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Eric Garcetti Mayor, City of Los Angeles

Board of Harbor Commissioners

David Arian Vice President

Patricia Castellanos

Douglas P. Krause

Anthony Pirozzi, Jr.

Sung Won Sohn, Ph.D.

Geraldine Knatz, Ph.D.

Executive Director

November 19, 2013

Honorable Members of the
City Council of the
City of Los Angeles

CD No. 15

Attention: Mr. Michael Espinosa, City Clerk's Office

SUBJECT: RESOLUTION NO. 13-7530 – THIRD AMENDMENT TO AGREEMENT NO. 08-2702 BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND TETRA TECH, INC. FOR ADMINISTRATION OF THE CLEAN TRUCK PROGRAM

Pursuant to Section 373 of the City Charter and Section 10.5 of the Los Angeles Administrative Code, enclosed for your approval is proposed Third Amendment to Agreement No. 08-2702 between the City of Los Angeles Harbor Department and Tetra Tech, Inc. Agreement No. 13-2702-C was approved at the August 8, 2013 meeting of the Board of Harbor Commissioners.

RECOMMENDATION:

1. The City Council approve proposed Agreement No. 13-2702-C between the City of Los Angeles Harbor Department and Tetra Tech, Inc.;
2. Adopt the determination by the Los Angeles Harbor Department 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; and
3. Return to the Board of Harbor Commissioners for further processing.

Respectfully Submitted,


JULIE W. HUERTA
Acting Commission Secretary

cc: Trade, Commerce, & Tourism Committee
Councilman Rosendahl, encls.
Councilman LaBonge, encls.
Councilman Buscaino, encls.
Mandy Morales, Mayor's Office, encls.

Alvin Newman, CAO, encls.
Lisa Schechter, CD4, encls.
Aaron Gross, Government Affairs, encls.
Christine Yee Hollis, CLA, encls.

RECOMMENDATION APPROVED;
RESOLUTION NO. 13-7530 ADOPTED AND;
AGREEMENT NO. 13-2702-C APPROVED
BY THE BOARD OF HARBOR COMMISSIONERS



THE PORT
OF LOS ANGELES

Executive Director's
Report to the
Board of Harbor Commissioners

August 8, 2013

Julia
ACTING SECRETARY

DATE: JULY 30, 2013

FROM: CLEAN TRUCK PROGRAM

SUBJECT: RESOLUTION NO. 13-7530 - THIRD AMENDMENT TO AGREEMENT NO. 08-2702 BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND TETRA TECH, INC. FOR ADMINISTRATION OF THE CLEAN TRUCK PROGRAM

SUMMARY:

On September 18, 2008, the City of Los Angeles Harbor Department (Harbor Department), after completion of a competitive bidding process, entered into Agreement No. 08-2702 (Agreement) with Tetra Tech, Inc. (Tetra Tech) located in Pasadena, California for \$8.4 million to provide concession, grant administration, and support services for the Clean Truck Program (CTP). The Agreement is scheduled to expire on December 31, 2013. The Harbor Department requests that the Agreement be extended 18 months until June 30, 2015 (Transmittal 1). This proposed extension will not require additional funding authority, as unspent funding in the amount of \$1,695,355 remains available in the original \$8.4 million.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners (Board):

1. Approve the proposed Third Amendment to Agreement No. 08-2702 with Tetra Tech, Inc. to extend the current contract to June 30, 2015;
2. Authorize the Board Secretary to transmit the proposed Third Amendment to Agreement No. 08-2702 to the Los Angeles City Council for approval in accordance with Charter Section 373 and Los Angeles Administrative Code Section 10.5(a);
3. Authorize the Executive Director to execute and Board Secretary to attest to the proposed Amendment to Agreement No. 08-2702 for and on behalf of the Board of Harbor Commissioners upon approval by the City Council; and
4. Adopt Resolution No. 13-7530.

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SUBJECT: THIRD AMENDMENT TO AGREEMENT NO. 08-2702

DISCUSSION:

Background/Context - As of January 1, 2012, 100% of the cargo gate moves at the ports of Los Angeles and Long Beach (Ports) terminals are made by trucks meeting the State of California Environmental Protection Agency's (EPA) 2007 heavy duty truck emissions standards (clean trucks). The fleet of approximately 12,000 trucks currently servicing the Ports is comprised of more than 11,000 clean diesel trucks and approximately 1,000 trucks powered by alternative fuels. The CTP has been successful in reducing truck emissions by approximately 90% compared to 2007 levels.

In the summer of 2008, in anticipation of commencement of the CTP on October 1, 2008, the Ports conducted a joint competitive bid for outside consulting services to provide concession and grant administration in connection with the CTP. After completion of interviews for this work, Tetra Tech was selected by a joint interview team from the Ports to provide these services. Tetra Tech agreed to provide separate teams to each Port due to slight differences in the programs, and agreed to sign separate 3-year contracts with the Ports making Tetra Tech the administrator for the CTP for both Ports.

Agreement No. 08-2702 - On September 18, 2008, the Board approved Agreement No. 08-2702 with Tetra Tech, Inc. (Transmittal 2), to provide professional, expert and technical services to assist the Harbor Department in the administration of Concessions and Grants under the CTP. Tetra Tech's responsibilities under this Agreement included development of a concession application; design and development of a grant application for truck replacement; design and development of a system to register drayage trucks; and overall coordination with members of the trucking community to assure a smooth transition to the concession-based drayage program.

First Amendment to Agreement No. 08-2702 - On June 28, 2011, the Board approved the First Amendment to Agreement No. 08-2702 (Transmittal 3), which extended the contract with Tetra Tech for approximately nine months to June 30, 2012, from its original expiration date, September 18, 2011. Subsequently, on August 16, 2011, the First Amendment was approved by the Los Angeles City Council. The main reason for the extension request was to maintain continuity in program support through the final ban date of January 1, 2012.

Second Amendment to Agreement No. 08-2702 - On April 19, 2012, the Board approved the Second Amendment to Agreement No. 08-2702 (Transmittal 4), which extended the contract with Tetra Tech another 18 months to December 31, 2013. Subsequently, on May 23, 2012, the Second Amendment was approved by the Los Angeles City Council. The main reasons for the second extension request was to assist the Harbor Department in identifying which administrative and operational tasks could

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SUBJECT: THIRD AMENDMENT TO AGREEMENT NO. 08-2702

be performed in-house by City employees, and for Tetra Tech to assist in the issuance of updated concession agreement renewals early in 2013:

Proposed Third Amendment to Agreement No. 08-2702 - The proposed Third Amendment to Agreement No. 08-2702 requests a further extension of Tetra Tech services for 18 months to June 30, 2015. Staff proposes to continue to utilize Tetra Tech for the following key reason:

- The five-year concession agreements for approximately 1,000 Concessionaires are set to expire on September 30, 2013. The Harbor Department had planned on issuing updated Concession Agreements early in 2013; however, due to the Supreme Court's Decision on June 13, 2013 regarding the outcome of the American Trucking Association's (ATA) case challenging the terms and conditions of the CTP Concession Program and the timing of that decision, the Harbor Department is considering an extension of the Concession Agreements up to an additional year. The Harbor Department would utilize the additional time to revise the Concession Agreement in accordance with the Supreme Court's recent decision, and then go out with renewals of an updated Concession Agreement later in 2013 or early 2014. The effort and process to administer the first concession agreements was challenging; therefore, Tetra Tech's expertise in this area will help ensure a successful future issuance.

Scope of Work – The scope of work will remain unchanged for the proposed amendment.

Extension Cost - This proposed extension will not require any additional funding authority, as excess unspent funding authority remains available in the original \$8.4 million Agreement. As of May of 2013, \$1,695,355 remains available under the original contract. It is anticipated that monthly costs will range from \$50,000 to \$65,000. If the program costs \$60,000 per month from May 2013 through the end of June 2015, there will be sufficient funding authority to cover the term of the proposed Amendment.

Sole Source Justification - In anticipation of CTP operational needs from January 1, 2014 until June 30, 2015, it is necessary that the Harbor Department continue to receive specialized and professional expert support from Tetra Tech. Tetra Tech has been the sole contractor providing administration of the highly complex/dynamic CTP for both Ports since the inception of the program. The duties which they perform include maintaining the Port's Drayage Truck Registry and the Concessionaire Database which involves administering over 1,000 agreements, and providing special analysis of truck moves.

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Tetra Tech is the only consultant currently capable of providing these services for the following reasons:

- As the Harbor Department plans to go out with a new round of approximately 1,000 concession agreements in late 2013 or early 2014, Tetra Tech is uniquely prepared to administer this complex process.
- There is insufficient existing Harbor Department staff available to perform the work.

Union Informational Meeting - As part of a periodic information exchange, a meeting was held on July 18, 2013 with the Service Employees International Union (SEIU), the local union that represents Environmental Specialists and Marine Environmental Supervisors, to notify them of the proposed amendment. Staff discussed the opportunity to progressively migrate the CTP administrative tasks in-house. SEIU indicated that they have no objection to the contract extension. The SEIU will be notified of the issuance of a CTP Request for Proposals (RFP) when it occurs.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of a Third Amendment to Agreement 08-2702 with Tetra Tech that would extend the contract for concession and grant administration services for the CTP through June 30, 2015. As an administrative activity, the Director of Environmental Management has determined the proposed action is exempt from the California Environmental Quality Act (CEQA) in accordance with Article II, Section 2(f) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

This Board action proposes the approval of an 18-month time extension of the Agreement 08-2702. The contract authority of \$8,400,000 remains unchanged. As of May 2013, \$6,704,645 has been invoiced, leaving an authority of \$1,695,355 to cover the contract term through June 2015. During fiscal year 2013/14, \$900,000 has been budgeted as part of the annual budget adoption process. It is anticipated that \$900,000 will be spent in fiscal year 2013/14 and is available in Account 59967 (Clean Truck Program), Center 0330 (Environmental Management Division), Program 000. A funding-out clause is included in the Agreement.

ECONOMIC BENEFITS:

Approval of the proposed Amendment will have no employment impact.

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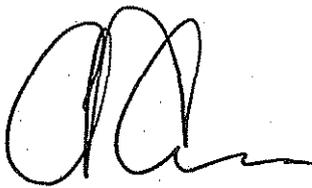
SUBJECT: THIRD AMENDMENT TO AGREEMENT NO. 08-2702

CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved the Third Amendment as to form and legality.

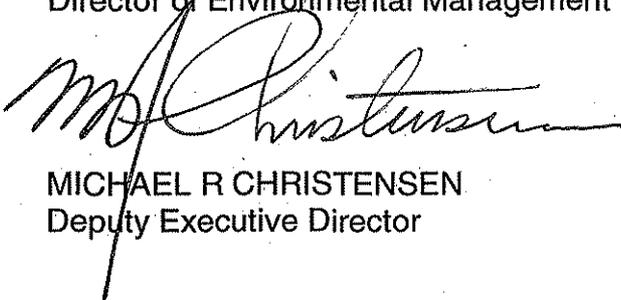
TRANSMITTALS:

1. Proposed Third Amendment to Agreement No. 08-2702 with Tetra Tech, Inc.
2. Agreement No. 08-2702 with Tetra Tech, Inc.
3. First Amendment to Agreement No. 08-2702 with Tetra Tech, Inc.
4. Second Amendment to Agreement No. 08-2702 with Tetra Tech, Inc.

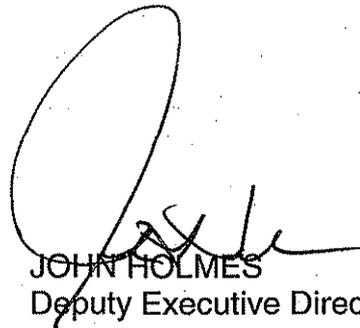


CHRISTOPHER CANNON
Director of Environmental Management

FIS Approval: WR (initials)
CA Approval: WR (initials)

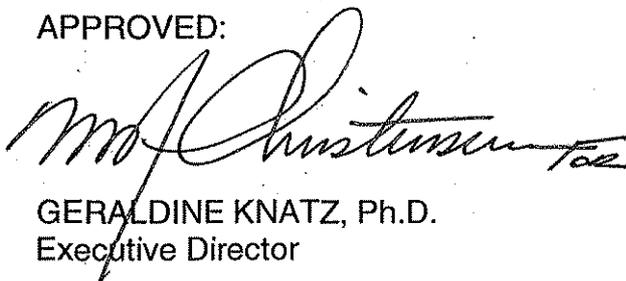


MICHAEL R CHRISTENSEN
Deputy Executive Director



JOHN HOLMES
Deputy Executive Director

APPROVED:



GERALDINE KNATZ, Ph.D.
Executive Director

AUTHOR: TIM DeMOSS
BOARD MEETING: 8/8/2013

FILE: G:\ADMIN\BOARD REPORTS\AIR QUALITY\CTP\TETRA TECH AGR 2702\THIRD AMENDMENT TETRA TECH 2702\CTP_TETRA TECH - FINAL.docx
UPDATED: 7/30/2013 4:52 PM - YO

THIRD AMENDMENT TO AGREEMENT NO. 08-2702
BETWEEN THE CITY OF LOS ANGELES AND
TETRA TECH, INC.

THIS THIRD AMENDMENT to Agreement No. 08-2702 is made and entered into by and between the CITY OF LOS ANGELES, a municipal corporation ("City"), acting by and through its Board of Harbor Commissioners ("Board"), and TETRA TECH, INC. ("Consultant") as follows:

1. Section III.B is amended to read:

B. This Agreement shall be in full force and effect commencing from the date of execution and shall continue until the earlier of the following occurs:

1. June 30, 2015;

or

2. The Board of Harbor Commissioners, in its sole discretion, terminates and cancels all or part of this Agreement for any reason upon giving to Consultant ten (10) days' notice in writing of its election to cancel and terminate this Agreement.

Except as amended herein, all remaining terms and conditions of Agreement No. 08-2702 shall remain in full force and effect.

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IN WITNESS THEREOF, the parties hereto have executed this Third Amendment to Agreement No. 08-2702 on the date to the left of their signatures.

Dated: 8/9/13

THE CITY OF LOS ANGELES, by its Board of Harbor Commissioners

By [Signature]
Executive Director

Attest [Signature]
Acting Board Secretary

Dated: 7/1/13

TETRA TECH, INC.
By: [Signature]

William R. Brownlie, Senior V. P.
(Print/type name and title)

Attest: [Signature]
Janis B. Salin, Secretary
(Print/type name and title)

APPROVED AS TO FORM AND LEGALITY

July 22, 2013
CARMENA A. TRUTANICH, City Attorney
Janna B. Sidley, General Counsel

By [Signature]
JOY M. GROSE, Assistant General Counsel

Account# 59967	W.O. # 68220
Ctr/Div# 0330	Job 636.00
	Fac.# -
Proj/Prog# 000	
Budget	Amount
FY:	:
2013-2014	\$1,050,000.
2014-2015	\$ 565,356.
TOTAL	1,615,356.

For Acct/Budget Div. Use Only

Verified by: [Signature]

Verified Funds Available: Amount Reserved

Date Approved: 7/16/13

0150-10068-0000

TRANSMITTAL

TO Geraldine Knatz, Ph.D., Executive Director Harbor Department	DATE NOV 14 2013	COUNCIL FILE NO.
FROM The Mayor	COUNCIL DISTRICT 15	

**PROPOSED THIRD AMENDMENT TO THE AGREEMENT 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.

 (Ana Guerrero)
MAYOR

MAS:ABN:10140087

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: November 1, 2013

CAO File No. 0150-10068-0000
Council File No.
Council District: 15

To: The Mayor

From: Miguel A. Santana, City Administrative Officer



Reference: Correspondence from the Harbor Department dated August 21, 2013; referred by the Mayor for report on August 23, 2013

Subject: **PROPOSED THIRD AMENDMENT TO THE AGREEMENT 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. 13-7530 authorizing the proposed Third Amendment (Amendment) to Agreement No. 08-2702 with Tetra Tech, Inc. (Tetra Tech) to extend the provision of services for concession, grant administration and support of the Clean Truck Program (CTP). The CTP requires that trucks must comply with the U.S. Environmental Protection Agency (EPA) 2007 emission standards through implementing a phased approach to progressively ban, replace or retrofit older, heavily polluting, pre-1989 drayage (heavy-duty) trucks to be allowed entry into the Port of Los Angeles (POLA) terminals. Tetra Tech, located in Pasadena, California, entered into a three-year Agreement with the Port in September 2008 for a total compensation amount of \$8.4 million. The Agreement is scheduled to expire on December 31, 2013. The proposed Amendment will extend the Agreement by 18 months, to June 30, 2015, for a total term of approximately seven years, and will not include an additional request for funds. According to the Port, Tetra Tech currently has a contract balance of approximately \$1.7 million remaining available from the original \$8.4 million contract. All other terms and conditions of the Agreement will remain the same. In accordance with Charter Section 373 and the Los Angeles Administrative Code Section 10.5, City Council approval is required because the Agreement exceeds three years.

DISCUSSION

In 2008, the Board selected Tetra Tech through a Request for Proposal (RFP) process to provide concession, grant administration, and support for the CTP and to assist Port staff. Tetra Tech's expertise includes environmental management, consulting and technical services, group focus, resource management, and infrastructure development. In addition to POLA, Tetra Tech is also providing separate consulting services, under separate contracts, with the Port of Long Beach for its CTP.

The First Amendment extended the original Agreement by approximately nine months, to June 2012, to provide additional time to assess the administration services for the CTP and maintain continuity in program support. No additional funds were requested. The Second Amendment included a request to extend the Agreement by 18 months, to December 2013. This Amendment continued administrative and operational services, and identified which tasks could be transferred and performed by City employees in the future, could reduce administrative costs, and enhance in-house program knowledge and expertise. The extension required no additional funds.

The proposed Third Amendment is requested to extend the services for Tetra Tech by an additional 18 months to June 30, 2015 to assist in the renewal of the five-year concession agreements with truck operators and to administer the renewal of the concession agreement for the CTP. Tetra Tech also will continue work with Port staff to reduce administrative costs and develop a plan to migrate the CTP to in-house Port operations. The concession agreements include approximately 1,000 concessionaires in the CTP that expired on September 30, 2013. According to the Port, it was unable to administer the concession agreements earlier because of the decision by the Supreme Court (in June 2013) regarding the outcome of the Port's case against the American Trucking Association (ATA). The ATA case challenged the terms and conditions of the CTP Concession Program.

The Port will use the additional 18 months to revise the concession agreements in accordance with the recent decision by Supreme Court regarding the ATA. The Port states that it is important to continue using the expertise and assistance that Tetra Tech has accumulated to update the concession agreements because of the complexity and intricacy in administering the initial agreements. Tetra Tech will continue to assist with the administration of the Port's Drayage Truck Registry, concessionaire database, and special analysis of truck moves.

CITY COMPLIANCE ISSUES

The proposed Amendment with Tetra Tech is subject to review and approval as to form by the City Attorney and is in compliance with all applicable provisions of City Ordinances and contracting requirements. The proposed Amendment is subject to the Living Wage, Service Worker 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 the Service Employees International Union (SEIU) to notify them of the proposed Amendment and to incrementally transfer the CTP administrative tasks to in-house employees and operations. According to the Port, SEIU had no objection to the contract extension and would be notified when the Port issues a new RFP for a CTP. 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 City CEQA Guidelines.

RECOMMENDATIONS

That the Mayor:

1. Approve the Harbor Department (Port) request to approve Resolution No. 13-7530 authorizing the Third Amendment to Agreement No. 08-2702 with Tetra Tech, Inc. to continue providing concession, grant administration and support services for the Clean Truck Program by 18 months to December 31, 2015, for a total contract term of seven years, with no change in the total compensation amount, and
2. 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, Inc. in 2008. Tetra Tech has a contract balance of approximately \$1.7 million remaining from the original compensation of \$8.4 million, which will be used to fund the proposed Third Amendment. The Amendment will extend the Agreement to December 2015, for a total contract term of seven years. There is no impact on the City General Fund 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.

MAS:ABN:10140087