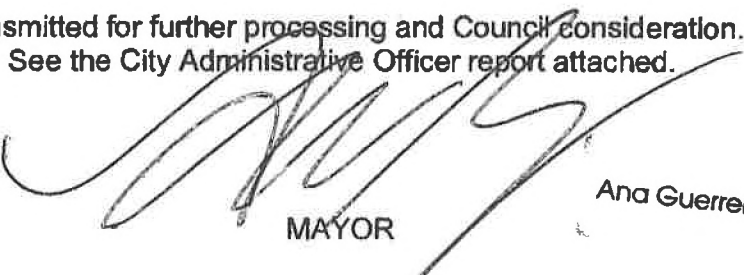


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|--|--|----------------------------|-------------------------------|
| TRANSMITTAL | | | 0150-11230-0000 |
| TO Eugene D. Seroka, Executive Director Harbor Department | | DATE OCT 25 2018 | COUNCIL FILE NO. |
| FROM The Mayor | | | COUNCIL DISTRICT 15 |
| <p>PROPOSED SECOND AMENDMENT TO SUBRECIPIENT AGREEMENT NO. 16-3396 WITH PASHA STEVEDORING & TERMINALS L.P. FOR THE IMPLEMENTATION OF ZERO AND NEAR-ZERO EMISSION TECHNOLOGIES</p> <p>Transmitted for further processing and Council consideration. See the City Administrative Officer report attached.</p> <div style="text-align: center;"> MAYOR</div> <div style="text-align: right;">Ana Guerrero</div> | | | |
| RHL:ABN.101900331 | | | |

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: October 24, 2018

CAO File No. 0150-11230-0000

Council File No.

Council District: 15

To: The Mayor

From: Richard H. Llewellyn, Jr., City Administrative Officer

Reference: Correspondence from the Harbor Department dated September 12, 2018; referred by the Mayor for report date September 13, 2018

Subject: **PROPOSED SECOND AMENDMENT TO SUBRECIPIENT AGREEMENT NO. 16-3396 WITH PASHA STEVEDORING & TERMINALS L.P. FOR THE IMPLEMENTATION OF ZERO AND NEAR-ZERO EMISSION TECHNOLOGIES**

RECOMMENDATIONS

That the Mayor:

1. Approve Harbor Department (Port) Resolution No. 18-8348 authorizing proposed Second Amendments to Subrecipient Agreement No. 16-3396 with Pasha Stevedoring & Terminal L.P. for the implementation of zero and near-zero emission technologies; and,
2. Return the document to the Port for further processing, including Council consideration.

SUMMARY

The Harbor Department (Port) Board of Harbor Commissioners (Board) requests approval of Resolution No. 18-8348 authorizing the proposed Second Amendments (Amendment) to Subrecipient Agreement No. 16-3396 with Pasha Stevedoring & Terminal L.P. (Pasha/Subrecipient) to implement a zero and near-zero emission technologies project. In addition, the Board approved a Second Amendment to Agreement No. 16-3395 with the California Air Resources Board (CARB) for a competitively-bid grant award of \$14.5 million to the Port to implement the emission project. In 2016, Pasha and the Port of Los Angeles (POLA) initiated the Green Omni Terminal Demonstration Project (Project), with a full-scale, demonstration of zero and near-zero emission technologies at a working marine terminal, with the projected goal to reduce and eliminate pollution from port-related operations. Pasha operates two marine terminals at the POLA, including the Project site.

Pursuant to the grant award agreement, the Board has the authority to execute the Amendment with CARB, but Council approval is required for the Second Amendment with Pasha pursuant to Charter Section 373 and Administrative Code Section 10.5.

BACKGROUND

In 2016, the Port received notification from the CARB for receipt of a grant award, from a competitive bid grant application submitted in 2015, to implement and administer a multi-source Demonstration Project. The Project was funded in part by the \$14.5 million grant from the CARB for reducing greenhouse gases and pollutants. The grant required matching funds of at least 25 percent. The Port states that Pasha, the Port and other partners have exceeded the matching funds threshold. The Port received a preliminary grant award of \$14,510,400 and approved an Agreement with Pasha to implement the Project. According to the Port, Pasha committed approximately \$11.4 million in cash and in-kind participation. Pasha and the Port could have one of the first marine terminal able to generate its energy needs mostly from renewable sources.

Pasha operates terminals in the POLA and throughout the world. Pasha serves the maritime transportation, automotive, and relocation industries, including shippers and trucking companies and consignees. In addition, Pasha provides cargo-handling, container loading and unloading (stevedoring), railcar loading, and truck/vessel delivery services.

PROPOSED SECOND AMENDMENT

The proposed Amendment will do the following:

- Extend the Project by approximately 11 months (contract began in June 2016), to June 2020;
- Reallocate \$88,000 from CARB grant funding of \$14,510,400 to Pasha/Subrecipient to cover the purchase of the data loggers to analyze the equipment and cover additional Project costs. (a data logger or recorder is any device that can be used to store data); and,
- Modify Project milestones and disbursement schedules to move funding from initial tasks that no longer require funding to projected tasks that require more funding for completion.

The proposed Amendment will extend the Agreements by approximately 11 months, to June 2020, to allow additional time for the one-year demonstration of the electric vehicles and emission treatment systems. The Port's request to reallocate \$88,000 from the allocated grant funding to Pasha is to cover the purchase of data loggers necessary to analyze equipment and cover additional Project costs incurred during the 11-month contract extension. The reallocated amount is from the funding retained by the Port for unanticipated Project and administrative costs. The grant compensation of \$14,510,400 will remain the same.

The POLA, Pasha, CARB, and other partners are collaborating through the Project to demonstrate how developing and increasing clean energy solutions can reduce and eliminate pollutions from port-related operations. The Port states that the Project is designed to test pre-commercial zero and near-zero emission technologies to sustain movement of goods and freight throughout regions outside of POLA. The Project includes electric operated yard tractors, on-road trucks, hi-tonnage forklifts, an emissions control system, and solar powered micro-grid (solar panels).

The Port states that Pasha plans to integrate a fleet of new and retrofitted zero-emission electric vehicles and cargo-handling equipment into its terminal operations and demonstrate the latest zero and near-zero emission technologies for handling and moving freight and improving air quality. The Project will attempt to achieve greater emission reductions from port-related sources and improve air quality in the neighborhoods near the Port. According to the Port, the Pasha terminal will be able to operate independently off the grid in case of a power loss and features a micro-grid that includes solar generation, battery storage and an energy management system to maximize usage.

The Port states that changes to the Project scope of work milestones and disbursements schedule are necessary to move funding from various tasks that do not require a certain level of funding to tasks that require more funding. These changes, as detailed in the proposed amended scope of work and disbursement schedule, include the following: design and construction of infrastructure; administration and project management; vehicle and cargo handling equipment; data collections and analysis; and, other work tasks.

The City Attorney has approved the proposed Resolution as to form and legality. The Agreement is in compliance with applicable City ordinances and requirements. In accordance with City Charter Section 1022, the Port states that contractors were more feasibly able to perform the work because of the intermittent or limited nature of the work and expertise required. The proposed action is approval of Amendments with CARB and Pasha to extend the term of the Agreements and amend the project milestones and disbursement schedules for the Project. The Port has determined that the proposed action is exempt from the requirements of California Environmental Quality Act (CEQA) in accordance with Article II, Section 2(f) of the Los Angeles City CEQA Guidelines.

FISCAL IMPACT STATEMENT

Approval of the proposed Amendment by the Harbor Department (Port) will extend the Agreement with Pasha Stevedoring & Terminal L.P. (Pasha) by approximately 11 months, and modify the scope of work milestones and disbursement schedules for the Green Omni Terminal Demonstration Project. The Amendment will reallocate approximately \$88,000 from the Port's administrative portion to the operation budget of Pasha for equipment purchase and project management costs. The grant award of \$14,510,400 from the California Air Resources Board will remain the same as the original contract amount.