



5
Item Number
Page

Report to the BOARD OF AIRPORT COMMISSIONERS

Approver:

R. J. Connolly

Richard J. Connolly, Deputy Executive Director
Facilities Management Division

Reviewer:

Hector Huevo for
Hector Huevo for (Mar 3, 2025 14:53 PST)

Brian C. Ostler, City Attorney

John Ackerman

John Ackerman, Chief Executive Officer

Meeting Date

3/13/2025

Needs Council Approval: ☒ Y

Reviewed for/by	Date	Approval Status	By
Finance	2/25/2025	<input checked="" type="checkbox"/> Y <input type="checkbox"/> NA	JS
CEQA	2/11/25	<input checked="" type="checkbox"/> Y	VW
Procurement	2/20/2025	<input checked="" type="checkbox"/> Y <input type="checkbox"/> Cond	KK
Guest Experience	2/11/2025	<input checked="" type="checkbox"/> Y	TB
Strategic Planning	2/13/2025	<input checked="" type="checkbox"/> Y	BNZ

SUBJECT

Request to adopt the following report and approve the Second Amendment to Contract No. DA-5638 with KT Industries, Inc. for medium-voltage repair, training, preventive maintenance, and support services for Los Angeles World Airports, increasing the contract term by one year for a new expiration date of May 19, 2027.

DISCUSSION

1. Purpose

The proposed action will support better energy management through efficient distribution, and reducing the risk of outages, surges, and spikes that can damage equipment and disrupt operations.

2. Prior Related Actions/History of Board Actions

- **May 4, 2023 – Resolution No. 27223 (DA-5638)**

The Board of Airport Commissioners (Board) approved the award of a three-year contract to KT Industries, Inc. for medium-voltage repair, training, preventive maintenance, and support services for an amount not to exceed \$1,875,000. This contract expires on May 19, 2026.

- **December 12, 2024 – Resolution No. 28069 (DA-5638A)**

The Board approved the First Amendment to Contract DA-5638 with KTI, increasing the contract's authority by \$4 million for a revised not-to-exceed amount of \$5.8 million.

3. Background

The electrical infrastructure at Los Angeles World Airports consists of low, medium, and high-voltage systems, each requiring distinct training and certification for the staff tasked with their maintenance. The current Facilities Management Division (FMD) staff are trained and certified to work on low-voltage and medium-voltage systems, while high-voltage system work is performed by the Los Angeles Department of Water and Power.

Under the existing contract, KTI will be upgrading and installing modifications to the current medium-voltage systems at the Tom Bradley International Terminal (TBIT), both North and South electrical vaults. Given the complexity and scope of this project, the estimated completion is anticipated to extend beyond the current contract expiration date of May 19, 2026.

KTI is certified with the City of Los Angeles as both a Local Business Enterprise and Small Business Enterprise.

4. Current Action/Rationale

The additional one year is needed to cover service and maintenance of the medium-voltage systems; continued engineering modifications of the switchgear at the Tom Bradley International Terminal North and South electrical vaults; and the likelihood of the project extending beyond the existing contract term.

5. Fiscal Impact

Costs incurred under this contract will be recovered through landing fees, terminal rates and charges, and non-aeronautical revenues.

APPROPRIATIONS

Funds for this contract are available in the Fiscal Year 2024-2025 Los Angeles World Airports Operating Budget in LAX Cost Center 1150073 - Facilities & Technical Services Buildings, Field Elec. 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 Board is hereby requested to adopt staff's determination that 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 that the operation, repair, maintenance or alteration of existing facilities of publicly owned utilities, electrical power and mechanical systems serving

existing facilities, including alterations to accommodate a specific use is exempt from CEQA requirements pursuant to Article III, Class 1 (2) of the Los Angeles City CEQA Guidelines.

The Board is hereby further requested to authorize the Chief Executive Officer, or designee, to execute the Second Amendment to Contract No. DA-5638 with KT Industries, Inc. subject to approval by the Los Angeles City Council and 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.