



RESOLUTION NO. 27498

LAX

Van Nuys

City of Los Angeles

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Mayor

Board of Airport
Commissioners

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Justin Erbacci
Chief Executive Officer

WHEREAS, on recommendation of Management, there was presented for approval, Second Amendment to Contract DA-5324 with Veritiv Operating Company to extend the term through April 19, 2023 and increase the contract authority by \$2,188,908, for new total not to exceed \$12,099,333, covering supply and delivery of custodial supplies for Los Angeles World Airports; and

WHEREAS, Los Angeles World Airports (LAWA) Facilities Maintenance Division (FMD) is responsible for maintaining all Los Angeles World Airports (LAWA) physical assets at Los Angeles International Airport (LAX) and Van Nuys Airport (VNY) and for ensuring a clean and healthy environment for our guests. FMD procures custodial products and supplies for use in maintenance of all terminals and administrative buildings as part of LAWA's ongoing custodial cleaning program at LAX and VNY; and

WHEREAS, by Resolution 27218, the Board of Airport Commissioners approved award of contract (DA-5324) to Veritiv Operating Company, following a competitively bid procurement, for supply and delivery of custodial paper products, general cleaning chemicals and supplies, and custodial 3M brand-specific products. The contract expires on October 19, 2022. Staff are currently preparing a Request for Bids to conduct a competitive selection for successor contracts for a variety of custodial supplies and services; and

WHEREAS, due to the COVID-19 pandemic that began in Fiscal Year 2019-2020, FMD has increased its spending on cleaning and disinfecting supplies to help mitigate the pandemic's effects. In addition, due to the current economic environment, rising prices due to inflation, and increased passenger traffic, LAWA is experiencing a higher level of spending on custodial supplies; and

WHEREAS, FMD has already spent 93.1% (or \$9,231,322) of the contract's \$9,910,425 authority to date, leaving an available balance of \$679,103. Staff projects that, at the current spend rate, FMD will exhaust the contract's authority by mid-July 2022. It is imperative that LAWA has sufficient contract authority to continue purchasing the essential cleaning products. In addition, FMD will need a six (6)-month contract extension to allow staff additional time to complete a competitive bid process for a replacement contract. If FMD awards the replacement contract before the new end date of April 19, 2023, then FMD will terminate the current contract once the new contract is executed; and

WHEREAS, the current average spend rate on the contract for Fiscal Year 2021-2022 is approximately \$237,000/month. Said amount will increase due to the anticipated continued increase in passengers. In addition, LAWA staff have recently started servicing new facilities, such as the Intermodal Transportation Facility West, Terminal 1.5, Tom Bradley International Terminal North Core, and the Terminal 2 Headhouse that opened this month. Therefore, FMD estimates it will have a supplies spend rate of \$250,000 for the remaining contract term due to passenger increase, plus the extra six (6) months of the extension. This would result in a total need of \$2,868,011 for supplies. Deducting the remaining contract authority of \$679,103 from that amount results in an additional need of \$2,188,908 in contract authority that should be sufficient to cover the remainder of the contract term, including the six (6)-month extension. This does not require allocation of funds, and is only for an amendment to the contract authority; and



WHEREAS, following are the expenditures and projections by fiscal year:

Fiscal Year	Amount Expended
Previous Expenditures By Fiscal Year	
2018-2019	\$ 2,276,506
2019-2020	2,655,129
2020-2021	1,980,791
2021-2022 (through 05/05/2022)	2,318,896
Total	\$ 9,231,322
Projected Expenditures (from 05/06/2022 through new Contract end date of 04/19/2023)	
2021-2022 05/06/2022 – 06/30/2022	\$ 459,677
2022-2023 07/01/2022 – 04/19/2023	2,408,333
Projected Total	\$ 2,868,011
Contract Authority	
Balance Available	\$ 679,103
Projected Expenditures from 05/06/2022 through 04/19/2023	2,868,011
Additional Contract Authority Needed	\$ 2,188,908; and

WHEREAS, funds for the contract are currently available in the Fiscal Year 2021-2022 LAWA Operating Budget in LAX Cost Centers 1150026 – Terminal Services, 1150063 – Facilities & Technical Services, 1230012 – Warehouse & Stores, 2001209 – VNY LND FlyAway Operations, and VNY Cost Center 1400003 – Construction & Maintenance Services; in Commitment Item 522 – Materials and Supplies. Funding for subsequent 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

WHEREAS, Veritiv Operating Company is required by contract to comply with the provisions of the Affirmative Action Program; and

WHEREAS, Veritiv Operating Company has been assigned Business Tax Registration Certificate 0002710318-0002-5; and

WHEREAS, Veritiv Operating Company is required by contract to comply with the provisions of the Child Support Obligations Ordinance; and

WHEREAS, Veritiv Operating Company has approved insurance documents, in the terms and amounts required, on file with LAWA; and

WHEREAS, Veritiv Operating Company has submitted the Contractor Responsibility Program Questionnaire and Pledge of Compliance, and will comply with the provisions of said program; and

WHEREAS, Veritiv Operating Company 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, Veritiv Operating Company has submitted the Bidder Contributions CEC Form 55, and will comply with its provisions; and

WHEREAS, Veritiv Operating Company has submitted the MLO Bidder Contributions CEC Form 50, and will comply with its provisions; and

WHEREAS, Veritiv Operating Company 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; approved the Second Amendment to Contract DA-5324 with Veritiv Operating Company to extend the term through April 19, 2023 and increase the contract authority by \$2,188,908, for new total not to exceed \$12,099,333, covering supply and delivery of custodial supplies for Los Angeles World Airports; and authorized the Chief Executive Officer, or designee, to execute said Second Amendment to Contract DA-5324 with Veritiv Operating Company 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. 27498 is true and correct, as adopted by the Board of Airport Commissioners at its Regular Meeting held on Thursday, May 19, 2022.



Grace Miguel – Secretary
BOARD OF AIRPORT COMMISSIONERS