



# Report to the BOARD OF AIRPORT COMMISSIONERS

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|--|--|---------------------------|---|-----------------|
| <i>ME</i><br>Approver: _____<br>Martin Elam, Deputy Executive Director<br>Public Safety & Security | <b>Meeting Date</b><br>12/1/2022                                     |                           |   |                 |
|  | <b>Needs Council Approval:</b> <input checked="" type="checkbox"/> Y |                           |   |                 |
| <i>Brian C. Ostler</i><br>Reviewer: _____<br>Brian C. Ostler, City Attorney <i>DTD</i>             | <b>Reviewed for/by</b><br>Finance                                    | <b>Date</b><br>11/10/2022 | <b>Approval Status</b><br><input checked="" type="checkbox"/> Y <input type="checkbox"/> NA | <b>By</b><br>JS |
|  | CEQA   | 11/7/2022                 | <input checked="" type="checkbox"/> Y   | JO              |
| <br>Justin Erbacci (Nov 21, 2022 16:56 PST)<br>_____<br>Justin Erbacci, Chief Executive Officer    | Procurement  | 11/10/2022                | <input type="checkbox"/> Y <input checked="" type="checkbox"/> Cond                         | QM              |
|  | Guest Experience   | 11/18/2022                | <input checked="" type="checkbox"/> Y   | TB              |
|  | Strategic Planning   | 11/4/2022                 | <input checked="" type="checkbox"/> Y   | BNZ             |

## SUBJECT

Request for approval of a Second Amendment to Contract No. DA-5249 with Telos Identity Management Solutions, LLC, to extend the contract term by one year through January 2, 2024, with a one-year renewal option through January 3, 2025, and no additional funding authority, to continue providing certified Designated Aviation Channeling services to Los Angeles World Airports.

## RECOMMENDATIONS

Management RECOMMENDS that the Board of Airport Commissioners:

- ADOPT the Staff Report.
- 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.
- APPROVE the Second Amendment to Contract No. DA-5249 with Telos Identity Management Solutions, LLC, extending the contract for one year ending on January 2, 2024, with a one-year renewal option through January 3, 2025, with no additional funding authority.
- AUTHORIZE the Chief Executive Officer, or designee, to execute the Second Amendment after approval as to form by the City Attorney and approval by the Los Angeles City Council.

## DISCUSSION

### 1. Purpose

The purpose of the requested action is to extend the current contract with Telos Management Solutions, LLC (Telos) through January 2, 2024, for processing, transmission, storage, and management of FBI fingerprint-based initial criminal history records, subsequent FBI Record of Arrest and Prosecution Background (RAP Back) notification records, and security threat assessment records, in compliance with the Transportation Security Administration (TSA) mandates to utilize Designated Aviation Channeling (DAC) services.

### 2. Prior Related Actions/History of Board Actions

- **October 21, 2004 – Resolution No. 22509 (DA -3988)**  
The Board of Airport Commissioners (Board) approved authorization for the Executive Director to execute a 10-year City of Los Angeles contract with Transportation Security Clearinghouse (TSC) for background clearance services and replenishment of the revolving working capital account to be maintained at not less than \$200,000 through periodic reimbursements based on statements of actual expenses incurred.
- **December 10, 2014 – Resolution No. 25520 (DA-4940)**  
The Board approved authorization for the Executive Director to execute a two-year City of Los Angeles contract with TSC for background clearance services and replenishment of the revolving working capital account to be maintained at no less than \$200,000 through periodic reimbursements based on statements of actual expenses incurred.
- **November 2, 2017 – Resolution No. 26365 (DA-5249)**  
The Board approved authorization for the Chief Executive Officer to execute a three-year City of Los Angeles contract with Telos Identity Management Solutions, LLC for Designated Aviation Channeling Services for the Airport Police Division, Security Credentials Section, for an amount not to exceed \$3,137,655 at Los Angeles International Airport.
- **November 19, 2020 – Resolution No. 27135 (DA-5249)**  
The Board approved a contract extension through January 2, 2022, with a one-year renewal option, to maintain compliance with TSA regulations and security directives while Los Angeles International Airport undergoes transition from the current Credentialing System to the new Information Management and Credentialing System, as well as a Request for Proposals process to evaluate and process Designated Aviation Channeling Services providers.

### 3. Current Action/Rationale

The Transportation Security Administration's regulations and security directives require LAWA to process fingerprint-based Criminal History Record Checks and Security Threat Assessments, and to subscribe to the TSA's FBI RAP Back services through a TSA-certified DAC service provider. RAP Back is a service that employers can use to continuously monitor their employees' criminal and arrest records by receiving alerts from the FBI if there are any additions to an employee's FBI records. The current contracted DAC services

provider, Telos, is operating on an extension to a three-year contract that will expire on January 3, 2023.

An additional contract extension with Telos is necessary to maintain continuity of fingerprinting and badging operations as Los Angeles World Airports (LAWA) transitions to the new LAWA Information Management and Credentialing System (IMCS). Los Angeles World Airports' Information Technology Group has estimated that testing, training, and implementing the replacement system will take an additional six months. It is, therefore, prudent to extend the current Telos contract to guarantee continuous DAC services through the transition to the new IMCS allowing the Security Credentials Section to remain compliant with the TSA regulations pursuant to the Code of Federal Regulations (CFR) Title 49, Part 1542, as staff conduct background checks on all airport workers that require access to secure or restricted areas. This is essential to allow the Security Badge Office staff to issue security credentials to new and current badge applicants who require fingerprinting and badging (LAWA has on average 57,000 such credential holders).

Staff requests that the Board authorize the Chief Executive Officer, or designee, to execute the Second Amendment to Contract No. DA-5249 with Telos, to extend the current contract beyond the current expiration date of January 2, 2023, by one year, with a new expiration date of January 2, 2024. This extension will operate under the same terms and conditions as the current contract, with an additional one-year renewal option, utilizing the current funding authority.

Expenditures on the contract to-date are \$1,641,104, with a remaining contract authority of \$1,496,550. While there has been an increase in rates for fingerprint-related services by Telos, the increase should not exceed the contract authority during the contract term extension.

#### ***How This Action Advances a Specific Strategic Plan Goal and Objective***

This action advances LAWA's strategic goal and objective: *Innovate to Enhance Security, Efficiency & Effectiveness: Innovate to keep airports safe and secure.* The proposed contract extension will allow for continuity of fingerprint and badging services for all aviation workers, through the mandated FBI-based fingerprinting and utilizing the services of a TSA-certified DAC to transmit and manage the Criminal History Record Checks, Security Threat Assessments, and TSA's FBI RAP Back program for all aviation workers requiring such services as LAWA transitions to the new LAWA IMCS and subsequent enrollment in the US Customs and Border Protection E-Badge Program. The goal and objective are to optimize an effective and efficient badging operation for LAWA stakeholders and provide the highest level of security for LAWA, airport employees, and the general public.

#### **4. Selection Process**

The current contract with Telos was awarded through a competitive process.

#### **5. Fiscal Impact**

Approval of this item will result in no additional impact on the operating budget as it merely extends the term of the contract without further increases to the contract authority amount.

## **6. Alternatives Considered**

No alternatives were considered as it is imperative that LAWA have a contract with a Designated Aviation Channeling service provider to comply with TSA security regulations. These services must be maintained without interruption.

## **APPROPRIATIONS**

Funds for this contract are currently available in the Fiscal Year 2022-2023 Los Angeles World Airports Operating Budget in LAX Cost Center 1160022 – Security Credentials Section, 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 proposed document(s) is/are subject to approval 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. Telos Identity Management Solutions, LLC will comply with the provisions of the Living Wage/Worker Retention Ordinances.
5. Procurement Services has reviewed this action (File No. 10042636). No Small Business Enterprise, Local Business Enterprise/Local Small Business Enterprise, and Disabled Veterans Business Enterprise goals were set for this project, as no subcontracting opportunities were identified.
6. Telos Identity Management Solutions, LLC will comply with the provisions of the Affirmative Action Program.
7. Telos Identity Management Solutions, LLC has been assigned Business Tax Registration Certificate Number 0003017783-0001-0.
8. Telos Identity Management Solutions, LLC will comply with the provisions of the Child Support Obligations Ordinance.
9. Telos Identity Management Solutions, 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 the proposed contract can be performed more feasibly or economically by an Independent Contractor than by City employees.
11. Telos Identity Management Solutions, LLC has submitted the Contractor Responsibility Program Questionnaire and Pledge of Compliance and will comply with the provisions of the Contractor Responsibility Program.

12. Telos Identity Management Solutions, LLC must be determined by Public Works, Office of Contract Compliance, to be in full compliance with the provisions of the Equal Benefits Ordinance prior to execution of the contract amendment.
13. Telos Identity Management Solutions, LLC will comply with the provisions of the First Source Hiring Program for all non-trade Airport jobs.
14. Telos Identity Management Solutions, LLC has submitted the Bidder Contributions CEC Form 55 and will comply with its provisions.
15. Telos Identity Management Solutions, LLC has submitted the Municipal Lobbying Ordinance CEC Form 50 and will comply with its provisions.
16. Telos Identity Management Solutions, LLC has submitted and will comply with the provisions of the Iran Contracting Act of 2010 Compliance Affidavit.

SECOND AMENDMENT TO THE CONTRACT BETWEEN  
THE CITY OF LOS ANGELES AND  
TELOS IDENTITY MANAGEMENT SOLUTIONS, LLC

This Second Amendment is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2022, at Los Angeles, California by and between the City of Los Angeles, a municipal corporation (hereinafter referred to as “City”), acting by and through the Board of Airport Commissioners (hereinafter referred to as “Board”) of the Department of Airports (hereinafter referred to as “Department” or “LAWA”) and Telos Identity Management Solutions LLC (hereinafter referred to as “Contractor”).

**RECITALS**

WHEREAS, City and Contractor entered into a contract (hereinafter referred to as “Contract”) dated November 29, 2017 for live, real time customer service, detailed account management, and technical and operational support for background checks on all airport workers at LAWA for the Department and as amended; and,

WHEREAS, the parties hereto desire to amend this Contract.

NOW, THEREFORE, in consideration of the covenants and conditions hereinafter contained to be kept and performed by the respective parties hereto, IT IS MUTUALLY AGREED that the Contract BE AMENDED AS FOLLOWS:

Section 1.0 Subsection 1.1 of Section 1.0, Term of Contract, is deleted in its entirety and replaced with the following:

“The term of the Contract shall be for a period commencing on January 3, 2018 and shall terminate on January 2, 2024, unless otherwise terminated as set forth in this Contract.”

Section 2.0 Subsection 2. 1 of Section 2.0 Incorporation by Reference, is hereby amended to include the attached revised pricing via quote number 112120223 issued to the City November 21, 2022 for period effective January 3, 2023 through January 2, 2024. Any conflict between this Contract and the attached pricing quote number 112120223 shall be resolved in favor of this Contract.”

Section 3.0 Section 16.0, Miscellaneous Provisions, is amended by adding the following as Subsection 16.10:

“This Amendment and any other document necessary for the consummation of the transaction contemplated by this Contract and amendments thereto may be executed in

counterparts, including counterparts that are manually executed and counterparts that are in the form of electronic records and are electronically executed. An electronic signature means a signature that is executed by symbol attached to or logically associate with a record and adopted by a party with the intent to sign such record, including facsimile or e-mail signatures. All executed counterparts shall constitute one agreement, and each counterpart shall be deemed an original. The parties hereby acknowledge and agree that electronic records and electronic signatures, as well as facsimile signatures, may be used in connection with the execution of this Amendment to the Contract and electronic signatures, facsimile signatures or signatures transmitted by electronic mail in so-called PDF format shall be legal and binding and shall have the same full force and effect as if a paper original of this Amendment to the Contract had been delivered that had been signed using a handwritten signature. All parties to this Amendment to the Contract (i) agree that an electronic signature, whether digital or encrypted, of a party to this Amendment to the Contract is intended to authenticate this writing and to have the same force and effect as a manual signature; (ii) intended to be bound by the signatures (whether original, faxed, or electronic) on any document sent or delivered by facsimile or electronic mail or other electronic means; (iii) are aware that the other party(ies) will rely on such signatures; and, (iv) hereby waive any defenses to the enforcement of the terms of this Amendment to the Contract based on the foregoing forms of signature. If this Amendment to the Contract has been executed by electronic signature, all parties executing this document are expressly consenting, under the United States Federal Electronic Signatures in Global and National Commerce Act of 2000 (“E-SIGN”) and the California Uniform Electronic Transactions Act (“UETA”) (California Civil Code § 1633.1 et seq.), that a signature by fax, e-mail, or other electronic means shall constitute an Electronic Signature to an Electronic Record under both E-SIGN and UETA with respect to this specific transaction.

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Section 4.0 It is understood and agreed by and between the parties hereto that, except as specifically provided herein, this Second Amendment shall not in any manner alter, change, modify, or affect any of the rights, privileges, duties or obligations of either of the parties hereto under or by reason of the Contract and except as expressly amended herein, all terms, covenants, and conditions of the Contract and all amendments thereto, shall remain in full force and effect.

IN WITNESS WHEREOF, the Department has caused this Second Amendment to be executed on its behalf by the Chief Executive Office and Contractor has caused the same to be executed by its duly authorized officers, all as of the day and year first hereinabove written.

APPROVED AS TO FORM:  
MICHEL N. FEUER,  
City Attorney

CITY OF LOS ANGELES

Date: \_\_\_\_\_

By: \_\_\_\_\_

Chief Executive Officer  
Department of Airports

By: \_\_\_\_\_  
Deputy/Assistant City Attorney

By: \_\_\_\_\_

Chief Financial Officer

ATTEST:

TELOS IDENTITY MANAGEMENT SOLUTIONS, LLC

By:   
Signature (Secretary)

By:   
Signature

Helen M. Oh  
Print Name

SHARON A KING  
Print Name

[SEAL]

SR CONTRACTS ADMINISTRATOR  
Print Title



Telos Identity Management Solutions, LLC  
 19886 Ashburn Road  
 Ashburn, VA 20147-2358  
 Phone: 1.800.876.1961  
 Fax: 703.724.3867

Quote Number 112120223

Contract Open Market

Salesperson Dawn E. Lucini

Phone 571/271-7520

Business Area \_\_\_\_\_

**Sales Quotation**

**Customer**

Name Frances E. Bellot, Chief Management Analyst Phone 424/646-5502  
 Address 1 Office of Homeland Security & Intelligence, Cred. Section  
 Address 2 Los Angeles World Airports - Airport Police Division  
 City/State/Zip 1 World Way, Los Angeles, CA 90045-5803  
 E-mail FBellot@lawa.org

**Dates**

Quote Issued 11/21/2022

| Description   | Quantity | Unit | Price   | Extended |
|---|----------|------|---------|----------|
| RAP BACK Subscription, per enrollment and/or enrolled person, per year  | 1        | ea   | \$3.00  | \$3.00   |
| Fingerprint Submission Price per Applicant (CHRC)   | 1        | ea   | \$15.00 | \$15.00  |
| Electronic Record Maintenance, One-Time Fee   | 1        | ea   | \$7.00  | \$7.00   |
| <p>Note: (1) Data reconciliation, grandfathering of existing badge records into the DAC, account management, help desk, and web training are included in fingerprint submission pricing. (2) Any increase in the FBI Rap Back Fee will result in Telos ID increase (equivalent to FBI Rap Back Fee increase) in pricing for LAWA Pricing inclusive of initial training webinar, inclusive of training guides; upon request, recurrent training webinar. (3) Effective January 1, 2019, the FBI CHRC fee, per submission, is \$11.25. Any increase in the FBI CHRC fee will result in Telos ID increase (equivalent to FBI CHRC fee increase) in pricing for LAWA. (4) In lieu of STA fee, LAWA will be charged a one-time electronic record maintenance fee. (5) Telos ID will not charge LAWA for current integration with LAWA IDMS - Birdi FISC and/or pending/new LAWA IDMS - Alert Enterprise Guardian. (6) Telos ID not responsible for any costs borne by LAWA and/or Birdi and/or Alert Enterprise and/or other organizations supporting third party system providers (Birdi/Alert Enterprise), to support/enable integration with the Telos ID DAC</p> |          |      |         |          |

**Terms & Conditions**

- [1] This Quote/Agreement between Telos Identity Management Solutions, LLD ("Telos ID") and Buyer, effective on the date signed below, is binding on both parties subject to the terms and conditions herein.
- [2] This quote is valid for 30 days from the date the Quote was issued.
- [3] Pricing shown is good for one year from date of execution and subject to change after one year.
- [4] Material within this document is Telos ID confidential and proprietary information and shall not be shared without Telos ID written permission.
- [5] Payment terms are 30 days upon receipt of invoice.
- [6] Cage Code 4R8K3, DUNNS 797901993, Tax ID # 208829067.
- [7] Period of Performance is 1 year from Telos ID DAC start date with automatic renewal for successive 1-year term; 30 day termination notice.
- [8] Except as otherwise stated Buyer acknowledges that Telos ID and its licensors retain all Intellectual Property Rights and title in and to all of their Confidential Information or other proprietary information, products, services, and any derivative works.
- [9] The total liability, if any, of either party, including but not limited to, liability arising out of contract, tort, claims by third parties or otherwise, shall not in any event exceed the amount of fees paid by the Buyer under Buyer's order. In no event shall either of the parties hereto be liable to the other for payment of any consequential, incidental, indirect, or special damages, including lost profits, even if one party has advised the other party of the possibility of such damages.

**Customer Acceptance**

Name \_\_\_\_\_ Date \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Signature: \_\_\_\_\_  
 Billing address \_\_\_\_\_  
 City/State \_\_\_\_\_  
 Email Address \_\_\_\_\_