



RESOLUTION NO. 26623

BE IT RESOLVED that the Board of Airport Commissioners, on recommendation of Management, approved the First Amendment to Agreement DA-4891 with ABM Aviation, Inc. to add scope of services, adjust the financial terms, and increase the contract authority, covering operation and management of the remote employee parking lots at Los Angeles International Airport, as referenced in the Board-adopted staff report attached hereto and made part hereof; and

LAX

Van Nuy

City of Los Angeles

Eric Garcetti
Mayor

**Board of Airport
Commissioners**

Sean O. Burton
President

Valeria C. Velasco
Vice President

Jeffery J. Daar
Gabriel L. Eshaghian
Beatrice C. Hsu
Thomas S. Sayles
Dr. Cynthia A. Telles

Deborah Flint
Chief Executive Officer

BE IT FURTHER RESOLVED that the Board of Airport Commissioners authorized the Chief Executive Officer to execute said First Amendment after approval as to form by the City Attorney and approval by the Los Angeles City Council; and

BE IT FURTHER RESOLVED that funds for the First Amendment initial year of implementation (FY2018-2019) shortfall amount of \$571,960 will be appropriated and allocated from the LAX Revenue Fund to the FY2018-2019 Los Angeles World Airports Operating Budget in LAX Cost Center 1240005 - Landside Management and Airport Permit Services, Commitment Item 520 - Contractual Services. Funding for subsequent fiscal years will be requested as part of the annual budget process; and

BE IT FURTHER RESOLVED that any activity (approval of bids, execution of contracts, allocation of funds, etc.) for which the underlying project has been previously been evaluated for environmental significance and processed according to the requirements of the California Environmental Quality Act (CEQA); and issuance of permits, leases, agreements, gate and space assignments, and renewals, amendments or extensions thereof, or other entitlements granting use of existing airport facilities or its operations is exempt from further review pursuant to Article II Section 2(i) and Article III Class 1(18)(c) of the Los Angeles City CEQA Guidelines. The Land Access Modernization Program Environmental Impact Report was certified by the Board of Airport Commissioners on March 2, 2017 by Resolution 26185; and

BE IT FURTHER RESOLVED that 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.

o0o

I hereby certify that this Resolution No. 26623 is true and correct, as adopted by the Board of Airport Commissioners at its Regular Meeting held on Thursday, October 18, 2018.

Grace Miguel – Secretary
BOARD OF AIRPORT COMMISSIONERS







Los Angeles World Airports


17
Item Number

REPORT TO THE BOARD OF AIRPORT COMMISSIONERS


Approved by: Shirlene Sue, Airport Manager


Reviewed by: Keith Wilschetz, Deputy Executive Director


City Attorney


Deborah Flint – Chief Executive Officer

Meeting Date:

10/18/2018

CAO Review:

☐ Completed
☒ Pending
☐ N/A

<u>Reviewed for</u>	<u>Date</u>	<u>Approval Status</u>	<u>By</u>
Finance	10/4/2018	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> NA	RW
CEQA	8/31/2018	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	JH
Procurement	9/6/2018	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> Cond	MT
Guest Experience	9/5/2018	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	BY
Strategic Planning	8/31/2018	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> NA	KV

SUBJECT: First Amendment to ABM Aviation, Inc. Agreement for Remote Employee Parking Operation and Management at Los Angeles International Airport

Amend ABM Aviation, Inc. Agreement (DA-4891) to add scope of services, adjust the financial terms, and increase contract authority by \$4.6 million for a total contract amount not-to-exceed \$58.1 million over the 6-year term.

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.i and Article III Class 1 (18)(c) 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. APPROVE the First Amendment to DA-4891 with ABM Aviation, Inc. to increase the scope of services for new shuttle route for LAX employees and Metro City Bus Center passengers, and other related ancillary services at LAX employee parking Lot South.

5. APPROVE adjustment to the financial terms of the agreement and increase contract authority by \$4.6 million for a total contract amount not-to-exceed \$58.1 million over the six-year term.
6. APPROPRIATE budget from the LAX Revenue Fund in the amount of \$571,960 to cover the additional cost of the Amendment
7. AUTHORIZE the Chief Executive Officer to execute the First Amendment to DA-4891 with ABM Aviation, Inc. upon approval as to form by the City Attorney.

DISCUSSION:

1. Purpose

Increase ABM Aviation, Inc. (ABM) scope of services to: (1) add new shuttle route for LAX employees and Metro City Bus Center passengers at employee parking Lot South (former Lot C); (2) option to lease additional spare buses to augment LAX shuttle fleet; (3) provide additional ancillary services for employee Lot South (i.e. guards and cleaning service); (4) adjust the Management Fee and Hourly Billable Rates for transportation, parking staff and cleaning services) due to unforeseen impacts of the promulgated cost of living increases; and, (5) increase contract authority by \$4.6 million for the remaining 5th year term and first option year of the Agreement, for a new total contract amount not-to-exceed \$58.1 million over the 6-year term.

2. Prior Related Actions

- **February 22, 1999 - Board Resolution No. 20556**
Board approved and adopted the Service Contractor Worker Retention Ordinance (SCWRO) and the Living Wage Ordinance (LWO) codified by the Los Angeles Administrative Code as policy and regulation for LAWA.
- **March 18, 2014 - Resolution No. 25370**
Board awarded a five-year agreement to ABM (DA-4891), with two, one-year extension options, to operate transportation systems and manage remote employee parking lots at LAX. The initial contract expenditure authority was \$53.5 million for the entire 7-year term, inclusive of two, 1-year option years.
- **April 5, 2018 – Board Resolution No. 26468**
Board approved amendments to the City of Los Angeles Worker Retention Ordinance (previously known as Service Contract Worker Retention Ordinance) and Living Wage Ordinance, for adoption as policy and regulation of Los Angeles World Airports.

3. Current Action

LAWA provides employee parking and shuttle bus services to three major remote employee parking lots, namely: Employee Lot East (1,971 spaces), Lot West (1,980 spaces) and Lot South (1,655 spaces); all located within the block of Jenny, Westchester Avenue and W. 96th Street. These lots have a combined total of 5,606 parking spaces/stalls (inclusive of ADA spaces) and currently operate at full capacity during peak periods (e.g. summer and holiday periods).

The current number of permits sold for employee lots East/West/South averages about 16,000 per month (\$193,329 annually). Airlines regularly purchase in bulk for their employees, while others purchase their permits individually such as: government agencies (e.g. TSA), ground handlers, concessions employees and other airport service providers. Combined annual employee parking permit sales for employee Lots East, West and South are shown below:

Table 1. Annual Permit Sales

Calendar Year (CY)	Max. Permits Available (Capacity)*	Actual No. Permits Sold	% Sold to Capacity	Change From Previous Yr. (%)
CY 2014	179,107	164,496	92%	n/a
CY 2015	179,107	179,482	100%	9.11%
CY 2016	179,107	193,194	108%	7.64%
CY 2017	179,107	193,329	108%	0.01%

*Note: Maximum no. of permits available for sale (sales cap) based on the formula: # spaces x 2.7 occupancy factor.

In addition to managing remote employee parking lots, ABM also operates LAX employee shuttle buses. Transportation services run to and from Lot East and Lot West and the CTA, with both routes stopping at Lot South. The round trip time between the employee parking lots and being dropped off at the terminal of choice averages 20-30 minutes in non-peak time and upwards of 60 minutes during peak time. Shuttles are scheduled to maintain 7-10 minute headways; the time between buses.

ABM also operates the courtesy shuttles between LAX and Metro light rail Green Line station. ABM Green Line shuttles run in tandem with Metro Green Line schedule. The following tables show previous (FY2017-18) and projected (FY2018-19) busing costs per route:

Table 2A. Bus Expenses per Route (Actuals, FY2017-18)*

Routes	No. Buses	Service Hrs. (Annual) (A)	Rate (\$/Hr) (B)	Cost (\$) (C = A x B)
Lot East	11	75,582	\$32.28	\$2,439,787
Lot West	10	58,439	\$32.28	\$1,886,411
Greenline	7	40,317	\$32.28	\$1,301,433
Total	28	174,338		\$5,627,631

*Note: Numbers reflect actual transportation billable hours for FY17-18. Employee bus fleet includes 10 additional spare buses, for a total of 38 buses.

Table 2B. Projected Expense for FY18-19 (w/ new Lot South/Metro Route)

Cost per Bus (Monthly)*:	\$16,749
Estimate for Lot East, West and Greenline (28 buses):	\$5,627,631
Estimate for New Lot South/Metro Route (7 buses):	\$703,454
Total (Adjusted 4% Annual Rate Increase + 2% Cost of Living):	\$6,710,950

*Note: Bus cost per month is based upon FY2017-18 actual no. of service hrs. for peak/non-peak periods.

Rapid and Unanticipated Growth in Demand

As LAX experiences unprecedented growth in passengers and aircraft activity (20% since CY 2014), the robust airline growth brings the associated need for more agents, ground handlers, concession workers, etc., which has increased employee parking demands beyond projections and capacity. With LAX-provided employee parking capacity limitations, neighborhood concerns and complaints have been received as employees have sought alternate parking availability in surrounding areas.

Since commencement of the contract, increased busing demands and increased traffic congestion has required the authorization of the following unforeseen supplemental services and expenditures:

Table 3. LAWA Authorized Additional Services

Additional Services (from 2014 thru 2018)	Total No. Hours	Expenditures
1. Additional Bus Service Hours		
a) Employee Lots	30,080	\$ 923,438
b) Green Line	3,785	\$ 121,689
2. Extra Green Line Services - TAP Verification	1,154	\$ 34,453
TOTAL	35,019	\$ 1,079,581

Impacts of Landside Access Modernization Plan (LAMP) and Lot C

Preparation for LAWA's LAMP construction of the Intermodal Transportation Facility-West (ITF-West) and Automated People Mover (APM) has impacted large swaths of LAX Public Economy Parking Lot C (Lot C). On March 1, 2018, the former employee Lot South ('Lot South') was relocated to the north/northwest portions of Lot C and the Commercial Vehicle Holding Lots were relocated further west into Lot C. In addition, Avis rent-a-car was also relocated to the eastern portion of Lot C. These moves further reduced Lot C by 3,500 spaces to a current availability of 1,694 public parking spaces.

To better serve the public parking demand, construction and preparation is underway to relocate the LAX-offered public economy parking to a new, enlarged 2,734 space lot located off 111th Street. The anticipated opening is January 2019.

The 1,694 spaces currently used as public parking in Lot C will then be converted into employee parking. This expansion will increase employee parking capacity by almost 31% for a new total of 7,300 spaces; allowing potentially more than 4,500 new permits/employees to be accommodated. A map of employee Lot East, Lot West and anticipated final configuration of employee Lot South is shown in **Attachment A**.

Metro City Bus Center

Currently, Metro City Bus Center patrons are transported to and from the CTA on the designated Lot C bus. While LAX Economy Parking Lot C will relocate to 111th Street in January 2019, the reconfigured Metro City Bus Center will remain in its location off 96th Street. Accordingly, as it will now be adjacent to the employee Lot South, the plan is for

Metro City Bus Center patrons to be transported to and from the CTA on the bus service supplied through the ABM contract for Remote Employee Parking Operation.

A new bus route dedicated to service Lot South employees and Metro City Bus Center passengers only will be implemented to transport passengers from Lot South and Metro City Bus Center to all terminals in the CTA.

Impacts to Bus Fleet Availability

LAWA's current bus fleet has a total of 48 buses, which consists of 33 active buses (inclusive of Green Line and airline connector) and 15 spare buses. Thirteen (13) of the 15 spares were obtained when the Lot C operator procured its own buses (per the Lot C Operating Agreement, DA-5066). LAWA will reallocate 7 out of 15 spare buses upon commencement of the new 'Lot South – Bus Center All Terminals' route. The eight remaining buses provide a spare bus ratio of 16.7%, slightly less than the recommended industry standard of 20%.

The reduction in spare buses for use in the new Lot South route may require replacements to maintain the current level of spare buses as a contingency measure in situations where buses break down or transportation demand increases. To ensure flexibility to respond if replacements are needed, staff will exercise the following contract provision:

"Executive Director's Authority Regarding Additional Services. The Executive Director shall have the right (within the Executive Director's scope of authority, or if not within the Executive Director's scope of authority, with the approval of the Board) to request that Operator provide additional managerial or operational services relating to the Parking Facilities or transportation beyond those services that Operator is required to perform under the terms of this Agreement. Any such request by the Executive Director shall be in writing setting forth the terms and conditions relating to such request."

LAWA CEO may exercise the option to require ABM to provide additional spare buses on a lease basis.

Update to Cost of Living Increase

An amendment to the City's living wage ordinance (LWO), effective March 20, 2018, and subsequently adopted by the Board, required the living wage and health benefits hourly rates for "Airport Employees" to increase to \$13.75 per hour and at least \$5.24 per hour, respectively (or \$18.99 per hour without health benefits), effective July 1, 2018. The historical increase in the Airport Living Wage has averaged 2.4% in the past 5 years. Beginning July 1, 2018, the amended LWO increases the Airport Living Wage by the following.

Effective Date	Airport Living Wage per Hour	% Change Year-Year
July 1, 2017	\$12.08	
July 1, 2018	\$13.75	13.8%
July 1, 2019	\$15.25	10.9%
July 1, 2020	\$16.50	8.2%
July 1, 2021	\$17.00	3.0%
July 1, 2022	\$2.00 above City's minimum rate	

The agreement with ABM is subject to LWO. The operation includes more than 200 employees, 170 of which are covered under a Collective Bargaining Agreement (CBA) with Teamsters Local 986, with wages paid on an hourly basis. The current ABM contract was approved with an automatic four percent (4%) annual wage increase to adjust for the historic annual wage increases. The recently approved increases to the living wage have a direct impact on current ABM staffing rates: 2% start-up costs and 1.05% cost of living increase = 3.05% Management Fee; avg. 2.27% hourly billable rates for parking field staff, transportation service hours and cleaning service.

The following table summarizes new ABM rate adjustments as a result of cost of living increase effective July 1, 2018.

Table 4. Rate Adjustments Due to Cost of Living Increase

	CY19 (Current Rates)	Cost of Living Adjustments (eff. 7-1-18)	% Increase	CY19 (New Rates)
A. Management Fee (per Month)	\$ 151,446.33	\$ 4,619.11	3.05%	\$ 156,065.45
B. Hourly Billable Rates (\$/Hr.)				
a) Parking Staff	\$ 28.69	\$ 0.69	2.4%	\$ 29.38
b) Transportation Service	\$ 33.57	\$ 0.69	2%	\$ 34.26
c) Cleaning Service	\$ 28.64	\$ 0.69	2.4%	\$ 29.33

Combined Impacts – Increase in Rates and Contract Authority

The combined impacts of the services and issues stated above require additional contract funding authority of \$4.6 million to maintain current service levels and cover the initial start-up costs, bus retrofitting and operating expenses for the new Lot South – Bus Center All Terminals dedicated bus route through the end of the Option Year 1 (ending July 31, 2020).

Total anticipated expenditures for the additional services and continued operation of the existing LAX Remote Employee Parking Program for the remaining term of the Agreement and Option Year 1 is about \$25.4 million. The Agreement has a current remaining balance of \$20.8 million (as of July 2018), which is \$4.6 million short of the required funding. The table below shows the calculation summary of the additional funding request and resultant new contract authority. **Attachment B** provides a detailed breakdown of all associated costs required for the proposed First Amendment.

Table 5. Contract Authority and Additional Funding Calculation Summary

\$ 53,500,000	(a) Initial Contract Authority
\$ (32,629,280)	(b) YTD Expenses (7/16/14 - 8/15/18)
\$ 20,870,720	(c) Remaining Balance (a – b)
\$ 25,408,547	(d) Additional Amount Required for Remaining Term + Option Year 1 (CY19-CY20)
\$ (4,537,827)	(e) Additional Funds Request (Shortfall) (c – d)
\$ 58,037,827	(f) New Contract Authority (a + e)

Historical data showing approved contract authority vs. expenditure to-date is shown in **Attachment C**.

This action advances LAWA's strategic goal and objective to: *Deliver Facilities & Guest Experiences that are Exceptional: Develop, maintain and operate first class facilities.* The additional dedicated shuttle route for Lot South employees and Metro Bus Center passengers creates synergy by combining LAWA resources, improves operational efficiency by increasing bus capacity (7 additional buses), maintains ideal 7-10 minute headways, and is anticipated to reduce travel time between employee Lot South and the CTA by at least 20% (45-50 minutes roundtrip) at peak.

Action Requested

The ABM Agreement includes the provision for *Equitable Adjustment for Unforeseeable Change in Circumstances*, such that an adjustment may be recommended to the Board for approval when:

- i. such change in circumstances was unforeseeable and not within the control of Operator,
- ii. such change in circumstances has or will result in unavoidable and material adverse economic consequences to Operator, and
- iii. an adjustment to the financial terms of this Agreement is equitable under the circumstances.

Due to unforeseeable changes in circumstances, such are the aforementioned additional scope of services imposed by LAWA, and because of economic impacts to ABM from significant additions of new shuttle service and transportation service hours, staff requests the Board to approve and authorize the Chief Executive Officer to execute the First Amendment to Agreement DA-4891. The First Amendment will: (1) add scope of services to provide new shuttle route for LAX employees and Metro City Bus Center passengers, and other related ancillary services at LAX employee parking Lot South; (2) adjust the financial terms of the agreement for Monthly Management Fee and Monthly Operational Expenses hourly billable rates for parking field staff, transportation service, and cleaning services; and, (3) increase contract authority by \$4.6 million for the remaining term and first option year of the Agreement. The First Amendment will increase the contract authority to a total amount not-to-exceed \$58.1 million over the six-year term for continued operation of the LAX Remote Employee Parking Program.

Instead of exercising Option Year 2 of the current contract, staff intends to issue a Request for Proposal within FY 2020 for a new contract to succeed the current contract effective August 1, 2020.

Fiscal Impact

This action will result in an additional expenditure not-to-exceed \$4.6 million for the remaining term of the Agreement (FY2019), including the first option year (FY2020). This amount includes costs for additional scope of services to maintain the employee lot operations and rate adjustments due to cost of living increase. Costs will be recovered with revenue from the added employee parking.

The appropriation of additional funds for this Amendment will increase the total FY2018-19 LAWA Operating Budget by \$571,960.

4. Alternatives Considered

- ***Take No Action***

A 'No Action' will result in a depletion of funds for current employee lot operations and shuttle services by the fourth month of Option Yr. 1 (Nov. 2019). No Action will prevent the ability to implement the new required services for Lot South and the Metro City Bus Center. Services will be severely impacted and operations will cease with no funds to support the contract.

APPROPRIATIONS:

Staff requests that funds for the First Amendment initial year of implementation (FY2018-19) shortfall amount of \$571,960 will be appropriated and allocated from the LAX Revenue Fund to the FY2018-19 LAWA Operating Budget in LAX Cost Center 1240005 - Landside Management and Airport Permit Services, Commitment Item 520 - Contractual Services. Funding for subsequent fiscal years will be requested as part of the annual budget process.

STANDARD PROVISIONS:

1. Any activity (approval of bids, execution of contracts, allocation of funds, etc.) for which the underlying project has been previously been evaluated for environmental significance and processed according to the requirements of the California Environmental Quality Act (CEQA); and the issuance of permits, leases, agreements, gate and space assignments, and renewals, amendments or extensions thereof, or other entitlements granting use of existing airport facilities or its operations is exempt from further review pursuant to Article II, Section 2.i and Article III Class 1(18)(c) of the Los Angeles City CEQA Guidelines. The Land Access Modernization Program Environmental Impact Report (EIR) was certified by the Board of Airport Commissioners for this project on March 2, 2017 [Resolution 26185 (2028)].
2. This 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. ABM Parking Services will comply with the provisions of the Living Wage/Service Contractor Worker Retention Ordinances.
5. Procurement Services reviewed this action (File No. 6225) and established a goal of 10% Airport Concessions Disadvantaged Business Enterprise (ACDBE). ABM Parking Services proposed 11.38% ACDBE participation and has achieved 12.44% to date.
6. ABM Parking Services will comply with the provisions of the Affirmative Action Program.
7. ABM Parking Services has been assigned Business Tax Registration Certificate No. 0000439891-0001-8.
8. ABM Parking Services will comply with the provisions of the Child Support Obligations Ordinance.

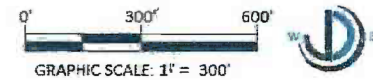
9. ABM Parking Services has approved insurance documents, in the terms and amounts required, on file with the Los Angeles World Airports.
10. Pursuant to Charter Section 1022, staff determined the work specified on the proposed contract can be performed more feasibly or economically by an Independent Contractor than by City employees.
11. 11. ABM Parking Services has submitted the Contractor Responsibility Program Questionnaire and Pledge of Compliance and will comply with the provisions of the Contractor Responsibility Program.
12. ABM Parking Services 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 the amendment.
13. ABM Parking Services will be required to comply with the provisions of the First Source Hiring Program for all non-trade Airport jobs.
14. ABM Parking Services has submitted the Bidder Contributions CEC Form 55 and will comply with its provisions.

EMPLOYEE LOTS

EMPLOYEE LOTS INFORMATION	
AREA	STALL COUNT
Lot West	1,980
Lot East	1,971
Lot South	1,655
Lot South Expansion	1,694
	3,349
TOTAL	7,300



LOT C AREA PROJECTS - APM START LOS ANGELES INTERNATIONAL AIRPORT



ABM Remote Employee Parking and Transportation Services (DA-4891)

FIRST AMENDMENT - COST BREAKDOWN

*(Note: Assumes 'New Lot South / Metro Route' to commence January 2019)

	Rate (\$/Mo.)	CY18-19 (Year 5)	CY19-20 (Option Yr. 1)	CY20-21 (Option Yr. 2)	Notes
A. MANAGEMENT FEE	\$ 156,065	\$ 1,872,785	\$ 1,910,241		Year 5 rate adjusted for LWO (1.05%) and start-up costs (2%) = 3.05% total impact. Start-up incl. expenses for insurance, Drivacam, Ridelax, etc. for 5 add'l buses. PARCS software modification and additional portable toilet (1 unit @ \$350/mo.). Option Yr. 1 adjusted at 2% contract-required annual increase.
A.1 SUPPLEMENTAL MGMT. FEE		\$ 1,085,875	\$ 2,215,185		Funding required for add'l 5 spare buses. To be provided by ABM (see 'Option' below) based upon CEO right to exercise this option as a contingency measure, if necessary. Option Yr. 1 adjusted at 2% contract-required annual increase.
Sub-Total (Mgmt. Fee):		\$ 2,958,660	\$ 4,125,426	\$ -	

B. OPERATIONAL EXPENSES	(\$Rate/Hour)				
1. Parking Staff:	\$ 29.38	\$ 772,106	\$ 802,991		Ave. 72 daily hrs. (TAP 5x/wk. included). Rate adjusted for LWO (2%). Option Yr. 1 adjusted at 4% annual increase.
ADD: Lot South Guards		\$ 86,025	\$ 178,931		16 daily hrs. (8 hrs/shift x 2 shifts @ \$29.38/hr.) for additional rover guards in Lot South (day and swing shifts only). Rate adjusted for LWO (2%).
2. Transportation Hours: (East, West, Greenline)	\$ 34.26	\$ 6,264,955	\$ 6,515,553		Ave. 501 daily hrs. (Lots E/W & GL). Rate adjusted for LWO (2%). Option Yr. 1 adjusted at 4% annual increase.
ADD: New Dedicated Lot South + Metro Pick-up		\$ 846,393	\$ 1,720,328		Assumed 7 buses dedicated for Lot South + Metro pick-up. Used Greenline data for benchmarking: 116 ave. daily hrs. for 6 buses (19.33 hrs./bus) during peak day of the week. Therefore, for 7 buses: 19.33 x 7 = 135 hrs./day (rounded-off). Assumed same # daily hrs. for Option Yr. 1 and 2.
3. Cleaning Service:	\$ 29.33	\$ 171,287	\$ 178,139		Ave. 16 daily hrs. Rate adjusted for LWO (2%). Option Yr. 1 adjusted at 4% annual increase.
ADD: Lot South Cleaning		\$ 15,486	\$ 32,211		4 hrs/day x 5 days = 20 hrs./wk. (2.85 daily) x \$29.33
Sub-Total (Operational):		\$ 8,156,253	\$ 9,428,153	\$ -	
TOTAL MANAGEMENT FEE & OPERATIONAL EXPENSES:		\$ 11,114,913	\$ 13,553,579	\$ -	
Contingency (3%)		\$ 333,447	\$ 406,607	\$ -	Unexpected shortfalls and emergencies due to LAMP/APM construction, add'l busing demand, etc.
GRAND TOTAL		\$ 11,448,360	\$ 13,960,187	\$ -	\$ 25,408,547

C. LAWA SHUTTLE FLEET INVENTORY & BUS UTILIZATION

LAWA Bus Fleet Inventory:

Routes	No. Buses
Airline Connector & Spares	5
East-West (Regular + Spares)	31
Greenline	7
Spares (Fleet)	5
Total	48

Bus Utilization: ⁽¹⁾

Routes	No. Buses	
	Current (FY17-18)	Projected (FY18-19)
Airline Connector & Spares	5	5
Lot East/South ⁽²⁾	11	11
Lot West/South ⁽²⁾	10	10
Lot South ⁽³⁾	0	7
Greenline	7	7
Spares (Fleet) ⁽⁴⁾	15	8
Total	48	48

OPTION: Cost for Additional Spares (Bus Lease): ⁽⁵⁾

# Buses	5
Required # Daily Hours	70
Hourly Rate (Blended) ⁽⁶⁾	\$ 85
Daily Cost	\$ 5,950
Annual Cost	\$ 2,171,750

COST SUMMARY BREAKDOWN:

\$ 53,500,000	Initial Contract Authority
\$ (32,629,280)	YTD Expenses (7/18/14 thru 8/15/18)
\$ 20,870,720	Remaining Balance
\$ 25,408,547	Est. Add'l Amount Required for Yr. 5 (CY18-19) and Option Yr. 1 (CY19-20)
\$ (4,537,827)	Add'l BOAC Authority Request (Shortfall)
\$ 58,037,827	New Contract Authority

FY18-19 Budget Shortfall:

FY18-19 Approved Budget:	\$ 10,876,400
Required for 5th Yr. (Add'l Buses):	\$ 11,448,360
FY18-19 Shortfall:	\$ (571,960)

Footnotes:

(1) Bus Utilization - Maximum no. of busses used at PEAK with 7-10 min. headways.

(2) East/West routes will use Stop #1 in Lot South only starting FY18-19.

(3) Lot South - Expected to start 1/1/19, a new route dedicated to Lot South bus stops #2 and #3 only for employees PLUS Metro pick-up (assumed 695 pax per day).

(4) Spares (Fleet) - 7 out of 15 spares will be reallocated to Lot South route starting FY18-19.

(5) Additional Spares - Usually average 4-5 buses out due to accident, maintenance, etc.; hence, the need for additional spares as contingency measure.

(6) Blended hourly rate includes: lease, Drivacam, RidelAX, insurance, etc.

60M

50M

40M

30M

20M

10M

0

- Target Line
- PO Line
- Forecast Line
- Invoiced Line

