

DATE: MARCH 23, 2021

FROM: ENVIRONMENTAL MANAGEMENT

SUBJECT: RESOLUTION NO. _____ - SECOND AMENDMENT TO THE CALIFORNIA ENERGY COMMISSION GRANT AGREEMENT NO. ARV-15-069, CITY OF LOS ANGELES HARBOR DEPARTMENT AGREEMENT NO. 16-3446 FOR FREIGHT TRANSPORTATION PROJECTS AT THE PORT OF LOS ANGELES

SUMMARY:

Staff requests approval of the proposed Second Amendment to the California Energy Commission (CEC) Grant Agreement No. ARV-15-069, City of Los Angeles Harbor Department (Harbor Department) Agreement No. 16-3446 (Agreement) to fund the Advanced Yard Tractor Deployment and Eco-FRATIS Drayage Truck Efficiency project (Project). On December 15, 2016, the Board of Harbor Commissioners (Board) approved the Agreement, which provided \$5,833,000 to fund the Project. In December 2018, the Board approved the first amendment to reorganize Project milestones. The proposed Second Amendment is requested to extend the term of the Agreement through October 29, 2021, to provide additional time to review project data and submit final reports to the CEC. The Harbor Department's financial responsibility continues to be limited to staff time to manage the Project as subrecipient payments are made only after grant funds are received from the CEC.

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 Second Amendment to California Energy Commission Grant Agreement No. ARV-15-069, City of Los Angeles Harbor Department Agreement No. 16-3446 between the City of Los Angeles Harbor Department and the California Energy Commission for the Advanced Yard Tractor Deployment and Eco-FRATIS Drayage Truck Efficiency Project;

SUBJECT: FUNDING AGREEMENT WITH SCAQMD

3. Authorize the Executive Director to execute and the Board Secretary to attest to said Second Amendment to Grant Agreement No. 16-3446 with the California Energy Commission for and on behalf of the Board; and
4. Adopt Resolution No. _____.

DISCUSSION:

Background/Context – In March 2016, in response to the Alternative and Renewable Fuel and Vehicle Technology for Freight Transportation Projects at California Seaports (GFO-15-604) grant solicitation, the Harbor Department submitted a grant application to the CEC on behalf of Everport and Productivity Apex, Inc. (PAI), who developed the Project concepts. On May 19, 2016, the CEC notified the Harbor Department that the application was selected and received a grant award offer in the amount of \$5,833,000 and in December 2016, the Board approved the Agreement and associated Subrecipient Agreements for the Project.

There are two components associated with the grant award and they are described below.

Advanced Yard Tractor Deployment – This portion of the Project occurred at the Everport Terminal and demonstrated five BYD Motors electric yard tractors and twenty Capacity near-zero emission natural gas yard tractors, fueled with renewable natural gas provided by Clean Energy. The 12-month equipment demonstration period for all equipment successfully concluded in March 2021. Data collected during this project includes the operational profile of the vehicles including energy/fuel usage and operator feedback. The Subrecipients that supported this Project are BYD, Capacity, Clean Energy, and Everport.

Eco-FRATIS Component – The Eco-FRATIS component demonstrated technology with drayage trucks to improve drayage operations to/from the Ports of Los Angeles and Long Beach. In addition to PAI and METRO, the other principal partners in this Project included the University of California, Riverside - Center for Environmental Research and Technology; InfoMagnus/Geostamp; and Southern Counties Express trucking company.

First Amendment – On December 18, 2018, the Board approved the first amendment to the Agreement. This proposed Second Amendment reorganized Project milestones to clarify cost share and to update labor categories and rates.

Second Amendment – The proposed Second Amendment to the Agreement will extend the term by six months to October 29, 2021 (Transmittal 1). This additional time will allow for data review and evaluation for the Truck Summary Report and Final Project Report that the Harbor Department will submit to the CEC in accordance with the updated schedule in Exhibit A of the proposed Second Amendment. The proposed Second Amendment also adds Exhibit E, Special Terms and Conditions, that identifies all

DATE: MARCH 23, 2021

PAGE 3 OF 4

SUBJECT: FUNDING AGREEMENT WITH SCAQMD

deadlines for reports and invoice submittals. Although the term is being extended to October 29, 2021, the CEC has requested that all invoices for reimbursement be submitted by April 15, 2021, because there is a required liquidation deadline of June 30, 2021. The subrecipients will receive final payments when the CEC releases payment to the Harbor Department. The remaining compensation due to the subrecipients is a ten percent retention, in the amount of \$512,649.56, that was held by the CEC on all invoices previously submitted. The final payment from the CEC will make subrecipients whole for work already done. The subrecipients will be paid through the existing subrecipient agreement.

The Exhibit E being added under this proposed Second Amendment includes a liquidated damages clause which states that damages may result from the CEC distributing funds prior to all reports being submitted by the Harbor Department. If any remaining tasks are not completed by the end of the Agreement term, the Harbor Department will be required to reimburse the CEC ten percent of the total Agreement funds disbursed as of the end date of the Agreement. Staff is working very closely with the CEC grant manager to ensure all tasks are completed in accordance with the new schedule.

ENVIRONMENTAL ASSESSMENT:

The proposed action is an amendment to an Agreement with the California Energy Commission for freight transportation projects at the Port of Los Angeles 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:

There are no financial impacts associated with the Board's approval of the proposed Second Amendment. The Harbor Department's financial responsibility continues to be limited to staff time to manage the Project. The Harbor Department pays subrecipient invoices only after grant funds are received from the CEC, on an on-going basis. At this time, there remains \$512,649.56 of grant funding to be disbursed by the CEC to the Harbor Department for distribution to grant subrecipients. This amount is ten percent retention of all invoices previously submitted.

For administrative purposes, reimbursements from the CEC are recorded as non-operating revenues within Account 76084. Subrecipient invoices are then subsequently paid via Account 89097, Center 6000, Program 000.

CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved the proposed Second Amendment as to form and legality.

DATE: MARCH 23, 2021

PAGE 4 OF 4

SUBJECT: FUNDING AGREEMENT WITH SCAQMD

TRANSMITTAL:

1. Second Amendment to California Energy Commission Grant Agreement No. ARV-15-069, City of Los Angeles Harbor Department Agreement No. 16-3446

FIS Approval: MB
CA Approval: JS


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Director of Environmental Management

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