

0150-07139-0004

TRANSMITTAL

TO
Deborah Flint, Chief Executive Officer
Los Angeles World Airports

DATE
3/14/19

COUNCIL FILE NO.

FROM
The Mayor

COUNCIL DISTRICT
6 and 11

**Request Authorization to Join US Communities Contract No. 2019000318 and
to Award a Contract to Herc Rentals Inc., for Equipment Rentals and Related Services at
Los Angeles International Airport and Van Nuys Airport**

Transmitted for further processing, including Council consideration.
See the City Administrative Officer report attached.


MAYOR

(Ana Guerrero) for

RHL:AVM:10190098t

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: March 14, 2019

CAO File No. 0150-07139-0004

Council File No.

Council District: 6 and 11

To: The Mayor

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

Reference: Communication from Los Angeles World Airports dated February 27, 2019; referred by the Mayor for a report on February 27, 2019

Subject: **REQUEST AUTHORIZATION TO JOIN US COMMUNITIES CONTRACT NO. 2019000318 AND TO AWARD A CONTRACT TO HERC RENTALS INC., FOR EQUIPMENT RENTALS AND RELATED SERVICES AT LOS ANGELES INTERNATIONAL AIRPORT AND VAN NUYS AIRPORT**

RECOMMENDATIONS

That the Mayor:

1. Approve the request to award a contract to Herc Rentals Inc. (Herc) for a five-year term and an amount not-to-exceed \$4,150,000 to provide rental equipment and related services at Los Angeles International Airport and Van Nuys Airport, by joining US Communities Contract No. 2019000318, subject to City Attorney approval as to form and compliance with the City's Standard Provisions including: the Affirmative Action Program, Child Support Obligations Ordinance, Contractor Responsibility Program, Insurance documents in the required terms and amounts, and the Iran Contracting Act;
2. Authorize the Chief Executive Officer to execute the Herc contract; and,
3. Return the request to the Los Angeles World Airports for further processing, including Council consideration.

SUMMARY

Specialized construction equipment, trucks, and aerial lifts are some of the physical resources used by Los Angeles World Airports (LAWA, 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years, the Department has rented equipment needed by FMUG as an alternative to purchasing new equipment or replacing outdated equipment, according to LAWA staff. The Department has contracted directly with firms that rent equipment or

indirectly by joining an existing contract through another City agency. A current contract between LAWA and Herc Rental Inc. (Herc) for equipment rentals and related products and services will expire March 31, 2019. This existing agreement has a total contract authority of \$4,075,000. Approximately \$3,227,074 has been expended since October 2014 by Los Angeles International (LAX) \$3,185,669, Van Nuys Airports (VNY) \$5,249, and LA/Ontario International Airport \$36,156 (which is no longer on the contract).

The US Communities Government Purchasing Alliance (US Communities) is a cooperative contracting avenue 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 NC State University and the US Communities' Public Participating Agencies. Department staff notes that Herc, in response to a US Communities' RFP, secured a new contract with the City of Charlotte as of November 1, 2018.

To continue to provide necessary equipment for LAWA employees in FMUG working at LAX and VNY, staff requests the Department join US Communities Contract No. 2019000318. Upon approval of the request, the Department will award to Herc a new contract having a term of five years and a not-to-exceed amount of \$4,150,000. Following the terms of the cooperative agreement, LAWA will receive the identical benefits and discounts, and if the US Communities Contract No. 2019000318 expires earlier than the five-year period, LAWA's contract will terminate at the same time. Staff projects the needs for FMUG work will remain the same and that approximately \$800,000 will be expended annually under the proposed new Herc contract. Over the past years, Herc has proven the business is able to fulfill LAWA's needs for rental equipment and related products, according to staff.

The Board of Airport Commissioners approved the request to join US Communities Contract No. 2019000318 and to award a new contract to Herc Rentals Inc. at its meeting on February 21, 2019.

FISCAL IMPACT STATEMENT

Approval to award a contract to with Herc Rentals, Inc., for a five-year term and an amount not-to-exceed \$4,150,000, will have no impact on 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 Los Angeles World Airports Operating Budget in LAX Cost Center 1150042-Facilities Repair-Field, VNY Cost Center 1400003-VNY Construction & Maintenance Services. Funding for subsequent years will be requested as part of the annual budget process. The contract complies with the Department of Airports' adopted Financial Policies.