



**THE PORT
OF LOS ANGELES**

Executive Director's

Report to the

Board of Harbor Commissioners

DATE: MAY 7, 2025

FROM: CARGO & INDUSTRIAL REAL ESTATE

SUBJECT: RESOLUTION NO. _____ - APPROVE THE FIRST AMENDMENT TO AGREEMENT NO. E7261 WITH NUMARC US, INC. FOR AN ADDITIONAL TWO-YEAR PERIOD AND ADDITIONAL FUNDING

SUMMARY:

Staff requests approval of the First Amendment (Amendment) to Agreement No. E7261 (Agreement) between the City of Los Angeles Harbor Department (Harbor Department) and NuMarc US, Inc. (NuMarc) for consulting and professional assistance in commercial planning, analysis and technical real estate services to augment existing staffing resources at the Harbor Department. The proposed Amendment will i) extend the Agreement by two years for a total aggregate term of three years; and ii) increase the not-to-exceed compensation authority amount from \$127,500 to \$180,000. The Harbor Department will continue to be financially responsible for payment of costs 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 Los Angeles City Charter Section 1022 the Harbor Department does not employ sufficient personnel to perform the required services, which are more feasibly and economically undertaken on a temporary basis by an independent contractor;
3. Approve the First Amendment to Agreement No. E7261 between the City of Los Angeles Harbor Department and NuMarc US, Inc.;
4. Authorize the Executive Director to execute and the Board Secretary to attest to the First Amendment to Agreement No. E7261; and
5. Adopt Resolution No. _____.

SUBJECT: APPROVE FIRST AMENDMENT TO E7261 WITH NUMARC US, INC.

DISCUSSION:

Background – NuMarc’s Agreement arises from a Request for Proposals for on-call staff augmentation real estate services published on January 9, 2024. The Agreement commenced on June 24, 2024, for a term of one year. Under the Agreement, NuMarc provides consulting and professional assistance in commercial planning, analysis, development of leasing strategy, and technical real estate professional services to augment existing staffing resources at the Harbor Department. NuMarc brings the necessary expertise to assist staff with complex real estate transactional work concerning the use and development of maritime properties.

Proposed First Amendment – The Harbor Department continues to require real estate services beyond the Agreement’s current expiration date of June 24, 2025. The First Amendment to Agreement No. E7261 (Transmittal 1) will extend the term of Agreement No. E7261 (Transmittal 2) by two additional years through June 24, 2027, and increase compensation under the Agreement by \$52,500. Although an agreement approved by the Board typically requires Board approval to terminate said agreement, for administrative efficiency, staff requests the Board to approve the Amendment without modifying Article 11 of the Agreement which grants the Executive Director sole authority to terminate the Agreement.

Below are the material terms of the proposed Amendment:

Provision	Description
Term	Two-year extension, expiring June 24, 2027.
Termination	Subject to termination resulting from non-appropriation of funds by the Harbor Department, or by the Executive Director for any reason upon 10 days’ written notice to the consultant.
Compensation	\$180,000 for the aggregate three-year term.

ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of an Agreement with NuMarc for consulting and professional assistance in commercial planning, analysis and technical real estate services, 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.

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FINANCIAL IMPACT:

Approval of the proposed Amendment will extend the term of the Agreement by two years and increase total compensation by \$52,500 from \$127,500 currently to \$180,000 as proposed. Spending under the Agreement has occurred and is anticipated to occur as follows:

Fiscal Year (FY)	\$ Amount
2024-2025	\$75,000
2025-2026	\$75,000
2026-2027	\$30,000
Total	\$180,000

FY 2024-2025 funding in the amount of \$75,000 has been budgeted in Account 544160 (Miscellaneous Professional Services), Division 40110 (Cargo/Industrial Real Estate). To date, \$33,000 has been billed to the Harbor Department by NuMarc. An additional \$42,000 is anticipated to be spent by the end of FY 2024-2025 for a revised total of \$75,000. 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 proposed First Amendment to Agreement No. E7261 as to form and legality.

TRANSMITTALS:

1. First Amendment to Agreement No. E7261
2. Agreement No. E7261

Marisa L. Katnich
 MARISA L. KATNICH
 Director, Cargo & Industrial Real Estate

FIS Approval: *JS*
 CA Approval: *SO*
Michael DiBernardo
 MICHAEL DIBERNARDO
 Deputy Executive Director

APPROVED:

Erica M. Calhoun for

EUGENE D. SEROKA
 Executive Director
 EDS:MD:MK:YF:jg
 BL1078jg NuMarc 1st Amendment