



**THE PORT
OF LOS ANGELES**

Executive Director's
Report to the
Board of Harbor Commissioners

DATE: MARCH 9, 2011

FROM: CLEAN TRUCK PROGRAM

SUBJECT: RESOLUTION NO. _____ - FIRST AMENDMENT TO COST SHARE AGREEMENT NO. 08-2724 BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND THE CITY OF LONG BEACH FOR AUTOMATED VEHICLE LOCATOR MONITORING/DATA MANAGEMENT SERVICES

SUMMARY:

The Clean Truck Program (CTP) is a key component of the San Pedro Bay Ports Clean Air Action Plan (CAAP) that requires the entire fleet of drayage trucks serving the ports of Los Angeles and Long Beach (Ports) to meet U.S. Environmental Protection Agency (EPA) 2007 emissions standards by January 1, 2012. As part of the CTP, the Ports have installed Automatic Vehicle Locators (AVLs) on approximately 600 trucks that were funded through the joint Ports' sponsored programs and the California Air Resources Board's Proposition 1B (Prop. 1B) grant programs. Each truck's AVL device transmits accurate location and vehicle movement data to AT&T Mobility (AT&T), which then forwards the data to the Ports' fleet management vendor, WebTech Wireless Inc. (WebTech), for data monitoring. The requested action is for the City of Los Angeles Board of Harbor Commissioners (Board) to approve a First Amendment to the Cost Share Agreement No. 08-2724 between the City of Los Angeles Harbor Department (Harbor Department) and the City of Long Beach (POLB) to equally split the cost of extending monitoring services provided by WebTech from November 2010 through January 2014 at a cost of \$500,000 or \$250,000 per city.

RECOMMENDATION:

It is recommended that the Board:

1. Approve the proposed First Amendment to Cost Share Agreement No. 08-2724 between the Harbor Department and POLB to increase the compensation by \$500,000 from \$569,262 to \$1,069,262 (to be equally split between both the Harbor Department and POLB) (Transmittal 1);

SUBJECT: FIRST AMENDMENT TO COST SHARE AGREEMENT NO. 08-2724

2. Authorize the Executive Director to execute and the Board Secretary to attest to the said proposed First Amendment to Cost Share Agreement No. 08-2724 for and on behalf of the Board; and
3. Adopt Resolution No. _____.

DISCUSSION:

Background – On November 20, 2006, the City of Los Angeles and POLB Boards of Harbor Commissioners approved the CAAP. A key component of the CAAP is the implementation of a CTP which required all drayage trucks serving the Ports to meet U.S. EPA 2007 standards through replacement or retrofit within a period of approximately five years. On March 20, 2008, the Board approved the framework for a joint CTP incentive/grant program between the two ports (Ports) that provides financial assistance to truck owners for the replacement or retrofit of their existing trucks.

The Ports entered into agreements with the California Air Resources Board (ARB) and the South Coast Air Quality Management District (AQMD) in 2009 to provide Prop. 1B grants to trucking companies seeking to purchase drayage trucks that meet or exceed U.S. EPA 2007 emission standards. The Prop. 1B Grant Program was funded with \$98 million in California Prop. 1B bond money and supplemental grants for alternative fuel trucks from the Ports and AQMD. Trucks funded through the CTP are required to fulfill, among other things, minimum service requirements (e.g., trips per year) and certain geographical restrictions (e.g., they must remain in California) in order to meet the obligations of the grant program. To help enforce the minimum service requirements and to protect the State of California's and Ports' sizable investment in the trucks, the Ports required AVLs to be installed on approximately 600 trucks funded through the joint Ports' sponsored Prop. 1B grant program. These AVLs have allowed the Ports to automatically monitor information pertinent to the grant obligations, such as location, number of Port trips, and mileage. The AVLs have also been equipped with a "starter disable" function to prevent theft or misuse of the vehicle.

In May 2007, the Board approved Master Cost Sharing Agreement No. 2546 (Transmittal 2) between the Harbor Department and POLB to establish a master cost sharing arrangement for all joint CAAP expenditures. In November 2008, the Board approved Cost Share Agreement No. 08-2724 (Transmittal 3) between the Harbor Department and POLB to pay for the purchase of 600 AVL devices and one year of monitoring services through WebTech for an amount not to exceed \$569,262. Of the 600 AVL devices purchased, 566 trucks have been installed and monitoring began in November 2009. These devices transmit data to AT&T, which is then forwarded to the Ports' fleet management vendor, WebTech. The data is used to confirm compliance

SUBJECT: FIRST AMENDMENT TO COST SHARE AGREEMENT NO. 08-2724

with the CTP lease and incentive/grant requirements, and provides future detailed analysis of drayage operations.

On November 22, 2010, POLB entered into an agreement with WebTech in the amount of \$500,000 for an additional three years of monitoring services for up to 600 AVLs. Therefore, this proposed First Amendment to Cost Share Agreement No. 08-2724 will increase the total not-to-exceed amount from \$569,262 to \$1,069,262 (equally split between the Harbor Department and POLB) in order to extend the AVL monitoring services from November 2010 through January 2014. Cost Share Agreement No. 08-2724 allows POLB to take action and then request reimbursement from the Harbor Department.

A request to approve a cost share agreement with POLB to approve funding for AVL wireless services through AT&T Mobility will be proposed to the Board for its consideration through a separate board report.

Vendor Selection - WebTech was selected as the vendor for 600 AVLs due to its work with the Gateway Cities Council of Governments (Gateway) program where they provided AVLs to the Ports for trucks funded by the Ports under that program. WebTech was originally selected as the AVL vendor through a competitive bid process that was conducted by Gateway, which included staff from both Ports on the review panel. The bid process solicited vendors to provide AVL services to Gateway to monitor the truck retrofit and replacement programs of the Port. Services included AVL equipment, installation, airtime, and software/interface development. WebTech was rated the most qualified vendor as well as the lowest bidder in terms of cost.

Services Provided by WebTech and Cost Breakdown - Since its selection as the Gateway AVL vendor, WebTech has developed the software/interface and installed the AVLs to support the POLA/Gateway Fleet Modernization Program as well as the POLB/Gateway Fleet Modernization and Truck Retrofit Program. The capital cost of each AVL is \$762.00. Further, monthly charges for fleet management (data) services provided by WebTech were \$16.00 per active AVL per month, up to \$9,600 per month for up to 600 active units. Monthly costs have been, and will continue to be incurred only on units that are active during the applicable billing period. To-date, the Harbor Department has paid \$284,404 to POLB for its billed share of cost, which included the first year of monitoring services from November 2009 through October 2010 for 566 active AVLs.

Staff recommends approval of this First Amendment to Cost Share Agreement with POLB to allow WebTech to continue to provide AVL monitoring/data management services in support of the CTP for these 566 active AVLs plus up to 34 additional AVLs should they be installed and become active during the period of this First Amendment. This would

DATE: MARCH 9, 2011

PAGE 4 OF 5

SUBJECT: FIRST AMENDMENT TO COST SHARE AGREEMENT NO. 08-2724

authorize a cost of up to \$500,000 or \$250,000 per Port for up to 600 AVLs. This cost would be ongoing and payable yearly based on actual amounts expended.

ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of a first amendment to the Cost Share Agreement No. 08-2724 to provide AVL monitoring/data management services in support of the CTP. As an ongoing administrative and maintenance 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:

Funds to pay for AVL monitoring services through in Fiscal Year 2010/11 are available Account No. 59967, Center No. 330, Program 652. It is anticipated that funds will be expended as follows:

Fiscal Year 2010/11	\$ 70,000
Fiscal Year 2011/12	\$ 70,000
Fiscal Year 2012/13	\$ 70,000
<u>Fiscal Year 2013/14</u>	<u>\$ 40,000</u>
	\$250,000

Funding for Fiscal Year 2011/12 has only been requested, and has not yet been approved through the budget process. Funding needed in future years will be requested through the annual budget adoption process upon Board approval.

ECONOMIC BENEFIT:

This Board action will have a minimal direct employment effect (less than one job in the 5-county region).

DATE: MARCH 9, 2011

PAGE 5 OF 5

SUBJECT: FIRST AMENDMENT TO COST SHARE AGREEMENT NO. 08-2724

CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved as to form and legality, the proposed First Amendment to Cost Share Agreement No. 08-2724 between the Harbor Department and POLB.

TRANSMITTALS:

1. Proposed First Amendment to Cost Share Agreement No. 08-2724
2. Master Cost Sharing Agreement No. 2546
3. Cost Share Agreement No. 08-2724

FIS Approval: 

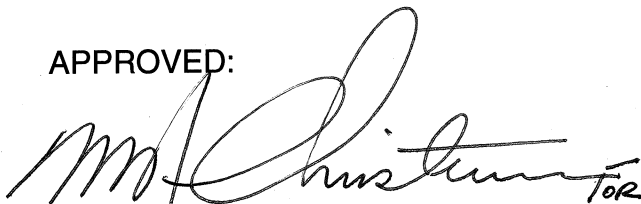


CHRISTOPHER CANNON
Director of Environmental Management



JOHN HOLMES
Deputy Executive Director

APPROVED:



GERALDINE KNATZ, Ph.D.
Executive Director

AUTHOR: TIM DEMOSS
BOARD MEETING: 03/17/2011

FILE: G:\ADMIN\BOARD REPORTS\AIR QUALITY\CTP\COST SHARE AGREEMENTS\POLB 08-2724 - 1ST AMENDMENT\WEBTECH - FINAL.docx

UPDATED: 3/9/2011 12:56 PM - YO