

RESOLUTION NO. 27810

WHEREAS, on recommendation of Management, there was presented for approval, Second Amendment to Contract DA-5343 with Herc Rentals Inc. to increase the contract authority to new total not to exceed \$13,400,000 and extend the term through October 31, 2027, covering rental of vehicles and specialized equipment for use at Los Angeles International Airport and Van Nuys Airport; and

WHEREAS, the Los Angeles World Airports (LAWA) Facilities Management Division (FMD) maintains public areas, buildings, mechanical infrastructure, roadways, and airfields at Los Angeles International Airport (LAX) and Van Nuys Airport (VNY) using LAWA-owned equipment and equipment rented from Herc Rentals Inc. (Herc) under its contract with LAWA. Examples of rented equipment may include asphalt compaction rollers, motor graders, wheeled loaders, tracked dozers, dump trucks, power generators, aerial lifts, work platforms, and other miscellaneous construction equipment. Rented equipment supplements LAWA equipment, allows access to specialized equipment in a timely manner to prevent schedule and flight delays or runway and gate closures, saves on operating costs attributable to idle equipment or cost of ownership, and is used when LAWA equipment is unavailable; and

WHEREAS, many specialty equipment pieces are in short supply and not available for purchase due to lingering supply chain issues stemming from the COVID-19 pandemic or from the high demand for the type of equipment that exists nationwide. The lead time to receive delivery of purchased vehicles or equipment may be up to 24 months from the date of order. To meet short-term or urgent equipment needs, it may be more practical or cost-effective for LAWA to rent equipment than to purchase it. FMD staff regularly assess LAWA's overall equipment needs and will determine when it becomes more advantageous for LAWA to purchase equipment rather than rent; and

WHEREAS, various units within FMD rent equipment from Herc, including Air Conditioning, Plumbing, Electric, Window Cleaning, Concrete, and Custodial shops. The work performed by those units include conducting maintenance and repairs, Los Angeles Fire Department Chief's Regulation 4 testing, paving, cleaning, high dusting, and other tasks; and

WHEREAS, additionally, FMD rents alternative-fueled equipment whenever feasible, including electric-and battery-powered equipment, to minimize environmental impacts. Such equipment includes scissor lifts, boom lifts, and floor scrubbers; and

WHEREAS, Herc also provides LAWA staff with training on safe use of specialty equipment; and

WHEREAS, Contract DA-5343 was established when LAWA joined US Communities (now Omnia Partners) Contract 2019000318 with Herc for rental of construction equipment and related products and services. A member entity of Omnia Partners, the City of Charlotte, North Carolina was the lead agency and awarding body for said Omnia Partners contract, which began with a five (5)-year term and two (2) two-year renewal options. The City of Charlotte exercised the first renewal option to said Omnia Partners contract that extended the term to October 31, 2025. The contract has a second renewal option that would extend its term to October 31, 2027; and

WHEREAS, the Second Amendment to Contract DA-5343 will extend LAWA's contract term to match the Omnia Partners contract expiration date of October 31, 2027, if the City of Charlotte exercises the second renewal option; and



WHEREAS, to date, LAWA has expended \$6,529,165 (98.2%) of the Contract DA-5343 authority. FMD's average monthly spend rate since LAWA's contract began in March 2019 is \$125,546. At said rate, FMD projects LAWA would spend an additional \$6,277,318 through the October 31, 2027 term end date. The additional \$6,750,000 under the Second Amendment will cover said projection and any unanticipated rental expenses; and

WHEREAS, furthermore, FMD has added, or will assume, new facility maintenance responsibilities for the Landside Access Modernization Program, including LAX Economy Parking, Consolidated Rent-A-Car Facility, Airport Police Facility, and projects related to the upcoming Concourse 0 and Terminal 9 facilities. Having access to equipment rentals through the contract will help FMD properly maintain the facilities; and

WHEREAS, as it relates to rental equipment, LAWA receives a significant benefit from the long-term contract with Herc due to the terms of the cooperative agreement. Although equipment rental costs have increased approximately 15.2% since the LAWA contract began (primarily due to an increase in nationwide demand for rental equipment and rising fuel costs), the purchasing power of Omnia Partners allows Herc to continue providing its equipment at a substantial discount from its base prices. Those discounts are locked in for the term of the Omnia Partners contract; and

WHEREAS, Herc offers daily, weekly, and monthly rentals, and the discounts vary by equipment rented and for each rental period as follows:

- Daily: 12 – 45%
- Weekly: 11 – 50%
- Monthly: 15 – 60%; and

WHEREAS, Herc has consistently provided LAWA with quality equipment. It is a certified Local Business Enterprise with the City of Los Angeles, with at least 50% of its full-time employees working within Los Angeles County; and

WHEREAS, funds for the contract are available in the Fiscal Year 2023-2024 LAWA Operating Budget in LAX Cost Center 1150063 – Facilities & Technical Services, LAX Cost Center 1150042 – LAX Airside Maintenance & Repair, and VNY Cost Center 1400003 – VNY Construction & Maintenance Services; in Commitment Item 522 – Materials and Supplies. Funding for subsequent years will be requested as part of the annual budget process; and

WHEREAS, 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; and

WHEREAS, Herc is required by contract to comply with the provisions of the Affirmative Action Program; and

WHEREAS, Herc is assigned Business Tax Registration Certificate 0000756631-0003-3; and

WHEREAS, Herc will comply with the provisions of the Child Support Obligations Ordinance; and

WHEREAS, Herc has approved insurance documents, in the terms and amounts required, on file with LAWA; and

WHEREAS, Herc has submitted the Contractor Responsibility Program Questionnaire and Pledge of Compliance, and will comply with the provisions of said program; and

WHEREAS, Herc will comply with the provisions of the Equal Benefits Ordinance; and

WHEREAS, Herc has submitted the Bidder Contributions CEC Form 55, and will comply with its provisions; and

WHEREAS, Herc submitted the Municipal Lobbying Ordinance CEC Form 50, and will comply with its provisions; and

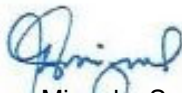
WHEREAS, Herc will comply with the provisions of the Iran Contracting Act; and

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 Second Amendment to Contract DA-5343 with Herc Rentals Inc. to increase the contract authority to new total not to exceed \$13,400,000 and extend the term through October 31, 2027, covering rental of vehicles and specialized equipment for use at Los Angeles International Airport and Van Nuys Airport; and authorized the Chief Executive Officer, or designee, to execute said Second Amendment to Contract DA-5343 with Herc Rentals Inc. after approval as to form by the City Attorney and approval by the Los Angeles City Council.

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I hereby certify that this Resolution No. 27810 is true and correct, as adopted by the Board of Airport Commissioners at its Regular Meeting held on Thursday, September 21, 2023.

A handwritten signature in blue ink, appearing to read "Grace Miguel", is positioned above the printed name.

Grace Miguel – Secretary
BOARD OF AIRPORT COMMISSIONERS