

RESOLUTION NO. 28053

WHEREAS, on recommendation of Management, there was presented for approval, award of a five (5)-year Contract to Tom Bradley International Terminal Equipment Company dba LAXTEC, with a five (5)-year renewal option, covering management and oversight of common use facilities, equipment, and services for Los Angeles World Airports, for overall cost not to exceed \$750,000,000 over the total term; and

WHEREAS, terminals and facilities at Los Angeles International Airport (LAX) are either leased to tenants to manage and maintain or are a responsibility for Los Angeles World Airports (LAWA) to maintain. If LAWA maintains, the facilities and equipment are available for use to multiple airlines and tenants and are referred to as common use facilities. Examples of common use facilities include the Tom Bradley International Terminal and Terminal 5. Examples of non-common use facilities would be the terminals leased to American, Southwest, and United Airlines; and

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WHEREAS, in common use facilities, LAWA is responsible for managing and maintaining passenger hold rooms and processing equipment, baggage handling systems, passenger boarding bridges (PBB), PBB aeronautical support equipment, facility support services, and other such areas and systems at LAX; and

WHEREAS, prior to 2021, common use facilities were managed through a Lease and License Agreement with an airline consortium, Tom Bradley International Terminal Equipment Company (TBITEC). In 2021, LAWA implemented an Airline Cost Stabilization and Recovery Plan (Plan) aimed at managing rates and charges at LAX to help mitigate the negative impacts of the COVID-19 pandemic. Under the Plan, LAWA issued a temporary sole source common use services agreement to TBITEC, DA-5495, pending issuance of a competitive procurement. The last pending component of the Plan is to award a new contract for the services to replace the temporary agreement, DA-5495; and

WHEREAS, in October 2023, LAWA posted a Request for Proposals to establish a contract for the management and oversight of common use facilities, equipment, and services for LAWA at LAX. Two (2) companies submitted a proposal by the due date, and TBITEC was determined to be the most responsive and responsible bidder; and

WHEREAS, TBITEC is a not-for-profit airline consortium established by LAX airlines for the sole purpose of managing and overseeing the management, maintenance, and operation of common use services since 1984, and submitted a proposal that included a management and oversight team comprised of 100% certified Local Business Enterprise (LBE) subcontractors; and

WHEREAS, under the current contractual arrangement, LAWA staff have greater control over the management of common use services, performance levels, costs, and common use rate setting. The Contract would provide LAWA with a professional, qualified, experienced, reputable, and proven company to lead and manage common use services at LAWA-managed facilities over an extended term; and

WHEREAS, the contractual terms of the Contract with TBITEC include ambitious requirements to ensure that small, local, and other types of business are included as participants in this opportunity. During the first two years of the contract term, TBITEC must perform a full analysis of the existing subcontractors, types of services provided, service levels, and develop a strategic and phased



procurement plan that includes a mandatory business enterprise program requirement of 25%. TBITEC will be able to combine different XBE categories, including Small Business Enterprise, LBE, Local Small Business Enterprise, and Disabled Veterans Business Enterprise firms, to reach the XBE requirement. In addition, LAWA will partner with TBITEC to target additional XBE participation of 10% from Minority Business Enterprise, Women Business Enterprise, and Lesbian/Gay/Bisexual/Transgender Business Enterprise businesses by Year 5 of the Contract; and

WHEREAS, funds for the Contract are available in Fiscal Year 2025 LAWA Operating Budget in LAX Cost Center 1160150 – Common Use Services, Commitment Item 520 – Contractual Services. Funding for subsequent years will be requested as part of the annual budget process; 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; further adopted staff's determination that 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; approved the award of the five (5)-year Contract to Tom Bradley International Terminal Equipment Company dba LAXTEC, with a five (5)-year renewal option, covering management and oversight of common use facilities, equipment, and services for Los Angeles World Airports, for overall cost not to exceed \$750,000,000 over the total term; and further approved execution of said Contract with Tom Bradley International Terminal Equipment Company dba LAXTEC.

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I hereby certify that this Resolution No. 28053 is true and correct, as adopted by the Board of Airport Commissioners at its Regular Meeting held on Thursday, November 7, 2024.



Grace Miguel – Secretary
BOARD OF AIRPORT COMMISSIONERS