



Los Angeles World Airports

Item Number  
17 here

## REPORT TO THE

# BOARD OF AIRPORT COMMISSIONERS

Approved by: Marisa Katnich, Landside Business Management

Reviewed by: Debbie L. Bowers - Deputy Executive Director

City Attorney

Gina Marie Lindsey - Executive Director

Meeting Date:

5/21/2015

CAO Review:

☐ Completed  
☒ Pending  
☐ N/A

Reviewed for	Date	Approval Status	By
Capital Budget	4/29/15	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> NA	DS
Operating Budget	5/6/15	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> NA	RW
CEQA	4/28/15	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	VW
Procurement	05/04/15	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> Cond	MT

**SUBJECT: Award of Agreement to Pacific Coast Sightseeing Tours and Charters, Inc. for Operation of Union Station, Van Nuys, and Orange Line FlyAway Bus Service**

Award an agreement to Pacific Coast Sightseeing Tours and Charters, Inc. for the operation of FlyAway scheduled bus service between Los Angeles International Airport and three locations: Los Angeles Union Station, Van Nuys FlyAway Bus Terminal and Metro Orange Line Woodley Station, for an amount not to exceed \$76.2 million over the seven-year term.

### **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 III, Class 1 (18)(c) of the Los Angeles City CEQA Guidelines.
3. FIND that the Request for Proposal process used in this competitive award process satisfies the requirements of Administrative Code Section 10.17 and is compatible with the City's interests.
4. FIND that Pacific Coast Sightseeing Tours and Charters, Inc. is responsive and responsible, that entering into this agreement is in the best interest of the City, and waive any informality in contractor's proposed Small Business Enterprise participation.
5. APPROVE award of a seven-year term agreement with Pacific Coast Sightseeing Tours and Charters, Inc. to operate the FlyAway scheduled bus service between Los Angeles International Airport and three locations: 1) Los Angeles Union Station, 2) Van Nuys

FlyAway Bus Terminal and 3) Metro Orange Line Woodley Station for an amount not to exceed \$76.2 million over the term.

6. AUTHORIZE the Executive Director to execute the Agreement subject to approval as to form by the City Attorney and upon approval by the Los Angeles City Council.

### **DISCUSSION:**

#### **1. Purpose**

Provide FlyAway scheduled bus service between Los Angeles International Airport (LAX) and three locations: Los Angeles Union Station (Union Station), Van Nuys FlyAway Bus Terminal (Van Nuys) and Metro Orange Line Woodley Station (Orange Line).

#### **2. Prior Related Actions**

No prior related action.

#### **3. Current Action**

Los Angeles World Airports (LAWA) currently provides FlyAway bus service between LAX and Van Nuys, and LAX and Union Station through two operating agreements with Bauer's Intelligent Transportation, Inc., which expire on July 11, 2015 and August 30, 2015, respectively. The Orange Line is a proposed new FlyAway service and will be a stop along the Van Nuys FlyAway route, commencing Fall 2015.

Pacific Coast Sightseeing Tours and Charters, Inc. (Pacific Coast) was selected to operate Union Station, Van Nuys and Orange Line FlyAway bus service through the procurement process described below. Pacific Coast has been providing ground transportation services within the Los Angeles area and throughout California for over ten years, including but not limited to, Disneyland Resort Airport service, Southern California Gray Line, Megabus West, and Amtrak.

#### **Terms of the Agreement**

Under the Agreement, Pacific Coast will be responsible for providing scheduled FlyAway bus service, deploying a new 2015 model bus fleet, selling tickets, establishing and providing revenue control procedures, and staffing the operation. Pacific Coast will remit all revenue from the sale of tickets and passes to LAWA. LAWA will pay Pacific Coast a fixed monthly management fee, a fee for each completed trip less penalties for service shortfalls, and approved costs for transaction processing.

Staff developed the proposed seven-year term to 1) provide sufficient time for the operator to finance the capital costs for purchase of the bus fleet and 2) align the Agreement's expiration with the timing for activating new landside improvements that may affect FlyAway resulting from the Landside Access and Modernization Plan.

The seven-year term is subject to cancellation by LAWA with 60 days notice. However, should LAWA terminate the Agreement within the first five years of the term, the operator is eligible for a termination payment equal to six months of the annual depreciation value of the buses and other capital investments, e.g., ticketing equipment.

## Procurement Process

On February 27, 2015, six proposers submitted proposals in response to the Request for Proposals (RFP) for the Operation of Union Station, Van Nuys, and Orange Line FlyAway Bus Service RFP. The five-member evaluation committee consisted of the following:

Deputy Executive Director, Commercial Development Group  
Executive Assistant Airport  
Airport Manager II  
Senior Transportation Engineer  
Chief Management Analyst

The Evaluation Criteria, published in the RFP and shown below were used to rank the proposals. Consistent with the RFP selection guidelines, the evaluation committee elected to interview the proposers. Interviews were conducted on April 7, 2015.

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 Costs of Service	30
Total Points:	100

Following the interviews, the evaluation panel scored and ranked the proposals based on all Evaluation Criteria categories as shown in the table 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

Note: Staff interviewed and scored Bauer's Transportation, Inc.'s proposal, but the proposal was deemed non responsive by LAWA's Procurement Division.

### Small Business Enterprise (SBE)

Procurement Services Division reviewed proposers' documents pertaining to SBE requirements for the project and determined that Pacific Coast failed the SBE review as one of its proposed subcontractors (DM Fuel Distributors Inc.) was not a certified SBE firm as of the proposal due date. Subsequently, DM Fuel Distributors, Inc. applied for and received SBE certification from LAWA's Certification Unit on April 30, 2015, and is designated to perform 10.03% of the project. The remaining 8.03% of the 18.06% SBE commitment will be met through two additional SBE certified firms.

as of the proposal due date. Subsequently, DM Fuel Distributors, Inc. applied for and received SBE certification from LAWA's Certification Unit on April 30, 2015, and is designated to perform 10.03% of the project. The remaining 8.03% of the 18.06% SBE commitment will be met through two additional SBE certified firms.

Further, Pacific Coast is contractually obligated to meet the SBE pledge provided in its proposal, 18.06%.

#### ***Action Requested***

Staff requests the Board approve and authorize the Executive Director to execute the Agreement with Pacific Coast after approval as to form by the City Attorney and upon approval by City Council.

#### ***Fiscal Impact***

Approval of this Agreement will cost LAWA approximately \$9.8 million in the first year with a cost not to exceed of \$76.2 million over the seven-year term. These costs are approximately 20% above the current operator's contract costs. The increase will be recovered through the proposed new fares for Union Station, Van Nuys and Orange Line Flyaway services.

#### **4. Alternatives Considered**

- ***Take No Action***

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 August 30, 2015, eliminating FlyAway services to these locations and resulting in a loss of service to the traveling public.

#### **APPROPRIATIONS:**

Approval of this action will have no fiscal impact on Los Angeles World Airports' Capital Budget. Funds for this contract 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. Funds for subsequent years will be requested as part of the annual budget process.

#### **STANDARD PROVISIONS:**

1. 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 California Environmental Quality Act (CEQA) pursuant to Article III, Class 1 (18)(c) of the Los Angeles City CEQA Guidelines.
2. This item is subject to approval as to form by the City Attorney.
3. Actions taken on this item by the Board of Airport Commissioners will become final pursuant to the provisions of Los Angeles City Charter Section 606.

4. Pacific Coast Sightseeing Tours and Charters will comply with the provisions of the Living Wage/Service Contractor Worker Retention Ordinances.
5. Procurement Services has reviewed this action (File No. 6906) and established a mandatory 15% Small Business Enterprise (SBE) participation for this project. Pacific Coast Sightseeing Tours and Charters failed the SBE review as one of its proposed subcontractors (DM Fuel Distributors Inc.) was not a certified SBE firm as of the proposal due date, resulting in an overall 8.03% SBE participation. Subsequently, DM Fuel Distributors, Inc. applied for and received SBE certification from LAWA's Certification Unit on April 30, 2015, and is designated to perform 10.03% of the project. Pacific Coast Sightseeing Tours & Charters has committed to an overall 18.06% SBE participation.
6. Pacific Coast Sightseeing Tours and Charters will comply with the provisions of the Affirmative Action Program.
7. Pacific Coast Sightseeing Tours and Charters has been assigned Business Tax Registration Certificate number 0002626523-0001-9.
8. Pacific Coast Sightseeing Tours and Charters will comply with the provisions of the Child Support Obligations Ordinance.
9. Pacific Coast Sightseeing Tours and Charters will have approved insurance documents, in the terms and amounts required, on file with the Los Angeles World Airports prior to contract execution.
10. Pursuant to Charter Section 1022, staff determined the work specified on the proposed contract can be performed more feasibly or economically by an Independent Contractor than by City employees.
11. Pacific Coast Sightseeing Tours and Charters has submitted the Contractor Responsibility Program Questionnaire and Pledge of Compliance and will comply with the provisions of the Contractor Responsibility Program.
12. Pacific Coast Sightseeing Tours and Charters must be determined by Public Works, Office of Contract Compliance, to be in full compliance with the provisions of the Equal Benefits Ordinance prior to contract execution.
13. Pacific Coast Sightseeing Tours and Charters will be required to comply with the provisions of the First Source Hiring Program for all non-trade LAX Airport jobs.
14. Pacific Coast Sightseeing Tours and Charters has submitted the Bidder Contributions CEC Form 55 and will comply with its provisions.