



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

Board of Harbor Commissioners

DATE: AUGUST 6, 2015

FROM: PLANNING AND STRATEGY

SUBJECT: RESOLUTION NO. _____ – AWARD OF CONTRACT NO. 39755
TO IHS GLOBAL, INC. FOR MARITIME TRADE DATA

SUMMARY:

The Planning and Strategy Division requests approval to award Contract No. 39755 to IHS Global, Inc. (IHS), located in East Engelwood, CO. Under this contract, IHS will provide the City of Los Angeles Harbor Department (Harbor Department) with monthly international maritime trade data. The Marketing & Customer Relations Bureau uses this data for market analysis and trade intelligence. The Harbor Department will pay \$165,000 for one year of data, with an option to renew next year at a price of \$171,600 for a total contract amount not-to-exceed \$336,600.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners (Board):

1. Waive any and all informalities in the bid response submitted by IHS Global, Inc. and find that entering into this contract is in the best interest of the City;
2. Approve Contract No. 39755 with IHS Global, Inc., the lowest responsive and responsible bidder, for a one-year term at a not-to-exceed amount of \$165,000 and one one-year renewal option of \$171,600 for a total contract amount not-to-exceed \$336,600;
3. Authorize the Executive Director to execute and Board Secretary to attest to Contract No. 39755 for and on behalf of the Board;
4. Authorize the Executive Director to exercise the second-year renewal option if the Executive Director determines it is in the best interest of the Harbor Department to do so; and
5. Adopt Resolution No. _____.

DISCUSSION:

Background – PIERS gathers raw import Bills of Lading for all waterborne cargo vessels that enter and exit ports in the United States, sourced by U.S. Customs and Border Protection (CBP). Additionally, PIERS staff reporters manually collect export Bills of Lading from each port in the United States. The Harbor Department began purchasing

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special reports from PIERS in 1996 and began purchasing monthly data files in 2000. This data is used to prepare trade reports supporting the Harbor Department's planning, economic research, and marketing functions, and is the basis of the monthly market share reporting. PIERS data is used to analyze market share trends by port, commodity, shipping line, country of origin, and company. These analyses assist the Harbor Department in determining cargo allocations among competing U.S. ports, cargo origin/destination patterns, and cargo diversion flows to other U.S. ports, all of which are vital to the Harbor Department's reporting and analysis of market trends in the maritime industry. Without PIERS data, the Marketing & Customer Relations Bureau would not have access to the trade intelligence that the Harbor Department uses to maximize market share, which is consistent with the Port of Los Angeles 2012-2017 Strategic Plan, 2014 Update, Strategic Objective 3, Improved Financial Performance of Port Assets.

The Harbor Department has secured PIERS data through annual purchase orders under the authority of the Executive Director since 2008 and under the authority of the Board since 2012. The Board approved Contract No. 39642 with UBM Global Trade for PIERS data on July 25, 2012, for a period of three years at a cost of \$165,000 per year. Contract No. 39642 expired upon the delivery of May 2015 PIERS data through the MyPIERS online application. IHS acquired PIERS from UBM Global Trade in December 2014. IHS has proposed to maintain the annual cost of \$165,000 for the first year of Contract No. 39755 and is requesting a one one-year renewal option at \$171,600 (a 4 percent increase) for a total contract amount of \$336,600.

Features of the MyPIERS online application include:

1. Unlimited access to import and export cargo bill of lading data for all U.S. ports;
2. Enhanced commodity coding features which allow the user to mine the data in a more consistent manner;
3. Customized import and export data files to meet the Harbor Department's specific programming requirements;
4. An advanced online database search engine which allows:
 - Multiple users to access the platform at all times from anywhere in the world.
 - Users to see the most current data for both imports and exports which is refreshed daily within the system.
 - Users to view all available PIERS data fields, which gives the ability to quickly isolate and search between various types of cargo, including both master and house import bills of lading.

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Selection Process – The Harbor Department's previous contract with UBM Global Trade, Contract No. 39642, was sole-sourced because its subsidiary PIERS continued to be the only known provider of comprehensive import and export trade statistics. Additionally, the Harbor Department's existing statistics database was created to be compatible with UBM's reporting format. Contract No. 39642 expired upon the delivery of May 2015 PIERS data.

The Harbor Department issued a Formal Request for Bid for Electronic/Online Maritime Trade Data on May 22, 2015, with bids due on June 5, 2015. By issuing a competitive bid, the Harbor Department had the opportunity to assess the capabilities of emerging firms that provide services similar to PIERS. In addition to the bid from IHS for continuing access to PIERS, the Harbor Department received a bid from Datamyne in the amount of \$84,000 per year. However, Datamyne stated in their bid that they would be able to provide 94 percent of the export data; only one company (PIERS) could provide 100 percent of the export data as required by the Request for Bid. The Request for Bid stipulated that bids that could not provide data for all import and export transactions (whether filed by US Customs and Border Protection electronically or via paper) would be deemed non-responsive.

PIERS is the only firm that has staff reporters who have access to paper bills of lading filed with CBP. PIERS gathers raw import bills of lading for all waterborne cargo vessels that enter and exit ports in the United States, sourced by U.S. Customs and Border Protection. Additionally, PIERS staff reporters manually collect export Bills of Lading from each port in the United States. Because all import bills of lading are now required by CBP to be filed electronically, PIERS has competitors that can also provide access to this import data. However, because some export bills of lading are still filed via paper, competing firms have been working to either replicate PIERS' reporting network or find an alternate way to collect export data.

The Planning and Strategy Division will continue to monitor the progress of potential competitors like Datamyne in their ability to provide 100 percent of export data. At present, since there is only one source for complete import and export trade data, the Harbor Department wishes to contract with IHS in order to receive this data without interruption.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of a contract with IHS for the purchase of computerized international maritime trade data through IHS's PIERS division. As an administrative activity, the Director of Environmental Management has determined that the proposed action is exempt from the California Environmental Quality Act (CEQA) in accordance with Article II, Section 2(f) of the Los Angeles City CEQA Guidelines.

ECONOMIC BENEFITS:

This Board action will have no direct employment impact for the five-county region.

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FINANCIAL IMPACT:

Approval of Contract No. 39755 would commit \$165,000 towards the purchase of PIERS subscription data for the period of June 2015 – May 2016 as described herein. Funding in the amount of \$165,000 for the proposed contract is available in the FY 15/16 Planning and Strategy Division budget, Account Number 59220, Center Number 0428, and Program Number 000. Upon Board approval, funding in the amount of \$171,600 in FY 16/17 will be requested to be budgeted as part of the annual budget process.

CITY ATTORNEY:

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

TRANSMITTAL:

1. Contract No. 39755

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


MICHAEL KEENAN
Director of Planning and Strategy


FOR MICHAEL DiBERNARDO
Deputy Executive Director

APPROVED:


FOR EUGENE D. SEROKA
Executive Director

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