



Executive Director's
Report to the

Board of Harbor Commissioners

DATE: FEBRUARY 8, 2012

FROM: PORT PILOTS

SUBJECT: RESOLUTION NO. _____ - GRANT OBLIGATION REQUEST TO APPROVE CONTRACT NO. 12-39621 BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND L-3 COMMUNICATIONS KLEIN ASSOCIATES, INC. FOR A SURVEILLANCE RADAR SYSTEM

SUMMARY:

The proposed Contract No. 12-39621 between the City of Los Angeles Harbor Department (Harbor Department) and L-3 Communications Klein Associates, Inc. (L-3 Klein), of Salem, New Hampshire, is for the installation of new radar sensors, as well as, the upgrade and integration of existing radar sensor sites. The upgraded system will add functionality, security, and capability throughout the Port of Los Angeles.

The proposed Contract is for one year at an amount of \$846,184. This proposed project is 95% grant reimbursable through the State of California Proposition 1B (Prop 1B), California Port and Maritime Security Grant Program for fiscal year 2008 in the amount of \$200,000, and the U.S. Department of Homeland Security, Port Security Grant Program (PSGP), Round 8, in the amount of \$600,000. The remaining 5% of the project cost (or \$46,184) exceeded the grant funds allocation amount of \$800,000; therefore, this amount will be absorbed by the Harbor Department. This additional amount of \$46,184 resulted from a higher bid amount than anticipated when adding in California state sales tax at 8.75%.

RECOMMENDATION:

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

1. Approve Contract No. 12-39621 between the City of Los Angeles, Harbor Department and L-3 Communications Klein Associates, Inc.;
2. Authorize the Executive Director to execute and the Board Secretary to attest to the contract for a term of one-year at an amount of \$846,184; and
3. Adopt Resolution No. _____.

DISCUSSION:

The Port of Los Angeles (Port) has an existing radar system that detects inbound vessels approaching the outer harbor. The radar system is comprised of three radar sensor units in two locations and has been in continuous operation for over 10 years. The normal service life of marine radar systems of this type is approximately 10 years and has reached its life expectancy. The Port Pilots Division (Division) relies on the

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information received from the radar system to bring ships in and out of the Port. The Division also uses information from the radar system to provide the Port's Vessel Traffic Service, which advises other vessels in the area of the movement of ships in the harbor.

Through Contract No. 12-39621 (Transmittal 1), the Division will replace two existing radar sensor units (sensors) and add additional sensors at three new locations. The radar system upgrade will expand the area of coverage and enhance the information provided to increase functionality, security, and capabilities throughout the waterways. The primary benefit to installing new sensors is a higher resolution for the detection of small vessels, and similar watercraft, in fog or other limited-visibility weather conditions. Additionally, the sensors will transfer information to the Harbor Department's Integrated Common Command and Control System display located at the Port Police's Wilmington Substation. Information from the radar system will allow the Port Police greater capability for general surveillance, and usage in special cases, such as search and rescue missions.

The upgraded radar system will be comprised of five remote radar sensors at four sites: Warehouse 1, the Radar Tower on Navy Way, the Clock Tower at Berth 155, and the Badger Bridge North Tower. Each sensor site will include a Small Target Detection X-Band Radar with a high performance radar processor server, which will connect via local area network to the command and control workstation. The workstation will allow connection, display, and control of surveillance Pan-Tilt-Zoom (PTZ) cameras and Thermal Infrared (IR) sensors, to allow for quick visual assessment and identification of radar targets. Additionally, the command and control application will have the ability to receive Automatic Identification System (AIS) data inputs and correlate this data with live radar contacts providing local Maritime Domain Awareness.

Selection Process - On January 10, 2012, a Request for Bid (RFB) was published on the Harbor Department's website and the Los Angeles Business Assistance Virtual Network. Proposals were due by January 24, 2012. Only one bid was received by the due date. The submitted bid was analyzed by the purchasing staff and on January 25, 2012 reviewed by the Chief Pilot. Based on this bid, L-3 Klein was determined to be the lowest bidder to have met all purchasing requirements of the RFB (see Transmittal No. 2). As a result, L-3 Klein was recommended to carry out the equipment purchase and installation of the work outlined in the RFB.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of a purchase order contract for the installation of four new radar sensor sites and the upgrade and integration of existing radar sites. As an activity involving the addition of safety and security devices for use in conjunction with existing facilities, 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 III, Section 1(6f) of the Los Angeles City CEQA Guidelines

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ECONOMIC BENEFITS:

Approval of the proposed Contract with L-3 Communications Klein, Inc. will have no direct employment impact for the five-county region, since the company is located outside the region.

FINANCIAL IMPACT:

The proposed Contract No. 12-39621 is for one year at an amount of \$846,184, payable within two fiscal years. This project is 95% grant reimbursable through two separate grants: (1) the State of California Proposition 1B (Prop 1B), California Port and Maritime Security Grant Program for Fiscal Year 2008 in the amount of \$200,000 set to expire in June 2012; and (2) the U.S. Department of Homeland Security, Port Security Grant Program (PSGP), Round 8, in the amount of \$600,000 set to expire in July 2012 (Harbor Department staff intends to submit a grant extension for one additional year). L-3 Klein is required to expend and properly invoice for at least \$200,000 of equipment or services by May 31, 2012 due to the Prop 1B grant funding expiration date.

The Harbor Department must first front-fund the proposed project before seeking reimbursement; therefore funds from the Capital Improvement Plan will be used. An amount of \$300,000 is available, which was not originally budgeted, in the fiscal year 2011/12 Capital Improvement Program, Cost Center 1179, Program 640, Account 59994, Work Order 25133. Funding became available out of the \$17 million that was budgeted for the Berth 200 Rail Yard project, of which approximately \$10 million will not be spent this fiscal year and can be used as an offset for this proposed action. The remaining amount of \$546,184 is anticipated to be expended during fiscal year 2012/13 and will be part of the proposed Capital Improvement Plan budget, upon Board approval. The Harbor Department's Project Development Committee approved the proposed project at \$800,000 based on the grant funds allocated for this project yet the only bid from L-3 Klein came in at \$846,184. Since the remaining 5% of the project cost (or \$46,184) exceeded the grant allocation amount of \$800,000, this additional amount will be absorbed by the Harbor Department. The excess amount resulted from a higher bid amount than anticipated when adding in California state tax at 8.75%. Approval by the Board will allow the Engineering Division to increase the total budgeted amount for the proposed surveillance radar project from \$800,000 to \$846,184. Most importantly, staff will work as quickly and responsibly as possible to expend funds during this fiscal year to minimize the impact in next year's budget.

Further, this proposed action would obligate \$800,000 or approximately 15% of the unobligated (not yet committed) grant amount outstanding of \$5.3 million related to Fiscal Year 2008 Prop 1B and PGSP, Round 8 funds. In contrast to the entire Harbor Department Grants Portfolio of approximately \$381 million as of November 2011, this grant obligation would decrease the portfolio's obligated funds of approximately \$61 million by 1% from 16% to 15%. If the proposed action is not approved, the Harbor

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Department would potentially be required to de-obligate grant funds and return unused grant funds back to the grantor.

For annual maintenance, the Division currently budgets \$35,000 per year in maintenance of its existing radar equipment. This purchase would include all maintenance for the first year; however the Division anticipates an increase of no more than 10% in maintenance costs beyond the third year of its operation. This increase in maintenance costs will be requested as part of the annual budget process.

CITY ATTORNEY:

The Grant Obligation Request has been reviewed by the Office of the City Attorney and approved as to form and legality.

TRANSMITTALS:

1. Proposed Purchase Order Contract No. 12-39621
2. BID No. F-778 Analysis

FIS Approval: ecj (initials)

CA Approval: JH (initials)



BENT CHRISTIANSEN
Port Pilots



JOHN M. HOLMES
Deputy Executive Director

APPROVED:



GERALDINE KNATZ, Ph.D.
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