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RECOMMENDATION APPROVED;
RESOLUTION 19-9549 ADOPTED; AND
AGREEMENT 19-3425-B APPROVED
BY THE BOARD OF HARBOR COMMISSIONERS



Executive Director's
Report to the
Board of Harbor Commissioners

OCTOBER 8, 2019

AMBER M. KLESGES
Board Secretary

DATE: SEPTEMBER 18, 2019

FROM: INFORMATION TECHNOLOGY

SUBJECT: RESOLUTION NO. 19-9549 - SECOND AMENDMENT TO AMENDED AND RESTATED AGREEMENT NO. 17-3425-A BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND GENERAL ELECTRIC TRANSPORTATION PARTS, LLC FOR THE PORT OPTIMIZER PROJECT

SUMMARY:

Staff requests approval of the Second Amendment to Amended and Restated Agreement No. 17-3425-A (Second Amendment) with General Electric Transportation Parts, LLC (GETP) for the Port Optimizer project. The proposed Second Amendment is to reallocate funding from previously approved items to new items that are needed for the Port Optimizer, a first-of-its-kind common user portal that provides a single information window to support enhanced maritime supply chain performance. The total not-to-exceed compensation amount and term are unchanged.

The proposed Second Amendment also requests that authority to approve future change requests, which do not increase the total not-to-exceed compensation amount or the term of the Agreement, to be delegated to the Executive Director.

Expenditures incurred under Agreement No. 17-3425-A are the financial responsibility of the City of Los Angeles Harbor Department (Harbor Department).

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 and categorically exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) and Article III Class 6 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 contractors to perform this work than City employees;

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3. Approve the Second Amendment to Amended and Restated Agreement No. 17-3425-A to reallocate funding for new deliverables and delegate authority to the Executive Director for certain future amendments;
4. Direct the Board Secretary to transmit 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;
5. Authorize the Executive Director to execute and the Board Secretary to attest the said Agreement for and on behalf of the Board upon approval by City Council; and
6. Adopt Resolution No. 19-4549.

DISCUSSION:

Background and Context – At its meeting on November 3, 2016, the Board approved Agreement No. 16-3425 with General Electric Company (GE), through its GE Transportation Division, to develop a pilot for a first-of-its-kind, common user Portal. In collaboration with the pilot project participants, the Portal was developed to receive and provide supply chain information through a common user interface with secure, channeled access by user type. The pilot project participants include the United States Customs and Border Protection, the Port of Los Angeles' largest terminal operator (APM Terminal), the world's largest and second largest shipping lines (Maersk and Mediterranean Shipping Company, respectively), along with a variety of beneficial cargo owners, trucking companies, and chassis providers. The Portal went live with a limited launch on April 17, 2017, and a full launch for all pilot project participants occurred on May 17, 2017. Agreement No. 16-3425 was for a term of one year and a not-to-exceed amount of \$1,319,050.

At its meeting on August 17, 2017, the Board approved the Amended and Restated Agreement No. 16-3425 to expand the Portal, now called the Port Optimizer. The Agreement number was changed from 16-3425 to 17-3425-A. The expansion included the addition of nine more terminals, eighteen more shipping lines, additional enhancements and continued hosting and support. Agreement No. 17-3425-A added two more years for a term of three years, and increased the not-to-exceed amount by \$11,781,370 for a total not-to-exceed amount of \$13,100,420.

At its meeting on November 15, 2018, the Board approved an Assignment and Assumption Agreement of Agreement No. 17-3425-A from GE to GE Transportation Parts, LLC. This was due to an internal reorganization within GE as part of its combining of its GE Transportation business operations with Westinghouse Air Brake Technologies Corporation (Wabtec). The Agreement's term and not-to-exceed amount remained unchanged.

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At its meeting on March 21, 2019, the Board approved the First Amendment to Amended and Restated Agreement No. 17-3425-A. The First Amendment extended the Agreement by three additional years, to a total term of six years, and increased the not-to-exceed compensation amount by \$3,000,000, to a total not-to-exceed compensation amount of 16,100,420.

The recommendation to select GETP for Agreement No. 17-3425-A was based on a competitive Request for Proposals (RFP) process performed by the Harbor Department.

Proposed Second Amendment – The proposed Second Amendment (Transmittal 1) will continue the development of the Port Optimizer with the following three new items:

- Empty Returns Enhancements (Exhibit A-2, Item A19): This item is to enhance the empty return container capabilities within the Port Optimizer to make the empty return containers data available via Application Programming Interface (API) for the community to consume and optimize their part of the supply chain. This capability will provide a historical view of empty return container conditions at terminals on specific past dates/times and provide a per-container view of where an empty container could be returned at the moment of truck dispatch. The compensation amount for this item is \$100,000.
- Port Authority Key Performance Indicator (KPI) Dashboard (Exhibit A-2, Item A20): This item is to develop a Port Authority dashboard where key performance data will be consolidated, aggregated, and displayed in both live and historical views. These dashboards will incorporate active data feeds from Ocean Carriers, Marine Terminals, and other data sources to provide more active, near real-time views of key port metrics. The compensation amount for this item is \$418,651.18.
- Container life cycle API extensions (Exhibit A-2, Item A21): This item is to enhance the current A4 item called "API Implementation". With the new item A21, more APIs will be added to the Port Optimizer that go beyond the Marine Terminal APIs built as part of A4. These new APIs will include shipping lines and BCOs as stakeholders, as well as a more complete view of the container life cycle in addition to the A4 marine terminal centric view. The compensation amount for this item is \$100,000.

To pay for the three new items above, previously approved funding in the amount of \$618,651.18 is being requested to be reallocated from the following items which are no longer required:

- Shipping Line Data Acquisition (Exhibit A-2, Item A5): Reduce the quantity by two, for a new total quantity of 13. The compensation amount to be reallocated is \$166,155.34.

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- Shipping Line Data Implementation (Exhibit A-2, Item A6): Reduce the quantity by two, for a new total quantity of 13. The compensation amount to be reallocated is \$387,695.84.
- Identified Enhancements (Exhibit A-2, Item A9): Reduce the not-to-exceed compensation amount from \$432,000 to \$367,200. The compensation amount to be reallocated is \$64,800.

The proposed Second Amendment will not change the term or the not-to-exceed compensation amount of the Agreement. The Harbor Department is not obligated to spend this total not-to-exceed amount because the Agreement includes as-needed options.

The proposed Second Amendment also requests that authority to approve future change requests, which do not increase the total not-to-exceed compensation amount or the term of the Agreement, be delegated to the Executive Director.

ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of the Second Amendment with GETP to reallocate funding from previously approved items to new items that are needed for the Port Optimizer, which is an administrative activity and an activity involving basic data collection and research. Therefore, the Director of Environmental Management has determined that the proposed action is administratively and categorically exempt from the requirements of CEQA in accordance with Article II Section 2(f) and Article III Class 6 of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Approval of the proposed Second Amendment with GETP will not change the not-to-exceed compensation amount of Agreement No. 17-3425-A.

Fiscal Year 2019/20 funding in the amount of \$3,693,105 is available within the Information Technology Division, Account 54310 (Information Systems Consulting Services), Center 0640, Program 000. Upon Board approval, funding for future fiscal years will be budgeted as shown in the table below:

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Fiscal Year	Original Agreement No. 16-3425	Restated Agreement No. 17-3425-A	First Amendment	TOTAL
2016/17	\$ 1,031,050			\$ 1,031,050
2017/18	\$ 288,000	\$ 2,313,265		\$ 2,601,265
2018/19		\$ 6,600,000		\$ 6,600,000
2019/20		\$ 2,868,105	\$ 825,000	\$ 3,693,105
2020/21			\$ 900,000	\$ 900,000
2021/22			\$ 900,000	\$ 900,000
2022/23			\$ 375,000	\$ 375,000
Total Not-To-Exceed	\$ 1,319,050	\$ 11,781,370	\$ 3,000,000	\$ 16,100,420

The actual expenditures may differ from the estimated amounts in any given fiscal year presented in the table above. However, the total aggregate amount will not exceed \$16,100,420.

Office space for one to three consultants will be used intermittently within the Harbor Department office space reserved for the IT Division. This office space will be used only when on-site work is required. Staff will not be displaced.

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 Second Amendment as to form and legality.

TRANSMITTAL:

1. Second Amendment to Amended and Restated Agreement No. 17-3425-A

FIS Approval: MB

CA Approval: JML



LANCE KANESHIRO
Chief Information Officer



THOMAS E. GAZSI
Chief of Public Safety and Emergency
Management

APPROVED:

 FOR

EUGENE D. SEROKA
Executive Director

LK:lk