



**THE PORT
OF LOS ANGELES**
Executive Director's
Report to the
Board of Harbor Commissioners

DATE: MARCH 17, 2021

FROM: PORT PILOTS

SUBJECT: RESOLUTION NO. _____ - SUCCESSOR AGREEMENT TO AGREEMENT NO. 18-3553 BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND TRELLEBORG MARINE SYTEMS DENMARK A/S FOR THE CONTINUED USE OF A COMPREHENSIVE PORTABLE PILOTING UNIT SYSTEM

SUMMARY:

Staff requests approval of a successor agreement to Agreement No. 18-3553 (Agreement) (Transmittal 1) between the City of Los Angeles Harbor Department (Harbor Department) and Trelleborg Marine Systems Denmark A/S (Trelleborg), for the continued use of Trelleborg's portable piloting unit (PPU) system. The proposed Agreement will also contain the ability to purchase certain hardware components of the system, plus extended warranties on hardware previously purchased, and hardware to be purchased in the future.

Agreement No. 18-3553 was for a three-year term that expired on January 24, 2021 for a total not-to-exceed amount of \$270,000. The proposed successor Agreement will also be for a three-year term, retroactive to January 25, 2021 for continuity, for a not-to-exceed amount of \$122,980. The Harbor Department will be financially responsible for expenses incurred under the proposed 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;
2. Approve the proposed Agreement between the City of Los Angeles Harbor Department and Trelleborg Marine Systems Denmark A/S;
3. Authorize the Executive Director to execute and the Board Secretary to attest to said Agreement, for and on behalf of the Board; and
4. Adopt Resolution No. _____

DATE: MARCH 17, 2021

PAGE 2 OF 4

SUBJECT: SUCCESSOR AGREEMENT TO AGREEMENT NO. 18-3553 WITH TRELLEBORG MARINE SYSTEMS DENMARK A/S

DISCUSSION:

Background - In July 2017, the Harbor Department released a Request for Proposals seeking qualified entities to provide a comprehensive PPU system that included hardware, software, support, maintenance, and training. Out of four proposals submitted, Trelleborg, and its proprietary system "SafePilot," was selected and subsequently awarded Agreement No. 18-3553 via Board Resolution No. 18-8229 on January 11, 2018.

The SafePilot system is the main navigational tool utilized by Port Pilots during piloting operations. It is comprised of either the "CAT ROT" and "CAT I" or "CAT MAX" PPU system that work in conjunction to provide real-time speed, positioning, and "rate-of-turn," which is the path on a curve that a ship traverses when turning. These devices transmit data to the SafePilot software on the pilot's tablet for navigational purposes, with the "CAT ROT" and "CAT I" requiring the use of the ship's Automatic Identification System (AIS) plug, and the "CAT MAX" being independent of the ship's instruments.

Agreement No. 18-3553 was for a three-year term that expired January 24, 2021. Therefore, it is necessary to put a successor agreement in place for continued use of Trelleborg's proprietary system. The proposed successor Agreement will also be for a three-year term. After approval by the Board, completion of the City Council review period, and upon signature by the Executive Director, the effective date of the Agreement will be January 25, 2021, the day after expiration of current Agreement No. 18-3553. The retroactive effective date is proposed to allow for the continued use of the SafePilot system and to authorize the Harbor Department to pay for those costs.

Selection Process - The proposed Agreement is being awarded as a sole source contract to allow for the continued use of the proprietary SafePilot system that is currently in place. A 1022 determination is not required as there is no labor cost associated with the proposed Agreement. As mentioned above, the Harbor Department went through the Request for Proposals process that surveyed the market in 2017 to select Trelleborg. The system has only been in use for three years as the contract was executed in January 2018. Since that time, the Harbor Department has invested heavily into the system, at a cost of over \$250,000.

Also, the annual costs of the software licenses and the cloud server fees, which is the bulk of the contract costs, have decreased from approximately \$44,000 per year to approximately \$30,000 per year, which is approximately 32% percent less. Allowing for the execution of the proposed Agreement will allow the Harbor Department to continue to reap the benefits of the investment by continuing to utilize the system without going back through the Request for Proposals process which could force Port Pilots to implement an entire new system.

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ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of a successor agreement to Agreement No. 18-3553 between the City of Los Angeles Harbor Department and Trelleborg, for the continued use of a comprehensive PPU system, plus the purchase of additional hardware and extended warranties, which is an administrative activity. Therefore, the Director of Environmental Management has determined that 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:

Approval of the proposed Agreement authorizes expenditures in the not-to-exceed amount of \$122,980 over three years. This amount is comprised of annual subscription and cloud server costs for the SafePilot system, the purchase of six (6) sets of PPUs (6 CAT ROTs and 6 CAT I's), and extended warranties for both previously purchased equipment and future equipment to be purchased in the proposed Agreement. The breakdown of costs by Fiscal Year is as follows:

Fiscal Year	Amount
20/21	\$ 31,000
21/22	\$ 41,540
22/23	\$ 50,440
Total	\$ 122,980

Year 1 costs of the contract will include approximately \$30,000 in software subscription and cloud server fees, and approximately \$1,000 for extended warranties on PPUs that have been previously purchased. Funding has been budgeted in Fiscal Year 20/21, Account 54110 (Computer Software Maintenance Services), Center 0414, Program 000 to cover these costs.

Year 2 costs will include \$29,940 in subscription and cloud server fees, and approximately \$11,600 in equipment costs to purchase 2 sets of PPUs and extended warranties. Funding has been requested for these costs through the annual budget process for Fiscal Year 21/22 and is pending approval.

Year 3 costs will include \$29,940 in subscription and cloud server fees, and approximately \$20,500 in equipment costs to purchase 4 sets of PPUs and extended warranties. Funding for these costs will be requested through the annual budget process for Fiscal Year 22/23 which will begin in approximately October 2021.

A funding out clause, also known as a termination of agreement for non-appropriation of funds clause, has been included in the proposed Agreement.

DATE: MARCH 17, 2021

PAGE 4 OF 4

SUBJECT: SUCCESSOR AGREEMENT TO AGREEMENT NO. 18-3553 WITH
TRELLEBORG MARINE SYSTEMS DENMARK A/S

A full cost breakdown is attached as Transmittal 2 for reference.

CITY ATTORNEY:

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

TRANSMITTALS:

1. Proposed Successor Agreement to Agreement No. 18-3553 with Trelleborg Marine Systems Denmark A/S
2. Cost Breakdown Sheet

FIS Approval: MB
CA Approval: JS



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Chief Port Pilot



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APPROVED:

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