

RESOLUTION NO. 27341

WHEREAS, on recommendation of Management, there was presented for approval, Award of a ten (10)-year Contract to ABM Aviation, Inc. covering management and operation of remote employee parking lots and provision of employee transportation services at Los Angeles International Airport, for cost not to exceed \$160,000,000; and

LAX

Van Nuys

City of Los Angeles

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Mayor

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Commissioners**

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Chief Executive Officer

WHEREAS, Los Angeles World Airports (LAWA) provides remote parking for Los Angeles International Airport (LAX) employees through an agreement (DA-4891) with the incumbent parking operator, ABM Aviation, Inc. (ABM), that is primarily responsible for managing and operating the remote employee parking lots, with a combined total of 7,000 parking spaces. ABM also manages other LAWA-controlled remote employee parking lots (ancillary lots), which include more than 1,000 additional employee parking spaces at various LAX locations; and

WHEREAS, LAX employees, who wish to park in the remote employee lots can purchase employee parking permits via an online website. Gross parking revenue is assessed the City Occupancy Tax at 10%, and LAWA receives net parking revenue, which was \$12,100,000 in Fiscal Year 2019 and \$12,600,000 in Fiscal Year 2020. LAX employees who park in the remote employee parking lots work for airlines, concessionaires, other tenants and service providers, and Transportation Security Administration employees; and

WHEREAS, the incumbent operator also operates an employee courtesy shuttle bus service with three (3) main routes between the remote employee parking lots and the Central Terminal Area (CTA), seven days a week. In addition, the Employee Lot South shuttle route picks up passengers at the LAX City Bus Center on 98th Street for LAX-bound passenger transfers from several City transit buses; and

WHEREAS, by Resolution 27246, the Board of Airport Commissioners approved the Second Amendment to Agreement DA-4891 with ABM, extending the term through December 31, 2021, on a month-to-month basis, and increasing the contract authority to \$65,900,000, in order to provide LAWA staff time to complete the Request for Proposals (RFP) process and obtain approvals for a new remote employee parking and transportation contract. LAWA will terminate said agreement with ABM once the new contract is approved; and

WHEREAS, in order to minimize the risk to LAWA, the strategy and approach for the procurement process was to shift the ownership of and responsibility to acquire and maintain new buses to the successful proposer. The strategy also included an opportunity for proposers to provide a bus charging solution for electric vehicle (EV) buses and comply with California Air Resources Board-Zero Emission Airport Shuttle (CARB-ZEAS) vehicle requirements; and

WHEREAS, on November 17, 2020, the RFP for the new contract was released, with the following scope of services:

(1) Parking Management and Operations

- operate and provide complete parking management services, including day-to-day operations of LAX Employee Parking Lots
- manage parking permit sales, including revenue control and collection
- perform data analytics and reporting, as required by LAWA
- ensure lot security and employee safety



(2) Access Control System (ACS)

- perform required maintenance of the employee parking ACS and conduct repairs, as necessary, including repairs for the RV Lot gate
- provide opportunity to upgrade existing ACS with smart parking technology solutions and to introduce smart technology in the ancillary lots

(3) Transportation

- provide related transportation service for employees and the public to support the following distinct shuttle routes to the CTA: Lot East route, Lot West route, and Lot South/LAX City Bus Center route
- acquire new buses to replace LAX legacy carbon neutral gas (CNG) bus fleet, which complies with LAWA Alternative Fuel Program and new CARB-ZEAS regulations

(4) Bus Maintenance and Associated Services

- perform required preventive bus maintenance and repair, towing, fueling, cleaning, washing, fumigation, and disinfection services
- identify and provide the necessary bus maintenance and repair facility (within 20 miles from LAX) and CNG fuel facility (within 5 miles)
- identify and provide the required infrastructure and facility for electric bus maintenance, repair, and charging station (within 20 miles)
- identify an off-site bus washing and cleaning facility (within 10 miles)

(5) Parking Lot Cleaning and Janitorial Services

- provide routine janitorial, cleaning, and other auxiliary services to remote employee and ancillary parking lots
- procure, maintain, and provide services to all portable restrooms in remote lots (West, East, and South), RV lot, and other ancillary lots; and

WHEREAS, LAWA received proposals from the following three (3) companies:

1. ABM
2. LAZ Parking California, LLC
3. Zero Trans; and

WHEREAS, following are the evaluation criteria used for the RFP:

Criterion	Criteria Description	Points
1	Executive Summary, Understanding of the Assignment, and Financial Capability	Pass/Fail
2	Methodology and Approach for Parking Management and Operations Plan	20
3	ACS Maintenance and Smart Parking Solution Plan	10
4	Transportation Plan	20
5	Team Organization and Experience	10
6	Inclusivity Plan	10
7	Cost Proposal (All Inclusive: Operator Fee and All Other Reimbursable Expenses)	30
Total Possible Points		100
Proposal Part Two – Administrative Requirements		Pass/Fail; and

WHEREAS, proposer interviews were conducted and, subsequently, the proposers were given the opportunity to submit their best and final offer based upon a set of assumptions that would allow for accurate comparison of pricing across proposers' bids. The evaluation panel submitted the following final scores:

Proposer	Final Ranking
ABM	1
LAZ Parking California, LLC	2
ZeroTrans	3; and

WHEREAS, based upon the final score results, LAWA selected ABM and negotiated a single contract to perform the scope of work described in the RFP. The contractor was determined to be the successful technical proposer for the scope of services required, and had the most favorable cost proposal and hourly blended rates for staff positions. In addition, ABM proposed to enhance the employee/guest experience by cross-training their staff to ensure adequate coverage at all times and to use available technology to better manage the operation. ABM has significant airport and LAX transportation experience as it currently manage LAX and Van Nuys Airport's Smart Parking Program and serve as the incumbent operator for LAX remote employee parking and transportation services. ABM has a strong local presence and demonstrates proven success with recruitment and retention. It has committed to an Airport Concessions Disadvantaged Business Enterprise (ACDBE) inclusivity goal of 12.93%, which exceeds the 10% requirement set forth in the RFP; and

WHEREAS, as a result of the contract negotiations process, ABM is expected to comply with the following contract terms and provisions:

1. Term: Ten (10) years, commencing September 1, 2021.
2. Parking Management: Provide parking lot management, which includes [a] maintenance of the parking ACS, providing LAWA with parking activity and management reports, and [b] managing employee parking permit/access card sales, and routine cleaning and janitorial services at all employee and ancillary Lots.
3. New Bus Acquisition: As required in the RFP, ABM will initially lease 31 buses from LAWA for the first 9 months of Year 1 operations, until it receive delivery of its new bus fleet composed of 22 new CNG buses and 11 EV buses (total = 33 buses) by April 2022.
4. EV Infrastructure: ABM will provide the EV charging infrastructure and install bus chargers in one of the remote employee parking lots (exact location to be identified in ABM Business and Operations Plan).
5. Bus Maintenance: Perform required preventive bus maintenance, repair, towing, fueling, cleaning, washing, fumigation, and disinfection services. The contractor will assume all bus repair and maintenance and perform such work either on its own or through a third party of its choice. The requirement for ABM to provide the bus fleet and maintenance removes said responsibilities and oversight needs from LAWA. In addition, this will ensure consistent levels of service by having ABM as the primary responsible party and single point of contact to provide the bus fleet and to ensure the buses are operational; and

WHEREAS, the Contract will require ABM to provide oversight of and parking management for LAWA's three (3) remote employee parking lots (Employee Lot East, Employee Lot West, and Employee Lot South) and ancillary employee parking lots located at various LAX locations (i.e., Lot A, Air Freight #8, Imperial Cargo Complex, Imperial Terminal, and the Recreational Vehicle Lot), as shown in Attachment A, attached hereto and made part hereof. Parking services include: web-

based online parking permit sales, collection of parking revenue and deposit into LAWA's bank account, ACS maintenance and operation, cleaning of lots, and lot security patrols; and

WHEREAS, procurement of new buses will replace LAWA's aging bus fleet. The ABM bus fleet proposal is in compliance with the CARB-ZEAS vehicle requirements for 33% EV replacements by December 31, 2027; and

WHEREAS, the Contract with ABM is a reimbursable agreement; therefore, there is no management fee. Payments will be made to ABM for qualified reimbursable expenses under the following categories:

1. Labor Cost (On-Site Staff) – The Labor Cost will be determined based upon a formula consisting of a “blended” hourly rate multiplied by the number of monthly service hours (Labor Cost = Hourly Rate x Service Hours) applicable to each rate category for qualified positions (i.e., operations managers, transportation staff, parking field staff, cleaning staff, bus fuelers and cleaners, and security guards).
2. Bus Costs – Direct reimbursement of qualified bus expenses for the following categories:
 - a) Fixed Costs (flat monthly rate) – bus purchase or lease, preventive maintenance and repairs, bus equipment, technology/software), vehicle insurance, other fees and licenses
 - b) Non-Fixed Costs (variable rates) – fuel, bus cleaning and washing services
3. Other Qualified Reimbursable Expenses:
 - a) Modular office
 - b) Facility maintenance and operations expenses
 - c) ACS solutions, equipment, upgrade, and third-party integration with LAWA systems
 - d) Finance and credit card processing fees
 - e) Bank service fees
4. Operator Fee – A single, monthly fee that covers Operator's profit only; and

WHEREAS, the contract cost for the ten (10)-year term is \$159,700,000, an amount that was negotiated between LAWA and ABM; and

WHEREAS, LAWA will not incur any capital expense associated with the Contract. All capital expenses will be borne by ABM for acquisition of the new bus fleet and other acquired assets, including the infrastructure required to charge EV buses; and

WHEREAS, ABM shall ensure to provide the City the opportunity to take ownership of the buses in the event of early termination or contract expiration; and

WHEREAS, the City will pay the contractor a “Convenience Termination Payment” should City terminate the Contract prior to the expiration date. The Convenience Termination Payment shall consist of [1] an amount equal to the outstanding actual bus lease payment costs and EV charger infrastructure costs owed by the City as reflected in the Business and Operations Plan (which total \$19,164,087 over the ten (10)-year term for the buses and \$614,300 for the EV charger infrastructure), and [2] the contractor's shut down expenses of a not-to-exceed amount of \$250,000. LAWA will also have the option to take ownership of the buses upon such early termination, and will own the charging infrastructure. If leasing the buses, ABM will ensure the ability to transfer ownership to LAWA by demonstrating proof of a buy-out provision in its lease. In the event LAWA elects to acquire the buses, there will be no additional cost to LAWA beyond the Convenience Termination Payment; and

WHEREAS, funds for the Contract are available in the Fiscal Year 2021-2022 LAWA Operating Budget in LAX Cost Center 2001509 – LND Employee Parking Lots, Commitment Item 520 – Contractual Services. Funding for subsequent fiscal years will be requested as part of the annual budget process; and

WHEREAS, 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, the activity is exempt from CEQA requirements pursuant to State CEQA Guidelines Section 15061 (b)(3); and

WHEREAS, ABM Aviation, Inc. will comply the provisions of the Living Wage Ordinance; and

WHEREAS, Procurement Services has reviewed this action (File 9579) and established 10% ACDBE goal. ABM Aviation, Inc. proposed 12.9% ACDBE participation; and

WHEREAS, ABM Aviation, Inc. will comply with the provisions of the Affirmative Action Program; and

WHEREAS, ABM Aviation, Inc. has been assigned Business Tax Registration Certificate 0000682409-001-1; and

WHEREAS, ABM Aviation, Inc. will comply with the provisions of the Child Support Obligations Ordinance; and

WHEREAS, ABM Aviation, Inc. has approved insurance documents, in the terms and amounts required, on file with LAWA; and

WHEREAS, pursuant to Charter Section 1022, staff determined that the work specified on the Contract can be performed more feasibly or economically by an Independent Contractor than by City employees; and

WHEREAS, ABM Aviation, Inc. has submitted the Contractor Responsibility Program Questionnaire and Pledge of Compliance, and will comply with the provisions of said program; and

WHEREAS, ABM Aviation, Inc. has been determined by Public Works, Office of Contract Compliance, to be in full compliance with the provisions of the Equal Benefits Ordinance; and

WHEREAS, ABM Aviation, Inc. will comply with the provisions of the First Source Hiring Program; and

WHEREAS, ABM Aviation, Inc. has submitted the Bidder Contributions CEC Form 55, and will comply with its provisions; and

WHEREAS, ABM Aviation, Inc. has submitted the Municipal Lobbying Ordinance CEC Form 50, and will comply with its provisions; and

WHEREAS, ABM Aviation, Inc. will comply with the provisions of the Iran Contracting Act; and

WHEREAS, 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;

NOW, THEREFORE, BE IT RESOLVED that the Board of Airport Commissioners adopted the Staff Report; determined 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 and State CEQA Guidelines Section 15061 (b)(3); found that the work can be performed more economically or feasibly by an independent contractor than by City employees; further found that the Request for Proposals process used in the competitive process satisfies requirements of Administrative Code Section 10.17 and is compatible with the City's interests; further found that ABM Aviation, Inc. is responsive and responsible, that entering into the contract is in the best interest of the City, and waive any informality in the proposal; approved Award of a ten (10)-year Contract to ABM Aviation, Inc. covering management and operation of remote employee parking lots and provision of employee transportation services at Los Angeles International Airport, for cost not to exceed \$160,000,000; and authorized the Chief Executive Officer to execute said Contract with ABM Aviation, Inc. after approval as to form by the City Attorney and approval by the Los Angeles City Council.

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I hereby certify that this Resolution No. 27341 is true and correct, as adopted by the Board of Airport Commissioners at its Special Meeting held on Tuesday, September 14, 2021.



Grace Miguel – Secretary
BOARD OF AIRPORT COMMISSIONERS

Attachment:
(A) LAX Remote Employee Parking Facilities