

RESOLUTION NO. 27671

WHEREAS, on recommendation of Management, there was presented for approval, Award of five (5)-year Non-Exclusive Concession Agreement to First Class Vending, Inc., with two (2) one-year extension options, covering vending machine services at Los Angeles International Airport and Van Nuys Airport; and

WHEREAS, Bottling Group, LLC, through its sub-concessionaire First Class Vending, Inc. (First Class), provides vending machine services at Los Angeles International Airport (LAX) and Van Nuys Airport (VNY) through a concession agreement on a month-to-month basis. The vending machines offer guests options for purchase of bottled beverages and snacks. The vending machines are in public areas at LAX, including parking structures, non-secured public areas, post security checkpoints, and in the Van Nuys FlyAway building; and

WHEREAS, in September 2022, three (3) firms submitted bids in response to Los Angeles World Airports (LAWA) Request for Bids for non-exclusive beverage and snack vending services at LAX and VNY:

Concessionaire	Bid (% of Gross Sales)
First Class	59.5%
Compass Group USA, Inc. by and through its Canteen Division	51.6%
Gilly Vending, Inc.	42.0%; and

WHEREAS, First Class was selected as the highest responsive bidder; and

WHEREAS, the new Concession Agreement with First Class will provide continued vending machine services for guests at LAX and VNY. Vending machines provide passengers with a touchless option to choose a variety of snacks and drinks and provide an option for guests during times when concessions may be closed or operations limited. In addition, LAWA staff believe it is a valuable service for guests as passengers are prohibited from bringing water and drinks through passenger security screening checkpoints; and

WHEREAS, the new Concession Agreement requires compliance with the upcoming ban on plastic water bottles that goes into effect on June 30, 2023. In addition, First Class will be responsible for all associated maintenance of the machines; and

WHEREAS, pursuant to the terms of the Concession Agreement, First Class will pay LAWA the greater of a minimum monthly guarantee of \$100 per machine or 59.5% of gross sales over the five (5)-year term and any approved options. First Class will initially operate 67 machines at LAX and five (5) machines at the Van Nuys FlyAway building, both in employee only and public areas. LAWA's Chief Executive Officer may authorize reduction or addition of machines based on passenger need; and

WHEREAS, issuance of permits, leases, agreements and space assignments, and renewals, amendments or extensions thereof, or other entitlements granting use of existing airport facilities or its operations is exempt from California Environmental Quality Act (CEQA) requirements pursuant to Article III, Class 1 (18)(c) of the Los Angeles City CEQA Guidelines; and



LAX

Van Nuys

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Chief Executive Officer

WHEREAS, First Class will comply with the provisions of the Living Wage Ordinance, Child Support Obligations Ordinance, and Affirmative Action Program; and

WHEREAS, First Class has been assigned Business Tax Registration Certificate 0000147973-0001-3; and

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

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

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

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

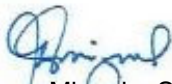
WHEREAS, First Class has submitted the Bidder Contributions CEC Form 55 and MLO Bidder Contributions CEC Form 50, and will comply with their provisions; and

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 606;

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 (18)(c) 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 Award of five (5)-year Non-Exclusive Concession Agreement to First Class Vending, Inc., with two (2) one-year extension options, covering vending machine services at Los Angeles International Airport and Van Nuys Airport; and authorized the Chief Executive Officer, or designee, to execute said Non-Exclusive Concession Agreement with First Class Vending, 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. 27671 is true and correct, as adopted by the Board of Airport Commissioners at its Regular Meeting held on Thursday, February 16, 2023.



Grace Miguel – Secretary
BOARD OF AIRPORT COMMISSIONERS