

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: February 18, 2021

CAO File No. 0150-07139-0005

Council File No. 19-0224

Council District: 6, 11

To: The Mayor

From: Richard H. Llewellyn, Jr.,  City Administrative Officer

Reference: Communication from the Department of Airports dated January 7, 2021; referred by the Mayor for a report on January 7, 2021

Subject: **PROPOSED FIRST AMENDMENT TO CONTRACT DA-5343 WITH HERC RENTALS, INC.**

RECOMMENDATIONS

That the Mayor:

1. Approve a proposed First Amendment to Contract No. DA-5343 with Herc Rentals, Inc. to increase the contract authority of \$4,150,000 by \$2,500,000 for a new not to exceed total of \$6,650,000, for equipment rental services, subject to City Attorney approval as to form and compliance with the City's Standard Provisions, including: Affirmative Action Program, Business Tax Registration Certification, Child Support Obligations Ordinance, insurance documents, Contractor Responsibility Program, Equal Benefits Ordinance, Bidder Contributions City Ethics Commission Form 55, and Iran Contracting Act of 2010 Compliance Affidavit;
2. Authorize the Chief Executive Officer to execute the proposed Amendment, upon approval by the Los Angeles City Council; and
3. Return the request to the Los Angeles World Airports for further processing, including Council consideration.

SUMMARY

The Los Angeles World Airports (LAWA; Department) Board of Airport Commissioners (BOAC) requests approval of a proposed First Amendment to Contract No. DA-5343 with Herc Rentals, Inc. to increase the contract authority of \$4,150,000 by \$2,500,000 for a total not to exceed amount of \$6,650,000, for specialized equipment rentals and related products.

LAWA's Facilities Management Division uses rented equipment to maintain public areas, buildings, mechanical infrastructure, roadways and airfields at Los Angeles International Airport and Van Nuys Airport. LAWA uses rented equipment when its own equipment is inoperative, or when

specialized equipment is required to perform essential functions without the long-term cost of ownership. Examples of types of equipment include asphalt compaction rollers, motor graders, wheeled loaders, tracked dozers, dump trucks, aerial lifts, work platforms, and other miscellaneous construction equipment. LAWA reports that large paving projects, deferred maintenance, and unforeseen occurrences have necessitated an increase in equipment rentals, which requires an increase in contract authority.

LAWA indicates that due to the deferral of critical pavement repairs and the assignment of three large-scale pavement projects, continued rental of specialized equipment is necessary to complete capital pavement projects, extend the life of taxi lanes and runways, and preserve the safety of these areas. In addition, LAWA has rented dump trucks, asphalt rollers, water trucks, and specialized boom lifts (that meet floor load requirements in terminals) at a more frequent rate due to ongoing airfield repair projects for the past 20 months. LAWA wants to take advantage of the reduced passenger loads due to COVID-19 travel impacts. Specialized construction equipment would enable LAWA to complete current and planned maintenance projects through the end of the Herc Rentals contract term in March 2024.

Omnia Partners (formerly US Communities) is a purchasing cooperative that solicits contracts for governmental agencies. US Communities competitively bid and awarded Contract No. 2019000318 to Herc Rentals Inc. on November 1, 2018. The Omnia Partners contract has a five-year term with two (2-year) renewal options. LAWA entered into Contract No. DA-5343 on April 1, 2019. This contract expires on March 31, 2024, or when the Omnia Partners contract expires, whichever occurs first. The purchasing power of Omnia Partners allows Herc Rentals to provide rental equipment at a substantially lower price than an individually procured contract for a large volume of items. Rentals are set at a fixed price for the term of the contract, unless Herc Rentals can provide justification for raising prices.

LAWA Procurement Services reviewed this action (File 10044293). No mandatory Small Business Enterprise, Local Business Enterprise, Local/Small Business Enterprise, and Disabled Veterans Business Enterprise goals were set for this project, since there were no identified subcontracting opportunities. However, Herc Rentals, Inc. is a certified Local Business Enterprise (LBE) firm and receives credit for 100 percent LBE participation.

The BOAC approved the proposed First Amendment at its meeting on January 7, 2021. Actions taken on this item by the BOAC will become final pursuant to the provisions of Los Angeles City Charter Section 373.

FISCAL IMPACT STATEMENT

Approval of the proposed First Amendment to Contract No. DA-5343 with Herc Rentals, Inc. to increase the contract authority of \$4,150,000 by \$2,500,000 for a new not to exceed total of \$6,650,000, for equipment rental services will have no impact on the General Fund. The proposed First Amendment complies with LAWA's Financial Policies.