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**RECOMMENDATION APPROVED;
RESOLUTION 19-9542 ADOPTED; AND
AGREEMENT 19-3431-A APPROVED
BY THE BOARD OF HARBOR COMMISSIONERS**

OCTOBER 3, 2019



**AMBER M. KLESGES
Board Secretary**



Executive Director's
Report to the
Board of Harbor Commissioners

DATE: SEPTEMBER 24, 2019

FROM: ENVIRONMENTAL MANAGEMENT

SUBJECT: RESOLUTION NO. 19-9542 - FIRST AMENDMENT TO PERSONAL SERVICES AGREEMENT NO. 16-3431 BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND TETRA TECH, INC. FOR CLEAN TRUCK PROGRAM ADMINISTRATION SERVICES

SUMMARY:

Staff requests approval of the proposed First Amendment to Agreement No. 16-3431 with Tetra Tech, Inc. (Tetra Tech) of Pasadena, California. Tetra Tech currently provides concession, grant administration, and support services for the Clean Truck Program (CTP) at the Port of Los Angeles (Port). This action will amend Agreement No. 16-3431 as follows: extend the term by two additional years, modify the Scope of Work, update billing rates, and add \$1,780,000 in total compensation. CTP expenditures are offset each year by CTP Concession Application Fees, Annual Truck Fees, and Day Pass Fees, which have averaged approximately \$2,400,000 annually, in aggregate, over the past five years. The Harbor Department is financially responsible for payment of the expenses incurred under the proposed First Amendment.

RECOMMENDATIONS:

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. Approve the First Amendment to Agreement No. 16-3431 with Tetra Tech, Inc. for Clean Truck Program Administration Services;
3. Direct the Board Secretary to transmit the First Amendment to the City Council for approval pursuant to City Charter Section 606;

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4. Authorize the Executive Director to execute and the Board Secretary to attest to said First Amendment for and on behalf of the Board; and
5. Adopt Resolution No. 19-9542.

DISCUSSION:

Background and Context – The CTP is a key component of the San Pedro Bay Clean Air Action Plan (CAAP). 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 State law. The CTP has been successful in accomplishing its mission and continues to evolve in accordance with zero emission goals outlined in the 2017 CAAP Update. Since January 1, 2012, 100% of the cargo gate moves at the Port's terminals have been made by drayage trucks meeting the U.S. Environmental Protection Agency's 2007 heavy duty truck emissions standards (clean trucks). This is now consistent with the California Air Resources Board Drayage Truck Rule, which went into effect in 2014. The current fleet is comprised of over 18,000 clean trucks including approximately 700 trucks powered by alternative fuels. The use of clean trucks has resulted in reducing diesel particulate matter from trucks by 96% compared to 2005 levels. The recent adoption of the 2017 CAAP contains new CTP implementation strategies to provide new incentives to further modernize the existing fleet of trucks.

Tetra Tech has administered the CTP for the Harbor Department and the Port of Long Beach (Ports) since its inception in 2008. The Ports' strategy to utilize the same consultant to administer both programs has proven successful as the Ports have realized synergy created through increased efficiency as well as cost savings. For instance, Tetra Tech provides the same Information Technology staff to both Ports in the Ports' Drayage Truck Registry. Additionally, Tetra Tech provides the same administrative multi-lingual staff to both Ports for staffing and managing the CTP Terminal Access Center and Helpline. The costs to provide these services have been shared equally by both Ports.

Services Provided under Agreement No. 16-3431 – Services provided include concession, grant administration, information technology support, and support services such as:

- Administering over 1,600 concession agreements;
- Maintaining the Ports' Drayage Truck Registry which contains over 18,000 trucks;
- Providing special analysis of truck moves to support Harbor Department requests;

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- Enforcing various concession agreement requirements, including insurance coverage and identifying false Vehicle Identification Numbers;
- Collecting various fees for annual truck registration, concession agreement applications, and day passes for visiting trucks;
- Inspecting and affixing stickers to non-container terminal trucks and “exempt” trucks; and
- Providing customer service through management of the CTP Terminal Access Center and Helpline.

Proposed First Amendment – Recently, the Port of Long Beach (POLB) extended its contract with Tetra Tech through 2021. Currently, Tetra Tech provides CTP administrative support to the Harbor Department under Agreement No. 16-3431 which is set to expire on December 31, 2019. In order to align with the POLB and to continue receiving Tetra Tech’s valuable expertise and services through the initial implementation of the strategies in the 2017 CAAP Update, the Harbor Department is requesting to amend the current contract as follows:

- Extend the contract term by two additional years, for a total of five years. If approved, Agreement No. 16-3431 will expire in December 2021;
- Provide an additional \$1,780,000 to cover the new term for a total amount not-to-exceed \$3,980,000;
- Amend the Scope of Work; and
- Amend the Tetra Tech billing rates

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of an Agreement with Tetra Tech to provide the Harbor Department Clean Truck Program Administration Services. As an administrative activity, the Director of Environmental Management has determined that the Board action on the proposed Agreement is administratively exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with Article II, Section 2(f) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

The proposed action is approval of the First Amendment to Agreement No. 16-3431 with Tetra Tech to extend the term by two years, for a total of five years and to increase the total contract not-to-exceed amount from \$2,200,000 to \$3,980,000. Additionally, the Scope of Work and Tetra Tech rate schedule have been updated (Transmittal 2). The annual cost to manage and implement the CTP is offset by the monies collected

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from CTP fees assuming truck volumes continue at similar levels. The Harbor Department has collected CTP Concession Application Fees, Annual Truck Fees, and Day Passes, which have averaged approximately \$2,400,000 annually, in aggregate, over the past five years. It is anticipated that the proposed First Amendment funds will be expended as follows:

FY 19/20	\$462,800
FY 20/21	\$890,000
FY 21/22	<u>\$427,200</u>
Total	\$1,780,000

Funds for FY 19/20 are budgeted in Account 59967 (CTP – Administration Costs), Center 0330, Program 000. Future year funds will be requested through the Harbor Department's annual budgeting process.

The Harbor Department's financial obligations after the current fiscal year are contingent upon the Board appropriation of funds. If any subsequent fiscal year funds are not appropriated by the Board for the work required by Agreement No. 16-3431, the Agreement shall be terminated. However, such termination shall not relieve the parties of liability for any obligations previously incurred.

CITY ATTORNEY:

The Office of the City Attorney has approved the subject First Amendment to form and legality.

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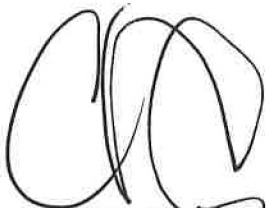
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TECH, INC.

TRANSMITTALS:

1. First Amendment to Agreement No. 16-3431 with Tetra Tech, Inc.
2. Updates to Scope of Work and Billing Rates

FIS Approval: MB
CA Approval: MB

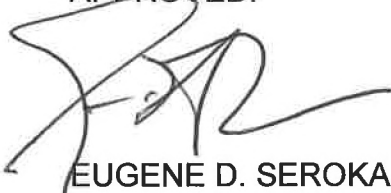


CHRISTOPHER CANNON
Director of Environmental Management



MICHAEL DiBERNARDO
Deputy Executive Director

APPROVED:



EUGENE D. SEROKA
Executive Director

CC/YO
AUTHOR: T. PISANO

FILE: Y:\ADMIN\BOARD REPORTS\AIR QUALITY\CTP\CTP ADMIN 2016 - TETRA TECH\FIRST AMENDMENT\Environmental_Tetra Tech
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