

**AGENDA OF THE REGULAR MEETING OF THE
LOS ANGELES BOARD OF HARBOR COMMISSIONERS
THURSDAY, OCTOBER 7, 2010 AT 8:30 A.M.
PORT OF LOS ANGELES ADMINISTRATION BUILDING
425 S. PALOS VERDES STREET
SAN PEDRO, CA 90731**

**BOARD OF HARBOR COMMISSIONERS
President Cindy Miscikowski
Commissioner Kaylynn L. Kim
Commissioner Douglas P. Krause**

**A. OPENING STATEMENT – AN OPPORTUNITY FOR MEMBERS OF
THE PUBLIC TO ADDRESS THIS BOARD**

**PERSONS IN THE AUDIENCE MAY ADDRESS THIS BOARD IN
CONNECTION WITH ANY AGENDA ITEM OR DURING THE PUBLIC
COMMENT PERIOD.**

**AS PROVIDED BY THE BROWN ACT, THE BOARD HAS LIMITED
EACH INDIVIDUAL'S SPEAKING TIME TO THREE MINUTES.
ANYONE DESIRING TO SPEAK DURING THE PUBLIC COMMENT
PERIOD IS REQUESTED TO COMPLETE A SPEAKER CARD AND
SUBMIT IT TO THE COMMISSION SECRETARY, VIA THE
SERGEANT AT ARMS, PRIOR TO THE START OF THE MEETING.**

Commission actions, except actions which are subject to appeal or review by the Council pursuant to other provisions of the Charter, ordinance or other applicable law, are not final until the expiration of the next five meeting days of the City Council during which the Council has convened in regular session. If the Council asserts jurisdiction during this five meeting day period the Council has 21 calendar days thereafter in which to act on the matter.

Please note that this agenda is subject to revision in accordance with the Brown Act. In the event the agenda is revised prior to the meeting, Port staff will endeavor to post the revised agenda on the Port's web site ([://www.portoflosangeles.org](http://www.portoflosangeles.org)). Updated agendas also will be available in hard copy at the meeting. Live Board meetings can also be heard at: (213) 621-City (Metro), (818) 904-9450 (Valley), (310) 471-City (Westside) and (310) 547-City (Harbor).

As a covered entity under Title II of the Americans with Disabilities Act, the City of Los Angeles does not discriminate on the basis of disability and, upon request, will provide reasonable accommodation to ensure equal access to its programs, services, and activities.

Sign language interpreters, assistive listening devices, and translation services may be provided. To ensure availability, 72-hour advance notice is required. Contact the Commission office at (310) 732-3444.

Interpretes de señas, sistemas auditivos y servicios de traducciones están disponibles. Para asegurar disponibilidad, se requiere solicitarlos con 72 horas de anticipación. Para hacer la solicitud, llame a la oficina de la Comisión al (310) 732-3444.

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B. COMMENTS FROM THE PUBLIC ON NON-AGENDA ITEMS

C. EXECUTIVE DIRECTOR REMARKS

Strategic Plan Update

D. REPORTS OF THE COMMISSIONERS

E. BOARD COMMITTEE REPORTS

F. PRESENTATIONS

- USS IOWA - Robert Kent, President, Pacific Battleship Center

- Information Technology Update - Lance Kaneshiro, Chief Information Officer

G. BOARD REPORTS OF THE EXECUTIVE DIRECTOR

CONSENT ITEMS (1 - 6)

Environmental

1. Re: RESOLUTION NO. _____ - FIRST AMENDMENT TO COST SHARE 09-2767 FOR THE LONG BEACH CONTAINER TERMINAL ECO-CRANE DEMONSTRATION PROJECT

SUMMARY: *The City of Los Angeles Harbor Department (Harbor Department) entered into Cost Share Agreement 09-2767 with the Port of Long Beach to help fund the Long Beach Container Terminal Eco-Crane Demonstration Project as part of the joint port's Technology Advancement Program. The project scope is to commission, demonstrate, test and evaluate six Eco-Cranes at a cost of \$1,950,000. The project scope has now changed to include only one Eco-Crane, reducing the*

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1. (Continued)

project cost to \$300,000. This amendment reflects the change in scope and reduces the Harbor Department's financial obligation from \$175,000 to \$42,467.

Recommendation: Board resolve to (1) approve the First Amendment to Cost Share Agreement 09-2767 with the Port of Long Beach to reduce the contract amount from \$175,000 to \$42,467; (2) authorize the Executive Director to execute and the Board Secretary to attest to said amendment for and on behalf of the Board; and (3) adopt Resolution No. _____.

Information Technology

2. Re: RESOLUTION NO. _____ - AMENDMENT TO AGREEMENT NO. 09-2791 WITH SIERRA CYBERNETICS, INC. FOR ON-CALL INFORMATION TECHNOLOGY SERVICES

SUMMARY: The City of Los Angeles Harbor Department (Harbor Department) is requesting approval to amend Agreement No. 09-2791 with Sierra Cybernetics, Inc. (Sierra), to increase the agreement amount by \$500,000 to a total not-to-exceed amount of \$1,250,000. The agreement with Sierra is one of three On-Call Information Technology (IT) Services agreements that the Board of Harbor Commissioners (Board) approved on September 10, 2009, through Resolution No. 09-6813. Sierra has been the most responsive bidder of the three approved vendors and funds for this amendment will be reallocated accordingly to meet this need without the need for additional appropriation. Sierra is a qualified small business enterprise (SBE); therefore, 100% of the funds for this agreement are dedicated to meeting the Harbor Department's SBE goals.

Recommendation: Board resolve to (1) approve Amendment No. 1 to Agreement No. 09-2791 with Sierra Cybernetics, Inc.; (2) authorize the Executive Director to execute and the Board Secretary to attest to Amendment No. 1 to Agreement No. 09-2791; and (4) adopt Resolution No. _____.

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3. Re: RESOLUTION NO. _____ - AGREEMENT WITH MICROSOFT CORPORATION TO PROVIDE MICROSOFT PREMIER PRODUCT SUPPORT AND CONSULTING SERVICES

SUMMARY: *The City of Los Angeles Harbor Department (Harbor Department) is requesting approval to award an agreement with Microsoft Corporation (Microsoft) to provide Microsoft Premier Product Support and Consulting Services (Premier Support) for Microsoft products used by the Harbor Department. Premier Support is required to maintain and optimize the Harbor Department's computing environment, which relies on Microsoft technology for its on-going operations. The amount of this agreement is not-to-exceed \$500,000. The term of this agreement is three years. This recommendation is based on a sole-source selection process because Premier Support is only provided from Microsoft directly for its proprietary software. Microsoft is based in Redmond, Washington, with offices in Los Angeles and other Southern California cities.*

Recommendation: Board resolve to (1) find that in accordance with the Los Angeles City Charter Section 1022, the work under the subject agreement can be performed more feasibly by independent contractors than by City employees; (2) approve the agreement with Microsoft Corporation for a not-to-exceed amount of \$500,000 and a term of three years (Transmittal #1); (3) authorize the Executive Director or designee to execute the agreement and authorize the Board Secretary to attest to said agreement; and (4) adopt Resolution No. _____.

4. Re: RESOLUTION NO. _____ - AGREEMENT BETWEEN INTRATEK COMPUTER, INC. AND THE CITY OF LOS ANGELES HARBOR DEPARTMENT, FOR ON-SITE COMPUTER HARDWARE MAINTENANCE

SUMMARY: *The City of Los Angeles Harbor Department (Harbor Department) is requesting approval to enter into an agreement with Intratek Computer, Inc. (Intratek), for on-site maintenance of the Harbor Department's computer hardware, for a not-to-exceed amount of \$435,000 over three years. This selection is based on a competitive Request for Proposal (RFP) process performed by Harbor Department staff. Intratek is a certified small business and is based in Huntington Beach, California. This agreement is for necessary, on-going services and parts to properly maintain the Harbor Department's computer equipment to ensure smooth daily operations. This includes repair, replacement, preventive maintenance, and related services for over 1,800 pieces of computer hardware, such as personal computers, servers, printers, and peripherals.*

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4. (Continued)

Properly maintained and repaired equipment will have higher availability and lower total cost of ownership.

Recommendation: Board resolve to (1) find that in accordance with the Los Angeles City Charter Section 1022, it is more feasible for outside contractors to perform this work than City employees; (2) approve the agreement between the City of Los Angeles and Intratek (Transmittal 1); (3) authorize the Executive Director to execute and the Board Secretary to attest to the agreement; and (4) adopt Resolution No. _____.

Real Estate

5. Re: RESOLUTION NO. _____ - PROPOSED LICENSE AGREEMENT FROM THE LOS ANGELES HARBOR DEPARTMENT AND THE PORT OF LONG BEACH TO THE ALAMEDA CORRIDOR TRANSPORTATION AUTHORITY – LAHD NO. 70062

SUMMARY: *In March 2000, the Alameda Corridor Transportation Authority (ACTA) entered into a Memorandum of Understanding (MOU) with the County of Los Angeles (County) in order to facilitate the design and construction of the Alameda Corridor. The MOU required the relocation of County street and landscape improvements necessary to accommodate the Alameda Corridor Project. The relocated improvements are located on property jointly owned by the City of Los Angeles Harbor Department (Harbor Department) and the Port of Long Beach (POLB). The MOU requires ACTA to provide the County the property rights necessary for the County to operate and maintain all such relocated improvements.*

The proposed License Agreement among ACTA, the Harbor Department, and POLB provides ACTA license rights for the surface premises located along the southwesterly side of Alameda Street, between Florence Avenue and Santa Ana Boulevard, within the railroad right-of-way (ROW). The proposed License Agreement has a 30-year term, no permit fee, is revocable upon 90 days' written notice, and provides ACTA the ability to assign the License Agreement to the County.

Recommendation: Board resolve to (1) approve the proposed License Agreement from the Harbor Department and POLB to ACTA for maintenance and repair of street traffic lights and landscape improvements; (2) authorize and direct the Board Secretary to transmit the proposed License Agreement to the City Council for its approval pursuant to Section 606 of the City Charter; (3) authorize the Executive Director to execute and the Board Secretary to attest to the proposed License Agreement; and (4) adopt Resolution No. _____.

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6. Re: RESOLUTION NO. _____ - PROPOSED CONSENT TO ASSIGNMENT AND ASSUMPTION OF PIPELINE AGREEMENTS AND AN AMENDMENT TO SUCH PIPELINE AGREEMENT WITH PACIFIC PIPELINE SYSTEM, LLC

SUMMARY: The City of Los Angeles Harbor Department (Harbor Department) and the Port of Long Beach (POLB) jointly manage pipeline agreements, Audit No. 145218 (Line 93 in the Cities of Lakewood and Long Beach) and Audit No. 158238 (Line 63 in the City of Long Beach) with Four Corners Pipe Line Company, later known as ARCO Pipe Line Company (ARCO), to operate subsurface petroleum pipelines along the Harbor Department/POLB jointly owned railroad rights-of-way (ROW). In 1999, Pacific Pipeline System, LLC (Pacific Pipeline) accepted assignment of those pipeline agreements from ARCO. However, Pacific Pipeline and/or ARCO did not obtain the requisite formal consent to the assignments from the Harbor Department and POLB.

A Consent to Assignment and Assumption of Pipeline Agreement and Amendment to Such Pipeline Agreement with Pacific Pipeline for Audit No. 145218 is proposed. The proposed amendment to the 30-day revocable permit establishes back rent owed by Pacific Pipeline, increases compensation effective September 12, 2008 by approximately 65 percent to \$43,000 per year, and establishes annual increase in compensation based upon the Consumer Price Index (CPI) beginning September 12, 2009. All other terms of Audit No. 145218 would remain unchanged.

A Consent to Assignment and Assumption of Pipeline Agreement with Pacific Pipeline for Audit No. 158238 is proposed. The annual compensation of \$46,315 under this 30-day revocable permit is favorable to the Harbor Department and POLB, and is consistent with market rates.

Recommendation: Board resolve to (1) approve the Consent to Assignment and Assumption of Pipeline Agreement and Amendment to Such Pipeline Agreement with Pacific Pipeline for Audit No. 145218; (2) approve the Consent to Assignment and Assumption of Pipeline Agreement with Pacific Pipeline for Audit No. 158238; (3) authorize the Executive Director to execute and the Board Secretary to attest to the Consent to Assignment and Assumption of Pipeline Agreement and Amendment to Such Pipeline Agreement for Audit No. 145218 and the Consent to Assignment and Assumption of Pipeline Agreement for Audit No. 158238; and (4) adopt Resolution No. _____.

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REGULAR ITEMS (7 - 10)

Finance

7. Re: RESOLUTION NO. _____ - TO APPROVE NOMINATIONS TO THE BOARD OF DIRECTORS OF THE LOS ANGELES HARBOR IMPROVEMENTS CORPORATION (LAHIC)

SUMMARY: Staff recommends that the Los Angeles Board of Harbor Commissioners (Board) approve and adopt the nomination and establishment of a new Board of Directors for the Los Angeles Harbor Improvements Corporation (LAHIC). LAHIC is a California nonprofit public benefit corporation that was established to allow a third party, i.e., the City of Los Angeles Harbor Department's (Department) customers, to obtain financing at more favorable rates that may otherwise not be available. LAHIC is a conduit that issues debt structured in a manner such that repayment generally comes from lease payments received from the Department's customer. For the customer, it is able to borrow on a tax-exempt basis given LAHIC's association with the Department. For the Department, financing capital projects through LAHIC would cause the debt not to appear on the Department's balance sheet or contingent liabilities.

Since LAHIC has been inactive since 2003, the members of its previous Board of Directors have either resigned or have disassociated themselves from the Harbor Department and LAHIC. The reinvigoration of LAHIC will provide the Department with a legal entity that would allow an alternative method for financing capital projects. Any contemplated financings would separately come to the Board for approval. Staff has been advised by outside counsel in preparation of this report and taking the necessary steps in reactivating LAHIC.

Recommendation: Board resolve to (1) authorize the removal of the following past LAHIC Board of Directors: Former Harbor Commissioner Nicholas G. Tonsich; Former Harbor Commissioner Elwood Lui; Former Executive Director Larry Keller; Former Director of Administration Bill Stein; and Former Director of Customer Service Lonnie Tang; (2) authorize appointment of the following individuals to LAHIC Board of Directors concurrent with the term of service of the corresponding nominating Commissioner on the Board of Harbor Commissioners:

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7. (Continued)

- Commissioner Cindy Miscikowski, to be nominated by Commissioner Douglas P. Krause (currently anticipated for a term to expire on June 30, 2012);
- Commissioner Douglas P. Krause, to be nominated by Commissioner Cindy Miscikowski (currently anticipated for a term to expire on June 30, 2015);
- Geraldine Knatz, Ph.D., Executive Director, to be nominated by Commissioner Cindy Miscikowski (currently anticipated for a term to expire on June 30, 2015);
- Molly Campbell, Deputy Executive Director, Finance & Administrative, to be nominated by Commissioner Kaylynn L. Kim (currently anticipated for a term to expire on June 30, 2011);
- Karl Pan, Chief Financial Officer, to be nominated by Commissioner Douglas P. Krause (currently anticipated for a term to expire on June 30, 2012); and (3) adopt Resolution No. _____.

Government Affairs

8. Re: RESOLUTION NO. _____ - APPROVAL OF AGREEMENTS WITH ALCALDE & FAY, LTD. AND KADESH & ASSOCIATES, LLC FOR FEDERAL GOVERNMENT ADVOCACY SERVICES

SUMMARY: The City of Los Angeles Harbor Department (Harbor Department) requires federal government advocacy services in Washington, D.C. to enhance its engagement with the federal government in pursuit of national goods movement policy, capital and operational funding for Harbor Department Projects, and various regulatory and legislative objectives. After conducting an extensive competitive selection process, the Government Affairs Division is recommending two agreements, one with Alcalde & Fay, Ltd. located in Arlington, Virginia, (\$460,015); and one with Kadesh & Associates, LLC, located in Washington, D.C., (\$460,015), for up to three years and an aggregate amount not-to-exceed \$920,030, for federal government advocacy services. The two firms recommended have the optimal mix of experience, policy knowledge, and strategic relationships to effectively represent the Harbor Department in Washington, D.C.

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8. (Continued)

Recommendation: Board resolve to (1) find that in accordance with the City Charter Section 1022, the work covered under the proposed agreements can be performed more feasibly by independent contractors rather than by City employees; (2) approve the agreement with Alcalde & Fay, Ltd. at an amount not-to-exceed \$460,015, for a term of one year with two one-year renewal options, and authorize the expenditure of said amount (See Transmittal 6); (3) approve the agreement with Kadash & Associates, LLC at an amount not-to-exceed \$460,015, for a term of one year with two one-year renewal options, and authorize the expenditure of said amount (See Transmittal 7); (4) authorize the Executive Director or designee to execute each agreement, and the Board Secretary to attest to, the proposed agreements; and (5) adopt Resolution No. _____.

Planning & Economic Development

9. Re: RESOLUTION NO. _____ - PROPOSED FIRST AMENDMENT TO AGREEMENT NO. E6530 BETWEEN THE CITY OF LOS ANGELES AND THE MAXIMA GROUP, LLC

SUMMARY: The Maxima Group, LLC (Maxima) entered into Agreement No. E6530 with the City of Los Angeles Harbor Department (Harbor Department) on October 29, 2009, to provide the Harbor Department with financial, real estate, and economic consulting services relating to commercial development sites at the Port of Los Angeles (Port). In order for Maxima to complete the services described in the original scope of work, Agreement No. E6530 is proposed to be extended 18 months for a total of 30 months. The effective date will be October 28, 2010, and the new expiration date would be April 28, 2012. It is also proposed to amend the scope of work to include assisting Harbor Department staff in developing criteria for evaluating a potential term extension for a hotel ground lease.

The additional scope and the extension of the contract will increase the contract amount from \$150,000 to \$393,450. To date, \$91,744 has been expended on this agreement, leaving a balance of \$58,256. Since the proposed amendment would extend the term of the agreement beyond one year and increase the compensation in excess of \$150,000, Board of Harbor Commissioners (Board) approval is required.

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9. (Continued)

Recommendation: Board resolve to (1) approve the First Amendment to Agreement No. E6530; (2) authorize the Executive Director and the Board Secretary to execute and attest to the First Amendment for and on behalf of the Board; and (3) adopt Resolution No. _____.

Executive Office

- 10. Re: STATUS UPDATE AND DISCUSSION OF THE FORMULATION OF THE NON-PROFIT ORGANIZATION TO OPERATE PORT COMMUNITY MITIGATION TRUST FUND (PCMTF) IN FULFILLMENT OF HARBOR DEPARTMENT AGREEMENT NO. 09-2764 KNOWN AS THE TRAPAC MEMORANDUM OF UNDERSTANDING (MOU)**

H. CLOSED SESSION

- 1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
(Subdivision (b) of Government Code Section 54956.9)**

Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9 regarding subject matter of mediation with Gambol Industries, Inc.

- 2. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
(Subdivision (a) of Government Code Section 54956.9)**

American Trucking Associations, Inc. v. City of Los Angeles, et al., United States District Court Case No. 08-04920-CAS, and United States Court of Appeals for the Ninth Circuit Case No. 08-56503

- 3. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
(Subdivision (b) of Government Code Section 54956.9)**

Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9: one case.

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H. CLOSED SESSION (Continued)

**4. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
(Government Code Section 54956.8)**

Provide instructions to its real estate negotiators with respect to purchase and sale negotiations with Port of Los Angeles High School concerning Permit No. 867:

Property: 250 West Fifth Street, San Pedro

City Negotiator: Michael Galvin

Tenant Negotiator: James Cross

**Negotiating Parties: City and Port of Los Angeles
High School**

Under Negotiation: Price and Terms

**5. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
(Government Code Section 54956.8)**

Provide instructions to its real estate negotiators with respect to lease negotiations:

Property: Berth 120, San Pedro

City Negotiator: Michael Galvin

Tenant Negotiator: Scott Sill

Negotiating Parties: City and Rancho LPG Holdings, LLC

Under Negotiation: Price and Terms

ADJOURNMENT IN MEMORY

Adjournment in memory of Robert M. Wilkinson former Los Angeles City Councilmember and Executive Secretary to the city's Harbor Commission.