



**THE PORT
OF LOS ANGELES**

Executive Director's
Report to the
Board of Harbor Commissioners

DATE: FEBRUARY 25, 2025

FROM: CARGO & INDUSTRIAL REAL ESTATE

**SUBJECT: RESOLUTION NO. _____ - APPROVE AGREEMENT WITH
CAL PACIFIC LAND SERVICES, INC.**

SUMMARY:

Staff requests approval of an Agreement between Cal Pacific Land Services, Inc. (Cal Pacific) and the City of Los Angeles Harbor Department (Harbor Department) for management, administration and maintenance of Harbor Department railroad right-of-way properties. Approval of the proposed Agreement will allow Cal Pacific to assist Harbor Department staff in managing property contracts such as utility license agreements, permits, and leases along railroad right-of-way within the Harbor District.

The term of the proposed Agreement is three years with a not-to-exceed compensation amount of \$150,000. The proposed Agreement is the result of a competitive selection process for which three proposals were received, analyzed and scored by a review panel consisting of Harbor Department and other City of Los Angeles personnel. This recommendation for award is the result of the competitive selection process. The Harbor Department will be financially responsible for payment of expenses incurred under the proposed Agreement.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners (Board):

1. Find that in accordance with the Los Angeles City Charter Section 1022 the City does not employ sufficient personnel to perform the required services, nor is feasible to do so on a temporary or occasional basis;
2. 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;
3. Approve the Agreement with Cal Pacific Land Services, Inc. for assisting in the management and administration of the Harbor Department railroad properties with a not-to-exceed compensation amount of \$150,000;

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4. Authorize the Executive Director to execute, and the Board Secretary to attest to, the Agreement; and
5. Adopt Resolution No. _____.

DISCUSSION:

Background - From 1992 to 1995, the Harbor Department and Port of Long Beach (POLB) (collectively Ports) jointly purchased railroad properties between downtown Los Angeles and the San Pedro Bay that were formerly owned by Southern Pacific Railroad, Union Pacific Railroad, Atchison, Topeka & Santa Fe Railway, and Burlington Northern Santa Fe Railway, for the development of the Alameda Corridor. The Ports originally acquired all railroad properties as tenants in common, whereby revenue and expenses derived from such properties were split equally between Harbor Department and POLB as co-owners.

In 2020, an exchange agreement between the Harbor Department and POLB finalized the transfer of railroad right-of-way property that was jointly acquired in 1994 for the Alameda Corridor Project. The exchange agreement gave each of the Ports control over the rail properties located solely within their respective Harbor Districts. The Harbor Department assumed full ownership of a seven-mile stretch of railroad right-of-way that spans from Wilmington to San Pedro along Harry Bridges Boulevard and Harbor Boulevard. This right-of-way contains approximately 90 rail crossing lease agreements for which the Harbor Department is now responsible for managing (Transmittal 1).

As a result of the new railroad right-of-way property management workload, in 2021 the Harbor Department retained Cal Pacific through a competitive process to serve as an extension of staff to perform the necessary property management services, under Agreement E7119. Agreement E7119 had an initial two-year term and through two amendments was extended an additional two years through March 31, 2025. During the four-year term, the expenditures have been approximately \$92,000 for the services provided with the Cal Pacific agreement set to expire in March 2025. The Harbor Department completed a competitive selection process in 2024 for a new agreement which allows for continuity of the necessary services.

Selection Process - The Harbor Department released a Request for Proposals (RFP) to solicit proposals from qualified real estate property management firms to assist staff in managing the Harbor Department's railroad right-of-way properties.

The RFP set forth in detail the property management scope of work and jurisdiction for the Harbor Department railroad properties. The proposers were informed that all property management activities must be coordinated with the Harbor Department.

The Harbor Department published the RFP on the City of Los Angeles' solicitation platform, Regional Alliance Marketplace for Procurement (RAMP), at www.rampla.org and the Harbor Department's website, <https://www.portoflosangeles.org/>. Three proposals were received by the proposal due date.

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Proposals submitted in response to the RFP were evaluated based on each firm's qualifications, experience and proposed rates. The four-member Evaluation Panel consisted of the following City employees:

- Sr. Real Estate Officer, Harbor Department, Cargo & Industrial Real Estate
- Sr. Real Estate Officer, Harbor Department, Waterfront & Commercial Real Estate
- Sr. Management Analyst, Harbor Department, Planning & Strategy
- Sr. Real Estate Officer, General Services Department, Real Estate Services

Cal Pacific met all of the requirements of the RFP and received the highest number of points from the Evaluation Panel. As such, staff is recommending award and approval of the Agreement with Cal Pacific (Transmittal 2).

Proposed Agreement - Below are the material terms of the proposed Agreement:

Provision	Description
Term	Effective upon date of signature by the Executive Director upon authorization of the Board for a period of three (3) years.
Termination	Subject to termination at the discretion of the Harbor Department upon 10 days' notice to the contractor.
Compensation	- Cal Pacific to charge set hourly rates and miscellaneous reimbursable fees for mileage and copying costs, up to an amount not to exceed \$150,000.
Scope of Work	<ul style="list-style-type: none"> ▪ Standard Consultant Services ▪ Contract Administration and Management ▪ Property Management and Maintenance Services ▪ Training Harbor Department Employees
Insurance	Insurance provisions include all standard insurance requirements and have been reviewed as acceptable by the Risk Management Division.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of the Agreement with Cal Pacific for the management and administration of property contracts and maintenance of the railroad properties not under ACTA authority, 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 three-year Agreement will allow Cal Pacific to provide the Harbor Department with management, administration and maintenance services of

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railroad properties for a not-to-exceed amount of \$150,000. Spending under the three-year term Agreement is anticipated to occur as follows:

Fiscal Year (FY)	\$ Amount
2024-2025	\$10,500
2025-2026	\$42,000
2026-2027	\$48,750
2027-2028	\$48,750
Total	\$150,000

FY 2024-2025 funding in the amount of \$10,500 is available within Account 544160 (Miscellaneous Professional Services), Division 40110 (Cargo/Industrial Real Estate), Program 00000. Funding for future years will be requested as part of the annual budget process upon Board approval.

The Harbor Department’s financial obligations after the current fiscal year are contingent upon the Board appropriation of funds. If funds are not appropriated by the Board for the work required by the Agreement, then the Agreement shall be terminated. However, such termination would not relieve the parties of liability for any obligations previously incurred.

CITY ATTORNEY:

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

TRANSMITTALS:

1. Railroad Right-of-Way Map
2. Proposal Evaluation Details
3. Agreement

FIS Approval: *JS*
CA Approval: *SO*

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APPROVED:

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