



Executive Director's
Report to the
Board of Harbor Commissioners

DATE: AUGUST 20, 2025

FROM: WATERFRONT & COMMERCIAL REAL ESTATE

SUBJECT: RESOLUTION NO. _____ - APPROVE MEMORANDUM OF AGREEMENT TO REIMBURSE U.S. CUSTOMS AND BORDER PROTECTION

SUMMARY:

Staff requests approval of a Memorandum of Agreement (MOA) between the Port of Los Angeles (POLA) and U.S. Customs and Border Protection (CBP) which will allow POLA to reimburse CBP for costs related to the purchase and maintenance of computer and network equipment used in the processing of passengers at the Los Angeles World Cruise Center.

The proposed MOA is for a term of three (3) years with a not-to-exceed amount of \$430,000. The proposed network equipment project was presented and approved at the Project Development Committee meeting in May 2025. POLA will be financially responsible for reimbursing CBP under the proposed MOA.

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 proposed Memorandum of Agreement with U.S. Customs and Border Protection, substantially in the form attached hereto;
3. Approve the proposed Cost Sign-Off Document, substantially in the form attached hereto;
4. Approve the proposed Importer Identity Form, substantially in the form attached hereto;
5. Authorize the Executive Director to execute and the Board Secretary to attest to the Memorandum of Agreement, the Cost Sign Off Document and the Importer Identity Form, substantially in the forms attached hereto; and
6. Adopt Resolution No. _____.

SUBJECT: MOA BETWEEN POLA AND CBP

DISCUSSION:

Background – Pursuant to the CBP Cruise Terminal and Design Standard, POLA is required to provide all equipment necessary for CBP cruise operations at the Port of Los Angeles. The existing computers and network equipment used at the Berths 90-93 Cruise Terminal require updating to ensure efficient processing of passengers and crew at the Cruise Terminal.

On April 30, 2025, CBP informed the POLA Waterfront and Commercial Real Estate and Engineering Divisions that CBP staff computers need to be replaced prior to October 14, 2025, because of an upcoming Windows 11 software update. After October 14, 2025, the current CBP computers will not work as the operating system version will no longer be supported and will be out of date.

Due to security measures, CBP will order and install all computers and network equipment with the understanding that POLA will reimburse CBP for all the purchase and annual maintenance costs after the equipment is procured and installed at the Berths 90-93 Cruise Terminal, as outlined in the proposed MOA (Transmittal 1).

CBP will submit a request for reimbursement along with proof of payment and delivery documents to POLA upon completion of the installation and setup of network and computer equipment. A Cost Sign-Off Document (Transmittal 2) and Importer Identity Form (Transmittal 3) were submitted and reviewed by POLA staff. The Cost Sign-Off Document itemizes and outlines CBP’s proposed computer and network equipment prices for this project. CBP will not be able to submit the reimbursement request to POLA until all computer and network equipment has been delivered and installed and inspected by the appropriate POLA staff members.

Summary of Significant MOA Terms:

Term	Description
Term	<ul style="list-style-type: none">• 3 years
Estimated Reimbursement Amount	<ul style="list-style-type: none">• Up to \$430,000
Equipment Ownership	<ul style="list-style-type: none">• CBP will retain possessory ownership of all equipment until CBP vacates the premises. Ownership will revert back to City if CBP were to ever vacate the premises
Equipment Connectivity and Maintenance	<ul style="list-style-type: none">• CBP will be responsible for ordering and installing all equipment

SUBJECT: MOA BETWEEN POLA AND CBP

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of an MOA between POLA and CBP, 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 MOA will allow POLA to reimburse CBP up to \$430,000 over the course of three (3) years for costs related to the purchase and maintenance of computer and network equipment used for the processing of passengers and crew members at the Cruise Terminal. Funding is available within Account 161305 (Construction in Progress), Division 00000 (Harbor Global), Project 65000060 (B. 90 - 93 - Cruise Terminal Computer Equipment for CBP).

CITY ATTORNEY:

The MOA has been reviewed and approved as to form and legality by the Office of the City Attorney.

TRANSMITTALS:

- 1. MOA
- 2. Cost Sign-Off Document
- 3. Importer Identity Form

FIS Approval: *JS* (initials)
 CA Approval: *GC* (initials)

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APPROVED:

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