



AGENDA REPORT

PROPOSED ACTION: Resolution: Approve and Authorize the Executive Director to Extend the Agreement with ZDEVCO for the Management and Maintenance of the Port Drayage Truck Registry an Additional Three Years and Four Months Through June 30, 2030, in the Amount of \$1.23 Million; and Find that the Proposed Action is Exempt Under the California Environmental Quality Act.	
Submitted By: Bryan Brandes, Director of Maritime; Kristi McKenney, Executive Director	
Parties Involved: ZDEVCO, LLC, Oakland, CA Taso Zografos, CEO	Amount: \$1,230,000 Million (operating expense)
EXECUTIVE SUMMARY: In March 2022, the Port of Oakland (Port) executed a five-year professional services agreement with ZDEVCO, LLC (ZDEVCO). The agreement expires February 28, 2027, and Port Staff is requesting an extension through June 30, 2030. This extension would support service continuity and provide significant cost savings through the extended term. The Port’s cost is anticipated to be recovered through registration fees charged for the Port’s Secure Truck Enrollment Program.	

BACKGROUND & ANALYSIS

The Port Drayage Truck Registry (Registry) was established as part of the Port’s Secure Truck Enrollment Program (STEP) to support the regulation and monitoring of drayage trucks operating within and around Port facilities. The Registry serves as a centralized system to track licensed motor carrier (LMC) and truck compliance with applicable federal, State, and local requirements. The Port charges fees per LMC and per truck for enrollment in the STEP. These fees are used to pay for the administration of the Registry, which is currently performed by ZDEVCO.

Following a request for proposals (RFP) in 2021 for the Management and Maintenance of the Port’s Drayage Truck Registry & Truck Management System Database, the Port executed a maximum five-year professional services agreement with ZDEVCO commencing March 2022 (Agreement). ZDEVCO provides Registry management services, including database administration, compliance verification, reporting, and user support. The initial Agreement term was two years, with the option of extending the Agreement for an additional three years in one-year increments. The extensions have been exercised, and the Agreement is set to expire on February 27, 2027. Port Staff and our stakeholders have been satisfied with ZDEVCO’s services.

The Registry is a key tool in advancing operational and regulatory objectives:

- **Regulatory Compliance:** The registry supports compliance with emissions and safety standards.
- **Operational Efficiency:** The centralized platform enables real-time verification of truck eligibility, reducing delays at Port entry points, and improving goods movement efficiency.
- **Data-Driven Decision Making:** The system provides reliable data to inform policy, planning, and reporting related to freight activity.

Port Staff has considered several options to continue administration of the Registry, including issuing a new RFP or developing an in-house solution. Initiating a new procurement process to implement a new system at this time would likely result in data migration challenges, potential service disruption to make the transition, higher costs than the current Agreement, and/or long-term costs with no apparent benefits. With an extension through June 30, 2030, annualized cost will be approximately five percent lower compared to FY27 rates.

OTHER FINDINGS AND PROVISIONS

ENVIRONMENTAL REVIEW

The proposed action was analyzed under the California Environmental Quality Act (CEQA) and was found to be:

- Categorically exempt under the following CEQA Guidelines Section:

Choose an item.

- "Common Sense" exemption under CEQA Guidelines Section 15061(b)(3).

- Other/Notes:

BUDGET

- Administrative (No Impact to Operating, Non-Operating, or Capital Budgets); OR

- Operating Non-Operating Capital

Analysis: The proposed extension to the Agreement with ZDEVO has no impact to FY 2026. In FY 2027 through FY 2030, it would result in operating expense of \$1,230,000, annualized at approximately \$355,000. This cost would be incorporated into future Maritime Division operating expense budgets, including the FY 2027 budget currently being finalized. The cost is anticipated to be fully offset by the STEP fees, which are Maritime Division operating revenue, in the same years.

STAFFING

- No Anticipated Staffing Impact.
- Anticipated Change to Budgeted Headcount.

Reason:

- Other Anticipated Staffing Impact (e.g., Temp Help).

Reason:

MARITIME AND AVIATION PROJECT LABOR AGREEMENT (MAPLA):

Applies? No (Not Aviation or Maritime CIP Project) – proposed action is not covered work on Port’s Capital Improvement Program in Aviation or Maritime areas above the threshold cost.

- Additional Notes:

LIVING WAGE (City Charter § 728):

Applies?

No (No Covered Agreement) – proposed action is not an agreement, contract, lease, or request to provide financial assistance within the meaning of the Living Wage requirements.

- Additional Notes:

SUSTAINABLE OPPORTUNITIES:

GENERAL PLAN (City Charter § 727):

<p><u>Applies?</u> No.</p> <p><u>Reason:</u> There are no sustainability opportunities related to this proposed action because it does not involve a development project, purchasing of equipment, or operations that presents sustainability opportunities, including adaptation to sea level rise.</p>	<p><u>Conformity Determination:</u></p> <p>Not Required – conformity determination not required because proposed action does not change use of or make alterations to an existing facility, or create a new facility.</p>
<p><u>STRATEGIC PLAN.</u> The proposed action would help the Port achieve the following goal(s) in the Port’s Strategic Plan:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Capture Our Market and Grow the Economic Base <input type="checkbox"/> Modernize and Upgrade Infrastructure <input type="checkbox"/> Transition to Zero-Emissions and Build Climate Resilience <input type="checkbox"/> Maximize Land Use Value and Revenues <input type="checkbox"/> Workforce Training and Jobs Development <input checked="" type="checkbox"/> Create Opportunities for Local Businesses and Community Economic Development 	