

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: December 14, 2022

CAO File No. 0150-12223-0000

Council File No.

Council District: 6, 11

To: The Mayor

From: Matthew W. Szabo, City Administrative Officer 

Reference: Communication from Los Angeles World Airports dated November 3, 2022; referred by the Mayor for a report on November 3, 2022

Subject: **PROPOSED CONTRACT AWARD TO LOS ANGELES TOURISM AND CONVENTION BOARD FOR PROFESSIONAL SERVICES RELATED TO AIR SERVICE MARKETING, TRADE MISSIONS, AND PROMOTIONAL DEVELOPMENT CONSULTING SERVICES FOR LOS ANGELES WORLD AIRPORTS**

RECOMMENDATION

That the Mayor:

1. Approve the award of an Agreement with the Los Angeles Tourism and Convention Board for a three-year term, with two one-year renewal options, for a total of five years, to provide professional services related to air service marketing, trade missions, and promotional and development consulting services, for an amount not-to-exceed \$2,250,000, subject to City Attorney approval as to form and compliance with the City's Standard Provisions, including: Living Wage Ordinance, Affirmative Action Program, Business Tax Registration Certification, Child Support Obligations Ordinance, Contractor Responsibility Program, First Source Hiring Program, Bidder Contributions CEC Form 55, MLO Bidder Contributions CEC Form 50, and Iran Contracting Act of 2010;
2. Authorize the Chief Executive Officer of the Los Angeles World Airports to execute the proposed Agreement, upon approval by the Los Angeles City Council, and prior to the execution of the Contract, Los Angeles Tourism and Convention Board must:
 - a. Have approved insurance documents, in the terms and amounts required, on file with Los Angeles World Airports; and
 - b. Be determined by 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 approval to execute the proposed contract (Contract; Agreement) with the Los Angeles Tourism and Convention Board (LATCB; Consultant), to deliver an assortment of specialized services, including professional marketing and tourism services, trade missions, and promotional and development consulting services for LAWA. The provisions of the Agreement enable the Consultant to advertise Los Angeles as the premier destination for leisure travel, meetings, and conventions promoting the Los Angeles International Airport (LAX) as a leading domestic and international gateway to Los Angeles. Approval of the Agreement establishes a three-year term, with two one-year renewal options, and an expenditure authority not-to-exceed \$2,250,000 to fund the first three years of the Contract.

The preceding Agreement with the Consultant was awarded through a competitive selection process in October 2017, followed by respective First and Second Amendments executed in November 2020 and November 2021. The Contract expired on November 11, 2022. Conversely, the proposed Agreement is exempt from a competitive bidding process pursuant to Los Angeles City Charter Section 371(e)(10) because it has been determined that the LATCB provides a professional and distinct service. According to LAWA, LATCB is uniquely qualified to perform the scope of work in the Contract because of its extensive relationships with local and foreign hotels and airline carriers, as well as its ability to target and reach underserved or untapped markets through its various offices in other cities spread across the United States and around the world. The consulting company has a specialized knowledge base and is recognized as the official City of Los Angeles (City) tourism marketing agency. Conducting a full Request for Proposals for the aforementioned services is impractical as the costs for another firm to replicate these services would be extremely costly to LAWA.

LATCB's core services focus on marketing and promoting Los Angeles as the top travel destination for leisure, conference, and convention destination. Since 2006, the Consultant has delivered exceptional air marketing and consulting services at LAX in partnership with LAWA. The collaborative efforts between the two agencies are designed to generate economic benefits by sustaining and expanding LAX's air service market share and direct visitor spending in the City.

The impact of COVID-19 coupled with the historic decline in passenger travel has created a renewed emphasis on providing marketing support for developing new and international routes, as well as air service development. LAWA indicates that execution of the proposed Contract is essential to revitalize air service, particularly international air travel. LAX's domestic service has rebounded to pre-pandemic levels but international service remains stagnant as a result of reduced levels of airline travel in the Asian and European markets.

The proposed Agreement aims to improve the LAX guest experience by focusing on international markets that are currently at reduced passenger levels or key markets that are not served or

underserved by LAX. LATCB's strategic approach to increase international passenger travel encompasses three key elements: 1) direct communication to showcase LAX's infrastructure improvements and modernization centerpieces such as the Automated People Mover and the Consolidated Rent-a-Car Facility, 2) expand international marketing and align air service marketing to support LAWA's network planning strategy, and 3) strengthen LATCB's presence by representing LAWA at various international tourism events and trade missions.

LAWA also launched the LAX Airline Incentive Program in 2022 to encourage new direct service to key international markets and the growth of profitable routes so that service levels that declined or were lost during the pandemic are quickly restored. The two-year program offers both current airlines and new airlines the opportunity for landing fees to be reduced by up to 100 percent, with each participating airline eligible to receive up to \$200,000 in matching marketing funds during the first year of operation. The financial and marketing incentives are specifically designed to accelerate international air service recovery and positively position LAWA for long-term growth opportunities. Airlines must meet a series of eligibility requirements, which include the frequency of service they provide to either an unserved airport or one of LAWA's priority markets.

Approval of the proposed Contract will enable LATCB to continue developing important trade and sales missions to major international markets that have international airlines. The Consultant has reinstated communication with its network of international representatives through its in-market offices in locations such as the United Kingdom, Europe, the Middle East, Asia Pacific, and throughout China. The international offices function as an extension of LATCB, providing LAWA with a team of representatives who understand the airline and travel trade industry within their respective markets. This network allows LATCB to rebuild outreach activities and resume travel trade training initiatives that were paused as a result of the global pandemic. LATCB forecasts that service levels will increase through the new contract. Currently, Central America and Mexico have recovered to pre-pandemic levels and international service has been restored in Japan and South Korea.

The BOAC approved the proposed contract at its meeting on November 3, 2022. Actions taken on this item by the BOAC will become final pursuant to the provisions of Los Angeles City Charter Section 373.

FISCAL IMPACT STATEMENT

Approval to award the proposed three-year Contract to the Los Angeles Tourism and Convention Board in an amount not-to-exceed \$2,250,000 will have no impact on the City's General Fund. Funds for this contract are available in the Fiscal Year 2022-23 Los Angeles World Airports Operating Budget in Cost Center 1220002 - Chief External Affairs, Commitment Item 524 - Advertising. Funds for subsequent years, including the renewal periods, will be requested as part of LAWA's annual budget process. Costs will be recovered through LAX landing fees. The actions of the proposed Agreement comply with the Los Angeles World Airports' adopted Financial Policies.



November 07, 2022

LAX

Van Nuys

City of Los Angeles

Eric Garcetti
Mayor

Board of Airport
Commissioners

Beatrice C. Hsu
President

Valeria C. Velasco
Vice President

Sean O. Burton
Gabriel L. Eshaghian
Nicholas P. Roxborough
Belinda M. Vega
Karim Webb

Justin Erbacci
Chief Executive Officer

The Honorable Eric Garcetti
Mayor, City of Los Angeles
City Hall – Room 303
Los Angeles, CA 90012

ATTN: Heleen Ramirez
Legislative Coordinator

RE: Request to approve the award of a three-year contract, with two one-year renewal options, to Los Angeles Tourism and Convention Board

In accordance with Executive Directive No. 4, we are transmitting a copy of the specified board report for the request to approve the award of a three-year contract, with two one-year renewal options, to Los Angeles Tourism and Convention Board, for professional services related to air service marketing, trade missions, and promotional and development consulting services for Los Angeles World Airports, for a not-to-exceed amount of \$2,250,000.

City Council approval is required pursuant to Section 373 of the Los Angeles City Charter.

Sincerely,

A handwritten signature in black ink, appearing to be "JE", written over a circular stamp.

Justin Erbacci
Chief Executive Officer

JPE: MSA: MTR: KSF
Attachments





9
Item Number
here

Report to the BOARD OF AIRPORT COMMISSIONERS

Approver:

Becca Doten, Chief Airport Affairs Officer
Chief Airport Affairs Officer

Reviewer:

Brian C. Ostler, City Attorney *BCO*

Justin Erbacci (Oct 28, 2022 15:43 PDT)

Justin Erbacci, Chief Executive Officer

Meeting Date

11/3/2022

Needs Council Approval: ☒ Y

Reviewed for/by	Date	Approval Status	By
Finance	10/19/2022	<input checked="" type="checkbox"/> Y <input type="checkbox"/> NA	JS
CEQA	9/27/2022	<input checked="" type="checkbox"/> Y	VW
Procurement	10/4/2022	<input type="checkbox"/> Y <input checked="" type="checkbox"/> Cond	GG
Guest Experience	10/6/2022	<input checked="" type="checkbox"/> Y	TB
Strategic Planning	9/26/2022	<input checked="" type="checkbox"/> Y	BNZ

SUBJECT

Request to approve the award of a three-year contract, with two one-year renewal options, to Los Angeles Tourism and Convention Board, for professional services related to air service marketing, trade missions, and promotional and development consulting services for Los Angeles World Airports, for a not-to-exceed amount of \$2,250,000.

RECOMMENDATIONS

Management RECOMMENDS that the Board of Airport Commissioners:

1. ADOPT the Staff Report.
2. 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.
3. FIND that the work can be performed more economically or feasibly by an independent contractor than by City employees.
4. FURTHER FIND that, pursuant to Charter Sections 371 (e)(10), the vendor has the qualifications, experience, and expertise required to perform the required professional, expert, technical and special services, and that it is not practicable or advantageous to obtain competitive proposals.
5. APPROVE the award of a three-year contract, with two one-year renewal options, to Los Angeles Tourism and Convention Board, for professional services related to air service

marketing, trade missions, and promotional and development consulting services for Los Angeles International Airport, for a not-to-exceed amount of \$2,250,000.

6. AUTHORIZE the Chief Executive Officer, or designee, to execute the contract after approval as to form by the City Attorney and approval by the Los Angeles City Council.

DISCUSSION

1. Purpose

To obtain expert, professional, and technical assistance in the areas of air service marketing, education and outreach, promotional and development consulting services, and international trade missions and aviation industry events for Los Angeles World Airports (LAWA), primarily to international airlines and the international aviation and tourism industry, with the goal of maintaining international air service market share and improving the guest experience by providing air service to primary and secondary international markets currently not served by LAX.

2. Prior Related Actions/History of Board Actions

- **November 6, 2014 – Resolution No. 25547 (DA-4952)**
The Board of Airport Commissioners (Board) awarded a three-year contract to Los Angeles Tourism and Convention Board for air service marketing and promotional and development consulting services for a not-to-exceed amount of \$6,600,000. Contract 4952 expired on November 11, 2017.
- **October 5, 2017 – Resolution No. 26358 (DA-5245)**
The Board awarded a three-year contract to Los Angeles Tourism and Convention Board for air service marketing and promotional and development consulting services for a not-to-exceed amount of \$6,000,000. Contract 5245 expired on November 11, 2020.
- **November 5, 2020 – First Amendment to Contract DA-5245**
The Board awarded a one-year extension to the Los Angeles Tourism and Convention Board for professional and expert air service marketing and direct promotional and development consulting services for Los Angeles International Airport. The contract expired on November 11, 2021.
- **November 11, 2021 – Second Amendment to Contract DA-5245**
The Board awarded a one-year extension to Los Angeles Tourism and Convention Board for professional and expert air service marketing and direct promotional and development consulting services for Los Angeles International Airport. The contract expires on November 11, 2022.

3. Background

The current contract with the Los Angeles Tourism and Convention Board (LATCB) will expire on November 11, 2022. Los Angeles World Airports has had a contract with this vendor since 2011 and has had service agreements with them dating back 16 years to 2006. The LATCB has a unique and specialized knowledge base and is recognized as the official City of Los Angeles tourism marketing organization. Staff recommends a new

contract for three of the four existing contract elements as follows: Air Services Marketing, Education, and Outreach Services; Air Service Marketing and Promotion of New Routes; and International Trade Missions and Aviation Industry Events. These elements require a unique set of skills, a specialty form of outreach, an understanding of and connections with a specialty international niche market to be successful. The LATCB is uniquely qualified with this skillset and can perform these services in LAWA's best interest.

The LATCB, a non-profit organization, markets and promotes Los Angeles as the premier destination for leisure travel, meetings, and conventions. The LATCB has an in-house marketing team consisting of Public Relations/Communications, Brand and Digital/Social, and Insights and Global Tourism Development (travel trade). These functions are integral to the LAWA contract, and continuation of these existing professional services is critical for LAWA as the Department continues to emerge from the COVID-19 pandemic and adjust our air services marketing and promotional development strategies to the current and future realities of domestic and international air travel.

The LATCB has established offices and experienced staff in key markets, including London (UK/Europe/Middle East), Mumbai, Sydney (Asia Pacific), and throughout China, as well as having assigned staff to both the Canadian and Mexican markets. The international teams function as an extension of LATCB (and therefore LAWA), and this boots-on-the-ground approach provides LAWA with a team of people with close ties to the airline and travel trade industry right in the country of origin. Another key element of the contract is the organization and management of trade and sales missions to international destinations. These trade missions require a delicate understanding of city protocols, administration, and deliverables. The work performed by LATCB for air services marketing, education, outreach, promotion of new routes and international trade missions, and aviation industry events requires a unique skillset and an understanding of and connections with a specialty market niche to be successful.

Many major airports have attempted to replicate the partnership that LAWA and LATCB has and, to that end, have established air service marketing contracts with their local tourism board. For example, the Port Authority NY NJ (PANYNJ) is currently working on a partnership opportunity with NYC & Co., which is considered to be the equivalent of LATCB for New York City.

Over the years, LATCB has successfully coordinated LAWA's participation in countless trade and sales missions around the globe. Most recently, LATCB coordinated LAWA's participation in the City of Los Angeles trade mission to Indonesia, Japan and Mexico. The LATCB also coordinated LAWA's participation in the 2022 World Routes Conference, a conference and exhibition dedicated to route strategy development and planning in the aviation industry.

4. Current Action/Rationale

The general scope of services for this contract include three elements, as follows:

Element I: Air Services Marketing, Education, and Outreach Services

Promote LAX as a leading airport destination across the globe to enhance its reputation, educate both the travel industry and passengers on new advances and capital improvement

projects, and encourage the growth of both flights and passengers. Market and promote LAX Facilities, Services, and Capital Improvement Program as follows:

- Work with LAWA team to grow and build relationships and promote LAX to the International Airline Industry and Travel Trade Industry
- Work closely with LAWA's Air Service Development team to create and implement a yearly marketing strategy that includes: Securing advertorial value in international aviation and travel trade publications to promote LAWA's current and future modernization projects at LAX; promoting and educating the airline industry on Capital Improvement Projects by circulating materials in key international aviation markets; coordinating familiarization tours to promote specified new or existing air routes or new LAX facilities; and conducting in-market training sessions exclusively on LAX services and facilities for reservation staff of airlines, tour operators, and other travel trade offering direct service to LAX
- Assist LAWA staff with the fulfillment of marketing or advertising needs as requested by LAWA management and within the contracted scope of work
- Generate publicity in print, social, and digital media about LAX modernization projects, existing LAX facilities, and services in key international markets
- Translate relevant information from LAWA into Chinese, Japanese, Korean, Spanish, and other appropriate languages, and ensure distribution to the correct international markets
- Write and distribute in-language, in-market stories about LAX
- Plan and assist in developing gate or experiential events

Element II: Air Service Marketing and Promotion of New Routes

Support activities required to grow, increase, or support international routes and develop relationships with international carriers to meet the objectives of LAWA's air service strategy, including, but not limited to:

- Working closely with LAWA team to develop and implement comprehensive marketing strategies around key new markets and airlines to promote trips on emerging flights to international destinations
- Providing experienced personnel for international media/social media planning and placement, and assisting and contributing to the production of marketing materials such as video and audio content appropriate for out-of-market promotional use
- Utilizing established LATCB communication channels and other California contracts, and assisting with the announcement of new routes and airlines to the L.A. and California markets
- Coordinating with the LAWA and Air Service Development team on marketing and promotional efforts

Element III: International Trade Missions and Aviation Industry Events

Work closely with LAWA's Air Service Development team to identify the most productive aviation industry conferences; plan and assist team, as needed, with reservations and marketing material; and identifying promotional, media, and speaking opportunities at these meetings. Coordinate with the City of Los Angeles on trade missions to promote its airport system. The tasks to be performed by the consultant include, but are not limited to, the following:

- Organize and manage LAWA's participation at aviation industry conferences to promote LAX
- Identify and organize speaking opportunities for LAWA officials at domestic and international aviation industry events
- Organize LAWA's participation in and host trade missions to promote LAX
- Collaborate with and/or represent LAWA at aviation industry trade shows promoting LAX's modernization projects and encouraging new routes and airlines
- Work with Manage Design and develop digital, trade show, or printed presentations and other materials for marketing LAX to prospective air carriers

How This Action Advances a Specific Strategic Plan Goal and Objective

This action advances this strategic goal and objective: *Sustain a Strong Business: Diversify and grow revenue sources, and manage costs.* Maintaining a diverse group of airlines and ensuring growth in new and underserved markets while also building a recovery plan that bring back lost or reduced service will have a primary impact on LAWA's revenue and long-term stability. Additionally, marketing the LAX destination abroad to airlines and other aviation industry leaders will contribute to LAWA's growth and sustainability. Finally, this new contract represents time and cost savings to LAWA as LATCB is the only organization with the required skillset who can perform the requested services in LAWA's best interest.

5. Selection Process

The LATCB markets and promotes Los Angeles as the premier destination for leisure travel, meetings, and conventions. The firm's marketing and outreach consists of in-house Public Relations/Communications, brand and digital/social, and insights and global tourism development (travel trade). These functions are integral to the LAWA contract. The professional contracts they maintain, the communications channels they own and update, and the general work they perform is unique and what LAWA requires to be successful with its mission. Lastly, and fundamental to the recommendation for this contract, is the network of international offices that LATCB maintains across the globe. Conducting a full Request for Proposals for the requested services would be impractical as the costs for another firm to re-create these services already offered by LATCB would be exorbitant. Any new firm hired to perform the requested services for LAWA would be required to replicate its international network and work with LATCB to insert LAWA and its facilities and marketing goals and objectives into the trade missions and aviation-related events; this would translate into duplicative work and potentially higher costs for LAWA. The LATCB is the only organization with the required skillset needed to perform these services in LAWA's best interest.

6. Fiscal Impact

The not-to-exceed amount of \$2,250,000 over the three-year term will be recovered through LAX landing fees.

7. Alternatives Considered

- ***Take No Action***

Los Angeles World Airports does not have staff with the expertise, experience, or qualifications required to conduct the services requested in this scope of work. Not

awarding a contract would result in LAWA not being able to market and promote LAX facilities and services effectively in the international aviation marketplace, thus impacting LAX's air service market share and revenue stream as well as the guest experience.

APPROPRIATIONS

Funds for this contract are available in the Fiscal Year 2022-23 Los Angeles World Airports Operating Budget in Cost Center 1220002 – Chief External Affairs, Commitment Item 524 – Advertising. 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. LATCB will comply with the provisions of the Living Wage Ordinance.
5. Procurement Services has reviewed this action (File No. 10297). No mandatory Small Business Enterprise, Local Business Enterprise/Small Local Business Enterprise, and Disabled Veterans Business Enterprise goal for this project has been established, as no subcontracting opportunities were identified.
6. LATCB will comply with the provisions of the Affirmative Action Program.
7. LATCB has been assigned Business Tax Registration Certificate No. 0000901452-0001-5.
8. LATCB will comply with the provisions of the Child Support Obligations Ordinance.
9. LATCB has approved insurance documents, in the terms and amounts required, on file with the 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. LATCB must submit the Contractor Responsibility Program Questionnaire and Pledge of Compliance and must comply with the provisions of the Contractor Responsibility Program.
12. LATCB must be determined by Public Works, Office of Contract Compliance, to be in compliance with the provisions of the Equal Benefits Ordinance prior to execution of contract.

13. LATCB will be required to comply with the provisions of the First Source Hiring Program for all non-trade LAX Airport jobs.
14. LATCB must submit the Bidders Contribution CEC Form 55 and must comply with its provisions.
15. LATCB must submit the MLO CEC Form 50 and must comply with its provisions.
16. LATCB must submit the Iran Contract Act and must comply with its provisions.

November 14, 2022

The Honorable City Council
of the City of Los Angeles
City Hall, Room 395
Los Angeles, CA 90012

Subject: Contract with the Los Angeles Tourism and Convention Board

LAX
Van Nuys
City of Los Angeles

Pursuant to Section 373 of the City Charter, enclosed for your approval is the Contract with the Los Angeles Tourism and Convention Board that was approved by the Board of Airport Commissioners at its November 3, 2022 meeting. There is no impact to the General Fund.

Eric Garcetti
Mayor

RECOMMENDATIONS FOR CITY COUNCIL:

**Board of Airport
Commissioners**

Beatrice C. Hsu
President

Valeria C. Velasco
Vice President

Sean O. Burton
Gabriel L. Eshaghian
Nicholas P. Roxborough
Belinda M. Vega
Karim Webb

Justin Erbacci
Chief Executive Officer

1. Adopt the determination by said Board 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
2. Approve the three (3)-year Contract with the Los Angeles Tourism and Convention Board, with two (2) one-year renewal options, covering professional services related to air service marketing, trade missions, and promotional and development consulting services for Los Angeles World Airports, for cost not to exceed \$2,250,000; and
3. Concur with said Board's action on November 3, 2022, by Resolution 27621, authorizing the Chief Executive Officer, or designee, of Los Angeles World Airports to execute said Contract with the Los Angeles Tourism and Convention Board.

Very truly yours,



Grace Miguel, Commission Executive Assistant II
BOARD OF AIRPORT COMMISSIONERS

Enclosures

cc: Trade, Travel and Tourism Committee
Councilmember Buscaino, e-file
Councilmember Bonin, e-file
Councilmember Lee, e-file
CAO (Airport Analyst), e-file
CLA (Airport Analyst), e-file
City Clerk's Office, e-file



RESOLUTION NO. 27621

WHEREAS, on recommendation of Management, there was presented for approval, three (3)-year Contract with the Los Angeles Tourism and Convention Board, with two (2) one-year renewal options, covering professional services related to air service marketing, trade missions, and promotional and development consulting services for Los Angeles World Airports, for cost not to exceed \$2,250,000; and

WHEREAS, the Los Angeles Tourism and Convention Board (LATCB) has a unique and specialized knowledge base and is recognized as the official City of Los Angeles (City) tourism marketing organization. Los Angeles World Airports (LAWA) has had a contract with LATCB since 2011 and has had service agreements with the firm dating back 16 years to 2006. LATCB's contract will expire on November 11, 2022; and

LAX

Van Nuys

City of Los Angeles

Eric Garcetti
Mayor

Board of Airport
Commissioners

Beatrice C. Hsu
President

Valeria C. Velasco
Vice President

Sean O. Burton
Gabriel L. Eshaghian
Nicholas P. Roxborough
Belinda M. Vega
Karim Webb

Justin Erbacci
Chief Executive Officer

WHEREAS, over the years, LATCB has successfully coordinated LAWA's participation in countless trade and sales missions around the globe. Most recently, LATCB coordinated LAWA's participation in the City's trade mission to Indonesia, Japan, and Mexico. LATCB also coordinated LAWA's participation in the 2022 World Routes Conference, a conference and exhibition dedicated to route strategy development and planning in the aviation industry; and

WHEREAS, LATCB, a non-profit organization, markets and promotes Los Angeles as the premier destination for leisure travel, meetings, and conventions. It has an in-house marketing team consisting of Public Relations/Communications, Brand and Digital/Social, and Insights and Global Tourism Development (travel trade). Those functions are integral to the LAWA contract, and continuation of the existing professional services is critical for LAWA as it continues to emerge from the COVID-19 pandemic and adjust its air services marketing and promotional development strategies to the current and future realities of domestic and international air travel; and

WHEREAS, LATCB has established offices and experienced staff in key markets, including London (UK/Europe/Middle East), Mumbai, Sydney (Asia Pacific), and throughout China, as well as having assigned staff to both the Canadian and Mexican markets. The international teams function as an extension of LATCB (and therefore LAWA), and the boots-on-the-ground approach provides LAWA with a team of people with close ties to the airline and travel trade industry right in the country of origin. Another key element of the contract is the organization and management of trade and sales missions to international destinations. Those trade missions require a delicate understanding of City protocols, administration, and deliverables. The work performed by LATCB for air services marketing, education, outreach, promotion of new routes and international trade missions, and aviation industry events requires a unique skillset and an understanding of and connections with a specialty market niche to be successful; and

WHEREAS, conducting a full Request for Proposals for the services would be impractical as the costs for another firm to re-create the services already offered by LATCB would be exorbitant. Any new firm hired to perform the services for LAWA would be required to replicate its international network and work with LATCB to insert LAWA and its facilities and marketing goals and objectives into the trade missions and aviation-related events; this would translate into duplicative work and potentially higher costs for LAWA. LATCB is the only organization with the required skillset needed to perform the services in LAWA's best interest; and



WHEREAS, the general scope of services for the Contract includes the following three (3) elements:

> Element I: Air Services Marketing, Education, and Outreach Services

Promote Los Angeles International Airport (LAX) as a leading airport destination across the globe to enhance its reputation, educate both the travel industry and passengers on new advances and capital improvement projects, and encourage the growth of both flights and passengers. Market and promote LAX facilities, services, and Capital Improvement Program as follows:

- Work with LAWA team to grow and build relationships and promote LAX to the International Airline Industry and Travel Trade Industry
- Work closely with LAWA's Air Service Development team to create and implement a yearly marketing strategy that includes: Securing advertorial value in international aviation and travel trade publications to promote LAWA's current and future modernization projects at LAX; promoting and educating the airline industry on Capital Improvement Projects by circulating materials in key international aviation markets; coordinating familiarization tours to promote specified new or existing air routes or new LAX facilities; and conducting in-market training sessions exclusively on LAX services and facilities for reservation staff of airlines, tour operators, and other travel trade offering direct service to LAX
- Assist LAWA staff with the fulfillment of marketing or advertising needs as requested by LAWA management and within the contracted scope of work
- Generate publicity in print, social, and digital media about LAX modernization projects, existing LAX facilities, and services in key international markets
- Translate relevant information from LAWA into Chinese, Japanese, Korean, Spanish, and other appropriate languages, and ensure distribution to the correct international markets
- Write and distribute in-language, in-market stories about LAX
- Plan and assist in developing gate or experiential events

> Element II: Air Service Marketing and Promotion of New Routes

Support activities required to grow, increase, or support international routes and develop relationships with international carriers to meet the objectives of LAWA's air service strategy, including, but not limited to:

- Working closely with LAWA team to develop and implement comprehensive marketing strategies around key new markets and airlines to promote trips on emerging flights to international destinations
- Providing experienced personnel for international media/social media planning and placement, and assisting and contributing to the production of marketing materials such as video and audio content appropriate for out-of-market promotional use
- Utilizing established LATCB communication channels and other California contracts, and assisting with announcement of new routes and airlines to the Los Angeles and California markets
- Coordinating with the LAWA Air Service Development team on marketing and promotional efforts

> Element III: International Trade Missions and Aviation Industry Events

Work closely with the LAWA Air Service Development team to identify the most productive aviation industry conferences; plan and assist team, as needed, with reservations and marketing material; and identifying promotional, media, and speaking opportunities at those

meetings. Coordinate with the City on trade missions to promote its airport system. The tasks to be performed by the consultant include, but are not limited to, the following:

- Organize and manage LAWA's participation at aviation industry conferences to promote LAX
- Identify and organize speaking opportunities for LAWA officials at domestic and international aviation industry events
- Organize LAWA's participation in and host trade missions to promote LAX
- Collaborate with and/or represent LAWA at aviation industry trade shows promoting LAX's modernization projects and encouraging new routes and airlines
- Work with Manage Design and develop digital, trade show, or printed presentations and other materials for marketing LAX to prospective air carriers; and

WHEREAS, funds for the Contract are available in the Fiscal Year 2022-2023 LAWA Operating Budget in Cost Center 1220002 – Chief External Affairs, Commitment Item 524 – Advertising. 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, LATCB will comply with the provisions of the Living Wage Ordinance, the Affirmative Action Program, and the Child Support Obligations Ordinance; and

WHEREAS, LATCB is assigned Business Tax Registration Certificate 0000901452-0001-5; and

WHEREAS, LATCB 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, LATCB must submit the Contractor Responsibility Program Questionnaire and Pledge of Compliance and comply with the provisions of said program; and

WHEREAS, LATCB must be determined by Public Works, Office of Contract Compliance, to be in compliance with the provisions of the Equal Benefits Ordinance prior to contract execution; and

WHEREAS, LATCB will be required to comply with the provisions of the First Source Hiring Program for all non-trade LAX jobs; and

WHEREAS, LATCB must submit the Bidders Contribution CEC Form 55 and comply with its provisions; and

WHEREAS, LATCB must submit the MLO CEC Form 50 and comply with its provisions; and

WHEREAS, LATCB must comply with the Iran Contracting Act provisions; 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; found that the work can be performed more economically or feasibly by an independent contractor than by City employees; further found that, pursuant to Charter Section 371 (e)(10), the vendor has the qualifications, experience, and expertise required to perform the required professional, expert, technical and special services, and that it is not practicable or advantageous to obtain competitive proposals; approved the three (3)-year Contract with the Los Angeles Tourism and Convention Board, with two (2) one-year renewal options, covering professional services related to air service marketing, trade missions, and promotional and development consulting services for Los Angeles World Airports, for cost not to exceed \$2,250,000; and authorized the Chief Executive Officer, or designee, to execute said Contract with the Los Angeles Tourism and Convention Board after approval as to form by the City Attorney and approval by the Los Angeles City Council.

o0o

I hereby certify that this Resolution No. 27621 is true and correct, as adopted by the Board of Airport Commissioners at its Regular Meeting held on Thursday, November 3, 2022.

A handwritten signature in blue ink, appearing to read "Grace Miguel", is positioned above the printed name.

Grace Miguel – Secretary
BOARD OF AIRPORT COMMISSIONERS