



**THE PORT
OF LOS ANGELES**
Executive Director's
Report to the
Board of Harbor Commissioners

DATE: DECEMBER 26, 2017

FROM: PORT PILOTS

**SUBJECT: RESOLUTION NO. _____ - AWARD OF AGREEMENT WITH
TRELLEBORG MARINE SYSTEMS DENMARK A/S FOR PURCHASE OF
A COMPREHENSIVE PORTABLE PILOTING UNIT SYSTEM**

SUMMARY:

Staff requests that the Board of Harbor Commissioners to approve Agreement with Trelleborg Marine Systems Denmark A/S, (TMS DK) for the purchase of a comprehensive portable piloting unit (PPU) system. The proposed purchase of the TMS DK PPU system will replace the current equipment which has surpassed its life expectancy of 5 years and is no longer supported by its manufacturer. Replacement of the current system is critical to Port Pilot operations in facilitating continuous, uninterrupted goods movement in and out of the Port of Los Angeles.

Through a competitive selection process and publication of a Request for Proposals, TMS DK was identified as the only supplier capable of providing a complete PPU system (both hardware and software) that is designed and produced in-house with no involvement of third-party sub-contractors. The total agreement is in the amount not-to-exceed \$270,000.00 and provides for 8 Portable Piloting Units, navigational software, Cloud server, system integration, certificated training, delivery, and aftersales product warranty and support over three years. The Los Angeles Harbor Department (Harbor Department) will be financially responsible for this purchase and services under the terms of the awarded agreement.

RECOMMENDATION:

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

1. Find that the proposed action is administratively exempt from the requirements of the California Environment Quality Act (CEQA) under Article II Section 2(f) of the Los Angeles City CEQA Guidelines as determined by the Director of Environmental Management;
2. Approve the Agreement with TMS DK in the amount not-to-exceed \$270,000.00;

SUBJECT: AWARD OF AGREEMENT TO TRELLEBORG MARINE SYSTEMS DK
A/S

3. Authorize the Executive Director to execute and the Board Secretary to attest said Agreement, for and on behalf of the Board; and
4. Adopt Resolution No. _____.

DISCUSSION:

Background/Context – The Port Pilots are responsible for the safe and continuous movement of vessels at the Port of Los Angeles (Port), at which they perform an average of 3,600 moves yearly. Port Pilots rely on their professional expertise, training, experience and competency with various navigational solutions to safely pilot vessels in all weather and traffic conditions 24 hours a day, 365 days a year.

One of the navigational solutions available to the Port Pilots is the PPU system that provides pilots with information regarding their exact position at any point throughout the Port's navigable waterways. Such equipment is critical to maintaining piloting operations, especially in inclement and low visibility weather which can impact the safe movement of vessels. It is anticipated the Ultra Large Container Carriers (ULCC) calling at the Port will continue to increase in size, thereby reducing the allowances for under keel clearance, air draft, berthing operations and channel keeping.

Currently, the Port Pilots use PPUs from Arnic PilotMate, a company which was acquired by Booz Allen Hamilton (BAH) in 2012. The current PPU system was placed into service in 2010 and has reached the end of its life expectancy of 5 years and is no longer supported by BAH. To ensure the continued efficiency and safety of Port Pilot operations, the current PPU system needs to be replaced before any critical components become inoperable or beyond repair.

Selection Process – In anticipation of the end of life with the current PPU system, on July 24, 2017, the Port Pilot Division released a Request for Proposals (RFP) seeking qualified firms to provide the sale, support, maintenance and training for a PPU system, consisting of both hardware and software, to aid in the navigation and berthing operations at the Port. The Port Pilot Division received 4 proposals from interested firms. All proposals were evaluated by a three-member Selection Committee comprising of staff from Port Pilots and one outside member who is an independent maritime consultant and retired Harbor Department Chief Port Pilot.

Based on the criteria established in the RFP, the Selection Committee ranked Trelleborg Marine Systems Denmark the highest among proposals received, and the company was selected to be awarded the agreement as shown in Transmittal 2.

SUBJECT: AWARD OF AGREEMENT TO TRELLEBORG MARINE SYSTEMS DK A/S

ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of Agreement with TMS DK for the purchase of a comprehensive portable navigation system which is critical to Port Pilot operations. As an administrative activity, the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of CEQA in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Approval of the proposed agreement authorizes expenditure in the amount not to exceed \$270,000 over three years for the purchase of eight PPU’s and related software, training, maintenance, warranty, delivery and all applicable taxes for the TMS DK PPU system as shown in Transmittal 1. Funds for FY 2017-18 have been budgeted as part of the annual budget adoption process. Funds for future fiscal years will be requested to be budgeted as part of each year’s annual budget approval process:

FY 2017-18	\$174,772.00
FY 2018-19	\$ 47,614.00
FY 2019-20	\$ 47,614.00
Not-To-Exceed	\$270,000.00

First year costs include navigational hardware, out-of-the-box warranty, navigational software subscriptions, system integration and subscription services for Cloud server, E-ENC, Monitoring, Weather and Marine Exchange. Anticipated costs for subsequent years includes navigational software subscriptions, yearly subscription services for Cloud server, E-ENC, Monitoring, Weather, Marine Exchange, extended warranty and help desk support. Such operating and maintenance costs will be ongoing as long as the system is in use and is estimated at \$32,760.00 yearly after the first year in addition to any added warranties or service agreements estimated at \$11,380.00 yearly.

The Agreement’s FY 2017-18 amount of \$174,772.00 was adopted during the annual budget process (Funds have been identified in Accounts, 13150 for \$94,887.00, 54110 for \$71,760.00, 51720 for \$8,125.00, Program 000, Division 0414).

Additional equipment in the form of tablets and accessories will be purchased for the operational display component of the system as well as an accompanying annual cellular data plan. Anticipated cost of the visual display component is \$10,906.00 and the annual cellular data plan at \$6,000.00 which will be purchased separately through a Harbor Department cellular provider (Funds have been identified in Accounts, 55140 for \$2,100.00 and 55160 \$8,806.00, 59410 for \$6,000.00, Program 000, Division 0414).

The total cost of the Agreement and ancillary equipment and services for the first three years is \$298,906.00. There is a modification to the Agreement boilerplate regarding indemnification for which the Consultant’s liability to the Department not otherwise

DATE: DECEMBER 26, 2017

PAGE 4 of 4

SUBJECT: AWARD OF AGREEMENT TO TRELLEBORG MARINE SYSTEMS DK
A/S

covered by its insurance (which shall name the Department an additional insured) is limited to the compensation amount of the Agreement. The Risk Management Division of the Department was consulted on, and accepted, this modification.

CITY ATTORNEY:

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

TRANSMITTALS:

1. Trelleborg Marine Systems Denmark A/S Agreement
2. RFP PPU Scoring Matrix

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



JOHN L. DWYER
Chief Port Pilot



THOMAS E. GAZSI
Chief of Public Safety and
Emergency Management

APPROVED:



EUGENE D. SEROKA
Executive Director

JLD/jld