more than 11,000 clean diesel trucks and approximately 1,000 trucks powered by alternative fuels. The CTP has been successful in reducing truck emissions by approximately 90% compared to 2007 levels.

In the summer of 2008, in anticipation of commencement of the CTP on October 1, 2008, the Ports conducted a joint competitive bid for outside consulting services to provide concession and grant administration in connection with the CTP. After completion of interviews for this work, Tetra Tech was selected by a joint interview team from the Ports to provide these services. Tetra Tech agreed to provide separate teams to each Port due to slight differences in the programs, and agreed to sign separate 3-year contracts with the Ports making Tetra Tech the administrator for the CTP for both Ports.

Agreement No. 08-2702 - On September 18, 2008, the Board approved Agreement No. 08-2702 with Tetra Tech, Inc. (Transmittal 2), to provide professional, expert and technical services to assist the Harbor Department in the administration of Concessions and Grants under the CTP. Tetra Tech's responsibilities under this Agreement included development of a concession application; design and development of a grant application for truck replacement; design and development of a system to register drayage trucks; and overall coordination with members of the trucking community to assure a smooth transition to the concession-based drayage program.

First Amendment to Agreement No. 08-2702 - On June 28, 2011, the Board approved the First Amendment to Agreement No. 08-2702 (Transmittal 3), which extended the contract with Tetra Tech for approximately nine months to June 30, 2012, from its original expiration date, September 18, 2011. Subsequently, on August 16, 2011, the First Amendment was approved by the Los Angeles City Council. The main reason for the extension request was to maintain continuity in program support through the final ban date of January 1, 2012.

Second Amendment to Agreement No. 08-2702 - On April 19, 2012, the Board approved the Second Amendment to Agreement No. 08-2702 (Transmittal 4), which extended the contract with Tetra Tech another 18 months to December 31, 2013. Subsequently, on May 23, 2012, the Second Amendment was approved by the Los Angeles City Council. The main reasons for the second extension request was to assist the Harbor Department in identifying which administrative and operational tasks could

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be performed in-house by City employees, and for Tetra Tech to assist in the issuance of updated concession agreement renewals early in 2013.

Proposed Third Amendment to Agreement No. 08-2702 - The proposed Third Amendment to Agreement No. 08-2702 requests a further extension of Tetra Tech services for 18 months to June 30, 2015. Staff proposes to continue to utilize Tetra Tech for the following key reason:

- The five-year concession agreements for approximately 1,000 Concessionaires are set to expire on September 30, 2013. The Harbor Department had planned on issuing updated Concession Agreements early in 2013; however, due to the Supreme Court's Decision on June 13, 2013 regarding the outcome of the American Trucking Association's (ATA) case challenging the terms and conditions of the CTP Concession Program and the timing of that decision, the Harbor Department is considering an extension of the Concession Agreements up to an additional year. The Harbor Department would utilize the additional time to revise the Concession Agreement in accordance with the Supreme Court's recent decision, and then go out with renewals of an updated Concession Agreement later in 2013 or early 2014. The effort and process to administer the first concession agreements was challenging; therefore, Tetra Tech's expertise in this area will help ensure a successful future issuance.

Scope of Work – The scope of work will remain unchanged for the proposed amendment.

Extension Cost - This proposed extension will not require any additional funding authority, as excess unspent funding authority remains available in the original \$8.4 million Agreement. As of May of 2013, \$1,695,355 remains available under the original contract. It is anticipated that monthly costs will range from \$50,000 to \$65,000. If the program costs \$60,000 per month from May 2013 through the end of June 2015, there will be sufficient funding authority to cover the term of the proposed Amendment.

Sole Source Justification - In anticipation of CTP operational needs from January 1, 2014 until June 30, 2015, it is necessary that the Harbor Department continue to receive specialized and professional expert support from Tetra Tech. Tetra Tech has been the sole contractor providing administration of the highly complex/dynamic CTP for both Ports since the inception of the program. The duties which they perform include maintaining the Port's Drayage Truck Registry and the Concessionaire Database which involves administering over 1,000 agreements, and providing special analysis of truck moves.

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Tetra Tech is the only consultant currently capable of providing these services for the following reasons:

- As the Harbor Department plans to go out with a new round of approximately 1,000 concession agreements in late 2013 or early 2014, Tetra Tech is uniquely prepared to administer this complex process.
- There is insufficient existing Harbor Department staff available to perform the work.

Union Informational Meeting - As part of a periodic information exchange, a meeting was held on July 18, 2013 with the Service Employees International Union (SEIU), the local union that represents Environmental Specialists and Marine Environmental Supervisors, to notify them of the proposed amendment. Staff discussed the opportunity to progressively migrate the CTP administrative tasks in-house. SEIU indicated that they have no objection to the contract extension. The SEIU will be notified of the issuance of a CTP Request for Proposals (RFP) when it occurs.

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is approval of a Third Amendment to Agreement 08-2702 with Tetra Tech that would extend the contract for concession and grant administration services for the CTP through June 30, 2015. As an administrative activity, the Director of Environmental Management has determined the proposed action is exempt from the California Environmental Quality Act (CEQA) in accordance with Article II, Section 2(f) of the Los Angeles City CEQA Guidelines.

**FINANCIAL IMPACT:**

This Board action proposes the approval of an 18-month time extension of the Agreement 08-2702. The contract authority of \$8,400,000 remains unchanged. As of May 2013, \$6,704,645 has been invoiced, leaving an authority of \$1,695,355 to cover the contract term through June 2015. During fiscal year 2013/14, \$900,000 has been budgeted as part of the annual budget adoption process. It is anticipated that \$900,000 will be spent in fiscal year 2013/14 and is available in Account 59967 (Clean Truck Program), Center 0330 (Environmental Management Division), Program 000. A funding-out clause is included in the Agreement.

**ECONOMIC BENEFITS:**

Approval of the proposed Amendment will have no employment impact.

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**CITY ATTORNEY:**

The Office of the City Attorney has reviewed and approved the Third Amendment as to form and legality.

**TRANSMITTALS:**

1. Proposed Third Amendment to Agreement No. 08-2702 with Tetra Tech, Inc.
2. Agreement No. 08-2702 with Tetra Tech, Inc.
3. First Amendment to Agreement No. 08-2702 with Tetra Tech, Inc.
4. Second Amendment to Agreement No. 08-2702 with Tetra Tech, Inc.



CHRISTOPHER CANNON  
Director of Environmental Management

FIS Approval: WJP (initials)  
CA Approval: gm (initials)



MICHAEL R CHRISTENSEN  
Deputy Executive Director



JOHN HOLMES  
Deputy Executive Director

APPROVED:



GERALDINE KNATZ, Ph.D.  
Executive Director

AUTHOR: TIM DeMOSS  
BOARD MEETING: 8/8/2013

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