

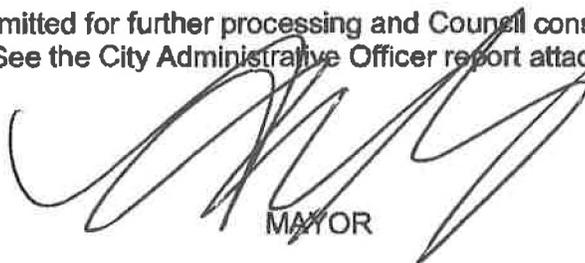
0150-11007-0003

TRANSMITTAL

TO Eugene D. Seroka, Executive Director Harbor Department	DATE MAY 01 2019	COUNCIL FILE NO.
FROM The Mayor	COUNCIL DISTRICT 15	

**PROPOSED FIRST AMENDMENT TO THE AMENDED AND RESTATED AGREEMENT
NO. 17-3425 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:ABN:101901141

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: April 30, 2019

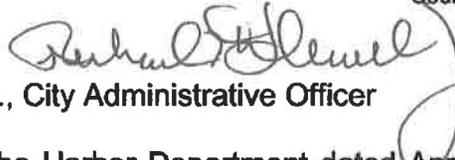
CAO File No. 0150-11007-0003

Council File No.

Council District: 15

To: The Mayor

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



Reference: Correspondence from the Harbor Department dated April 8, 2019; referred by the Mayor for report on April 11, 2019

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

RECOMMENDATION

That the Mayor:

1. Approve Harbor Department (Port) Resolution No. 19-8459 authorizing a proposed First Amendment to Agreement No. 17-3425-A with General Electric Transportation Parts, LLC, for the Port Optimizer 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. 19-8459 to authorize a proposed First Amendment (Amendment) to amend and restate Agreement No. 17-3425-A (Agreement) with General Electric Transportation Parts, LLC (GETP) for the Port Optimizer Project. The Port states that the Amendment will allow 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 to expand the Portal and changed 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 include hardware, software, and services required to support and enhance the technical components needed for the additions to the Port Optimizer.

The proposed Amendment will extend the Agreement by an additional three years, to a total contract term of six years, and increase the compensation by \$3 million, up to a total of \$16,100,420. Under the proposed Amendment, contract terms and compensation expenditures are the financial responsibility of the Port and will be earmarked in current and subsequent budget requests, based on the provisions of the Agreement and subject to approval by the Board.

BACKGROUND

In November 2016, the Port selected GETP through a competitive bid process. The Port approved an agreement with General Electric (GE) through its GE Transportation Division (GET) to develop a pilot project for an online cargo database through a single digital solution that translates multiple information programs and queries into a centralized program to improve the maritime supply chain performance at the POLA. The Port and GET worked together to develop a previously approved Portal pilot program to digitize maritime shipping data and to make it available to cargo container owners and supply chain operators through a digitally-secure and controlled environment. In addition to GET, pilot project participants included: U.S. Customs and Border Protection; APM Terminal - POLA's largest terminal operator; Maersk - world's largest container ship and supply vessel operator; and, other cargo, truck and chassis owners and providers.

In 2017, the Port approved an Agreement with GET and launched the live pilot project with the participants. In November 2018, GE underwent an internal reorganization. It transferred and relinquished all of its assets and liabilities to GETP, including the Port Optimizer project.

PROPOSED AMENDMENT WITH GETP

The Port Optimizer is now in operation and available for cargo stakeholders to register and use. The Port states that the Department has received positive feedback from the stakeholders and participants have expressed a desire to expand the Port Optimizer to include additional enhancements. According to the Port, participants are able to view integrated supply chain data up to two weeks in advance, instead of three to four days, on a ship's arrival at the POLA.

The Port plans to expand, enhance and provide support of the Port Optimizer project to more POLA terminals, shipping lines, and other cargo movement firms. The current Agreement includes a term of three years and a maximum compensation amount of \$13,100,420. The proposed Amendment will increase the term by three years and compensation amount by \$3 million to accommodate the expansion of the Port Optimizer. Funding will provide intermittent office space for one to three consultants, on an as-needed basis. Except for the Agreement's terms and compensation, and related contract sections, all other provisions and conditions will remain unchanged.

The proposed Amendment will reallocate available, unused funds from the existing Agreement for additional data acquisition, related data services and implementation of projects to improve terminal sites and operations. The Port plans to enhance the Port Optimizer by developing integrated data sources to include such tasks as improving automatic delivery orders from trucking companies and a volume reporting page for POLA participating clients. To ensure the efficient operations of the Port Optimizer, the project includes support for cyber security, data clouds, and technical services.

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, therefore, exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II, Section 2(f), of the Los Angeles City CEQA Guidelines.

FISCAL IMPACT STATEMENT

Approve the Harbor Department (Port) request to amend an Agreement with General Electric Transportation Parts, LLC (GETP), for the Port Optimizer Project. The proposed Amendment will extend the Agreement by three additional years, for a total of six years, and increase the maximum compensation by an additional \$3 million, from \$13,100,420, to \$16,100,420. The Port has the authority to cancel this Agreement for any reason, upon giving a 30-day notice to GETP.

RHL:ABN:10190114