



Los Angeles World Airports

Item Number
3

REPORT TO THE BOARD OF AIRPORT COMMISSIONERS

Aura Moore

Reviewed by: Aura Moore, Deputy Executive Director

Brian C. Ostler

Brian Ostler (Feb 25, 2022 09:37 PST)

Brian C. Ostler, City Attorney

Justin Erbacci

Justin Erbacci (Feb 25, 2022 09:54 PST)

Justin Erbacci, Chief Executive Officer

Meeting Date

3/3/2022

Needs Council Approval: Y

<u>Reviewed for / by</u>	<u>Date</u>	<u>Approval Status</u>	<u>By</u>
Finance	2/18/2022	<input checked="" type="checkbox"/> Y <input type="checkbox"/> NA	JS
CEQA	2/17/2022	<input checked="" type="checkbox"/> Y	VW
Procurement	2/22/2022	<input checked="" type="checkbox"/> Y <input type="checkbox"/> Cond	QM
Guest Experience	2/23/2022	<input checked="" type="checkbox"/> Y	TB
Strategic Planning	2/22/2022	<input checked="" type="checkbox"/> Y	KC
City Attorney	2/23/2022	<input checked="" type="checkbox"/> Y	PT

SUBJECT

Approve the Second Amendment to Contract DA-5272 with Sharp Electronics Corporation to add funding in the amount of \$957,421, for a total contract amount not to exceed \$3,457,421, and extend the term for one year with a one year renewal option, for a total term of six years, for ongoing managed print services (multifunction photocopiers) at Los Angeles World Airports.

RECOMMENDATIONS

Management RECOMMENDS that the Board of Airport Commissioners:

- ADOPT the Staff Report.
- 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.
- FIND that the work can be performed more economically or feasibly by an independent contractor than by City employees.
- FURTHER FIND pursuant to Charter Section 371(e)(8) that this contract amendment is exempt from competitive bidding due to a competitively bid cooperative arrangement with other governmental agencies for the utilization of the purchasing contracts and professional, scientific, expert or technical services contracts.
- FURTHER FIND pursuant to Administrative Code Section 10.15(a)(10) under the circumstances presented that the services sought in this contract (i.e., the provision,

installation, planning, design, implementation related to telecommunication infrastructure services etc.), are such that the use of competitive bidding would be undesirable.

6. CERTIFY that this contract is entered into accordance with City Charter Section 373.
7. APPROVE the Second Amendment to Contract No. DA-5272 with Sharp Electronics Corporation, Inc. to, increase the contract authority by \$957,421, for a not-to-exceed amount of \$3,457,421, and extend the term one year, for a total term of six years.
8. AUTHORIZE the Chief Executive Officer or designee to execute the Second Amendment to DA-5272 after approval as to form by the City Attorney and approval by the Los Angeles City Council.

DISCUSSION

1. Purpose

To ensure that Los Angeles World Airports (LAWA) has a contract in place to maintain uninterrupted managed print services (multi-function photocopiers) needed to support daily operations.

2. Prior Related Actions/History of Board

- **March 1, 2018 Resolution No. 26445 (DA-5272)**
The Board of Airport Commissioners (the Board) approved a three (3)-year contract with Sharp Electronics Corporation under the terms and conditions of County of Orange Contract RCA-017-17010031 for a total not to exceed \$2,500,000 covering digital multi-function photocopier rental, related accessories and services for Los Angeles World Airports. RCA-017-17010031 was competitively bid and is a negotiated regional cooperative agreement.
- **February 18, 2021 Resolution No. 27198 (DA-5272A)**
First Amendment to Contract DA-5272 with Sharp Electronics Corporation to extend the term for one (1)-year for a total of four (4)-years, thru March 31, 2022, covering ongoing managed print services (multifunction photocopiers) for Los Angeles World Airports.

3. Background

LAWA Information Management & Technology (IMT) staff is responsible for the management of printing/scanning technology and service contracts for Los Angeles International Airport (LAX) Van Nuys Airport (VNY). LAWA currently has 175 network-enabled, multifunction photocopiers that offer copy, print, scan and fax capabilities at various LAWA offices.

IMT secured the agreement with Sharp Electronics Corporation (“Sharp”) for the equipment and services through the above-referenced Orange County contract. In 2018, LAWA joined this contract because it had better pricing than the LAWA Toshiba contract.

When administrative staff started telecommuting during the pandemic, IMT conducted a review of machine usage and returned approximately 15 multifunction photocopiers to Sharp

because of the decline. LAWA still is supporting 175 photocopiers that are necessary to support vital and daily routine operations. The agreement with Sharp Electronics Corporation includes photocopier maintenance, repairs (normal and emergency), parts, user training and consumable supplies (e.g. toner and staples), except for paper.

In addition to providing copy, print, scan and fax capabilities, the photocopiers have security features that help protect business information. These features include data encryption, hard drive overwrite functionality, and secure printing using user passcode and card readers. The security features ensure the confidentiality of data such as employee information and legal documents.

4. Current Action/Rationale

The extension of the current agreement with Sharp Electronics Corporation (“Sharp”) will allow LAWA the opportunity to review our ongoing needs for photocopiers as staff continues to work from home and as we determine how our overall return to work will be implemented. As part of this review, IMT will be working with the various LAWA groups to reduce the number of leased photocopiers as much as possible.

Although IMT was able to identify the underused machines and return them to the vendor, when administrative staff fully re-populate back to LAWA offices, IMT is anticipating a sharp increase in usage, and possible requests for the machines which were returned. IMT estimated that usage may more than double based on pandemic levels, so the request for additional authority includes this in the not to exceed amount.

Staff will use this extension to conduct a competitive procurement process in order to evaluate the best value for a new contract for the multifunction printer equipment and services.

The current annual expenditures for the Sharp contract are listed as follows:

Description	Total Expenditures March 2018-March 2022
Equipment Lease and Services	\$ 2,338,621
Contract Authority	\$ 2,500,000
Remaining Authority (DA-5272)	\$ 161,379

5. Fiscal Impact

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

The table below reflects a summary of estimated annual expenditures:

Description	Total
Monthly Equipment Lease (LAX)	\$ 864,000
Monthly Equipment Lease (VNY)	\$ 10,800
Estimated Copy Usage, e.g. Materials, Supplies, and Services (LAX)	\$ 240,000
Estimated Copy Usage (VNY)	\$ 4,000
Total Second Amendment Costs	\$ 1,118,800
Remaining Contract Authority	\$ 161,379
Additional Contract Authority Needed	\$ 957,421
Previous Contract Authority	\$ 2,500,000
New Total Authority	\$ 3,457,421

*This table is for explanatory purposes and estimates may vary per line item.

6. Alternatives Considered

- Conduct New Competitive Bid Process**
 Due to the continuation of the pandemic and with a majority of administrative staff still telecommuting, there were too many uncertain variables to conduct a new competitive procurement process. Extending this contract will allow staff time to further research the needs of staff once repopulation begins, and also will permit a continuity of services.
- Enter into New Cooperative Arrangement**
 LAWA can enter into a cooperative agreement with another service provider. This would enable LAWA to acquire needed managed print services. However, LAWA will have to transition services/coverage to the new photocopier provider which means new print queues and address books on each copier would need to be created and users would have to register their badges and map the print queues to their PCs in order to use the copiers for printing. This is not ideal with current work from home orders.
- Take No Action**
 Without photocopiers, LAWA employees and contractors will lose the ability to copy, print, scan and fax documents, making staff unable to fulfill their job duties and responsibilities.

APPROPRIATIONS

Funding for this contract is available in the FY 2021-22 Los Angeles World Airports Operating Budget in LAX Cost Center 2001614 - LAWA-wide Copiers, Commitment Item 522 – Materials and Supplies. 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. The 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. Sharp Electronics Corporation will comply with the provisions of the Living Wage/Worker Retention Ordinances.
5. Procurement Services reviewed this action (File 10043125). The County of Orange Contract RCA -017-17010031 does not have a SBE, LBE/LSBE, or DVBE requirement. Procurement Services has further reviewed this action and did not set SBE, LBE/LSBE, or DVBE goal, as no subcontracting opportunities were identified.
6. Sharp Electronics Corporation will comply with the provisions of the Affirmative Action Program.
7. Sharp Electronics Corporation has been assigned Business Tax Registration Certificate number 0000749096-0001-8.
8. Sharp Electronics Corporation will comply with the provisions of the Child Support Obligations Ordinance.
9. Sharp Electronics Corporation 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. Sharp Electronics Corporation has submitted the Contractor Responsibility Program Questionnaire and Pledge of Compliance and will comply with the provisions of the Contractor Responsibility Program.
12. This action is exempt from the provisions of the Equal Benefits Ordinance, pursuant to Los Angeles Administrative Code Section 10.8.2.1(i)(1)(h)-Bulk Purchasing Arrangements through County of Orange.
13. Sharp Electronics Corporation is required to comply with the provisions of the First Source Hiring Program for all non -trade Airport jobs.
14. Sharp Electronics Corporation has submitted the Bidder Contributions CEC Form 55 and will comply with its provisions.
15. Sharp Electronics Corporation has submitted the Municipal Lobbying Ordinance CEC Form 50 and will comply with its provisions.
16. This action is not subject to the Iran Contracting Act of 2010.