THE PORT
OF LOS ANGELES

Executive Director's
Report to the
Board of Harbor Commissioners

DATE: **DECEMBER 9, 2020**

FROM: **ENVIRONMENTAL MANAGEMENT**

SUBJECT: **RESOLUTION NO. _____ - THIRD AMENDMENT TO AGREEMENT NO. 12-3049 BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND THE CITY OF LONG BEACH HARBOR DEPARTMENT FOR HOSTING THE PORTS' DRAYAGE TRUCK REGISTRY**

SUMMARY:

Staff requests approval of the proposed Third Amendment to Agreement No. 12-3049 (Agreement) between the City of Los Angeles Harbor Department (Harbor Department) and the City of Long Beach Harbor Department (LBHD) to host and maintain the Ports' Drayage Truck Registry (PDTR). The proposed third amendment will extend the term of the Agreement three years to December 31, 2023. No additional funding authority will be added to 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. Accept and approve the proposed Third Amendment to extend the term of Agreement No. 12-3049 between the City of Los Angeles Harbor Department and the City of Long Beach Harbor Department for maintenance and hosting the Port Drayage Truck Registry through December 31, 2023;

3. Authorize the Executive Director to execute and Board Secretary to attest to said Third Amendment for and behalf of the Board; and

4. Adopt Resolution No._____.

SUBJECT: THIRD AMENDMENT TO AGREEMENT NO. 12-3049

DISCUSSION:

Background/Context – On November 20, 2006, the City of Los Angeles and City of Long Beach Boards of Harbor Commissioners (Boards) approved the Clean Air Action Plan (CAAP). A key component of the CAAP is the implementation of a Clean Truck Program (CTP), which required all drayage trucks serving the Ports to meet U.S. Environmental Protection Agency (EPA) 2007 emissions standards (clean trucks) by January 1, 2012. At a November 2, 2017 joint meeting, the Boards approved the 2017 CAAP update. The 2017 CAAP update set the CTP goal to transition the port drayage industry's fleet to zero-emission by 2035. Currently, there are approximately 1,100 trucking companies dispatching over 18,000 clean trucks to serve the Port.

PDTR History – In 2008, the California Air Resources Board adopted the State Drayage Truck Regulation,[1] which set certain requirements for drayage trucks to access marine ports and railyards statewide, as well as a State Drayage Truck Registry (State DTR) to confirm trucks' compliance with the regulation. In order to ensure success of the CTP, the Harbor Department and LBHD recognized the need to also develop their own drayage truck database system which would determine licensed motor carriers' and trucks' compliance with CTP requirements as well as assist in the collection of registration and truck fees. This required database system design and development activities completed by a software development consultant. Once the permanent PDTR was developed, both Departments decided that LBHD would host the PDTR on its own server rather than contracting the service to an outside vendor. This decision was based mainly on expensive cost estimates received from outside vendors and LBHD's already established server capability. LBHD was able to provide the services at a fraction of the cost of outside vendors. LBHD took responsibility for various services including the PDTR hosting, routine operation, scheduled maintenance, and disaster recovery efforts. LBHD has been hosting the PDTR since 2009 and has not encountered any major issues. LBHD does perform occasional testing and has made several upgrades to the security infrastructure, but the PDTR systems have not required significant personnel time. Overall, this has been an extremely economically favorable arrangement for both parties compared to proposed costs for similar outside services. The Harbor Department is interested in continuing this cost sharing arrangement going forward. The Chief Information Officers from the Ports have been involved in these decisions and agree that this is the best course of action.

On November 7, 2017, the Board approved the Second Amendment to the Agreement extending it by three years to December 31, 2020, and added $102,000, increasing the total spending authority to $348,190. To date, the total amount paid from the Agreement is $141,190 leaving a remaining authority of $207,000.

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[1] https://ww2.arb.ca.gov/our-work/programs/drayage-trucks-seaports-railyards

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Third Amendment – Staff recommends the approval of the proposed Third Amendment to extend the term of the Agreement for three years for maintenance costs to host the PDTR in support of the CTP (Transmittal 1). The proposed cost to the Harbor Department for three years is a maximum not-to-exceed amount of $102,000. No additional funding authority will be added to the Agreement since it has a remaining authority of $207,000, which will be sufficient to fund the proposed extension.

ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of a Third Amendment to the Agreement with LBHD to host and maintain the PDRT, 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:

The proposed Third Amendment extends the Agreement by three years through December 31, 2023. The Agreement authority is $348,190 of which $141,190 has been spent to date. The remaining $207,000 will cover the expenditures anticipated for the amendment so no additional funds are requested.

It is anticipated that funds will be expended as follows:

Fiscal Year	Amount
2020/2021	$ 0
2021/2022	$34,000
2022/2023	$34,000
2023/2024	$34,000
TOTAL	**$102,000**

Future year funds will be requested to be budgeted through the Harbor Department's annual budgeting process in Account 59967 (Clean Truck Program Administrative Costs), Center 0330 (Environmental Management Division), Program 000 (Base Budget).

The Harbor Department's financial obligations for future fiscal years are contingent upon Board appropriation of funds. If any subsequent fiscal year funds are not appropriated by the Board for the work required by the cost share agreement, the agreement would be terminated. However, such termination shall not relieve the parties of liability for any obligations previously incurred.

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CITY ATTORNEY:

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

TRANSMITTAL:

1. Third Amendment to Agreement No. 12-3049 between the City of Los Angeles and the City of Long Beach

FIS Approval: MB
CA Approval:

CHRISTOPHER CANNON
Director of Environmental Management

Michael DiBernardo
MICHAEL DiBERNARDO
Deputy Executive Director

APPROVED:

Mark Blearni FOR
EUGENE D. SEROKA
Executive Director

CC/yo
AUTHOR: A. COLUSO

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