



THE PORT  
OF LOS ANGELES

Executive Director's  
Report to the  
Board of Harbor Commissioners

**DATE: JUNE 12, 2013**

**FROM: ENVIRONMENTAL MANAGEMENT**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - FIRST AMENDMENT TO THREE  
EMERGENCY RESPONSE AND HAZARDOUS WASTE MANAGEMENT  
AGREEMENTS**

**SUMMARY:**

In December, 2010 the Board of Harbor Commissioners (Board) approved separate as-needed Agreements with three consultants for on-call emergency response and hazardous waste management services to the City of Los Angeles Harbor Department (Harbor Department). These Agreements (described below, and referred to herein to as "Agreement" or "Agreements") collectively provide contractual authority for up to \$6,000,000 in services, which was estimated to be about \$2,000,000 per year for a three-year period that ends in December, 2013. Note that approval of the Agreements did not authorize actual expenditures for services by these consultants. The actual expenditures must come from yearly budget authorizations which are approved separately for emergency response and hazardous waste management activities each year in the Harbor Department budget.

By its nature, emergency response to spills and releases is unpredictable. Extensive emergency response actions and hazardous waste management expenses over the past two years have exhausted the \$6,000,000 funding authority in the three on-call contracts, with roughly seven months remaining in their contract term. Amendments to the Agreements are needed to provide additional contractual authority to allow these services through December, 2013. Based on projected emergency response services needed by the Harbor Department in the next seven months, staff recommends increasing the combined not-to-exceed amounts by \$1,250,000, from \$6,000,000 to a total of \$7,250,000. Note that approval of the Amendments only increases the contractual authority under each Agreement, not the Harbor Department budget. Funds for anticipated expenses for this work to be carried out under these Agreements are available in the Harbor Department FY 13/14 budget. The scope and contract term for each Agreement would remain unchanged.

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**RECOMMENDATIONS:**

It is recommended that the Board of Harbor Commissioners:

1. Approve the First Amendment to Agreement No. 10-2928 with Ocean Blue Environmental Services, Inc. (Transmittal 1) to increase the contract amount by \$375,000 for the total not-to-exceed amount of \$2,375,000;
2. Approve the First Amendment to Agreement No. 10-2929 with Clean Harbors (Transmittal 2) to increase the contract amount by \$500,000 for the total not-to-exceed amount of \$2,500,000;
3. Approve the First Amendment to Agreement No. 10-2930 with Ancon Marine (Transmittal 3) to increase the contract amount by \$375,000 for the total not-to-exceed amount of \$2,375,000;
4. Authorize the Executive Director to execute and the Board Secretary to attest to said Amendments for and on behalf of the Board; and
5. Adopt Resolution No. \_\_\_\_\_.

**DISCUSSION:**

Background/Context - In December 2010, the Board approved Agreement No. 10-2928 with Ocean Blue Environmental Services, Inc., Agreement No. 11-2929 with Clean Harbors, and Agreement No. 10-2930 with Ancon Marine, to provide on-call emergency response and hazardous waste management services. Each Agreement was approved for a 3-year term with a combined contract not-to-exceed amount of \$6,000,000 (\$2,000,000 each).

Services provided under the Agreements include: emergency and non-emergency response to chemical spills or releases of regulated and/or hazardous materials and abandoned wastes within the Port of Los Angeles (Port). This work is performed at the direction of the Environmental Management Division (EMD) and the Port Police, or as directed by Federal and State agencies, including the United States Coast Guard, California Department of Fish & Game, United States Environmental Protection Agency, and the Los Angeles Regional Water Quality Control Board. EMD also responds to requests from other Harbor Department divisions, including the Port Police, Construction & Maintenance, Real Estate, and Wharfingers, for services that involve waste management and disposal. The work performed requires specialized training, equipment, permits, and licenses to handle, transport, and dispose of hazardous substances and wastes.

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One major service component of the Agreements is to provide emergency response services, which, by nature, are unplanned and difficult to budget for precisely. The Agreements are in place and allow the Harbor Department the ability to respond in an efficient and timely manner to emergencies, and thereby assist in maintaining the security and safety in the Port. Over the last six months, the Harbor Department has had to respond to several emergencies or unforeseen needs which have depleted the Agreements by \$2,000,000 in that short period. These events included:

<b>Event</b>	<b>Date</b>	<b>Amount</b>
Oil Spill at Berth 163	November 2012	\$ 105,000
Oil Spill at Berth 154/155	Dec 2012 – Jan 2013	\$ 849,000
Warehouse 1 Asbestos Roof Tear-Off for Solar Project	December 2012	\$ 301,575
Wilmington Grade Separation - Exxon Pipeline Relocation Soil & Water Disposal and Sampling	February 2013	\$ 325,000
Berth 200 Rail Yard - CP Transfer Soil and Water Disposal	April 2013 (ongoing)	\$ 475,000
<b>TOTAL:</b>		<b>\$ 2,055,575</b>

As indicated in the table below, as of May 8, 2013, \$5,995,190 out of the \$6,000,000 Agreement amount has been committed to specific project tasks; and only \$4,810 of the Agreements' funding authority remains uncommitted.

<b>Consultant</b>	<b>Agreement Amount</b>	<b>Commitment</b>	<b>Uncommitted</b>
Ocean Blue	\$ 2,000,000	\$ 1,999,363	\$ 637
Clean Harbors	\$ 2,000,000	\$ 1,995,827	\$ 4,173
Ancon Marine	\$ 2,000,000	\$ 2,000,000	\$ 0
<b>TOTAL:</b>	<b>\$ 6,000,000</b>	<b>\$ 5,995,190</b>	<b>\$ 4,810</b>

The Amendments are therefore essential to restore the Harbor Department's ability to efficiently respond to emergency service needs, spills and releases in the Port, and to provide on-going hazardous waste management services throughout the Port through December 2013. Given the current low funding authority in these Agreements, without

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these Amendments, there is no contractual authority to allow the FY 13/14 budget to be used for these services. The requested Amendment amount is \$1,250,000 assigned as follows to the consultants:

<b>Consultant</b>	<b>Agreement Amount</b>	<b>Amendment</b>	<b>Agreement Amount</b>
Ocean Blue	\$ 2,000,000	\$ 375,000	\$ 2,375,000
Clean Harbors	\$ 2,000,000	\$ 500,000	\$ 2,500,000
Ancon Marine	\$ 2,000,000	\$ 375,000	\$ 2,375,000
<b>TOTAL:</b>	<b>\$ 6,000,000</b>	<b>\$ 1,250,000</b>	<b>\$ 7,250,000</b>

The additional \$500,000 requested for Clean Harbors is earmarked to provide continued support for the Berth 200 Rail Yard Project. The amounts requested for Ocean Blue and Ancon Marine will be available for on call emergency response and hazardous waste management, as needed. As on-call services, the consultants are aware that they are not guaranteed any specific amount of work. Funds are available in the EMD operational budget to cover the Amendment amount.

In anticipation of the Agreements' expiration in December, EMD staff has initiated a Request for Proposals to procure consultant services beyond December 2013. The request to approve the new Agreements will be brought before the Board in the fall.

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is a request to amend three Agreements for as-needed emergency response and hazardous waste management services. As an administrative activity, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II, Section 2(f) of the Los Angeles City CEQA Guidelines.

**FINANCIAL IMPACT:**

Approval of the proposed Amendments will increase the total contract authority amounts by a total of \$1,250,000 split among the three existing Agreements, from \$6,000,000 to \$7,250,000. There is no request to increase the current FY 12/13 budget. The \$500,000 requested for Clean Harbors is earmarked to provide continued support for the Berth 200 Rail Yard Project and will be charged to Account 54260, Center 1172, Program 000. Funding for the \$750,000 for Ancon and Ocean Blue is available in EMD's FY 13/14 Operational Budget in Account 54260, Center 330, Program 000. A funding out clause is included in each of the original Agreements.

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**ECONOMIC IMPACT:**

Spending under the original Agreements was anticipated to have 87 direct and 122 secondary one-year equivalent job impacts for the five-county region. Approval of the proposed First Amendments will support 32 direct and 45 secondary additional jobs for the region.


**CITY ATTORNEY:**

The Office of the City Attorney has prepared the Agreements and has approved them as to form and legality.

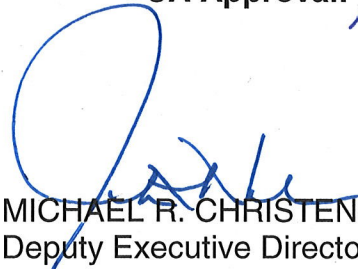
**TRANSMITTALS:**

1. First Amendment to Agreement No. 10-2928 with Ocean Blue Environmental Services, Inc.
2. First Amendment to Agreement No. 10-2929 with Clean Harbors
3. First Amendment to Agreement No. 10-2930 with Ancon Marine

FIS Approval: KP (initials)  
CA Approval: gpc (initials)



CHRISTOPHER CANNON  
Director of Environmental Management



MICHAEL R. CHRISTENSEN  
Deputy Executive Director

APPROVED:



GERALDINE KNATZ, Ph.D.  
Executive Director

AUTHOR: MANUEL RAMIREZ  
BOARD MEETING: 6/20/2013

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