



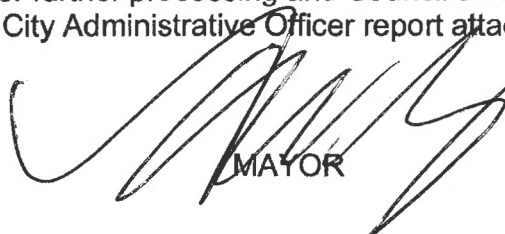
0150-11007-0004

**TRANSMITTAL**

TO Eugene D. Seroka, Executive Director Harbor Department	DATE <b>JAN 29 2020</b>	COUNCIL FILE NO. 19-0468
FROM The Mayor	COUNCIL DISTRICT 15	

**PROPOSED SECOND AMENDMENT TO THE AMENDED AND RESTATED AGREEMENT  
NO. 17-3425-A WITH GENERAL ELECTRIC TRANSPORTATION PARTS, LLC FOR THE  
PORT OPTIMIZER PROJECT**

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



MAYOR

Ana Guerrero

RHL:JCY:10200078t

REPORT FROM

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Date: January 28, 2020

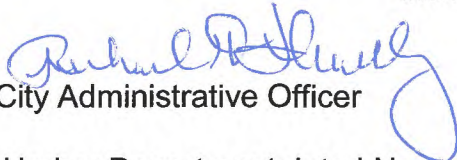
CAO File No. 0150-11007-0004

Council File No. 19-0468

Council District: 15

To: The Mayor

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



Reference: Correspondence from the Harbor Department dated November 6, 2019

Subject: **PROPOSED SECOND AMENDMENT TO THE AMENDED AND RESTATED AGREEMENT NO. 17-3425-A WITH GENERAL ELECTRIC TRANSPORTATION PARTS, LLC FOR THE PORT OPTIMIZER PROJECT**

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### RECOMMENDATION

That the Mayor:

1. Approve Harbor Department (Port) Resolution No. 19-9549 authorizing a proposed Second Amendment to Agreement No. 17-3425-A with General Electric Transportation Parts, LLC, to reallocate \$618,651.18 of available, unused existing funding within the Port Optimizer project (Project) and to delegate to the Port Executive Director authority to make future change requests within the existing compensation and term limits of the Project; 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. 19-9549 authorizing a proposed Second Amendment (Amendment) to the Amended and Restated Agreement No. 17-3425-A (Agreement) with General Electric Transportation Parts, LLC (GETP) for the Port Optimizer project (Port Optimizer). The Amendment will authorize GETP to continue expanding and operating the Port Optimizer, which is the first-of-its-kind common user, digitized informational data portal project (Portal) for the Port of Los Angeles (POLA). In 2017, the Port amended the Agreement, previously Agreement No. 16-3425, to expand the Portal and change the name to Port Optimizer. The Port Optimizer provides an online cargo database that translates multiple informational programs to support and improve maritime supply chain services and performances at the POLA. According to the Port, the proposed Amendment will mainly include software and services required to support and enhance the technical components needed for the additions to and expanded functionality of the Port Optimizer.

The proposed Amendment will reallocate \$618,651.18 of available, unused funds within the existing Agreement to three new items to enhance capabilities in the Port Optimizer, including providing empty return container data; developing a Port Authority dashboard to provide more real-time information on key port metrics; and developing more interfaces to engage additional container lifecycle stakeholders. The available funding is for items the Port has determined are no longer needed. Additionally, the proposed Amendment delegates to the Port's Executive Director any future changes to the Agreement which do not increase the total compensation and term limits of the Agreement, changes that are currently subject to Board approval. The proposed Amendment will not change the term or the maximum compensation amount of the Agreement.

The current Agreement includes a term of six years, expiring November 3, 2022, and a maximum compensation amount of \$16,100,420. The Port reports that estimated spending on the Agreement through 2018-19 was \$6.6 million and expenditures in 2019-20 are estimated at \$3.7 million. The Port is in the process of expanding and enhancing the Port Optimizer to include more POLA terminals, shipping lines, and other cargo movement firms. Funding includes intermittent office space for one to three consultants, on an as-needed basis.

The City Attorney has reviewed and approved the proposed Amendment as to form and legality. The Port has determined that the proposed Amendment is an administrative activity and activity involving basic data collection and research, and is, therefore, exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II, Section 2(f), and Article III, Section 1(f), of the Los Angeles City CEQA Guidelines.

## **FISCAL IMPACT STATEMENT**

Approval of the proposed Second Amendment (Amendment) to Harbor Department (Port) Agreement No. 17-3425-A with General Electric Transportation Parts, LLC will reallocate \$618,651.18 of available, unused existing funding within the Port Optimizer project (Project). The proposed Amendment will not change the maximum compensation amount of the Agreement, which is \$16,100,420. The Port will continue to be financially responsible for payment of expenditures for the Agreement from its Harbor Revenue Fund. The Port reports that \$3,693,105 of funding in 2019-20 is available in the Harbor Revenue Fund Budget and that future fund needs will be subject to approval by the Board of Harbor Commissioners. The proposed Amendment will have no impact on the City General Fund.