

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: February 9, 2021

CAO File No. 0150-11814-0000

Council File No.

Council District: 6, 11

To: The Mayor

From: Richard H. Llewellyn, Jr., City Administrative Officer

Reference: Communication from the Department of Airports dated November 19 2020; referred by the Mayor for a report on November 19, 2020

Subject: **PROPOSED FIRST AMENDMENT TO CONTRACT DA-5245 WITH LOS ANGELES TOURISM AND CONVENTION BOARD**

RECOMMENDATIONS

That the Mayor:

1. Approve a proposed First Amendment to Contract No. DA-5245 with Los Angeles Tourism and Convention Board to extend the term by twelve months for air service marketing, promotional, and development consulting services for Los Angeles International Airport for a total not-to-exceed amount of \$500,000, subject to City Attorney approval as to form and compliance with the City's Standard Provisions, including: Living Wage Ordinance, Affirmative Action Program, Business Tax Registration Certification, Child Support Obligations Ordinance, insurance documents, Charter Section 1022, Contractor Responsibility Program, Equal Benefits Ordinance, First Source Hiring Program, Bidder Contributions City Ethics Commission Form 55, and Iran Contracting Act of 2010 Compliance Affidavit;
2. Authorize the Chief Executive Officer to execute the proposed Amendment, upon approval by the Los Angeles City Council; and
3. Return the request to the Los Angeles World Airports for further processing, including Council consideration.

SUMMARY

The Los Angeles World Airports (LAWA; Department) Board of Airport Commissioners (BOAC) requests approval of a First Amendment (Amendment) to Contract No. DA-5245 (Contract) with Los Angeles Tourism and Convention Board to extend the term by twelve months for air service marketing, promotional, and development consulting services for Los Angeles International Airport (LAX) for a total not-to-exceed amount of \$500,000.

The impact of COVID-19 and the historic decline in passenger travel has created a renewed emphasis on providing marketing support for developing new international routes and for air service development for both new and returning routes. LAWA indicates that the next twelve months will be vital to its efforts to revitalize air service, particularly international air travel. The goal of the proposed Amendment is to improve the LAX guest experience by focusing on primary and secondary international markets that are currently at reduced levels, or key markets that are not served or underserved by LAX. During the extension period, LAWA intends to develop internal capabilities to bring more of the work in-house and release a new RFP for a future, smaller contract.

The Los Angeles Tourism and Convention Board has provided marketing and promotional consulting services to LAWA since 2014. The current Contract was awarded through a competitive process in April 2017 for a not-to-exceed amount of \$6,000. The proposed Amendment does not require an increase in contract authority. The current three-year Contract has a cumulative unspent balance of \$2,037,469 and an unspent balance of \$1,592,104 in the current fiscal year. Funds for the proposed Amendment will come from the unspent balance of the Contract with a not-to-exceed amount of \$500,000 during the extension period.

The general scope of services remains the same, and tasks will fall under the following categories:

- Marketing and Promoting LAX Air Service – Activities to develop and promote new passenger and cargo air service and maintain air service market share, with an emphasis on international air service to LAX.
- LAX Marketing and Promotional Services – Marketing and promotions of LAX facilities, services, and Capital Improvement Program to the international airline industry, international travel industry, and international passengers. Market research and analysis, and communications with travel industry leadership and stakeholders.
- International Trade Missions and Aviation Industry Events – Assist with LAWA's participation in aviation industry conferences, events, and City of Los Angeles trade missions to directly promote its airport system.
- Marketing, Media Design and Development – Development, implementation and production of LAX marketing and collateral materials such as graphics, video and other communications tools and translation services.

The BOAC approved the proposed First Amendment at its meeting on November 19, 2020. Actions taken on this item by the BOAC will become final pursuant to the provisions of Los Angeles City Charter Section 373.

FISCAL IMPACT STATEMENT

Approval of the proposed First Amendment to Contract No. DA-5249 with Los Angeles Tourism and Convention Board to extend the term by twelve months for marketing and promotional

consulting services for a not-to-exceed amount of \$500,000 does not increase the Contract authority, and will have no impact on the General Fund. Funds for this contract are available in the FY 2020-21 Los Angeles World Airports Operating Budget in LAX Cost Center 52418. Funding for subsequent years will be requested through the annual budget process. This proposed First Amendment complies with LAWA's Financial Policies.

RHL:MK:10210068