

RESOLUTION NO. 27617

WHEREAS, on recommendation of Management, there was presented for approval, Second Amendment to Contract DA-5437 with KONE, Inc. to extend the term through September 16, 2023 and increase the contract authority by \$6,240,000, for new total not to exceed \$34,917,000, covering full-service elevator, escalator, and moving walkway maintenance, repair, and related services at Los Angeles International Airport and Van Nuys Airport; and

WHEREAS, Los Angeles World Airports (LAWA) continues to experience staffing challenges and an inability to attract and retain qualified elevator mechanics and helpers to perform the services, despite implementation of LAWA-specific bonuses. LAWA must therefore rely on a combination of City of Los Angeles (City) employees and contracted staff to maintain the approximately 480 conveyance units (elevators, escalators, and moving walkways) at Los Angeles International Airport (LAX) and Van Nuys Airport (VNY); and

LAX

Van Nuys

City of Los Angeles

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Mayor

Board of Airport
Commissioners

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Vice President

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Justin Erbacci
Chief Executive Officer

WHEREAS, under its Contract DA-5437, KONE, Inc. provides full-service maintenance to sustain and assist LAWA. It has shown quality performance and its work has satisfactorily met LAWA's goals, including providing services that are neat, consistent, and accurate. The company's mechanics are well-trained and knowledgeable of the LAX campus, able to work independently, and regularly follow acceptable safety and security procedures. KONE, Inc. supports Small Business Enterprise and uses local small business vendors when possible. It is in the process of becoming a certified Local Business Enterprise by employing fifty (50) employees that live within the City; and

WHEREAS, Contract DA-5437 expires on March 16, 2023. The Second Amendment will allow for additional time until the Request for Proposals process for a new full conveyance maintenance contract can be completed. Under the current terms, the contract may be terminated at any time without penalty to the City; and

WHEREAS, approximately 82% of the contract authority has been expended. The Second Amendment will add \$6,240,000 in contract authority. LAWA pays KONE, INC. about \$914,261 per month, or \$5,485,566 for six (6) months, for the full-service maintenance contract. The additional \$754,434 will cover the added conveyances in both the new Bradley West Gates and Terminal 1.5, as well as the new CORE structures and Intermodal Transportation Facility; and

WHEREAS, funds for the contract are available in the Fiscal Year 2022-2023 LAWA Operating Budget in LAX Cost Center 1150067 – FTS Elevator, Escalator & Moving Walk Repair, Commitment Items 520 – Contractual Services and 522 – Materials and Supplies; and in VNY Cost Center 1400003 – Construction & Maintenance Services, Commitment Item 522 – Materials and Supplies. Funding for subsequent years will be requested as part of the annual budget process; and

WHEREAS, installation, maintenance or modification of mechanical equipment and public convenience devices and facilities which are accessory to the use of the existing structures or facilities and involve the negligible or no expansion of use is exempt from California Environmental Quality Act (CEQA) requirements pursuant to Article III, Class 1 (32) of the Los Angeles City CEQA Guidelines; and

WHEREAS, KONE, Inc. is required by contract to comply with the provisions of the Living Wage Ordinance, Affirmative Action Program, and Child Support Obligations Ordinance; and



WHEREAS, KONE, Inc. has been assigned Business Tax Registration Certificate 0000578473-0001-1; and

WHEREAS, KONE, 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 in the contract can be performed more feasibly and economically by Independent Contractors than by City employees; and

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

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

WHEREAS, KONE, Inc. has submitted the Bidder Contributions CEC Form 55 and MLO CEC Form 50, and will comply with their provisions; and

WHEREAS, KONE, 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 III, Class 1 (32) of the Los Angeles City CEQA Guidelines; approved the Second Amendment to Contract DA-5437 with KONE, Inc. to extend the term through September 16, 2023 and increase the contract authority by \$6,240,000, for new total not to exceed \$34,917,000, covering full-service elevator, escalator, and moving walkway maintenance, repair, and related services at Los Angeles International Airport and Van Nuys Airport; and authorized the Chief Executive Officer, or designee, to execute said Second Amendment to Contract DA-5437 with KONE, 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. 27617 is true and correct, as adopted by the Board of Airport Commissioners at its Regular Meeting held on Thursday, November 3, 2022.



Grace Miguel – Secretary
BOARD OF AIRPORT COMMISSIONERS