



DATE: APRIL 6, 2017

FROM: COMMUNITY RELATIONS

**SUBJECT: RESOLUTION NO. _____ - AGREEMENT BETWEEN
THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND HARBOR
BREEZE CORPORATION**

SUMMARY:

Staff requests that the Board of Harbor Commissioners (Board) approve a three-year agreement with Harbor Breeze Corporation (Harbor Breeze) to provide boat tours for both the Harbor Department's student/youth programs and the as-needed programs for business-related and occasional community tours. Annual cost for the combined boat tour programs agreement is not-to-exceed \$250,000 with a total not-to-exceed amount of \$750,000 for the duration of the agreement. The Harbor Department is responsible for payment of expenses incurred under the proposed agreement.

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 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. Find that in accordance with the City Charter Section 1022, work under the Personal Service Agreement can be performed more feasibly by an independent consultant than by City employees;
3. Approve the Agreement for a term of three-years for a total not-to-exceed amount of \$750,000;
4. Authorize the Executive Director to execute and the Board Secretary to attest to said agreement for and on behalf of the Board; and
5. Adopt Resolution No. _____.

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DISCUSSION:

Background – The Harbor Department has been providing as-needed boat tours of the Port of Los Angeles (Port) complex to business partners, potential customers and community groups as part of the marketing efforts for more than twenty years. These water-side tours are important for guests to better comprehend the scale of the Port complex, operations and programs. Guests are primarily hosted by the Business Development team and include current or potential customers, business partners, and/or legislators. In Fiscal Year 2015-16, there were 244 groups aboard 94 tours carrying a total of 5,859 guests. As of March 31, 2017, there have been 271 groups aboard 60 tours carrying a total of 3,241 guests for Fiscal Year 2016-17.

Additionally, the Harbor Department provides one-hour tours to student and youth groups from elementary school through university-level participants as part of the educational outreach program. These boat tours have been the cornerstone of the Harbor Department's robust educational program offerings for more than a decade. In Fiscal Year 2015-16, there were 157 student/youth tours with 12,139 participants. As of March 31, 2017, there have been 65 student/youth tours with 5,406 participants for Fiscal Year 2016-17.

Selection Process – Harbor Breeze was selected through a Request for Proposal (RFP) process. The RFP was issued on November 26, 2016. The RFP panel consisted of a staff member from the Cabrillo Marine Aquarium, and Harbor Department staff from the Community Relations and Cargo Marketing Divisions. Two firms responded with proposals. Harbor Breeze was selected by demonstrating a variety of vessels which could be utilized – seven of the eight vessels in their fleet could accommodate up to 149 passengers or more – as well as showing a commitment to the environment through a variety of operational programs including having vessels with state of the art emissions controls.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of an Agreement with Harbor Breeze Corporation for boat tour services for Harbor Department tours. As an administrative activity, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of CEQA in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Approval on the proposed three-year Agreement authorizes a total not-to-exceed amount of \$750,000. It is anticipated that the funds would be expended as follows:

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Fiscal Year (FY)	Total
FY 2016-17	\$50,000
FY 2017-18	\$250,000
FY 2018-19	\$250,000
FY 2019-20	\$200,000

Funds in the amount of \$50,000 are available in the FY 2016/17 budget in Account 52040 (Governmental/Community Promotional), 0220 (Community Relations), Program 000. The Harbor Department's financial commitments for the proposed Agreement beyond the current fiscal year are contingent upon approval of funds by the Board as part of the annual budget adoption process. If future fiscal year funds are not appropriated by the Board for the work in any subsequent fiscal year as by the Agreement, the Agreement shall be terminated. However, such termination shall not relieve the parties of liability for any obligation previously incurred.

CITY ATTORNEY:

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

TRANSMITTALS:

1. Proposed Agreement with Harbor Breeze Corporation



THERESA ADAMS LOPEZ
Director of Community Relations

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



ARLEY BAKER
Sr. Director of Communications

APPROVED:

 FOR
EUGENE D. SEROKA
Executive Director