

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: September 30, 2024

CAO File No. 0150-12745-0000

Council File No.

Council District: 6, 11

To: The Mayor

From: Matthew W. Szabo, City Administrative Officer

Reference: Correspondence from the Los Angeles World Airports Board of Airport Commissioners dated July 18, 2024 and August 5, 2024; referred by the Mayor for a report on July 29, 2024

Subject: **RESOLUTION NO. 27997 AND PROPOSED FIRST AMENDMENT TO CONTRACT NO. DA-5517 WITH GENUINE PARTS COMPANY, DBA NAPA INTEGRATED BUSINESS SOLUTIONS FOR AUTOMOTIVE PARTS AND HEAVY-DUTY EQUIPMENT PARTS, ACCESSORIES, AND SERVICES FOR LOS ANGELES INTERNATIONAL AIRPORT AND VAN NUYS AIRPORT**

RECOMMENDATION

That the Mayor:

1. Approve Los Angeles World Airports (LAWA) Board Resolution No. 27997 authorizing a proposed First Amendment to Contract No. DA-5517 with Genuine Parts Company, dba NAPA Integrated Business Solutions, to extend the existing three-year contract by 16 months, retroactively from August 10, 2024 to December 29, 2025, and increase the not to exceed contract amount by \$2,000,000 from \$10,275,000 to \$12,275,000, covering automotive parts and heavy-duty equipment parts, accessories, and services at Los Angeles International Airport and Van Nuys Airport;
2. Adopt the California Environmental Quality Act (CEQA) determinations of the August 5, 2024 Board of Airport Commissioners (Board) Resolution 27997, 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 Chief Executive Officer, or designee, to execute the proposed First Amendment upon approval as to form by the City Attorney and approval by the Council.

SUMMARY

The Los Angeles World Airports (LAWA) Board of Airport Commissioners (Board) requests approval of its August 5, 2024 Resolution 27997, authorizing a proposed First Amendment to Contract DA-5517 with Genuine Parts Company, dba NAPA Integrated Business Solutions

(referred to as “Genuine Parts”). The existing contract covers the purchase of automotive parts, heavy-duty equipment parts, and accessories, including services for Los Angeles International Airport and Van Nuys Airport (collectively known as “Airports”). The initial term of the underlying contract expired on August 9, 2024.

Approval of the proposed First Amendment will extend the contract’s initial three-year term for an additional 16 months, retroactive from August 10, 2024 to December 29, 2025, for a total term of four years and four months. The proposed amendment also increases the total not to exceed contract authority by \$2,000,000 from \$10,275,000 to \$12,275,000.

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

Interagency Cooperative Contracts – Charter Section 371 (e)(8) allows City departments to enter cooperative agreements with other government agencies without competitive bidding for purchases, as well as professional, scientific, expert, or technical services. This provision enhances operational flexibility and efficiency by permitting the use of existing contracts with other government agencies, instead of engaging in procurement processes.

Cooperative Purchasing for Government Agencies – Sourcewell operates as a local government agency, specifically created to serve educational and government entities through its cooperative purchasing program. It manages solicitation requirements and provides vendors with access to an established network of awarded contracts, facilitating connections with potential prospects.

Genuine Parts Contract with Sourcewell – Genuine Parts has a direct contract with Sourcewell to provide equipment, products, or services to Sourcewell and the entities that access Sourcewell’s cooperative purchasing contracts. The term of the contract expires on December 29, 2025.

LAWA’s Contract History with Genuine Parts through Sourcewell – The Board approved LAWA to participate in Sourcewell’s cooperative agreement (Contract No. 061015-GPC) on October 2, 2018 (Resolution No. 26589). This agreement allowed LAWA to enter into Contract No. DA-5513 with Genuine Parts, a Sourcewell-contract vendor, for a two-year term period not to exceed \$5,000,000. The contract covered the purchase of heavy-duty equipment parts and accessories for the Airports. On March 2, 2020, the Board approved a First Amendment (Resolution 26939) to extend the contract by one year and increase the contract authority by \$4,600,000, for a total amount not to exceed \$9,600,000. The term of the contract expired on July 21, 2021.

LAWA’s Renewed Contract with Genuine Parts – On July 8, 2021, the Board approved a three-year contract (DA-5517) between LAWA and Genuine Parts under Sourcewell’s cooperative agreement (Contract No. 110520-GPC). This contract, covering automotive and heavy-duty equipment parts, accessories, and services for the Airports expired on August 9, 2024.

First Amendment - On July 18, 2024 and August 5, 2024, the Board approved a LAWA staff report and Resolution 27997, extending the Department's contract with Genuine Parts by 16 months, retroactively from August 10, 2024 to December 9, 2025, and increasing the funding by \$2,000,000 from \$10,275,000 to \$12,275,000. The requested term extension aligns the LAWA-Genuine Parts subsidiary contract expiration date with that of the Sourcewell-Genuine Parts primary contract (December 29, 2025), while the additional funding ensures operational continuity for the Facilities Management Division (FMD) by securing essential equipment and services. The agreement has a remaining contract balance of approximately \$2,930.

Streamlined Inventory Management – To address the Department's limited staffing and expertise in part management, Genuine Parts operates an off-site store staffed with full-time personnel who are dedicated to LAWA's inventory. This facility provides comprehensive services including procurement, stocking, vehicle and equipment servicing, and automotive part distribution, along with work order system integration. By outsourcing these functions, LAWA reduces its personnel's involvement in parts acquisition and administration, enabling the FMD to focus on its core objectives.

Vehicle Maintenance Continuity and Regulatory Compliance – Executing the proposed First Amendment will allow LAWA to maintain continuity by having the ability to efficiently purchase parts and procure services from Genuine Parts. The contractor's services ensure: 1) LAWA vehicles comply with the California Highway Patrol's (CHP) Basic Inspection of Terminals (BIT) Program, established through Assembly Bill 529, which mandates CHP inspections of truck terminals for safe operation, and 2) emergency power generators comply with South Coast Air Quality Management District pollution standards.

Future Procurement Plans – LAWA FMD plans to procure a new automotive parts and heavy-duty equipment contract before the First Amendment's term extension expires.

CITY COMPLIANCE

Small Business Enterprise (SBE), Local Business Enterprise (LBE), Local Small Business Enterprise (LSBE), and Disabled Veterans Business Enterprise (DVBE) Participation – The Department's Procurement Services staff reviewed two items: 1) The contract between Sourcewell and Genuine Parts Company, dba NAPA Integrated Business Solutions, and 2) Action File No. 10864. In both cases, LAWA determined that no subcontracting opportunities were identified, therefore, no mandatory Business Enterprise goals were established for either.

Charter Section 1022 – The work specified in the proposed contract is not subject to the provisions of Charter Section 1022 on the use of independent contractors.

California Environmental Quality Act (CEQA) – The Department has determined that the proposed contract with Genuine Parts for automotive parts, heavy-duty equipment parts, accessories, and services for Los Angeles International Airport and Van Nuys Airport 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 First Amendment includes provisions to ensure compliance with applicable City Ordinances, contracting, and insurance requirements. The underlying contract has been reviewed and approved as to form by the City Attorney. 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 contract exceeds three years. Our Office recommends approval.

FISCAL IMPACT STATEMENT

Approval of the proposed First Amendment to Contract DA-5517 with Genuine Parts for the purchase of automotive parts, heavy-duty equipment parts, accessories, including services for LAX and VNY for an amount not to exceed \$2,000,000, increasing the contract authority from \$10,275,000 to \$12,275,000 will have no impact on the City's General Fund. Costs will be recovered through landing fees, terminal rates and charges, and non-aeronautical revenues. Funds for the proposed amendment are included in Los Angeles World Airports' Fiscal Year 2023-24 Operating Budget in LAX Cost Center 140003 - VNY Construction & Maintenance Services, Commitment Item 522 – Materials and Supplies. Funding for subsequent years will be requested as part of LAWA's annual budget process. The recommendations in this report comply with the Los Angeles World Airports' adopted Financial Policies.

Attachment 1 – BOAC July 18, 2024 and August 5, 2024 Resolution No. 27997

MWS/PJH/JVW:DLG:10250064

July 23, 2024

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

John Ackerman
Chief Executive Officer

RE: Request to approve the First Amendment to Contract No. DA-5517 with Genuine Parts Company, dba NAPA Integrated Business Solutions

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 No. DA-5517 with Genuine Parts Company, dba NAPA Integrated Business Solutions, for automotive parts and heavy-duty equipment parts, accessories, and services at Los Angeles International Airport and Van Nuys Airport, increasing the not-to-exceed value by \$2,000,000 for an updated amount not to exceed \$12,275,000, and extending the term of the Contract to December 29, 2025.

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

Sincerely,



Becca Doten
Chief of Staff

BD:MSA:ksf





Report to the BOARD OF AIRPORT COMMISSIONERS

Approver:

R. J. Connolly

Richard J. Connolly, Deputy Executive Director
Facilities Management Division

Reviewer:

Brian C. Ostler

Brian C. Ostler, City Attorney

John Ackerman

John Ackerman, Chief Executive Officer

Meeting Date

7/18/2024

Needs Council Approval: ☒ Y

Reviewed for/by	Date	Approval Status	By
Finance	6/24/2024	<input checked="" type="checkbox"/> Y <input type="checkbox"/> NA	JS
CEQA	6/21/2024	<input checked="" type="checkbox"/> Y	VW
Procurement	6/22/2024	<input checked="" type="checkbox"/> Y <input type="checkbox"/> Cond	BG
Guest Experience	6/24/2024	<input checked="" type="checkbox"/> Y	TB
Strategic Planning	6/21/2024	<input checked="" type="checkbox"/> Y	BNZ

SUBJECT

Request to approve the First Amendment to Contract No. DA-5517 with Genuine Parts Company, dba NAPA Integrated Business Solutions, for automotive parts and heavy-duty equipment parts, accessories, and services at Los Angeles International Airport and Van Nuys Airport, increasing the not-to-exceed value by \$2,000,000 for an updated amount not to exceed \$12,275,000, and extending the term of the Contract to December 29, 2025.

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 No. DA-5517 with Genuine Parts Company, dba NAPA Integrated Business Solutions, for automotive parts and heavy-duty equipment parts, accessories, and services at Los Angeles International Airport and Van Nuys Airport, increasing the not-to-exceed value by \$2,000,000 for an updated amount not to exceed \$12,275,000, and extending the term of the Contract to December 29, 2025.
4. AUTHORIZE the Chief Executive Officer, or designee, to execute the amendment after approval as to form by the City Attorney and approval by the Los Angeles City Council.

DISCUSSION

1. Purpose

The requested action is to amend Contract No. DA-5517 with Genuine Parts Company, dba NAPA Integrated Business Solutions, to continue purchasing a wide variety of automotive and heavy-duty equipment parts, accessories, and related services.

2. Prior Related Actions/History of Board Actions

- **October 2, 2018 – Resolution No. 26589 (DA-5313)**

The Board of Airport Commissioners (Board) approved joining Sourcewell Contract No. 061015-GPC with Genuine Parts Company, dba NAPA Auto Parts (Genuine Parts), and established a two-year contract for the purchase of automotive and heavy-duty equipment parts and accessories for Los Angeles International Airport (LAX) and Van Nuys Airport (VNY) for an amount not to exceed \$5 million. The contract was to expire on July 21, 2020.

- **March 2, 2020 – Resolution No. 26939 (DA-5313A)**

The Board approved the First Amendment to Contract No. DA-5313 with Genuine Parts for the purchase of automotive parts, heavy-duty equipment parts, and accessories for LAX and VNY, extending the contract term by one year and increasing the contract authority by \$4.6 million for a new not-to-exceed amount of \$9.6 million. The contract expired on July 21, 2021.

- **July 8, 2021 – Resolution No. 27302 (DA-5517)**

The Board approved a three-year contract with Genuine Parts Company, dba NAPA Integrated Business Solutions (NAPA), joining Sourcewell Contract No. 110520-GPC for automotive parts, heavy-duty equipment parts, accessories, and services for LAX and VNY for an amount not to exceed \$10.3 million. This contract will expire on August 9, 2024.

3. Background

There are approximately 883 vehicles used by all LAWA Divisions in the fleet. The Facilities Management Division (FMD) also maintains over 1,675 specialty equipment items that power and support both public facilities and LAWA offices.

In 2018, LAWA joined Sourcewell Contract No. 061015-GPC with NAPA to pilot the inventory management solution contract model, with the goals of reducing overall costs and streamlining contract administration costs. NAPA provided a dedicated "off-site store" which served as a primary order center/warehouse for all LAWA parts and services. Through this off-site facility, NAPA staff provided NAPA-branded parts, as well as locally sourced specialty items for LAWA's diverse fleet. Los Angeles World Airports also obtains inventory management services that reduce overhead costs associated with excess stock and administration.

4. Current Action/Rationale

This contract model proved to be invaluable in decreasing overall inventory management and invoice processing costs and has thus far proven to be the most advantageous option to continue purchasing automotive heavy-duty equipment, parts and accessories.

While there were no Small Business Enterprise goals set for this contract, NAPA are aware of the importance of sourcing parts and materials from local and/or small business enterprises. NAPA has been tracking orders and reported that they have sourced approximately 56 percent of LAWA's business from vendors or distributors based in Los Angeles County.

5. Fiscal Impact

Costs for the proposed First Amendment will be recovered through landing fees, terminal rates and charges, and non-aeronautical revenues.

To date, the FMD has expended nearly 80 percent of the available authority provided by Contract DA-5517. The amount requested in this action will be sufficient to cover the extended contract term.

Procurement Services reviewed this project (Contract No. 110520-GPC) and verified that Sourcewell did not establish a Business Enterprise goal, as no subcontracting opportunities were identified. Procurement Services also reviewed this action (File No. 10864) and concurs that there are no subcontracting opportunities.

6. Alternatives Considered

- ***Take No Action***

Taking no action is not recommended, since the current contract is scheduled to expire on August 9, 2024, and LAWA would thereafter be without a means of readily procuring various parts, materials, and components necessary to maintain LAWA's diverse fleet.

- ***Issue a Request for Bid***

Staff considered a competitive bid process for the parts, materials and components required to support the fleet. Ultimately, joining the Sourcewell contract was deemed the more efficient contracting process supplied through a single centralized location.

APPROPRIATIONS

Funds for this contract are included in Fiscal Year 2024-2025 Los Angeles World Airports Operating Budget in LAX Cost Center 1150053 – Landside & Airside Equipment Maintenance and VNY Cost Center 1400003 – VNY Construction & Maintenance Services, Commitment Item 522 – Materials and Supplies. Funding for subsequent years will be requested as part of the annual budget process.

STANDARD PROVISIONS

The proposed document(s) is/are subject to approval as to form by the City Attorney.

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.



August 5, 2024

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

Subject: First Amendment to Contract DA-5517 with Genuine Parts Company dba NAPA Integrated Business Solutions

Enclosed for your consideration is the First Amendment to Contract DA-5517 with Genuine Parts Company dba NAPA Integrated Business Solutions that was approved by the Board of Airport Commissioners at its July 18, 2024 meeting. There is no impact to the General Fund.

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

John Ackerman
Chief Executive Officer

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-5517 with Genuine Parts Company dba NAPA Integrated Business Solutions to increase the contract authority by \$2,000,000, for new total not to exceed \$12,275,000, and extend the term through December 29, 2025, covering provision of automotive parts and heavy-duty equipment parts, accessories, and services for Los Angeles International Airport and Van Nuys Airport; and
3. Concur with said Board's action on July 18, 2024, by Resolution 27997, authorizing the Chief Executive Officer, or designee, of Los Angeles World Airports to execute said First Amendment to Contract DA-5517 with Genuine Parts Company dba NAPA Integrated Business Solutions.

This document and its attachments are advisory only and do not constitute a complete and official submittal to the City Council. The official submittal, including this document and its attachments, will be submitted electronically to the City Council and the Council File Management System pursuant to Charter Section 373 via the City Clerk's website when the file is complete.

Very truly yours,

Grace Miguel, Commission Executive Assistant II
BOARD OF AIRPORT COMMISSIONERS

Enclosures

cc: CAO (Airport Analyst), e-file
CLA (Airport Analyst), e-file



RESOLUTION NO. 27997

WHEREAS, on recommendation of Management, there was presented for approval, First Amendment to Contract DA-5517 with Genuine Parts Company dba NAPA Integrated Business Solutions to increase the contract authority by \$2,000,000, for new total not to exceed \$12,275,000, and extend the term through December 29, 2025, covering provision of automotive parts and heavy-duty equipment parts, accessories, and services for Los Angeles International Airport and Van Nuys Airport; and

LAX

Van Nuys

City of Los Angeles

Karen Bass
Mayor

**Board of Airport
Commissioners**

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WHEREAS, there are approximately 883 vehicles used by all Los Angeles World Airports (LAWA) divisions in the fleet. LAWA's Facilities Management Division (FMD) also maintains over 1,675 specialty equipment items that power and support both public facilities and LAWA offices; and

WHEREAS, in 2018, Los Angeles World Airports (LAWA) joined Sourcewell Contract 061015-GPC with NAPA Integrated Business Solutions (NAPA) to pilot the inventory management solution contract model, with the goals of reducing overall costs and streamlining contract administration costs. NAPA provided a dedicated "off-site store" which served as a primary order center/warehouse for all LAWA parts and services. Through said off-site facility, NAPA provided NAPA-branded parts, as well as locally sourced specialty items for LAWA's diverse fleet. LAWA also obtains inventory management services that reduce overhead costs associated with excess stock and administration. LAWA's contract with NAPA expired on July 21, 2021; and

WHEREAS, said contract model proved to be invaluable in decreasing overall inventory management and invoice processing costs and has thus far proven to be the most advantageous option to continue purchasing automotive heavy-duty equipment, parts and accessories; and

WHEREAS, in 2021, by Resolution 27302, the Board of Airport Commissioners approved a contract with NAPA (Contract DA-5517), by joining Sourcewell Contract 110520-GPC for automotive parts, heavy-duty equipment parts, accessories, and services for Los Angeles International Airport (LAX) and Van Nuys Airport (VNY); and

WHEREAS, to date, FMD has expended nearly 80% of the available authority provided under Contract DA-5517. Additionally, said contract is scheduled to expire on August 9, 2024; and

WHEREAS, extension of the term would provide LAWA with a means of readily procuring various parts, materials, and components necessary to maintain LAWA's diverse fleet. The \$2,000,000 increase in contract authority will be sufficient to cover the extended contract term; and

WHEREAS, while there were no Small Business Enterprise goals set for the contract, NAPA is aware of the importance of sourcing parts and materials from local and/or small business enterprises. NAPA has been tracking orders and reported that it has sourced approximately 56% of LAWA's business from vendors or distributors based in Los Angeles County; and

WHEREAS, funds for the contract are included in Fiscal Year 2024-2025 LAWA Operating Budget in LAX Cost Center 1150053 – Landside & Airside Equipment Maintenance and VNY Cost Center 1400003 – VNY Construction & Maintenance Services, Commitment Item 522 – Materials and Supplies. 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; 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-5517 with Genuine Parts Company dba NAPA Integrated Business Solutions to increase the contract authority by \$2,000,000, for new total not to exceed \$12,275,000, and extend the term through December 29, 2025, covering provision of automotive parts and heavy-duty equipment parts, accessories, and services for Los Angeles International Airport and Van Nuys Airport; and authorized the Chief Executive Officer, or designee, to execute said First Amendment to Contract DA-5517 with Genuine Parts Company dba NAPA Integrated Business Solutions 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. 27997 is true and correct, as adopted by the Board of Airport Commissioners at its Special Meeting held on Thursday, July 18, 2024.

A handwritten signature in blue ink, appearing to read "Grace Miguel".

Grace Miguel – Secretary
BOARD OF AIRPORT COMMISSIONERS