

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):

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

- 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.

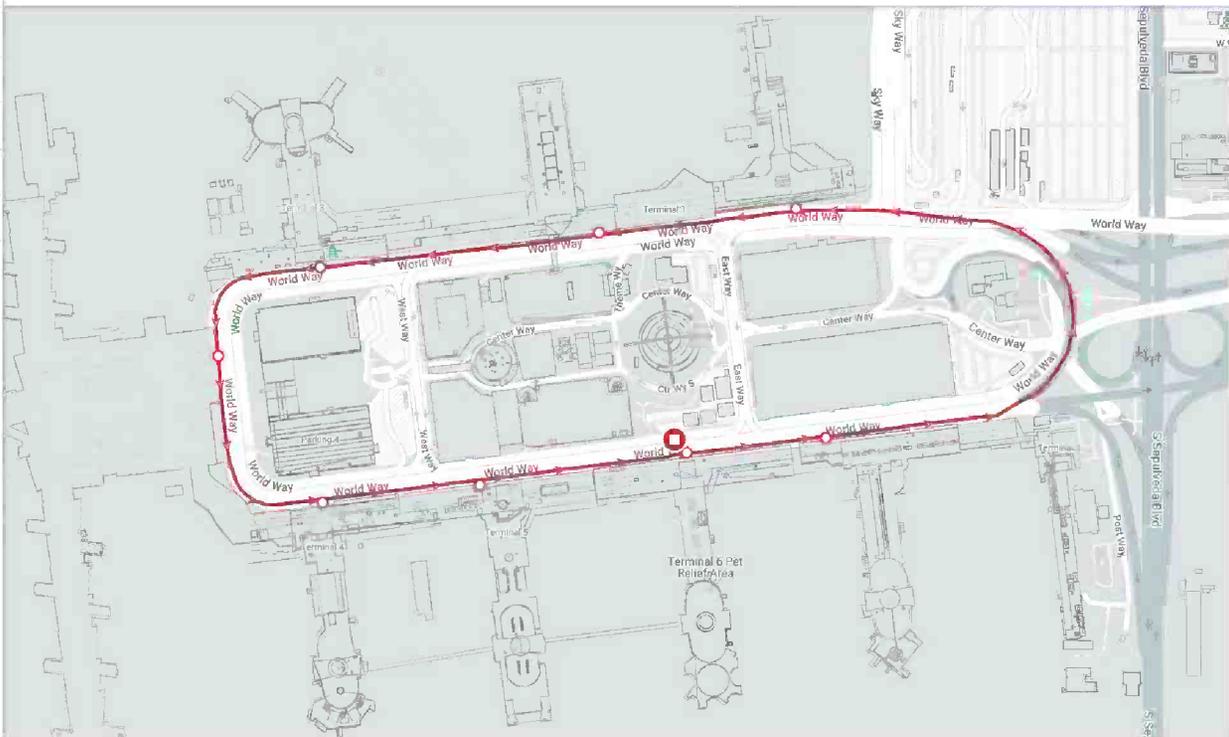


Grace Miguel – Secretary
BOARD OF AIRPORT COMMISSIONERS

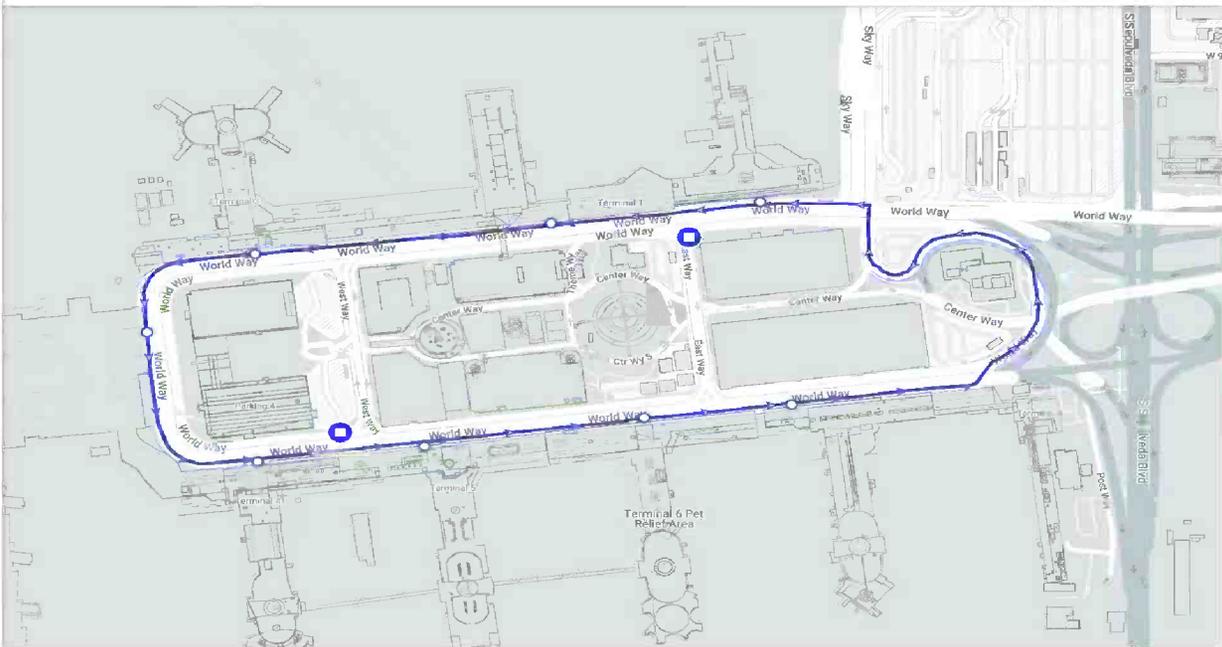
Attachment:
– LAX Transportation Shuttle Services Routes

Transportation Shuttle Services Routes

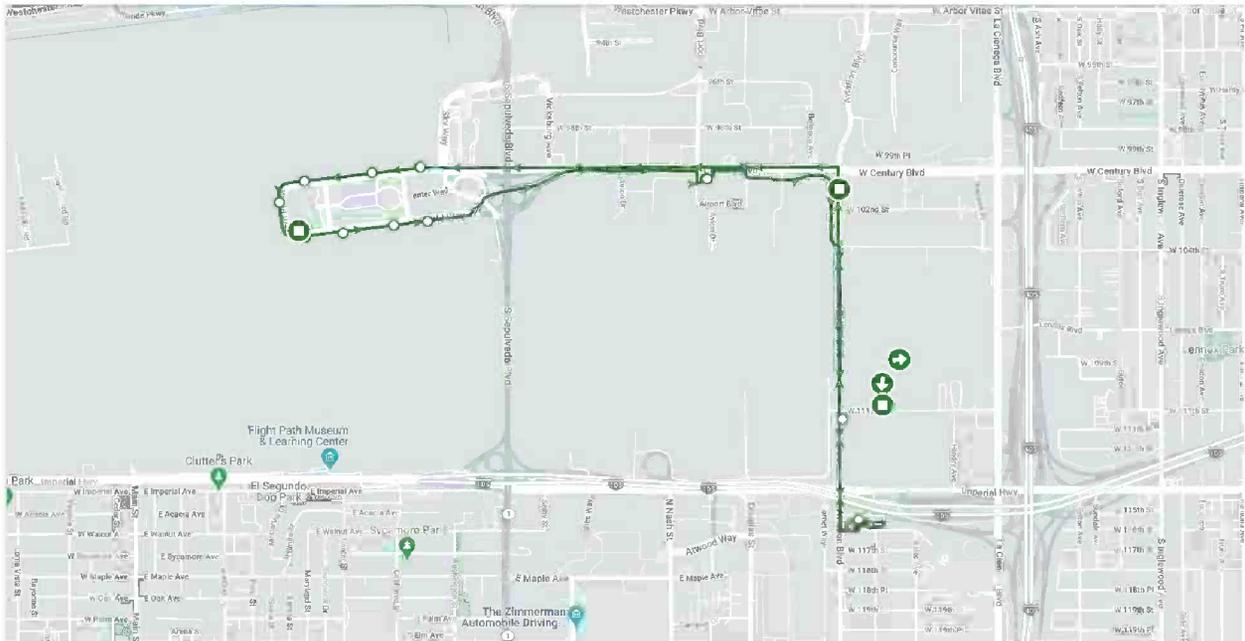
Airline Connector (Inter-Terminal)



ADA Shuttle



Metro Connector (C-Line)



LAX Economy Garage

