



**THE PORT
OF LOS ANGELES**

Executive Director's
Report to the

Board of Harbor Commissioners

DATE: MARCH 7, 2023

FROM: COMMUNITY RELATIONS

SUBJECT: RESOLUTION NO. _____ - FIRST AMENDMENT TO AGREEMENT NO. 20-3741 BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND HARBOR BREEZE CORP. FOR AS-NEEDED BOAT TOURS

SUMMARY:

Staff requests approval of the First Amendment (Amendment) to Agreement No. 20-3741 with Harbor Breeze Corp. (Harbor Breeze) for boat tours for both the City of Los Angeles Harbor Department's (Harbor Department) student/youth programs and as-needed tours for business and community stakeholders, visiting delegations, as well as distinguished groups or guests.

The proposed Amendment extends the term of the Agreement by two years from three years currently to five years as proposed, through May 18, 2025. The Agreement is being extended due to boat tours being placed on hold during the COVID-19 pandemic.

Compensation under the proposed Amendment will remain unchanged with a total not-to-exceed amount of \$585,000 for the duration of the agreement and annual costs not-to-exceed \$181,000 per Fiscal Year (FY). The Harbor Department will continue to be financially responsible for 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. Find that in accordance with the City Charter Section 1022, the Harbor Department does not own the required equipment and that the contractor will provide the vessels, as well as the crew;
3. Approve the First Amendment to Agreement No. 20-3741 extending the three-year term to a total of five years for a total not-to-exceed amount of \$585,000 for the entire five-year term;

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- 4. Authorize the Board Secretary to transmit said Amendment to the Los Angeles City Council for approval in accordance with Charter Section 373 and Los Angeles Administrative Code Section 10.5(a);
- 5. Upon the approval of City Council in accordance with Los Angeles Administrative Code Section 10.5(a), authorize the Executive Director to execute and the Board Secretary to attest to the First Amendment to Agreement No. 20-3741 for and on behalf of the Board; and
- 6. Adopt Resolution No. _____.

DISCUSSION:

Background – The Harbor Department has been providing as-needed boat tours of the Port of Los Angeles (Port) complex for more than 20 years. The Cargo Marketing Division and other Harbor Department divisions host a variety of groups for boat tours, including existing and prospective port customers and supply chain partners; government and community stakeholders; high-level academia, business and environmental non-governmental organizations (NGOs), international delegations, and other special private and public sector guests. The water-side tours are the best way for guests to better comprehend the scale of the Port complex and understand the port’s various operations. All tour requests are arranged through the Community Relations Division on a first-come, first-served basis.

Due to the COVID-19 pandemic, boat tours were suspended between March 18, 2020 and May 17, 2021, including the annual World Trade Week Boat Tours in May, which are open to the public and enjoyed by thousands of guests. Over the course of FY 2021 and FY 2022, there were 33 as-needed boat tours, hosting a total of 1,211 guests. In FY 2023, between July 2022 and January 2023, there have been 73 as-needed tours, hosting a total of 4,533 guests.

For more than a decade, the Harbor Department has provided one-hour tours to student and youth groups from elementary school through university-level participants as part of Community Relations’ educational outreach program. School boat tours were also suspended during the COVID-19 outbreak, and resumed on a case-by-case basis in April 2022. More frequent scheduling resumed in the school year beginning Fall 2022. In FY 2021 and FY 2022, there was one student/youth tour with 23 participants. In FY 2023, between July 2022 and January 2023, there have been 26 student/youth tours with 1,773 participants.

FY 2021 & FY 2022	Tours	Participants/Guests	Cost
As-Needed Tours	33	1,211	\$42,325
Student and Youth Tours	1	23	\$450
Total FY 2021 & FY 2022	34	1,234	\$42,775

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FYTD – As of December 2022	Tours	Participants/Guests	Cost
As-Needed Tours	56	2,050	\$63,940*
Free Community Boat Tours	17	2,483	\$14,450*
Student and Youth Tours	26	1,773	\$11,700*
Total FYTD 2023	99	6,306	\$90,090*

*Paid invoices up to January 2023

The total not-to-exceed amount under Agreement 20-3741 is \$585,000. In FY 2021 and FY 2022, the Harbor Department incurred \$42,775 in boat tour costs and, through the first six months of FY 2023, \$90,090 has been spent. This aggregate spending in the amount of \$132,865 has left \$452,135 remaining under Agreement 20-3741 as of January 2023.

Contractor Selection – Harbor Breeze was originally selected through a Request for Proposals (RFP) process. The RFP was issued on January 28, 2020. The RFP review panel consisted of a staff member from the Cabrillo Marine Aquarium, and Harbor Department staff from the Community Relations Division. Two firms responded with proposals. Harbor Breeze was selected based on two main criteria: First, it operates a variety of vessels, eight in total, which can accommodate 138 passengers or more, with one vessel capable of accommodating up to 500 passengers. Second, the company is committed to environmental stewardship through a variety of operational programs, including having vessels with state-of-the-art emissions controls.

Given that a robust RFP process was relatively recently conducted, and given that a significant amount of funds remain unspent under Agreement 20-3741, staff recommends approval of the proposed Amendment.

ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of an Amendment to Agreement No. 20-3741 between the City of Los Angeles Harbor Department and Harbor Breeze Corp. for boat tour services on behalf 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 Amendment to Agreement No. 20-3741 extends the term of the Agreement from three years to five years with no change to the total not-to-exceed amount of \$585,000. It is anticipated that the funds would be expended as follows:

FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	TOTAL
\$1,500	\$41,275	\$181,000	\$181,000	\$180,225	\$585,000

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FY 2023 funding in the amount of \$181,000 is available within Account 52040 (Governmental/Community Promotional), Center 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 Amendment as to form and legality.

TRANSMITTAL:

1. First Amendment to Agreement No. 20-3741 with Harbor Breeze Corp.
2. As-Needed and Student/Youth Tours (AG 17-3490) spreadsheet

FIS Approval: MB
 CA Approval: SO

Arley Baker Digitally signed by Arley Baker
Date: 2023.03.08 12:34:24 -08'00'
 ARLEY BAKER
 Sr. Director of Communications & Stakeholder Engagement

David Libatique Digitally signed by David Libatique
Date: 2023.03.09 12:07:39 -08'00'
 DAVID LIBATIQUÉ
 Deputy Executive Director

APPROVED:

Marla Bleavins For

EUGENE D. SEROKA
Executive Director

EDS:DL:AB:JB
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