THE PORT OF LOS ANGELES

Executive Director's Report to the Board of Harbor Commissioners

DATE: **MAY 25, 2023**

FROM: **WATERFRONT & COMMERCIAL REAL ESTATE**

SUBJECT: **RESOLUTION NO._____- APPROVE THIRD AMENDMENT TO AGREEMENT NO. E6975 BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND CALIFORNIA DINING SERVICES**

SUMMARY:

Staff requests approval of the Third Amendment to Agreement No. E6975 with California Dining Services (Cal Dining) to extend the length of the current five-year agreement by six additional months. The Third Amendment will increase the contract amount by $75,500 to cover the additional six months expenses, for a total contract amount of $740,000. Cal Dining operates the Port Pantry Café (Port Pantry) at the Harbor Administration Building (HAB) and provides vending machine, catering, and coffee services. Cal Dining was chosen from a Request for Proposals (RFP) for a Port Pantry Operator published by the City of Los Angeles Harbor Department (Harbor Department) in April 2018.

The Harbor Department will continue to be financially responsible for the payment of expenses incurred under the Agreement.

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 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;

2. Approve the Third Amendment to Agreement No. E6975 with California Dining Services;

3. Authorize the Executive Director to execute and Board Secretary to attest to the Third Amendment; and

4. Adopt Resolution No._____.

DISCUSSION:

Background – An RFP for food service was published by the Harbor Department on April 2, 2018, to ensure uninterrupted food service at the Port Pantry, and to supersede existing Agreement No. 14-3462 with Cal Dining which was expiring on August 6, 2018. Two responsive proposers submitted proposals, and Cal Dining was selected as the successful proposer by a selection panel that consisted of five Harbor Department employees. The Executive Director awarded Agreement No. E6975 to Cal Dining on July 26, 2018, for a one-year term, with a total contract amount of $132,900.

On June 20, 2019, the Board approved the First Amendment to Agreement No. E6975 to extend the agreement for an additional two years, for a total term of three years, expiring on July 25, 2021. The First Amendment also increased the contract amount by $265,800, for a total contract amount of $398,700.

In 2021, it was not feasible to conduct a new and in-person RFP process while maintaining uninterrupted service because of the Covid-19 Pandemic. On July 1, 2021, the Board approved the Second Amendment to Agreement No. E6975 to extend the agreement for an additional year with an option to renew for an additional year, for a total term of five years set to expire on July 25, 2023. The Second Amendment increased the contract amount by $265,800, for a total contract amount of $664,500.

Staff requests Board approval of the Third Amendment (Transmittal 1) to Agreement No. E6975 to extend the length of the current five-year agreement for an additional six months, for a total term of five years and six months, expiring on January 25, 2024. In addition, staff also requests an increase to the contract amount by $75,500, for a total contract amount of $740,000. Council Approval is not required based on Administrative Code Sections 10.5(b)(2) and (c)(2). Due to staff retirements under the Separation Incentive Program, additional vacancies in the Waterfront and Commercial Real Estate Division, and other immediate project priorities, remaining staff were not able to conduct the bid process for the Port Pantry Operator earlier this calendar year. The additional six-month extension will allow staff to complete the competitive selection process for a Port Pantry Operator, which is currently in progress.

ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of the Third Amendment to Agreement No. E6975 with Cal Dining to extend the length of the current agreement and an increase to the contract amount, 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.

SUBJECT: THIRD AMENDMENT TO AGREEMENT NO. E6975

FINANCIAL IMPACT:

Approval of the proposed Third Amendment will increase the term of Agreement No. E6975 by six months, from five years currently to 5 years and six months as proposed. Additionally, the contract amount will increase by $75,500 from $664,500 currently to $740,000 as proposed.

Fiscal Year 2023-24 funding in the amount of $86,575 has been requested to be budgeted within Account 54290 (Misc. Professional Services), Center 0429, Program 000, subject to Board approval. The $86,575 includes $11,075 of remaining funds from the current authority amount.

CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved the Third Amendment to Agreement No. E6975 as to form and legality.

TRANSMITTAL:

1. Third Amendment to Agreement No. E-6975

FIS Approval: MB
CA Approval: JC

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Director of Waterfront & Commercial Real Estate

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APPROVED:

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