



**THE PORT
OF LOS ANGELES**

Executive Director's
Report to the
Board of Harbor Commissioners

DATE: JULY 25, 2012

FROM: PLANNING & ECONOMIC DEVELOPMENT

**SUBJECT: RESOLUTION NO. _____ – AWARD OF CONTRACT NO. 39642
TO UBM GLOBAL TRADE FOR COMPUTERIZED INTERNATIONAL
TRADE DATA**

SUMMARY:

The Planning & Economic Development Division requests approval to award Contract No. 39642 to UBM Global Trade (UBM), located in New York, NY. UBM provides the City of Los Angeles Harbor Department (Harbor Department) with computerized international trade data under their Port Import Export Reporting Service (PIERS) division. Since 2008, the Harbor Department has secured PIERS data through an annual purchase order under the authority of the Executive Director.

RECOMMENDATION:

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

1. Approve Contract No. 39642 with UBM Global Trade for a one-year term at a not-to-exceed amount of \$165,000 and two one-year renewal options of \$165,000 for a total contract amount not-to-exceed \$495,000;
2. Authorize the Executive Director to execute and attest to Contract No. 39642 for and on behalf of the Board;
3. Approve the second- and third-year renewal options and authorize the Executive Director to exercise them if the Executive Director determines it is in the best interest of the Harbor Department to do so; and
4. Adopt Resolution No. _____.

DISCUSSION:

Background – The Harbor Department began purchasing special reports from PIERS in 1996 and began purchasing monthly data files in 2000 to prepare trade reports in a timely and efficient manner supporting its planning, economic research, and business development functions. The Harbor Department uses PIERS data to produce market share studies of port, cargo, shipping line, country of origin, and importer-exporter trade trends. These studies assist the Harbor Department in determining cargo allocations among competing U.S. ports, cargo origin/destination patterns, and cargo diversion

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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 Business Development 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, Strategic Objective 2, Retain and Grow Market Share.

Since the Harbor Department began purchasing PIERS data, UBM has kept their costs at or slightly under \$150,000 per year. During this time, the Harbor Department obtained access to U.S. East and Gulf Coast ports import data and UBM has added many new features to the PIERS product. These features justify the \$165,000 amount of Contract No. 39642 (Transmittal 1), thereby exceeding the Executive Director's authority and requiring Board approval. Examples of the new features include:

1. Enhanced commodity coding features which facilitate the user to mine through the data in a more consistent manner;
2. Customized import and export data files to meet the Harbor Department's specific programming requirements;
3. A newly advanced online database search engine which allows:
 - Multiple users to access the platform from anywhere in the world 24/7.
 - Users to see the most current data for both imports and exports which is refreshed daily within the system, without waiting for a completed monthly file to be sent.
 - Users to view all available PIERS data fields, which includes the ability to quickly isolate and search between various types of cargo, including both master and house import bills of lading – a feature which saw a 10 fold increase of the numbers of bills of lading being processed/coded by PIERS as a resultant of the post 9-11 era.

Sole Source – UBM is the only known provider of comprehensive, international trade statistics on commodities, ports, cities, states, countries, shipping lines, importers, and exporters. They maintain those computerized statistics in an exclusive database that can only be accessed by subscribing consumers. The Harbor Department's existing statistics database was created to be compatible with UBM's reporting format.

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Other companies are emerging that provide services similar to UBM. However, they do not provide the export data that is crucial for many of the Harbor Department's functions. The Planning & Economic Development Division has monitored the development of these companies over the past years to see if they will begin offering export data. If they do, a Request for Proposals (RFP) will be released for these services. In the event that another firm is selected as a result of the RFP, the Harbor Department will not exercise its option to renew Contract No. 39642 as stated in Addendum No. 1 (Transmittal 2). In the interim, the Harbor Department wishes to continue working with UBM in order to receive data without interruption.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of a contract with UBM for the purchase of computerized international trade data through UBM'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.

FINANCIAL IMPACT:

Approval of Contract No. 39642 would commit \$165,000 towards the purchase of PIERS subscription data for the period of June 2012 – May 2013 as described herein. Funding in the amount of \$165,000 for the proposed contract is available in the FY 12/13 Planning & Economic Development Division budget, Account Number 54290, Center Number 0428, and Program Number 000. Upon Board approval, funding for future fiscal years will be requested to be budgeted as part of the annual budget process.

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CITY ATTORNEY:

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

TRANSMITTAL:

1. Contract No. 39642
2. Addendum No. 1 to Contract No. 39642

FIS Approval: kl (initials)
CA Approval: rn (initials)


DAVID L. MATHEWSON
Director of Planning & Economic Development


FOR KATHRYN McDERMOTT
Deputy Executive Director

APPROVED:


GERALDINE KNATZ, Ph.D.
Executive Director

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