

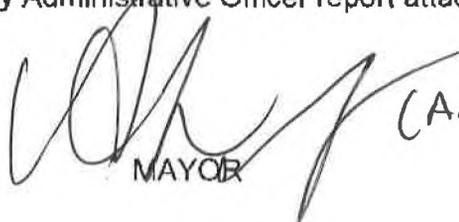
0150-10068-0001

TRANSMITTAL

TO Eugene D. Seroka, Executive Director Harbor Department	DATE MAY 18 2015	COUNCIL FILE NO.
FROM The Mayor	COUNCIL DISTRICT 15	

**PROPOSED FOURTH AMENDMENT TO AGREEMENT NO. 08-2702 WITH
TETRA TECH, INC. FOR THE ADMINISTRATION OF THE CLEAN TRUCK PROGRAM**

Transmitted for further processing and Council consideration.
See the City Administrative Officer report attached.


MAYOR (Ana Guerrero)

MAS:ABN:10150088I

REPORT FROM

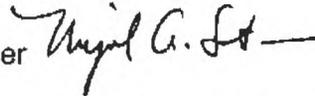
OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: May 15, 2015

CAO File No. 0150-11068-0001
Council File No.
Council District: 15

To: The Mayor

From: Miguel A. Santana, City Administrative Officer



Reference: Correspondence from the Harbor Department dated April 16, 2015; referred by the Mayor for report dated April 21, 2015

Subject: **PROPOSED FOURTH AMENDMENT TO AGREEMENT NO. 08-2702 WITH TETRA TECH, INC. FOR THE ADMINISTRATION OF THE CLEAN TRUCK PROGRAM**

SUMMARY

The Harbor Department (Port) Board of Harbor Commissioners (Board) requests approval of Resolution No. 15-7787 authorizing a proposed Fourth Amendment (Amendment) to Agreement No. 08-2702 with Tetra Tech, Inc. (Tetra Tech) to continue providing concession, grant administration and supporting services for the Clean Truck Program (CTP). The CTP requires trucks to comply with the U.S. Environmental Protection Agency (EPA) 2007 emission standards through the implementation of a phased approach to progressively ban, replace or retrofit older, heavily polluting, pre-1989 drayage (heavy-duty) trucks for entry into the Port of Los Angeles (POLA) terminals. The existing three-year Agreement is scheduled to expire on June 30, 2015. The proposed Fourth Amendment will extend the Agreement by 18 months, to January 1, 2017, for a total of approximately eight and one-half years, and an increase in the budget amount by \$990,000. The Port states that the CTP expenditures are fully reimbursed each year by approximately \$1.3 million in annual CTP fees. The additional proposed budgetary amount of \$990,000 will be reimbursed to the Port through these CTP fees. All other terms and conditions of the Agreement will remain the same.

BACKGROUND

The CTP is a key component to the San Pedro Bay Clean Air Action Plan (CAAP). The purpose of the CTP was to transform an aging fleet of drayage trucks into environmentally safe and secure vehicles. In January 2012, the Port states that 100 percent of the cargo moved into the Port's terminal gates are made by drayage trucks that meet the designated EPA standards. According to the Port, the current fleet contains more than 13,000 clean trucks, including approximately 1,000 trucks powered by alternative fuels. In addition, the CTP has been credited with reducing truck emissions by more than 90 percent in comparison to 2005 levels. In 2008, the Board selected Tetra Tech through a Request for Proposal (RFP) process to assist Port staff and to provide concession, grant administration, and support for the CTP. Tetra Tech's expertise includes environmental management, consulting and technical services, group focus, resource management, and infrastructure development.

FOURTH AMENDMENT WITH TETRA TECH AGREEMENT

In addition to POLA, Tetra Tech is also providing separate, but similar, consulting services, under a separate contract, with the Port of Long Beach (POLB) for its CTP. In 2008, the POLA and POLB conducted a joint competitive bid and interview process to hire outside consulting services for the CTP. However, Tetra Tech provided separate teams and agreements to each port due to slight differences in the CTP programs. The Port concluded that the use of the same contractor to administer the programs for both ports improved operational efficiencies and cost savings. For example, the Port states that Tetra Tech use of the same staff at both ports was effective for services related to Informational Technology, multi-lingual duties, management of the Drayage Truck Registry, and the CTP Access Center and Helpline. Both the POLA and POLB plan to stop outsourcing some of this work in the near future.

The Port is requesting that the proposed 18 month extension of the contract with Tetra Tech coincide with the expiration date of the Tetra Tech contract for POLB in order to facilitate and maintain continuity in the two CTP programs. The CTP contract with the POLB is scheduled to expire on December 30, 2016. In 2016, before the expiration date, the POLA and POLB plan to develop and release a joint RFP and select one contractor to provide services at both ports to improve program efficiencies, effectiveness and cost savings. The POLA and POLB expect the proposed contractor's services to begin in January 2017, subject to approval. The costs to provide these CTP services will be shared equally by the POLA and POLB. The Mayor and Council have approved the following three Amendments with Tetra Tech (C.F. 11-1275):

- First Amendment extended the original Agreement by approximately nine months, from September 2011 to June 2012, to provide additional time to assess the administration services for the CTP and maintain continuity in program support. No additional funding was requested;
- Second Amendment included a request to extend the Agreement by 18 months to December 2013. This Amendment authorized assistance with Port staff in issuing a updated concession renewal agreement. In addition, it allowed for continued administrative and operational services, and identified which tasks would reduce administrative costs, enhance in-house program knowledge and expertise, and transfer duties that that can be performed by City employees in the future. No additional funding was requested;
- Third Amendment extended the services for Tetra Tech by 18 months to June 2015 to assist in the renewal of the five-year concession agreements with truck operators and to administer the renewal and management of the concession agreement for the CTP. The Port required additional time to revise the concessional agreements pursuant to a decision by the Supreme Court regarding the outcome of the Port's case against the American Trucking Association (ATA). The ATA challenged the terms and conditions of the POLA's CTP Concession Program. The Port and Tetra Tech administer more than 800 concession agreements, including enforcing concessional agreement rules, providing special analysis of truck moves, concession insurance coverage, collecting fees, applications and other CTP requirements.

The proposed Fourth Amendment is requested to extend the services of Tetra Tech by an additional 18 months, to January 1, 2017, in order to continue assisting Port staff on the concession agreements with the truck operators, including the following: managing the Clean Truck Customer Service Center; Port Drayage Truck Registry, which contains 13,500 trucks; and various other activities associated with the CTP. The Port staff proposes to continue using the expertise that Tetra Tech has accumulated in the CTP and updating the concession agreements because of its experience in administering the previous agreements. Tetra Tech will continue to assist with the CTP, concessionaire database, and special analysis of truck moves.

The proposed extension of the Amendment will allow for the respective contracts between Tetra Tech and the POLA and POLB to expire on the same scheduled date of December 31, 2016. This concurrent expiration date will allow for the POLA to facilitate the preparation and release of a joint RFP with the POLA and to interview and hire one contractor who will assist with and administer their respective CTP programs. The Port states that a joint RFP and program administration will cause cost savings and a more efficient operation of the CTP program. According to the Port, the contracts' dates between the POLA and POLB were aligned and coincided with one another but changed because of the timing of the Supreme Court ruling, which included the POLA. The Port believes that following this strategy will allow for the POLA and POLB to receive more favorable quotations from prospective contractors bidding in the future.

CITY COMPLIANCE ISSUES

The City Attorney has reviewed and approved the proposed Amendment with Tetra Tech as to form. The proposed Amendment is in compliance with all applicable provisions of City Ordinances and contracting requirements. The proposed Amendment is subject to Living Wage, Services Workers Retention, Equal Benefits and Affirmative Action requirements. Pursuant to Charter Section 1022, the Board determined that it was more feasible to hire contractors than City employees, because the work was of a temporary duration and required specialized training and expertise. Port staff met with members of the Service Employees International Union (SEIU) to notify them of the proposed Amendment and to incrementally transfer the CTP administrative tasks in-house to POLA employees and operations. According to the Port, SEIU had no objections to the contract extension and were informed that they would be notified when the Port issues a RFP for the a new CTP contractor. The Port Director of Environmental Management has determined that the proposed Amendment is a contractual and administrative activity and therefore exempt from the California Environmental Quality Act (CEQA) in accordance with Article II, Section 2(f), of the Los Angeles CEQA Guidelines. In accordance with Charter Section 373 and the Los Angeles Administrative Code (LAAC) Code Section 10.5, City Council approval is required because the Agreement exceeds three years.

RECOMMENDATION

That the Mayor approve Harbor Department (Port) Resolution No. 15-7787 authorizing a proposed Fourth Amendment to Agreement No. 08-2702 with Tetra Tech, Inc. to continue providing concession, grant administration and supporting services for the Clean Truck Program (CTP) by 18 months, to December 31, 2016, for a total contract term of approximately eight and one-half years, and an additional contract amount of \$990,000; and, return the document to the Port for further processing, including Council consideration.

FISCAL IMPACT STATEMENT

The Harbor Department (Port) received approval for the original Agreement with Tetra Tech in 2008. The proposed Fourth Amendment will extend the contract by 18 months, from June 30, 2015 to December 31, 2016, and increase the contract budget by \$990,000, from \$8,400,000 to \$9,390,000. According to the Port, Tetra Tech has a contract balance of approximately \$427,000. The Clean Truck Program (CTP) collects approximately \$1.3 million each year in truck registration fees and \$2 million in concession application fees over the entire five-year life of the concession agreement. The CTP expenditures are fully reimbursed each year by approximately \$1.3 million in revenue collected from annual CTP fees. There is no impact to the General Funds and applicable funding will be provided from the Harbor Revenue Fund.

TIME LIMIT FOR COUNCIL ACTION

Pursuant to Charter Section 373, "Long Term Contracts Approved by Council," the proposed Agreement must be approved by the Council before it can become effective. Unless the Council takes an action of disapproving a contract that is longer than three years within 60 days after submission to Council, the contract will be deemed approved.

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