


M E M O

Alameda Corridor Transportation Authority

To: Governing Board

Meeting Date: June 20, 2024

From: Michael C. Leue, Chief Executive Officer 

Subject: APPROVE amendments to two contracts with the IBI Group for services to assist ACTA with its Revenue Assessment Verification System: (a) Amendment 16 to Agreement No. C0719 to assign the Agreement from IBI Group, a California Partnership, to Arcadis, a California Partnership, extend the term five years and increase the budget by \$460,800; and (b) Amendment 16 to Agreement No. C0783 to assign the Agreement from IBI Group, a California Partnership, to Arcadis, a California Partnership, extend the term five years and increase the budget by \$500,000.

Recommendation:

Approve and authorize the Chief Executive Officer or Chief Financial Officer to execute the proposed amendments to two agreements with IBI Group, a California Partnership to accomplish the following:

1. Assign Agreement No. C0719 and Agreement No. C0783 from IBI Group, a California Partnership to Arcadis, A California Partnership in order to recognize the company name change that took place in 2023;
2. Agreement No. C0719 – Amendment 16 provides for a five-year term extension through December 31, 2029 and a budget increase of \$460,800 to be paid in 60 equal monthly payments of \$7,680 for support and maintenance of ACTA’s Revenue Assessment Verification System with the PierPass Validation System incorporated; and
3. Agreement No. C0783 – Amendment 16 provides for a five-year term extension through December 31, 2029 and an increase in contract value of \$500,000 for as-needed professional services and system enhancements that are outside the scope of the standard support and maintenance services provided for in Agreement C0719.

Discussion:

Arcadis, A California Partnership, (previously known as IBI) developed and currently maintains ACTA’s custom Revenue Assessment Verification System (RAVS).

Assign Arcadis: IBI Group has worked with ACTA to develop our Revenue Assessment Verification System (RAVS). IBI Group was recently acquired by Arcadis. ACTA is seeking Board approval to assign the contract from IBI Group to Arcadis.

Agreement No. C0719: Arcadis provides services to maintain RAVS. RAVS is used by ACTA to monitor and verify over \$100 million in annual container fee collections from the Railroads. RAVS has worked without incident since its inception in 2002. Based on the most recent reconciliation of invoices, over the last five years, the system captured evidentiary data that resulted in approximately \$150,000 in container fee payments from both railroads in addition to their self-assessment payments.

The system is also used to validate PierPass, the truck gate fee system used by both ports at their container terminals. The validation of PierPass relates to its fee assessments from cargo owners trucking at the terminals. Under PierPass rules, cargo that is charged an ACTA corridor fee is exempt from the traffic mitigation fee charged by PierPass. ACTA utilizes RAVS to check the PierPass-supplied data and verify that the exemption is applied on a container-by-container basis. ACTA receives a \$5,000 monthly payment from PierPass to verify the traffic mitigation fee exemption, which, helps to offset the monthly service fee for the RAVS system .

Board approval is requested to increase the contract value of Agreement No. C0719, which would increase by \$460,800, to be paid in sixty equal monthly amounts of \$7,680, for a new total not-to-exceed amount of \$ 2,521,338, and extend the term of the agreement by 5-years through December 31, 2029. This is for the ongoing monthly support and maintenance of the revenue system.

Agreement No. C0783: Board approval is requested for Arcadis to provide as-needed services and system enhancements to RAVS. The contract value of Agreement No. C0783 would increase by \$500,000 for a total not-to-exceed amount of \$ 1,220,000 and extend the term of the agreement by 5-years through December 31, 2029.

The following items are examples of improvements and expansions to adapt RAVS to future conditions:

- Integration with the Ports of Los Angeles and Long Beach: The Ports have been improving their collection of real-time data from their tenant terminals. ACTA is coordinating with the Ports to extend RAVS's data sources to include the Ports' data. ACTA can fuse Port-supplied data with the existing dataset to more thoroughly verify container movements, to identify discrepancies in potential revenue movements, and to support the data analysis discussed below.
- Optical character recognition (OCR) of moving containers on railcar on the Corridor: A key gap in ACTA's revenue dataset is independent verification of container movements along the Corridor. ACTA is currently reliant on data provided by terminals and railroads. OCR of containers on railcars will provide a valuable validation of the terminal and railroad data.
- Utilization analysis: ACTA can leverage its large dataset of container and railroad movements to establish key performance metrics on how the Railroads use the Corridor. This will help to understand the impacts on efficiencies and revenue caused by certain railroad operations.
- Automated Equipment Identification (AEI) reader optimization: AEI readers are located at key locations throughout the ACTA rail network, as envisioned by Use and Operating Agreement. AEI data is used by RAVS to validate the Use Fee. The existing AEI network is being evaluated by ACTA to respond to changes in Corridor usage and the nature of marine freight transportation. Optimization of the AEI system may include the development and analysis of cargo tracking, and redesign of how RAVS exempts and levies the Use Fee on railcars.

- Detailed understanding of the Corridor’s environment: ACTA can use RAVS’s dataset to do a detailed analysis of how import containers move from wharf to inland destinations, and how export containers move to marine terminals. From this analysis, ACTA can build a detailed understanding of its revenue sourcing and transportation trends, seek operational improvements, and ensure that standard operating procedures are appropriate and employed by the railroads and dispatcher.

Budget Impact:

The contract value increase for these Amendments are included in the FY25 Operating Budget, including for C0719: \$92,160 (for first year) of the total \$460,800 authorization; and for C0783: \$100,000 (for first year) of the total \$500,000 authorization.

Operating Budgets in the subsequent four years will include requests for portions of the C0719 and C0783 authorizations towards each year’s RAVS efforts.

RAVS allows ACTA to capture non-reported container fees of approximately \$1.8M annually, which will be significantly more than the budgeted amounts proposed for Arcadis’ services over the proposed additional five years of the agreements.

Co-General Counsel Review:

ACTA’s Co-General Counsel has reviewed and approved the proposed Amendments as to form.

Transmittals:

Transmittal 1 - Sixteenth Amendment to Agreement No. C0719

Transmittal 2 - Sixteenth Amendment Agreement No. C0783