

DATE: OCTOBER 13, 2021

FROM: ENVIRONMENTAL MANAGEMENT

**SUBJECT: RESOLUTION NO. _____ - FIRST AMENDMENT TO AGREEMENT
 NO. 19-3685 WITH THE NATIONAL RENEWABLE ENERGY
 LABORATORY**

SUMMARY:

Staff requests approval of the First Amendment to Agreement No. 19-3685 with the National Renewable Energy Laboratory (NREL) to extend the term of Agreement No. 19-3685 to February 27, 2023, to continue data collection and analysis for the “Shore to Store” grant project (S2S Project) funded by the California Air Resources Board (CARB). On March 7, 2019, the Board of Harbor Commissions (Board) approved Agreement No. 19-3639 between the California Air Resources Board (CARB) and the City of Los Angeles Harbor Department (Harbor Department), with CARB granting the amount of \$41,122,260 to the Harbor Department to administer the S2S Project as Project Manager. On March 23, 2021, the Board approved an amendment to extend the S2S Project following schedule delays associated with the COVID-19 pandemic. In order to align with the extended S2S Project timeline, a no-cost term extension to the NREL Agreement No. 19-3685 is necessary. Approval of the proposed Amendment will have no financial impact on the Harbor Department as CARB will continue to reimburse the Harbor Department for these costs up to \$592,260 incurred through February 27, 2023.

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 categorically exempt from the requirements of the California Environmental Quality Act (CEQA) under Article III Class 6(2) of the Los Angeles City CEQA Guidelines;
2. Approve the First Amendment to Agreement No. 19-3685 between the City of Los Angeles Harbor Department and the National Renewable Energy Laboratory (NREL) to extend NREL’s period of performance of the Shore to Store Demonstration Project to February 27, 2023, with no other revisions;

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3. Authorize the Executive Director to execute and the Board Secretary to attest to said First Amendment to Agreement No. 19-3685 with the National Renewable Energy Laboratory for and on behalf of the Board; and
4. Adopt Resolution No. _____.

DISCUSSION:

Background/Context – On March 7, 2019, the Board approved Agreement No. 19-3639 between CARB and the Harbor Department, with CARB granting the amount of \$41,122,260 to the Harbor Department to administer the S2S Project as Project Manager. The Harbor Department applied for the S2S grant on behalf of a team consisting of Toyota Motor North America (Toyota), Kenworth Truck Company (Kenworth), Shell Oil Products (Shell), the Port of Hueneme and NREL, who would perform data collection and analysis for the S2S Project. On March 23, 2021, the Board approved the First Amendment to Agreement 21-3639 extending the term to complete the S2S Project following schedule delays associated with the COVID-19 pandemic.

“Shore to Store” Project – The Harbor Department is partnering with world-leading original equipment manufacturers, Kenworth, Shell and Toyota Motor North America to establish a new forward-looking zero-emissions framework for future goods movement throughout Southern California and beyond. The S2S Project focuses on providing critical regional hydrogen fueling infrastructure for short, medium and especially long-haul drayage provided by 10 zero emission hydrogen fuel cell drayage trucks. The S2S Project is underway, with all 10 trucks having been deployed into revenue service and the fueling stations nearing completion. Additionally, the Port of Hueneme will be demonstrating two zero emission yard tractors and an electric mobile harbor crane as part of the S2S Project.

NREL Project Responsibilities and Contract Terms – As part of the application package, NREL proposed to perform all data collection and analysis work associated with the demonstration of the equipment described above as required by the grant program. As NREL is a subdivision of the United States Department of Energy (DOE), the Harbor Department entered into a Funds-In Agreement No. 19-3685 with NREL (Transmittal 1).

Agreement No. 19-3685 was negotiated to incorporate terms required by NREL as a federal research agency of the DOE that performs data collection and processing for a variety of entities including government agencies, industry, academia, nonprofits, and small businesses. NREL’s operation is based on full cost recovery and does not receive project funding from the federal government. Therefore, NREL is solely funded by advance payment by each client for each project. As such, NREL is required by the

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federal government to receive advance funding before beginning work as a condition to its delivery of services.

The Harbor Department therefore signed NREL's form entitled "Funds-In Agreement," which provides 90 days advance funding for costs to be incurred in the performance of the S2S Project. Upon termination or completion of the project work under this agreement, any excess pre-paid funds shall be refunded by NREL to the Harbor Department. The NREL Funds-in Agreement No. 19-3685 contains various provisions NREL advised are federal government requirements that vary from the City's standard contract terms. However, attached to the NREL Funds-in Agreement No. 19-3685, is a special Appendix D, Additional Contract Terms required by the City of Los Angeles, such as those in the Subrecipient Agreements signed by the other Subrecipients.

***"Funding and Payment.** The Sponsor shall provide sufficient funds in advance to reimburse the Contractor for costs to be incurred in performance of the work described in this Agreement, and the Contractor shall have no obligation to perform in the absence of adequate advance funds. If the estimated period of performance exceeds 90 days and the estimated cost exceeds \$25,000, the Sponsor may, with the Contractor's approval, advance funds incrementally. In such a case, the Contractor will initially invoice the Sponsor in an amount sufficient to permit the work to proceed for 90 days and thereafter invoice the Sponsor monthly so as to maintain approximately a 90-day period that is funded in advance. Payment shall be due upon receipt of invoice, directly to the Contractor. Upon termination or completion, the Contractor shall refund any excess funds to the Sponsor."*

This no-cost extension makes no changes to the above terms.

First Amendment: "No-Cost Extension" – In order to extend the period of performance of NREL's services, staff requests that the Board approve a time extension to the Agreement on NREL's standard form "No-Cost Extension" (Transmittal 2). This extension will align with the updated S2S Project timeline as approved in the First Amendment to Agreement No. 19-3639 with CARB. No additional funding or work is being requested as part of this extension, merely more time to perform the original scope of work.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of the First Amendment to Agreement No. 19-3685 with NREL to extend the term to continue data collection and analysis for the S2S Project, which is an activity involving basic data collection, field testing, and research of City Departments which do not result in serious or major disturbances to an environmental

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resource. Therefore, the Director of Environmental Management has determined that the proposed action is categorically exempt from the requirements of CEQA in accordance with Article III Class 6(2) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

This action is approval of the First Amendment to Agreement No. 19-3685 to extend the period of performance of the agreement to February 27, 2023. This Amendment will have no additional financial impact to the Harbor Department.

If the proposed Amendment is approved, then Harbor Department expenses related to NREL's data collection and analysis will continue to be incurred within Account 89097 (State Passthrough Grant Expenses) and associated reimbursements will continue to be recorded within Account 76084 (Passthrough Grant Revenues). The total agreement authority is \$592,260 and the total funds expended is \$456,295 leaving a remaining balance of \$135,965 to cover the service period through February 27, 2023.

CITY ATTORNEY:

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

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TRANSMITTALS:

1. Agreement No. 19-3685 with the National Renewable Energy Laboratory
2. First Amendment to Agreement No. 19-3685

FIS Approval: MT
CA Approval: SO



CHRISTOPHER CANNON
Director of Environmental Management



MICHAEL DiBERNARDO
Deputy Executive Director

APPROVED:



EUGENE D. SEROKA
Executive Director

CC/yo
AUTHOR: J. GOLDBERG

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UPDATED: 10/13/2021 9:44 AM - YO