

RESOLUTION NO. 27657

WHEREAS, on recommendation of Management, there was presented for approval, First Amendment to Contract DA-5466 with ABM Aviation, Inc. to increase the contract authority by \$15,616,336, for new total not to exceed \$318,880,974, and to increase the amount of allowable capital expenditures by \$20,616,336 for additional work performed or to be performed by said firm above its base scope of work associated with Smart Parking infrastructure system and garage improvements at Los Angeles International Airport Central Terminal Area parking facilities and Economy Parking facility; and

LAX

Van Nuys

City of Los Angeles

Karen Bass
Mayor

**Board of Airport
Commissioners**

Beatrice C. Hsu
President

Valeria C. Velasco
Vice President

Gabriel L. Eshaghian
Nicholas P. Roxborough
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Justin Erbacci
Chief Executive Officer

WHEREAS, the Smart Parking contract with ABM Aviation, Inc. (ABM) includes management of parking facilities and implementation of Smart Parking improvements. The objective of Smart Parking is two-fold: [1] creation of a first of its kind, best in class airport parking experience, and [2] enhancement of value for Los Angeles World Airports (LAWA) including higher revenue, lower costs, and more sustainability through availability of electrical vehicle charging. LAWA's Smart Parking solution is an integrated platform that centralizes all parking data from all the parking facilities and existing parking subsystems into a single point of control. Said integration provides flexibility, allowing real-time data to guide decision and policy making that may be implemented in the field, and provides dynamic pricing strategies at each parking facility to improve financial performance; and

WHEREAS, Smart Parking enhancements include facility improvements, modern information technology (IT) infrastructure, new technology, and new products and services, all with marketing strategies and branding. That has resulted in maximizing parking revenues while providing a positive customer service experience. Guests can pre-book parking, have a choice of parking products such as valet parking and premium parking (closest to terminal building), and may charge their electric vehicle using one of the soon-to-be 1,260 electric vehicle charging stations in the Central Terminal Area (CTA) parking garages and Los Angeles International Airport (LAX) Economy Parking facility. Other features of Smart Parking include Parking Guidance Systems (PGS) to allow guests to be directed to an open parking space versus driving around looking for availability, contactless entry and exit at the parking facilities, and real-time occupancy information that is visibly displayed at each parking facility entry; and

WHEREAS, at the time of contract award in October 2020, ABM and LAWA staff forecasted approximately \$950,000,000 in revenue over the seven (7)-year term of the contract. The current revenue forecast for the term is \$1,336,000,000. Said increase is due to success of yield management pricing enabled by Smart Parking's reservation system and enhancements in the passenger experience that enabled the increase of the drive-up rate; and

WHEREAS, the Smart Parking solution required ABM's initial Request for Proposals timeline to implement and make all facility improvements within ten (10) months of contract award. ABM's original scope was based upon closing an entire garage and completing renovations and installations in a single mobilization for each garage. However, unforeseen conditions, code requirements and owner betterments, and revisions to zones and phases in construction scheduling caused ABM to have to modify its scope of work. Sooner-than-expected COVID-19 passenger recovery, unexpected traffic congestion caused by an increase in the number of people parking, and the temporary relocation of LAX employees from remote employee lots to the CTA parking garages, all resulted in LAWA asking ABM to change its approach to the implementation plan and schedule. As such, ABM could not close each parking facility as initially



planned to make Smart Parking improvements; rather, levels in each garage in the CTA had to be closed to allow for the facility improvement rollout; and, at times, a few garages were closed on a reduced timeline to complete those improvements. Those changes required additional resources (i.e., time and labor) to ensure passengers could safely park while a parking facility was transformed with the Smart Parking improvements. Specifically, ABM had to employ significantly more staffing and materials for traffic control, including flaggers, fencing, signage, and vehicle relocation services; and

WHEREAS, a positive element to the return of passengers and the change in project implementation schedule was an increase in revenue. By keeping the garages open, LAWA was able to generate approximately \$15,000,000 in incremental revenues; and

WHEREAS, throughout construction, the LAWA team made dynamic changes (by testing and learning) to the initial scope that resulted in the enhanced value of Smart Parking. A key component of the Smart Parking project is the IT infrastructure that supports the online reservation system, parking lot management, and other Smart Parking applications. The original plan was to build it out on LAWA's existing IT network, but LAWA and ABM determined that, to meet customer's expectations, it would be necessary to build out the system on an independent network. To build the network required pulling new fiber and/or terminating existing dark fiber to connect all the parking garages and upgrading network equipment including switches, racks, and firewalls. As one example, the work improved the functionality of the reservation system where staff now has the capability to make real time changes to a customer's reservation; and

WHEREAS, in addition, LAWA and ABM determined that several civil modifications were needed in the garages to ensure better vehicle and pedestrian flow, both now and in anticipation of the APM. One example is in Parking Structure 7 where entry islands were extended to provide vehicles easier access and wayfinding to enter premium or valet parking areas; and

WHEREAS, ABM was required to share the same workspace with Landside Access Modernization Program (LAMP) contractors LINXS and Swinerton for Smart Parking improvements, and in some cases had to delay Smart Parking work to allow LINXS or Swinerton to complete their work. This had an impact on ABM labor costs, ASR development, additional personnel to control traffic, material and equipment pricing, and work schedule. Some scope gaps required different approaches by ABM and additional materials to complete its tasks. In addition, during installation and construction, ABM encountered numerous unknown conditions in various CTA garages, including, in some cases, inconsistencies with as-built drawings, and deteriorated asphalt, concrete, and expansion joints. Those impacts and others resulted in the following additional scope of work above ABM's original base scope:

- Intermodal Transportation Facility West design changes that included exclusion of exposed conduits by utilizing the installed conduits in the slab originally intended for Electric Vehicle Charging Stalls, resulting in re-distribution of power and communications throughout the parking facility in addition to the striping and painting to maintain an Americans with Disabilities Act-compliant facility.
- Development of an Emergency Egress Plan per Los Angeles Department of Building and Safety requirements in order for garages to be brought up to modern standards for evacuation and other emergency needs.
- Additional work which resulted from unknown conditions leading to modifications of certain Smart Parking improvements such as concrete repair, asphalt repairs, expansion joint repairs, striping paint removal, modifying PGS track design due to lower ceilings in some garages; and

WHEREAS, in order to compensate ABM for additional work over its base scope of work for capital improvements, LAWA has reviewed ABM's invoices and discussed the additional work in

depth with ABM staff. The LAWA team recommended compensation to ABM for not to exceed \$20,616,336; and

WHEREAS, the following summarizes calculations for approved costs and the resultant new capital expenditures (CAPEX) budget amount, and additional contract authority:

A. <u>New CAPEX Budget</u>	
Base Scope (LAX/Van Nuys Airport)	\$42,115,629
Approved Costs	<u>20,616,336</u>
New CAPEX Amount	\$62,731,965
B. <u>Additional Contract Authority</u>	
Original Approved Amount	\$303,264,638
Additional Contract Amount*	<u>15,616,336</u>
New Contract Authority	\$318,880,974; and

**ABM has achieved approximately \$5 million in savings from operating expenses due to improved efficiencies. As such, staff had requested only \$15.6 million additional contract authority from the required amount of \$20.6 million approved costs.*

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. In addition, interior or exterior alterations involving remodeling or minor construction where there will be negligible or no expansion of use is categorically exempt from CEQA requirements pursuant to Article III, Class 1 (1) of the Los Angeles City CEQA Guidelines; and

WHEREAS, ABM is required by contract to comply with the Service Contractor Worker Retention and/or Living Wage Ordinance; and

WHEREAS, Procurement Services reviewed this action (File 9289) and established a goal of 10% Airport Concessions Disadvantaged Business Enterprise (ACDBE) Program participation. ABM proposed 13.66% ACDBE participation and has achieved 13.32% to date; and

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

WHEREAS, ABM is assigned Business Tax Registration Certificate 0000682409-0001-1; and

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

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

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

WHEREAS, ABM 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, ABM is required by contract to comply with the provisions of the First Source Hiring Program and the Iran Contracting Act; and

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

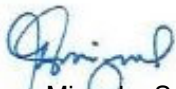
WHEREAS, ABM has submitted the MLO Bidder Contributions CEC Form 50, and will comply with its provisions; and

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 and Article III, Class 1 (1) 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; approved the First Amendment to Contract DA-5466 with ABM Aviation, Inc. to increase the contract authority by \$15,616,336, for new total not to exceed \$318,880,974, and to increase the amount of allowable capital expenditures by \$20,616,336 for additional work performed or to be performed by said firm above its base scope of work associated with Smart Parking infrastructure system and garage improvements at Los Angeles International Airport Central Terminal Area parking facilities and Economy Parking facility; authorized the Chief Executive Officer, or designee, to execute said First Amendment to Contract DA-5466 with ABM Aviation, Inc. after approval as to form by the City Attorney and approval by the Los Angeles City Council; and further approved appropriation and allocation of not to exceed \$20,616,336 from the LAX Revenue Fund to WBS Element 1.20.08-700 (Smart Parking System Infrastructure – LAX).

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I hereby certify that this Resolution No. 27657 is true and correct, as adopted by the Board of Airport Commissioners at its Regular Meeting held on Thursday, December 15, 2022.



Grace Miguel – Secretary
BOARD OF AIRPORT COMMISSIONERS