



16
Item Number

Report to the BOARD OF AIRPORT COMMISSIONERS

Approver:

Dave Reich, Deputy Executive Director
Mobility Planning & Strategy

Reviewer:

Brian C. Ostler, City Attorney

Beatrice Hsu, Interim Chief Executive Officer

Meeting Date

12/7/2023

Needs Council Approval: ☒ Y

Reviewed for/by	Date	Approval Status	By
Finance	11/28/2023	<input checked="" type="checkbox"/> Y <input type="checkbox"/> NA	JS
CEQA	11/17/2023	<input checked="" type="checkbox"/> Y	MO
Procurement	11/16/2023	<input checked="" type="checkbox"/> Y <input type="checkbox"/> Cond	BG
Guest Experience	11/15/2023	<input checked="" type="checkbox"/> Y	TB
Strategic Planning	11/15/2023	<input checked="" type="checkbox"/> Y	BNZ

SUBJECT

Request to approve the First Amendment to Contract DA-5504 with LAZ Parking California, LLC to extend the term by one year, with two four-month extension options, through January 31, 2026, and to add funding authority of \$23,000,000 for a total contract amount not to exceed \$57,000,000 for operation and management of transportation shuttle services at Los Angeles International Airport.

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 Contact DA-5504 with LAZ Parking California, LLC to extend the term by one-year with two four-month extension options, for a new contract expiration date of January 31, 2026, and increase the contact authority by \$23,000,000, for a total not-to-exceed amount of \$57,000,000 over the term.
4. AUTHORIZE the Interim Chief Executive Officer, or designee, to execute the First Amendment after approval by the Los Angeles City Council and approval as to form by the City Attorney.

DISCUSSION

1. Purpose

The purpose of the request is to approve the First Amendment to Contract DA-5504 with LAZ Parking California, LLC (LAZ), which will maintain the current scope of work and extend the current contract term by one year, with two four-month extension options, and increase the contract authority with LAZ for the operation and management of transportation shuttle services at Los Angeles International Airport (LAX). The transportation services include courtesy inter-terminal service, on-demand shuttle service for disabled persons, shuttles service to and from the LAX Economy Parking, and shuttle service for both airport guests and users of Metro's C-Line (Green Line) until the Automated People Mover (APM) is operational.

2. Prior Related Actions/History of Board Actions

- **May 14, 2021 – Board Resolution No. 27247**

The Board awarded a three-year Agreement to LAZ Parking, LLC (DA-5504) for the operation and management of transportation shuttle services, inter-terminal airline connections, Americans with Disabilities Act (ADA) on-call shuttle for terminal connections, Metro Green Line LAX/Aviation shuttle to the Central Terminal Area (CTA), and LAX Economy Parking to the CTA at LAX. The contract commenced on June 1, 2021, and terminates on May 31, 2024.

3. Current Action/Rationale

LAZ currently operates and manages transportation shuttle services to support the following routes at LAX:

- Inter-terminal airline connections
- ADA on-call shuttle for terminal connections
- LAX Economy Parking to CTA
- Metro C-Line (Green) LAX/Aviation Station to CTA

The current contract with LAZ will expire on May 31, 2024. Staff requests approval to extend the contract term until the Automated People Mover is operational. Once the APM is operational and Metro has completed its LAX Metro Transit Center Station—these two service components being the largest of the contract—the LAX Economy Parking shuttle and the Metro Connector shuttle will no longer be necessary as all users of 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.

The one-year term and two four-month options 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 the 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.

More than 3,886,800 passengers have been transported from contract commencement through September 2023. These 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.

Transportation Shuttle Ridership

	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.

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

*Actual/Estimated

The proposed 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 five-and-one-half percent 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 percent 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 proposed amendment includes a seven percent adjustment in the cleaning and fueling hourly rate.

The amendment expenditures are programmed as follows:

	Airline Connector	ADA Shuttle	Metro Connector	LAX Economy Parking	Total
One-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

4. Fiscal Impact

Approval of the First Amendment will increase the contract authority by \$23,000,000, for a total amount not to exceed \$57,000,000 over the term of the contract.

5. Alternatives Considered

- **Take No Action**

Taking no action will result in no service beginning on June 1, 2024, for LAX shuttle service for Airline Connector, Metro Connector, LAX Economy Parking, and ADA Shuttle lines. The current LAX Transportation Shuttle Services Agreement expires May 31, 2024.

- **Request for Proposals**

Staff considered initiating a new Request for Proposals for Transportation Shuttle Services at LAX. However, staff do not recommend this alternative as the APM is expected to be operational in late 2024; awarding a new contract would be a short-term, inefficient, and costly alternative to the proposed amendment.

6. How This Action Advances a Specific Strategic Plan Goal and Objective

This action advances this strategic goal and objective: Provide Exceptional Guest Experiences: Improve landside and terminal mobility. This amendment will continue to provide courtesy shuttle service to the public until the APM becomes operational.

APPROPRIATIONS

Funds for this contract are available in the Fiscal Year 2023-24 Los Angeles World Airports 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.

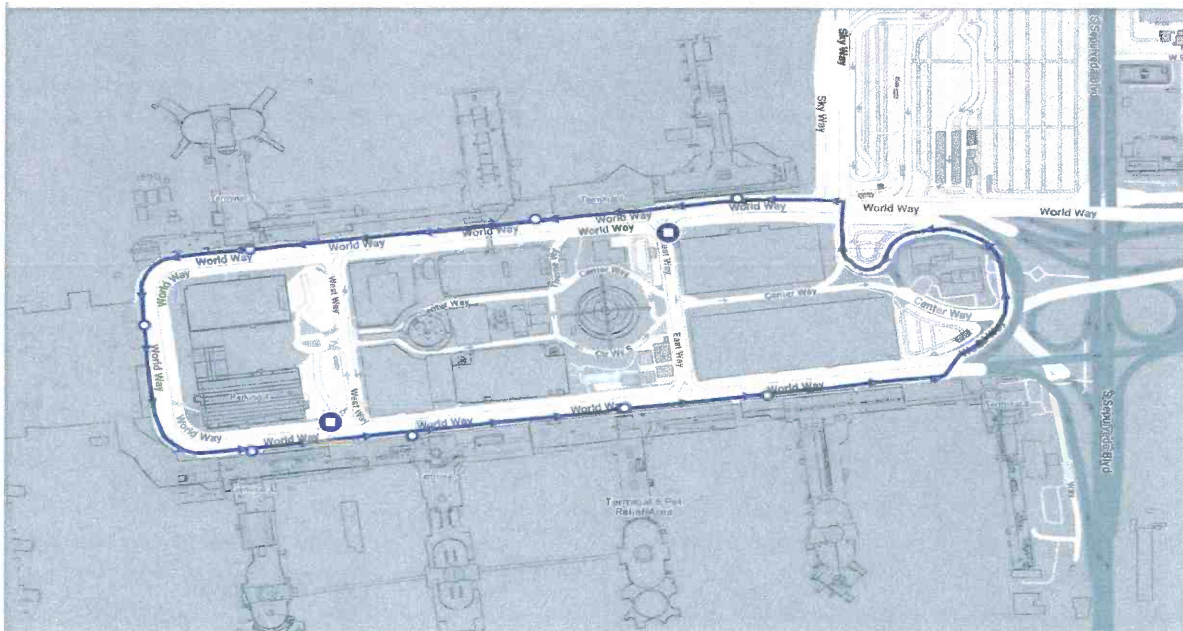
STANDARD PROVISIONS

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 underlying contract was approved 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. LAZ Parking California, LLC is required by contract to comply with the provisions of the Living Wage Ordinance
5. Procurement Services reviewed this action (File No. 9579) and established a mandatory goal of 10% Airport Concessions Disadvantaged Business Enterprise Program (ACDBE) participation. LAZ Parking California, LLC proposes 13.7% ACDBE participation and has achieved 11.45% ACDBE participation to date.

6. LAZ Parking California, LLC is required by contract to comply with the provisions of the Affirmative Action Program.
7. LAZ Parking California, LLC has been assigned Business Tax Registration Certificate No. 0002517570-0019-1.
8. LAZ Parking California, LLC is required by contract to comply with the provisions of the Child Support Obligations Ordinance.
9. LAZ Parking California, 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 this contract can be performed more feasibly and economically by Independent Contractors than by City employees.
11. LAZ Parking California, LLC has submitted the Contractor Responsibility Program Pledge of Compliance and will comply with the provisions of the Contractor Responsibility Program.
12. LAZ Parking California, LLC has been determined by Public Works, Office of Contract Compliance to be in compliance with the provisions of the Equal Benefits Ordinance.
13. LAZ Parking California, LLC will be required to comply with the provisions of the First Source Hiring Program for all non-trade LAX Airport jobs.
14. LAZ Parking California, LLC has submitted the Bidder Contributions CEC Form 55 and will comply with its provisions.
15. LAZ Parking California, LLC has submitted the MLO Bidder Contributions CEC Form 50 and will comply with its provisions.
16. LAZ Parking California, LLC will be required to comply with the provisions of the Iran Contracting Act.

Attachment
LAX Transportation Shuttle Services Routes

Airline Connector (Inter-Terminal)

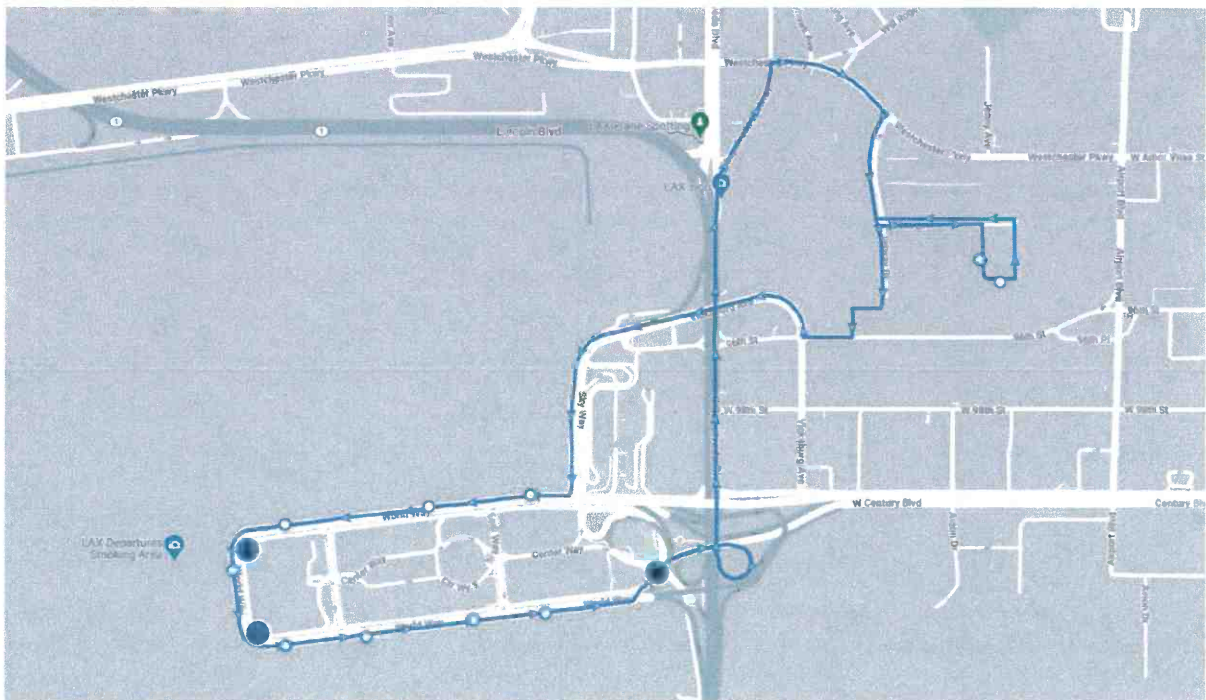


Attachment
Board Report – First Amendment to Contract DA-5044 LAZ Parking LLC

Metro Connector (C-Line)



LAX Economy Garage



**FIRST AMENDMENT TO AGREEMENT DA-5504
BETWEEN THE CITY OF LOS ANGELES
FOR THE DEPARTMENT OF AIRPORTS AND
LAZ PARKING CALIFORNIA LLC FOR
OPERATIONS AND MANAGEMENT OF TRANSPORTATION SHUTTLES SERVICES
AT
LOS ANGELES INTERNATIONAL AIRPORT**

THIS FIRST AMENDMENT TO Agreement No.DA-5504 (“Agreement”) is entered into this _____ day of _____, 20____, at Los Angeles, California, by and between the **CITY OF LOS ANGELES**, a municipal corporation, (herein after referred to as “**City**”), acting by order of and through the Board of Airport Commissioners (hereinafter referred to as “**Board**”) of the Department of Airports, also known as Los Angeles World Airports (hereinafter referred to as “**Department**” or “**LAWA**”), and LAZ Parking California LLC (hereinafter referred to “**Contractor**”, and/or Party(ies)).

RECITALS

WHEREAS, City and Contractor previously entered into Agreement DA-5504 commencing on June 1, 2021.

WHEREAS City and Contractor desire to extend the term of the Agreement for one year with two options to extend the term an additional four (4) months each.

NOW, THEREFORE, for and in consideration of the covenants and conditions hereinafter contained to be kept and performed by the respective parties hereto, IT IS MUTUALLY AGREED as follows:

AMENDMENTS

Section 1. Section 1.1 **Term: Commencement Date.**, is hereby amended by deleting it in its entirety, and in lieu thereof inserting the following:

“1.1 **Term.** This Agreement shall commence on the Commencement Date, **June 1, 2021**, and shall terminate on May 31, 2025(“Term”), with two (2) consecutive options to extend the term by four (4) months each, unless earlier terminated subject to the terms herein. City shall give a written notice confirming the Commencement Date when such is ascertained.”

Section 2. Except as amended or modified by this First Amendment, Agreement DA-5504 is hereby ratified and confirmed and all other terms of Agreement DA-5504 shall remain in full force and effect, unaltered and unchanged by this First Amendment. If there

is any conflict between the provisions of this First Amendment and the provisions of Agreement DA-5504, the provisions of this First Amendment shall prevail. Whether or not specifically amended by this First Amendment, all terms and provisions of Agreement DA-5504 are amended to the extent necessary to give effect to the purpose and intent of this First Amendment.

Section 3. **No First Party Beneficiaries.** No provisions of Agreement DA-5504 or this First Amendment may be amended or added to except by a written agreement signed by the Parties or their respective successors-in-interest. This First Amendment is not intended to confer upon any person other than the Parties, any rights or remedies hereunder.

Section 4. **Governing Law; Interpretation.** This First Amendment shall be governed by, and construed in accordance with, the laws of the State of California. This Agreement and this First Amendment are subject to the provisions of the Los Angeles Administrative Code. Each Party represents and warrants that this First Amendment has been negotiated and drafted at arms-length by equally sophisticated parties, and any ambiguity cannot be attributed to either Party hereto. If any provision of this First Amendment, or the application thereof to any persons or circumstances, shall be invalid or unenforceable, the remainder of this First Amendment shall not be affected thereby, and each provision of this First Amendment shall be valid and shall be enforceable to the fullest extent permitted by law.

Section 5. **Electronic Signatures.** This First Amendment to Agreement and any other document necessary for the consummation of the transaction contemplated by this First Amendment to Agreement 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 First Amendment to Agreement 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 First Amendment to Agreement had been delivered that had been signed using a handwritten signature. All parties to this First Amendment to Agreement (i) agree that an electronic signature, whether digital or encrypted, of a party to this First Amendment to Agreement 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 First Amendment to Agreement based on

the foregoing forms of signature. If this First Amendment to Agreement 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."

Section 6. **Incorporation of Recitals.** City and Contractor each acknowledge the truth and accuracy of the Recitals set forth above, which by this reference are incorporated into this First Amendment to Agreement.

[Signatures on the following page.]

IN WITNESS WHEREOF, City has caused this First Amendment to be executed on its behalf by the Chief Executive Officer (also referred to as Executive Director) or his or her designee, and Contractor has caused the same to be executed by its duly authorized officers, all as of the day and year first herein above written.

APPROVED AS TO FORM:
Hydee Feldstein Soto, City Attorney

CITY OF LOS ANGELES

Date: _____

By: _____
Deputy/Assistant City Attorney

By _____
Chief Executive Officer
Department of Airports

ATTEST:

By  _____
Jeffrey Karp

By _____

President

Title

Title

[SEAL]