



**DATE: SEPTEMBER 24, 2024**

**FROM: INFORMATION TECHNOLOGY**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - GRANT ACCEPTANCE AND APPROVAL OF THREE GRANT AGREEMENTS WITH THE CALIFORNIA GOVERNOR'S OFFICE OF BUSINESS AND ECONOMIC DEVELOPMENT (GO-BIZ) FOR THE CONTAINERIZED PORTS INTEROPERABILITY GRANT PROGRAM**

**SUMMARY:**

Staff requests acceptance and approval of three Grant Agreements with the California Governor's Office of Business and Economic Development (GO-Biz) to fund three projects under the California Containerized Ports Interoperability Grant Program: (1) California Ports Mobile Application, (2) Universal Trucking Appointment System with AI Enhancement Project, and (3) Carbon Intensity Gateway (collectively, Projects).

In February 2024, the City of Los Angeles Harbor Department (Harbor Department or Port) submitted applications to GO-Biz requesting \$11,075,000 to fund the Projects and, in April 2024, was notified of a \$7,950,000 award. The Projects constitute a series of major enhancements to the Port of Los Angeles' (POLA) data portal provided by the Port Optimizer™. If the proposed action is approved, services will be provided by Wabtec Transportation Systems, LLC.

The Harbor Department will be financially responsible for front-funding all expenses before requesting grant reimbursement.

**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 and categorically exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) and Article III Class 6(2) of the Los Angeles City CEQA Guidelines;
2. Accept and approve Grant Agreement No. 1 - California Ports Mobile Application, between the City of Los Angeles Harbor Department and the California Governor's Office of Business and Economic Development for grant funding of \$1,320,000;

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3. Accept and approve the Grant Agreement No. 2 - Universal Trucking Appointment System with AI Enhancement Project, between the City of Los Angeles Harbor Department and the California Governor's Office of Business and Economic Development for grant funding of \$2,930,000;
4. Accept and approve the Grant Agreement No. 3 – Carbon Intensity Gateway, between the City of Los Angeles Harbor Department and the California Governor's Office of Business and Economic Development for grant funding of \$3,700,000;
5. Authorize the Executive Director to execute future Amendments for all three Grant Agreements to implement revised project schedules for and on behalf of the Board, subject to the approval of the City Attorney as to form and legality;
6. Authorize the Executive Director to execute and the Board Secretary to attest the said Agreements for and on behalf of the Board; and
7. Adopt Resolution No. \_\_\_\_\_.

**DISCUSSION:**

Background and Context – In June 2022, California Governor Gavin Newsom signed the California Budget Act of 2022, which included a multi-billion-dollar state investment to support and enhance goods movement and the supply chain, including port and freight infrastructure, climate adaptation and resilience, workforce training, zero-emission vehicle deployment, grid support and grid reliability, and port data system development.

Through this Act, the Governor and the California Legislature are investing in strengthening the state's supply chain following the COVID-19 pandemic, which exposed inefficiencies in California's goods movement system. As part of this effort, in 2023 the state allocated \$27,000,000 through the Act to provide direct grant support to containerized ports via the California Containerized Ports Interoperability Program (Program). GO-Biz determined five California containerized ports to be eligible applicants (Applicants) to the Program to develop cloud-based management systems: Port of Hueneme, Port of Long Beach, Port of Los Angeles, Port of Oakland, and Port of San Diego.

The five eligible California ports reached a Memorandum of Understanding (MOU) on April 26, 2023, that defines how they will work together to help achieve real-time interoperability among the containerized ports in California. The MOU launched the "California Port Data Partnership" to support improved freight system resilience, goods movement efficiency, emissions reductions, and economic competitiveness. The

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California Containerized Ports Interoperability Grant Program was launched in September 2023.

In December 2023, Go-Biz published a notice of funding opportunity for \$27 million in California Containerized Ports Interoperability grants. In February 2024, the Harbor Department submitted applications to fund the development and implementation of the Projects.

On July 11, 2024, GO-Biz announced the \$7,950,000 grant award to the Harbor Department. The award was the largest of five GO-Biz grants totaling \$27 million to improve data and supply chain functionality across California's port network. The Harbor Department must enter into grant agreements with Go-Biz for the Projects. These agreements set forth the Project requirements and obligations the Harbor Department is required to comply with as the grant recipient including:

- Vision, Goals and Focus Areas
- Statement of Work
- Deliverables
- Performance Period

Following are the three projects funded by the California Containerized Ports Interoperability Grant Program:

1. California Ports Mobile Application (CalPorts) – The proposed CalPorts application will enable information sharing and will be made available to California ports for elective participation. The enhanced visibility of container movement information will help cargo owners optimize the flow of goods and reduce the time and cost associated with moving cargo. CalPorts will provide data on the status of cargo, which will help reduce the risk of delays and disruptions and enable public and private sector actors to anticipate operational issues better, thereby reducing congestion and improving the overall efficiency of the supply chain. CalPorts will also provide a platform for sharing information on environmental performance and provide eligible users with access to the U.S. Department of Transportation's (USDOT) Freight Logistics Operations Works (FLOW). The grant funding will enable the Port to build the foundation for CalPorts, including data modeling, ingestion, and backend supporting work. Ultimately, CalPorts will offer features that achieve operational goals and enhance port security. These features include a Ports Control Tower providing status updates and insights into terminal operations, a Ports Instrument Cluster offering a mobile view of congestion and performance, a Bird's Eye View offering a statewide view of equipment and movement, and USDOT's FLOW, an access-controlled section allowing participants to view the FLOW application.

The scope of this project, including the establishment of stronger relationships with other California ports, will pave the way for POLA to further develop CalPorts and solicit its

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usage to other ports. The Port intends to make this application easy for other ports to send data through an Application Programming Interface (API) and plans to cover the costs of hosting the application.

Project metrics include:

- Container Volumes and TEUs: Quarterly and annual comparison of container volume.
- Port efficiency: Turn time, queue time, and empty container management will be measured monthly, quarterly, and annually.
- Usage of the App: The number of users consistently using and benefiting from the application and information on specific common use cases.
- Collaboration: Participation of stakeholders within CalPorts and participation with FLOW as measured by, at least, the number of participating ports and impacted FLOW endpoints.

2. Universal Trucking Appointment System with AI Enhancement – The Universal Trucking Appointment System (UTAS) with AI Enhancement module is a port-wide appointment system designed to streamline the ability for the port drayage community to make appointments across the San Pedro Bay Port Complex. The UTAS is a second phase of the Port's Universal Appointment System, an appointment system currently in development that integrates transparent cross-terminal scheduling with near real-time container tracking data provided by the Port Optimizer™ Track and Trace system. By combining these two applications into a single platform, the Port will improve the ease and efficiency of identifying and moving available containers via a scheduling module that shows all available appointments across the entire San Pedro Bay port complex, complete with appointment management capability. The system will build on the data foundation established as part of the Track and Trace module, which ingests and aggregates direct data feeds from shipping lines, marine terminals, dray providers, chassis providers, and Customs and Border Protection.

In addition to improved stakeholder collaboration, a set of technical alignment resources will come forth as a result of the project, with a focus on standardization, definitions, and architectures. Increased efficiency will result in less congestion and greater productivity, in alignment with Program objectives.

Project metrics include:

- Container Volumes and TEUs: Quarterly and annual comparison of container volume.
- Port Efficiency: Turn time, queue time, and empty container management will be measured monthly, quarterly, and annually.

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- Usage of the App: The number of users consistently using and benefiting from the application and information on specific common use cases. This may include user signup rates, time-of-day usage patterns, and usage time.
- Collaboration: Stakeholder participation within the Trucking Appointment System.
- Appointment KPIs: Metrics such as appointment utilization, cancellation, and misses will show how appointments are used in the San Pedro Bay Port Complex.
- Container Metrics: Container velocity measurements, including dwell and turn times.

**3. Carbon Intensity Gateway** – The Carbon Intensity Gateway Module will provide visibility on carbon emissions from cargo operations by building on the solid foundation established through the Port's Clean Air Action Plan (CAAP), Air Emissions Inventory, the Environmental Management System, the Clean Truck Program, and the Alternative Maritime Power Program. These programs generate a wealth of data that can be ingested and accessed via a single application. The Port will unify existing efforts and data sources while augmenting the intelligence gathered. This new portal will provide a near real-time Green Asset Score based on rail, trucking, vessel, and on-port equipment particulate and GHG emissions to users. With this score and an AI backed model, the portal will help users select optimal routes that balance cargo speed and emissions impact. Currently, data resides in separate documents and locations using multiple formats and is not readily retrievable. The Carbon Intensity Gateway will streamline data access by simplifying retrieval to a single source view.

The portal will utilize historical data and real-time information to generate simulation models to determine the sensitivity to inputs such as routes, low-carbon infrastructure rollout, and emissions reductions. Lastly, the Gateway will use statistical simulations and predictive models powered by a collaborative effort with San Diego State University to feed users scenarios to improve and optimize intermodal freight voyages. Predictive modeling will be valuable in identifying areas of concern, evaluating the effectiveness of emissions reduction strategies, and promoting sustainable development within ports.

Project metrics include:

- System Capacity: The ability to handle traffic volumes during regular/peak periods.
- Travel Time Reliability: A measure of a network's predictability, considering congestion, incidents, and weather conditions that can cause delays or disruptions.
- System Adaptability: The ability of a transportation network to adapt to changes in demand, technology, or other factors that can impact services.

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This metric considers new technologies, flexibility to adjust based on demand, and response to disruptions.

- System Redundancy: The availability of alternative routes or modes in the event of disruptions to the primary network considering the number and location of alternative routes, availability of transit or other modes, and ability to switch between modes.
- Environmental Impact: A measure of sustainability that considers factors such as energy consumption, emissions, and the impact on local ecosystems.

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is approval of three grant agreements, which is an administrative activity and an activity involving funding for basic data collection and research. Therefore, the Director of Environmental Management has determined that the proposed action is administratively and categorically exempt from the requirements of CEQA in accordance with Article II Section 2(f) and Article III Class 6(2) of the Los Angeles City CEQA Guidelines.

**FINANCIAL IMPACT:**

Approval of the proposed Grant Agreements will authorize the acceptance of funds in the amount of \$7,950,000 for the Projects. The Harbor Department must front-fund all expenses before requesting grant reimbursement. Subject to Board approval, funding in the amount of \$4,650,000 will be transferred from the Unappropriated Balance to Account 54310 (Information Systems Consulting Services), Center 0640, Program 000. Funding for the future fiscal year will be requested to be budgeted as part of the annual budget adoption process, upon Board approval. Total costs and fiscal year spending associated with each of the projects covered under the GO-Biz grant are summarized as follows:

<b>Fiscal Year (FY)</b>	<b>CalPorts</b>	<b>Universal Trucking Appointment System</b>	<b>Carbon Intensity Gateway</b>	<b>Total Project Cost</b>
2024/25	\$1,320,000	\$2,930,000	\$400,000	<b>\$4,650,000</b>
2025/26			\$3,300,000	\$3,300,000
<b>Total</b>	<b>\$1,320,000</b>	<b>\$2,930,000</b>	<b>\$3,700,000</b>	<b>\$7,950,000</b>

The actual expenditures may differ from the estimated amounts in any given account or fiscal year presented in the tables above. However, the total aggregate amount will not exceed \$7,950,000.

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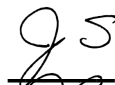

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**CITY ATTORNEY:**

The Office of the City Attorney has approved the Grant Agreements as to form and legality.

**TRANSMITTALS:**

1. Grant Agreement No. 1 – California Ports Mobile Application (CalPorts)
2. Grant Agreement No. 2 – Universal Trucking Appointment System with AI Enhancement
3. Grant Agreement No. 3 - Carbon Intensity Gateway

FIS Approval:   
CA Approval: 

  
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ES:TG:SV:EC:AD