

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: February 2, 2024

CAO File No. 0150-12557-0001

Council File No.

Council District: 11

To: The Mayor

From: Matthew W. Szabo, City Administrative Officer

Reference: Correspondence from the Los Angeles World Airports Board of Airport Commissioners (Board) dated December 7, 2023 and December 27, 2023; referred by the Mayor for a report on December 7, 2023

Subject: **RESOLUTION NO. 27861 AND PROPOSED FIRST AMENDMENT TO CONTRACT DA-5504 WITH LAZ PARKING CALIFORNIA, LLC FOR OPERATION AND MANAGEMENT OF TRANSPORTATION SHUTTLE SERVICES AT LOS ANGELES INTERNATIONAL AIRPORT**

RECOMMENDATION

That the Mayor:

1. Approve Los Angeles World Airports (LAWA) proposed Resolution No. 27861 authorizing a proposed First Amendment to Contract DA-5504 with LAZ Parking California, LLC to continue providing operation and management of transportation shuttle services at Los Angeles International Airport for an additional year, from June 1, 2024 through May 31, 2025, with two four-month renewal options through January 31, 2026, and increase the contract authority by \$23 million for a total amount not-to-exceed \$57 million;
2. Adopt the California Environmental Quality Act (CEQA) determinations of the December 27, 2023 Board of Airport Commissioners (Board) Resolution 27861, that this action is exempt from CEQA pursuant to Article II, Section 2(f) of the Los Angeles City CEQA Guidelines; and
3. Authorize the LAWA Interim Chief Executive Officer, or designee, to execute the proposed agreement and return the Resolution documents to LAWA for further processing, including Council consideration.

SUMMARY

The Los Angeles World Airports (LAWA) Board of Airport Commissioners (Board) requested approval of its December 27, 2023 Resolution 27861, to execute a proposed First Amendment to Contract DA-5504 (Agreement) with LAZ Parking California, LLC (LAZ Parking), originally approved on May 14, 2021 (Resolution 27247), covering management and operation of transportation shuttle

services at Los Angeles International Airport (LAX). The current agreement with LAZ Parking commenced on June 1, 2021 and terminates on May 31, 2024. Approval of the proposed First Amendment will result in a one-year term extension to May 31, 2025, with an option to further extend the term of the contract by two four-month increments, if necessary, through January 31, 2026. The amendment also includes an increase to the contract authority by \$23 million, from \$34 million to \$57 million. Augmenting the term and increasing the contract limit will enable LAZ Parking the ability to continue transportation shuttle services at LAX until the Automated People Mover (APM) is operational.

The proposed amendment to the contract has been approved as to form by the City Attorney. Pursuant to Charter Section 373 and Los Angeles Administrative Code Section 10.5, Council approval is required because the cumulative contract term exceeds three years. Our Office has reviewed the request and recommends approval.

BACKGROUND

On December 7, 2023 and December 27, 2023, the Board approved a LAWA staff report and Resolution 27861 requesting authority to execute a proposed First Amendment with LAZ Parking for management and operation of transportation shuttle services at LAX. The existing contract covers four distinct shuttle routes: 1) Inter-terminal airline connections (ITAC); 2) ADA on-call shuttle for terminal connections (ADA); 3) LAX Economy Parking to the Central Terminal Area (CTA); and 4) Metro C-Line (Green Line) LAX/Aviation Station to the CTA. The proposed First Amendment will extend the contract term by one year, setting a new contract expiration date of May 31, 2025, with an option to further extend the contract to January 31, 2026 if necessary. The amendment will also augment the total contract authority by \$23 million, increasing it from \$34 million to \$57 million over the total term of the agreement.

Shuttle Services - The Board originally approved the award of a contract between LAWA and LAZ Parking for a three-year term on May 14, 2021. The contract covers a full range of services, including parking management, shuttle bus operations, valet parking, around-the-clock customer service call center, curbside management, online reservations, and on-demand shuttle services for disabled passengers.

Necessity of a First Amendment – LAWA is requesting to extend the term of the contract until the APM becomes operational. Extending the contract term will provide flexibility to keep the shuttle services running during the transition to the train system. This allows for shuttle operations to continue if the APM opening is delayed or if shuttles are still needed after the APM opens to transport passengers between the Economy Parking, Metro's Airport Connector station, and the CTA. The objective is to ensure passengers can conveniently access parking, Metro, and the terminals during the transition period.

Commissioning of the APM and Opening of the LAX Metro Transit Center Station – The APM is set to achieve substantial completion by June 2024, while the Los Angeles Metro's LAX Metro Transit Center Station is projected to be completed by the fourth quarter of 2024. According to LAWA, the commissioning of the APM is independent of the LAX Metro Transit Center Station's opening. The

APM can begin operations even if the Metro station is not yet complete. The Department expects passenger service on the APM to become available between the second and third quarter of 2024.

Post APM Commissioning and Route Analysis - Upon full functionality of the APM and completion of the LAX Metro Transit Center Station, two of LAZ Parking's four shuttle routes, specifically, the LAX Economy Parking and Metro Green Line, will become obsolete. Travelers on these routes will have the option to use the APM for transportation to and from LAX. There is no contingency plan in place if the APM does not fully replace the shuttles as intended, however, there will be an overlapping period where both the APM and shuttles operate concurrently. This will enable LAWA to evaluate passenger needs and address any unforeseen issues before discontinuing the shuttle routes. LAWA reports that the remaining two routes, ADA on-call shuttle for terminal connections and Inter-terminal airline connections, will undergo assessments to determine the feasibility of whether to keep these routes in service. If deemed necessary, LAWA staff will prepare and issue a Request for Proposal (RFP) to procure a replacement contract for these two routes.

Shuttle Trips Per Day – Ridership on the four shuttle routes fluctuate daily based on factors such as the season, day of the week, and other considerations. LAWA estimates that 427 total shuttle trips would be eliminated across the existing shuttle routes. Among these routes, the Economy Parking shuttle has the highest utilization, conducting 150 round trips per day for airline passengers, followed by Metro Connector with 98, Inter-terminal airline connections with 95, and ADA Shuttle with 84. The elimination of these shuttle trips is expected to significantly decrease traffic and contribute to a reduction in greenhouse gas emissions.

Employee Wages - The proposed First Amendment with LAZ Parking includes annual budget adjustments to wages and operations. The goal is to retain shuttle drivers as well as cleaning and fueling staff by ensuring competitive pay, while maintaining consistent service levels. The table below summarizes the existing wage rates and the proposed wage adjustments for LAZ Parking employees as detailed in the First Amendment:

LAZ Parking California, LLC - Contract DA-5504 Employee Wage Rates		
Employee Classification	Current Hourly Wage Rate	Wage Rate After Salary Increase
Management	\$42.30	\$44.20
Driver:		
Metro / ITAC / ADA	\$49.37	\$51.26
LAX Economy Parking	\$40.36	\$49.20
Cleaning / Fueling	\$35.50	\$38.00
Security	\$24.20	\$24.20

Employee Impacts – The discontinuation of the shuttle lines once the APM is operational will negatively impact the drivers staffing those shuttles, in addition to cleaning and fueling staff. It is difficult to assess the hiring landscape for these positions after the service routes are phased out. While the affected staff may potentially stay employed by transitioning to a different role with LAZ Parking, the guarantee of such an outcome is uncertain.

Expenditures – The Department indicates that approximately 77 percent or \$26,250,000 of the appropriated contract authority has been expended through November 2023. Additionally, an estimated \$1,100,000 is projected to be invoiced and expensed through December 2023. The combined expenditures are approximately 80 percent or \$27,350,000 of the total contract authority. The remaining 20 percent or \$6,650,000 of the contract authority, including the proposed \$23,000,000 increase will be used toward compensating LAZ Parking to provide operation and management of transportation shuttle services at LAX until the APM becomes operational.

CITY COMPLIANCE

Airport Concession Disadvantaged Business Enterprise (ACDBE) Participation - The Department's Procurement Services Division staff reviewed this action (File No. 9579) and set a 10 percent goal for ACDBE participation. As reported by LAWA staff, LAZ Parking proposed 13.7 percent ACDBE participation and has achieved 11.45 percent participation to date.

California Environmental Quality Act (CEQA) – On December 7, 2023, the Board determined that the proposed contract with LAZ Parking for management and operations of transportation shuttle services at LAX will not directly impact the environment and is exempt from CEQA pursuant to Article II, Section 2(f) of the Los Angeles City CEQA Guidelines.

The proposed Agreement includes provisions to ensure compliance with applicable City Ordinances, contracting, and insurance requirements. The City Attorney has reviewed and approved the proposed Agreement. In accordance with Charter Section 373 and Administrative Code Section 10.5(a) and 10.5 (b)(2), the proposed Agreement requires Council approval because the total term of the Agreement exceeds three years. Our Office recommends approval.

FISCAL IMPACT STATEMENT

Approval of the proposed First Amendment to Contract DA-5504 with LAZ Parking California, LLC will provide sufficient time and contract capacity to continue management and operations of transportation shuttle services at LAX until the APM becomes fully operational. The project costs associated with the proposed First Amendment is included in the Department's Fiscal Year 2023-24 Los Angeles World Airports Operating Budget in Cost Center 2001057 – LND Ground Transport All, Commitment Item 520 – Contractual Services. Funding for subsequent years will be requested as part of LAWA's annual budget process. The proposed amendment will increase the contract by \$23 million, from \$34 million to \$57 million through January 31, 2026. The recommendations in this report comply with the Los Angeles World Airports' adopted Financial Policies. Approval of the proposed amendment will have no impact on the City's General Fund.

Attachment 1 – December 7, 2023 BOAC Report and December 27, 2023 Resolution No. 27247



December 7, 2023

The Honorable Karen Bass
Mayor, City of Los Angeles
City Hall – Room 303
Los Angeles, CA 90012

ATTN: Heleen Ramirez, Legislative Coordinator
ATTN: Thomas Arechiga, Deputy Legislative Coordinator

LAX

Van Nuys

City of Los Angeles

Karen Bass
Mayor

Board of Airport
Commissioners

Karim Webb
President

Matthew M. Johnson
Vice President

Vanessa Aramayo
Courtney La Bau
Victor Narro
Nicholas P. Roxborough
Valeria C. Velasco

Beatrice C. Hsu
Interim Chief Executive Officer

RE: Request to approve the First Amendment to Contract DA-5504 with LAZ Parking California, LLC

In accordance with Executive Directive No. 4, we are transmitting a copy of the specified board report for the request to approve the First Amendment to Contract DA-5504 with LAZ Parking California, LLC to extend the term by one year, with two four-month extension options, through January 31, 2026, and to add funding authority of \$23,000,000 for a total contract amount not to exceed \$57,000,000 for operation and management of transportation shuttle services at Los Angeles International Airport.

City Council approval is required pursuant to Section 373 of the Los Angeles City Charter.

Sincerely,

A handwritten signature in black ink, appearing to be "BCH", written over a horizontal line.

Beatrice C. Hsu
Interim Chief Executive Officer

BCH:MSA:ksf





16
Item Number

Report to the BOARD OF AIRPORT COMMISSIONERS

Approver:

Dave Reich, Deputy Executive Director
Mobility Planning & Strategy

Meeting Date

12/7/2023

Needs Council Approval: ☒ Y

Reviewer:

Brian C. Ostler, City Attorney

Beatrice Hsu, Interim Chief Executive Officer

Reviewed for/by	Date	Approval Status	By
Finance	11/28/2023	<input checked="" type="checkbox"/> Y <input type="checkbox"/> NA	JS
CEQA	11/17/2023	<input checked="" type="checkbox"/> Y	MO
Procurement	11/16/2023	<input checked="" type="checkbox"/> Y <input type="checkbox"/> Cond	BB
Guest Experience	11/15/2023	<input checked="" type="checkbox"/> Y	TB
Strategic Planning	11/15/2023	<input checked="" type="checkbox"/> Y	BNZ

SUBJECT

Request to approve the First Amendment to Contract DA-5504 with LAZ Parking California, LLC to extend the term by one year, with two four-month extension options, through January 31, 2026, and to add funding authority of \$23,000,000 for a total contract amount not to exceed \$57,000,000 for operation and management of transportation shuttle services at Los Angeles International Airport.

RECOMMENDATIONS

Management RECOMMENDS that the Board of Airport Commissioners:

1. ADOPT the Staff Report.
2. DETERMINE that this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Article II, Section 2.f of the Los Angeles City CEQA Guidelines.
3. APPROVE the First Amendment to Contract DA-5504 with LAZ Parking California, LLC to extend the term by one-year with two four-month extension options, for a new contract expiration date of January 31, 2026, and increase the contract authority by \$23,000,000, for a total not-to-exceed amount of \$57,000,000 over the term.
4. AUTHORIZE the Interim Chief Executive Officer, or designee, to execute the First Amendment after approval by the Los Angeles City Council and approval as to form by the City Attorney.

DISCUSSION

1. Purpose

The purpose of the request is to approve the First Amendment to Contract DA-5504 with LAZ Parking California, LLC (LAZ), which will maintain the current scope of work and extend the current contract term by one year, with two four-month extension options, and increase the contract authority with LAZ for the operation and management of transportation shuttle services at Los Angeles International Airport (LAX). The transportation services include courtesy inter-terminal service, on-demand shuttle service for disabled persons, shuttles service to and from the LAX Economy Parking, and shuttle service for both airport guests and users of Metro's C-Line (Green Line) until the Automated People Mover (APM) is operational.

2. Prior Related Actions/History of Board Actions

- **May 14, 2021 – Board Resolution No. 27247**

The Board awarded a three-year Agreement to LAZ Parking, LLC (DA-5504) for the operation and management of transportation shuttle services, inter-terminal airline connections, Americans with Disabilities Act (ADA) on-call shuttle for terminal connections, Metro Green Line LAX/Aviation shuttle to the Central Terminal Area (CTA), and LAX Economy Parking to the CTA at LAX. The contract commenced on June 1, 2021, and terminates on May 31, 2024.

3. Current Action/Rationale

LAZ currently operates and manages transportation shuttle services to support the following routes at LAX:

- Inter-terminal airline connections
- ADA on-call shuttle for terminal connections
- LAX Economy Parking to CTA
- Metro C-Line (Green) LAX/Aviation Station to CTA

The current contract with LAZ will expire on May 31, 2024. Staff requests approval to extend the contract term until the Automated People Mover is operational. Once the APM is operational and Metro has completed its LAX Metro Transit Center Station—these two service components being the largest of the contract—the LAX Economy Parking shuttle and the Metro Connector shuttle will no longer be necessary as all users of LAX Economy Parking and the Green Line will be able to take the APM. In advance of the opening, there will be an assessment as to the need for the ADA on-call service and terminal connections shuttles. If future shuttle services are determined to be needed, staff will proceed to prepare and issue a new Request for Proposals for the defined scope of services.

The one-year term and two four-month options allow flexibility to continue services as needed if any delays arise during APM commissioning or if some components of the four services are needed during the transition to post-APM operations. All costs in the contract are paid on a reimbursable basis, and the contract includes a termination for convenience clause allowing LAWA to stop service upon opening of the APM at an earlier date.

More than 3,886,800 passengers have been transported from contract commencement through September 2023. These services need to be maintained to continue essential transportation services at LAX until the APM is available to (a) connect the LAX Economy Parking, (b) connect Metro's Airport Metro Connector station, and (c) connect passengers to and among the terminals in the CTA. The Metro Connector is also used to transport non-concession holding (off-airport) rental car company customers to the off-airport rental car depot on Century Boulevard.

Transportation Shuttle Ridership

	2021*		2022		Thru Sept 2023	
	Total	Monthly Avg	Total	Monthly Avg	Total	Monthly Avg
Metro Connector	377,930	53,990	998,582	83,215	816,773	90,753
Airline Connector	76,493	10,928	127,642	10,637	256,487	28,499
ADA Shuttle	21,982	3,140	67,128	5,594	58,734	6,526
LAX Economy	115,927	48,303	638,064	53,172	624,252^	69,361^

* Contract began - 6/1/21, LAX Economy - 10/19/21

^Auto passenger count tech failures; estimation based on Economy Lot activity levels.

Contract Expenditures

	Year 1	Year 2	Year 3*	Year 4*
Service Hours	119,084	152,549	160,290	166,557
Expenditures	\$ 8,593,902	\$ 11,182,273	\$ 12,052,250	\$ 13,722,926

*Actual/Estimated

The proposed First Amendment includes annual adjustments for LAZ staff and operations to (a) ensure competitive wages to retain drivers as well as cleaning and fueling staff, and (b) maintain consistent levels of service. The driver labor rate is increased five-and-one-half percent to include the City's Living Wage adjustments and a small premium to remain competitive in an industry short of drivers in the Los Angeles area. At the start of the contract, the Economy Lot wage rate was lower, projecting that new hires would potentially require lower hourly rates than tenured drivers. Drivers of each route now receive the same compensation rate; the LAX Economy Parking wage rate is increased 22 percent to be consistent with labor rates paid for the other routes. Additionally, the cleaning and fueling wage rate received no adjustment in years two and three of the contract. The proposed amendment includes a seven percent adjustment in the cleaning and fueling hourly rate.

The amendment expenditures are programmed as follows:

	Airline Connector	ADA Shuttle	Metro Connector	LAX Economy Parking	Total
One-Year Extension	\$ 1,636,263	\$ 1,636,263	\$ 4,860,789	\$ 5,589,611	\$ 13,722,925
1st 4-month option	\$ 545,421	\$ 545,421	\$ 1,620,263	\$ 1,863,204	\$ 4,574,309
2nd 4-month option	\$ 545,421	\$ 545,421	\$ 1,620,263	\$ 1,863,204	\$ 4,574,309
				Total	\$ 22,871,544
				Rounded	\$ 23,000,000

4. Fiscal Impact

Approval of the First Amendment will increase the contract authority by \$23,000,000, for a total amount not to exceed \$57,000,000 over the term of the contract.

5. Alternatives Considered

- **Take No Action**

Taking no action will result in no service beginning on June 1, 2024, for LAX shuttle service for Airline Connector, Metro Connector, LAX Economy Parking, and ADA Shuttle lines. The current LAX Transportation Shuttle Services Agreement expires May 31, 2024.

- **Request for Proposals**

Staff considered initiating a new Request for Proposals for Transportation Shuttle Services at LAX. However, staff do not recommend this alternative as the APM is expected to be operational in late 2024; awarding a new contract would be a short-term, inefficient, and costly alternative to the proposed amendment.

6. How This Action Advances a Specific Strategic Plan Goal and Objective

This action advances this strategic goal and objective: Provide Exceptional Guest Experiences: Improve landside and terminal mobility. This amendment will continue to provide courtesy shuttle service to the public until the APM becomes operational.

APPROPRIATIONS

Funds for this contract are available in the Fiscal Year 2023-24 Los Angeles World Airports Operating Budget in Cost Center 2001057 – LND Ground Transport All, Commitment Item 520 – Contractual Services. Funding for subsequent years will be requested as part of the annual budget process.

STANDARD PROVISIONS

1. This item, as a continuing administrative, maintenance and personnel-related activity, is exempt from California Environmental Quality Act (CEQA) requirements pursuant to Article II, Section 2.f of the Los Angeles City CEQA Guidelines.
2. The underlying contract was approved as to form by the City Attorney.
3. Actions taken on this item by the Board of Airport Commissioners will become final pursuant to the provisions of Los Angeles City Charter Section 373.
4. LAZ Parking California, LLC is required by contract to comply with the provisions of the Living Wage Ordinance
5. Procurement Services reviewed this action (File No. 9579) and established a mandatory goal of 10% Airport Concessions Disadvantaged Business Enterprise Program (ACDBE) participation. LAZ Parking California, LLC proposes 13.7% ACDBE participation and has achieved 11.45% ACDBE participation to date.

6. LAZ Parking California, LLC is required by contract to comply with the provisions of the Affirmative Action Program.
7. LAZ Parking California, LLC has been assigned Business Tax Registration Certificate No. 0002517570-0019-1.
8. LAZ Parking California, LLC is required by contract to comply with the provisions of the Child Support Obligations Ordinance.
9. LAZ Parking California, LLC has approved insurance documents, in the terms and amounts required, on file with Los Angeles World Airports.
10. Pursuant to Charter Section 1022, staff determined the work specified on this contract can be performed more feasibly and economically by Independent Contractors than by City employees.
11. LAZ Parking California, LLC has submitted the Contractor Responsibility Program Pledge of Compliance and will comply with the provisions of the Contractor Responsibility Program.
12. LAZ Parking California, LLC has been determined by Public Works, Office of Contract Compliance to be in compliance with the provisions of the Equal Benefits Ordinance.
13. LAZ Parking California, LLC will be required to comply with the provisions of the First Source Hiring Program for all non-trade LAX Airport jobs.
14. LAZ Parking California, LLC has submitted the Bidder Contributions CEC Form 55 and will comply with its provisions.
15. LAZ Parking California, LLC has submitted the MLO Bidder Contributions CEC Form 50 and will comply with its provisions.
16. LAZ Parking California, LLC will be required to comply with the provisions of the Iran Contracting Act.

Attachment
LAX Transportation Shuttle Services Routes

December 27, 2023

The Honorable City Council
of the City of Los Angeles
(via email)

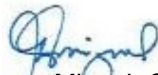
Subject: First Amendment to Contract DA-5504 with LAZ Parking California LLC

Pursuant to Section 373 of the City Charter, enclosed for your approval is the First Amendment to Contract DA-5504 with LAZ Parking California LLC that was approved by the Board of Airport Commissioners at its December 7, 2023 meeting. There is no impact to the General Fund.

RECOMMENDATIONS FOR CITY COUNCIL:

1. Adopt the determination by said Board that this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Article II, Section 2.f of the Los Angeles City CEQA Guidelines; and
2. Approve the First Amendment to Contract DA-5504 with LAZ Parking California LLC to extend the term by one (1) year, with two (2) four-month extension options, and add funding of \$23,000,000, for new total not to exceed \$57,000,000, covering operation and management of transportation shuttle services at Los Angeles International Airport; and
3. Concur with said Board's action on December 7, 2023, by Resolution 27861, authorizing the Interim Chief Executive Officer, or designee, of Los Angeles World Airports to execute said First Amendment to Contract DA-5504 with LAZ Parking California LLC.

Very truly yours,



Grace Miguel, Commission Executive Assistant II
BOARD OF AIRPORT COMMISSIONERS

Enclosures

cc: Trade, Travel and Tourism Committee
Councilmember Park, e-file
Councilmember McOsker, e-file
Councilmember Soto-Martinez, e-file
CAO (Airport Analyst), e-file
CLA (Airport Analyst), e-file
City Clerk's Office, e-file



RESOLUTION NO. 27861

WHEREAS, on recommendation of Management, there was presented for approval, First Amendment to Contract DA-5504 with LAZ Parking California LLC to extend the term by one (1) year, with two (2) four-month extension options, and add funding of \$23,000,000, for new total not to exceed \$57,000,000, covering operation and management of transportation shuttle services at Los Angeles International Airport; and

WHEREAS, under its contract with Los Angeles World Airports (LAWA), LAZ Parking California LLC (LAZ) currently operates and manages transportation shuttle services to support the following routes at Los Angeles International Airport (LAX):

- Inter-terminal airline connections
- Americans with Disabilities Act (ADA) on-call shuttle for terminal connections
- LAX Economy Parking to Central Terminal Area (CTA)
- Metro C-Line (Green) LAX/Aviation Station to CTA; and

WHEREAS, once the Automated People Mover (APM) is operational and Metro has completed its LAX Metro Transit Center Station, the two largest service components under the contract—the LAX Economy Parking shuttle and the Metro Connector shuttle—will no longer be necessary as all users of the LAX Economy Parking and the Green Line will be able to take the APM. In advance of the opening, there will be an assessment as to the need for the ADA on-call service and terminal connections shuttles. If future shuttle services are determined to be needed, staff will proceed to prepare and issue a new Request for Proposals for the defined scope of services; and

WHEREAS, said contract with LAZ will expire on May 31, 2024. The First Amendment for extension of the term by one (1) year term and two (2) four-month extension options will allow flexibility to continue services as needed if any delays arise during APM commissioning or if some components of the four services are needed during transition to post-APM operations. All costs in the contract are paid on a reimbursable basis, and the contract includes a termination for convenience clause allowing LAWA to stop service upon opening of the APM at an earlier date; and

WHEREAS, more than 3,886,800 passengers have been transported from contract commencement through September 2023 (see table below). Those services need to be maintained to continue essential transportation services at LAX until the APM is available to (a) connect the LAX Economy Parking, (b) connect Metro's Airport Metro Connector station, and (c) connect passengers to and among the terminals in the CTA. The Metro Connector is also used to transport non-concession holding (off-airport) rental car company customers to the off-airport rental car depot on Century Boulevard; and

Transportation Shuttle Ridership						
Route	2021*		2022		Thru Sept 2023	
	Total	Monthly Avg	Total	Monthly Avg	Total	Monthly Avg
Metro Connector	377,930	53,990	998,582	83,215	816,773	90,753
Airline Connector	76,493	10,928	127,642	10,637	256,487	28,499
ADA Shuttle	21,982	3,140	67,128	5,594	58,734	6,526
LAX Economy	115,927	48,303	638,064	53,172	624,252^	69,361^

* Contract began - 6/1/21, LAX Economy - 10/19/21

^ Auto passenger count tech failures; estimation based on Economy Lot activity levels



WHEREAS, following are the contract expenditures:

	Year 1	Year 2	Year 3*	Year 4*
Service Hours	119,084	152,549	160,290	166,557
Expenditures	\$ 8,593,902	\$11,182,273	\$12,052,250	\$13,722,926; and

* actual/estimated

WHEREAS, the First Amendment includes annual adjustments for LAZ staff and operations to (a) ensure competitive wages to retain drivers as well as cleaning and fueling staff, and (b) maintain consistent levels of service. The driver labor rate is increased 5½% to include the City's Living Wage adjustments and a small premium to remain competitive in an industry short of drivers in the Los Angeles area. At the start of the contract, the Economy Lot wage rate was lower, projecting that new hires would potentially require lower hourly rates than tenured drivers. Drivers of each route now receive the same compensation rate; the LAX Economy Parking wage rate is increased 22% to be consistent with labor rates paid for the other routes. Additionally, the cleaning and fueling wage rate received no adjustment in years two and three of the contract. The First Amendment includes a 7% adjustment in the cleaning and fueling hourly rate; and

WHEREAS, the amendment expenditures are programmed as follows:

	Airline Connector	ADA Shuttle	Metro Connector	LAX Economy Parking	Total
1-Year Extension	\$1,636,263	\$1,636,263	\$4,860,789	\$5,589,611	\$13,722,925
1st 4-month option	\$ 545,421	\$ 545,421	\$1,620,263	\$1,863,204	\$ 4,574,309
2nd 4-month option	\$ 545,421	\$ 545,421	\$1,620,263	\$1,863,204	\$ 4,574,309
Total					\$22,871,544
Rounded					\$23,000,000; and

WHEREAS, funds for the contract are available in the Fiscal Year 2023-2024 LAWA Operating Budget in Cost Center 2001057 – LND Ground Transport All, Commitment Item 520 – Contractual Services. Funding for subsequent years will be requested as part of the annual budget process; and

WHEREAS, this item, as a continuing administrative, maintenance and personnel-related activity, is exempt from California Environmental Quality Act (CEQA) requirements pursuant to Article II, Section 2.f of the Los Angeles City CEQA Guidelines; and

WHEREAS, LAZ is required by contract to comply with the provisions of the Living Wage Ordinance, Affirmative Action Program, and Child Support Obligations Ordinance; and

WHEREAS, Procurement Services reviewed this action (File 9579) and established a mandatory goal of 10% Airport Concessions Disadvantaged Business Enterprise (ACDBE) Program participation. LAZ proposes 13.7% ACDBE participation, and has achieved 11.45% ACDBE participation to date; and

WHEREAS, LAZ is assigned Business Tax Registration Certificate 0002517570-0019-1; and

WHEREAS, LAZ has approved insurance documents, in the terms and amounts required, on file with LAWA; and

WHEREAS, pursuant to Charter Section 1022, staff determined that the work specified on the contract can be performed more feasibly and economically by Independent Contractors than by City employees; and

WHEREAS, LAZ has submitted the Contractor Responsibility Program Pledge of Compliance, and will comply with the provisions of said program; and

WHEREAS, LAZ has been determined by Public Works, Office of Contract Compliance to be in compliance with the provisions of the Equal Benefits Ordinance; and

WHEREAS, LAZ will be required to comply with the provisions of the First Source Hiring Program for all non-trade LAX jobs; and

WHEREAS, LAZ has submitted the Bidder Contributions CEC Form 55 and the MLO Bidder Contributions CEC Form 50, and will comply with their provisions; and

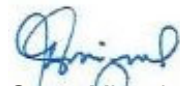
WHEREAS, LAZ will be required to comply with the provisions of the Iran Contracting Act; and

WHEREAS, actions taken on this item by the Board of Airport Commissioners will become final pursuant to the provisions of Los Angeles City Charter Section 373;

NOW, THEREFORE, BE IT RESOLVED that the Board of Airport Commissioners adopted the Staff Report; determined that this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Article II, Section 2.f of the Los Angeles City CEQA Guidelines; approved the First Amendment to Contract DA-5504 with LAZ Parking California LLC to extend the term by one (1) year, with two (2) four-month extension options, and add funding of \$23,000,000, for new total not to exceed \$57,000,000, covering operation and management of transportation shuttle services at Los Angeles International Airport; and authorized the Interim Chief Executive Officer, or designee, to execute said First Amendment to Contract DA-5504 with LAZ Parking California LLC after approval by the Los Angeles City Council and approval as to form by the City Attorney.

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I hereby certify that this Resolution No. 27861 is true and correct, as adopted by the Board of Airport Commissioners at its Regular Meeting held on Thursday, December 7, 2023.



Grace Miguel – Secretary
BOARD OF AIRPORT COMMISSIONERS

Attachment:
– LAX Transportation Shuttle Services Routes