



REPORT TO THE BOARD OF AIRPORT COMMISSIONERS

Aura Moore

Approved by: Aura Moore, Deputy Executive Director and
Chief Information Officer

Michelle D. Schwartz

Reviewed by: Michelle Schwartz, Chief Corporate Strategy and
Affairs Officer

D. Dyg

City Attorney

Justin Erbacci

Justin Erbacci, Chief Executive Officer

Meeting Date:

6/17/2021

CAO Review:

- Completed
- Pending
- N/A

<u>Reviewed for</u>	<u>Date</u>	<u>Approval Status</u>	<u>By</u>
Finance	5/18/2021	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> NA	JS
CEQA	5/18/2021	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	VW
Procurement	5/18/2021	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> Cond	QM
Guest Experience	5/20/2021	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	TB
Strategic Planning	5/17/2021	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> NA	KC

SUBJECT:

Approve the Second Amendment to Contract DA-5193 with The Revenue Markets, Inc. dba TRMI Systems Integration, to extend the term for two years, to June 30, 2023, and increase the contract authority by \$1,500,595, for a total amount not to exceed \$5,054,640, for ongoing maintenance and operations support services for the Automatic Vehicle Identification System at Los Angeles International Airport (LAX).

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. FIND that an independent contractor, other than by City employees, can perform the work more economically or feasibly.
4. APPROVE the Second Amendment to Contract DA-5193 with The Revenue Markets, Inc. dba TRMI Systems Integration, to extend the term for two years, to June 30, 2023, and increase the contract authority by \$1,500,595, for a total amount not to exceed \$5,054,640,

for ongoing maintenance and operations support services for the Automatic Vehicle Identification System at Los Angeles International Airport.

5. AUTHORIZE the Chief Executive Officer or designee to execute the contract amendment after approval as to form by the City Attorney, and approval by the Los Angeles City Council.

DISCUSSION:

1. Purpose

The proposed contract extension will provide continuous operations and maintenance support services, and allow LAWA to receive necessary cyber security improvements, while the airport's mobility strategy is finalized by the Los Angeles World Airports (LAWA) Mobility Unit.

2. Prior Related Actions

- **June 7, 2010- Resolution No. 24134 (DA-4471)**
The Board of Airport Commissioners (Board) awarded a one-year contract with a one-year renewal option to The Revenue Markets, Inc. dba TRMI Systems Integration to replace the Automatic Vehicle Identification System at LAX for an amount not to exceed \$1,972,850.
- **June 18, 2012- Resolution No. 24821 (DA-4471A)**
The Board approved a First Amendment to Contract No. DA-4471 to extend the contract term by one year until June 30, 2013, and increase the authority by \$770,000 for additional enhancements and modifications to the new Automatic Vehicle Identification System for a total contract amount not to exceed \$2,742,850.
- **May 7, 2013-Resolution No. 25098 (DA-4471B)**
The Board approved a Second Amendment to Contract DA-4471 to extend the term by one year until June 30, 2014. No additional funding was added.
- **January 13, 2014 - Resolution No. 25311**
Subsequent to the receipt of only a single proposal, the Board authorized the Executive Director to reject all proposals for the Automatic Vehicle Identification System Operations and Maintenance Support Services and re-advertise the project.
- **June 18, 2014- Resolution No. 25425 (DA-4912)**
The Board awarded a one-year contract with two, one-year renewal options to The Revenue Markets, Inc. dba TRMI Systems Integration, to provide operations and maintenance support services for the Automatic Vehicle Identification System at LAX for an amount not to exceed \$3,418,500. This contract expired on June 30, 2017.
- **June 20, 2017- Resolution No. 26236 (DA-5193)**
The Board awarded a one-year contract with one, one-year renewal option to The Revenue Markets, Inc. contract to provide operations and maintenance support services for the Automatic Vehicle Identification System at LAX for an amount not to exceed \$2,046,840. This contract expired on June 30, 2019.

- **June 20, 2019- Resolution No. 26747 (DA-5193A)**

The Board awarded a two-year contract extension to The Revenue Markets, Inc. contract to provide operations and maintenance support services for the Automatic Vehicle Identification System at LAX for an amount not to exceed \$3,554,045. This contract expires on June 30, 2021.

3. Current Action

The Automatic Vehicle Identification (AVI) System is used to count commercial vehicle traffic and to register, track, and monitor commercial vehicle activity for all commercial ground transportation operators in and around the LAX Central Terminal Area (CTA) and outlying areas. Commercial vehicles include limousines, buses, taxicabs, and passenger vans that are permitted by LAWA to provide ground transportation services to and from LAX. Vehicles that provide Transportation Network Company (TNC) services (Uber and Lyft) are not tracked by the AVI System. The AVI system includes a series of servers and electronic readers (radio frequency modules and antennas) that detect and monitor LAWA-issued transponders mounted on passing commercial vehicles. AVI data is used to accurately track and bill airport commercial ground transportation providers as applicable. AVI data is also used to perform analysis of vehicle activity to facilitate traffic management. The AVI System operates 24 hours per day, 7 days a week. Routine monitoring, maintenance, and timely repairs of the AVI System are critical to ensure continuous operation and data collection. Commercial vehicle activity tracked by the AVI System yields an average annual revenue of approximately \$8 million through 2019 (\$3.8 million in 2020). Server upgrades are necessary to maintain Cyber Security protection for the operating system of the AVI System servers.

A summary of past expenditures for the last three years under the current agreement are listed below:

Description	Expenditures
Base Services - Operations and Maintenance Support	\$2,640,000
Vehicle Transponders	\$110,540
System Enhancements and as-needed work	\$695,180
Current Total Expenditures to date	\$3,445,720
Current Contract Authority	\$3,554,045
Remaining Contract Authority	\$108,325

Action Requested

Staff requests the Board authorize the Chief Executive Officer to execute a two-year extension with The Revenue Markets, Inc. dba TRMI Systems Integration, and increase the contract authority by \$1,500,595, for a total amount not to exceed \$5,054,640, for ongoing maintenance support services, operations and necessary system improvements, while the long-term Mobility Strategy is developed, and technical solutions are implemented.

Under this contract, The Revenue Markets, Inc. dba TRMI Systems Integration will

provide all operations and maintenance services required for the AVI System (hardware, software, and magnetic loop coils) on a 24/7 basis, to ensure it is fully functional and meets LAWA's Cyber Security Standards. The contractor will perform routine preventive maintenance and repair services to maintain system reliability and to meet LAWA's service level requirements. The Revenue Markets, Inc. dba TRMI Systems Integration also will provide additional related work as needed by LAWA.

In Calendar Year 2022, the LAWA IT team will work closely with Environmental Programs Division and Procurement Services Division to release an RFP to attain a contract for a replacement solution.

Estimated expenditures for this two-year contract extension are as follows:

Description	Total Cost
Base Services - operations and maintenance support (2- Years)	\$1,254,000
Vehicle Transponders	\$46,000
Cyber security upgrades	\$134,000
As-needed repairs; Approved system improvements	\$174,920
Total 2-Year Cost	\$1,608,920
(Remaining Contract Authority)	\$108,325
Additional Contract Authority Needed	\$1,500,595
Current Contract Authority	\$3,554,045
Total Not-to-Exceed Contract Amount	\$5,054,640

*Costs for individual line items may vary, but the total expenditures shall not exceed \$5,054,640.

Fiscal Impact

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

4. Alternatives Considered

- ***Take No Action***
Without this contract, LAWA will not have qualified resources available to support, monitor, and maintain the system on a 24-hour-a-day, 7-days-a-week basis. This may result in a loss of annual revenues for LAWA in the event of any system malfunction.
- ***Use City Staff***
Neither LAWA nor the City has staff with the technical knowledge or expertise to provide these required services on a 24-hour, 7-days-a-week basis.

APPROPRIATIONS:

Funding for this contract has been requested in the FY 2020-2021 Los Angeles World Airports Operating Budget in Cost Center 1170010 – Airport Operation Systems IMTG Division, Commitment Item 520 - Contractual Services. Funding for subsequent years will be requested as part of the annual budget process.

STANDARD PROVISIONS:

1. 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.
2. This proposed document(s) is/are 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 373.
4. TRMI Systems Integration will comply with the provisions of the Living Wage Ordinance.
5. Procurement Services has reviewed this action (File No. 10041898) and established mandatory Small Business Enterprise (SBE) goal of 10 %, Local Business Enterprise (LBE) goal of 5 %, and Local Small Business Enterprise (LSBE) goal of 2% (as a subset to LBE goal) for the project. As a certified SBE firm TRMI Systems Integration is credited with 100% SBE participation, and committed to 5% LBE and 5% LSBE participation. TRMI Systems Integration has achieved 100% SBE, 5.86% LBE, and 5.86% LSBE participation to date.
6. TRMI Systems Integration will comply with the provisions of the Affirmative Action Program.
7. TRMI Systems Integration has been assigned Business Tax Registration Certificate number 0002475194- 0001 -0.
8. TRMI Systems Integration will comply with the provisions of the Child Support Obligations Ordinance.
9. TRMI Systems Integration has approved insurance documents, in the terms and amounts required, on file with Los Angeles World Airports.
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. TRMI Systems Integration has submitted the Contractor Responsibility Program Questionnaire and Pledge of Compliance and will comply with the provisions of the Contractor Responsibility Program.
12. TRMI Systems Integration must be determined by Public Works, Office of Contract Compliance to be in compliance with the provisions of the Equal Benefits Ordinance prior to execution of Contract Amendment.
13. TRMI Systems Integration will comply with the provisions of the First Source Hiring Program for all non -trade Airport jobs.
14. TRMI Systems Integration has submitted the Bidder Contributions CEC Form 55 and will comply with its provisions.
15. TRMI Systems Integration has submitted the Municipal Lobbying Ordinance CEC Form 50 and will comply with its provisions.
16. TRMI Systems Integration will comply with the provisions of the Iran Contracting Act.