



**THE PORT
OF LOS ANGELES**
Executive Director's
Report to the

Board of Harbor Commissioners

DATE: AUGUST 23, 2016

FROM: ENVIRONMENTAL MANAGEMENT DIVISION

SUBJECT: RESOLUTION NO. _____ - PERSONAL SERVICES AGREEMENT BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND INTERTEK TESTING SERVICES NA, INC. FOR ISO 14001 RECERTIFICATION OF THE CONSTRUCTION & MAINTENANCE DIVISION ENVIRONMENTAL MANAGEMENT SYSTEM

SUMMARY:

Staff requests that the Board of Harbor Commissioners (Board) approve a proposed Agreement with Intertek Testing Services NA, Inc. (Intertek) of Cortland, New York, to provide International Organization of Standardization (ISO) 14001 certification audits of the City of Los Angeles Harbor Department (Harbor Department) Environmental Management System (EMS). The EMS was implemented at the Harbor Department, Construction and Maintenance (C&M) Division in January 2004. In 2007, the EMS was certified to meet ISO 14001, the internationally recognized standard for environmental management systems. The EMS has provided a structured approach to improve environmental performance, as well as operational efficiencies in day-to-day operations. In accordance with the ISO 14001 EMS standard which requires a recertification audit of the entire EMS every three years, the EMS was recertified in 2010 and 2013. Periodic surveillance audits by an independent auditor are required to maintain the ISO 14001 certification. A 2016 recertification audit is now due. The proposed Agreement will provide the Harbor Department with audit, certification and surveillance services for the EMS in compliance with ISO 14001. The proposed Agreement would be for a term of three years and a not-to-exceed amount of \$30,000.

RECOMMENDATIONS:

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 exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) of the Los Angeles City CEQA Guidelines;

SUBJECT: INTERTEK TESTING SERVICES NA, INC.

2. Approve the Agreement with Intertek for a term of three years and a total amount not-to-exceed \$30,000;
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. _____.

DISCUSSION:

Background and Context - The ISO 14000 series is a family of internationally recognized standards for environmental management systems that are applicable to any business or organization, regardless of size, location or income. These standards were developed by the International Organization for Standardization (ISO) which has representation from committees all over the world (comprised of 157 countries) and is the world's largest developer of standards. The ISO 14000 family includes most notably the ISO 14001 standard, which represents the core set of standards used by organizations for designing and implementing an effective environmental management system.

The ISO 14000 environmental management standards exist to help organizations minimize how their operations negatively affect the environment. The major objective of the ISO 14000 series is "to promote more effective and efficient environmental management in organizations and to provide useful and usable tools - ones that are cost effective, system-based, flexible and reflect the best organizations and the best organizational practices available for gathering, interpreting and communicating environmentally relevant information."

ISO 14001 offers a source of guidance for introducing and adopting management systems based on the best universal practices, in a similar manner to what ISO 9000 series accomplishes for quality management systems. ISO 14001 also provides companies and government agencies with a proactive approach to environmental management by integrating environmental considerations into management and decision-making structures in a systematic and organized way.

Intertek - The ISO 14001 standard requires that initial certification, annual audits, and 3-year recertification audits of the EMS be conducted by an independent third-party registrar that is accredited by an accreditation body approved by the ISO. Intertek has been successfully qualified for EMS through the updated ISO 17021 and TS17021-2 competency criteria. Currently Intertek has 21 full-time and 22 contract auditors in North America qualified to audit ISO 14001.

ISO 14001 at the Harbor Department - The Harbor Department initiated a pilot EMS in 2004 at the C&M Division, its largest division. The EMS was initiated as part of a

SUBJECT: INTERTEK TESTING SERVICES NA, INC.

program sponsored by the American Association of Port Authorities and the U.S. Environmental Protection Agency to encourage U.S. ports to develop environmental management systems and become ISO 14001 certified. In 2007, the Harbor Department's EMS was certified to comply with ISO 14001, becoming the first Western U.S. seaport to achieve the certification.

The Harbor Department's implementation and certification of the EMS provides an example for all Port of Los Angeles tenants, and further emphasizes the Harbor Department's commitment to continual improvement. This approach is consistent with the Mayor's and the Board's commitment to environmental stewardship, consideration of our employees, the well-being of the surrounding communities, and sustainability of operations.

Staff recommends continuing the certification for the EMS system as 1) a proactive measure to meet the Harbor Department's environmental goals, 2) to assure compliance with legal and regulatory requirements, and 3) to better manage the impact of Harbor Department maintenance activities on the environment.

EMS Benefits - The EMS incorporates planning activities, organization structure review, development of objectives and operational controls, document controls, and resource management to improve environmental compliance and awareness. Since implementing the EMS, employees are engaged with the system on a daily basis, creating a sense of ownership and accountability. Furthermore, there have been significant improvements in recycling, minimization of hazardous waste streams, increased pollution prevention activities, and improved environmental awareness and compliance through use of the system.

Consultant Selection - ISO 14001 certification must be conducted by an independent third-party registered by ISO. In early June 2016, seven firms were contacted via email to inform them of the Harbor Department's service needs and to request their qualifications. The firms included:

- Intertek
- NSF-ISR
- SAI Global
- Lloyd's Register Quality Assurance, Inc. (LRQA)
- DQS
- All Coast Group
- SGS North America

Qualification and quotes were received from all seven firms. A Marine Environmental Supervisor and an Environmental Specialist from the Environmental Management Division and an Environmental Specialist from the City of Los Angeles Department of Water and Power reviewed the qualifications. SAI Global had a higher score; however,

SUBJECT: INTERTEK TESTING SERVICES NA, INC.

the firm was not registered to do business in the State of California as a foreign corporation (the firm is incorporated in Delaware) and upon request by staff, declined to register with the Secretary of State prior to entering into a City contract. Therefore, Intertek, with the next highest score was selected.

Contract Requirements - Throughout the term of the proposed Agreement, Intertek will maintain compliance with the City's contracting requirements. A Small Business Enterprise (SBE) goal was not established for this contract due to the lack of registered ISO certification firms with this status.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of an Agreement with Intertek to provide ISO 14001 certification audits of the Harbor Department EMS. As an administrative activity, the Director of Environmental Management has determined that the Board action on the proposed Agreement is exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with Article II, Section 2(f) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Approval of the proposed three-year Agreement discussed herein would authorize the total not-to-exceed amount of \$30,000 for audit, certification and surveillance services of the EMS in compliance with ISO 14001. It is anticipated that funds under the proposed Agreement will be expended as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2016/2017	\$ 14,000
2017/2018	\$ 8,000
2018/2019	\$ 8,000
Total	\$ 30,000

Funds in the amount of \$14,000 are budgeted in Account 54260, Center 330, Program 000 in FY 2016/2017. 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 the Agreements, the Agreements shall be terminated. However, such termination shall not relieve the parties of liability for any obligations previously incurred. Future year funds will be requested to be budgeted through the Harbor Department's annual budgeting process, upon Board approval.

DATE: AUGUST 23, 2016

PAGE 5 OF 5

SUBJECT: INTERTEK TESTING SERVICES NA, INC.

CITY ATTORNEY:

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

TRANSMITTALS:

1. Agreement with Intertek Testing Services NA, Inc.



CHRISTOPHER CANNON
Director of Environmental Management

FIS Approval: MB (initials)
CA Approval: MB (initials)



MICHAEL DiBERNARDO
Deputy Executive Director

APPROVED:



EUGENE D. SEROKA
Executive Director

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