

**FIRST AMENDMENT TO
PORT OF LOS ANGELES LEASING POLICY
SECTION 3.3
PROCEDURES TO IMPLEMENT THE REAL ESTATE POLICY**

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3.3. Tenant Solicitation and Selection

If the property is vacant or the existing tenant does not wish to continue their occupancy or an impasse is reached in negotiating a succeeding lease with an existing tenant, then the following procedures will be implemented to select a new tenant for the property.

1. The Executive Director will appoint a Tenant Selection Committee which will include the CFO, Director of Real Estate, and others as appropriate. The Committee will prepare a Request for Proposals (RFP), notify Qualified Tenants regarding the availability of the property and solicit further interest by advertising on the **Port's website**, in trade publications, local newspapers, and, when appropriate, national and international publications. **The RFP shall advise applicants that all proposals as well as supporting documents submitted to the Port are public records and as such the Port shall request the applicant to identify legally confidential or proprietary data (i.e. social security numbers, bank account data, and telephone numbers) as part of the RFP to prevent the release of such information to the public via the Port's website or other means of public notification.** All RFP's shall state the Port's objective regarding the use of available property. Evaluation criteria shall be determined on a case by case basis but will include these factors: (1) operating requirements, such as terminal design, throughput volume, vessel calls, berth utilization and other terminal operating programs such as off-peak hours; (2) environmental requirements, such as identification and observance of environmental policies and procedures relating to terminal construction and operations, including how the proposal intends to meet the policy of preventing pollution or controlling it to the maximum extent feasible; (3) financial requirements, such as minimum annual guarantees, other revenues to the Port and the financial strength of the proposer; (4) terminal maintenance requirements; and (5) the number of jobs that will be created/retained; (6) general requirements as required by the Port and City, such as insurance, indemnification, etc; and (7) the need to accommodate a diversified waterborne cargo mix. The Port reserves the right to determine the commercial viability and validity of all proposals.

2. The Committee will review, assess and analyze all proposals. Their review of the offers will be based on uniform criteria to be established and made public at the time of the RFP's preparation. The criteria will be based on the objectives contained in the RFP and the requested information. The Committee's analysis and recommendation will be made public.

3. The Director of Real Estate shall report the Committee's findings including the offers received, evaluation process utilized, a financial analyses summary, the selection method, recommendation for a Most Qualified Tenant to the Executive Director for recommendation to the BHC.
4. Once the BHC has made its decision, the BHC shall instruct the Executive Director to begin exclusive negotiations with the Most Qualified Tenant. At the discretion of the BHC, instructions to the negotiator may be provided.
5. If the Committee's determines it is necessary, a second or "back-up" Qualified Tenant will be identified in the Committee's recommendations to the BHC.
6. **Once a Qualified Tenant is approved by the BHC, information pertaining to the competitive selection process, responses, and evaluation results will be posted publicly on the Port's website. Further, in the competitive selection document all proposals submitted as well as correspondence will be made public on the Port's website. However, the Port will ensure that legally confidential or proprietary data is not made public via the Port's website or other means of public notification.**

**FIRST AMENDMENT TO
PORT OF LOS ANGELES LEASING POLICY
DIRECTIVE NO. 2**

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Leases must also include applicable Port environmental requirements including but not limited to:

1. Air emission controls
2. Water, stormwater and sediment quality
3. Trash management and recycling
4. Lighting and noise control and facility appearance
5. Hazardous material management requirements
6. Facility restoration and decommissioning requirements
7. CEQA mitigation measures and reporting requirements

Additionally, the lease must include the following provisions:

1. Tenant requirement to develop an Environmental Facilities Plan and environmental training requirements;
2. Tenant requirement to keep up-to-date records at the leasehold of all pertinent environmental permits and regulatory requirements;
3. Tenant requirement to inform the Port of environmental/regulatory issues at the leasehold and copy the Port on all environmental/regulatory notices and correspondence;
4. Right of Port to enter the leased facility and conduct environmental compliance audits;
5. Right of Port to review and adjust tenant's environmental performance and requirements during periodic lease adjustments/rate negotiations;
6. Right of Port to require bonding, if appropriate, for specific environmental liability, and to conduct site remediation, at the tenant's expense, if tenant fails to meet remediation requirements within a reasonable time frame.

The Director of Environmental Management shall review all leases prior to approval to ensure compliance with the Port's environmental requirements.

Lease Environmental Requirements

To lessen the air quality impacts of the tenant's operations, each lease will contain provisions that will address these impacts. Among these will be:

1. Compliance with the vessel speed reduction program;
2. Where appropriate, AMPing vessels while in Port;
3. Use of low sulfur fuel in main and auxiliary engines in the South Coast Air Basin;
4. **~~Alternate fuel in all new yard tractors;~~—all Cargo Handling Equipment purchases will meet one of the following performance standards: Cleanest available nitrogen oxide (NOx) alternative-fueled engine, meeting 0.01 g/bhp-**

- hr PM, available at time of purchase, or cleanest available NOx diesel-fueled engine, meeting 0.01 g/bhp-hr PM, available at time of purchase. If there are no engines available that meet 0.01 g/bhp-hr PM, then must purchase cleanest available engine (either fuel type) and install cleanest Verified Diesel Emissions Controls (more commonly know as VDEC) available; and**
5. The use of clean “low emission” trucks and locomotives to service the terminal, as required to reduce health risks.

These measures may be phased in over time. Tenant may propose substitution alternative measures as long as they meet the equivalent emission reductions.