

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: April 21, 2022

CAO File No. 0150-09526-0006

Council File No. 15-1198

Council District: 11

To: The Mayor



From: Matthew W. Szabo, City Administrative Officer

Reference: Communication from Los Angeles World Airports dated February 28, 2022, referred by the Mayor for a report on February 28, 2022

Subject: **PROPOSED FOURTH AMENDMENT AND SIXTH AMENDMENT TO LEASE NOS. LAA-8562 AND LAA-8562-1 WITH AUTHORIZED TAXICAB SUPERVISION, INC. AT LOS ANGELES INTERNATIONAL AIRPORT**

RECOMMENDATION

That the Mayor:

1. Approve a proposed Fourth Amendment and Sixth Amendment to Lease Nos. LAA-8562 and LAA-8562-1 with Authorized Taxicab Supervision, Inc. to extend the respective terms through March 31, 2024, for taxicab staging and management services at Los Angeles International Airport, subject to City Attorney approval as to form and compliance with the City's Standard Provisions, including: Living Wage / Service Contractor Worker Retention Ordinances, Affirmative Action Program, Business Tax Registration Certification, Child Support Obligations Ordinance, Contractor Responsibility Program, First Source Hiring Program, Bidder Contributions CEC Form 55, and MLO Bidder Contributions CEC Form 50;
2. Authorize the Chief Executive Officer to execute the proposed Fourth Amendment and Sixth Amendment to Lease Nos. LAA-8562 and LAA-8562-1, upon approval by the Los Angeles City Council, and prior to the execution of the Amendments, Authorized Taxicab Supervision, Inc. must:
 - a. Have approved insurance documents, in the terms and amounts required, on file with Los Angeles World Airports; and
 - b. Be determined by the Public Works, Office of Contract Compliance to be in full compliance with the provisions of the Equal Benefits Ordinance; 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 to approve a Fourth Amendment to Concession Agreement No. LAA-8562 and a Sixth Amendment to the corresponding Ground Lease Agreement No. LAA-8562-1 with Authorized Taxicab Supervision, Inc. (ATS; Contractor), to extend the term of the respective contracts by two years. The existing term of the Agreements expired March 31, 2022 and authorization of the proposed Fourth and Sixth Amendments would allow ATS to continue managing taxicab staging and operations at Los Angeles International Airport (LAX) until March 31, 2024.

ATS provides taxicab management services at LAX, including the management of taxicab dispatch and taxicab stands in the Central Terminal Area, taxicab staging, taxicab vehicle inspections, operation of the taxicab holding lot, and collection of the Airport Taxicab Rate on behalf of LAWA. ATS currently operates at LAX under: 1) Concession Agreement No. LAA-8562, which provides for the fees and management associated with taxicab dispatch and related services; and 2) Lease No. LAA-8562-1, which provides for the premises needed for staging operations under the corresponding Concession Agreement.

To date, the BOAC has approved various agreements between LAWA and ATS that range from a premises relocation to restructuring the ground lease monthly rent rate due to adverse impacts from the COVID-19 pandemic. Extending the current concession and ground lease agreement for two years allows a continuation of services while LAWA works with stakeholders to develop new policies and procedures for taxicab management to be implemented when the Automated People Mover (APM) becomes operational.

Approval of the proposed concession and ground lease Amendments are estimated to increase LAWA's earning potential as LAX continues to rebound from the financial crisis brought on by the COVID-19 pandemic. While the projected economic recovery impacts are unknown, LAWA staff indicated that the number of enplaned passengers are gradually returning to pre-pandemic levels. In consideration of the rise in airline travel, three key economic factors are expected to be achieved at LAX over the extended period: 1) 2.2 million dispatched taxi trips produced; 2) \$2.3 million generated from ground travel originating at the airport; and 3) \$1.4 million received from the ground lease agreement. These three elements are nearly equivalent to the outcomes that were achieved over the previous three years combined.

In addition to the increased revenue projections, the extended period will enable LAWA to execute a competitive procurement process covering taxicab staging and management services. The Department is currently studying the management of taxis and other commercial transportation modes in order to forecast the necessity of taxi service after the APM is activated. The effectiveness of the APM will determine whether the scope of work for the procurement will specifically include taxi management and dispatch or if it will require a broader procurement process to encompass curb management and dispatching multiple modes of commercial transportation.

The Department's Procurement Services Staff has reviewed the proposed action (File # 7259) and established a mandatory goal of 20 percent combined Minority/Women Business Enterprise (M/WBE) for this project. As reported by LAWA staff, Authorized Taxicab Supervision, Inc. proposed 1.93 percent M/WBE and has achieved 0.77 percent participation to date.

The BOAC approved the proposed Fourth Amendment to Concession Agreement No. LAA-8562 and a Sixth Amendment to the corresponding Ground Lease Agreement No. LAA-8562-1 at its meeting on February 17, 2022. Actions taken on this item by the BOAC will become final pursuant to the provisions of Los Angeles City Charter Section 606.

FISCAL IMPACT STATEMENT

Approval of the proposed Fourth and Sixth Amendments to extend Lease Nos. LAA-8562 and LAA-8562-1 with Authorized Taxicab Supervision, Inc. by two years for taxicab staging and management services through March 31, 2024 will have no impact on the City's General Fund. This item complies with the Los Angeles World Airports' adopted Financial Policies.