

4

TRANSMITTAL		0150-11520-0000
TO Eugene D. Seroka, Executive Director Harbor Department		DATE NOV 26 2019
FROM The Mayor		COUNCIL FILE NO. COUNCIL DISTRICT 15
<p>PROPOSED FIRST AMENDMENT TO AGREEMENT NO. 16-3431 WITH TETRA TECH, INC. FOR ADMINISTRATION OF THE CLEAN TRUCK PROGRAM</p> <p>Transmitted for further processing and Council consideration. See the City Administrative Officer report attached.</p> <p> MAYOR</p> <p>Ana Guerrero</p>		
RHL:JCY:10200060t		

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: November 26, 2019

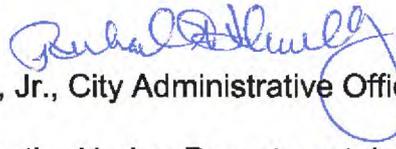
CAO File No. 0150-11520-0000

Council File No.

Council District: 15

To: The Mayor

From: Richard H. Llewellyn, Jr., City Administrative Officer



Reference: Correspondence from the Harbor Department dated October 18, 2019

Subject: **PROPOSED FIRST AMENDMENT TO AGREEMENT NO. 16-3431 WITH TETRA TECH, INC. FOR ADMINISTRATION OF THE CLEAN TRUCK PROGRAM**

RECOMMENDATIONS

That the Mayor:

1. Approve the Harbor Department (Port) Resolution No. 19-9542 authorizing a proposed First Amendment to Agreement No. 16-3431 with Tetra Tech, Inc. to continue providing concession, grant administration, and supporting services for the Clean Truck Program, which will extend the Agreement for an additional two years, through December 1, 2021, for a total contract term of five years, and increase the contract limit to \$3.98 million; and,
2. Return the document to the Port for further processing, including Council consideration.

SUMMARY

The Harbor Department (Port) Board of Harbor Commissioners (Board) requests approval of Resolution No. 19-9542 authorizing the proposed First Amendment to Agreement No. 16-3431 (Agreement) with Tetra Tech, Inc. (Tetra Tech), to continue providing concession, grant administration, and support services for the Clean Truck Program at the Port of Los Angeles. The proposed First Amendment extends the term of the agreement by two years, to December 1, 2021; expands the Scope of Work, updates billing rates and increases the maximum total compensation by \$1.78 million for a total five-year limit of \$3.98 million.

BACKGROUND

The Clean Truck Program (CTP) is a key component of the San Pedro Bay Clean Air Action Plan (CAAP). The CAAP is a collaboration of the Port of Los Angeles (POLA) and Port of Long Beach (POLB) to establish a comprehensive strategy for reducing port-related air pollution and related

health risks, while allowing port development, job creation, and economic activity associated with that development to continue. The CAAP was most recently updated in 2017. The purpose of the CTP was to incentivize the early transition of an aging fleet of drayage trucks into environmentally beneficial, safe, and secure vehicles as required by California state law. The 2017 CAAP contains new CTP implementation strategies to provide new incentives to further modernize the existing fleet of 18,000 trucks, approximately 700 of which are powered by alternative fuels.

Tetra Tech currently provides concession, grant administration, information technology support, and support services for the CTP, including administering over 1,600 concession agreements, which includes program management, registration, and grant administration; fee collection, inspection, and enforcement; maintaining the Ports Drayage Truck Registry (PDTR); and providing customer service through management of the CTP Terminal Access Center and Helpline.

The original Agreement was signed with Tetra Tech for a term of three years from December 2, 2016 through December 1, 2019, with a total contract limit of \$2.2 million. The proposed First Amendment would extend the term of the Agreement by two years, to December 1, 2021, at an estimated annual cost of \$0.89 million with a five-year total contract limit of \$3.98 million. Additionally, the Scope of Work would be expanded within existing tasks to include 2017 CAAP Update support and PDTR enhancements, data request support, and support for possible PDTR integration with other agencies. Tetra Tech billing rates would also be adjusted according to Exhibit B-1 of the Board transmittal. The Port also reports that the contract extension is needed to implement new 5-year concession agreements that are set to expire in 2021. The Port reports that CTP administration expenditures are offset by CTP Concession Application Fees, annual Truck Fees, and Day Pass Fees, which have averaged approximately \$2.4 million annually over the past five years. Expenses incurred under the proposed First Amendment will be the responsibility of the Port, and applicable funding will be provided from the Harbor Revenue Fund.

Tetra Tech has administered the CTP for the Port and the POLB (Ports) since its inception in 2008. In 2008, the Board selected Tetra Tech through a joint Request for Proposals (RFP) process with POLB that resulted in separate consulting service contracts with each respective port. Agreement No. 08-2702 was amended and extended four times for a total term of eight years, ending in December 2016 (C.F. 11-1275). This agreement included navigation of required revisions to concession agreements to comply with a 2013 United States Supreme Court decision (*American Trucking Associations, Inc. v. City of Los Angeles, California, et al.*). In June 2016, the Ports released a new joint RFP for "Clean Trucks Program Administration Services." The Port reports that utilizing the same consultant to administer both programs has increased efficiency and provided significant cost savings from, for example, using the same shared staff at both ports to administer information technology support services, and a another shared team to provide multi-lingual services for the CTP Access Center and Helpline. The costs to provide these services have been shared equally by both the Port and POLB. Tetra Tech was selected from the 2016 RFP process. The Port reports that POLB recently extended its contract with Tetra Tech through 2021 and that its rates are similar to the proposed First Amendment rates.

CITY COMPLIANCE

The proposed First Amendment is in compliance with City requirements and has been approved as to form by the City Attorney. Port staff has previously considered incrementally transferring CTP administrative tasks in-house to be performed by Port employees. Pursuant to Charter Section 1022, as part of the contract proposal and review process in 2016, the Port determined that City employees do have the expertise to perform the work, but that it was more feasible to hire contractors due to the temporary duration of the work and lack of staffing availability. The Port reports that it issued notifications to labor unions prior to issuance of the RFP, and no objections were submitted. The Port has since acknowledged that CTP administration will be needed for the foreseeable future, but the continued complexity and evolving nature of the CTP and CAAP combined with the cost savings from sharing consulting staff with the POLB, continue to make the work more feasibly performed by a contractor than by City employees. The Port will review feasibility again prior to the expiration of the proposed First Amendment in 2021. Port staff has determined that the proposed First Amendment is an administrative action and is therefore exempt from the requirement of the California Environmental Quality Act (CEQA) in accordance with Article II, Section 2(f) of the Los Angeles CEQA Guidelines.

FISCAL IMPACT STATEMENT

The proposed First Amendment to Agreement No. 16-3431 between the Harbor Department and Tetra Tech, Inc. for Clean Truck Program (CTP) administration will have no impact on the General Fund. The proposed First Amendment will extend the contract by two years, from December 2, 2019 to December 1, 2021, and increase the contract budget by \$1.78 million from \$2.2 million to \$3.98 million. CTP administration expenditures are offset by revenue from CTP Concession Application Fees, annual Truck Fees, and Day Pass Fees, which have averaged approximately \$2.4 million annually over the past five years. Expenses incurred under the proposed First Amendment will be the responsibility of the Port, and applicable funding will be provided from the Harbor Revenue Fund.

RHL:JCY:10200060