



**THE PORT
OF LOS ANGELES**

Executive Director's
Report to the
Board of Harbor Commissioners

DATE: SEPTEMBER 7, 2021

FROM: ENVIRONMENTAL MANAGEMENT

SUBJECT: RESOLUTION NO. _____ - SECOND AMENDMENT TO PERSONAL SERVICES AGREEMENT NO. 16-3431 BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND TETRA TECH, INC. FOR CLEAN TRUCK PROGRAM ADMINISTRATION SERVICES

SUMMARY:

Staff requests approval of the proposed Second Amendment to Agreement No. 16-3431 between the City of Los Angeles Harbor Department (Harbor Department) and Tetra Tech, Inc. (Tetra Tech). Tetra Tech currently provides concession, grant administration, and support services for the Clean Truck Program (CTP) at the Port of Los Angeles (Port). This action will amend Agreement No. 16-3431 as follows: extend the term by two additional years (for a total of seven years), modify the Scope of Work, update billing rates, and add \$1,500,000 in total compensation. CTP expenditures are offset each year by CTP Concession Application Fees, Annual Truck Fees, and Day Pass Fees, which have averaged approximately \$2,000,000 in revenue annually. The Harbor Department is financially responsible for payment of the expenses incurred under the proposed Second Amendment.

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 categorically exempt from the requirements of the California Environmental Quality Act (CEQA) under Article III, Class 6(2) of the Los Angeles City CEQA Guidelines;
2. Approve the Second Amendment to Agreement No. 16-3431 with Tetra Tech, Inc. for Clean Truck Program Administration Services;
3. Direct the Board Secretary to transmit the Second Amendment to the City Council for approval pursuant to City Charter Section 606;

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4. Authorize the Executive Director to execute and the Board Secretary to attest to said Second Amendment for and on behalf of the Board; and
5. Adopt Resolution No. _____.

DISCUSSION:

Background/Context – The CTP is a key component of the San Pedro Bay Clean Air Action Plan (CAAP). The purpose of the CTP was to incentivize the early transition of an aging fleet of drayage trucks into environmentally beneficial, safe, and secure vehicles as required by State law. The CTP has been successful in accomplishing its mission and continues to evolve in accordance with advanced clean truck goals outlined in the 2017 CAAP Update.

Since January 1, 2012, 100% of the cargo gate moves at the Port's terminals have been made by drayage trucks meeting the U.S. Environmental Protection Agency's 2007 heavy duty truck emissions standards (clean trucks). This is now consistent with the California Air Resources Board Drayage Truck Rule, which went into effect in 2014. The current fleet at the Port is comprised of over 18,000 clean trucks including approximately 850 trucks powered by alternative fuels. The use of clean trucks has resulted in reducing diesel particulate matter from trucks by 97% compared to 2005 levels. The adoption of the 2017 CAAP contains new CTP implementation strategies to provide new incentives to further modernize the existing fleet of trucks.

Tetra Tech has administered the CTP for the ports of Los Angeles and Long Beach (Ports) since its inception in 2008. The Ports' strategy to utilize the same consultant to administer both programs has proven successful, as the Ports have realized synergy created through increased efficiency as well as cost savings. For instance, Tetra Tech provides the same Information Technology staff to both Ports in the Ports' Drayage Truck Registry. Additionally, Tetra Tech provides the same administrative multi-lingual staff to both Ports for staffing and managing the CTP Terminal Access Center and Helpline. The costs to provide these services have been shared equally by both Ports.

Services Provided under Agreement No. 16-3431 – Services provided include concession and grant administration, information technology support, and support services such as:

- Administering over 1,200 concession agreements;
- Maintaining the Ports' Drayage Truck Registry which contains over 18,000 trucks;
- Providing special analysis of truck moves to support Harbor Department requests;

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- Enforcing various concession agreement requirements, including insurance coverage and identifying false Vehicle Identification Numbers;
- Collecting various fees for annual truck registration, concession agreement applications, and day passes for visiting trucks;
- Inspecting and affixing stickers to non-container terminal trucks and “exempt” trucks; and
- Providing customer service through management of the CTP Terminal Access Center and Helpline.

Proposed Second Amendment – The Port of Long Beach (POLB) is also in the process of extending its contract with Tetra Tech through 2023. Currently, Tetra Tech provides CTP administrative support to the Harbor Department under Agreement No. 16-3431 which is set to expire on December 31, 2021. In order to align with the POLB and to continue receiving Tetra Tech’s valuable expertise and services, the Harbor Department is requesting to amend the current contract as follows:

- Extend the contract term by two additional years, for a total of seven years. If approved, Agreement No. 16-3431 will expire in December 31, 2023;
- Provide an additional \$1,500,000 to cover the new term for a total amount not-to-exceed \$5,480,000;
- Amend the Scope of Work to do the following:
 - a. Remove Task 6 – System Migration and Staff Training
 - b. Add to Task 5 – Port Drayage Truck Registry (PDTR) Information Technology Services: Provide support with 2017 Clean Air Action Plan Update and resultant PDTR enhancements; and
- Amend the Tetra Tech billing rates.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of a Second Amendment to Agreement 16-3431 with Tetra Tech to extend the term and modify the Scope of Work, billing rates, compensation to provide concession, grant administration, and support services for the Harbor Department Clean Truck Program, which is an activity involving basic data collection and research. Therefore, the Director of Environmental Management has determined that the proposed action is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with Article III, Class 6(2) of the Los Angeles City CEQA Guidelines.

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FINANCIAL IMPACT:

The proposed action is approval of the Second Amendment to Agreement No. 16-3431 with Tetra Tech to extend the term by two years, for a total of seven years and to increase the total contract not-to-exceed amount from \$3,980,000 to \$5,480,000. Additionally, the Scope of Work and Tetra Tech rate schedule have been updated (Transmittal 2). The annual cost to manage and implement the CTP is offset by the monies collected from CTP fees assuming truck volumes continue at similar levels. The Harbor Department has collected CTP Concession Application Fees, Annual Truck Fees, and Day Passes, which have averaged approximately \$2 million annually. It is anticipated that the proposed Second Amendment funds will be expended as follows:

FY 21/22	\$ 250,000
FY 22/23	\$ 800,000
FY 23/24	<u>\$ 450,000</u>
Total	\$ 1,500,000

The Harbor Department's financial obligations after the current fiscal year are contingent upon the Board appropriation of funds. If any subsequent fiscal year funds are not appropriated by the Board for the work required by Agreement No. 16-3431, the Agreement shall be terminated. However, such termination shall not relieve the parties of liability for any obligations previously incurred.

CITY ATTORNEY:

The Office of City Attorney has reviewed and approved the subject Agreement as to form and legality.

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TECH, INC.

TRANSMITTALS:

1. Second Amendment to Agreement No. 16-3431 with Tetra Tech, Inc.
2. Updated Scope of Work and Rate Schedule

FIS Approval: MB
CA Approval: JS



CHRISTOPHER CANNON
Director of Environmental Management

Michael DiBernardo
MICHAEL DiBERNARDO
Deputy Executive Director

APPROVED:

Marla Bleavins For

EUGENE D. SEROKA
Executive Director

CC:YO
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UPDATED: 8/31/2021 3:31 PM - YO