

DATE: APRIL 5, 2023

FROM: EXECUTIVE OFFICE

SUBJECT: RESOLUTION NO. _____ - REVISE THE CONTRACTING AUTHORITY OF THE EXECUTIVE DIRECTOR TO BE CONSISTENT WITH LOS ANGELES ADMINISTRATIVE CODE SECTION 10.1.1.

SUMMARY:

Staff requests approval of a Resolution revising the contracting authority of the Executive Director of the Los Angeles Harbor Department (Harbor Department) to be consistent with Los Angeles Administrative Code Section 10.1.1. Currently, the Executive Director possesses the limited authority to enter into personal service contracts for up to one year, procurement contracts for up to three years, and construction contract change orders, provided that the value of any such contracts do not exceed \$150,000 annually or per change order. This authority delegated to the Executive Director under the existing Board Resolution is inconsistent with Los Angeles Administrative Code Section 10.1.1.

The proposed Resolution would grant the Executive Director, or his or her designee, the authority to enter into personal service contracts up to one year and all contracts that are not personal service contracts up to three years, provided that the value of any such contracts does not exceed \$150,000 annually (Transmittal 1). Rather than limiting the Executive Director's authority to personal service contracts for up to one year, procurement contracts for up to three years, and construction contract change orders, the proposed Resolution would grant the Executive Director, or his or her designee, the ability to approve and execute contracts on behalf of the Harbor Department to the full extent provided under and consistent with Los Angeles Administrative Code Section 10.1.1.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

1. Find that the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) of the Los Angeles City CEQA Guidelines;

SUBJECT: REVISE THE CONTRACTING AUTHORITY OF THE EXECUTIVE DIRECTOR TO BE CONSISTENT WITH LOS ANGELES ADMINISTRATIVE CODE SECTION 10.1.1.

2. Rescind Resolution No. 13-7574 delegating only partial authority to the Executive Director, or his or her designee, to approve and execute certain contracts as provided under Los Angeles Administrative Code Section 10.1.1;
3. Authorize the Executive Director, or his or her designee, to approve and execute on behalf of the Harbor Department personal service contracts which do not obligate the City for a longer period of time than one year and which do not involve consideration reasonably valued in excess of One Hundred-Fifty Thousand Dollars (\$150,000) annually;
4. Authorize the Executive Director, or his or her designee, to approve and execute on behalf of the Harbor Department contracts that are not for personal services which do not obligate the City for a longer period of time than three years and which do not involve consideration reasonably valued in excess of One Hundred-Fifty Thousand Dollars (\$150,000) annually; and
5. Adopt Resolution No. _____ and Resolution No. _____.

DISCUSSION:

Since 2012, City Council has amended Los Angeles Administrative Code Section 10.1.1. multiple times to increase the contracting authority that the Board of Harbor Commissioners, the Board of Airport Commissioners, and the Board of Water and Power Commissioners may delegate to their respective General Managers.

As amended, Section 10.1.1., at subsections (a) and (c), now provides that the Board of Harbor Commissioners and the Board of Airport Commissioners may delegate to their respective General Managers the authority to approve and execute personal service contracts which do not obligate the City for a longer period of time than one year and contracts which are not personal service contracts and do not obligate the City for a longer period of time than three years, provided such contracts do not involve consideration reasonably valued in excess of One Hundred-Fifty Thousand Dollars (\$150,000) annually.

Section 10.1.1., at subsections (a) and (d), now provides that the Board of Water and Power Commissioners may delegate to its General Manager the authority to approve and execute personal service contracts which do not obligate the City for a longer period of time than one year do not involve consideration reasonably valued in excess of One Hundred-Fifty Thousand Dollars (\$150,000) annually as well as contracts which are not personal service contracts and do not obligate the City for a longer period of time than three years, provided such contracts do not involve consideration reasonably valued in excess of Five Million Dollars (\$5,000,000) annually.

On November 7, 2013, the Board previously adopted Resolution 13-7574 (Transmittal 2) which limits the authority of the Executive Director to approve and execute on behalf of

SUBJECT: REVISE THE CONTRACTING AUTHORITY OF THE EXECUTIVE DIRECTOR TO BE CONSISTENT WITH LOS ANGELES ADMINISTRATIVE CODE SECTION 10.1.1.

the Harbor Department personal service contracts which do not obligate the City for a longer period of time than one year and do not exceed One Hundred-Fifty Thousand Dollars (\$150,000) and procurement contracts which do not obligate the City for a longer period of time than three years and do not exceed One Hundred-Fifty Thousand Dollars (\$150,000) annually, as well as construction contract change orders which do not cumulatively exceed twenty-five percent (25%) of the contract amount, or a lesser percentage specified in the construction contract, so long as no individual change order exceeds One Hundred-Fifty Thousand Dollars (\$150,000).

The Harbor Department frequently enters into contracts that do not exceed three years or One Hundred-Fifty Thousand Dollars (\$150,000) annually that are neither personal service nor procurement contracts, or construction contract change orders. Because of the limited scope of Resolution 13-7574, contracts which could otherwise be executed by the Executive Director under Los Angeles Administration Code Section 10.1.1. currently must be approved by the Board. This requires extensive staff, Board, and City Council resources for contracts that are relatively limited in time and value and slows the administration of the Port's business. Administrative efficiency would be improved by authorizing the Executive Director, or his or her designee, to approve and execute contracts on behalf of the Harbor Department to the full extent provided for under Los Angeles Administrative Code Section 10.1.1., subsections (a) and (c).

Specifically, the proposed Resolution would authorize the Executive Director, or his or her designee, to approve and execute on behalf of the Harbor Department:

- a. Personal service contracts which do not obligate the City for a longer period of time than one year and which do not involve consideration reasonably valued in excess of One Hundred-Fifty Thousand Dollars (\$150,000) annually; and
- b. Contracts that are not for personal services which do not obligate the City for a longer period of time than three years and which do not involve consideration reasonably valued in excess of One Hundred-Fifty Thousand Dollars (\$150,000) annually.

The authority delegated to the Executive Director under the proposed Resolution would continue to include procurement contracts and change orders but would not apply to any franchise, concession, permit, license, or lease within the meaning of the City's Charter Sections 605 and 606.

Specifically, Resolution Nos. 11-7230 and 11-7239, which authorize the use of the current Revocable Permit template and delegate authority to the Executive Director to approve and execute Revocable Permits that do not materially deviate from the current Revocable Permit template and are valued at or below or provide for compensation not to exceed One Hundred-Fifty Thousand Dollars (\$150,000) annually, would not be rescinded and would remain in full force and effect.

SUBJECT: REVISE THE CONTRACTING AUTHORITY OF THE EXECUTIVE DIRECTOR TO BE CONSISTENT WITH LOS ANGELES ADMINISTRATIVE CODE SECTION 10.1.1.

Likewise, Resolution Nos. 17-8046 and 17-8047, which authorize the use of the current Temporary Entry and Use Permit (TEUP) template and delegate authority to the Executive Director to execute TEUPs that do not materially deviate from the current TEUP template, are valued at or below or provide for compensation not to exceed One Hundred-Fifty Thousand Dollars (\$150,000) annually, and are for a fixed term not to exceed sixty (60) days, would also not be rescinded and would remain in full force and effect.

Also, Resolution No. 20-9728, which authorizes the use of the Joint Revocable Permit and Master Joint Revocable Permit templates for jointly owned rail properties with the Port of Long Beach and delegates authority to the Executive Director to execute such permits where compensation is charged but does not exceed Fifty Thousand Dollars (\$50,000) annually, would also not be rescinded and remains in full force and effect.

Finally, Resolution No. 22-10064, which authorizes the use of the current Revocable License template and delegates the authority to the Executive Director to execute Revocable Licenses that do not materially deviate from the current TEUP template, are valued at or below or provide for compensation not to exceed One Hundred-Fifty Thousand Dollars (\$150,000) annually, and are for a fixed term not to exceed three hundred sixty-five (365) days, would also not be rescinded and would remain in full force and effect.

ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of a Resolution revising contracting authority of the Executive Director of the Harbor Department, which is an administrative activity. Therefore, 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 Resolution would grant the Executive Director, or his or her designee, the full scope of contracting authority provided under Los Angeles Administrative Code Section 10.1.1. While the financial impact of approving this Resolution is indeterminate and dependent upon the scope and scale of future decisions made solely by the Executive Director, or his or her designee, negative financial impacts associated with the proposed Resolution would be mitigated so long as the Departmental goals of the Executive Director remain aligned with those of the Board.

CITY ATTORNEY:

The Office of the City Attorney has prepared and approved the proposed Resolution as to form and legality.

DATE: APRIL 5, 2023

PAGE 5 OF 5

SUBJECT: REVISE THE CONTRACTING AUTHORITY OF THE EXECUTIVE DIRECTOR TO BE CONSISTENT WITH LOS ANGELES ADMINISTRATIVE CODE SECTION 10.1.1.

TRANSMITTALS:

1. Proposed Resolution No. _____
2. Existing Resolution No. 13-7574

FIS Approval: MB
CA Approval: SO

Marla Bleavins

MARLA BLEAVINS
Deputy Executive Director
and Chief Financial Officer

APPROVED:

Marla Bleavins For

EUGENE D. SEROKA
Executive Director