

ADMINISTRATIVE EXEMPTION and COMMUNICATION FROM CHAIR, TRADE, TRAVEL, AND TOURISM COMMITTEE relative to a Los Angeles World Airports (LAWA) contract with Herc Rentals Incorporated (Herc) for equipment rentals and related products and services at Los Angeles International (LAX) and Van Nuys Airports.

Recommendations for Council action:

1. ADOPT the determination by the Board of Airport Commissioners that the proposed action is administratively exempt under the California Environmental Quality Act (CEQA) in accordance with Article II, Section 2.f of the Los Angeles City CEQA Guidelines.
2. APPROVE the five-year LAWA contract with Herc, under the terms and conditions of U.S. Communities Contract No. 2019000318, for equipment rentals and related products and services for LAX and Van Nuys Airport for an amount not-to-exceed \$4,150,000.
3. CONCUR with the action taken by the Board of Airport Commissioners on February 21, 2019 by Resolution No. 26711, authorizing the Chief Executive Officer, LAWA, to execute said contract with Herc.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that this action will not impact the General Fund. Costs for this contract will be recovered through landing fees, terminal rates and charges and non-aeronautical revenues. Funds for this contract are included in the Fiscal Year 2018-19 LAWA Operating Budget in LAX Cost Center No. 1150042-Facilities Repair-Field, and VNY Cost Center No. 1400003-VNY Construction and Maintenance Services. Funding for subsequent years will be requested as part of the annual budget process. The contract complies with LAWA's adopted financial policies.

Community Impact Statement: None submitted.

TIME LIMIT FILE – MAY 3, 2019

(LAST DAY FOR COUNCIL ACTION – MAY 3, 2019)

SUMMARY

In a report to the Mayor dated March 14, 2019, the CAO discusses the proposed LAWA contract with Herc. The CAO states that specialized construction equipment, trucks, and aerial lifts are used by Department employees in the Facilities Maintenance and Utilities Group (FMUG) who repair and maintain public areas, buildings, mechanical infrastructure, roadways, and airfields at the airports. For at least five years, LAWA rents equipment needed by FMUG as an alternative to purchasing new equipment or replacing outdated equipment.

According to the CAO, the U.S. Communities Government Purchasing Alliance is a cooperative contracting group that competitively solicits contracts for various government agencies, school districts, and nonprofit organizations. A government cooperative such as this type may offer significant price discounts and increased product availability. A Request for Proposals (RFP) process seeking equipment rental suppliers was initiated in October, 2013, and conducted by

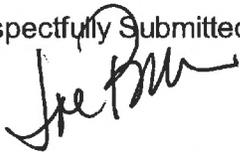
N.C. State University and the U.S. Communities' Public Participating Agencies. In response to the RFP, Herc secured a new contract with the City of Charlotte as of November 1, 2018.

The CAO goes on to report that LAWA requests authority to join U.S. Communities Contract No. 2019000318. Upon approval of the request, LAWA will award a new contract to Herc for a term of five years and a not-to-exceed amount of \$4,150,000. Over the past years, Herc has fulfilled LAWA's needs for rental equipment and related products, according to staff.

On February 21, 2019, the Board of Airport Commissioners approved LAWA's request. The CAO concurs with this action.

At the Trade, Travel, and Tourism Committee meeting held March 19, 2019, the Committee Chair recommended that Council approve the proposed LAWA contract with Herc, as recommended by the Board of Airport Commissioners and the CAO.

Respectfully Submitted,



COUNCILMEMBER JOE BUSCAINO, CHAIR
TRADE, TRAVEL, AND TOURISM COMMITTEE

| <u>MEMBER</u> | <u>VOTE</u> |
|---------------|-------------|
| BUSCAINO: | YES |
| BONIN: | ABSENT |
| KREKORIAN: | ABSENT |

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-NOT OFFICIAL UNTIL COUNCIL ACTS-