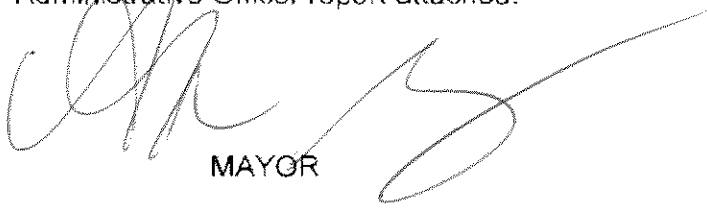


TRANSMITTAL		0150-10420-0000
TO Gina Marie Lindsey, Executive Director Department of Airports	DATE JUN 03 2015	COUNCIL FILE NO.
FROM The Mayor	COUNCIL DISTRICT 6, 9, 11	
<p style="text-align: center;">Proposed Agreement with Pacific Coast Sightseeing Tours and Charters, Inc. for the Operation of Van Nuys Bus Terminal, Metro Orange Line Station, and Union Station FlyAway Bus Service to Los Angeles International Airport</p> <p style="text-align: center;">Transmitted for further processing, including Council consideration. See the City Administrative Officer report attached.</p> <div style="text-align: center;"> MAYOR</div> <p>MAS:JFH101500961</p>		

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: June 2, 2015

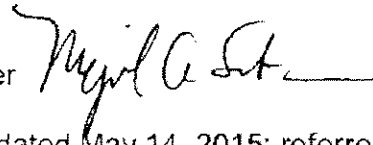
CAO File No. 0150-10420-0000

Council File No.:

Council District: 6, 9, 11

To: The Mayor

From: Miguel A. Santana, City Administrative Officer



Reference: Transmittal from the Department of Airports dated May 14, 2015; referred by the Mayor for report on May 15, 2015

Subject: **PROPOSED SEVEN-YEAR AGREEMENT WITH PACIFIC COAST SIGHTSEEING TOURS AND CHARTERS, INC., FOR FLYAWAY BUS SERVICE FROM THE VAN NUYS BUS TERMINAL, THE ORANGE LINE STATION, AND UNION STATION TO LOS ANGELES INTERNATIONAL AIRPORT**

SUMMARY

FlyAway bus service is currently operated between the Van Nuys FlyAway Bus Terminal, Union Station, and Los Angeles International Airport (LAX) under two operating agreements with Bauer's Intelligent Transportation, Inc., which expire on July 11, 2015 and August 30, 2015, respectively. On February 27, 2015, six proposers submitted proposals in response to a Los Angeles World Airports (LAWA) Request for Proposals (RFP) for the continued operation of the FlyAway Service on these routes. The RFP also requested that proposals include a new stop on the Van Nuys FlyAway route at the Metro Orange Line Woodley Station.

Utilizing all evaluation criteria published in the RFP, a five-member LAWA committee scored and ranked the proposals. Pacific Coast Sightseeing Tours and Charters, Inc.'s (Pacific Coast) proposal was ranked first. The current operator, Bauer's Intelligent Transportation Inc., was deemed non-responsive by LAWA's Procurement Division. The LAWA Executive Director requests authority to execute a seven-year agreement with Pacific Coast for operation of FlyAway scheduled bus service between the Van Nuys FlyAway Bus Terminal, Metro Orange Line Woodley Station, Los Angeles Union Station, and LAX for an amount not to exceed \$76.2 million. The annual contract cost is comprised of a monthly management fee, trip fees, and approved pass-through costs.

The LAX FlyAway service is intended to operate on a full cost recovery basis. However, the cost of the new Pacific Coast contract exceeds the current operator's costs on these routes by approximately 20 percent. Therefore, in a separate action of the Board of Airport Commissioners (Board) at its meeting on April 21, 2015, a fare increase from \$8.00 to \$9.75 one-way to LAX from all three locations was adopted (Agenda Item No. 18). The new fare still compares favorably with other available modes of transportation to LAX.

The Board also approved the proposed agreement with Pacific Coast at its meeting held on May 21, 2015. City Council approval of the proposed Agreement is required in accordance with Charter Section 373, "Long Term Contracts Approved by Council," and the Los Angeles Administrative Code Section 10.5, "Limitation and Power to Make Contracts" because the cumulative term of the

Agreement exceeds three years. Additionally, to become effective, the City Attorney must approve it as to form. The above-referenced aspects of the proposed agreement, and this report, include revised information received from the Department subsequent to the initial request submittal.

Background and Agreement Terms

On February 27, 2015, six proposers submitted proposals in response to a LAWA RFP for the operation of FlyAway Services. The RFP also requested that proposals include a new stop on the Van Nuys FlyAway route at the Metro Orange Line Woodley Station.

The LAWA Executive Director requests authority to execute a seven-year agreement with Pacific Coast for operation of FlyAway scheduled bus service between Van Nuys FlyAway Bus Terminal, Metro Orange Line Woodley Station, Los Angeles Union Station, and LAX for an amount not to exceed \$76.2 million. The annual contract cost is comprised of a \$474,749 monthly management fee, one-way trip fees of \$46.45 (Union Station to LAX) and \$47.23 (Van Nuys Bus Terminal - Metro Orange Line Station to LAX), and approved pass-through costs. The proposers' rankings and the proposal evaluation criteria are listed below:

PROPOSER	RANK
Pacific Coast Sightseeing Tours and Charters, Inc.	1
MV Transportation, Inc.	2
Silverado Stages, Inc.	3
Airport Connection, Inc.	4
Transportation Charter Services, Inc.	5
Bauer's Intelligent Transportation, Inc.	6*
*Proposal scored and proposer interviewed but deemed non-responsive by LAWA's Procurement Division	

EVALUATION CRITERIA	CRITERIA WEIGHT
Qualifications and Experience	10
Management and Operations Plan	20
Fleet Plan	10
Customer Service Plan	20
Revenue Control and Audit Plan	10
Proposed Cost of Service	30
Total Points	100

While Pacific Coast committed to a total of 18.06 percent Small Business Enterprise (SBE) participation, one of the firm's proposed subcontractors (DM Fuel Distributors, Inc.) was not a certified SBE firm as of the proposal due date. DM Fuel Distributors Inc. subsequently applied for and received SBE certification from LAWA's Certification Unit on April 30, 2015, and is designated to perform 10.03 percent of the proposal amount. The post-proposal submission SBE certification of the firm by LAWA has been deemed permissible by the City Attorney.

The LAX FlyAway service is intended to operate on a full cost recovery basis. However, the cost of the new Pacific Coast contract exceeds the current operator's costs on these routes by approximately 20 percent. Therefore, in a separate action of the Board at its meeting on April 21, 2015, a fare increase from \$8.00 to \$9.75 one-way to LAX from all three locations was adopted (Agenda Item No. 18). The new fare still compares favorably with other available modes of transportation to LAX.

The Board also approved the proposed agreement with Pacific Coast at its meeting held on May 21, 2015.

Alternatives to the Proposed Agreement

The Department indicates that not awarding the proposed Agreement would result in the expiration of the current Van Nuys FlyAway operating agreement on July 11, 2015, and the current Union Station FlyAway operating agreement on August 30, 2015, eliminating all Flyaway service for the traveling public from these locations to LAX.

Compliance with City Administrative Requirements

With respect to Charter Section 1022, the Department has determined that the work specified under the proposed contract can be more feasibly or economically performed by an independent contractor than by City employees.

The Department will ensure Lessee compliance with the City's Standard Provisions applicable to contracts including: Living Wage Ordinance, Service Worker Retention Ordinance, Affirmative Action Program, Child Support Obligations Ordinance, City insurance requirements, Contractor Responsibility Program, First Source Hiring Program for all non-trade LAX Airport jobs, a determination by the Department of Public Works, Office of Contract Compliance, of Lessee's compliance with provisions of the Equal Benefits Ordinance, and submission of the Bidder Contributions City Ethics Commission (CEC) Form 55 prior to the execution of the proposed Agreement.

City Council approval of the proposed Agreement is required in accordance with Charter Section 373, "Long Term Contracts Approved by Council," and the Los Angeles Administrative Code Section 10.5, "Limitation and Power to Make Contracts" because the cumulative term of the Agreement exceeds three years. Additionally, to become effective, the City Attorney must approve the Agreement as to form.

California Environmental Quality Act Guidelines

In terms of CEQA (California Environmental Quality Act) compliance, the issuance of permits, leases, agreements, gate and space assignments, and renewals, amendments or extensions thereof, or other entitlements granting use of existing airport facilities or its operations is exempt from the requirements of the CEQA pursuant to Article III, Class 1(18)(c) of the Los Angeles City CEQA Guidelines.

RECOMMENDATIONS

That the Mayor:

1. Approve, the proposed seven-year Agreement between the Los Angeles World Airports and Pacific Coast Sightseeing Tours and Charters, Inc., in an amount not to exceed \$76.2 million, for scheduled FlyAway bus service between the Van Nuys FlyAway Bus Terminal, the Orange Line Woodley Station to LAX, and the Union Station to LAX, subject to City Attorney approval as to form and compliance with the City's Standard Provisions for Contracts including: Living Wage Ordinance, Service Worker Retention Ordinance, Affirmative Action Program, Child Support Obligations Ordinance, City insurance requirements, Contractor Responsibility Program, First Source Hiring Program for all non-trade LAX jobs, a determination by the Department of Public Works, Office of Contract Compliance, of Lessee's compliance with provisions of the Equal Benefits Ordinance, and submission of the Bidder Contributions CEC Form 55 prior to execution of the Agreement;
2. Authorize the Executive Director to execute the proposed Agreement; and
3. Return the proposed Agreement to the Department for further processing, including Council consideration.

FISCAL IMPACT STATEMENT

Approval of the proposed seven-year \$76.2 million Agreement with Pacific Coast Sightseeing Tours and Charters, Inc. will have no impact on the Department's Capital Budget. Funds for the Agreement have been requested in the Fiscal Year 2015-16 Los Angeles World Airports Operating Budget in LAX Cost Center 2001209 - VNY LND FlyAway Operations and LAX Cost Center 2001187- LND Union Station FlyAway, Commitment Item 520 - Contractual Services. The revenue from FlyAway ticket fares is projected to achieve full recovery of contract costs. Approval of the proposed Agreement will have no impact on the City's General Fund.

Time Limit for Council Action

Pursuant to Charter Section 373, "Long Term Contracts Approved by Council," and the Los Angeles Administrative Code Section 10.5, "Limitation and Power to Make Contracts," unless the Council takes action disapproving a contract that is longer than three years within 60 days after submission to Council, the contract shall be deemed approved.