

ADMINISTRATIVE EXEMPTION and TRADE, TRAVEL, AND TOURISM COMMITTEE REPORT relative to amending the Los Angeles World Airports (LAWA) contract with Herc Rentals, Inc.

Recommendations for Council action:

1. ADOPT the determination by the Board of Airport Commissioners (BOAC) 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 First Amendment to LAWA Contract DA-5343 with Herc Rentals, Inc., increasing the amount by \$2,500,000, for a new total not to exceed \$6,650,000, for the rental of construction equipment and related products and services.
3. CONCUR with the action taken by the BOAC on January 7, 2021, by Resolution No. 27185, authorizing the Chief Executive Officer, LAWA, to execute the First Amendment to Contract DA-5343 with Herc Rentals, Inc.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that this action will not impact the General Fund. The proposed First Amendment complies with LAWA's financial policies.

Community Impact Statement: None submitted.

TIME LIMIT FILE – APRIL 5, 2021

(LAST DAY FOR COUNCIL ACTION – MARCH 24, 2021)

SUMMARY

In a report to the Mayor dated February 18, 2021, the CAO states that LAWA requests authority to amend its contract with Herc Rentals. According to the CAO, LAWA uses rented equipment to maintain public areas, buildings, mechanical infrastructure, roadways, and airfields at Los Angeles International and Van Nuys Airports. At times, specialized equipment is required to perform essential functions without the long-term cost of ownership. Examples of types of equipment include asphalt compaction rollers, motor graders, wheeled loaders, tracked dozers, dump trucks, aerial lifts, work platforms, and other miscellaneous construction equipment. LAWA reports that large paving projects, deferred maintenance, and unforeseen occurrences have necessitated an increase in equipment rentals, which requires an increase in contract authority.

The CAO reports that due to the deferral of critical pavement repairs and the assignment of three large-scale pavement projects, LAWA needs to continue renting specialized equipment to complete capital pavement projects, extend the life of taxi lanes and runways, and preserve the safety of these areas. In addition, LAWA has rented dump trucks, asphalt rollers, water trucks, and specialized boom lifts (that meet floor load requirements in terminals) at a more frequent rate due to ongoing airfield repair projects for the past 20 months. LAWA wants to take advantage of

the reduced passenger loads due to COVID-19 travel impacts. Specialized construction equipment enables LAWA to complete current and planned maintenance projects through the end of the Herc Rentals contract term in March 2024. Currently, Herc Rentals can provide rental equipment at a substantially lower price.

On January 7, 2021, BOAC approved the proposed First Amendment to the LAWA contract with Herc Rentals. The CAO concurs with this action.

At its meeting held February 23, 2021, the Trade, Travel, and Tourism Committee recommended that Council approve the proposed contract amendment, as recommended by BOAC and the CAO.

Respectfully Submitted,

TRADE, TRAVEL, AND TOURISM COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
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BUSCAINO:	YES
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BONIN:	YES
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LEE:	YES
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-NOT OFFICIAL UNTIL COUNCIL ACTS-