

RECOMMENDATION APPROVED;
RESOLUTION 25-10609 ADOPTED;
AGREEMENT 25-10149 APPROVED;
BY THE BOARD OF HARBOR COMMISSIONERS



October 16, 2025

AMKlesges
AMBER M. KLESGES
Board Secretary

Executive Director's
Report to the
Board of Harbor Commissioners

DATE: SEPTEMBER 23, 2025

FROM: INFORMATION TECHNOLOGY

SUBJECT: RESOLUTION NO. 25-10149 - AGREEMENT BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND TIDALIS AMERICAS LTD. FOR THE SOFTWARE MAINTENANCE, SUPPORT, AND PROFESSIONAL TECHNICAL SERVICES FOR THE KLEIN BILLING AND PORTCONTROL SYSTEMS

SUMMARY:

Staff requests approval to enter into an Agreement with Tidalis Americas Ltd. (Tidalis) to provide software maintenance, support, and professional technical services for the City of Los Angeles Harbor Department (Harbor Department) Klein Billing and PortControl Systems (Systems). These services are necessary to ensure the continued operation of the Systems and to enhance their capabilities to support the growing operational needs of the Port. The term of the proposed Agreement is five (5) years with a not-to-exceed compensation amount of \$3,996,128. The current agreement is set to expire on December 16, 2025.

The Harbor Department will be financially responsible for the payment of expenditures incurred under the proposed Agreement.

RECOMMENDATION:

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. Find that in accordance with the Los Angeles City Charter Section 1022, it is more feasible for outside consultants to perform this work than City employees;
3. Find that the proposed Agreement qualifies for award on a sole source basis as a contract for the performance of professional, technical and special services for which competitive bidding is undesirable, impractical, or would not produce an advantage,

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pursuant to Los Angeles Charter, Section 371(e)(2) & (10) and Los Angeles Administrative Code Section 10.15(a)(2);

4. Approve the Agreement with Tidalis to provide software maintenance, support, and professional technical services for a not-to-exceed compensation amount of \$3,996,128 and a term of five (5) years;
5. Direct the Board Secretary to transmit the said Agreement to the Los Angeles City Council for approval pursuant to Section 373 of the Charter of the City of Los Angeles and Section 10.5 of the Los Angeles Administrative Code;
6. Authorize the Executive Director to execute and the Board Secretary to attest to the said Agreement for and on behalf of the Board upon approval by the City Council; and
7. Adopt Resolution No. 25-10609.

DISCUSSION:

Background – The Harbor Department utilizes Tidalis’ proprietary Klein Billing and PortControl Systems, including Billing Software (with integrated Property Management), PortControl’s Pilot Software, Pilot Mobile Dispatch App (PMDA), and the Common Operating Picture (COP). The Systems support the Harbor Department’s Billing, Port Pilot Dispatch, and Property Management operations. The Klein Billing and PortControl Systems, implemented by Tidalis in partnership with the Information Technology Division (ITD), have been in operation since 2011, and play a major role in the Harbor Department’s financial and operational processes.

The Billing System ensures that all pilotages, dockages, demurrages, space assignments, and rentals are accurately captured, applicable tariffs and contract terms are applied, and invoices are generated and shared with customers in a timely and accurate manner. The cargo manifest import and analysis capability is beneficial for the Harbor Department to manage billing and cargo intelligence on a daily basis. Furthermore, the staff uses the cargo volumes and Consumer Price Index (CPI) increases to support forecasting efforts and other operational planning activities. In Fiscal Year 2025, the System generated invoices for a range of commercial activities, including handling over 10 million TEUs by container terminals, facilitating more than 1,800 vessel calls by Port Pilots, and billing close to \$800 million in annual operating revenue.

The Port Pilot and PMDA Systems support the safe, reliable, and streamlined operations of the Port Pilots by providing Pilot dispatching solutions and tracking ship berthing activities. It manages tasks such as assigning pilots to escort vessels to and

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from their berths, coordinating vessel services, and calculating operational times, including any delays. This information is then sent to the Billing System to generate pilotage invoices. Over the last decade, the Pilots have safely completed more than 42,000 vessel movements.

The Property Management module in the PortControl Systems is used to manage the Harbor Department's property leases, permits, and landlord and tenant information. The PortControl Systems are integrated with the POLA Fusion Enterprise Resource Planning (ERP) System and GeoPOLA (GIS) to enhance efficient operations.

Sole Source Justification – The proposed Agreement is based on a sole source selection, as Tidalis Americas Ltd. is the only company capable of providing the necessary maintenance and support for its proprietary software and specialized maritime solutions. The engineers and developers of Tidalis possess the exclusive knowledge and expertise required to update the source code, technical documentation, proprietary tools, and product information essential for conducting updates, addressing bug fixes, and delivering effective solutions. Accordingly, Tidalis is uniquely qualified to provide the required support for its system.

The ITD staff has the responsibility for first-level support, which involves gathering user requirements, assisting users with workflows and troubleshooting, conducting User Acceptance Testing (UAT), managing production deployment, overseeing server operations, and serving as the primary liaison with the vendor.

Previous Board Actions – On July 23, 2020, the Board approved Agreement 20-3764 (Transmittal 1) with Saab Technologies Ltd. to provide software maintenance, support, and professional technical services for the Klein Billing and PortControl Systems to ensure the continued operation and support. The agreement has a not-to-exceed compensation amount of \$3,000,000 and a term of five (5) years. Various system enhancements and updates were implemented across the Port Pilot, Wharfingers, Finance, Construction and Maintenance (C&M), and Real Estate Divisions. The actual expenditure to date is approximately \$2,241,610. Key highlights of the achievements under this agreement are as follows:

- Modifications to tariffs such as general rate increases, surcharges to shipping lines, amendments to demurrage, space assignments, and TraPac's tiered billing structure;
- New functionalities across multiple Divisions such as the ability to split visits, cancel movements, break down pilotage charges, split rent rolls, capture vessel-at-berth emissions, and enhanced job monitoring;
- Application and system upgrades to enhance security, improve performance, and provide access to new features; and

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- New and updated system integrations, including Fusion ERP, Marine Exchange, and GIS, in the Klein Billing System support data synchronization and enable invoice printing within the ERP System.

On March 31, 2023, Saab was acquired by Agilitas 2020 Private Equity GP Sari and changed its name to Tidalis Americas Ltd. The Board approved the First Amendment to Agreement No. 23-3764-A (Transmittal 2) and consent to assignment and assumption from Saab Technologies Ltd. to Tidalis Americas Ltd. on December 7, 2023. All other terms and conditions of the Agreement remain unchanged.

Proposed Agreement – Over the next five (5) years, the proposed Agreement (Transmittal 3) will provide essential software maintenance and support, as well as critical system enhancements and integrations for the Klein Billing and PortControl Systems, based on the requests of the Divisions and their business needs. The proposed Agreement ensures continuity of support while enabling system growth, introducing new functionalities, and improving operational efficiency across divisions, including Port Pilot, Wharfingers, Finance, C&M, and Real Estate. The term of the Agreement is five (5) years with a not-to-exceed compensation amount of \$3,996,128. The scope of the Agreement includes:

1. Software Maintenance and Support

The Harbor Department owns the licenses to the Klein Billing and PortControl Systems. To ensure continued access and optimal performance, ongoing maintenance and support fees are required. These fees are essential for applying important software updates, implementing security patches, addressing bug fixes, and providing technical support.

2. Systems Enhancements and Future Requirements

The ITD conducted business requirements sessions to identify and document high-level requirements for system and operational enhancements for the Port Pilot, Wharfingers, Finance, C&M, and Real Estate Divisions. This collaboration resulted in a five-year strategic plan that provides a structured approach for prioritizing technology investments, managing change, and ensuring ITD supports the organization's overall vision over the next five years. ITD has thoroughly assessed and confirmed that the planned enhancements, as requested by the stakeholders, align with business objectives. These requests include complex changes such as tariff adjustments, customer compensation agreements, special billing programs, data sharing interfaces, electronic filing of manifest reports, financial and statistical reports, improvements to the Port Pilot mobile app, and provision of critical maritime notifications. Also, this plan includes mandatory security updates to keep system compliance and efforts to improve overall system performance. Below are some key highlights of the proposed work:

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Billing Enhancements

- Update the systems to include mandatory tariff adjustments such as wharfage, dockage and pilotage, along with charges detailed in agreements with Harbor Department customers.
- Compute the necessary retroactive billing for rent roll within the Property Module.

Port Pilot Enhancements

- Include the necessary vessel draft information in the Port Pilot mobile app to ensure accurate draft entry during dispatching and billing.
- Integrate required tide data for safe vessel drafts to determine safe water movement.
- Provide notification when vessels over 370 meters require two pilots for effective workforce management.

Alternative Maritime Power (AMP) Enhancements

- Enable Port Mechanics to create job entries at least 24 hours in advance to optimize staffing and productivity.
- Allow Port Mechanics to enter or modify data after ships arrive or before they depart from the Port, providing flexibility and ensuring data accuracy.

System Integration Enhancements

- Integration of the new accounting software to adhere to the Government Account Standard Board (GASB) 87 lease standard.
- Integrate with external applications when needed.

3. Other As-Needed Training Services

The As-Needed Training Services may be required as a contingency to support additional training requests that arise from unexpected changes in business processes and to address the skill development needs of employees. This investment will enhance the Harbor Department's capacity to address evolving business requirements, adapt to new mandatory tax compliance and regulatory rules, and increase staff productivity.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of an Agreement with Tidalis to provide software maintenance, support, and professional technical services for the Harbor Department's Klein Billing and PortControl Systems, which is an administrative activity. Therefore, the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of CEQA in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

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FINANCIAL IMPACT:

Approval of the proposed Agreement authorizes the IT Division to procure the Klein Billing and PortControl Systems maintenance and support, as well as professional technical services for a not-to-exceed compensation amount of \$3,996,128 over five (5) years. Project Development Committee (PDC) approved capital funding of \$2,068,800 on July 2, 2025, and is budgeted under Work Order 2561700, Account 542025 (IT Implementation & Consulting Services).

Fiscal Year 2025/2026 funding in the amount of \$236,280 is available within Account 542025 (IT Implementation and Consulting Services). Upon Board approval, funding for future fiscal years will be budgeted as shown in the table below:

Fiscal Year	Capital WO 2561700	IT Division OPEX Division 50010		TOTAL
	Account 542025	Account 542000	Account 542025	
2025/2026	\$ 221,280	\$ 0	\$ 15,000	\$ 236,280
2026/2027	\$ 418,560	\$ 326,799	\$ 33,000	\$ 778,359
2027/2028	\$ 423,360	\$ 336,602	\$ 36,300	\$ 796,262
2028/2029	\$ 407,360	\$ 346,701	\$ 39,930	\$ 793,991
2029/2030	\$ 396,160	\$ 357,101	\$ 43,923	\$ 797,184
2030/2031	\$ 202,080	\$ 367,814	\$ 24,158	\$ 594,052
Total Not-To-Exceed	\$ 2,068,800	\$ 1,735,017	\$ 192,311	\$ 3,996,128

The actual expenditures may differ from the estimated amounts in the accounts and in any given fiscal year presented in the table above. However, the total aggregate amount will not exceed \$3,996,128. The Harbor Department is not committed to spending this entire amount. Expenditures based on actual needs will be incurred only when the Harbor Department authorizes services to be performed.

A Termination for Non-Appropriation of Funds Clause (also known as a Funding Out Clause) is included in the Agreement.

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CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved the proposed Agreement as to form and legality.

TRANSMITTALS:

1. Agreement No. 20-3764 between the City of Los Angeles Harbor Department and Saab Technologies Ltd.
2. First Amendment to Agreement No. 20-3764 (Agreement No. 23-3764-A).
3. Proposed Agreement with Tidalis Americas Ltd.

FIS Approval: JS
CA Approval: _____


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THOMAS E. GAZSI
Chief of Public Safety and Emergency
Management

APPROVED:

 for

EUGENE D. SEROKA
Executive Director

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