



## Report to the BOARD OF AIRPORT COMMISSIONERS

Approver:

*R. J. Connolly*

Richard J. Connolly, Deputy Executive Director  
Facilities Management Division

Reviewer:

*Brian C. Ostler*

Brian C. Ostler, City Attorney

*John Ackerman*

John Ackerman, Chief Executive Officer

### Meeting Date

7/18/2024

Needs Council Approval: ☒ Y

Reviewed for/by	Date	Approval Status	By
Finance	6/24/2024	<input checked="" type="checkbox"/> Y <input type="checkbox"/> NA	JS
CEQA	6/21/2024	<input checked="" type="checkbox"/> Y	VW
Procurement	6/22/2024	<input checked="" type="checkbox"/> Y <input type="checkbox"/> Cond	BG
Guest Experience	6/24/2024	<input checked="" type="checkbox"/> Y	TB
Strategic Planning	6/21/2024	<input checked="" type="checkbox"/> Y	BNZ

### SUBJECT

Request to approve the First Amendment to Contract No. DA-5517 with Genuine Parts Company, dba NAPA Integrated Business Solutions, for automotive parts and heavy-duty equipment parts, accessories, and services at Los Angeles International Airport and Van Nuys Airport, increasing the not-to-exceed value by \$2,000,000 for an updated amount not to exceed \$12,275,000, and extending the term of the Contract to December 29, 2025.

### 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 Contract No. DA-5517 with Genuine Parts Company, dba NAPA Integrated Business Solutions, for automotive parts and heavy-duty equipment parts, accessories, and services at Los Angeles International Airport and Van Nuys Airport, increasing the not-to-exceed value by \$2,000,000 for an updated amount not to exceed \$12,275,000, and extending the term of the Contract to December 29, 2025.
4. AUTHORIZE the Chief Executive Officer, or designee, to execute the amendment after approval as to form by the City Attorney and approval by the Los Angeles City Council.

## **DISCUSSION**

### **1. Purpose**

The requested action is to amend Contract No. DA-5517 with Genuine Parts Company, dba NAPA Integrated Business Solutions, to continue purchasing a wide variety of automotive and heavy-duty equipment parts, accessories, and related services.

### **2. Prior Related Actions/History of Board Actions**

- **October 2, 2018 – Resolution No. 26589 (DA-5313)**

The Board of Airport Commissioners (Board) approved joining Sourcewell Contract No. 061015-GPC with Genuine Parts Company, dba NAPA Auto Parts (Genuine Parts), and established a two-year contract for the purchase of automotive and heavy-duty equipment parts and accessories for Los Angeles International Airport (LAX) and Van Nuys Airport (VNY) for an amount not to exceed \$5 million. The contract was to expire on July 21, 2020.

- **March 2, 2020 – Resolution No. 26939 (DA-5313A)**

The Board approved the First Amendment to Contract No. DA-5313 with Genuine Parts for the purchase of automotive parts, heavy-duty equipment parts, and accessories for LAX and VNY, extending the contract term by one year and increasing the contract authority by \$4.6 million for a new not-to-exceed amount of \$9.6 million. The contract expired on July 21, 2021.

- **July 8, 2021 – Resolution No. 27302 (DA-5517)**

The Board approved a three-year contract with Genuine Parts Company, dba NAPA Integrated Business Solutions (NAPA), joining Sourcewell Contract No. 110520-GPC for automotive parts, heavy-duty equipment parts, accessories, and services for LAX and VNY for an amount not to exceed \$10.3 million. This contract will expire on August 9, 2024.

### **3. Background**

There are approximately 883 vehicles used by all LAWA Divisions in the fleet. The Facilities Management Division (FMD) also maintains over 1,675 specialty equipment items that power and support both public facilities and LAWA offices.

In 2018, LAWA joined Sourcewell Contract No. 061015-GPC with NAPA to pilot the inventory management solution contract model, with the goals of reducing overall costs and streamlining contract administration costs. NAPA provided a dedicated "off-site store" which served as a primary order center/warehouse for all LAWA parts and services. Through this off-site facility, NAPA staff provided NAPA-branded parts, as well as locally sourced specialty items for LAWA's diverse fleet. Los Angeles World Airports also obtains inventory management services that reduce overhead costs associated with excess stock and administration.

#### **4. Current Action/Rationale**

This contract model proved to be invaluable in decreasing overall inventory management and invoice processing costs and has thus far proven to be the most advantageous option to continue purchasing automotive heavy-duty equipment, parts and accessories.

While there were no Small Business Enterprise goals set for this contract, NAPA are aware of the importance of sourcing parts and materials from local and/or small business enterprises. NAPA has been tracking orders and reported that they have sourced approximately 56 percent of LAWA's business from vendors or distributors based in Los Angeles County.

#### **5. Fiscal Impact**

Costs for the proposed First Amendment will be recovered through landing fees, terminal rates and charges, and non-aeronautical revenues.

To date, the FMD has expended nearly 80 percent of the available authority provided by Contract DA-5517. The amount requested in this action will be sufficient to cover the extended contract term.

Procurement Services reviewed this project (Contract No. 110520-GPC) and verified that Sourcewell did not establish a Business Enterprise goal, as no subcontracting opportunities were identified. Procurement Services also reviewed this action (File No. 10864) and concurs that there are no subcontracting opportunities.

#### **6. Alternatives Considered**

- ***Take No Action***

Taking no action is not recommended, since the current contract is scheduled to expire on August 9, 2024, and LAWA would thereafter be without a means of readily procuring various parts, materials, and components necessary to maintain LAWA's diverse fleet.

- ***Issue a Request for Bid***

Staff considered a competitive bid process for the parts, materials and components required to support the fleet. Ultimately, joining the Sourcewell contract was deemed the more efficient contracting process supplied through a single centralized location.

#### **APPROPRIATIONS**

Funds for this contract are included in Fiscal Year 2024-2025 Los Angeles World Airports Operating Budget in LAX Cost Center 1150053 – Landside & Airside Equipment Maintenance and VNY Cost Center 1400003 – VNY Construction & Maintenance Services, Commitment Item 522 – Materials and Supplies. Funding for subsequent years will be requested as part of the annual budget process.

## **STANDARD PROVISIONS**

The proposed document(s) is/are subject to approval as to form by the City Attorney.

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.