

DATE: JUNE 9, 2011

FROM: ENVIRONMENTAL MANAGEMENT DIVISION

SUBJECT: RESOLUTION NO. _____ - TECHNOLOGY ADVANCEMENT PROGRAM COST SHARE AGREEMENT AMENDMENT FOR THE RYPOS ADVANCED DIESEL EMISSION CONTROL SYSTEM DEMONSTRATION

SUMMARY:

The Rypos Advanced Diesel Emission Control System Demonstration (Project) is an existing project under the Clean Air Action Plan (CAAP) Technology Advancement Program (TAP) funded through a cost share agreement with the Port of Long Beach (POLB). Staff is recommending an amendment to the cost share agreement to accommodate changes in the project schedule. The Project is currently demonstrating a hybrid diesel exhaust filter system, configured with a diesel oxidation catalyst (HDPF/C) on both a rubber tired gantry crane and a top-handler. The recommended TAP funding amount remains at \$129,336 with the costs shared equally by the City of Los Angeles Harbor Department (Harbor Department) and the POLB. Delays in the project have resulted in the need to modify payment milestones and project schedule, thus extending the project term beyond its original one-year term. An amendment to the project cost share agreement E6569 (Transmittal 1) has been prepared to accommodate an extension of the Project deadline from 12/20/2011 until 12/31/2012 (an increase of approximately one year beyond the initial one-year demonstration period). The total grant amount remains the same.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

1. Approve the First Amendment to Cost Share Agreement No. E6569 between the Harbor Department and POLB for the reimbursement of \$64,668 as established by the Clean Air Action Plan Master Cost Sharing Agreement No. 2546;
2. Authorize the Executive Director to execute and the Board Secretary to attest to said Amendment for and on behalf of the Board; and
3. Adopt Resolution No. _____.

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SUBJECT: TAP COST SHARE AGREEMENT AMENDMENT - RYPOS

DISCUSSION:

Background - The TAP is a significant initiative of the CAAP. The TAP is the catalyst for identifying, evaluating, and demonstrating new and emerging emissions reduction technologies applicable to the port industry that could be utilized in future updates to the CAAP as new control measures, alternatives to existing measures, or as additional mitigation options for new projects.

Project Description - Funded under the TAP, the Harbor Department entered into Cost-Share Agreement No. E6569 with the POLB to demonstrate the use of the Rypos active diesel particulate filter (DPF) system on two applications: 1) A rubber tired gantry crane in operation at International Transportation Services, Inc. (ITS) terminal (POLB), and 2) A top-handler operated by Seaside Transportation Services, LLC (STS) terminal (Port of Los Angeles). The original agreement between Rypos and the POLB (Transmittal 3) required Rypos to conduct the emissions testing, reporting, and subsequent pursuit of California Air Resources Board (CARB) verification of both applications in tandem. Since the execution of the contract, there has been a divergence in schedule between the two applications which has resulted in the need to extend the project term.

Rypos has recently completed the emissions testing of their HDPF/C system on the RTG crane and submitted their application for CARB Level 2+ verification in April 2011. Upon installation of their DPF system on the top handler, Rypos experienced some technical problems with proper regeneration of the system's filter cartridges, so modifications to the system's configuration were made. Changes to the Project's payment milestones and schedule necessary to complete testing and verification of the top handler application warrants an extension of the original contract term from one year to two years. The POLB's Board of Harbor Commissioner approved changes to the project scope and schedule on April 4, 2011 (Transmittal 4).

Cost Sharing of Project - In June 2007, the Harbor Department and the POLB executed the Clean Air Action Plan Master Cost Sharing Agreement No. 2546 (Transmittal 2) to establish a cost sharing arrangement for all joint, non-legal CAAP expenditures. In accordance with the provisions of this Master Cost Sharing Agreement, the First Amendment to the Cost Share Agreement No. E6569 between the ports is being submitted for approval. This amendment to the supplemental agreement identifies the POLB as the contracting port and establishes that the costs associated with the Project will be shared by the Harbor Department and POLB in the amount of \$64,668 each.

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SUBJECT: TAP COST SHARE AGREEMENT AMENDMENT - RYPOS

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of the First Amendment to Cost Share Agreement No. E6569 between the Harbor Department and POLB to accommodate changes to the schedule of the Rypos Advanced Diesel Emission Control System Demonstration. The Director of Environmental Management has determined that the proposed action is exempt from the California Environmental Quality Act (CEQA) as an administrative activity under Article II, Section 2 (f) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

The total Harbor Department cost share amount of \$64,668 (one-half of the project cost) remains the same under the proposed amendment; however, the project term is extended approximately one year from the end of the initial one-year demonstration period. The Harbor Department's cost share contribution towards this demonstration project is \$64,668 total, one-half of which is expected to be expended in fiscal year 2010/2011 and the other half expected to be expended in fiscal year 2011/2012. Fiscal year 2010/2011 funding has been budgeted in Center 0330, Program No. 000, Account 59965. FY 2011/2012 funding will be requested to be budgeted as part of the annual budget adoption process, upon Board approval. There is not expected to be any ongoing operating and maintenance costs stemming from this demonstration project.

ECONOMIC BENEFITS:

This board action will have no employment impact.

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SUBJECT: TAP COST SHARE AGREEMENT AMENDMENT - RYPOS

CITY ATTORNEY:

The office of the City Attorney has approved as to form and legality the First Amendment to Cost Share Agreement No. E6569.

TRANSMITTALS:

1. Proposed First Amendment to Cost Share Agreement No. E6569
2. Clean Air Action Plan Master Cost Share Agreement No. 2546
3. Contact HD-7624 for Consulting Services between the City of Long Beach and RYPOS, Inc.
4. First Amendment to Contact HD-7624 for Consulting Services between the City of Long Beach and RYPOS, Inc.

FIS Approval: _____

CA Approval: _____

CHRISTOPHER CANNON
Director of Environmental Management

MICHAEL R. CHRISTENSEN
Deputy Executive Director

APPROVED:

GERALDINE KNATZ, Ph.D.
Executive Director

AUTHOR: TUNISIA HARDY
BOARD MEETING: 6/16/2011

FILE: G:_ADMIN_BOARD REPORTS_AIR QUALITY\TAPIPOLB - RYPOS AMENDMENT\RYPOS - FINAL.docx

UPDATED: 6/8/2011 11:26 AM - YO

DATE: JUNE 8, 2011

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SUBJECT: TAP COST SHARE AGREEMENT AMENDMENT - RYPOS

CITY ATTORNEY:

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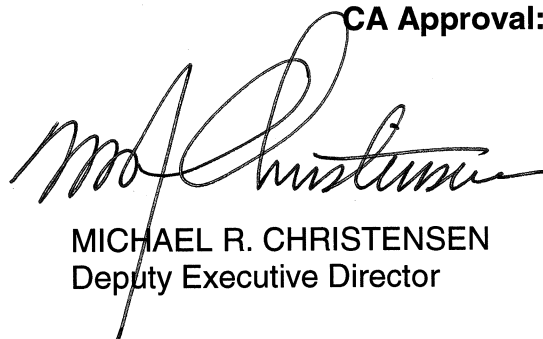
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FIS Approval: *ecj*

CA Approval: *m*

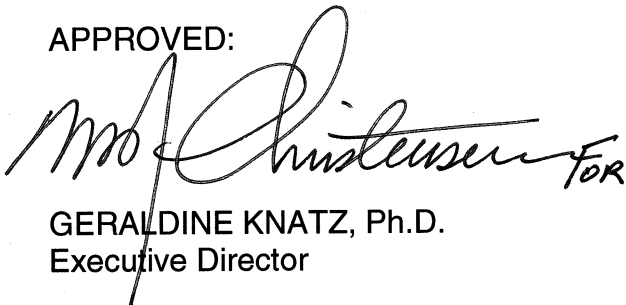


CHRISTOPHER CANNON
Director of Environmental Management



MICHAEL R. CHRISTENSEN
Deputy Executive Director

APPROVED:



FOR

GERALDINE KNATZ, Ph.D.
Executive Director

AUTHOR: TUNISIA HARDY
BOARD MEETING: 6/16/2011

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