0150-11007-0009

TRANSMITTAL

TO	DATE	COUNCIL FILE NO.
Eugene D. Seroka, Executive Director Harbor Department	09/18/2026	
FROM		COUNCIL DISTRICT
The Mayor		15

LOS ANGELES HARBOR DEPARTMENT POLA-ITD-26-001 PROPOSED EIGHTH AMENDMENT TO AMENDED AND RESTATED AGREEMENT NO. 17-3425-A WITH WABTEC TRANSPORTATION SYSTEMS, LLC, TO EXTEND THE CONTRACT TERM BY THREE YEARS, THROUGH NOVEMBER 3, 2029, AND INCREASE THE COMPENSATION BY $14,781,600 FOR A TOTAL AMOUNT NOT-TO-EXCEED $56,332,020 FOR CONTINUED OPERATION, MAINTENANCE, SUPPORT, AND ENHANCEMENT OF THE PORT OPTIMIZER PORTAL

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



MAYOR
(Mitch Kamin for)

Attachment
MWS/JWW/JVW:DLG:10270009t

CAO 649-d

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: August 27, 2026

CAO File No. 0150-11007-0009
Council File No.
Council District: 15

To: The Mayor

From: Matthew W. Szabo, City Administrative Officer

Reference: Correspondence from the Harbor Department dated August 11, 2026 – POLA – ITD – 26-001

Subject: **PROPOSED EIGHTH AMENDMENT TO AMENDED AND RESTATED AGREEMENT NO. 17-3425-A BETWEEN THE HARBOR DEPARTMENT AND WABTECH TRANSPORTATION SYSTEMS, LLC TO CONTINUE OPERATION, MAINTENANCE, SUPPORT, AND ENHANCEMENT OF THE PORT OPTIMIZER PLATFORM**

RECOMMENDATIONS

1. Approve the Los Angeles Harbor Department (Harbor Department; Port) draft Resolution authorizing a proposed Eighth Amendment to Amended and Restated Agreement No. 17-3425-A with Wabtec Transportation Systems, LLC, to extend the contract term by three years, from November 4, 2026 through November 3, 2029, for a total term of 13 years, and increase the not-to-exceed compensation by $14,781,600 from $41,550,420 to $56,332,020, for continued operation, maintenance, support, and enhancement of the Port Optimizer Portal;

2. Adopt the August 11, 2026 Harbor Director of Environmental Management finding that the proposed action is administratively and categorically exempt from the requirements of California Environmental Quality Act (CEQA) under Article II Section 2(f) and Article III Class 6(2) of the Los Angeles City CEQA Guidelines; and

3. Authorize the Harbor Department Executive Director, or designee, to execute the proposed Amendment, already approved as to form by the City Attorney, and return the Resolution to the Harbor Department for further processing, including Council consideration.

SUMMARY

The Los Angeles Harbor Department requests approval of the Board of Harbor Commissioners (Board) draft Resolution authorizing the proposed Eighth Amendment (Amendment) to Amended and Restated Agreement No. 17-3425-A (Agreement) with Wabtec Transportation Systems, LLC (Wabtec). Executed on November 4, 2016, the Agreement is scheduled to expire on November 3,

2026. The Amendment will extend the Agreement for three years, from November 4, 2026 through November 3, 2029, resulting in a cumulative 13-year term. The Amendment will also increase the compensation by $14,781,600, from $41,550,420 to $56,332,020, for the continued operation, maintenance, support, and enhancement of the Port Optimizer Portal.

The proposed Amendment establishes the next phase of the Port Optimizer program, transitioning the Agreement from system development to a comprehensive operational services model. Designed to support the Harbor's long-term technology requirements, this structure introduces an updated Statement of Work, supplemental terms and conditions, and revised intellectual property rights.

Pursuant to Executive Directive No. 15 (Bass Series), Section A(1)(a), City Administrative Officer review is required, as the proposed Eighth Amendment to the Agreement between Harbor and Wabtec Transportation Systems, LLC for professional services exceeds $40 million. Review and approval by the Office of the Mayor is required prior to consideration by the Board of Harbor Commissioners. The Office of the City Attorney completed its review and approved the proposed Amendment as to form. In accordance with Charter Section 373 and Los Angeles Administrative Code Section 10.5(a), City Council approval is required because the cumulative term of the Agreement exceeds three years. Our Office has reviewed the request and recommends approval.

BACKGROUND

The Los Angeles Harbor Department requests approval of its August 11, 2026 Board letter and draft Resolution authorizing a proposed Eighth Amendment to Amended and Restated Agreement No. 17-3425-A with Wabtec. The Amendment ensures uninterrupted operation, hosting, maintenance, development services and support, and enhancement of the Port Optimizer platform. These ongoing services are critical to maintaining secure, real-time cargo visibility and operational fluidity across all marine terminals and global shipping lines at the Port.

Pilot Stakeholders - In collaboration with initial program participants, the portal—now branded as the Port Optimizer—was developed to collect and streamline real-time supply chain data from diverse maritime sources into a unified, common-user interface with role-based access controls. The pilot phase included participants representing a broad cross-section of the supply chain ecosystem, including U.S. Customs and Border Protection, the Port's largest terminal operator (APM Terminals), leading global ocean carriers (Maersk and Mediterranean Shipping Company), beneficial cargo owners, trucking firms, and chassis providers.

Initial Launch and Platform Expansion - The Port Optimizer Portal went live with a limited launch on April 17, 2017, followed by a full launch for all pilot project participants May 17, 2017. To expand the program beyond its pilot phase, the Board approved the Amended and Restated Agreement No. 17-3425-A on August 17, 2017. This expansion integrated all major global shipping lines and marine terminals within the Port into the platform.

Advancing Cargo Efficiency and Supply Chain Resilience - The Port Optimizer is one of the Port's essential tools for enhancing cargo fluidity, operational efficiency, and supply chain resilience. By

leveraging data, visibility, and coordination, it enables the Port to manage growing cargo volumes and maximize existing infrastructure capacity without significant physical expansion. The platform has also established the Port as a global leader in supply chain digitalization and innovation, supporting record cargo volumes while reducing congestion risks and improving sustainability and operational performance.

Agreement History and Expanded Scope - From the execution of the Agreement through the Seventh Amendment, the Board and, where applicable, the Harbor Executive Director authorized various actions to develop, expand, and support the Port Optimizer platform. These actions included compensation increases, term extensions, and scope enhancements. The seven preceding amendments increased the Agreement to a 10-year term and a not-to-exceed amount of $41,550,420. Attachment 1 to this report provides a chronological history of the initial Agreement and the seven subsequent amendments.

Proposed Eighth Amendment – Approval of the Eighth Amendment will increase the not-to-exceed compensation under Agreement No. 17-3425-A with Wabtec by $14,781,600, from $41,550,420 to $56,332,020. The proposed Amendment will enable the Harbor to establish the next operational phase of the Port Optimizer program, transitioning the Agreement from system development to a comprehensive operational services model. Designed to support the Harbor's long-term technology requirements, this updated structure modernizes the agreement through three primary components:

- *Statement of Work* – Governs core operational requirements for the platform, including application hosting, software maintenance, cybersecurity, technical support, platform administration, system monitoring, patch management, user assistance, and future as-needed software development.

- *Supplemental Terms and Conditions* – Outline service offerings, security measures, customer responsibilities, temporary service suspensions, contract termination, transition services, data ownership, indemnification, and liability limitations as detailed in Exhibit H-1 of Attachment 2.

- *Intellectual Property Rights and Domain Name Agreement* – Updates software licensing, branding, domain usage, and intellectual property provisions to preserve the Harbor's rights to its proprietary data and deliverables. This component includes a strategic option for the Port to purchase domain names PortOptimizer.com and Calports.com from Wabtec. Staff requests that the Board delegate execution authority for these domain purchases to the Harbor Executive Director, provided the final negotiated costs remain within the proposed Eighth Amendment funding.

Collectively, these updated terms modernize the Agreement to ensure continuity of operations, improved contractual clarity, updated program governance, and establishing a clear framework for future platform enhancements. The Port does not anticipate further amendments, as the proposed three-year extension provides sufficient time to fully implement the new operational model.

The proposed Amendment will enable the Port Optimizer to continue evolving to meet stakeholder needs through new data sources, advanced technologies, and expanded capabilities, ensuring timely, accurate information remains available to support efficient Port operations.

Successor Agreement Procurement - Harbor plans to initiate a competitive procurement process for a successor operation and maintenance agreement in advance of the November 3, 2029 expiration of the Eighth Amendment.

Expenditures and Remaining Contract Authority – As of July 31, 2026, the Harbor has expended approximately $39,573,920, or 95 percent of the total contract authority of $41,550,420. The remaining unexpended balance under the Seventh Amendment is $1,976,500.

Eighth Amendment Committed and Optional Funding – Approval of the Eighth Amendment obligates the Port to expend $5,781,600 of the $14,781,600 allocation over the three-year extended term. The remaining $9,000,000 is reserved for as-needed software development and enhancements. The Port is not obligated to expend these funds, as it reserves the authority to determine whether and when system changes or enhancements are necessary.

Alternatives Considered – Harbor has determined that there are no viable alternative service delivery models. The Port Optimizer is a specialized, proprietary Software-as-a-Service solution engineered and hosted exclusively by Wabtec, making Wabtec the sole-source provider capable of maintaining and operating the platform's core infrastructure. Soliciting competitive bids for a replacement system will disrupt the maritime supply chain tracking and affect operational continuity for more than 7,500 active users across 4,000 organizations.

CITY COMPLIANCE

Charter Section 1022 – Harbor determined, pursuant to Charter Section 1022, that continued operation, hosting, maintenance, technical support, and enhancement of the specialized software for the Port Optimizer Portal can be more feasibly performed by outside contractors than City employees.

California Environmental Quality Act (CEQA) – The proposed Eighth Amendment with Wabtec to continue operation, maintenance, hosting, support, and enhancement of the Port Optimizer platform is an administrative activity and an activity involving basic data collection, field testing, research, experimental management, and resource activities of City departments. The Harbor Department's Director of Environmental Management has therefore determined that the proposed action of approving the Amendment is administratively and categorically exempt from the requirements of CEQA in accordance with Article II Section 2(f) and Article III Class 6(2) of the Los Angeles City CEQA Guidelines.

The Office of the City Attorney has reviewed and approved the proposed Amendment as to form. 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 recommends approval.

FISCAL IMPACT STATEMENT

There is no impact on the City's General Fund. Approval of the proposed Eighth Amendment to Amended and Restated Agreement No. 17-3425-A with Wabtec Transportation Systems, LLC will increase the not-to-exceed compensation under the Agreement by $14,781,600 from $41,550,420 to $56,332,020. Funding of $3,184,800 for the proposed increase to the Agreement's not-to-exceed compensation amount is budgeted in Account 542025 (IT Implementation & Consulting Services), Division 50010 (Information Technology). Funding in future years will be requested and budgeted as part of Harbor's annual budget process. The proposed recommendations comply with Harbor's adopted Financial Policies.

Attachment 1 – Chronology of the Port Optimizer Contract.
Attachment 2 – August 11, 2026 Harbor Department Board Report; Draft Resolution No.; Eighth Amendment to Amended and Restated Agreement No. 17-3425-A; Statement of Work Compensation; Supplemental Terms and Conditions; and Intellectual Property Agreement.

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