

- DATE: NOVEMBER 20, 2023
- FROM: ENVIRONMENTAL MANAGEMENT
- SUBJECT: RESOLUTION NO. ______ FOURTH AMENDMENT TO AGREEMENT NO. 12-3049 BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND THE CITY OF LONG BEACH HARBOR DEPARTMENT TO HOST AND MAINTAIN THE PORTS' DRAYAGE TRUCK REGISTRY

SUMMARY:

Staff requests approval of the proposed Fourth Amendment to Agreement No. 12-3049 (Agreement) between the City of Los Angeles Harbor Department (Harbor Department) and the City of Long Beach Harbor Department (LBHD) (collectively Ports) to host and maintain the Ports' Drayage Truck Registry (PDTR). The proposed Fourth Amendment will extend the term of the Agreement three years to December 31, 2026. Compensation authority will remain at \$348,190, and no additional funding will be added to the Agreement. The Harbor Department will continue to be financially responsible for the payment of expenses incurred under this 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;
- Accept and approve the proposed Fourth Amendment to extend the term of Agreement No. 12-3049 between the City of Los Angeles Harbor Department and the City of Long Beach Harbor Department through December 31, 2026;
- 3. Authorize the Executive Director to execute and the Board Secretary to attest to said Amendment for and on behalf of the Board; and
- 4. Adopt Resolution No._____.

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DISCUSSION:

<u>Background/Context</u> – On November 20, 2006, the City of Los Angeles and City of Long Beach (Departments) Boards of Harbor Commissioners (Boards) approved the Clean Air Action Plan (CAAP). A key component of the CAAP is the implementation of a Clean Truck Program (CTP), which required all drayage trucks serving the Ports to meet U.S. Environmental Protection Agency (EPA) 2007 emissions standards (clean trucks) by January 1, 2012, earlier than state law's CARB Drayage Truck Rule. Other CTP enhancements were adopted over the years, including Concession Agreements and Tariffs, which provide the Harbor department with critical motor carrier and truck information and access controls to its terminals necessary for its environment, safety and security objectives. The PDTR is the database system that provides such information to both Ports. At a November 2, 2017 joint meeting, the Boards approved the 2017 CAAP update. The 2017 CAAP update set the CTP goal to transition the port drayage industry's fleet to zero-emission by 2035. Currently, there are approximately 1,800 trucking companies dispatching over 20,000 clean trucks to serve the Ports.

PDTR History – In 2008, the California Air Resources Board adopted the State Drayage Truck Regulation,¹ which set certain requirements for drayage trucks to access marine ports and railyards statewide, as well as a State Drayage Truck Registry (State DTR) to confirm trucks' compliance with the regulation. To ensure success of the CTP, the Harbor Department and LBHD recognized the need to also develop their own drayage truck database system, the PDTR, to provide key information about licensed motor carriers and trucks and compliance with CTP requirements, as well as to assist in the collection of registration and truck fees. A software consultant designed and developed this database system for Ports in 2009. Once the permanent PDTR was developed, both Departments decided that LBHD would host the PDTR on its server rather than contracting the service to an outside vendor. This decision was based on expensive cost estimates received from outside vendors and LBHD's already established server capability. LBHD was able to provide the services at a fraction of the cost of outside vendors. LBHD took responsibility for various services including the PDTR hosting, routine operation, scheduled maintenance, and disaster recovery efforts. LBHD has been hosting the PDTR since 2009 and has not encountered any major issues. They perform occasional testing and have made several upgrades to the security infrastructure, but the PDTR systems have not required significant personnel time. Overall, this has been an economically favorable arrangement for both parties compared to proposed costs for similar outside services. The Harbor Department is interested in continuing this arrangement going forward. The Chief Information Officers from the Departments have been involved in these decisions and agree that this is the best course of action.

¹ https://ww2.arb.ca.gov/our-work/programs/drayage-trucks-seaports-railyards

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On December 17, 2020, the Board approved the Third Amendment to the Agreement extending it by three years to December 31, 2023. To date, the total amount paid from the Agreement is \$183,190 leaving a remaining authority of \$165,000.

<u>Fourth Amendment</u> – Staff recommends the approval of the proposed Fourth Amendment to extend the term of the Agreement for three additional years (Transmittal 1). The proposed cost to the Harbor Department for three years is a maximum not-to-exceed amount of \$117,000. No additional funding authority will be added to the Agreement since it has a remaining authority of \$165,000, which will be sufficient to fund the proposed extension.

ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval to the proposed Fourth Amendment to the Agreement between the Harbor Department and LBHD to host and maintain the PDTR, which is an administrative activity. Therefore, 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.

FINANCIAL IMPACT:

The proposed Fourth Amendment extends the Agreement by three years through December 31, 2026. The Agreement authority is \$348,190 of which \$183,190 has been spent-to-date. The remaining \$165,000 will cover the expenditures anticipated for the amendment so no additional funds are being requested at this time.

It is anticipated that funds will be expended as follows:

| Fiscal Year | Amount |
|-------------|-----------|
| 2023/2024 | \$15,000 |
| 2024/2025 | \$34,000 |
| 2025/2026 | \$34,000 |
| 2026/2027 | \$34,000 |
| TOTAL | \$117,000 |

Funds in the current fiscal year are available in Account 59967 (Clean Truck Program Administrative Costs), Center 0330 (Environmental Management Division), Program 000 (Base Budget). Future year funds will be requested to be budgeted through the Harbor Department's annual budgeting process.

The Harbor Department's financial obligations for future fiscal years are contingent upon Board appropriation of funds. If any subsequent fiscal year funds are not appropriated by the Board for the work required by the agreement, the agreement would be terminated.

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However, such termination shall not relieve the parties of liability for any obligations previously incurred.

CITY ATTORNEY:

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

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TRANSMITTAL:

1. Fourth Amendment to Agreement No. 12-3049 between the City of Los Angeles and the City of Long Beach

FIS Approval: <u>MB</u> CA Approval: <u>SO</u>

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LISA WUNDER Acting Director of Environmental Management

Michael DiBernardo

MICHAEL DIBERNARDO Deputy Executive Director

APPROVED:

Marla Bleavins For

EUGENE D. SEROKA Executive Director

LW:AC:mrx AUTHOR: A. COLUSO

FILE: Y:_ADMIN_BOARD REPORTS_AIR QUALITY\CTP\POLB - PDTR Hosting\PDTR - Fourth Amendment 2023\Environmental_PDTR Fourth Amend_Board Report - FINAL.docx UPDATED: 11/1202023 10:16 am - MRX