



**THE PORT
OF LOS ANGELES**
Executive Director's
Report to the
Board of Harbor Commissioners

DATE: DECEMBER 5, 2018

FROM: ENVIRONMENTAL MANAGEMENT AND GOODS MOVEMENT

SUBJECT: RESOLUTION NO. _____ - FIRST AMENDMENT TO GRANT AGREEMENT NO. 16-3446 WITH THE CALIFORNIA ENERGY COMMISSION FOR FREIGHT TRANSPORTATION PROJECTS AT CALIFORNIA SEAPORTS

SUMMARY:

Staff requests that the Board of Harbor Commissioners (Board) approve the First Amendment to the California Energy Commission (CEC) Grant Agreement No. 16-3446 (Grant Agreement), to fund the Advanced Yard Tractor Deployment and Eco-FRATIS Drayage Truck Efficiency Projects (Project). On December 15, 2016, the Board approved the CEC Grant Agreement, which provided \$5,833,000 to fund the Project. Since that time, the CEC has approved modifications to the match share amounts for the Advanced Yard Tractor Deployment Project and made modifications to the Eco-FRATIS subrecipient labor categories and rates. Therefore, the CEC Grant Agreement needs to be amended to incorporate these administrative changes. All other terms and conditions remain the same, including overall grant award (\$5,833,000). In addition, staff is requesting approval for the delegation of authority to the Executive Director to sign CEC Letters of Agreement which approve nonsignificant changes (as defined by the Grant Award terms and conditions) to the Agreement. Any modifications that are defined by the Grant Award terms and conditions as significant changes will continue to be approved through a formal amendment to the Agreement. The Harbor Department's financial responsibility continues to be limited to staff time to manage the Project as subrecipient invoices will be paid only after grant funds are received from the CEC on an on-going basis.

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;

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2. Approve the First Amendment to Grant 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;
3. Approve the delegation of authority to the Executive Director to execute California Energy Commission (CEC) Letters of Agreement to implement Nonsignificant Changes to the Agreement, as defined by the CEC Grant Award Terms and Conditions;
4. Authorize the Executive Director to execute and the Board Secretary to attest to said First Amendment to Grant Agreement No. 16-3446 with the California Energy Commission for and on behalf of the Board; and
5. Adopt Resolution No. _____.

DISCUSSION:

Background/Context – On January 7, 2016, the CEC released a grant solicitation to implement and administer Alternative and Renewable Fuel and Vehicle Technology for Freight Transportation Projects at California Seaports (GFO-15-604). On March 24, 2016, 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 Grant Agreement No. 16-3446 and associated Subrecipient Agreements for the projects.

The two projects associated with the grant award are described below.

Advanced Yard Tractor Deployment Component – The Harbor Department and Everport agreed to work together to apply for this project. This project will demonstrate 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 Subrecipient Grant Agreement that supports this project is a multiparty agreement between the Harbor Department, BYD Motors, Capacity Trucks, Clean Energy, and Everport.

Eco-FRATIS Component – The Eco-FRATIS component entails demonstrating 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 include the University of California, Riverside - Center for Environmental

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Research and Technology; InfoMagnus/Geostamp; and Southern Counties Express trucking company. In addition to the CEC Grant, Metro is contributing \$240,000 for the Eco-FRATIS project.

First Amendment – On December 15, 2016, the Board approved the CEC Grant Agreement No. 16-3446. Since that time, the CEC has approved modifications to the match share amounts for the Advanced yard Tractor Deployment Project and made modifications to the Eco-FRATIS subrecipient labor categories and rates. Therefore, the CEC Grant Agreement needs to be amended to incorporate these administrative changes. All other terms and conditions remain the same, including overall grant award (\$5,833,000).

Staff is seeking the delegation of authority to the Executive Director to sign any future Letters of Agreement for Nonsignificant Changes without further board approval. Nonsignificant Changes to the Agreement are defined in the Grant Award as changes that do not need to be approved at an Energy Commission business meeting through a formal amendment. The Grant Agreement allows that such Nonsignificant Changes may be documented in a Letter of Agreement, signed by both parties. The Grant Award further defines changes that are considered Significant Changes, such as change of recipient's legal name, change of recipient, changes to disencumber funds, changes to the work statement that reasonably modify the purpose of the Agreement, changes to the Schedule of Products that extend the due dates beyond the term of the Agreement, changes to the Budget that increase the amount of the Agreement, and changes to the Budget that increase rates or fees. Significant Changes must be approved by the Energy Commission through a formal amendment, and would also be presented for approval to the Board.

ENVIRONMENTAL ASSESSMENT:

The proposed action is an amendment to Agreement No. 16-3446 with the California Energy Commission for freight transportation projects at California seaports, 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 First Amendment to Grant Agreement No. 16-3446. The Harbor Department's financial responsibility continues to be limited to staff time to manage the Project. The Harbor Department will pay subrecipient invoices only after grant funds are received from the CEC, on an on-going basis. At this time, subrecipient invoices related to the Advanced

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Yard Tractor Deployment and Eco-FRATIS Drayage Truck Efficiency Project are expected to be paid as follows:

Fiscal Year	Payments for Yard Tractor Deployment (CEC funded)	Payments for Eco-FRATIS (CEC & Metro funded)	TOTAL
2017/18		\$319,887	\$319,887
2018/19	\$4,376,700	\$626,113	5,002,813
2019/20		\$145,000	\$145,000
2020/21	\$486,300 (includes \$486,300 grant retention payment from CEC)	\$119,000 (includes \$109,000 grant retention payment from CEC & Metro)	\$605,300
TOTAL	\$4,863,000	\$1,210,000 (This total includes \$240,000 from Metro)	\$6,073,000 (This total includes \$240,000 from Metro)

For administrative purposes, reimbursements from the CEC and Metro are recorded as non-operating revenues within Account 76084. Subrecipient invoices are then subsequently paid via Account 89097, Center 6000, Program 000. As part of the FY 2019 budget process, funding of \$18,650,698 was made available within Account 89097, Center 6000, Program 000 for the payment of Subrecipient invoices under the Projects as well as other grant programs with similar pass-through components.

CITY ATTORNEY:

The Office of City Attorney has reviewed and approved the subject Grant Agreement as to form and legality.

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TRANSMITTAL:

- 1. First Amendment to Grant Agreement No. 16-3446

FIS Approval: 
 CA Approval: 



 CHRISTOPHER CANNON
 Director of Environmental Management


 FOR MICHAEL DiBERNARDO
 Deputy Executive Director


 KERRY CARTWRIGHT, P.E.
 Director of Goods Movement


 ANTONIO V. GIOIELLO, P.E.
 Deputy Executive Director

APPROVED:


 FOR
 EUGENE D. SEROKA
 Executive Director

CC:yo
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