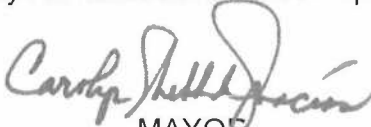


TRANSMITTAL			0150-11007-0007
TO Eugene D. Seroka, Executive Director Harbor Department	DATE 3/5/2024	COUNCIL FILE 19-0468 17-1060	
FROM The Mayor		COUNCIL DISTRICT 15	
<p>PROPOSED SIXTH AMENDMENT TO AMENDED AND RESTATED AGREEMENT NO. 17-3425-A BETWEEN THE HARBOR DEPARTMENT AND WABTEC TRANSPORTATION SYSTEMS, LLC. TO ENHANCE EXISTING TRACK AND TRACE AND CONTROL TOWER MODULES AND IMPLEMENT THREE NEW MODULES FOR THE PORT OPTIMIZER PROJECT</p> <p>Transmitted for further processing and Council consideration. See the City Administrative Officer report attached.</p> <p> MAYOR (Carolyn Webb de Macias for)</p> <p>Attachment</p>			
MWS:PJH/JVW:SHF:JFH:10240003t			

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: July 14, 2023

CAO File No. 0150-11007-0007

Council File No. 19-0468, 17-1060

Council District: 15

To: The Mayor

From: Matthew W. Szabo, City Administrative Officer

Reference: Correspondence from the Harbor Department dated June 7, 2023; referred by the Mayor for report on June 12, 2023

Subject: **PROPOSED SIXTH AMENDMENT TO AMENDED AND RESTATED AGREEMENT NO. 17-3425-A WITH WABTEC TRANSPORTATION SYSTEMS, LLC TO ENHANCE EXISTING TRACK AND TRACE AND CONTROL TOWER MODULES AND IMPLEMENT THREE NEW MODULES FOR THE PORT OPTIMIZER PROJECT**

RECOMMENDATIONS

That the Mayor:

1. Approve Harbor Department (Port) Resolution No. 23-10195 authorizing approval of the Sixth Amendment to Amended and Restated Agreement No.17-3425-A with Wabtec Transportation Systems, LLC to increase the not-to-exceed compensation by \$6,500,000, from \$28,100,420 to \$34,600,420, to continue to develop, operate, and support the Port Optimizer Project with no change in the term;
2. Adopt the June 7, 2023 Board of Harbor Commissioners finding that the proposed action is administratively and categorically exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with Article II Section 2(f) and Article III Class 6(2) of the Los Angeles City CEQA Guidelines; and
3. Return the Resolution documents to the Port for further processing, including Council consideration.

SUMMARY

On June 7, 2023, the Board of Harbor Commissioners (Board) adopted Resolution No. 23-10195 authorizing approval of the Sixth Amendment to Amended and Restated Agreement No.17-3425-A (Sixth Amendment) with Wabtec Transportation Systems, LLC (Wabtec) to increase the not-to-exceed compensation by \$6,500,000, from \$28,100,420 to \$34,600,420, to enhance the existing Port Optimizer Track and Trace and Control Tower modules and implement three new modules. The proposed Sixth Amendment will also revise some terms of the agreement for the purpose of clarity (Attachment 1). The 10-year Agreement term, through November 3, 2026, remains unchanged.

The proposed amendment has been approved as to form by the City Attorney. Pursuant to Charter Section 373 and Los Angeles Administrative Code Section 10.5, Council approval is required because the cumulative contract term exceeds three years. Our Office has reviewed the request and recommends approval.

BACKGROUND

At its meeting on November 3, 2016, the Board approved Agreement No. 16-3425 with General Electric Company (GE), through its GE Transportation Division, to develop a pilot for a first-of-its-kind, common user Portal. The recommendation to award Agreement No. 16-3425 to GE was based on a competitive selection process performed by the Harbor Department.

In collaboration with the pilot project participants, the Portal was developed to digitally receive and provide supply chain information from various sources through a common user interface with secure, channeled access by user type. The pilot project participants included the United States Customs and Border Protection, the Port of Los Angeles' largest terminal operator (APM), the world's largest and second largest shipping lines (Maersk and Mediterranean Shipping Company, respectively), along with a variety of beneficial cargo owners (BCOs), trucking companies, and chassis providers.

The Portal went live with a limited launch on April 17, 2017; a full launch for all pilot project participants occurred on May 17, 2017. The initial Agreement No. 16-3425 was for a term of one year and a not-to-exceed amount of \$1,319,050. The Board approved the Amended and Restated Agreement No. 17-3425-A on August 17, 2017 to expand the program beyond the pilot, which now includes 10 terminals, 20 shipping lines, and other supply chain providers. Additional amendments to the initial contract have increased the not-to-exceed Agreement amount to \$28,100,420 and a term of 10 years.

Attachment 2 to this report provides a history and timeline of the initial Agreement and previous amendments utilized to develop, expand, and support the Portal which is now known as the Port Optimizer.

Proposed Sixth Amendment – In proposing a Sixth Amendment, the Harbor Department indicates a need for additional funding for the enhancement of the existing Track and Trace and Control Tower modules and the implementation of three new modules. The Department further indicates that the Amendment also clarifies some terms used in the agreement. The proposed Sixth Amendment will increase the Agreement's not-to-exceed compensation amount by \$6,500,000 from \$28,100,420 to \$34,600,420.

The Harbor Department indicates that, along with the enhancement of the existing Port Optimizer Track and Trace and Control Tower modules, the proposed Sixth Amendment begins implementation of the following three new modules within the application: Universal Appointment System (Phase 1), Export Visibility (Phase 1), and Warehouse Capacity Visibility (Phase 1). These new modules will be designed to improve the visibility and cargo flow through the Port of Los Angeles by increasing usage of available appointment slots, providing better visibility of export cargo from inland origin points and better visibility into warehouse capacity within the region. These new modules will be developed through a phased approach that allows for development of initial core functionality and the ability to address shifting community needs and outcome goals as defined

by the Department. The Harbor Department states that scope definition for subsequent phases of these modules together with associated costs can only be determined after substantial completion of Phase 1 of each module.

The Harbor Department reports that the addition of these new modules not only increases the already unprecedented levels of cargo visibility within the Port Community, but the addition of a Universal Appointment System expands the product to allow for operational improvements which will help to continue optimizing cargo movements, resulting in better utilization of available appointments capacity, reduction of truck congestion, and lowering of truck emissions.

Attachment 3 provides a more detailed description of the scope of work to be performed by Wabtec under the Sixth Amendment.

CITY COMPLIANCE

Charter Section 1022 – On June 7, 2023, the Board of Harbor Commissioners adopted a finding that the enhancement of the existing Track and Trace and Control Tower modules and the implementation of three new modules can be more feasibly performed by outside contractors than City Employees.

The proposed Amendment has been approved as to form by the City Attorney. Pursuant to Charter Section 373 and Los Angeles Administrative Code Section 10.5, Council approval is required because the cumulative contract term exceeds three years.

California Environmental Quality Act (CEQA) – The proposed Sixth Amendment to the Amended and Restated Agreement with Wabtec to enhance the existing Track and Trace and Control Tower modules and implement three new modules is an administrative activity and an activity involving basic data collection and research. The Harbor Department's Director of Environmental Management has therefore determined that the proposed action is administratively and categorically exempt from the requirements of the CEQA in accordance with Article II Section 2(f) and Article III Class 6(2) of the Los Angeles City CEQA Guidelines.

FISCAL IMPACT STATEMENT

Approval of the proposed Sixth Amendment to the Amended and Restated Agreement No. 17-3425-A with Wabtec Transportation Systems, LLC will increase the not-to-exceed compensation amount by \$6,500,000 for a total not-to-exceed amount of \$34,600,420. 2023-24 funding of \$6,500,000 is available within the Harbor Revenue Fund, Information Technology Division, Account 54310 (Information Systems Consulting Services), Center 0640, Program 000. A termination for non-appropriation of funds clause is included in the Agreement. The recommendations in this report comply with the Port's Financial Policies. There is no impact on the City's General Fund.

Attachment 1 – June 7, 2023 Harbor Board report, Resolution 23-10195; Sixth Amendment to Agreement 17-3425-A

Attachment 2 – Chronology of Port Optimizer Contract

Attachment 3 – Description of work to be performed under the Sixth Amendment