SUBJECT: Award of a Terminal Commercial Manager Concession Agreement to Westfield Concession Management, LLC

Approval of a 17 year Terminal Commercial Manager Concession Agreement to Westfield Concession Management, LLC for concession development in the Tom Bradley International Terminal, Terminal 2 and the Theme Building at Los Angeles International Airport, which is comprised of a two year development period and a 15 year operational period producing forecast minimum revenue of $18.6 million for the first fully developed year, and $331.1 million over the full 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 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. Find that Westfield Concession Management, LLC is responsive and responsible, that entering into this concession agreement is to the advantage of the City and waive any informality in the proposals.

5. APPROVE the award of a seventeen year Terminal Commercial Manager Concession Agreement, consisting of a two year development period and a 15 year operational period, to Westfield Concession Management, LLC for concessions in the Tom Bradley International Terminal, Terminal 2 and the Theme Building at Los Angeles International Airport.
6. AUTHORIZE the Executive Director or her designee to execute the Terminal Commercial Manager Concession Agreement upon approval as to form by the City Attorney.

DISCUSSION:

1. Executive Summary

Approval of this action by the Board of Airport Commissioners (Board) will award, through a competitive process, a Terminal Commercial Manager (TCM) Concession Agreement (Agreement) to Westfield Concession Management, LLC (Westfield) to develop, lease and manage convenience retail, specialty retail, food and beverage, and certain other passenger services in: the Tom Bradley International Terminal (TBIT), including the Bradley West newly constructed facilities; Terminal 2; and the Theme Building at Los Angeles International Airport (LAX). The term of the Agreement is 17 years, consisting of a two year development period and a 15 year operational period. The forecast minimum revenue to Los Angeles World Airports (LAWA) is $18.6 million for the first fully developed year, and $331.1 million over the full term. Westfield and its concessionaires will be required to invest no less than $81.9 million in initial improvements and $16.4 million in mid-term refurbishment improvements.

2. Prior Related Actions

On April 25, 2008, the Board approved a contract with Fentress Architects for architectural, engineering, planning and design services for the expansion and renovation of TBIT including the addition of 1.3 million square feet of new building area.

On April 29, 2009, the Board approved a contract with Walsh Austin Joint Venture (WAJV) for pre-construction services, with an option for construction services, for the Bradley West Gates project. On October 19, 2009, the Board approved a construction contract with WAJV for the Bradley West Core Improvements project.

On May 9, 2011, LAWA released a Request for Proposals (RFP) to solicit a TCM for TBIT, Terminal 2 and the Theme Building at LAX. Prior to the release of the RFP, LAWA staff provided seven briefings to the Board over the period from November 16, 2009 to November 7, 2011, on the TCM business structure, advantages and disadvantages, evaluation criteria, and schedule. In addition, a draft version of the RFP was posted and industry input was provided and considered prior to commencing the solicitation process.

3. Current Action

Approval of the Agreement will populate all concessions, excluding airport-wide concessions as discussed below, in the new areas of Bradley West and the main terminal building of TBIT once renovated creating a cohesive and memorable concessions program at one of the most significant international gateways in the world. In addition, concessions in Terminal 2 (LAX’s second busiest international terminal) and the Theme Building’s will be redeveloped through new concepts and investment.

This section summarizes (1) the Agreement, (2) the selection process and (3) factors leading to the recommendation of Westfield as the preferred proposer.
The Agreement

The TCM will serve as developer and manager of concessions in the passenger terminals covered by this Agreement and for the Theme Building. The TCM will select concessionaires subject to LAWA approval, develop concession and related spaces, market and promote the concessionaires, negotiate and administer contracts with each concessionaire, monitor and manage performance (including quality control over products and service levels, and financial performance).

To enable clear separation between managing and operating, as well as eliminate any conflicts of interest, and thereby ensure consistent quality, customer service and performance monitoring, the TCM is not allowed to operate any of the Units.

- Term

The RFP process assumed a 15 year operational period of the term, which is related to the required investment and LAWA’s interest in realizing a significant income stream to offset development cost and debt service associated with Bradley West. If the TCM does not meet certain performance targets, as defined in the Agreement (e.g., mystery shopper scoring, ACDBE commitments) LAWA may terminate the Agreement in the tenth year of the operating portion of the term, with a buy-out payment for certain undepreciated investments in the terminals.

- Premises and Investment

The RFP identified areas in TBIT, Terminal 2 and the Theme Building available for concession development. Under the Agreement, a minimum of 84,261 square feet of concession area will be developed. LAWA has the right to reduce this space if it is necessary for operational purposes, physical or financial non-feasibility, design inconsistency, or for other reasonable justifications.

The TCM has the first right of a 60-day negotiation under certain circumstances. If LAWA deems it feasible and chooses to make it available, an additional 8,000 square feet on the mezzanine level of Terminal 2 may be developed by the TCM under this first right of negotiation. In addition, when the TCM proposes a concession concept within the terminals covered by the Agreement that would result in the addition of premises under the Agreement, the TCM has a first right of negotiation on the terms for use of additional space once LAWA has deemed the concept acceptable. (However, nothing in the Agreement prevents LAWA from contracting with other parties for such concession developments if agreement with the TCM is not reached during the defined period for negotiations.) Such additions are subject to Board approval as an addendum to Exhibit A of the Agreement.

The Agreement requires an average of $972 per square foot investment in premises improvements (approximately $81.9 million) and up to $28.1 million in non-premises improvements. The details for the investment program will be developed in the form of Definitive Improvement Plans (DIP), which must be approved by LAWA. Each DIP identifies the particular premises to be incorporated into the Agreement and the cost of any related non-premises Improvements (public seating, children’s play areas, restroom improvements, etc.).

Most of the non-premises related improvements are expected to be much greater in Terminal 2 and the Theme Building because these concession areas are redevelopment of existing space
while the TBIT obligations are largely in new construction. The TCM investment in non-premises areas will be acquired by LAWA following Board approval of each DIP.

Areas in Bradley West critical to facility opening are designated as High Priority Areas in the Agreement, which have associated penalties for failure to complete as scheduled.

- **Payments to LAWA**

Revenue to LAWA is the greater of (a) Minimum Annual Guarantee (MAG) or (b) Percentage Rent as defined below. Payments to LAWA commence on the day concessions are in operation for Bradley West, and on the date any other space is delivered to the TCM for development.

In the first year of full operations, the MAG will be $17,694,810, which is derived from a guaranteed annual payment of $210 per square foot multiplied by an 84,261 square feet. Beginning January 1, 2014, MAG is subject to adjustment each year by the greater of (a) the $210 per square foot rate escalated by CPI, but not greater than 2% for any year, or (b) 85% of the prior year’s Percentage Rent paid to LAWA. However, for any year in which the number of total passenger enplanements in TBIT and Terminal 2 is (a) less than passenger enplanements for 2011 or (b) less than 90% of the prior year’s passenger enplanements in these terminals, an additional adjustment to the MAG is calculated on a retroactive basis.

Percentage rent consists of two components: Base Percentage Rent plus Contingent Percentage Rent.

**Base Percentage Rent**

\[
\text{Less} \\
83\% \text{ of TCM Revenues} \\
\text{TCM Improvement Allowance} \quad (\$6.00/\text{square foot times the number of square feet of concession units in the premises}) \\
\text{TCM Management Fee} \quad (\$1.2 \text{ million, beginning January 1, 2014, escalated by the greater of CPI or 3.5\%})
\]

**Contingent Percentage Rent**

\[
2\% \text{ of TCM Revenues greater than $35 million but less than $45 million} \\
\text{Plus} \\
4\% \text{ of TCM Revenues greater than $45 million}
\]

LAWA may require the TCM to assume additional responsibilities and obligations than those under the Agreement (e.g. maintenance of certain common areas), in which case the TCM Management Fee will be increased to allow the TCM to recover the additional cost of the newly assigned responsibilities. The TCM may add storage space under the Agreement and would pay the established rate for this space, which is currently $78 per square foot per year.

The TCM must provide a Faithful Performance Guarantee (FPG) in the form of a letter of credit upon execution of this Agreement. The initial amount of the FPG is $1.0 million; after opening of Bradley West this amount increases to $1.5 million; thereafter, the FPG will be equal to two months of the MAG for each year, but never less than $1.5 million.
Concessionaire Selection and ACDBE Program

The TCM has an ongoing commitment to make good faith efforts, as defined under the FAA’s Airport Concessions Disadvantaged Business Enterprise (ACDBE) Program, to provide a level of ACDBE participation at least equal to 20% for retail and service concessions and 25% for food and beverage concessions.

The Agreement requires that the TCM provide an open and transparent process for selection of concessionaires, which selections are subject to LAWA approval. This includes a three-step process:

Step 1 Establish a merchandising plan for available concession Units.

Step 2 Develop and maintain a brand list for each product/service category, which will include ACDBE’s, other local and small business enterprises, regional concepts, and international and national brands.

Step 3 Using an established scoring system, evaluate prospective concessionaires for each individual Unit using, subject to LAWA approval, one of three possible alternative processes (a) a wide open process which seeks competitive proposals from all interested parties, (b) a streamlined competitive process which seeks to obtain at least three competitive proposals from specific brands, or in limited circumstances (c) a straight negotiation.

Without approval from LAWA, the TCM is not allowed to have agreements with airport-wide concession operators, as defined in the Agreement, which currently include: duty free and duty paid sales, advertising, sponsorships, luggage carts, communications media, currency exchange, banking, and ATM services.

Performance Obligations

The TCM is responsible for ensuring the successful delivery and management of all concession operations within the TCM’s premises in a manner consistent with comparable world-class international airports. This responsibility includes concessions selection, space design, construction oversight, maintaining space utilization, marketing and promoting concessions, monitoring prices of goods and services offered by the concessionaires, and ensuring concessions are operational anytime passengers are in the terminals.

A key component of the Agreement is an annual Business and Operations Plan, which sets forth the management plan for the concession operations and is subject to LAWA review and approval. This Business and Operations Plan must include, among other things, plan for maximizing payments and value to LAWA; operational goals and objectives including sales opportunities; marketing plans for the promotion of sales; plan for marketing opportunities to potential concessionaires, especially ACDBE opportunities; customer service and quality assurance plan; maintenance plan; policies and procedures for ensuring compliance with the pricing policy; and review of prior year’s performance.
The RFP Selection Process

The RFP was drafted to find a company with expertise, experience and resources to provide commercial-quality management and deliver benefits to LAWA through a TCM, including customer service amenities, a strong commercial vision, and an improved passenger experience competitive with the world's leading international airports. The RFP required proposers to demonstrate their experience and capabilities as a TCM at other airports and their vision for the LAX passenger terminals included in the RFP. The following criteria and points were used to score responses to the RFP:

<table>
<thead>
<tr>
<th>CRITERIA</th>
<th>POINTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Concession Development Experience/Capabilities</td>
<td>20</td>
</tr>
<tr>
<td>Design and Construction Experience/Capabilities</td>
<td>20</td>
</tr>
<tr>
<td>Management Team Dedicated to LAX</td>
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<tr>
<td>Conceptual Plan for LAX Terminal Improvements</td>
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<tr>
<td>Financial Capacity and Commitment</td>
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<tr>
<td>Process for Concessionaire Selection &amp; Approval</td>
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<tr>
<td>Managing ACDBE Initiatives</td>
<td>10</td>
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<tr>
<td>Managing Concessionaire Performance and Operations</td>
<td>15</td>
</tr>
<tr>
<td>Financial Proposal</td>
<td>50</td>
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<tr>
<td>TOTAL POINTS</td>
<td>200</td>
</tr>
</tbody>
</table>

On October 17, 2011, LAWA received three responsive proposals. An evaluation panel comprised of LAWA Executives and one outside member conducted oral interviews of all proposers on November 29-30, 2011 and December 1, 2011.

Evaluation Panel Members:

1. Chief Operating Officer
2. Deputy Executive Director - Administration
3. Deputy Executive Director – Commercial Development
4. Airport Manager III
5. Deputy Executive Director – Harbor Department

Following the interviews, the evaluation panel ranked the proposals based upon the criteria listed above. The final rankings are as follows:

<table>
<thead>
<tr>
<th>Proposer</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>AirMall USA</td>
<td>2</td>
</tr>
<tr>
<td>Marketplace Dev.</td>
<td>3</td>
</tr>
<tr>
<td>Westfield</td>
<td>1</td>
</tr>
</tbody>
</table>
Westfield’s Proposal

The following attributes of the Westfield Proposal contributed to the scoring from the Evaluation Panel resulting in the recommendation to award the Agreement to Westfield:


- Westfield has 16 years of experience in developing and managing concession programs similar to the program contemplated under this Agreement.

- Westfield has provided a financial guarantee from Westfield America, Inc.

- Westfield has committed a transition team to develop and implement the concession program with over 200 years of experience in retail and airport retail management.

- Westfield’s ACDBE performance at other airports consistently exceeds established goals. In the limited circumstance where ACDBE goals are not currently being met, factors beyond Westfield’s control were evidenced in the written proposal and interview.

- Westfield’s program projects greater revenue to LAWA than other proposals received.

Based on the above rankings, staff requests that the Board award the TCM Agreement to Westfield. In addition, staff recommends that the Board authorize the Executive Director to execute the Agreements as to form by the City Attorney. Staff’s recommendation is based upon the decision of the evaluation panel members.

4. Alternatives Considered

- Reject all proposals

If proposals are rejected, the concession spaces cannot be developed in time for the projected Bradley West opening.

FISCAL & ECONOMIC IMPACT STATEMENT:

Awarding this TCM Agreement to Westfield is forecast to result in minimum revenue to LAWA of approximately $18.6 million for the first fully developed year and $331.1 million over the full term. Depending on actual traffic and sales, percentage rent would result in forecast total rent over the full term of the Agreement in excess $440.0 million.

Subject to future Board approval of DIP’s, LAWA would acquire from Westfield improvements to the terminals costing up to $28.3 million, which would be paid in the form of a rent credit or cash.
STANDARD PROVISIONS:

1. The issuance of permits, leases, agreements, or other entitlements granting use of existing facilities at a municipal airport involving negligible or no expansion of use beyond that previously existing or permitted is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Article III, Class 1(18)(c) of the Los Angeles City CEQA Guidelines.

2. The concession agreements 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 the Los Angeles City Charter, Section 606.

4. Westfield Concession Management will comply with the Living Wage Ordinance.

5. Procurement Services reviewed this action (File No. 5124) and established the following Airport Concessions Disadvantaged Business Enterprise Program (ACDBE) participation goals: Food/Beverage - 25%; Retail - 20%. Westfield proposed 25% ACDBE participation for Food/Beverage and 20% ACDBE participation for Retail. Per the requirements in the Request for Proposal, Procurement Services will review Westfield's Good Faith Effort outreach prior to LAWA's approval of Westfield's Definitive Improvement Plan regarding the concession premises.

6. Westfield Concession Management Inc. will comply with the provisions of the Affirmative Action Program.

7. Westfield Concession Management has been assigned Business Tax Registration Certificate No. 0002573628-0001-4.

8. Westfield Concession Management will comply with the provisions of the Child Support Obligations Ordinance.

9. Westfield Concession Management must have approved insurance documents, in the terms and amounts required, on file with the Los Angeles World Airports prior to the issuance of a Notice to Proceed.

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. Westfield Concession Management has submitted the Contractor Responsibility Program Questionnaire and Pledge of Compliance and will comply with the provisions of the Contractor Responsibility Program.

12. Westfield Concession Management 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. Westfield Concession Management will be required to comply with the provisions of the First Source Hiring Program for all non-trade LAX Airport jobs.

14. Westfield Concession Management is not subject to the provisions of Bidder Contributions CEC Form 55.
SUBJECT: Professional Services Contract for Conceptual Design Services

Award of a Contract to Westfield Concession Management, LLC to undertake professional services to develop a conceptual design of certain facility renovations in the Tom Bradley International Terminal at Los Angeles International Airport in a conditional amount not to exceed $350,000.

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.d of the Los Angeles City CEQA Guidelines.

3. FIND that this contract is exempt competitive bidding under City of Los Angeles Charter Section 371(e)(10).

4. APPROVE the a Award of a Contract to Westfield Concession Management, LLC to provide professional services to develop a conceptual design of certain facility renovations in the Tom Bradley International Terminal at Los Angeles International Airport in an amount not exceed $350,000.

5. AUTHORIZE the Executive Director to execute the Contract with Westfield Concession Management, LLC after approval as to form by the City Attorney.
DISCUSSION:

1. Executive Summary

Los Angeles World Airports (LAWA) staff recommends the Board of Airport Commissioners (Board) approve the proposed conditional five-month Professional Services Contract (Contract) with Westfield Concession Management, LLC (Westfield) in an amount not to exceed $350,000. The work under this Contract supports Westfield’s design of the concessions space in Bradley West and is requested in order to have Westfield commence work during the interim period between Board and Los Angeles City Council (Council) approval of the Terminal Commercial Manager (TCM) Agreement, which is a separate action item on this January 23, 2012 Board agenda. Under this Contract, LAWA will only reimburse Westfield for design costs incurred during this interim period should the Council not approve the TCM Agreement award to Westfield. The commencement of design by Westfield is critical to permitting and construction schedules that would allow concessions to be operational for the Bradley West opening date.

2. Prior Related Actions

On April 25, 2008, the Board approved a contract with Fentress Architects for architectural, engineering, planning and design services for the expansion and renovation of TBIT including the addition of 1.3 million square feet of new building area.

On April 29, 2009, the Board approved a contract with Walsh Austin Joint Venture (WAJV) for pre-construction services, with an option for construction services, for the Bradley West Gates project. On October 19, 2009, the Board approved a construction contract with WAJV for the Bradley West Core Improvements project.

On May 9, 2011, LAWA released a Request for Proposals (RFP) to solicit a TCM for Tom Bradley International Terminal (TBIT), Terminal 2 and the Theme Building at LAX. Prior to the release of the RFP, LAWA staff provided seven briefings to the Board over the period from November 16, 2009 to November 7, 2011, on the TCM business structure, advantages and disadvantages, evaluation criteria, and schedule.

3. Current Action

Concurrent with this action, LAWA staff is requesting the Board to award a TCM Agreement to Westfield to develop, implement and manage concessions programs in TBIT, Terminal 2 and the Theme Building.

In order to ensure new concessions are operational for the Bradley West opening, Westfield must begin design work immediately to submit to LAWA and various permitting agencies for review and approval. However, the award of the TCM Agreement is subject to both Board and Council approval and the time duration before Council consideration is uncertain. Based on past experience, this time period could be as long as six weeks. With this Contract approval, Westfield is prepared to commence the design work immediately following Board approval of the TCM Agreement absent Council approval. To ensure that concessions are operational at the Bradley West opening, LAWA staff requests approval to enter into this conditional Contract with Westfield in an amount not to exceed $350,000, which payment would only occur if Westfield’s TCM Agreement is ultimately disapproved by the City. If payment is under this Contract is required, LAWA will own all documents, designs and applicable work product.
4. Alternatives Considered

Do Not Enter Into a Professional Services Contract with Westfield

Without the Contract, Westfield will not commence the conceptual design of the concession program in TBIT until the TCM Agreement is formally awarded by Council. This would delay the construction and opening of concessions for the scheduled Bradley West opening date.

FISCAL & ECONOMIC IMPACT STATEMENT:

Funding for this project will be made available in the Fiscal Year 2011-2012 Los Angeles World Airports Operating Budget in LAX Cost Center 1180007 – Terminal Business Management, Commitment Item 520 – Contractual Services. Approval of this action will have no impact on the LAWA Capital Budget.

STANDARD PROVISIONS:

1. Feasibility and planning studies for possible future action are exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Article II, Section 2.d of the Los Angeles CEQA Guidelines.

2. Action taken on this item by the Board of Airport Commissioners will become final pursuant to the provisions of the Los Angeles City Charter Section 245.

3. The contract will approved as to form by the City Attorney.

4. Westfield Concession Management, LLC will comply with the provisions of the Living Wage Ordinance.

5. Procurement Services reviewed this action (File 5124). No specific Minority/Women Business Enterprise levels of participation were set for this project, as no subcontracting opportunities were identified.

6. Westfield Concession Management, LLC will comply with the provisions of the Affirmative Action Program.

7. Westfield Concession Management, LLC has been assigned Business Tax Registration Certificate number 0002573628-0001-4.

8. Westfield Concession Management, LLC will comply with the provisions of the Child Support Obligations Ordinance.

9. Westfield Concession Management, LLC must have 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. Westfield Concession Management, LLC has submitted a Contractor Responsibility Program Questionnaire and Pledge of Compliance and will comply with the provisions of the Contractor Responsibility Program.

12. Westfield Concession Management, LLC 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. Westfield Concession Management, LLC will be required to comply with the provisions of the First Source Hiring Program for all non-trade LAX Airport jobs.

14. This action is not subject to the provisions of Bidder Contributions CEC Form 55.
SUBJECT: Award of Contract to Evans Brothers, Inc.

Airport Development Group requests award of a contract to Evans Brothers, Inc. for the project entitled "Demolition of Low-Bay Hangar and Sky Chefs' Building and Deluge System Modifications at Los Angeles International Airport" in a not-to-exceed amount of $15,595,000 and funding appropriation of $22,047,750 for this project.

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 2i 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. CONSENT to relieve Griffith Company and Icon West, Inc. of their bids, at their request, due to mathematical errors on their bids.

5. APPROVE award of a construction contract to Evans Brothers, Inc., the lowest responsive bidder, for the project entitled "Demolition of Low-Bay Hangar and Sky Chefs' Building and Deluge System Modifications at Los Angeles International Airport".

6. APPROPRIATE capital funds in the amount of $22,047,750 for this project.
7. AUTHORIZE the Executive Director to execute the contract after approval as to form by the City Attorney.

DISCUSSION:

1. Executive Summary

Los Angeles World Airports (LAWA), Airports Development Group (ADG) has completed the procurement phase for the demolition and construction project entitled "Demolition of Low-Bay Hangar and Sky Chefs' Building and Deluge System Modifications at Los Angeles International Airport." As a project within the larger overall Capital Improvement Program, under a Federal Aviation Administration (FAA) approved Airport Layout Plan, this is one of a series of phased projects that will enable the construction of Taxi Lane T.

2. Prior Related Actions

On February 7, 2011, by Resolution No. 24369, the Board approved the authorization to advertise for bids for the Demolition of Low-Bay Hangar and Sky Chefs' Building and Deluge System Modifications project at Los Angeles International Airport (LAX).

3. Current Action

This project will demolish the existing American Airlines low-bay hangar and Sky Chefs' building as well as a deluge system that American Airlines currently uses. This will make way for the new Taxi Lane T, which is part of the dual-taxi lane system allowing for increased operational efficiency for Tom Bradley International Terminal and greater north-south taxiing capability for all terminals at LAX.

The deluge system modifications will replace deluge tanks currently located south of the American Airlines (AA) Low-Bay Hangar. The new deluge tanks will be built just west of Taxiway R and will serve the AA Super-Bay Hangar and the AA hangar currently occupied by Qantas Airways.

On November 15, 2011, ADG received three bids for this project as follows:

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<thead>
<tr>
<th>CONTRACTOR</th>
<th>BID AMOUNT</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Icon West, Inc.</td>
<td>$14,647,990</td>
<td>Bid Withdrawn*</td>
</tr>
<tr>
<td>Griffith Company</td>
<td>$14,953,465</td>
<td>Bid Withdrawn*</td>
</tr>
<tr>
<td>Evans Brothers, Inc.</td>
<td>$15,595,000</td>
<td></td>
</tr>
</tbody>
</table>

*Bids subsequently withdrawn by bidders due to gross mathematical errors.

After receipt of the bids, ADG staff began its review. Since this project was advertised as a unit price bid/contract, staff conducted the final bid tabulations from the contractor-supplied schedule of work and prices. Staff found major errors with the two apparent-lowest bidders' schedule of work and prices forms.

Concurrent with LAWA staff's review of the bids, Icon West, Inc. and Griffith Company officially requested to be relieved of their bids due to gross mathematical errors on the bid forms. ADG and the City Attorney reviewed the documentation and concurred with both contractors' requests to withdraw their bids. Under the California Public Contracting Code, Section 5101, contractors are...
allowed to retract their bids without forfeiting bonds within five days of a bid opening if gross errors are found on their bids.

Procurement Services Division reviewed the Administrative Requirements submitted by the third firm, Evans Brothers, Inc., and determined them to be a responsive bidder.

This project is an enabling component of the Taxi lane T project and is eligible for reimbursement from the Federal Aviation Administration (FAA). As such, the project is subject to LAWA's annual FAA-approved Disadvantaged Business Enterprise (DBE) goal of 18.05% for fiscal year 2011. Evans Brothers, Inc. currently proposes 2.23% DBE utilization. Of the three subcontractors proposed by Evans, one is a certified DBE firm. The two other firms are certified Minority-Owned Business Enterprise firms with pending DBE certification applications. Work completed by these two firms will count towards LAWA's DBE goal effective from DBE certification approvals.

Total Project Cost

The original Engineer's construction estimate for this project is $17,599,100. Evans Brothers' bid is 11% under the Engineer's estimate.

The overall total capital budget for this project is $23,564,250, which includes the cost of construction, also known as hard costs, for the contract with Evans Brothers, Inc. and Department of Water and Power construction. The total requested appropriation also includes a project contingency of 15% of the construction cost, and associated soft costs for consultant, LAWA and City support services, inspection, survey, testing, permits, plan checks, and general administration. These project costs are estimated as follows:

<table>
<thead>
<tr>
<th>Cost of Construction</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Evans Brothers, Inc.</td>
<td>$ 15,595,000</td>
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<tr>
<td>DWP IDO for Related Power Upgrades</td>
<td>$ 1,000,000</td>
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<tr>
<td><strong>Total Hard Costs:</strong></td>
<td>$ 16,595,000</td>
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<table>
<thead>
<tr>
<th>Soft Costs</th>
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<tbody>
<tr>
<td>Design and Construction Administration</td>
<td>$ 543,500</td>
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<tr>
<td>Project Management Services</td>
<td>$ 1,670,000</td>
</tr>
<tr>
<td>City Services &amp; Supplies (Inspection, Testing, etc.)</td>
<td>$ 750,000</td>
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<tr>
<td><strong>Total Soft Costs:</strong></td>
<td>$ 2,963,500</td>
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<table>
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<th>Project Contingency</th>
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<tr>
<td>15% of Cost of Construction</td>
<td>$ 2,489,250</td>
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<tr>
<td><strong>TOTAL ALLOCATION:</strong></td>
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<table>
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<tr>
<th>Prior Allocated Project Cost</th>
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<tbody>
<tr>
<td>Design Services</td>
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<tr>
<td>Consultant Management and Controls</td>
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<td><strong>Total Prior Allocations:</strong></td>
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</tbody>
</table>

| **TOTAL PROJECT COST:**      | $ 23,564,250 |
Requested Board Action
Staff requests that the Board approve the contract award to Evans Brothers in the not-to-exceed amount of $15,595,000 and appropriate capital funds in the amount of $22,047,750 for this project.

4. Alternatives Considered

- **Defer this project**
  Staff considered deferring this project. However, demolition of the hangar and facility is required to accommodate the construction of Taxi lane T. The Taxi lane T object-free zone falls within the Low Bay Hangar's footprint. Also, deferral of this project will result in continued operational inefficiencies for existing large aircraft that currently use LAX.

- **Reject all bids and re-advertise**
  Staff considered rejecting all bids due to the anomalies with two of the three submitted bids. However, the negative impacts of rejecting all bids included:
  - Major schedule impacts (estimated at least 6 months for procurement and award of contract) on this project and impacts on other airfield projects (e.g. Taxi lane T)
  - Preclusion of the two (original) apparent low-bidders from re-bidding on this project per California Public Contract Code, Section 5105.

In support of awarding the contract, staff recognized that the project was bid competitively; Evans Brothers, Inc. was determined to be a responsive bidder with no errors on their bid forms; and their bid amount was $1.5 million less than the Engineer’s estimate.

After careful consideration, staff determined it was in the best interest of the City to recommend the award of the contract to Evans Brothers, Inc.

**FISCAL & ECONOMIC IMPACT STATEMENT:**

The “Demolition of Low-Bay Hangar and Sky Chef's Building and Deluge System Modifications” is a subproject of Bradley West which is an approved capital project at LAX. Staff requests funds in the amount of $22,047,750 be appropriated from the LAX Revenue Fund to WBS Element 1.08.10-700 (Bradley West) and allocated as required. This action has no impact on the Los Angeles World Airports Operating Budget.

**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) is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Article II, Section 2i of the Los Angeles City CEQA Guidelines. The Bradley West Environmental Impact Report (EIR) was certified by the Board of Airport Commissioners for this project on September 21, 2009 (Resolution No. 23891).

2. This contract is 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 245.
4. Evans Brothers, Inc. will comply with the Service Contractor Worker Retention and/or Living Wage Ordinance.

5. Procurement Services reviewed this action (File No. 4939). LAWA’s annual FAA-approved Disadvantaged Business Enterprise goal for fiscal year 2011 is 18.05% which will be achieved through race-neutral measures since a Good Faith Effort cannot be required. Evans Brothers, Inc. proposes to utilize 2.23% of DBE subcontractors and will report their participation on a monthly basis.

6. Evans Brothers, Inc. will comply with the provisions of the Affirmative Action Program.

7. Evans Brothers, Inc. must submit a Business Tax Registration Certificate No. prior to execution of the contract.

8. Evans Brothers, Inc. will comply with the provisions of the Child Support Obligations Ordinance.

9. Evans Brothers, Inc. must have approved insurance documents, in the terms and amounts required, on file with the Los Angeles World Airports prior to the issuance of a Notice to Proceed.

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. Evans Brothers, Inc. has submitted the Contractor Responsibility Program Questionnaire and Pledge of Compliance and will comply with the provisions of the Contractor Responsibility Program.

12. Evans Brothers, Inc. 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. Evans Brothers, Inc. will be required to comply with the provisions of the First Source Hiring Program for all non-trade LAX Airport jobs.

14. Evans Brothers, Inc. has submitted the Bidder Contributions CEC Form 55 and will comply with its provisions.

Attachments:
Map/Site Plan
SUBJECT: Approve a Change Order to Contract No. DA-4338 with Griffith Company for the General Construction Contract

Approve a change order to contract DA-4338 with Griffith Company to assist with needed electrical repairs and upgrades for the project entitled "General Construction Contract" at Los Angeles International Airport in the not-to-exceed amount of $700,000.

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 III, Class 11(8) of the Los Angeles City CEQA Guidelines.

3. APPROVE the change order to Contract No. DA-4338 with Griffith Company for costs associated with Code-required electrical repairs and upgrades for the General Construction Contract at Los Angeles International Airport, in the not-to-exceed amount of $700,000.

4. AUTHORIZE the Executive Director to execute the change order.
**DISCUSSION:**

1. **Executive Summary**

Airports Development Group (ADG) staff requests approval of a change order in the amount of $700,000 to Contract No. DA-4338 with Griffith Company to carry out and complete building code-required electrical repairs and upgrades in Terminals 4, 5, 7, and 8 for the General Construction Contract at Los Angeles International Airport (LAX).

2. **Prior Related Actions**

This contract was awarded by the Board of Airport Commissioners on April 21, 2009, by Resolution No. 23762, in support of general construction needs associated with the Crossfield Taxiway and other Airport Development projects as the need arises. The scope of this general contract provides for constructing new aircraft parking ramp/blocks, new emergency exits for hangars, airfield security fencing, building modifications, roadway repairs, utility relocations and upgrades and other miscellaneous construction activities as may be required by Los Angeles World Airports (LAWA).

In addition to one Board-approved change order to this contract, to date, staff has approved five change orders. The $350,000 Board-approved change order was to complete urgent pavement markings and striping as required under FAA regulations. The staff-approved change orders were for time extensions to allow for procurement and installation of fiber optic line, additional ASDE-X equipment and system infrastructure, miscellaneous AOA Fencing and gates, and additional street lighting and electrical improvements along World Way West. The table below summarizes the change orders approved to date.

<table>
<thead>
<tr>
<th>Change Order Type</th>
<th>Total Approved Changes as of 11/31/11</th>
<th>% of Contract Value</th>
<th>$5.8M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Document Correction</td>
<td>-</td>
<td>0.0%</td>
<td></td>
</tr>
<tr>
<td>Field Conditions</td>
<td>350,000</td>
<td>6.0%</td>
<td></td>
</tr>
<tr>
<td>Owner Betterment</td>
<td>149,985</td>
<td>2.6%</td>
<td></td>
</tr>
<tr>
<td>Code/Third Party Requirement</td>
<td>-</td>
<td>0.0%</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$ 499,985</strong></td>
<td><strong>8.6%</strong></td>
<td></td>
</tr>
</tbody>
</table>

The current expiration date of the contract is May 24, 2012.

3. **Current Action**

Staff requests approval of a change order to cover costs associated with repairs and upgrades to outdated electrical/power systems in Terminals 4, 5, and 7 at LAX. The total cost of the change order is in the not-to-exceed amount of $700,000. The compensation for this additional work has been negotiated with the contractor and includes some unit prices obtained through the competitive bid process when the contract was originally awarded.

LAWA is implementing complete food and beverage and retail concessions upgrades in Terminals 4, 5, 6, 7 and 8. As design of these new facilities are being completed and construction is nearing commencement, the Department of Building and Safety has identified several affected electrical and other power systems in the terminals as being deficient to meet
current building code standards. Since correction of these deficiencies is beyond work scope of the concessionaires' agreements with LAWA, it is incumbent on LAWA to make these improvements/upgrades as soon as possible and before construction on the new concessions facilities is completed so that certificates of occupancies can be obtained from the Building Department and the facilities can be opened on time. The aggressive timeline to complete these improvements warrants immediate corrective action.

Staff determined that a change order to the existing Griffith Company contract provided the best opportunity to quickly correct these identified deficiencies. The table below presents the new contract upper limit based on the original contract value, previously approved change orders to date, and the costs associated with the current action.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original Contract No. DA-4338</td>
<td>$5,798,449</td>
</tr>
<tr>
<td>Approved change orders to date</td>
<td>499,985</td>
</tr>
<tr>
<td>Costs associated with this action</td>
<td>700,000</td>
</tr>
<tr>
<td><strong>Total Construction Contract</strong></td>
<td><strong>$6,998,434</strong></td>
</tr>
</tbody>
</table>

Requested Board Action

Staff requests approval of a change order to cover costs associated with the electrical repairs and upgrades in Terminals 4, 5, 7, and 8 at LAX.

4. Alternatives Considered

- **Use LAWA Maintenance Staff**
  Staff evaluated the possibility of performing the emergency electrical repairs and upgrades work entirely with current LAWA Maintenance Services personnel. However, LAWA’s existing staff does not have the specialized expertise or equipment to perform all of the needed repairs.

- **Complete the Design and Bid the Work**
  Staff considered completing the design work and then issuing a Request for Bids; however, LAWA would not be able to complete the work in time to meet the Concession’s program needs.

**FISCAL & ECONOMIC IMPACT STATEMENT:**

The Concessions Redevelopment Program is a capital project. Staff requests funding for the electrical component of its first enabling project be appropriated in the amount of $700,000 from the LAX Revenue Fund to WBS Element 1.11.08-700 and other WBS elements as may be required. This action has no impact on the Los Angeles World Airports Operating Budget.

**STANDARD PROVISIONS:**

1. The installation, maintenance, replacement and/or removal of mechanical and electrical equipment which are accessory to the use of existing or approved airport structures, facilities or operations, involving negligible or no expansion of airport operations beyond that
previously existing or permitted is exempt from the California Environmental Quality Act (CEQA) pursuant to Article III, Class 11(8) of the Los Angeles City CEQA Guidelines.

2. Actions taken on this item by the Board of Airport Commissioners will become final pursuant to the provisions of Los Angeles City Charter Section 245.

3. This action is not subject to approval by the City Attorney.

4. This action is not subject to the provisions of the Living Wage/Service Contractor Worker Retention Ordinances.

5. Procurement Services reviewed this action and established a 14% Minority/Women Business Enterprise Program level of participation for this project. Griffith Company committed to 6.6% M/WBE participation and has achieved 2.10% to date.

6. This action is not subject to the provisions of the Affirmative Action Program.

7. This action does not require a Business Tax Registration Certificate.

8. This action is not subject to the provisions of the Child Support Obligations Ordinance.

9. This action is not subject to the insurance requirements of the City of Los Angeles.

10. This action is not subject to the provision of Charter Section 1022 (Use of Independent Contractors).

11. This action is not subject to the provisions of the Contractor Responsibility Program.

12. This action is not subject to the provisions of the Equal Benefits Ordinance.

13. This action is not subject to the provisions of the First Source Hiring Program.

14. This action is not subject to the provisions of Bidder Contributions CEC Form 55.
SUBJECT: First Amendment to Contract No. DA-4538 with Sprint Communications Company L.P.

Approve the First Amendment to Contract No. DA-4538 with Sprint Communications Company L.P. by extending the contract term to April 5, 2016, and increasing the contract authority by $970,000, for a total not to exceed $1,520,000

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. APPROVE the First Amendment to Contract No. DA-4538 with Sprint Communications Company L.P. to extend the term to April 5, 2016, and to increase the contract authority by $970,000 for a total not to exceed $1,520,000 to purchase cellular service and equipment for Los Angeles World Airports.

4. AUTHORIZE the Executive Director to execute the amendment after approval as to form by the City Attorney and further approval by the Los Angeles City Council.
DISCUSSION:

1. Executive Summary

The United States General Services Administration (GSA) Contract No. GS-35F-0329L with Sprint Communications Company L.P. is available for use by all federal, state and local government agencies to purchase cellular service and equipment for wireless voice, voice with walkie talkie (Push-to-Talk), and data services. As an eligible participant, Los Angeles World Airports (LAWA) currently has a two-year contract with Sprint for $550,000 which expires on May 31, 2012. LAW A originally joined the GSA contract for two years, and staff recommends amending the same contract for approximately four additional years. Because this contract will extend beyond a three-year term, City Council approval is required.

2. Prior Related Actions

Through Resolution No. 24240, dated October 4, 2010, the Board approved a two-year contract with Sprint by joining GSA Contract No. GS-35F-0329L to purchase cellular service and equipment. The resulting LAWA Contract No. DA-4538 term was from June 1, 2010 through May 31, 2012, or until the expiration of the master contract, whichever came first, for $550,000. Since the GSA contract was expiring on October 6, 2011, both contracts were set to end on that date. However, on October 5, 2011, the GSA extended their contract to April 5, 2016; therefore, LAWA's current contract will expire on May 31, 2012.

3. Current Action

Wireless voice/data services and equipment are critical to Executive Management, Airport Police, and other LAWA staff for business, safety, and security communications. LAWA has over 1,000 wireless cell subscribers, of which approximately 465 use Sprint wireless devices. During emergency/disaster situations where a secondary type of communication is required, Airport Police, Airfield Operations, Project Liftoff and Public Relations staff use special cellular telephone features provided by Sprint. These features include Direct Connect which is Sprint's version of a walkie talkie, otherwise known as Push-to-Talk (PTT). This functionality allows versatility in communicating with other LAWA Sprint end-users.

Because of the underlying GSA contract, LAWA can purchase Sprint cellular service and equipment at a discounted rate. This amounts to a 24% discount off of the monthly cellular access plan and a 25% discount off retail-priced accessories. These discounts are possible because of the volume of users (10,000 or more lines of service) in the underlying contract.

LAWA also maintains an AT&T wireless contract as an alternative to Sprint. LAW A does this in order to provide flexibility and a measure of safety associated with the use of cellular service. In the event a single provider's cell service were to break down (for whatever reason), LAWA would still be able to maintain some cell service through the alternate provider.

Staff requests that the Board and City Council approve an amendment to Contract No. DA-4538 with Sprint to extend the contract to April 5, 2016 in order to match the underlying contract expiration date. Historical expenditures at LAWA for the Sprint contract over the past two years have averaged $220,000 per year. Going forward, staff included a potential 10% rate increase to project an annual cost of $242,000 per year. Therefore, over the four
year amendment period, staff requests approval for an additional $970,000 ($242,000 x 4 = $968,000 (rounded up)) in contract authority, for a total not-to-exceed amount of $1,520,000.

4. Alternatives Considered

- **Use Another Carrier**

  The Sprint PTT service is needed by LAWA groups, including Airport Police, Airport Operations, and Public Relations. Sprint’s is on its own network independent of the public telephone network, making functionality extremely reliable. LAWA has tested a number of carriers’ PTT services and has found that Sprint most closely matches our needs. Sprint also includes the feature at no extra cost to LAWA.

- **Conduct a Competitive Bid Process**

  Staff considered conducting a separate LAWA bid to contract for wireless cellular services directly. However, given that the GSA contract was competitively bid on a nationwide basis, and given the volume of users in the GSA contract, staff believes that continuing to join that contract affords far higher discounts than LAWA could achieve by conducting its own separate bid process. In the future should LAWA wish to conduct a separate bid process this action does not preclude that ability.

**FISCAL & ECONOMIC IMPACT STATEMENT:**

Funding in the amount of $220,000 is available in Fiscal Year 2011-12 Los Angeles World Airports Operating Budget in Cost Center 1170003 – IT Infrastructure Division, Commitment Item 523 – Utilities. Funding for subsequent years will be requested through the budget process.

**STANDARD PROVISIONS:**

1. This action, as a continuing administrative activity, is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Article II, Section 2.f of the Los Angeles City CEQA Guidelines.

2. The amendment is 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 the Los Angeles City Charter Section 373.

4. Sprint will comply with the provisions of the Living Wage Ordinance.

5. This action is not subject to the provisions of the Minority/Women Business Enterprise Program.

6. Sprint will comply with the provisions of the Affirmative Action Program.

7. Sprint has been assigned Business Tax Registration Certificate No. 000053854-600024.

8. Sprint will comply with the provisions of the Child Support Obligations Ordinance.
9. Sprint has approved insurance documents, in the terms and amounts required, on file with Los Angeles World Airports.

10. This action is not subject to the provisions of Charter Section 1022 (Use of Independent Contractors).

11. Sprint has submitted the Contractor Responsibility Program Pledge of Compliance and will comply with the provisions of the Contractor Responsibility Program.

12. Sprint has been determined by Public Works – Office of Contract Compliance to be in full compliance with the provisions of the Equal Benefits Ordinance.

13. Sprint will be required to comply with the provisions of the First Source Hiring Program for all non-trade LAX jobs.

14. This action is not subject to the provisions of Bidder Contributions CEC Form 55.
SUBJECT: Second Amendment to Contract DA-4441 with General Dynamics Information Technology, Inc.

Approve the Second Amendment to Contract No. DA-4441 with General Dynamics Information Technology, Inc. to purchase extended warranties for Los Angeles International Airport's Airport Response Coordination Center system hardware and software by increasing the contract authority by $1,174,400 for a total not to exceed $5,476,400.

RECOMMENDATION:

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 this work can be performed more economically or feasibly by an independent contractor than by City employees.

4. APPROVE the Second Amendment to Contract No. DA-4441 with General Dynamics Information Technology, Inc., to purchase extended warranties for hardware and software for Los Angeles International Airport's Airport Response Coordination Center by increasing the contract authority by $1,174,400 for a two-year total not to exceed $5,476,400.

5. AUTHORIZE the Executive Director to execute the amendment after approval as to form by the City Attorney.
DISCUSSION:

1. Executive Summary

Information Management and Technology Group (IMTG) staff requests approval of the Second Amendment to Contract No. DA-4441 with General Dynamics Information Technology, Inc. to purchase extended warranties for hardware and software for the Airport Response Coordination Center (ARCC) at Los Angeles International Airport (LAX) by increasing contract authority by $1,174,400 for a two-year total not to exceed $5,476,400. The proposed amendment will allow General Dynamics to purchase extended warranties for information technology (IT) hardware and software for the ARCC IT systems at LAX.

An RFP process is running concurrently with this amendment. The selected vendor will provide maintenance and support services for ARCC hardware and software.

2. Prior Related Actions

Through Resolution No. 24064 dated April 5, 2010, the Board of Airport Commissioners approved the award of a one-year contract, with a one-year renewal option, to General Dynamics (Contract No. DA-4441) for hardware, software, and installation services for the ARCC Project in an amount not to exceed $4,202,000. Los Angeles World Airports (LAWA) exercised the renewal option and the contract now expires on March 31, 2012.

Through Resolution No. 24378 dated February 22, 2011, the Board approved the First Amendment to Contract No. DA-4441 with General Dynamics to purchase additional hardware and software identified by LAW A Divisions for the ARCC, increasing the contract authority by $100,000 for a total not to exceed $4,302,000, and further approved $100,000 in procurements to purchase spare parts and replenish hardware used from stock, for a total budget allocation increase of $200,000 and a combined total of $4,402,000. The expiration date was not extended as part of that action.

3. Current Action

The ARCC went into operation on December 15, 2010 and provides a centralized operations center for LAW A's Airport Police, Airport Operations and Emergency Management and Facilities Management groups. The ARCC also coordinates a variety of communications from the traveling public, tenants, concessionaires, and the airlines. IT systems that are being used at the ARCC include but are not limited to:

- Situational Awareness Management System (SAMS) with Status Dash Boards
- Video Wall for operations or events monitoring
- Incident Management System (IMS) and
- Call Center for maintenance and operations coordination

After the ARCC IT systems were operational, LAW A divisions identified additional hardware, software, and service requirements to provide more efficient, effective operations of the ARCC. These were procured through the First Amendment to DA-4441 and included redundant servers and storage, software system modules (GCR AirportIQ Form Designer, PicturePerfect components), and software licenses (Situator, IssueTrak, E-Sponder).
Existing warranties for the systems were set to expire December 14, 2011. General Dynamics granted an extension in writing to LAWA until January 2012. Projected cost for the procurement:

<table>
<thead>
<tr>
<th>Estimated Cost of Extended Warranties for Hardware and Software</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Hardware</strong></td>
</tr>
<tr>
<td><strong>Software</strong></td>
</tr>
<tr>
<td><strong>Total for Amendment</strong></td>
</tr>
<tr>
<td><strong>Original Contract (DA-4441)</strong></td>
</tr>
<tr>
<td><strong>First Amendment</strong></td>
</tr>
<tr>
<td><strong>Total Budget Allocation</strong></td>
</tr>
</tbody>
</table>

The General Dynamics MBE/WBE subcontractors performed 100% of the professional services rendered under this contract; which equates to $178,070. Due to project schedule constraints, LAWA approved the expedited purchase of ARCC equipment directly from equipment manufacturers, as the MBE/WBE subcontractors were unable to meet the delivery deadline. Therefore the overall participation level on the total contract value, which included the purchase of goods and professional services, is 4.97%. General Dynamics is committed to the LAWA’s MBE/WBE program and is currently exceeding the MBE/WBE participation levels set on other contracts.

4. Alternatives Considered

- **Take no Action**

  If the purchase of extended warranties are not approved, LAWA will be unable to replace or obtain support for functional issues with hardware and software used in the ARCC. As a result, all ARCC IT systems may be inoperable in the event of a major malfunction. There will be no video monitoring; no video wall displays for all ARCC users, recording of telephone communications, and incident management will be severely impacted.

**FISCAL & ECONOMIC IMPACT STATEMENT:**

Funding for this amendment is available or will be made available in LAX Cost Center 1170004 - IT Business Applications Support, Commitment Item 520 – Contractual Services. Funding for subsequent years will be requested through the budget process.

**STANDARD PROVISIONS:**

1. This action, as a continuing administrative and personnel-related activity, is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Article II, Section 2.f of the Los Angeles City CEQA Guidelines.

2. The amendment will be approved 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 the Los Angeles City Charter Section 245.

4. General Dynamics is required by contract to comply with the provisions of the Living Wage Ordinance.
5. Procurement Services reviewed this action (File No. 5542) and established a 15% combined Minority/Women Business Enterprise (M/WBE) level of participation for the project. General Dynamics committed to 15% M/WBE level of participation and has achieved 4.97% participation to date.

6. General Dynamics is required by contract to comply with the provisions of the Affirmative Action Program.

7. General Dynamics has been assigned Business Tax Registration Certificate No. 0002032085.

8. General Dynamics is required by contract to comply with the provisions of the Child Support Obligations Ordinance.

9. General Dynamics has approved insurance documents, in the terms and amounts required, on file with Los Angeles World Airports.

10. Pursuant to Charter Section 1022, staff determined the work specified on this contract can be performed more feasibly and economically by Independent Contractors than by City employees.

11. General Dynamics has submitted the Contractor Responsibility Program Pledge of Compliance and will comply with the provisions of the Contractor Responsibility Program.

12. General Dynamics has been determined by Public Works – Office of Contract Compliance to be in compliance with the provisions of the Equal Benefits Ordinance.

13. General Dynamics will be required to comply with the provisions of the First Source Hiring Program.

14. This action is not subject to the provisions of Bidder Contributions CEC Form 55.
# Sub-Contractor Utilization Status

Second Amendment to DA-4441 for Extended Warranties for ARCC Hardware and Software

### General Dynamics Information Technology, Inc.

**Prime Contractor**

<table>
<thead>
<tr>
<th>Sub-Contractor Information</th>
<th>Status Participation</th>
<th>Proposed % Level of Participation</th>
<th>Amt ($) to-date (Invoiced/Gross Receipts)</th>
<th>% Utilized to-date</th>
<th>Brief Description of Project Services</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Metro Video Systems, Inc.</strong></td>
<td>Yes</td>
<td>MBE/DBE Black/Native American Male</td>
<td>$195,038/$4,273,957.16</td>
<td>4.57%</td>
<td>Installation services, IT Services</td>
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<tr>
<td><strong>Herca Telcom</strong></td>
<td>No</td>
<td>MBE/DBE Hispanic Male</td>
<td>$17,488/$4,273,957.16</td>
<td>.41%</td>
<td>Mechanical, HVAC, Structural, IT Installation Services</td>
</tr>
</tbody>
</table>

### Profile Information:

* Use appropriate classification from list below:
  - **Group** - MBE, WBE, DBE, OBE, ACDBE
  - **Ethnicity** - Asian, Black, Caucasian, Hispanic, Native American
  - **Gender** - Female, Male
  - **NAICS** - North American Industry Classification System

---

**Note that this form must be signed by the Prime Contractor**

Louis Tarmy, (781) 455-2743
Louis.Tarmy@GDIT.com

Prime Contractor Contact Name, Tel No./Email

Signature
Amend DA-4637 with Clean Energy for compressed natural gas for vehicles owned by Los Angeles World Airports at Los Angeles International Airport to include Clean Energy’s agreement to continue to provide compressed natural gas throughout the entire contract period, including purchases already made, at a price ten cents per gallon less than the price stated in Clean Energy’s response to Los Angeles World Airports’ Request For Bid 110-215.

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. APPROVE the amendment of DA-4637 with Clean Energy for compressed natural gas for vehicles owned by Los Angeles World Airports at Los Angeles International Airport to include Clean Energy’s agreement to continue to provide compressed natural gas throughout the entire contract period, including purchases already made, at a price ten cents per gallon less than the price stated in Clean Energy’s response to Los Angeles World Airports’ Request For Bid 110-215.

4. AUTHORIZE the Executive Director to execute the contract amendment after approval as to form by the City Attorney.
DISCUSSION:

1. Executive Summary

Staff requests authority to amend DA-4637 with Clean Energy for compressed natural gas (CNG) for vehicles owned by Los Angeles World Airports (LAWA) at Los Angeles International Airport (LAX) to include Clean Energy’s agreement to continue to provide CNG throughout the entire contract period, including purchases already made, at a price ten cents ($0.10) per gallon less than the price stated in Clean Energy’s response to LAWA’s Request For Bid (RFB) 110-215.

2. Prior Related Actions

On July 11, 2011, the Board awarded a one-year contract to Clean Energy for CNG for vehicles owned by LAWA at LAX for an overall not-to-exceed contract amount of $2,618,000 (Contract DA-4637, Resolution No. 24522)

3. Current Action

The proposed amendment will allow LAWA to obtain the benefit of Clean Energy’s agreement, as a part of its resolution of its Claim Number C12-2252, to provide CNG to LAWA at a price $0.10 per gallon less than the price stated in Clean Energy’s response to LAWA’s RFB 110-215. With the Board’s confirmation of the approved amendment to DA-4637, staff will amend DA-4637 to include Clean Energy’s agreement to provide CNG throughout the entire contract period, including purchases already made, at a price $0.10 per gallon less than the price stated in Clean Energy’s response to LAWA’s RFB 110-215.

4. Alternatives Considered

- Defer item

Staff considered deferring this item, however it is in LAWA’s best interest to amend DA-4637 so that LAWA is able to purchase CNG at a price $0.10 per gallon less than the price stated in Clean Energy’s response to LAWA’s RFB 110-215.

FISCAL & ECONOMIC IMPACT STATEMENT:

Funds for this contract are included in the Fiscal Year 2011-12 Los Angeles World Airports Operating Budget in LAX Cost Center 1150053 - Fleet Maintenance Unit, Commitment Item 522 - Materials and Supplies. Funding for subsequent years will be requested as part of the annual budget process. Approval of this action will have no impact on the Los Angeles World Airports Capital Budget.

STANDARD PROVISIONS:

1. This action, as a continuing administrative activity, is exempt from the requirements of the California Environmental Quality Act as provided by Article II, Section 2.f of the Los Angeles City CEQA Guidelines.

2. The City Attorney will approve the contract amendment as to form.

3. Action taken on this item by the Board of Airport Commissioners will become final pursuant to the provisions of the Los Angeles Charter Section 245.

4. This action is statutorily exempt from the provisions of the Living Wage/Service Contractor Worker Retention Ordinances.

5. Procurement Services reviewed this action (File No. 10031228). No specific Minority/Women Business Enterprise levels of participation were set for this project, as no subcontracting opportunities were identified.
6. Clean Energy will comply with the provisions of the Affirmative Action Program.

7. Clean Energy has been assigned Business Tax Registration Certificate No. 0000751740-0001-8.

8. Clean Energy will comply with the provisions of the Child Support Obligations Ordinance.

9. Clean Energy has approved insurance documents, in the terms and amounts required, on file with the Los Angeles World Airports.

10. This action is not subject to the provisions of Charter Section 1022 (Use of Independent Contractors).

11. Clean Energy has submitted the Contractor Responsibility Program Questionnaire and Pledge of Compliance and will comply with the provisions of the Contractor Responsibility Program.

12. Clean Energy has been determined by Public Works, Office of Contract Compliance, to be in full compliance with the provisions of the Equal Benefits Ordinance.

13. This action is not subject to the provisions of the First Source Hiring Program.

14. This action is not subject to the provisions of Bidder Contributions CEC Form 55.
SUBJECT: Award of Agreement and Approval of Lease and Rental Rates for Van Nuys FlyAway Service

Award a three-year Agreement to Bauer's Intelligent Transportation, Inc. to (1) operate the Los Angeles World Airports' FlyAway bus service between the Van Nuys FlyAway Terminal and the Los Angeles International Airport for an amount not to exceed $15,320,000 and (2) approve the related Lease and rental rates at the Van Nuys FlyAway Terminal.

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 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 award of a three-year Agreement to Bauer's Intelligent Transportation, Inc. for the FlyAway bus service between Van Nuys and the Los Angeles International Airport for a period not to exceed three years, and for an amount not to exceed $15,320,000.

5. APPROVE a three-year lease to Bauer's Intelligent Transportation, Inc. for space at the Van Nuys FlyAway Terminal.
6. APPROVE the rental rates for the Van Nuys FlyAway Terminal facility located at 7610 Woodley Avenue as referenced in this report.

7. AUTHORIZE the Executive Director to execute the Agreement and Lease upon approval as to form by the City Attorney.

DISCUSSION:

1. Executive Summary

Los Angeles World Airports (LAWA) currently contracts to operate FlyAway bus routes between Los Angeles International Airport (LAX) and four locations: Irvine, Westwood, Union Station, and Van Nuys (VNY). The current contract for VNY bus service is due to expire in July 2012.

Staff requests approval to award a three-year Agreement to Bauer’s Intelligent Transportation, Inc. (Bauer’s) to operate and manage VNY FlyAway bus services, for an amount not to exceed $15,320,000, and approval of the related Lease and rental rates at the VNY FlyAway Terminal. The recommended Agreement follows the selection of Bauer’s through a competitive selection process.

Approval of the Agreement will result in an annual savings of approximately $1.4 million for the baseline operating schedule when compared to costs for the current VNY FlyAway contract. Also, the Bauer’s proposal provides approximately 32% lower cost when compared to the competing proposal. In addition to the cost savings, Bauer’s proposes a newer and larger fleet equipped with numerous amenities; will surpass LAWA’s minimum goal for the Alternative Fuel Requirement Program; and, will implement extensive automated technology to improve operations, sales, and revenue control.

2. Prior Related Actions

Van Nuys FlyAway bus service was first awarded in June of 1975 with three subsequent RFPs and awards. In 1993 a RFB was released and the contract was awarded to California Charters Inc. In 2003 the Van Nuys FlyAway bus service was awarded to Coach America of Los Angeles.

On October 10, 2003, Board Resolution No. 22230 authorized a five-year contract for operation of the LAX FlyAway at Van Nuys with CUSA CC, LLC (Coach America Los Angeles).


The Mitigation Monitoring and Reporting Program (MMRP) is a program designed to ensure compliance with the proposed mitigation measure identified in the FEIR. Included in the MMRP is item MM-AQ-3 Transportation-Related Mitigation Measures which addresses the operation of additional sites providing FlyAway services similar to the Van Nuys FlyAway.

On September 15, 2008, November 16, 2009, and September 20, 2011, LAWA authorized three amendment extensions to Coach America’s contract (through July 10, 2012) for a best business model analysis and to give staff time to conduct a Request for Proposal (RFP) process.
3. **Current Action**

On August 11, 2011, LAWA released a Request for Proposals (RFP) for operation and management of the VNY FlyAway bus service; proposals were due on October 14, 2011.

The RFP introduced a new model for determining the cost of services to LAWA. This model was designed to reduce operating cost risk to LAWA, make costs more predictable, and reduce administrative burdens. Under the new model, the operator charges LAWA a flat all-in rate per one-way trip between LAX and VNY (inclusive of fees for bus service, labor and fuel) plus a fixed transaction fee for collecting and remitting LAWA ticket sales revenue. The new model seeks to improve on the traditional model by: (1) removing a cost structure based on hours; (2) eliminating contract cost adjustments based on the price of fuel; and (3) reimbursing the operator for all costs associated with transactions (i.e. merchant fees for use of credit card machines).

LAWA received three proposals in response to the RFP from the entities listed below:

- Bauer's Intelligent Transportation, Inc.
- CUSA CC, LLC (Coach America)
- International Trailways

After review by LAWA staff, Bauer and Coach America's proposals were deemed responsive to the administrative requirements. International Trailways' proposal was received after the deadline and could not be considered. An evaluation committee consisting of the members below, reviewed the written proposals and interviewed both proposers on November 9:

- Chief Operating Officer
- Director of Airport Operations
- Regional Transportation Coordinator
- Transportation Planning Associate
- Senior Management Analyst

The following evaluation criteria, with corresponding criteria values, were listed in the RFP and used by the evaluation committee during the proposal review and interview process:

<table>
<thead>
<tr>
<th>Evaluation Criteria</th>
<th>Criteria Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qualifications &amp; Experience</td>
<td>15</td>
</tr>
<tr>
<td>Fleet Plan</td>
<td>10</td>
</tr>
<tr>
<td>Management and Operations Plan</td>
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<tr>
<td>Customer Service Plan</td>
<td>10</td>
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<td>Sales, Revenue Control, and Audit Plan</td>
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<td>Proposed Cost of Services</td>
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<tr>
<td><strong>Total Points:</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

**Evaluation and Selection**

The evaluation committee ranked Bauer's as the top proposer. Among other things, four factors contributed to the finding that Bauer's proposal was superior: (1) lower cost; (2) newer fleet equipped with numerous amenities; (3) 100% compliance with LAWA's alternative fuel.
requirement through the use of emission reduction technology; and, (4) extensive use of automation to improve operations, sales and revenue control. Details on each of these particular items are provided below:

- **Cost of Services**
  Bauer’s total fees are nearly 32% lower than the competitor’s proposal and amount to a savings of approximately $1.4 million from existing contract costs of approximately $6 million annually.

- **Fleet and Environmental Compliance**
  Bauer’s dedicated fleet, which is composed of 15, 2008 model buses, is equipped with extensive amenities such as free wi-fi, satellite television, outlets for cell phones, laptops and media devices, and leatherette seating. Further, 100% of Bauer’s fleet would be compliant with LAWA’s alternative fuel requirement throughout the term of the Agreement. Bauer’s uses emission reduction technology certified by the California Air Resources Board. This compliance rate exceeds the RFP’s minimum goal of 50% and the fleet offered in the competing proposal. Lastly, Bauer’s dedicated fleet is 25% larger than the current VNY Fly Away fleet as well as the competitor’s proposed fleet. The larger fleet provides redundancy and also ensures consistent use of Fly Away branded buses.

- **Sales and Revenue Control**
  Bauer’s proposal includes the extensive use of automation and more options for ticketing such as online service, smart phone applications, and automated ticketing stations. Bauer’s also proposes on-bus ticket sales in addition to the traditional, terminal-based ticket sales. Through automation and extensive ticketing options, operations would be more efficient, passenger wait times should be reduced, and audit controls will be tightened.

**Other factors**

Other factors regarding the scope of the Agreement are provided below.

- **Advertising Option**
  The Agreement includes an advertising option which enables LAWA to collect 5% of the gross revenue generated in connection with any third-party advertising on Bauer’s Fly Away fleet.

- **Future Fly Away Sites**
  The RFP covers the potential extension of the VNY Fly Away to a site located north of the Van Nuys Airport, such as the Chatsworth Rail Station, without issuing a new RFP. The Agreement allows for this extension, subject to the Board’s approval of the trip rate for that segment of service.

- **Additional Trips for Holidays and Peak Travel Times**
  The RFP sets a baseline service schedule of 117 trips per day. Through negotiation, Bauer’s agrees to provide an additional 30 trips per year, at the prevailing trip rate, to cover peak travel times, such as holidays. The rate for holiday trips in excess of that allotment is subject to a 10% markup.
• **Lease**
  LAWA negotiated a three-year Lease with Bauer’s for space at the Van Nuys FlyAway Bus Terminal facility located at 7610 Woodley Avenue. The Lease will generate approximately $8,830 in annual gross revenue to LAWA, exclusive of rental adjustments.

  Staff requests the following triple net rates and adjustments to be in effect until January 1, 2017: Office Space @ $13/sf/year; Kiosk Space @ $13/sf/year; Vending Machine Space @ $1.70/sf/year; and non-exclusive Break Room @ $10/sf/year.

  Except when adjusted above, the monthly rent will be subject to annual rental adjustments on July 1, the first of which is on July 1, 2013, and will be revised and adjusted according to Consumer Price Index (CPI), not less than 2% or greater than 7%.

4. **Alternatives Considered**

   • **Take No Action**
   The current contract expires on July 10, 2012, unless LAWA terminates earlier using LAWA’s 30-day-notice option. Not awarding this new Agreement will result in no management of bus services at the Van Nuys FlyAway Terminal after July 2012 unless the existing contract is extended for the fifth time.

   • **Use Existing Staff**
   LAWA, based on the Charter Section 1022 determination, does not have the staff required to provide the services requested in this RFP. In addition, LAWA does not own enough vehicles to provide FlyAway services at Van Nuys and does not possess the necessary maintenance facilities or staff.

**FISCAL & ECONOMIC IMPACT STATEMENT:**

Staff requests contract authority not to exceed $15,320,000 for the contract term of three years. Funds for this Agreement have been requested for the Fiscal Year 2012-13 Los Angeles World Airports Operating Budget in LAX Cost Center 4001001 – Van Nuys FlyAway Bus Operations, Cost Element 520160 – Operations Contracts. Funding for subsequent years will be requested as part of the annual budget process.

**STANDARD PROVISIONS:**

1. The issuance of permits, leases and agreements granting use of an existing facility at a municipal airport involving no expansion of use is exempt from the requirements of the California Environment Quality Act pursuant to Article III, Class I(18)(c) of the Los Angeles City CEQA Guidelines.

2. This agreement is subject to approval 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 245.

4. Bauer’s will comply with the provisions of the Living Wage Ordinance.

5. Procurement Services has reviewed this action (File No.5287, RX10030145) and
established a 20% combined Minority/Women Business Enterprise level of participation for this project. Bauer’s proposes 29.23% combined M/WBE levels of participation. Procurement Services confirms that based on documents submitted Bauer’s has made a good faith effort to outreach to MBE/WBE/OBE subcontractors.

6. Bauer’s will comply with the provisions of the Affirmative Action Program.


8. Bauer’s will comply with the provisions of the Child Support Obligations Ordinance.

9. Bauer’s must have approved insurance documents, in the terms and amounts required, on file with the Los Angeles World Airports prior to the issuance of a Notice to Proceed.

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. Bauer’s has submitted the Contractor Responsibility Program Questionnaire and Pledge of Compliance and will comply with the provisions of the Contractor Responsibility Program.

12. Bauer’s 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. This action is not subject to the provisions of the First Source Hiring Program.

14. Bauer’s has submitted the Bidder Contributions CEC Form 55 and will comply with its provisions.
### BIDDER/PROPOSER COMPANY INFORMATION

| NAME: Bauer's Intelligent Transportation, Inc. | GROUP: | PROFILE INFORMATION | BID/PROPOSAL AMOUNT: $4,444,006.40 | DESCRIPTION OF PROJECT SERVICES: Van Nuys Flyaway Bus Services |
| ADDRESS: Pier 27, The Embarcadero | ETHNICITY: | CITY/STATE/ZIP: San Francisco, CA 94111 | GENDER: | CONTACT NAME: Alisha Stanfield, Director of Business Development | CERTIFYING AGENCY: | TELEPHONE NO./EMAIL: 415-740-5363 alishas@bauersit.com |

### SUBCONTRACTOR/SUBLESSEE COMPANY INFORMATION

| NAME: Global Parking Systems, LLC | GROUP: MBE | PROFILE INFORMATION | $ PROPOSED: $695,263 | % PROPOSED: 16% | DESCRIPTION OF PROJECT SERVICES: Staffing of Non Driver positions including Customer service agents, ticket agents, porters and utility workers |
| ADDRESS: | ETHNICITY: Black | CITY/STATE/ZIP: Long Beach, CA 90807 | GENDER: M | CONTACT NAME: Ronald Burns | CERTIFYING AGENCY: City of Los Angeles | TELEPHONE NO./EMAIL: 304-491-1392 |

| NAME: Merrimac Energy Group | GROUP: WBE | PROFILE INFORMATION | $ PROPOSED: $562,100 | % PROPOSED: 13% | DESCRIPTION OF PROJECT SERVICES: Providing fuel for all vehicles utilized on the contract |

| NAME: Capital Office Products, Inc. | GROUP: DBE | PROFILE INFORMATION | $ PROPOSED: $10,000 | % PROPOSED: .23% | DESCRIPTION OF PROJECT SERVICES: Providing various office products for the contract |
| ADDRESS: 12350 Montague Street, Unit J | ETHNICITY: | CITY/STATE/ZIP: | GENDER: | CONTACT NAME: Carolyn Nelson | CERTIFYING AGENCY: City of Los Angeles | TELEPHONE NO./EMAIL: 818-362-4156 |
## Subcontractor Participation Plan

**Bidder/Proposer Name goes here**

### Subcontractor/Sublessee Company Information

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<tr>
<th>Name</th>
<th>Group</th>
<th>Address</th>
<th>Ethnicity</th>
<th>Gender</th>
<th>Certifying Agency</th>
<th>Telephone No./Email</th>
<th>NAICS</th>
<th>Description of Project Services</th>
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I certify under the penalty of perjury that the information contained on this form is true and correct and that the firms listed are the subcontractors/sublessees that will be utilized if this contract is awarded to the above prime. I agree to comply with any applicable Good Faith Effort provisions for substitutions and I further understand and agree that any and all changes or substitutions must be authorized by LAWA Procurement Services prior to their implementation.

**Participation Level proposed by Bidder/Proposer**

- Participation Level proposed by Bidder/Proposer: **13.23%**

**Anticipated Level of Participation stated in the Request for Bid/Proposal**

- Anticipated Level of Participation stated in the Request for Bid/Proposal: **29.23%**

**Name** Alisha Stanfield

**Title** Director of Business Development

**Date** 10-13-2011

**Phone** 415-740-5363

**Signature**

---

**NOTE:** The form includes sections for multiple subcontractors/sublessees, each with fields for name, group, address, ethnicity, gender, certifying agency, telephone number/email, and NAICS code. The form also includes a section for the bidder/proposer's information, with fields for name, title, phone number, and signature. The form requires certification under the penalty of perjury regarding the accuracy of the information provided. Participation levels are proposed and anticipated, with specific percentages indicated. The form is completed with information for one subcontractor and includes a signature and date from the bidder/proposer, along with a signature and title from the approved party.
SUBJECT: Agreement with the Los Angeles County Metropolitan Transportation Agency

Authorize the Executive Director to execute a three-year Right of Entry Permit/ Hold Harmless Agreement with the Los Angeles County Metropolitan Transportation Authority that will allow for the continued operation of the FlyAway bus service between Union Station and Los Angeles International Airport for an annual cost not to exceed $1,000 and an overall cost not to exceed $3,000.

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(h) of the Los Angeles City CEQA Guidelines.

3. APPROVE the three-year Right of Entry Permit/ Hold Harmless Agreement with the Los Angeles County Metropolitan Transportation Authority that will allow for the continued operation of the FlyAway bus service between Union Station and Los Angeles International Airport for an annual cost not to exceed $1,000 and an overall cost not to exceed $3,000.

4. AUTHORIZE the Executive Director to execute a three-year Right of Entry Permit/ Hold Harmless Agreement with the Los Angeles County Metropolitan Transportation Authority after approval as to form by the City Attorney.
DISCUSSION:

1. Executive Summary

Staff requests the Los Angeles World Airports (LAWA), Board of Airport Commissioners (BOAC) authorize the Executive Director to execute a three-year Right of Entry Permit/ Hold Harmless Agreement (Agreement) with the Los Angeles County Metropolitan Transportation Authority (LACMTA) that will allow for the continued operation of the FlyAway bus service between Union Station and Los Angeles International Airport (LAX) for an annual cost not to exceed $1,000 and an overall cost not to exceed $3,000.

LAWA has partnered with LACMTA to provide non-stop bus service from Union Station to LAX. This service is designed to reduce private vehicle traffic and related air emissions in the region by encouraging the use of high-occupancy vehicles. Expanded FlyAway bus service is a requirement of the LAX Master Plan Mitigation Monitoring and Reporting Program, MM-AQ-3, Transportation-Related Mitigation Measures, and the Stipulated Settlement Agreement.

2. Prior Related Actions

On January 23, 2006, the BOAC approved Resolution No. 22894 for a Right-of-Entry/ Hold Harmless Agreements with the LACMTA.

On January 12, 2009, the BOAC approved Resolution No. 23697 for another three-year agreement. The existing agreement expires on February 22, 2012.

3. Current Action

This current action will allow for the continuation of the FlyAway bus service between Union Station and LAX through a three-year Right of Entry/Hold Harmless Agreement with the LACMTA.

This agreement is subject to approval by the Metro Board of Directors which is scheduled for discussion on their meeting of January 26, 2012.

4. Alternatives Considered

- Do Not Enter into an Agreement

Staff considered not entering into another agreement with LACMTA. However, if a new Agreement with the LACMTA is not approved, LAWA would not legally be allowed to operate FlyAway service from the Union Station location after February 22, 2012.

FISCAL & ECONOMIC IMPACT STATEMENT:

Under the proposed Right of Entry/Hold Harmless Agreement, the total cost to LAWA is $1,000 annually for rental of a ticket and passenger service kiosk. Funds for this item are available in the Fiscal Year 2011-2012 Los Angeles World Airports Operating Budget in LAX Cost Center 1150004 – Facilities Planning, Commitment item 520 – Contractual Services. Funding for subsequent years will be requested as part of the annual budget process.
STANDARD PROVISIONS:

1. Projects instituting or increasing passenger or commuter service on existing highway rights-of-way are exempt pursuant to Public Resources Code 21080(b)(10) and are therefore exempt from the requirements of the California Environment Quality Act pursuant to Article II, Section 2(h) of the Los Angeles City CEQA Guidelines.

2. This Action is not subject to the provisions of the Living Wage and Service Contractor Worker Retention Ordinances.

3. This Action is not subject to the provisions of the MBE/WBE/OBE/DBE Program.

4. This Action is not subject to the provisions of the Affirmative Action Program.

5. This Action does not require a Business Tax Registration Certificate.

6. This Action is not subject to the provisions of the Child Support Obligations Ordinance.

7. As a governmental agency, Metropolitan Transportation Authority is self-insured.

8. This Action is not subject to the provisions of Charter Section 1022.

9. This agreement will be approved as to form by the City Attorney.

10. Action taken on this item by the Board of Airport Commissioners will become final pursuant to provisions of Charter Section 245.

11. This Action is not subject to the provisions of the Contractor Responsibility Program.

12. This Action is not subject to the provisions of the Equal Benefits Ordinance.

13. This Action is not subject to the provisions of the First Source Hiring Program.

14. This Action is not subject to the provisions of the Bidder Contributions CEC Form 55.
SUBJECT: Six-Month Extension of License Agreement with the Regents of the University of California at Los Angeles for the Westwood FlyAway

Authorize the Executive Director to extend by six months License Agreement LAA-8595 with the Regents of the University of California at Los Angeles for passenger pick-up and drop-off for the Westwood FlyAway bus service to Los Angeles International Airport.

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.h of the Los Angeles City CEQA Guidelines.

3. APPROVE the six-month extension of license agreement LAA-8595 with the Regents of the University of California at Los Angeles for passenger pick-up and drop-off for the Westwood FlyAway bus service to Los Angeles International Airport.
DISCUSSION:

1. Executive Summary

Staff requests authorization to extend by six months license agreement LAA-8595 (Agreement) with the Regents of the University of California at Los Angeles (UCLA) for passenger pick-up and drop-off for the Westwood FlyAway bus service to Los Angeles International Airport (LAX). This time extension will give UCLA time to fully implement their marketing plan to increase ridership.

2. Prior Related Actions

On May 21, 2007, the Los Angeles World Airports’ Board of Airport Commissioners (BOAC) approved AO-5064, a Site License Agreement for a FlyAway bus stop at Parking Structure #32 on Kinross Avenue, on property owned by UCLA in Westwood Village. The original Agreement had a one-year term, with two one-year extensions.

In December 2008, an administrative amendment to the Agreement was adopted which reduced site costs and extended the Agreement to a new three-year term.

In January 2009, the BOAC approved increasing the one-way fare from $4.00 to $5.00. In August 2009, as an additional measure to reduce the operating deficit, service hours were reduced by 32%.

In May 2011, BOAC requested that staff work with UCLA to increase ridership and eliminate LAWA’s deficit for the Westwood FlyAway operation. UCLA representatives identified operational changes and program improvements to increase ridership. These included:

- Dedicating an initial 25 parking spaces in Parking Structure #32 for FlyAway patrons at no cost to LAWA
- Increasing this number to 100 dedicated parking spaces if demand warrants
- Promoting and marketing the FlyAway to increase ridership including targeted advertising to four identified groups: UCLA students, UCLA campus community, the Westwood community, and the Westwood Business community.
- Funding extra bus operations during semester breaks to meet service peaks. Based on FY-11 data, staff estimates the cost of this peak period service at $58,000 annually. This service was previously funded by LAWA.

On July 11, 2011, the BOAC approve an Agreement (LAA-8595) for six-month for a FlyAway bus stop at Parking Structure #32 on Kinross Avenue, on property owned by UCLA in Westwood Village. The Agreement included the commitments by UCLA as summarized above. The Agreement expires on January 31, 2012. However, in the Agreement, UCLA granted LAWA the option to extend the Agreement. Also on July 11, 2011, the BOAC authorized the increase of a one-way fare on the Westwood FlyAway from $5.00 to $10.00. BOAC requested that LAWA staff report back within six months to provide an update as to the ridership and financial status of the Westwood FlyAway operation.
3. Current Action

LAWA has operated the FlyAway bus service between Westwood and LAX for four and one-half years in accordance with the goals of the Mitigation Monitoring and Reporting Program and LAX Stipulated Settlement Agreement.

On August 1, 2011, the $10.00 one-way fare for the Westwood FlyAway took effect. As an additional cost saving measure, half-hour service was eliminated on Thursdays, Fridays and Sundays. Overall service hours remained unchanged, with FlyAway buses departing hourly from Westwood between 6 AM to 10 PM, and departing hourly from LAX between 6 AM to 11 PM.

UCLA transportation services staff reported the following marketing measures have been taken since the existing Agreement was approved:

- Established the 25 parking spaces for FlyAway patrons in Parking Structure 32
- Developed and distributed a "FlyAway Communication Kit" to UCLA campus partners, community organizations and the Westwood Business Improvement District
- Purchased ad space for the FlyAway on newspaper kiosks around campus
- Printed and distributed 1,000 Westwood-specific FlyAway bookmarks
- Distributed LAWA-produced FlyAway pamphlets at numerous on-campus events
- Advertised FlyAway on the UCLA Transportation website

The change in ridership and operating cost for the first four months since the service and fare changes were enacted is as follows:

<table>
<thead>
<tr>
<th>Statistic</th>
<th>Aug. – Nov. 2010</th>
<th>Aug. – Nov. 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ridership</td>
<td>37,739</td>
<td>29,792</td>
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<tr>
<td>Net Operating Loss</td>
<td>$265,772</td>
<td>$53,928</td>
</tr>
<tr>
<td>Cost to LAWA per Passenger</td>
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<td>$1.81</td>
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</table>

While seasonable variations, holiday travel, economic conditions and other factors influence ridership and revenue, the first four months of data was used to establish an annual trend for the Westwood FlyAway. The revenue deficit is projected to decrease from $963,791 in FY-11 to $212,000 annually. With a projected annual ridership of approximately 87,000, the LAWA subsidy per passenger would decrease from $8.95 to $2.24.

Staff continues to explore opportunities to increase ridership on the Westwood FlyAway including meeting with stakeholders and marketing opportunities. This month, information on the FlyAway service was added to the Google Transit webpage.

4. Alternatives Considered

**Reduce Service Hours**

Staff considered reducing service hours from the current 6 am to 10 pm southbound/11 pm northbound to a proposed schedule of 8 am to 8 pm southbound/9pm northbound. The reduction in service hours was expected to save $228,000 in annual operating costs, although with an expected 11% reduction in ridership. After hearing concerns from the public at a BOAC meeting in July 2011, the proposed operational change was not implemented.
• **Discontinue Service**

Staff considered discontinuing the Westwood FlyAway service and letting people use available transportation options such as the Culver City RAPID, Culver City Line 6, door-to-door shuttle service or taxis.

**FISCAL & ECONOMIC IMPACT STATEMENT:**

The deficit for the Westwood FlyAway during the six months of the requested extension of the License Agreement (February 1, 2012 to July 31, 2012) is estimated to be a total of approximately $131,000, which includes $106,000 in operating costs and $25,000 in LAWA administration costs. Funding for the extension of this license agreement are available in the Fiscal Year 2011-2012 Los Angeles World Airports Operating Budget in LAX Cost Center 1150004 – Facilities Planning, Commitment Item 520 – Contractual Services. Funds for subsequent fiscal years will be requested as part of annual budget process.

**STANDARD PROVISIONS:**

1. This action is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Article II, Section 2.h of the Los Angeles City CEQA Guidelines because Section 15275(a) of the State CEQA Guidelines provides an exemption for projects that increase passenger or commuter service on high-occupancy vehicles lanes already in use.

2. Actions taken on this item by the Board of Airport Commissioners will become final pursuant to the provisions of Los Angeles City Charter Section 245.

3. This action is not subject to the provisions of the Service Contractor Worker Retention and Living Wage Ordinances.

4. This action is not subject to the provisions of the MBE/WBE/OBE/DBE Program.

5. This action is not subject to the provisions of the Affirmative Action Program.

6. This action does not require a Business Tax Registration Certificate.

7. This action is not subject to the provisions of the Child Support Obligations Ordinance.

8. This action is not subject to the insurance requirements of the Los Angeles World Airports.

9. This action is not subject to the provisions of City Charter Section 1022 (Use of Independent Contractors).

10. This action is not subject to the provisions of the Contractor Responsibility Program.

11. This action is not subject to the provisions of the Equal Benefits Ordinance.

12. This action is not subject to the provisions of the First Source Hiring Program.

13. This action is not subject to the provisions of the Bidder Contributions CEC Form 55.
SUBJECT: Fare change for the Irvine FlyAway

Authorize the Executive Director to offer a $295 monthly employee pass for the Irvine FlyAway bus service to and from Los Angeles International Airport.

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.h of the Los Angeles City CEQA Guidelines.

3. APPROVE the establishment of a monthly employee fare for the Irvine FlyAway bus service to and from Los Angeles International Airport.
DISCUSSION:

1. Executive Summary

Staff requests authorization to establish a $295 monthly employee fare in order to increase ridership on the Irvine FlyAway bus service to and from Los Angeles International Airport (LAX).

2. Prior Related Actions

On October 5, 2009, the Los Angeles World Airports' Board of Airport Commission (BOAC) approved a Right of Entry Permit/Hold Harmless Agreement with the City of Irvine for the purpose of providing Fly Away bus service between Irvine Station and LAX. Service began in November 2009 with a one-way fare of $25.

3. Current Action

LAWA has operated the FlyAway bus service between Irvine Station and LAX for over two years in accordance with the goals of the Mitigation Monitoring and Reporting Program and LAX Stipulated Settlement Agreement.

Currently, LAWA and LAX employees are offered a $120 monthly pass for the Union Station, Van Nuys and Westwood FlyAway. No discount is offered for the Irvine FlyAway.

Staff has received requests from employees who live in Irvine and work at or near LAX for a discounted fare on the Irvine FlyAway. Assuming that an employee wished to commute using the Irvine FlyAway, paying the existing $25 one-way fare for twenty working days per month would cost $1,000, which is considered cost prohibitive as a commuting alternative. Staff believes that providing employees a financial incentive could increase ridership on the Irvine FlyAway.

4. Alternatives Considered

Staff considered retaining the current $25 one-way fare. However, a single fare option limits LAWA's ability to encourage new ridership by employees.

FISCAL & ECONOMIC IMPACT STATEMENT:

The new fare options have the potential to increase ridership and therefore revenue; no loss of revenue to LAWA is expected as a result of this action. The existing Irvine FlyAway buses have available seating capacity – on average, for the week of October 17, 2011, about 20% of available seats were sold; 1,493 seats were not sold for the week. Staff does not expect that an increase in ridership due to the proposed employee fare will result in the need for additional buses that would contribute to increased operating expenses for the Irvine FlyAway. Approval of this item will have no impact on the Los Angeles World Airports Operating Budget.

STANDARD PROVISIONS:

1. This action is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Article II, Section 2.h of the Los Angeles City CEQA Guidelines because Section
15275(a) of the State CEQA Guidelines provides an exemption for projects that increase passenger or commuter service on high-occupancy vehicles lanes already in use.

2. This Cooperative Agreement will be approved 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 245.

4. This action is not subject to the provisions of the Service Contactor Worker Retention and Living Wage Ordinance.

5. This action is not subject to the provisions of the MBE/WBE/OBE/DBE Program.

6. This action is not subject to the provisions of the Affirmative Action Program.

7. This action does not require a Business Tax Registration Certificate.

8. This action is not subject to the provisions of the Child Support Obligations Ordinance.

9. This action is not subject to the insurance requirements of the Los Angeles World Airports.

10. This action is not subject to the provisions of City Charter Section 1022 (Use of Independent Contractors).

11. This action is not subject to the provisions of the Contractor Responsibility Program.

12. This action is not subject to the provisions of the Equal Benefits Ordinance.

13. This action is not subject to the provisions of the First Source Hiring Program.

14. This action is not subject to the provisions of Bidder Contributions CEC Form 55.
SUBJECT: Appropriate Capital Funds to Transition Bradley West from Construction to Operation

Appropriate capital funds to DA-4417 with Jacobs Project Management Co. in the amount of $384,331 for on-call professional construction support services to augment Los Angeles World Airports staff efforts associated with the transition from construction to operation of Bradley West and the existing Tom Bradley International Terminal at Los Angeles International Airport.

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 pursuant to Article II, Section 2.f of the Los Angeles City CEQA Guidelines.

3. APPROPRIATE capital funds to DA-4417 with Jacobs Project Management Co. in the amount of $384,331 for on-call professional construction support services to augment Los Angeles World Airports staff efforts associated with the transition from construction to operation of Bradley West and the existing Tom Bradley International Terminal at Los Angeles International Airport.
DISCUSSION:

1. Executive Summary

Staff requests that the Board of Airport Commissioners appropriate capital funds to DA-4417 with Jacobs Project Management Co. in the amount of $384,331 for on-call professional construction support services to augment Los Angeles World Airports (LAWA) staff efforts associated with the transition from construction to operation of Bradley West and the existing Tom Bradley International Terminal (TBIT) at Los Angeles International Airport (LAX). This funding will provide staff support to coordinate and prepare for a seamless opening and operation of newly constructed facilities at LAX.

2. Prior Related Actions

On January 11, 2010, the Board awarded six contracts for on-call professional construction support services (Resolution 23991). All six contracts have a combined contract authority value of $90,000,000 and a combined funding appropriation to-date of $17,500,000. One of the six contracts was awarded to Jacobs Project Management Co. (DA-4417). Included in DA-4417’s scope of services are professional construction support services to augment LAWA staff for the transition from construction to operation of Bradley West and the existing TBIT. DA-4417 has a contract authority value of $25,000,000 and expires on April 28, 2013.

3. Current Action

Through this action, staff seeks to appropriate capital funds to DA-4417 in the amount of $384,331 for on-call professional construction support services to augment LAWA staff for the transition from construction to operation of the Bradley West project and the existing TBIT. This action is not seeking additional contract authority because DA-4417’s contract authority is sufficient. When the initial construction support services contracts were awarded, a comprehensive understanding of the scope of services needed to transition Bradley West from construction to operation, referred to as “activation”, was not available. Therefore, funding was not specifically requested at that time.

Activation is a structured process commenced by an owner (LAWA) during construction that assures appropriate training for all staff and that all agencies and tenants are prepared to successfully operate in the new facility. Activation will identify and mitigate potential risks insuring that LAWA’s new facilities can operate without delays, disruptions, or surprises on opening day and beyond. It is a formal process of defining and implementing new operating procedures.

The scale of the Bradley West project and the integration of new operations with the existing TBIT requires methodical updating of operating plans, procedures, and emergency management protocols, as well as extensive training and orientation for LAWA personnel, airlines, tenants, and federal agencies. The transition from construction to operation will include:

1. Develop Concept of Operations and transition planning for the phased opening of the new terminal. The Concept of Operations will include interim and final operating roles and responsibilities for LAWA and non-LAWA personnel.

2. Ensure prior to opening day, that the Groups and Divisions responsible for operating and maintaining the new facility, including Security, have properly planned for all regular, irregular, and emergency operations, have run necessary simulations and drills, and considered all risks to an orderly and fully functioning facility. This includes testing all new necessary operating procedures prior to opening day.

3. Ensure the team that will operate and maintain the building, including tenants and stakeholders, are very familiar with the new facility, are properly staffed and trained, and have the necessary tools and equipment to take over the new facility at the completion of commissioning, with no surprises.
The requested appropriation for Phase 1 includes:

<table>
<thead>
<tr>
<th>Phase 1</th>
<th>Timeline</th>
<th>Level of Effort</th>
<th>Tasks</th>
<th>Costs</th>
</tr>
</thead>
</table>
| Task 1  | NTP Thru 5/2012 | Full-Time Equivalents: 1 | • Develop integrated facility transition schedule for the final TBIT facility  
• Create program management plan including mission statement, communication plan and document management and control process  
• Complete risk assessment of identified activities and dependencies | $158,208 |
| Task 2  | NTP Thru 3/2012 | Full-Time Equivalents: 1 | • Facilitate development of a TBIT Concept of Operations for final integrated facility  
• Identify roles and responsibilities for all responsible stakeholders (LAWA and non-LAWA) for day-to-day operation, maintenance, and support of facility  
• Establish performance metrics | $134,208 |
| Task 3  | 4/2012 Thru 5/2012 | Full-Time Equivalents: 0.5 | • Develop interim operating strategy for phased TBIT gate openings  
• Create schedule and phasing for required orientation, training, move and initial operation as well as contingency planning for irregular operations | $56,976  |

Sub Total $349,392  
Bradley West Contingency (10%) $34,939  
Total $384,331

Funding for Phase 1 will enable a core team of experts to work with LAWA staff and responsible stakeholders to develop key documents and schedules for the successful transition from interim to final operation of TBIT. Additional phases and funding for subject matter experts may be needed in the future and will be requested in subsequent request(s) to the Board.

Staff requests the Board appropriate capital funds to DA-4417 with Jacobs Project Management Co. for on-call professional construction support services to augment LAWA staff efforts associated with the transition from construction to operation of Bradley West and the existing TBIT at LAX.

4. Alternatives Considered

- Go out to bid

Staff considered going out to bid for planning and training (activation) support services. However, these support services are included within the existing DA-4417 contract and Jacobs has experience in providing similar services for the successful opening of Terminal D at Dallas/Fort Worth International Airport.
• Do not appropriate funds

Not appropriating funds would limit LAWA's ability to plan, train, and fully prepare for opening the new facility. The investment by LAWA into a new marquee international terminal might be adversely impacted by the organization's lack of familiarity and planning (similar high visibility failed openings occurred with Heathrow's T5 Terminal and the Hong Kong International Airport).

FISCAL & ECONOMIC IMPACT STATEMENT:

Staff requests funds in the not-to-exceed amount of $384,331 be allocated from the LAX, ONT and VNY Airport Revenue Funds to WBS Element 1.08.10-700 (Bradley West) and additional Capital Projects and their respective WBS Elements as may be required.

STANDARD PROVISIONS:

1. This action, as a continuing administrative, maintenance and personnel related activity, is exempt from the requirement of the California Environmental Quality Act pursuant to Article II, Section 2.f of the Los Angeles City CEQA Guidelines.

2. As a continuing administrative action, this item does not require City Attorney approval.

3. Action taken on this item by the Board of Airport Commissioners will become final pursuant to the provisions of the Los Angeles City Charter Section 245.

4. This action is not subject to the provisions of the Service Contractor Worker Retention and Living Wage Ordinances.

5. Procurement Services reviewed this action and established a 20% combined Minority/Women Business Enterprise level of participation for this project. Jacobs Project Management Co. committed to 25% combined M/WBE levels of participation and has achieved 10.88% participation to date.

6. This action is not subject to the provisions of the Affirmative Action Program.

7. This action is does not require a Business Tax Registration Certificate.

8. This action is not subject to the provisions of the Child Support Obligations Ordinance.

9. This action is not subject to the insurance requirements of the Los Angeles World Airports.

10. This action is not subject to the provisions of the Charter Section 1022 regarding the Use of Independent Contractors.

11. This action is not subject to the provisions of the Contractor Responsibility Program.

12. This action is not subject to the provisions of the Equal Benefits Ordinance.

13. This action is not subject to the provisions of the First Source Hiring Program.

14. This action is not subject to the provisions of Bidder Contributions CEC Form 55.
SUBJECT: Letter of Agreement with the City of Ontario and Release Funds for Residential Sound Insulation

Authorize the Executive Director to enter into a Letter of Agreement with the City of Ontario for the Residential Sound Insulation Program – Grant Implementation Plan Phase 10, pursuant to Noise Compatibility and Land Use Mitigation programs and release funds to implement an eligible noise mitigation project in the amount of $1,500,000.

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. APPROVE the Letter of Agreement with the City of Ontario for the Residential Sound Insulation – Grant Implementation Plan Phase 10, pursuant to Noise Compatibility and Land Use Mitigation programs and release funds to implement an eligible noise mitigation project in the amount of $1,500,000.

4. AUTHORIZE the Executive Director to execute the Letter of Agreement after approval as to form by the City Attorney.
**DISCUSSION:**

1. **Executive Summary**

Staff requests authorization to enter into a Letter of Agreement (LOA) with the City of Ontario for the Residential Sound Insulation - Grant Implementation Plan Phase 10 (GIP Phase 10), pursuant to noise compatibility and land use mitigation programs at LA/Ontario International Airport (ONT) in the amount of $1,500,000.

Executing a LOA with the City of Ontario authorizes the release of funds to implement the sound insulation project. This grant represents Los Angeles World Airports' (LAWA) 20% match of a Federal Aviation Administration (FAA) Airport Improvement Program (AIP) Grant already awarded to the City of Ontario in the amount of $6,000,000. The City of Ontario anticipates that this grant will enable the sound insulation of 215 dwelling units.

2. **Prior Related Actions**

The Board of Airport Commissioners (BOAC) and the FAA approved the Part 150 Noise Compatibility Program (NCP) at ONT making land use mitigation projects within the City of Ontario eligible for FAA and LAWA funding. In addition, the State of California adopted the California Airport Noise Standards under Title 21, Subchapter 6, of the California Code of Regulations, which establishes the regulatory framework within which airports can work to reduce, prevent and eliminate incompatible land uses within their off-airport noise impact boundaries. To address these State and Federal requirements and programs, the BOAC adopted a comprehensive airport land use mitigation supplemental funding policy. The most recent update to the supplemental funding policy was approved by BOAC on July 19, 2001 in Resolution 21481.

Since 1992, the City of Ontario has received the following funds to bring ONT into regulatory compliance:

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>Soundproofing</th>
<th>Land Acquisition/Relocation</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>FAA</td>
<td>$32,000,000</td>
<td>$41,900,000</td>
<td>$73,900,000</td>
</tr>
<tr>
<td>LAWA</td>
<td>$10,650,000</td>
<td>$32,750,000</td>
<td>$43,400,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$117,300,000</td>
</tr>
</tbody>
</table>

On September 20, 2010, the BOAC adopted Resolutions 24210 and 24209, awarding a $1,500,000 grant for a sound insulation project consisting of 200 units, and a $1,125,000 grant for the acquisition of 15 properties, to the City of Ontario. These grants represented LAWA's 20% match for FAA grants 3-06-0175-33 and 3-06-0175-34.

To date the City of Ontario has sound insulated 1,133 residential units and reports that approximately 1,011 incompatible dwelling units remain to be insulated around ONT. The City of Ontario has also acquired 240 properties totaling 52 acres and reports up to 103 properties remain to be acquired/developed. Once acquired, properties are rezoned and redeveloped with airport compatible uses including commercial and light industrial activities.

In April 2010, LAWA's Internal Audit Division completed an audit of the City of Ontario's Quiet Home Program. The audit determined that LAWA and FAA grant funds were administered in compliance with grant regulations, within LAWA guidelines and funds were spent on allowable expenses for eligible properties.
3. **Current Action**

The City of Ontario is requesting a grant of $1,500,000 from LAWA to implement a residential sound insulation project detailed in GIP Phase 10, in accordance with Letter Agreement ONT-RSI 37-GIP Phase 10.

The City of Ontario estimates GIP Phase 10 will insulate 215 properties and expects to take approximately 29 months to complete the project. The following table details LAWA and FAA funding for GIP Phase 10:

<table>
<thead>
<tr>
<th># Units</th>
<th>LAWA 20%</th>
<th>FAA 80%</th>
<th>Total Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>215</td>
<td>$1,500,000</td>
<td>$6,000,000</td>
<td>$7,500,000</td>
</tr>
</tbody>
</table>

The estimated sound insulation costs for each single-family dwelling and multi-family dwelling are $35,136 and $33,875 respectively. The total estimated GIP costs include architectural, engineering, administration and construction activities, as well as other preliminary program activities and other administrative costs consistent with the LOA and Resolution 21481. These per unit estimates are based on the most recent expenditures as stated in the GIP Phase 9/AIP No. 3-06-0175-33 grant, as reported by the City of Ontario in GIP Phase 10.

Payment of these funds is contingent on the City of Ontario’s continued compliance with LAWA’s Land Use Mitigation Program Supplemental Funding Policy as set forth by BOAC Resolution No. 21481, and all requirements established thereunder, as well as the FAA’s AIP regulations.

The City of Ontario is a recipient of federal funding, and as a condition of receiving this assistance, the City of Ontario is required to sign an assurance that it will comply with the FAA’s Disadvantaged Business Enterprise (DBE) requirements. The City of Ontario has established and submitted to the FAA an overall program DBE goal of 2.91% for FY 2011-2014. This goal is based on a percentage of all FAA funds that the City of Ontario anticipates receiving in the next three years.

Staff requests BOAC to authorize the Executive Director to execute the LOA with the City of Ontario for GIP Phase 10 and release funds to implement an eligible residential sound insulation project in the amount of $1,500,000.

4. **Alternatives Considered**

- **Defer or eliminate this item**

  Staff considered deferring this item. However, the California Airport Noise Standards provide the regulatory framework requiring airports to reduce, prevent and eliminate incompatible land uses in adjacent off-airport noise impacted boundaries. All residential properties subjected to an exterior Community Noise Equivalent Level (CNEL) of 65 dB or more are considered to be airport-incompatible land uses. Until these incompatible land uses are brought into compliance, ONT operates under a variance from the California Airport Noise Standards. Therefore, LAWA is required under the Airport Noise Standards to work to reduce, prevent and eliminate incompatible land uses in adjacent off-airport noise impacted areas.

- **Perform the work by LAWA staff**
Staff considered having LAWA administer the program instead of the City of Ontario. However, the City of Ontario has an established program to provide noise mitigation measures to residential areas in the vicinity of ONT and LAWA does not have the staff to provide these services to the City of Ontario.

**FISCAL & ECONOMIC IMPACT STATEMENT:**

The FAA has approved ONT Passenger Facility Charges (PFC) to fund noise mitigation projects within the surrounding impacted areas. The City of Ontario is the only participating jurisdiction at ONT and staff recommends that LAWA provide the requested $1,500,000 in LAWA ONT PFC funds to the City of Ontario. The City of Ontario applies for and receives FAA AIP grants to mitigate eligible properties under the PART 150 NCP for which LAWA provides the required 20% match.

City of Ontario’s sound insulation program is an approved PFC project and will be funded from PFC funds. Therefore, staff request that funds in the amount not to exceed $1,500,000 be allocated from the LA/ONT Passenger Facility Charge Fund, WBS Element 2.01.00005-736 as required.

**STANDARD PROVISIONS:**

1. This action, as a continuing administrative activity, is exempt from the requirements of the California Environmental Quality Act (CEQA) as provided by article II, Section 2.f, of the Los Angeles City CEQA Guidelines, as amended by the Los Angeles City Council on July 31, 2002.

2. The City Attorney has approved the Letter Agreement as to form.

3. Actions taken by this item by the Board of Airport Commissioners will become final pursuant to the provisions of Los Angeles City Charter Section 245.

4. This action is not subject to the Living Wage/Service Contract Worker Retention Ordinance.

5. This action is not subject to the provisions of the MBE/WBE/OBE/DBE Program.

6. This action is not subject to the provisions of the Affirmative Action Program.

7. This action does not require a Business Tax Registration Certificate.

8. This action is not subject to the provisions of the Child Support Obligations Ordinance.

9. This action is not subject to the insurance requirements of the City of Los Angeles.

10. This action is not subject to the provisions of Charter Section 1022 (Use of Independent Contractors).

11. This action is not subject to the provisions of the Contractor Responsibility Program.

12. This action is not subject to the provisions of the Equal Benefits Ordinance.

13. This action is not subject to the provisions of the First Source Hiring Program.

14. This action is not subject to the provisions of Bidder Contributions CEC Form 55.
SUBJECT: Approval of Second Amendment of Property Exchange Agreement with City of Ontario

Approve Second Amendment to Agreement for the Exchange of Real Property Interests between the Cities of Los Angeles and Ontario to extend time for the City of Ontario to drill water wells at LA/Ontario International Airport.

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 III, Class 5 (4) and (28) of the Los Angeles City CEQA Guidelines.
3. APPROVE the Second Amendment to the Agreement for Exchange of Real Property Interests between the Cities of Los Angeles and Ontario at LA/Ontario International Airport to allow the City of Ontario an additional five years to drill water wells on the three remaining undrilled water well site easements located East of Haven Avenue.
4. AUTHORIZE the Executive Director to execute the Second Amendment to the Agreement for Exchange of Real Property Interests between the Cities of Los Angeles and Ontario at LA/Ontario International Airport after approval as to form by the City Attorney and upon approval by Los Angeles City Council.


DISCUSSION:

1. Executive Summary

Staff requests the Board of Airport Commissioners (Board) to approve the Second Amendment to the Agreement for Exchange of Real Property Interests Between the Cities of Los Angeles and Ontario at LA/Ontario International Airport (Agreement) to accommodate the City of Ontario’s (Ontario) request for an additional five years in which to drill three remaining water wells East of Haven Avenue on easements granted under this Agreement. A provision requiring the City of Ontario to work with Los Angeles World Airports (LAWA) and any future tenant to relocate the water well locations to facilitate development has been added to the Agreement.

2. Prior Related Actions

On February 21, 2006, the Board approved a property exchange Agreement which, among other things, granted four water well easements lying East of Haven Avenue to Ontario (Board Order No. AO-5001, and corrected by Resolution No. 22959 adopted April 3, 2006). The Los Angeles City Council approved the Agreement on April 19, 2006 (Ordinance No. 177502). A condition of the grant to Ontario was that it drill a water well on each well site within a two-year period from delivery of each site, unless an extension is mutually agreed to in writing. The Agreement was amended on December 12, 2006, to extend this time period to five years. Ontario requested all easements be recorded on January 24, 2007; this constituted delivery of all the sites. To date, Ontario has only drilled one well which was drilled on Well Site No. 1 during July/August 2007.

3. Current Action

On October 6, 2011, Ontario requested an additional five year extension to the time period in which it could drill water wells on the three remaining water well easement sites in the area East of Haven Avenue. According to Ontario, the economic slowdown which would have necessitated additional water production has occurred at a slower rate than previously anticipated, therefore the remaining three wells are not needed at this time.

After reviewing the request, LAWA staff determined that the current proposed well sites are not conducive to optimal development of the property in the future. The Agreement will now require Ontario to work with LAWA and any future tenants to modify the well locations within the parcels to optimize the economic potential of future development. With this additional provision and recognizing that additional water wells will be required in the future, staff requests that the Board approve this Second Amendment to the Agreement.

4. Alternatives Considered

- Deny Agreement Extension

LAWA could not amend Ontario’s request for an additional five-year period and the easement to drill wells on the property will expire on January 24, 2012. With this particular property being one of the few vacant parcels in the area, a new agreement would have to be negotiated in order to meet this demand.
FISCAL & ECONOMIC IMPACT STATEMENT:

Approval of the Second Amendment to the Property Agreement will neither generate additional revenue nor result in costs to LAWA and will have no impact on the Operating Budget.

STANDARD PROVISIONS:

1. Granting of minor miscellaneous easements is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Article III, Class 5 (4) and (28), respectively, of the Los Angeles City CEQA Guidelines.

2. The subject amendment is 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 632 (c).

4. This action is not subject to the provisions of the Service Contractor Worker Retention and Living Wage Ordinances.

5. This action is not subject to the provisions of the MBE/WBE/OBE/DBE Program.

6. This action is not subject to the provisions of the Affirmative Action Program.

7. This action does not require a Business Tax Registration Certificate.

8. This action is not subject to the provisions of the Child Support Obligations Ordinance.

9. City of Ontario must submit approved insurance documents, in the terms and amounts required, prior to execution of the amendment.

10. This action is not subject to the provisions of Charter Section 1022 (Use of Independent Contractors).

11. This action is not subject to the provisions of the Contractor Responsibility Program.

12. This action is not subject to the provisions of the Equal Benefits Ordinance.

13. This action is not subject to the provisions of the First Source Hiring Program.

14. This action is not subject to the provisions of Bidder Contributions CEC Form 55.
SUBJECT: Authority to Enter into an Agreement with Clipper Creek, Inc.

Authority to enter into an agreement with Clipper Creek Inc., a grant-funded contractor, to replace obsolete electrical vehicle charging stations at Los Angeles International Airport and LA/Ontario International Airport with equipment and installation provided at no cost to Los Angeles World Airports.

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. APPROVE the agreement for replacing obsolete EV charging stations at Los Angeles International Airport and LA/Ontario International Airport.

4. FURTHER AUTHORIZE the Executive Director to execute the Agreement upon approval as to form by the City Attorney.
DISCUSSION:

1. Executive Summary

Los Angeles World Airports (LAWA) staff requests Board of Airport Commissioners' (BOAC) approval to enter into an agreement with Clipper Creek to replace obsolete electrical vehicle (EV) charging stations at Los Angeles International Airport (LAX) and LA/Ontario International Airport (ONT) with equipment and installation provided at no cost to LAWA.

LAWA will receive free equipment and installation valued up to $135,000 to replace obsolete EV charging stations. This agreement is completely funded by the California Energy Commission (CEC) through its own Alternative and Renewable Fuel and Vehicle Technology Program (Grant Agreement PON-09-006) and their contractor, Clipper Creek, will supply and install the new CS-40 Level II charging stations.

2. Prior Related Actions

LAWA was one of the initial airports to install EV charging stations and there currently 35 charging stations located at LAX in the central terminal area in P1 and P6 parking structures. Most of the chargers were installed between May 2000 and November 2001 through a Department of Water and Power (DWP) program. In January 2011, DWP replaced two legacy chargers with Coulomb Level II chargers at P1. None of the remaining chargers are compliant with the new industry standard (SAE- J1772).

ONT has six charging stations which are located in both Terminal 2 and 4 parking lots.

3. Current Action

The Commercial Development Division received numerous email and telephone requests from EV owners and users at LAX and ONT throughout 2011 inquiring about installation of new industry compliant chargers. Working with EV charger grant and supplier information provided by the Mayor's Office and DWP, LAWA staff identified three firms with federal or State grant funding to either replace or install new chargers, however one firm had a deadline that has passed. The table below provides a summary of two available grant-funded programs:

<table>
<thead>
<tr>
<th>Public Charging Station Grant Options</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grant Recipient:</td>
</tr>
<tr>
<td>Grant Name:</td>
</tr>
<tr>
<td>Grant Type:</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Equipment Provided:</td>
</tr>
<tr>
<td>Installation Service:</td>
</tr>
<tr>
<td>Value:</td>
</tr>
<tr>
<td>Signed Agreement Deadline:</td>
</tr>
</tbody>
</table>

* ECOtality verbally has extended deadline until January 2012
The Clipper Creek funding program is desirable as the deadline is not until June 1, 2012, which is a realistic timeframe for completing the necessary upgrades at LAX and ONT. This program focuses on replacing obsolete chargers and uses installation locations with existing infrastructure. The Clipper Creek grant funding also may be applied to infrastructure modifications required to install the replacement chargers. According to the CEC website, Clipper Creek completed a competitive selection process for the CEC grant funding and was the top scoring proposer in the "Electric Drive – Charging Stations Category". Clipper Creek was awarded a grant totaling $1.9 million in 2010.

Based on LAWA information, Clipper Creek has estimated that up to 30 new CS-40 chargers could be supplied and installed in LAX at no cost to LAWA. The estimated total value of receipt and installation for the 30 replacement chargers is approximately $110,000 including $87,500 of equipment and $22,500 for installation. Clipper Creek will perform site assessments at LAX and ONT in order to determine the final numbers of replacement chargers installed at both airports. LAWA will own all chargers after installation is completed. The new chargers require little maintenance except for staff to inspect them at regular intervals to ensure that they are working properly.

Simultaneously, staff is requesting an agreement with ECOtality to take advantage of all EV grant opportunities to upgrade or replace LAWA's EV charging stations.

BOAC approval is therefore requested to authorize the Executive Director to enter into an agreement with Clipper Creek Inc. for replacing obsolete EV charging stations at LAX and ONT.

4. Alternatives Considered

- **Forgo this funding opportunity**

Staff considered forgoing this funding opportunity and not executing an agreement with Clipper Creek. However, LAWA would then have to provide funding to replace obsolete EV charging stations and miss an opportunity to reduce its carbon footprint. LAWA currently does not have a capital improvement program for upgrading or adding EV chargers at its airports.

**FISCAL & ECONOMIC IMPACT STATEMENT:**

LAWA will receive free equipment and installation to replace obsolete EV charging stations through the agreement with Clipper Creek. The funding for this agreement of up to $135,000 is entirely covered under the CEC grant no. PON-09-006. Approval of this item will allow the receipt of equipment and installation valued up to $135,000 by LAWA.

As an administrative action, approval of this item will have no impact on the Los Angeles World Airports Operating or Capital budget.

**STANDARD PROVISIONS:**

1. This action, as a continuing administrative activity, is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Article II, Section 2.f of the Los Angeles City CEQA Guidelines.

2. This agreement will be approved 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 245.

4. Clipper Creek, Inc. will comply with the provisions of the Living Wage Ordinance.

5. Procurement Services reviewed this action. No specific Minority/Women Business Enterprise levels of participation were set for this project, as no subcontracting opportunities were identified.

6. Clipper Creek, Inc. will comply with the provisions of the Affirmative Action Program.

7. This action does not require a Business Tax Registration Certificate.

8. Clipper Creek, Inc. will comply with the provisions of the Child Support Obligations Ordinance.

9. Clipper Creek, Inc. must have approved insurance documents, in the terms and amounts required, on file with the Los Angeles World Airports prior to the issuance of a Notice to Proceed.

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. Clipper Creek, Inc. has submitted the Contractor Responsibility Program Questionnaire and Pledge of Compliance and will comply with the provisions of the Contractor Responsibility Program.

12. Clipper Creek, Inc. 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. Clipper Creek, Inc. will be required to comply with the provisions of the First Source Hiring Program for all non-trade LAX Airport jobs.

14. Clipper Creek, Inc. has submitted the Bidder Contributions CEC Form 55 and will comply with its provisions.
SUBJECT: Authority to Enter into an Agreement with ECOtality Inc.

Authority to enter into an agreement with ECOtality Inc., a federal grant-funded contractor, to add new and to replace obsolete electrical vehicle chargers at Los Angeles International Airport, LA/Ontario International Airport and Van Nuys Airports Airport with equipment and installation provided at no cost to Los Angeles World Airports.

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 III Class 11(8) of the Los Angeles City CEQA Guidelines.

3. APPROVE the agreement for adding new and replacing obsolete electrical vehicle chargers at Los Angeles International Airport, LA/Ontario International Airport and Van Nuys Airports Airport with equipment and installation provided at no cost to Los Angeles World Airports.

4. FURTHER AUTHORIZE the Executive Director to execute the Agreement upon approval as to form by the City Attorney.

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<thead>
<tr>
<th>Reviewed for</th>
<th>Date</th>
<th>Approval Status</th>
<th>By</th>
</tr>
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**DISCUSSION:**

1. Executive Summary

Los Angeles World Airports (LAWA) staff requests Board of Airport Commissioners' (BOAC) approval to enter into an agreement with ECOtality to add new and to replace obsolete electrical vehicle (EV) chargers at Los Angeles International Airport (LAX), LA/Ontario International Airport (ONT) and Van Nuys Airports Airport (VNY) with equipment and installation provided at no cost to Los Angeles World Airports.

LAWA will receive free equipment and installation valued up to $200,000 to add new and to replace obsolete EV chargers. This agreement is completely funded by the U.S. Department of Energy (DoE) and ECOtality. On August 5, 2009, ECOtality was awarded a $99.8 million grant by the DoE to embark on the EV Project, the largest deployment of electric vehicles and charge infrastructure in history. The Project was officially launched in October 2009 and will continue approximately 36 months. Through the American Recovery and Reinvestment Act (ARRA), the Project was expanded to Los Angeles and Washington D.C. and received an additional grant of $15 million from the DoE in June 2010. ECOtality will add new Level II and replace obsolete chargers for LAW.A.

2. Prior Related Actions

LAWA was one of the initial airports to install EV charging stations and there currently 35 charging stations located at LAX in the central terminal area in P1 and P6 parking structures. Most of the chargers were installed between May 2000 and November 2001 through a Department of Water and Power (DWP) program. In January 2011, DWP replaced two legacy chargers with Coulomb Level II chargers at P1. None of the remaining chargers are compliant with the new industry standard (SAE- J1772). There is currently no EV charger in VNY.

3. Current Action

The Commercial Development Division received numerous email and telephone requests from EV owners and users at LAX and ONT throughout 2011 inquiring about installation of new industry compliant chargers. Working with EV charger grant and supplier information provided by the Mayor's Office and DWP, LAWA staff identified three firms with federal or State grant funding to either replace or install new chargers, however one firm had a deadline that has passed. The table below provides a summary of two available grant-funded programs:

<table>
<thead>
<tr>
<th>Public Charging Station Grant Options</th>
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<tr>
<td>Grant Recipient:</td>
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<tr>
<td>Value:</td>
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<tr>
<td>Signed Agreement Deadline:</td>
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</tbody>
</table>

* ECOtality verbally has extended deadline until January 2012
The ECOtality Inc. program is desirable as the installation deadline is March 31, 2012, which is a reasonable timeframe for completing the necessary upgrades at LAX, ONT, and VNY. Additionally this program allows addition of new chargers rather than solely replacing obsolete chargers with existing infrastructure. The ECOtality Inc. grant funding can be applied to infrastructure modifications needed for adding new chargers.

Based on LAWA information, ECOtality Inc. has estimated that up to 40 Level II chargers could be supplied and installed in LAX, ONT, and VNY at no cost to LAWA. The estimated total value of receipt and installation for the 40 replacement chargers is approximately $200,000 including $127,000 of equipment and $73,000 for installation. ECOtality Inc. will perform site assessments at LAX, ONT, and VNY in order to determine the final numbers of new and replacement chargers installed at both airports. The new chargers require little maintenance except for staff to inspect them at regular intervals to ensure that they are working properly.

Simultaneously, staff is requesting an agreement with Clipper Creek to take advantage of all EV grant opportunities to upgrade or replace LAWA’s EV charging stations.

BOAC approval is therefore requested to authorize the Executive Director to enter into an agreement with ECOtality Inc. for adding new and replacing obsolete EV chargers at LAX, ONT, and VNY.

4. Alternatives Considered

- Forgo this funding opportunity

Staff considered forgoing this funding opportunity and not executing an agreement with ECOtality Inc. However, LAWA would then have to provide funding to replace obsolete EV charging stations and miss an opportunity to reduce its carbon footprint. LAWA currently does not have a capital improvement program for upgrading or adding EV chargers at its airports.

**FISCAL & ECONOMIC IMPACT STATEMENT:**

LAWA will receive free equipment and installation to replace obsolete EV chargers through the agreement with ECOtality Inc. The funding for this agreement of up to $200,000 is entirely covered by the DoE grant and ECOtality. Approval of this item will allow the receipt of equipment and installation valued up to $200,000 by LAWA.

As an administrative action, approval of this item will have no impact on the Los Angeles World Airports Capital and Operating budgets.

**STANDARD PROVISIONS:**

1. Authorization by LAWA for the installation or replacement of mechanical or electrical equipment is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Article III, Class 11(8) of the Los Angeles City CEQA Guidelines.

2. This agreement will be approved 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 245.

4. ECOtality Inc. will comply with the provisions of the Living Wage Ordinance.
5. Procurement Services reviewed this action. No specific Minority/Women Business Enterprise levels of participation were set for this project, as no subcontracting opportunities were identified.

6. ECOtality Inc. will comply with the provisions of the Affirmative Action Program.

7. This action does not require a Business Tax Registration Certificate.

8. ECOtality Inc. will comply with the provisions of the Child Support Obligations Ordinance.

9. ECOtality Inc. must have approved insurance documents, in the terms and amounts required, on file with the Los Angeles World Airports prior to the issuance of a Notice to Proceed.

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. ECOtality Inc. has submitted the Contractor Responsibility Program Questionnaire and Pledge of Compliance and will comply with the provisions of the Contractor Responsibility Program.

12. ECOtality Inc. 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. ECOtality Inc. will be required to comply with the provisions of the First Source Hiring Program for all non-trade LAX Airport jobs.

14. ECOtality Inc. has submitted the Bidder Contributions CEC Form 55 and will comply with its provisions.
SUBJECT: Survey Permit with CIC Research, Inc.

Authorize the Executive Director to execute a revocable Survey Permit with CIC Research Inc., to conduct surveys of international air travelers on behalf of the U.S. Department of Commerce, Office of Travel and Tourism at Los Angeles International Airport.

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 III, Class 6(2) 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 revocable Survey Permit with CIC Research Inc., to conduct surveys of international air travelers on behalf of the U.S. Department of Commerce, Office of Travel and Tourism at Los Angeles International Airport.

5. AUTHORIZE the Executive Director to execute the revocable survey permit after approval as to form by the City Attorney.
DISCUSSION:

1. Executive Summary

Staff requests the Los Angeles World Airports (LAWA), Board of Airport Commissioners (BOAC) approve a renewal Survey Permit to allow CIC Research Inc. to survey international passengers in the departure areas at Los Angeles International Airport (LAX). CIC Research Inc. is under contract to the U.S. Department of Commerce, Office of Travel and Tourism Industries (OTTI) to conduct the national "Survey of International Air Travelers". 2009 was the first year that CIC Research Inc. requested a permit to do surveys within LAX's Terminals. International carriers were no longer willing to devote crew time to conducting these in-flight surveys, so it became necessary to conduct them in the airport terminals.

The survey gathers statistical data about international air travel including passenger origin and destination, travel activities and expenditures, trip purpose, satisfaction with airline and airport services, and demographic information. The data is used to assist U.S. businesses to improve their competitiveness and effectiveness in the international travel market. In exchange for granting the permit, LAWA will receive LAX related data collected as part of the survey.

2. Prior Related Actions

On September 21, 2009, the BOAC approved Resolution No. 23896 for a revocable survey permit for CIC Research Inc., to conduct the "Survey of International Air Travelers" on behalf of the United States Department of Commerce, Office of Travel and Tourism at no cost to Los Angeles World Airports. This survey permit expired on December 31, 2011.

3. Current Action

The OTTI has requested a permit to conduct a continuous survey of international passengers in the departure gate areas at LAX. The agency has renewed a contract with CIC Research Inc. (CIC Research) to conduct this nationwide "Survey of International Air Travelers" on their behalf through December 31, 2016. CIC Research has been providing this service to OTTI since 1985. In the past, the survey has mainly been conducted "in-flight" with the cooperation of the international carriers; however, OTTI has now found that it is also necessary to conduct surveys in the airport hold rooms to include airlines not participating in the in-flight survey. OTTI has requested that LAWA issue a revocable permit to CIC Research to allow them access to the departure gate areas for the purposes of conducting the "Survey of International Air Travelers" through December 31, 2014. After this period, LAWA will undertake a new request to provide a new permit for two additional years.

The Survey of International Air Travelers gathers statistical data about air passengers traveling between the U.S. and overseas and Mexican markets (Canada is excluded). This program provides travel and tourism information to the travel industry, enables the Bureau of Economic Analysis (BEA) to develop Import/Export and Gross Domestic Product data for the country and serves as a cornerstone for OTTI's efforts to assist U.S. businesses to improve their competitiveness and effectiveness in the international travel market. Airports, airlines, many other government agencies and state and local tourism offices are all stakeholders in this survey.

Both Non-U.S. residents who have traveled to the U.S. and U.S. residents traveling outbound from the U.S are surveyed. Flights departing from major U.S. international gateway airports are selected and questionnaires are distributed either in-flight or in the departure gate area. The
questionnaire is available in 12 languages. An e-survey is also in limited use for passengers using internet booking engines. Information is collected on the true Origin/Destination of international passengers and the use of connecting flights, as well as trip planning, destinations visited, activities and expenditures during the visit, trip purpose, satisfaction with airline and airport services, and demographic information for each international market. The survey is conducted monthly, and results are available on a quarterly and annual basis.

This action will allow CIC Research to obtain a revocable survey permit for the purposes of conducting this particular survey for the federal government and authorize the Executive Director to execute this permit.

The general provisions of the permit are as follows:

1. CIC Research will be granted a permit to survey international air passengers in the departure areas beyond the security check points in all LAX terminals serving international routes.

2. In return for the permit, CIC Research and OTTI will provide to LAWA, at no cost, data collected from the survey pertaining to LAX.

4. Alternatives Considered

   • Other Survey Methodologies

   Up until recently, the "Survey of International Air Travelers" has been primarily conducted through the use of on-board surveys with the air carriers cooperating in distributing and collecting the survey forms while in flight. However, some key air carriers are no longer willing to devote flight crew time to distributing and collecting the questionnaire in-flight which has therefore required the OTTI and their contractor CIC Research, Inc. to seek access to the terminals in key airports nationwide in order to conduct the passenger survey and ensure that an accurate sample is collected.

   • Do Not Grant Permit

   As a program conducted by the U.S. Department of Commerce, the survey results benefit LAWA and the air travel industry overall. No costs or risks to LAWA are associated with the administration or implementation of this program and no passenger service issues have been identified. Lack of cooperation from LAWA would result in a poorer sample from LAX compared to other airports and impact the quality of the national survey results and the utility of the survey to LAWA.

FISCAL & ECONOMIC IMPACT STATEMENT:

There is no cost to LAWA connected with the approval of this survey permit other than the administrative costs to badge two surveyors. LAWA will benefit from the use of data from the survey that might otherwise be purchased.

The recommended action requires no funding and will not have a fiscal impact on LAWA's Capital or Operating Budgets.
STANDARD PROVISIONS:

1. Basic data collection, research and resource activities which do not result in disturbances to an environmental resource are exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant Article III, Class 6(2) of the Los Angeles City CEQA Guidelines.

2. The City Attorney will approve the Non-Exclusive Permit as to Form.

3. Action taken on this item by the Board of Airport Commissioners will become final pursuant to the provisions of the Los Angeles City Charter Section 245.

4. CIC Research Inc. will comply with the provisions of the Living Wage Ordinance.

5. This action is not subject to the MBE/WBE/OBE/DBE Program.

6. CIC Research Inc. will comply with the provisions of the Affirmative Action Program.

7. CIC Research Inc. has been assigned Business Tax Registration Certificate No. 0000823336.

8. CIC Research Inc. will comply with the provisions of the Child Support Obligations Ordinance.

9. CIC Research Inc. must have approved insurance documents, in the terms and amounts required, on file with Los Angeles World Airports prior to issuance of the Permit.

10. This action is not subject to the provisions of Charter Section 1022 (Use of Independent Contractors).

11. This action is not subject to the provisions of the Contractor Responsibility Program.

12. This action is not subject to the provisions of the Equal Benefits Ordinance.

13. CIC Research will be required to comply with the provisions of the First Source Hiring Program for all non-trade LAX Airport jobs.

14. This action is not subject to the provisions of Bidder Contributions CEC Form 55.
SUBJECT: Memorandum of Understanding with the Department of City Planning

Authorize the Executive Director to enter into a three-year Memorandum of Understanding between the City of Los Angeles, Department of Planning and Los Angeles World Airports in a cooperative effort to provide support in the implementation of LAX Plan Projects, the Specific Plan Amendment Study process, the update to the Northside Land Use Plan for Los Angeles International Airport and the Master Plan Amendments and other entitlements reviews for Van Nuys Airport for a total fee not to exceed $800,000.

RECOMMENDATIONS:

Management RECOMMENDS that the Board of Airport Commissioners:

1. ADOPT the Staff Report.

2. DETERMINE that this action, as a continuing administrative and personnel related activity, is exempt from the requirements of the California Environmental Quality Act (CEQA) as provided by Article II, Section 2.f of the Los Angeles City CEQA Guidelines Los Angeles City CEQA Guidelines.

3. APPROVE the three-year Memorandum of Understanding with the City of Los Angeles, Department of Planning to provide technical support to Los Angeles World Airports relating to LAX Plan Projects, SPAS, Northside Land Use Plan Update for Los Angeles International Airport and the Master Plan Amendments and other entitlements reviews for Van Nuys Airport, at a total cost not-to-exceed $800,000.

4. AUTHORIZE the Executive Director to execute the three-year Memorandum of Understanding with the Department of City Planning after review as to form by the City Attorney.
DISCUSSION:

1. Executive Summary

Staff requests the Los Angeles World Airports (LAWA) Board of Airport Commissioners (BOAC) authorize the Executive Director to execute a three-year Memorandum of Understanding (MOU) with the City of Los Angeles, Department of Planning to continue providing technical assistance required for the Los Angeles International Airport (LAX) and Van Nuys Airport (VNY) Plan Projects. This will allow LAWA to use the skills and abilities of the Department of City Planning in reviewing and processing new entitlement-related activities for existing and new projects.

2. Prior Related Actions

The Department of Planning has assisted LAWA with the LAX Master Plan since 1996 and with the VNY Master Plan since 1995. The BOAC by Resolution No. 23696 approved a three-year memorandum of understanding for a total cost not exceeding $900,000 for LAX and VNY airports for fiscal years 2009-2011 to fund one City Planner and a part-time Senior City Planner to provide technical support for LAX and VNY. The current MOU with the Department of Planning will expire on February 26, 2012.

The Department of Planning was instrumental in developing the new LAX Plan and LAX Specific Plan as well as creating a new LAX Zone and review process. They were a key element in assisting LAWA through the whole review process for the LAX Master Plan Program. They assisted in guiding the LAX Master Plan Program and the Van Nuys Airport Master Plan through the City's Planning Commission, the Advisory Agency, the Planning and Land Use Management Committee and eventually City Council. They also provided technical support to LAWA in processing both Plans through the County's Airport Land Use Commission. They continue to be a resource for implementing projects resulting from both Master Plans at LAX and at VNY Airport.

3. Current Action

LAWA is responsible for processing and implementing the Master Plan projects including the Specific Plan Amendment Study (SPAS) process, the update to the Northside Land Use Plan for LAX, the Master Plan Amendments and other Entitlement reviews for VNY. LAWA will perform all appropriate technical activities required to develop any related documents required for project review and implementation, as appropriate.

The Department of City Planning will work with LAWA on processing and reviewing the Master Plan projects and other related matters. The Department of City Planning's services shall include, but are not limited to, the tasks identified below:

- Monitor Implementation of the LAX Plan
- Disseminate Information – Outreach to the Community
- Update the Northside Land Use Plan
- Process Conditional Use Requests for Alcoholic Beverages
- Review LAX Master Plan Annual Reports
Department of City Planning staff tasks related to the Specific Plan Amendment Study include the following:

- Review proposed plan, community plan amendments and zone changes
- Attend Board of Airport Commissioners meetings
- Conduct City Planning Commission Public hearing
- Assist in preparing reports for review of the airport land use plan by the Los Angeles County Airport Land Use Commission
- Transmit any amendments to the Specific Plan to the Mayor and City Council
- Prepare and conduct Planning and Land Use Management Committee (PLUM) meeting
- Process entitlement package for approval through Planning Commission, City Council and the Mayor
- Assist in preparing and presenting entitlement package at Planning Commission and City Council hearings
- Assist in preparing final documents with recommended changes

The Department of City Planning shall submit their invoices, which would include a summary of all Services (tasks) completed during the billing period, on a quarterly basis.

For all Services (tasks) rendered and completed during the billing period, LAWA shall pay to or reimburse the City General Fund for the Department of City Planning's staff time on an hourly basis and at an hourly rate equal to the approved civil service pay schedule for each class code as established by the Los Angeles City Council and as adjusted for indirect costs based on the Cost Allocation Plan, as amended. The Cost Allocation Plan is published by the Office of the Los Angeles City Controller. The compensation amounts stated in the Plan are deemed to include all provisions for the Department of City Planning's compensation for the Services (tasks), including, and without limitation, all expenses, fringe benefits and overhead costs.

Regardless of any other provision of the MOU, it is agreed that, unless this MOU is amended, the total sums to be paid or reimbursed to the City General Fund to complete the Services (tasks) described in this MOU shall not exceed:

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<thead>
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<th>Year</th>
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<td>Third Year</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$800,000</strong></td>
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The total sum will compensate for a City Planner, a part time Senior City Planner and other appropriate staff as deemed necessary by LAWA and the Department of City Planning to perform the required Services.

Staff assigned to this MOU, and any change in staff after the work has been initiated, are subject to review and approval by LAWA. Any change in assignment may be disapproved by the Executive Director of LAWA, but the disapproval shall not be exercised so as to unreasonably deprive the Department of City Planning of its right to make appropriate work assignments.
4. Alternatives Considered

- Create Additional Full Time City Planner Position at LAWA

Staff considered creating an additional full time City Planner position at LAWA to work exclusively on these and similar programs. However, the time required to acquire a new position and train the employee would be extensive and cause project delays. Also, at the conclusion of various parts of the programs that are temporary in nature, LAWA would be left with extra full time staff with insufficient work load. Since the Department of City Planning staff is already qualified and able to perform these duties, it would appear that LAWA is better served by working directly with them on these programs.

- Hire a Consultant

Staff considered hiring a consultant with the necessary expertise to work on these programs. However, the time required to hire a consultant and train them would be extensive and cause delays to the projects. Also, a consultant would be more costly to LAWA. Since the staff of the Department of City Planning is uniquely qualified and able to perform these duties, it would appear that LAWA is better served by working directly with them on these programs.

- Not Enter Into an MOU with Department of City Planning

Staff considered not entering into an agreement with the Department of City Planning. However, if we do not enter into an MOU with the Department of City Planning, it will create delays in processing projects in the LAX Northside and will impact the timing of SPAS. Collateral development associated with the Master Plan program will be impacted and there may be delays in fulfilling the Stipulated Settlement Agreement.

**FISCAL & ECONOMIC IMPACT STATEMENT:**

Funds in the amount of $200,000 for a significant part of the first year of this three-year MOU with the Department of City Planning are available or will be made available in the Fiscal Year 2011-2012 Los Angeles World Airports Operating Budget in LAX Cost Center 1150004 – Facilities Planning, Commitment Item 520 – Contractual Services. Funding for subsequent years will be requested as part of the annual budget process.

**STANDARD PROVISIONS:**

1. This item as a continuing administrative and personnel related activity is exempt from the requirements of the California Environmental Quality Act as provided by Article II, Section 2.f of the Los Angeles City CEQA Guidelines.

2. The City Attorney will approve the MOU as to form.

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 245.

4. This action is not subject to the provisions of the Service Contractor Worker Retention and Living Wage Ordinances.
5. This action is not subject to the provisions of the MBE/WBE/OBE/DBE Program.

6. This action is not subject to the provisions of the Affirmative Action Program.

7. This action does not require a Business Tax Registration Certificate.

8. This action is not subject to the provisions of the Child Support Obligations Ordinance.

9. As a governmental agency, the City of Los Angeles is self-insured.

10. This action is not subject to the provisions of City Charter Section 1022 (Use of Independent Contractors).

11. This action is not subject to the provisions of the Contractor Responsibility Program.

12. This action is not subject to the provisions of the Equal Benefits Ordinance.

13. This action is not subject to the provisions of the First Source Hiring Program.

14. This action is not subject to the provisions of Bidder Contributions CEC Form 55.
SUBJECT: Memorandum of Agreement for Construction Services

Authorization to enter into a Memorandum of Agreement between the City of Los Angeles Department of General Services and Los Angeles World Airports for construction services in the not-to-exceed amount of $10,000,000.

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. APPROVE the Memorandum of Agreement with GSD to provide construction services in support of the Capital Improvement Program for a total amount not to exceed $10,000,000 under the terms and conditions of the Memorandum of Agreement.

4. APPROPRIATE capital funds in the not-to-exceed amount of $10,000,000 for construction services and materials.

5. Authorize the Executive Director to execute the Memorandum of Agreement after approval as to form by the City Attorney.
DISCUSSION:

1. Executive Summary

The Airports Development Group (ADG) is requesting authorization to enter into a Memorandum of Agreement (MOA) with the City of Los Angeles, Department of General Services (GSD) to provide construction services in support of the Capital Improvement Program (CIP). The scope of services will include, but not be limited to, tenant improvements, testing, abatement and monitoring of hazardous materials, masonry, mill work, structural and non-structural seismic retrofits, landscaping, parking lot paving, lighting and irrigation systems, all aspects of building construction such as demolition, painting, fire/life safety, flooring, plumbing, electrical, signage, sheet metal work and ducting, and custom stainless steel fabrications, as needed.

The term of the proposed agreement is for a period of three years with two, one-year renewal options to be exercised by the Executive Director. ADG is requesting appropriation of capital funds in the not-to-exceed amount of $10,000,000 for the construction services and associated materials and equipment.

2. Prior Related Actions

The Board of Airport Commissioners (Board) has approved similar types of agreements with other City agencies that provide support for the CIP. On September 20, 2010, By Resolution No. 24208, the Board approved a Letter of Agreement with the Los Angeles Department of Building and Safety for engineering and inspection services in the amount of $4,970,000. The Board also approved a three-year MOA with GSD for materials testing and geotechnical engineering services on May 18, 2009 by Resolution No. 23789 for an amount not to exceed $5,000,000.

3. Current Action

ADG has a number of time-sensitive terminal and landside improvement projects currently in the design stage of implementation. Some of these projects include, but are not limited to, the Terminal 3 Modernization, American's with Disabilities Act improvements, Central Terminal Area Curbside Development (New Face of CTA), and Jenny Parking Lot Development. In reviewing project schedules, ADG identified substantial components of scope on all of these projects that could be performed by the Construction Forces Division of GSD.

Under the proposed MOA, LAWA would provide GSD with a detailed description of the scope of work, estimated schedule, and other project-specific requirements. GSD would prepare for LAWA approval a comprehensive cost estimate and estimated duration for completion of the work. Once LAWA and GSD completed negotiations, LAWA would issue a Notice to Proceed and GSD would serve as a general contractor to LAWA using both in-house personnel and subcontractors to perform work authorized by LAWA.

GSD has available in-house resources and active City contracts, procured through a competitive bid process, available for much of the work anticipated. In addition, they have the authority to issue one-time bids on a fast-track procurement schedule that can secure materials and services agreements in approximately 28 days. GSD maintains an extensive database of qualified vendors who are available to provide budgetary proposals in a most expeditious manner.
As part of this agreement, GSD will provide dedicated personnel to assist LAWA in delivering the terminal and landside improvement projects. These positions include the following:

- **Building Construction & Maintenance General Superintendent** (one) responsible for managing the schedule, budget, and construction activities; sequencing the work; coordinating craft activity; preparing reports; and monitoring and controlling the effectiveness of the first- and second-level craft supervisors.

- **Construction & Maintenance Supervisors II** (two) who work under the Superintendents to oversee and coordinate the subcontractors, monitor project procurement, coordinate construction activities with other agencies and departments, and enforce rules and compliance with codes and regulations.

- **Management/Procurement Analyst II** to oversee all administrative functions including purchasing, negotiating contracts and service agreements, preparing bid documents, and ensuring procurement proceeds in a timely manner in accordance with various regulations.

- **Accounting Clerk** to perform necessary accounting transactions associated with procurement encumbrances and payments for LAWA projects.

- **Clerk Typist** to provide general office clerical work including preparing sub-contracts, subcontractor Notices to Proceed, Requests for Information, change orders, memos and other project-related documents.

The agreement does allow for the addition or deletion of positions as deemed appropriate as well as an early termination clause for the entire agreement. Before beginning work, GSD will provide a complete cost estimate for each project that will include the pro-rated cost of the positions listed above. Work shall not commence without prior written authorization by LAWA in the form of a Notice to Proceed.

**Requested Board Action**

Staff requests Board approval of the Memorandum of Agreement with General Services Construction Forces Division in the not-to-exceed amount of $10,000,000.

4. **Alternatives Considered**

- **Issue Separate Inter-Departmental Orders with GSD**
  LAWA could enter into separate Inter-Departmental Orders (IDO) for each scope of work to be performed by GSD. However, having a multi-year, not-to-exceed MOA allows LAWA more flexibility in obtaining the needed construction services and mitigating unforeseen field conditions.

- **Issue Multiple Request for Bids**
  ADG also considered issuing multiple Requests for Bids to private contractors to perform this work. Due to LAWA's need to complete many of these projects by mid-2013, an MOA with GSD offers a more efficient approach as they have the flexibility and resources to use in-house staff and sub-contractors already under contract to perform the work.
FISCAL & ECONOMIC IMPACT STATEMENT:

The Terminal 3 Modernization and Central Terminal Area Curbside Development projects are approved CIP projects. Therefore, it is requested that funds in the amount not-to-exceed $10,000,000 be allocated from the LAX Revenue Fund to WBS Elements 1.11.03-700 (T3 Modernization), 1.11.01-700 (CTA Curbside Development) and other approved Capital Projects and their respective WBS Element numbers as required.

STANDARD PROVISIONS:

1. Continuing administrative, maintenance and personnel-related activities are exempt from the requirements of the California Environmental Quality Act (CEQA) as provided by Article II, Section 2.f of the Los Angeles City CEQA Guidelines.

2. This MOA is 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 provision of Los Angeles City Charter Section 245.

4. This action is not subject to the provisions of the Service Contractor Worker Retention and Living Wage Ordinances.

5. This action is not subject to the provisions of the MBE/WBE/OBE/DBE Program.

6. This action is not subject to the provisions of the Affirmative Action Program.

7. This action does not require a Business Tax Registration Certificate.

8. This action is not subject to the provisions of the Child Support Obligations Ordinance.

9. This action is not subject to the insurance requirements of the Los Angeles World Airports.

10. This action is not subject to the provisions of City Charter Section 1022 (Use of Independent Contractors).

11. This action is not subject to the provisions of the Contractor Responsibility Program.

12. This action is not subject to the provisions of the Equal Benefits Ordinance.

13. This action is not subject to the provisions of the First Source Hiring Program.

14. This action is not subject to the provisions of Bidder Contributions CEC Form 55.
SUBJECT: Award of Contract to Electronic Data, Inc.

Authorization to award a three-year contract to Electronic Data, Inc. for hardware, software, and professional services to implement a Facilities Management System at Los Angeles World Airports in an amount not to exceed $2,554,200 and a total budget allocation of $3,954,200

RECOMMENDATION:

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 pursuant to Article II; Section 2.f of the Los Angeles City CEQA Guidelines.

3. FIND that this work can be performed more economically or feasibly by an independent contractor than by City employees.

4. APPROVE the award of a three-year contract to Electronic Data, Inc. for hardware, software, and professional services to implement a Facilities Management System at Los Angeles World Airports in an amount not to exceed $2,554,200 and a total budget allocation of $3,954,200.

5. AUTHORIZE the Executive Director to execute the contract after approval as to form by the City Attorney.
DISCUSSION:

1. Executive Summary

The Information Management and Technology Group (IMTG) and Facilities Management Group (FMG) request approval to award a three-year contract to Electronic Data, Inc. (EDI) to implement a Facilities Management System (FMS) at Los Angeles World Airports (LAWA) in an amount not to exceed $2,554,200. This action provides total budget allocation for database licenses, project management, LAWA IMTG staff salaries, and contingency in the amount of $3,954,200. IMTG provides technical and implementation support to the primary stakeholder and owner of FMS, the Facilities Management Group (FMG).

Under the proposed contract, EDI will implement an FMS using the IBM software package Maximo. A facilities management system provides an organization with a tool to track physical assets, schedule and carry-out preventive maintenance and provide detailed analysis and tracking work requests. Additional modules provide for inventory management and control, vendor tracking, fleet management and risk assessment of facilities. Initially LAWA will focus on asset tracking and work order and preventive maintenance scheduling.

2. Prior Related Actions

On May 1, 2011, LAWA approved the release of a Request for Proposals (RFP) to provide a software solution for an enterprise facilities management system.

3. Current Action

LAWA posted RFP No. 5064 to the Los Angeles Business Assistance Virtual Network (LABAVN) website on May 3, 2011 for the acquisition of a software solution that would serve as an enterprise FMS. The RFP included the following evaluation criteria:

<table>
<thead>
<tr>
<th>Evaluation Criteria</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Software Solution</td>
<td>10</td>
</tr>
<tr>
<td>2. Experience &amp; Qualifications</td>
<td>25</td>
</tr>
<tr>
<td>4. Cost</td>
<td>40</td>
</tr>
<tr>
<td>Total maximum</td>
<td>100</td>
</tr>
</tbody>
</table>

RFP responses were due by June 15, 2011. Proposals were received from seven firms. One proposer, Sierra Infosys, failed the administrative Good Faith Effort under the Minority Business Enterprise/ Women Business Enterprise (MBE/WBE) Program requirements review and was disqualified. As a result, the six remaining vendors were evaluated, scored, and invited for oral interviews on their proposals.

The Evaluation Committee included:

- Deputy Executive Director, IMTG
- Deputy Executive Director, Facilities Management Group
- Deputy Executive Director, Real Estate Services
- Deputy Executive Director, Comptroller
- Division Director, IMTG Business Application Support Division
- Assistant Division Director, Maintenance Services Division
- Chief Airports Engineer I, Facilities Engineering Division
RFP responses were due by June 15, 2011. Proposals were received from the remaining six firms ranked in this order:

- Electronic Data, Inc.
- Interloc Solutions
- JBT Aerotech
- System Development Integration, LLC (SDI)
- General Dynamics
- Total Resource Management

The Evaluation Committee ranked EDI highest based on the evaluation criteria outlined above. EDI has a great deal of experience in successfully implementing FMS solutions at major airports. As a result, they bring a seasoned and knowledgeable team of information technology professionals to assist LAWA in this effort.

The acquisition and implementation of an FMS is necessary because LAWA does not currently have a centralized automated system for managing its extensive inventory of facilities and equipment. The lack of a uniform facilities management system prevents LAWA from performing essential management tasks, such as: projecting future maintenance and replacement costs, efficiently and effectively scheduling preventive maintenance, and quickly responding to issues and work requests. As a result, LAWA cannot attain tangible direct cost benefits in the form of reduced operating expenditures by improving day-to-day facility management processes nor can it achieve even more important intangible benefits derived from improved processes, better services, and better strategic and tactical decisions. Staff estimates LAWA currently maintains over 100,000 individual assets that make up facilities, systems, and components. The new projects currently underway will increase this number by 20% to 30%.

The FMS is a foundational element for the facility management strategy being implemented by LAWA. The proposed system will initially focus on the implementing the work order module so that LAWA can maintain better situational awareness on the opening and closure of work orders, especially in the terminals which impact passengers, tenants and airlines, which is a critical piece of data needed in the Airport Resource Coordination Center (ARCC). It is estimated that implementation of the work order module will be complete six - eight months after the notice to proceed is issued.

Once the work order module is operational, LAWA will begin tracking the new assets being constructed, such as the Bradley West Terminal and the Central Utilities Plant as they become operational. By ensuring that the newest assets are properly managed from the outset, LAWA can establish a proper foundation for management and operations that will benefit these facilities for decades to come. It is anticipated that all terminal assets will be entered into the system and tracked within three years of system implementation.
4. Alternatives Considered

- Take No Action

Without a centralized system, staff will continue maintaining the existing facilities and Bradley West with existing isolated systems, staff and processes, and management processes will not improve.

**FISCAL & ECONOMIC IMPACT STATEMENT:**

The estimated expenditures for the proposed FMS follow:

<table>
<thead>
<tr>
<th>Facilities Management System</th>
<th>Estimated Costs (rounded)</th>
<th>Amount</th>
</tr>
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<tbody>
<tr>
<td><strong>Components</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hardware</td>
<td></td>
<td>$92,000</td>
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<tr>
<td>Software</td>
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<td>$597,000</td>
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<tr>
<td>Professional Services</td>
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<td>$1,158,000</td>
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<tr>
<td>Time &amp; Material Services</td>
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<td>$224,000</td>
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<tr>
<td>Years 2 &amp; 3 Warranty &amp; Maintenance*</td>
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<td>$294,000</td>
</tr>
<tr>
<td><strong>Sub-Total</strong></td>
<td></td>
<td>$2,365,000</td>
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<tr>
<td>Contingency at 8%</td>
<td></td>
<td>$189,200</td>
</tr>
<tr>
<td><strong>Total Contract Costs</strong></td>
<td></td>
<td>$2,554,200</td>
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<tr>
<td><strong>Database Costs</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Oracle DA-4448, First Amendment or successor contract)</td>
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<td>$700,000</td>
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<tr>
<td><strong>Project Management Costs</strong></td>
<td></td>
<td></td>
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<tr>
<td>(Ross &amp; Baruzzini DA-4363, Third Amendment and SDI DA-4362)</td>
<td></td>
<td>$500,000</td>
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<tr>
<td><strong>Total LAWA Salary Costs</strong></td>
<td></td>
<td>$200,000</td>
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<tr>
<td><strong>Total Budget Allocation</strong></td>
<td></td>
<td>$3,954,200</td>
</tr>
</tbody>
</table>

Please note: Costs for individual items may vary from this table. The Year 1 maintenance and support starts on receipt of the software and is included in the cost of the software purchase.

* Future maintenance and support costs are funded by the operating budget. Funding for Years 2 & 3 for those costs in the amount of $294,000 will be requested as part of the annual budget process beginning in FY 2012-13.

The total cost for the Facilities Management System is estimated at $3,954,200 which includes $3,660,200 for project costs to be funded from Capital Budget and $294,000 for Years 2 & 3 maintenance to be funded from the Operating Budget. Therefore, we request that funds in a not to exceed amount of $3,660,200 be allocated from the LAX Airport Revenue Fund to WBS Element 1.12.19-700 as required. Costs may be allocated in the future to additional Board-approved capital projects and their respective WBS elements.
STANDARD PROVISIONS:

1. This action, as a continuing administrative activity, is exempt from the requirements of the California Environmental Quality Act as provided by Article II, Section 2.f of the Los Angeles City CEQA Guidelines.

2. The contract will be approved 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 the Los Angeles City Charter Section 245.

4. Electronic Data, Inc. will comply with the provisions of the Living Wage Ordinance.

5. Procurement Services has reviewed this action (File No. 5064, RX10024556) and established a 15% combined Minority/Women Business Enterprise level of participation for this project. Electronic Data, Inc. proposes 16% combined M/WBE levels of participation. Procurement Services confirms that based on documents submitted Electronic has made a good faith effort to outreach to MBE/VBE/OBE subcontractors.

6. Electronic Data, Inc. will comply with the provisions of the Affirmative Action Program.

7. Electronic Data, Inc. has been assigned Business Tax Registration Certificate No. 0002386996-00014-2.

8. Electronic Data, Inc. will comply with the provisions of the Child Support Obligations Ordinance.

9. Electronic Data, Inc. must have approved insurance documents, in the terms and amounts required, on file with the Los Angeles World Airports prior to the issuance of a Notice to Proceed.

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. Electronic Data, Inc. has submitted the Contractor Responsibility Program Questionnaire and Pledge of Compliance and will comply with the provisions of the Contractor Responsibility Program.

12. Electronic Data, Inc. 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. Electronic Data, Inc. will be required to comply with the provisions of the First Source Hiring Program for all non-trade LAX Airport jobs.

14. This action is not subject to the provisions of Bidder Contributions CEC Form 55.
## SUBCONTRACTOR PARTICIPATION PLAN

**Project Title:** Facilities Management System

### BIDDER/PROPOSER COMPANY INFORMATION

<table>
<thead>
<tr>
<th>NAME</th>
<th>Electronic Data, Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADDRESS</td>
<td>780 Carillon Pkwy, Suite 100</td>
</tr>
<tr>
<td>CITY/STATE/ZIP</td>
<td>St. Petersburg, FL 33716</td>
</tr>
<tr>
<td>CONTACT NAME</td>
<td>Jim Lindsay, VP Sales and Marketing</td>
</tr>
<tr>
<td>TELEPHONE NO./EMAIL</td>
<td>(727) 299-9304 <a href="mailto:jilindsay@edatai.com">jilindsay@edatai.com</a></td>
</tr>
</tbody>
</table>

### BID/PROPOSAL AMOUNT

- **$1,157,898.00 for the Firm Fixed Priced Services**

### DESCRIPTION OF PROJECT SERVICES

- Facilities Management System

### SUBCONTRACTOR/SUBLESEE COMPANY INFORMATION

<table>
<thead>
<tr>
<th>NAME</th>
<th>Trinus Corporation</th>
</tr>
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<tbody>
<tr>
<td>ADDRESS</td>
<td>330 N. Brand Blvd., Suite 1050</td>
</tr>
<tr>
<td>CITY/STATE/ZIP</td>
<td>Glendale, CA 91203</td>
</tr>
<tr>
<td>CONTACT NAME</td>
<td>Sanjeev Sehgal</td>
</tr>
<tr>
<td>TELEPHONE NO./EMAIL</td>
<td>(818) 246-1143 <a href="mailto:sanjeev_sehgal@trinus.com">sanjeev_sehgal@trinus.com</a></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NAME</th>
<th>Pinetree Ridge</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADDRESS</td>
<td>10701 Call Canyon Road</td>
</tr>
<tr>
<td>CITY/STATE/ZIP</td>
<td>Los Angeles, CA 94532</td>
</tr>
<tr>
<td>CONTACT NAME</td>
<td>Beth Tripp</td>
</tr>
<tr>
<td>TELEPHONE NO./EMAIL</td>
<td>(530) 838-8888 <a href="mailto:beth@pinetreeridge.net">beth@pinetreeridge.net</a></td>
</tr>
</tbody>
</table>

### PROFILE INFORMATION

- **Group:** MBE
- **Ethnicity:** Asian American
- **Gender:** Male
- **Certifying Agency:** City of L.A., California Public Utilities Commission, Southern California Minority Business Development Council
- **$ PROPOSED:** $92,640
- **% PROPOSED:** 8%
- **Description of Project Services:** REPORT WRITING, DEVELOPMENT, INTEGRATION
- **NAICS:** 511210, 541511, 541512, 541519, 541519, 541611, 541618, 541690, 611430

<table>
<thead>
<tr>
<th>NAME</th>
<th>CalTrans</th>
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<td>ADDRESS</td>
<td></td>
</tr>
<tr>
<td>CITY/STATE/ZIP</td>
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</tr>
<tr>
<td>CONTACT NAME</td>
<td></td>
</tr>
<tr>
<td>TELEPHONE NO./EMAIL</td>
<td>(530) 838-8888</td>
</tr>
</tbody>
</table>

### PROFILE INFORMATION

- **Group:** WBE
- **Ethnicity:** Caucasian
- **Gender:** Female
- **Certifying Agency:** CalTrans
- **$ PROPOSED:** $92,640
- **% PROPOSED:** 8%
- **Description of Project Services:** REPORT WRITING, DEVELOPMENT, INTEGRATION
- **NAICS:** 541512, 541611

---

I certify under the penalty of perjury that the information contained on this form is true and correct and that the firms listed are the subcontractors/sublessees that will be utilized if this contract is awarded to the above prime. I agree to comply with any applicable Good Faith Effort provisions for substitutions and I further understand and agree that any and all changes or substitutions must be authorized by LAWA Procurement Services prior to their implementation.

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Participation Level proposed by Bidder/Proposer: 16%

Anticipated Level of Participation stated in the Request for Bid/Proposal: 16%

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Joseph T. Mahaz, President and CEO
(727) 299-9304
Report to the
BOARD OF AIRPORT COMMISSIONERS

Meeting Date:
January 23, 2012

SUBJECT: Award Contract to Admiral Weighing Systems

Award a three-year contract to Admiral Weighing Systems, Inc. for baggage scales maintenance, repair and/or replacement services for an annual amount not to exceed $250,000 and an overall amount not to exceed $750,000 at Los Angeles International Airport

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 III, Class 1(4) of the Los Angeles City CEQA Guidelines.
3. APPROVE the award of a three-year contract to Admiral Weighing Systems, Inc. for baggage scales maintenance, repair and/or replacement services for an annual amount not to exceed $250,000 and an overall amount not to exceed $750,000 at Los Angeles International Airport.
4. AUTHORIZE the Executive Director to execute the contract after approval as to form by the City Attorney.
DISCUSSION:

1. Executive Summary

Staff requests authority to award a three-year contract to Admiral Weighing Systems, Inc. for baggage scales maintenance, repair and/or replacement services for an annual amount not to exceed $250,000 and an overall amount not to exceed $750,000 at Los Angeles International Airport (LAX).

2. Prior Related Actions

There are no prior related Los Angeles World Airports (LAWA) Board of Airport Commissioners actions.

3. Current Action

The County of Los Angeles' Bureau of Weights and Measures requires that LAWA's baggage scales be serviced and calibrated monthly. During the Tom Bradley International Terminal remodel, all baggage scales were replaced approximately three years ago and the service warranty period for all of the scales has now expired. To establish a contract for baggage scales maintenance, repair and/or replacement services, staff posted a Request For Bid (RFB) for public view on the City of Los Angeles website www.labavn.org. To determine the lowest bidder, vendors were required to bid on a representative sample of the primary parts and services that LAWA will acquire through the resulting contract. Two vendors responded to Bid No. 110-184 as follows:

<table>
<thead>
<tr>
<th>Vendor</th>
<th>Bid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Admiral Weighing Systems</td>
<td>$68,801.83</td>
</tr>
<tr>
<td>Fairbanks Scales</td>
<td>$96,503.76</td>
</tr>
</tbody>
</table>

The requested contract amounts are based on historical and anticipated costs. Staff requests that the Board authorize the Executive Director to award a three-year contract to Admiral Weighing Systems, Inc. baggage scales maintenance, repair and/or replacement services at LAX.

4. Alternatives Considered

- Defer this Item

Staff considered deferring this item however, this is not a viable option. The County of Los Angeles requires LAWA to properly maintain, replace, or repair baggage scales throughout LAWA.

FISCAL & ECONOMIC IMPACT STATEMENT:

Funds for this contract are included in the Fiscal Year 2011-12 Los Angeles World Airports’ Operating Budget in LAX Cost Center 2001476 – EFM-BLD Terminal – TBIT, Commitment Item – Materials and Supplies. Funds for subsequent years will be requested as part of the annual budget process.

STANDARD PROVISIONS

1. Restoration or rehabilitation of deteriorated or damaged structures, facilities or mechanical equipment and systems to meet current standards of public health, safety and environmental protection is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Article III, Class 1(4) of the Los Angeles City CEQA Guidelines.

2. City Attorney will approve this contract as to form.
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 245.

4. This action is statutorily exempt from the provisions of the Living Wage/Service Contractor Worker Retention Ordinances.

5. Procurement Services reviewed this action (File No. 10031252). No specific Minority/Women Business Enterprise levels of participation were set for this project, as no subcontracting opportunities were identified.

6. Admiral Weighing Systems, Inc. will comply with the provisions of the Affirmative Action Program.

7. Admiral Weighing Systems, Inc. has been assigned Business Tax Registration Certificate No. 0000151029-0001-1.

8. Admiral Weighing Systems, Inc. will comply with the provisions of the Child Support Obligations Ordinance.

9. Admiral Weighing Systems, Inc. has approved insurance documents, in the terms and amounts required, on file with the Los Angeles World Airports.

10. This action is not subject to the provisions of Charter Section 1022 (Use of Independent Contractors).

11. Admiral Weighing Systems, Inc. has submitted the Contractor Responsibility Program Pledge of Compliance and will comply with the provisions of the Contractor Responsibility Program.

12. Admiral Weighing Systems, Inc. has been determined by Public Works, Office of Contract Compliance, to be in compliance with the provisions of the Equal Benefits Ordinance.

13. Admiral Weighing Systems, Inc. will be required to comply with the provisions of the First Source Hiring Program for all non-trade LAX Airport jobs.

14. Admiral Weighing Systems, Inc. has submitted the Bidder Contributions CEC Form 55 and will comply with its provisions.
SUBJECT: Award Contract to Andersen Environmental

Award a three-year contract to Andersen Environmental for clearance confirmation air monitoring for an annual amount not to exceed $75,000 at Los Angeles International Airport, an annual amount not to exceed $25,000 at LA/Ontario International Airport, an annual amount not to exceed $15,000 at Van Nuys Airport, and an overall amount not to exceed $345,000.

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 III, Class 1(4) of the Los Angeles City CEQA Guidelines.

3. APPROVE award of a three-year contract to Andersen Environmental for clearance confirmation air monitoring for an annual amount not to exceed $75,000 at Los Angeles International Airport, an annual amount not to exceed $25,000 at LA/Ontario International Airport, an annual amount not to exceed $15,000 at Van Nuys Airport, and an overall amount not to exceed $345,000.

4. AUTHORIZE the Executive Director to execute the contract after approval as to form by the City Attorney.
DISCUSSION:

1. Executive Summary

Staff requests authority for a three-year contract to Andersen Environmental for clearance confirmation air monitoring for an annual amount not to exceed $75,000 at Los Angeles International Airport (LAX), an annual amount not to exceed $25,000 at LA/Ontario International Airport (ONT), an annual amount not to exceed $15,000 at Van Nuys Airport (VNY), and an overall amount not to exceed $345,000.

2. Prior Related Actions

There are no prior related Los Angeles World Airports (LAWA) Board of Airport Commissioners actions.

3. Current Action

Clearance confirmation air monitoring is part of LAWA's ongoing maintenance program. Clearance confirmation air monitoring must be performed by qualified, licensed personnel before, during, and after abatement work. Air samples are collected within the abatement area and in any potentially hazardous areas outside the work area. Sampling methods and practices must comply with Environmental Protection Agency (EPA), Occupational Safety and Health Administration (OSHA), Federal, State and local agencies' rules, regulations, guidelines, regulatory standards and procedures. The clearance confirmation air monitoring contractor works closely with LAWA's Industrial Hygienist for proper coordination and compilation of sampling reports for LAWA's evaluation and recordkeeping.

To establish a contract for clearance confirmation air monitoring services, staff posted a Request For Bid for public view on the City of Los Angeles website www.labavn.org on June 15, 2011. Three vendors responded to Bid Number 111-015 as follows:

<table>
<thead>
<tr>
<th>Vendor</th>
<th>Bid</th>
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<tbody>
<tr>
<td>Andersen Environmental</td>
<td>$736.87</td>
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<tr>
<td>Encorp</td>
<td>$1,771.50</td>
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<tr>
<td>Alta Environmental</td>
<td>$2,926.75</td>
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</table>

The bid amounts are based on a representative sample of frequently requested services for the purpose of determining the lowest responsive bidder. The requested contract amounts are based on historical and anticipated costs.

Staff requests that the Board authorize the Executive Director to award a three-year contract to Andersen Environment for clearance confirmation air monitoring services at LAX, ONT, and VNY.

4. Alternatives Considered

- Defer this Item

Staff considered deferring this item however this is not a viable option. LAWA is committed to maintaining a safe environment for passengers and personnel and to complying with mandates established by the EPA, OSHA, federal, state and local agencies regarding air monitoring before, during, and after abatement work.

FISCAL & ECONOMIC IMPACT STATEMENT:

Funds for this contract are included in the Fiscal Year 2011-12 Los Angeles World Airports' Operating Budget in LAX Cost Center 1150064 – Buildings & Mechanical Unit, ONT Cost Center 1300006 – ONT Facilities Repair & Maintenance Section, and VNY 1400003 – VNY Maintenance Services, Commitment Item 522 – Materials and Supplies. Funds for subsequent years will be requested as part of the annual budget process.
STANDARD PROVISIONS

1. Restoration or rehabilitation of deteriorated or damaged structures, facilities or mechanical equipment and systems to meet current standards of public health, safety and environmental protection is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Article III, Class 1(4) of the Los Angeles City CEQA Guidelines.

2. Actions taken on this item by the Board of Airport Commissioners will become final pursuant to the provisions of Los Angeles City Charter Section 245.

3. City Attorney will approve this contract as to form.

4. Andersen Environmental will comply with the provisions of the Living Wage Ordinance.

5. Procurement Services has reviewed this action (File No. 10032063) and established a 15% combined Minority/Women Business Enterprise level of participation for this project. Andersen Environmental proposes 15% combined M/WBE levels of participation. Procurement Services confirms that based on documents submitted Andersen Environmental has made a good faith effort to outreach to MBE/WBE/OBE subcontractors.

6. Andersen Environmental will comply with the provisions of the Affirmative Action Program.

7. Andersen Environmental has been assigned Business Tax Registration Certificate No. 0002380241-001-1.

8. Andersen Environmental will comply with the provisions of the Child Support Obligations Ordinance.

9. Andersen Environmental 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. Andersen Environmental has submitted the Contractor Responsibility Program Pledge of Compliance and will comply with the provisions of the Contractor Responsibility Program.

12. Andersen Environmental has been determined by Public Works, Office of Contract Compliance, to be in full compliance with the provisions of the Equal Benefits Ordinance.

13. Andersen Environmental will be required to comply with the provisions of the First Source Hiring Program for all non-trade LAX Airport jobs.

14. Andersen Environmental has submitted the Bidder Contributions CEC Form 55 and will comply with its provisions.
## Subcontractor Participation Plan

**Project Title**

<table>
<thead>
<tr>
<th>Bidder/Proposer Company Information</th>
<th>Profile Information</th>
<th>Bid/Proposal Amount</th>
<th>Description of Project Services</th>
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<tr>
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<td>GROUP: MBE, DBE, OBE</td>
<td>TBD-On Call</td>
<td>clearance confirmation air monitoring srvcs at LAX, ONT and VNY airports</td>
</tr>
<tr>
<td><strong>ADDRESS</strong>: 9937 Jefferson Blvd</td>
<td>ETHNICITY: SA</td>
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</tr>
<tr>
<td><strong>City/State/Zip</strong>: Culver City CA, 90232</td>
<td>GENDER: M</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Contact Name</strong>: Dennis Ironi</td>
<td>CERTIFYING AGENCY:</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Telephone No./Email</strong>: 310-854-6300 <a href="mailto:info@andersenneviro.com">info@andersenneviro.com</a></td>
<td>ALL Agencies</td>
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<table>
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<tr>
<td><strong>NAME</strong>: EMS Laboratories Inc.</td>
<td>GROUP: WBE, MBE</td>
<td>TBD</td>
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<tr>
<td><strong>ADDRESS</strong>: 117 West Bellevue Dr.</td>
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<td><strong>City/State/Zip</strong>: Pasadena, CA, 91105</td>
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<tr>
<td><strong>Contact Name</strong>: Bernadine Kolk</td>
<td>CERTIFYING AGENCY:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Telephone No./Email</strong>: 800-675-5777 / <a href="mailto:bkolk@emslabs.com">bkolk@emslabs.com</a></td>
<td>ALL Agencies</td>
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<tr>
<td><strong>NAME</strong>: LA Testing</td>
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<td>ETHNICITY:</td>
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<td><strong>City/State/Zip</strong>: South Pasadena, CA, 91030</td>
<td>GENDER:</td>
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<tr>
<td><strong>Contact Name</strong>: Derrick Tanner</td>
<td>CERTIFYING AGENCY:</td>
<td></td>
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<tr>
<td><strong>Telephone No./Email</strong>: (800)303-0047 / <a href="mailto:dtanner@lateesting.com">dtanner@lateesting.com</a></td>
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**Revised 01/27/11**
SUBJECT: Award Contract to South Bay Ford, Inc., dba South Bay Ford Lincoln

Award a contract to South Bay Ford, Inc., dba South Bay Ford Lincoln for seven 12-passenger vans, fueled by liquefied propane for a total cost of $314,549.57, for use by the Airport Police Division at Los Angeles International Airport

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. APPROVE the award of a contract to South Bay Ford, Inc., dba South Bay Ford Lincoln for seven 12-passenger vans, fueled by liquefied propane for a total cost of $314,549.57, for use by the Airport Police Division at Los Angeles International Airport.

4. AUTHORIZE the Executive Director to execute the contract after approval as to form by the City Attorney.
DISCUSSION:

1. Executive Summary

Staff requests authority to award a contract to South Bay Ford, Inc., dba South Bay Ford Lincoln for seven 12-passenger vans, fueled by liquefied propane (LPG) for a total cost of $314,549.57, for use by the Airport Police Division (APD) at Los Angeles International Airport (LAX).

2. Prior Related Actions

On April 6, 1999, the Los Angeles World Airports (LAWA) Board of Airport Commissioners adopted an alternate fuel vehicle program (Resolution No. 20609) which established guidelines governing LAWA's identification and replacement of fossil fuel powered vehicles and equipment with alternative fuel vehicles, where possible and feasible.

3. Current Action

LAWA's Maintenance Services Division is responsible for vehicle and equipment replacement. Through this action, staff will be able to replace gasoline-powered passenger vans with over 200,000 miles and at the end of their useful life with vans fueled by LPG. Replacement of these vans will increase availability, reliability, operational safety, and delivery of services while decreasing maintenance and ownership costs.

To establish a contract for seven 12-passenger vans, on October 19, 2011, staff posted a Request For Bid for public review on the City of Los Angeles website www.labavn.org. LAWA received two responses to Bid Number 111-040 as follows:

<table>
<thead>
<tr>
<th>Vendor</th>
<th>Bid (Excluding Tax)</th>
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</thead>
<tbody>
<tr>
<td>South Bay Ford</td>
<td>$289,240.98</td>
</tr>
<tr>
<td>Frontier Ford</td>
<td>$292,928.58</td>
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The requested contract amount includes the cost of seven 12-passenger vans ($289,240.98) plus 8.75% sales tax ($25,308.59) for a total amount of $314,549.57.

Staff requests the Board authorize the Executive Director to award a contract to South Bay Ford, Inc., dba South Bay Ford Lincoln for seven 12-passenger vans for APD use at LAX.

4. Alternatives Considered

- Defer this Item

Staff considered deferring this item; however, that could result in a less than acceptable level of vehicle availability for APD.

FISCAL & ECONOMIC IMPACT STATEMENT:

Funds for this contract are included in the Fiscal Year 2011-12 Los Angeles World Airports Operating Budget in LAX Cost Center 1150042 - Construction and Maintenance-Field Sub-Division, Commitment Item 104 - Assets.

STANDARD PROVISIONS

1. This action, as a continuing administrative activity, is exempt from the requirements of the California Environmental Quality Act as provided by Article II, Section 2.f of the Los Angeles City CEQA Guidelines.
2. The City Attorney will approve the contract as to form.

3. Action taken on this item by the Board of Airport Commissioners will become final pursuant to the provisions of the Los Angeles Charter Section 245.

4. This action is statutorily exempt from the provisions of the Living Wage/Service Contractor Worker Retention Ordinances.

5. Procurement Services reviewed this action (File No. 10032528). No specific Minority/Women Business Enterprise levels of participation were set for this project, as no subcontracting opportunities were identified.

6. South Bay Ford, Inc. dba South Bay Ford Lincoln will comply with the provisions of the Affirmative Action Program.

7. South Bay Ford, Inc. dba South Bay Ford Lincoln has been assigned Business Tax Registration Certificate No. 168249-0001-2.

8. South Bay Ford, Inc. dba South Bay Ford Lincoln will comply with the provisions of the Child Support Obligations Ordinance.

9. This action is not subject to the insurance requirements of the City of Los Angeles.

10. This action is not subject to the provisions of Charter Section 1022 (Use of Independent Contractors).

11. South Bay Ford, Inc. dba South Bay Ford Lincoln has submitted the Contractor Responsibility Program Questionnaire and Pledge of Compliance and will comply with the provisions of the Contractor Responsibility Program.

12. This action is not subject to the provisions of the Equal Benefits Ordinance.

13. This action is not subject to the provisions of the First Source Hiring Program.

14. South Bay Ford, Inc. dba South Bay Ford Lincoln has submitted the Bidder Contributions CEC Form 55 and will comply with its provisions.
SUBJECT: Agreement with Texas Engineering Extension Service

Sole-source agreement with Texas Engineering Extension Service for training in Enhanced Incident Management and Unified Command for up to 52 first responders in the amount of $206,136.

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. APPROVE the agreement with Texas Engineering Extension Service for training in Enhanced Incident Management and Unified Command for up to 52 first responders in the amount of $206,136

4. AUTHORIZE the Executive Director to execute the agreement upon approval as to form by the City Attorney.
DISCUSSION:

1. Executive Summary

Staff requests the Board of Airport Commissioners approve the sole-source agreement to the Texas Engineering Extension Service (TEEX) for Training in Enhanced Incident Management and Unified Command for up to 52 participants in the amount of $206,136. LAWA employees participating will include 40 Los Angeles World Airports (LAWA) staff from Airport Operations, Airport Police, Facilities Management, and Information Technology divisions. Invitations for up to 12 individuals to participate in the joint training exercise will be extended to:

- Los Angeles City Fire Department
- Los Angeles Police Department
- Los Angeles Department of Emergency Management
- Federal Aviation Administration
- Transportation Security Administration
- Customs and Border Protection
- Select airlines.

2. Prior Related Actions

There are no prior related Board actions.

3. Current Action

Staff requests the Board approve the sole-source agreement for a training course that would be customized to an airport-specific scenario for an inter-agency training exercise. The training would be provided by TEEX, which is part of the Texas A&M University System.

The scope of this course addresses a number of priorities and capabilities that the Department of Homeland Security (DHS) encourages state and local jurisdictions to establish. TEEX will provide a course that will directly enhance the skill sets of first responders specializing in emergency operations.

TEEX provides computer-simulated exercises to incident commanders and decision-makers in a real-world, fully functional Emergency Operations Center. The Jurisdictional Crisis Incident Management for Incident Command Post (ICP) Course was developed by TEEX to fill a void in the national training framework.

This training will:

1) ensure personnel receive professionally delivered simulation-based training and participate in exercises;
2) practice the incident management and decision-making skills necessary to respond effectively to incidents of all levels of complexity;
3) provide a brief overview of emergency response considerations and methodologies of the Incident Command System in a unified command structure, followed by multiple iterations of computer-driven simulated scenarios;
4) offer individuals a snapshot of incident and resource management requirements needed in order to respond to a large-scale disaster;
5) exercise incident management skills, staff responsibilities, and related decision-making requirements. Each staff position is integrated into a unified command structure within the ICP.

For LAWA, the course will further discuss and exercise the daily operations of the ARCC and how it relates to the ICP and IMC activation.

The course would be given over a three and one-half day session at the TEEX Emergency Operations Training Center, in College Station, Texas.

4. Alternatives Considered

- Release a Request for Proposal (RFP) for these training services

Staff researched other sources for obtaining this training and determined that only one other facility located in Maryland had the capability to provide a similar training course. Staff contacted the Maryland facility and was advised that their training calendar was booked through the end of calendar year 2012. If an RFP seeking other training options were released, staff believes that no suitable responses would be submitted.

FISCAL & ECONOMIC IMPACT STATEMENT:

Funds for this training are included in LAWA’s Fiscal Year 2011-2012 Operating Budget in LAX Cost Center 1160113 – Operations and Emergency Management DED, Commitment Item 521 – Administrative Services. The cost for the training course is included in the $206,136 amount, but excludes travel. Other agencies invited to participate in the training will cover the travel costs for their respective employees.

STANDARD PROVISIONS:

1. Continuing administrative and personnel related activities are exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Article II, Section 2.f of the Los Angeles City CEQA Guidelines.

2. City Attorney will approve the agreement as to form.

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 245.

4. This action is not subject to the provisions of the Service Contractor Worker Retention and Living Wage Ordinances.

5. This action is not subject to the provisions of the MBE/WBE/OBE/DBE Program.

6. This action is not subject to the provisions of the Affirmative Action Program.

7. Texas Engineering Extension Service must submit a Business Tax Registration Certificate number prior to execution of the Agreement.
8. This action is not subject to the provisions of the Child Support Obligations Ordinance.
9. This action is not subject to the insurance requirements of the Los Angeles World Airports.
10. This action is not subject to the provisions of City Charter Section 1022 (Use of Independent Contractors).
11. This action is not subject to the provisions of the Contractor Responsibility Program.
12. This action is not subject to the provisions of the Equal Benefits Ordinance.
13. This action is not subject to the provisions of the First Source Hiring Program.
14. This action is not subject to the provisions of Bidder Contributions CEC Form 55.
SUBJECT: Approval of Fifth Amendment to Concession Agreement with Lenlyn Limited dba ICE Currency Services

Approve Fifth Amendment to Concession Agreement No. LAA-7621 with Lenlyn Limited dba ICE Currency Services, USA to extend currency services at Los Angeles International Airport and LA/Ontario International Airport an additional three years, which will generate $6,305,000 in revenue the first year and $19,371,000 over the proposed three-year extension period.

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 III, Class 1 (18)(c) of the Los Angeles City CEQA Guidelines.
3. APPROVE the proposed Fifth Amendment to Concession Agreement No. LAA-7621 with Lenlyn Limited dba ICE Currency Services, USA at Los Angeles International Airport and LA/Ontario International Airport, which will generate $6,305,000 in the first year and $19,371,000 over the proposed three-year extension period.
4. AUTHORIZE the Executive Director or her designee to execute the proposed Fifth Amendment to the Concession Agreement with Lenlyn Limited dba ICE Currency Services, USA at Los Angeles International Airport and LA/Ontario International Airport upon approval as to form by the City Attorney and upon approval by the Los Angeles City Council.
DISCUSSION:

1. Executive Summary

The current Currency Exchange Concessions Agreement expires February 28, 2012. Staff considered releasing a Request for Proposals (RFP) to secure a replacement operator, but the number of terminal construction projects planned at Los Angeles International Airport (LAX) over the next three years creates uncertainty about future currency exchange operations that limit the ability to develop a comprehensive RFP. Therefore, staff requests the Board of Airport Commissioners (Board) approve the proposed Fifth Amendment to Lenlyn Limited dba ICE Currency Services, USA (ICE Currency Services) Concession Agreement LAA-7621 (Agreement). Execution of the Fifth Amendment will extend the Agreement by three years and revise the Minimum Annual Guarantee (MAG). Approval of this amendment will result in revenue to Los Angeles World Airports (LAWA) of approximately $19,371,000 over the three years of the proposed Amendment.

2. Prior Related Actions

On April 1, 1997, the Board approved a concession agreement for ICE Currency Services to provide currency exchange and business center service at LAX and LA/Ontario International Airport (ONT) for a term of five years with five one-year renewal options (Board Order AO-4596). The Agreement was executed January 4, 1999.

On August 11, 2003, the Board authorized exercising the five one-year options to the Agreement, which extended the Agreement expiration date to December 31, 2008 (Board Order AO-4883).

On November 17, 2008, the Board authorized a three-year extension to the Agreement, which established a revised expiration date of February 28, 2012 (Board Order AO-5109).

3. Current Action

Staff requests the Board approve and authorize the Executive Director to execute the Fifth Amendment to Agreement LAA-7621 with ICE Currency Services subject to approval as to form by the City Attorney and approval by the Los Angeles City Council.

Staff requests extending this Agreement because there are multiple construction projects scheduled in the passenger terminals at LAX over the next three years, including new concessions. These construction projects will alter terminal facilities and concession locations, which creates uncertainty about future currency exchange operations and hinders development of an effective RFP. Staff believes it will be more effective to defer release of a solicitation for a new currency exchange operator until after future currency exchange locations are more certain and the major concessions renovation work is completed in the terminal facilities at LAX.

Also, the Agreement has financial benefit for LAW A because it contains favorable revenue terms. The most recent amendment to the Agreement set the Minimum Annual Guarantee (MAG) at $6,305,000 for the first year, $6,457,000 for the second year, and $6,609,000 for the third year, which is the highest amount paid for currency exchange operations at United States airports. The Agreement also allows the Executive Director to review and approve the exchange rates and transaction fees charged by the operator.
Key Components of the Fifth Amendment are:

**Term of Concession Agreement**
The Fifth Amendment extends the term by three years from March 1, 2012 through February 28, 2015. Either party may terminate the Agreement with or without cause upon 30 day written notice not within the first 12 consecutive months immediately following execution of the Fifth Amendment.

**Minimum Annual Guarantee (MAG)**
The proposed amendment will reset the MAG the level established in the prior amendment, which still exceeds the amount received for currency exchange services at all US airports, even though LAX ranks third in international travel and transactions. The proposed MAG for the three year extension is:

- Year 1 $6,305,000
- Year 2 $6,457,000
- Year 3 $6,609,000

**Relocation of Premises**
In lieu of a capital investment requirement, ICE Currency Services will bear any relocation and improvement costs that result from the concessions redevelopment plan in Terminals 1, 2, 3, 6 and TBIT.

**Additional Payment to LAWA**
Upon execution of the Fifth Amendment, ICE Currency Services will pay an additional monthly payment of $5,555.56 ($200,000/36 months) until termination of this Amendment to LAWA in lieu of being required to make capital improvements to the currency exchange locations.

Staff requests that the Board approve the proposed Fifth Amendment to Concession Agreement No. LAA-7621 with ICE Currency Services, subject to approval as to form by City Attorney and approval by the Los Angeles City Council.

4. **Alternatives Considered**

- **Release a new solicitation for currency exchange services**

  The current currency exchange Agreement expires February 28, 2012. LAWA considered releasing an RFP for future currency exchange services. However, the number of terminal construction projects, including concessions renovations planned for the next three years created too much uncertainty relative to the currency exchange operation to develop a meaningful RFP.

**FISCAL & ECONOMIC IMPACT STATEMENT:**

Approval of this item will allow LAWA to receive approximately $19,371,000 in revenue over the three contract extension years and $200,000 upon execution of the amendment.
STANDARD PROVISIONS:

1. The issuance of permits, leases, agreements, and renewals, amendments or extensions thereof, or any other entitlements granting use of existing facilities at a municipal airport is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Article III, Class 1 (18)(c) of the Los Angeles City CEQA Guidelines.

2. Execute the Fifth Amendment to Concession Agreement LAA-7621 after approval as to form by 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 606.

4. ICE is required by contract to comply with the provisions of the Living Wage and Service Contractor Worker Retention Ordinances.

5. Procurement Services reviewed this action (File No. 5500) and established a goal of 10.75% Airport Concessions Disadvantaged Business Enterprise Program (ACDBE) participation. ICE proposed 10.75% ACDBE participation and has achieved 11% level of participation to date.

6. ICE is required by contract to comply with the provisions of the Affirmative Action Program.

7. ICE has been assigned Business Tax Registration Certificate No. 906794-21.

8. ICE is required by contract to comply with the provisions of the Child Support Obligations Ordinance.

9. ICE 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 this contract can be performed more feasibly and economically by Independent Contractors than by City employees.

11. ICE has submitted the Contractor Responsibility Program Pledge of Compliance and will comply with the provisions of the Contractor Responsibility Program.

12. ICE has been determined by Public Works, Office of Contract Compliance to be in compliance with the provisions of the Equal Benefits Ordinance.

13. ICE will be required to comply with the provisions of the First Source Hiring Program for all non-trade LAX Airport jobs.

14. This item is not subject to the provisions of Bidder Contributions CEC Form 55.
## Sub-Contractor Utilization Status

**Lenlyn LTD. DBA ICE Currency Services**

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<tr>
<th>Sub-Contractor Information</th>
<th>Status Participation</th>
<th>Proposed % Level of Participation</th>
<th>Amt ($) to-date (Invoiced/Gross Receipts)</th>
<th>% Utilized to-date</th>
<th>Brief Description of Project Services</th>
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<td>12,358,942.14</td>
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<td>Foreign Currency Exchange Service</td>
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<tr>
<td>520 South Grand Ave., Suite L100, Los Angeles, CA 90071</td>
<td>No</td>
<td>ASIAN</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Mahesh Patel (213)627-5404</td>
<td>MALE</td>
<td>523130</td>
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</tbody>
</table>

*Profile Information:

NOTE THAT THIS FORM MUST BE SIGNED BY THE PRIME CONTRACTOR

Bharat Shah
(310)447-3437, bharat@iceamerica.net

Signature
SUBJECT: Approval of First Amendment LAA-8388 to Mercury Air Cargo, Inc. and Approval of Building Rental Rates

Approve First Amendment to extend the term an additional nine years and seven months with Mercury Air Cargo, Inc. for land and a cargo building located at 6040 Avion Drive at Los Angeles International Airport that will generate approximately $4,311,118 in revenue during the first year, and at least $41,314,880 over the amended term, exclusive of any fair market rate adjustments.

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 III Class 1(18)(c) of the Los Angeles City CEQA Guidelines.

3. APPROVE First Amendment of Lease with Mercury air Cargo, Inc. that will generate approximately $4,311,118 in annual revenue to Los Angeles World Airports.

4. APPROVE rental rate for the 6040 Avion Drive facility as referenced in this report.

5. AUTHORIZE the Executive Director to execute the First Amendment as to form by the City Attorney and approval by the Los Angeles City Council.
DISCUSSION:

1. Executive Summary

Staff requests that the Board of Airport Commissioners (Board) approve the First Amendment to Lease LAA-8388 with Mercury Air Cargo, Inc. (MAC) to extend the term until September 30, 2021, an additional nine years and seven months. The building is a 206,523 square-foot cargo facility located at 6040 Avion Drive, at Los Angeles International Airport (LAX). This Lease will generate approximately $4,311,118 in revenue to Los Angeles World Airports (LAWA) during the first year which is an increase of over 12% over the current rent. The Lease will generate at least $41,314,880 over the amended term, exclusive of any fair market rate adjustments.

2. Prior Related Actions

In 1996, the Board approved a five-year Lease (LAA-7574) with MAC for the cargo facility at 6040 Avion Drive at LAX. MAC invested approximately $11,000,000 in the facility.

In July 2000, the Board approved a first amendment to LAA-7574 to extend the Lease term by five years to allow MAC to fully amortize its capital investment. This approval allowed LAWA to avoid having to reimburse MAC for unamortized capital improvements of over $2,000,000 at the end of the initial five-year term. The extended term expired on June 16, 2006.

On January 22, 2007, the Board approved a new five-year Lease (LAA-8388) with MAC. This Lease will expire on February 29, 2012.

3. Current Action

Staff requests approval of a First Amendment to the Lease with MAC. The proposed Amendment will extend the Lease term by nine years and seven months, making the Lease co-terminus with the lease for the adjacent parcel currently under lease with Raytheon. This will provide LAWA the option to redevelop approximately 12 contiguous acres of land and improvements upon Lease expiration in 2021.

The Amendment will generate approximately $4,311,118 in revenue during the first year and at least $41,314,880 over the amended term, exclusive of any fair market rate adjustments. MAC will also provide a retro payment of approximately $332,546 for retroactive building rent to LAWA. MAC has agreed to all standard LAWA lease terms.
The table below provides a summary of key elements of the current and proposed terms.

<table>
<thead>
<tr>
<th>LAA 8388 Lease Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Term:</td>
</tr>
<tr>
<td>Commencement:</td>
</tr>
<tr>
<td>Current: March 1, 2007</td>
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<tr>
<td>Expiration:</td>
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<tr>
<td>Current: February 29, 2012</td>
</tr>
<tr>
<td>Cancellation Provision:</td>
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<tr>
<td>Current: 30-Day Notice</td>
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<tr>
<td>Proposed:</td>
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<tr>
<td>Execution by Ex. Director: September 30, 2021</td>
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</tbody>
</table>

Demised Premises:
- Cargo Land: 280,311 SF *283,017
- Warehouse/Office: 159,201 SF *174,786 SF
- Hangar: 46,919 SF *31,737 SF
- Auto Paving: 100,397 SF *103,103

Rent:
- Cargo Land: $2.80 SF/YR $2.80 SF/YR
- Warehouse/Office: $15.16984 SF/YR $17.35 SF/YR
- Hangar: $11.37738 SF/YR $14.00 SF/YR
- Auto Paving: $0.36821 SF/YR No change

*Square footage changes based on recent building and Leasehold survey.

Land and paving rates reflect current Board-approved rates. Building rates are triple net and reflect market rents for similar improvements at LAX. MAC has agreed to all rental rates. MAC will be responsible for all utilities and building maintenance, including roof and structural maintenance. All rental rates will be subject to annual adjustments based on the Consumer Price Index (CPI), with a minimum increase of two percent.

Staff requests that the Board approve the proposed amendment and approve the proposed building rental rates, as referenced in this report, and authorize the Executive Director to execute the amendment after approval as to form by the City Attorney and approval by the City Council.

4. Alternatives Considered

- **Leasing the premises to a different tenant**
  MAC is a well-established aeronautical cargo tenant at LAX. For the past 50 years, MAC has remained in good standing. Additionally, in 2009 MAC invested $1,300,000 to build a 12,700 square-foot refrigeration unit that is the largest on-airport refrigeration unit on the West Coast.

  Furthermore, as provided for in the LAWA Leasing Policy, aeronautical tenants are provided the opportunity to negotiate leases with LAWA for premises covered under an existing lease. MAC has agreed to terms acceptable to LAWA relative to rent, conditions and term. As such, leasing to an alternative tenant is not warranted in this situation.

- **Not leasing the premises**
  Not leasing the premises would be an option if LAWA needed to use this facility for its own purposes. At this time, LAWA does not have a need for the premises and LAWA would not realize the revenue generated from leasing the facility.
FISCAL & ECONOMIC IMPACT STATEMENT:

Approval of this item will generate approximately $4,311,118 in revenue during the first year and at least $41,314,880 over the amended term, exclusive of any fair market rate adjustments.

Approval of this action will have no impact on the Los Angeles World Airports Capital or Operating Budgets.

STANDARD PROVISIONS:

1. The issuance of permits, leases, agreements, and renewals, amendments or extensions thereof, involving negligible or no expansion of use beyond that previously existing or permitted is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Article III, Class 1(18)(c) of the Los Angeles City CEQA Guidelines.

2. This item is subject to approval 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 606.

4. Mercury will comply with the provisions of the Living Wage Ordinance.


6. Mercury will comply with the provisions of the Affirmative Action Program.

7. Mercury has been assigned Business Tax Registration Certificate No. 0000707543.

8. Mercury will comply with the provisions of the Child Support Obligations Ordinance.

9. Mercury must have approved insurance documents, in the terms and amounts required, on file with Los Angeles World Airports prior to execution of the Lease agreement.

10. This action is not subject to the provisions of City Charter Section 1022 (Use of Independent Contractors).

11. Mercury has submitted the Contractor Responsibility Program Pledge of Compliance and will comply with the provisions of the Contractor Responsibility Program.

12. Mercury has been determined by Public Works, Office of Contract Compliance, to be in full compliance with the provisions of the Equal Benefits Ordinance.

13. Mercury will be required to comply with the provisions of the First Source Hiring Program for all non-trade LAX Airport jobs.

14. This action is not subject to the provisions of Bidder Contributions CEC Form 55.
SUBJECT: Consent to Assignment and Assumption of Contract No. DA-4567 to reflect a contractor name change from Linc Facility Services, LLC, to ABM Facility Services, Inc.

Approve Consent to Assignment and Assumption of Contract DA-4567 to reflect a contractor's name change from Linc Facility Services, LLC, to ABM Facility Services, Inc. as a result of the contractor's merger and reorganization.

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. APPROVE Consent to Assignment and Assumption of Contract DA-4567 to reflect contractor's name change from Linc Facility Services, LLC, to ABM Facility Services, Inc.

4. AUTHORIZE the Executive Director to execute the Consent to Assignment and Assumption of Contract DA-4567 after approval as to form by the City Attorney.
DISCUSSION:

1. Executive Summary

Staff requests Board of Airport Commissioners (Board) approval of the Consent to Assignment and Assumption of Contract DA-4567 with Linc Facility Services, LLC. This will reflect the name change of Linc Facility Services, LLC to ABM Facility Services, Inc. The contractor will continue to provide site and facility maintenance for LAWA’s Palmdale land holdings, including Site 9.

2. Prior Related Actions

On December 6, 2010, under Resolution No. 24310, the Board authorized award of Contract DA-4567, a three-year contract with a two-year renewal option, to Linc Facility Services, LLC, for property management services at LAWA’s land holdings and improvements near the City of Palmdale for a not-to-exceed annual amount of $2,500,000.

3. Current Action

Linc Facility Services, LLC merged with an affiliate named ABM Engineering Services Company and changed its name to ABM Facility Services, Inc. (ABM). ABM, the survivor of the merger is owned by The Linc Group, which is owned by ABM Industries Incorporated.

Staff requests approval for the Consent to Assignment and Assumption of Contract DA-4567 to reflect contractor’s name change from Linc Facility Services, LLC, to ABM Facility Services, Inc.

4. Alternatives Considered

No alternatives were considered as this action is necessary to comply with contract provisions.

FISCAL & ECONOMIC IMPACT STATEMENT:

Approval of this item is an administrative action and will have no fiscal impact on the Fiscal Year 2011-12 Los Angeles World Airports Operating Budget.

STANDARD PROVISIONS:

1. This action, as a continuing administrative activity is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Article II, Section 2.f of the Los Angeles City CEQA Guidelines.

2. The Consent to Assignment and Assumption of Contract DA-4567 is subject to approval as to form by the City Attorney.

3. Action taken on this item by the Board of Airport Commissioners will become final pursuant to the provisions of Los Angeles Charter Section 245.

4. Procurement Services reviewed this action (Files No. 3513 and DA-4567) and established a 10% combined Minority/Women Business Enterprise (M/WBE) level of participation for the project.

Linc Facility Services, LLC successfully performed a good faith effort outreach and proposed 25%
M/WBE subcontracting participation for security patrol services. During contract negotiations, LAWA removed security patrol services from the scope of services. As a result, Linc's M/WBE subcontracting participation is reduced to 0%. PSD confirms that based on documents submitted, Linc Facility Services, LLC made a good faith effort to outreach to MBE/WBE/Other Business Enterprise subcontractors. Consequently, ABM Facility Services, Inc. subcontracting participation level is 0%.

5. ABM Facility Services, Inc. will comply with the provisions of the Affirmative Action Program.

6. ABM Facility Services, Inc. must submit a Business Tax Registration Certificate prior to execution of the contract.

7. ABM Facility Services, Inc. will comply with the provisions of the Child Support Obligations Ordinance.

8. ABM Facility Services, Inc. must have approved insurance documents, in the terms and amounts required, on file with the Los Angeles World Airports prior to execution of the Consent to Assignment.

9. This action is not subject to the provisions of City Charter Section 1022 (use of Independent Contractors).

10. ABM Facility Services, Inc. must submit the Contractor Responsibility Program Pledge of Compliance and comply with the provisions of the Contractor Responsibility Program.

11. ABM Facility Services, Inc. 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 Consent to Assignment.

12. This action is not subject to the provisions of the First Source Hiring Program.

13. ABM Facility Services, Inc. will be required to comply with the provisions of the Bidder Contributions CEC Form 55.
SUBJECT: Board action delegating multi-year contracting authority to the Executive Director per Los Angeles City Administrative Code Section 10.1.1, as amended.

Board action delegating multi-year contracting authority to the Executive Director under the following conditions:

(1) The contract is not for personal services; and
(2) The contract does not obligate the City for a term of longer than three years including all extensions, renewals and amendments; and
(3) The contract does not involve consideration reasonably valued in excess of One Hundred-Fifty Thousand Dollars ($150,000) annually.

RECOMMENDATIONS:

Management RECOMMENDS that the Board of Airport Commissioners:

1. DETERMINE that this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Article II, Section 2.n of the Los Angeles City CEQA Guidelines.

2. Amend prior Board of Airport Commission Resolution No. 23477 that authorized the Executive Director to contract on behalf of the Department of Airports where an individual contract does not exceed $150,000 and/or one year in term to further authorize the Executive Director to enter into multi-year contracts under the following conditions:

   (1) The contract is not for personal services; and
(2) The contract does not obligate the City for a term of longer than three years including all extensions, renewals and amendments; and
(3) The contract does not involve consideration reasonably valued in excess of One Hundred-Fifty Thousand Dollars ($150,000) annually.

DISCUSSION:

1. Executive Summary

Due to the construction program in progress at Los Angeles International Airport (LAX), it is in the City of Los Angeles and the Department of Airports (Department) best interest to streamline the procurement process for awarding of contracts for the purchase of equipment, materials, supplies and services that support routine operational and maintenance requirements. By granting the Executive Director a multi-year contracting authority, contracts to meet ongoing operational and maintenance requirements can be procured more efficiently, allowing Executive Management and the Board of Airport Commissioners to focus on major contracts related to the LAX Development Program, as well as business development and revenue generating concessions programs.

2. Prior Related Actions

On December 6, 2010, the Board of Airport Commissioners adopted Resolution No. 24316, requesting the City Council to amend Los Angeles City Administrative Code Section 10.1.1 to allow the Board to authorize the Executive Director of the Department to enter into multi-year contracts where the contract does not obligate the City for a longer period of time than three years and the contract does not involve consideration reasonably valued in excess of $150,000, annually.

On April 27, 2011, the Los Angeles City Council adopted a Motion (Item No. 16A) requesting the City Attorney draft an ordinance amending the Los Angeles Administrative Code as the Board requested, with the caveat that the expanded Executive Director contracting authority not be inclusive of personal contracts. Thereafter, on December 13, 2011, the Los Angeles City Council enacted Ordinance No. 181967, effective January 22, 2012, amending Section 10.1.1 of Article 1, Chapter 1 of Division 10 of the Los Angeles Administrative Code to add a new Subsection (c) to allow the Board to authorize the General Manager of the Department of Airports to enter into multi-year contracts that would otherwise require approval by the Board.

3. Current Action

This report requests the Board to amend Resolution No. 23477, which authorized the Executive Director to contract on behalf of the Department where individual contract does not exceed $150,000 and one year in term, to further authorize the Executive Director to enter into multi-year contracts on behalf of the Department with the following conditions:

(1) The contract is not for personal services; and
(2) The contract does not obligate the City for a term of longer than three years including all extensions, renewals and amendments; and
(3) The contract does not involve consideration reasonably valued in excess of One Hundred-Fifty Thousand Dollars ($150,000) annually.
In compliance with the City Council Ordinance No. 181967, the Board further directs the Executive Director submit a report quarterly identifying all contracts, including the dollar value involved in each contract, authorized pursuant to the provisions of this resolution. Furthermore, three years after the January 22, 2012 effective date of Ordinance No. 181967, the Department must also submit a report to the Board, the Mayor, and the City Council evaluating the effects and benefits of the authority granted by the provisions of the expanded contracting authority. The report must include a recommendation regarding whether to continue with the provisions of this expanded contracting authority.

4. Alternatives Considered

Not adopting resolution

Not amending the existing contracting authority resolution would leave the Department in the current inefficient procurement predicament where any contract of longer duration of one year at any contract value and any contract, including those for routine maintenance, materials, supplies and servicers with an overall value of $150,000, must be approved by the Board. This predicament requires the Board to spend valuable time reviewing contracts of a low-dollar value, of a routine and low-risk nature, instead of focusing on reviewing contracts in support of major projects and programs. Additionally, the current procurement predicament requires staff to spend excessive time preparing of Board agenda items related to low-dollar value and routine contracts, time that could be better used procuring contracts for major projects and programs.

FISCAL & ECONOMIC IMPACT STATEMENT:

No direct financial impact on the Department can be quantified yet for the implementation of the expanded Executive Director contracting authority. However, staff expects significant operational and administrative efficiencies with the expanded contracting authority. Many resultant changes do have a fiscal impact through allowing the Department to eliminate a significant number of reports to the Board for routine contracts which, in turn, would allow staff (operational, maintenance, procurement, legal and administrative) to re-direct work efforts to higher-value, major projects, including construction and revenue-producing opportunities. In addition, there is potential for savings on the procurement of goods and services as individual annual contracts can be consolidated into multi-year contracts, thus taking advantage of volume discounts and economies of scale.

STANDARD PROVISIONS:

1. General policy procedure making is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Article II, Section 2.n of the Los Angeles City CEQA Guidelines.

2. The City Attorney has approved this report as to form.

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 245.

4. This action is not subject to the provisions of the Service Contractor Worker Retention and Living Wage Ordinances.
5. This action is not subject to the provisions of the MBE/WBE/OBE/DBE Program.

6. This action is not subject to the provisions of the Affirmative Action Program.

7. This action does not require a Business Tax Registration Certificate.

8. This action is not subject to the provisions of the Child Support Obligations Ordinance.

9. This action is not subject to the insurance requirements of the Los Angeles World Airports.

10. This action is not subject to the provisions of City Charter Section 1022 (Use of Independent Contractors).

11. This action is not subject to the provisions of the Contractor Responsibility Program.

12. This action is not subject to the provisions of the Equal Benefits Ordinance.

13. This action is not subject to the provisions of the First Source Hiring Program.

14. This action is not subject to the provisions of Bidder Contributions CEC Form 55.
SUBJECT: Administrative Action

To update Los Angeles World Airports' signature authority to reflect current executive staffing

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. AUTHORIZE Deputy Executive Director Arif Alikhan to sign official documents and communications of Los Angeles World Airports.

4. AMEND Board Resolution Nos. 24086 and 23677 to delete the signature authority of former Deputy Executive Director Michael Molina.
DISCUSSION:

1. Executive Summary

   This action will modify the signature authority for executive staff at Los Angeles World Airports (LAWA).

2. Prior Related Actions

   LAW A updates the signature authority by which all official documents and communications of the Department of Airport shall be signed as changes occur in senior management staffing.

   On December 1, 2008, the Board of Airport Commissioners (BOAC), through Resolution No. 23677 granted Michael Molina signature authority. On April 19, 2010, the BOAC, through Resolution No. 24086, amended Resolution No. 23677 to reflect Michael Molina's signature authority as a Deputy Executive Director.

3. Current Action

   Staff requests BOAC authorization to grant Deputy Executive Director Arif Alikhan signature authority. Staff further requests that the BOAC amend Resolution No. 23677 and Resolution No. 24086 to delete the signature authority of Michael Molina.

4. Alternatives Considered

   This is an administrative action and there are no alternatives to this action.

FISCAL & ECONOMIC IMPACT STATEMENT:

Approval of this item is an administrative action and will have no fiscal impact on the Los Angeles World Airports' Capital or Operating Budgets.

STANDARD PROVISIONS:

1. This action, as a continuing administrative activity, is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Article II, Section 2.f of the Los Angeles City CEQA Guidelines.

2. This item does not require City Attorney approval of document as to form.

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 245.

4. This action is not subject to the provisions of the Service Contractor Worker Retention and Living Wage Ordinances.

5. This action is not subject to the provisions of the MBE/WBE/OBE/DBE Program.
6. This action is not subject to the provisions of the Affirmative Action Program.

7. This action does not require a Business Tax Registration Certificate.

8. This action is not subject to the provisions of the Child Support Obligations Ordinance.

9. This action is not subject to the insurance requirements of the Los Angeles World Airports.

10. This action is not subject to the provisions of City Charter Section 1022 (Use of Independent Contractors).

11. This action is not subject to the provisions of the Contractor Responsibility Program.

12. This action is not subject to the provisions of the Equal Benefits Ordinance.

13. This action is not subject to the provisions of the First Source Hiring Program.

14. This action is not subject to the provisions of Bidder Contributions CEC Form 55.
**PERSONAL EXPENSE STATEMENT**

- **EMPLOYEE:** Gina Marie Lindsey
- **PHONE NUMBER:** 424-646-6250
- **DESTINATION:** Washington DC (Crystal City, VA)
- **DATES OF TRIP:** FROM 10/26/2011 TO 10/28/2011
- **FISCAL YEAR:** 2012
- **COST CENTER:** 12000

### Detailed Expenses

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<th>Date</th>
<th>Location / Description</th>
<th>LODGING</th>
<th>MEALS AND INCIDENTALS</th>
<th>Airfare</th>
<th>MISC. EXP.</th>
<th>TOTAL</th>
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**Total Subtotals:**
- LODGING: $60.00
- MEALS AND INCIDENTALS: $28.00
- TOTAL: $952.40

**Total from this page:** $952.40

**Controller's Office Demand Audit Division:**
- DEC 16 2011

**I HEREBY CERTIFY** that the above is a true statement of the travel expenses incurred by me in accordance with travel policies and procedures in the service of the CITY OF LOS ANGELES. I further certify that the above expenses were necessary in connection with the performance of my duties.

**Claimant's Signature:** Gina Marie Lindsey

**Date:** 11/22/11
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(2) EMPLOYEE
Gina Marie Lindsey
424-646-6250

(3) DIVISION
Administration
(4) POSITION
Executive Director

(5) DESTINATION
Washington DC (Crystal City, VA)

(6) DATES OF TRIP
FROM 10/26/2011 TO 10/28/2011

(7) FISCAL YEAR
2012

(8) DATE (MM/DD)
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Oct-27
Oct-28
Oct-28

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Per Diem
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Per Diem

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$ 45.00

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$ 105.00
$ -
$ 36.00

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## PERSONAL EXPENSE STATEMENT

### (REV. 06/09)

**Los Angeles World Airports**

### Page 1 of 2

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### Remarks / Comments:

Car service from dinner meeting at Island Prime Restaurant to hotels for John Martin, Airport Director of San Francisco Int'l Airport (SFO) and Angela Gittens, Director General, Airports Council International (ACI) and myself. Discussed national aviation funding restructuring.

### (15) SUBTOTALS

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### (16) CLAIM TOTAL, this page

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$ 63.00

### (17) TOTAL FROM PAGE 1

$ 63.00

### (18) TOTAL FROM PAGE 2

$ 343.89

### (19) TOTAL EXPENSES

$ 406.89

### (20) LESS OTHER EXPENSES PAID BY CITY

$ 343.89

### (21) CASH ADVANCE

$ 0.00

### (22) AIRFARE PAID BY CITY

$ 343.89

### (23) TOTAL OTHER EXPENSES PAID BY CITY

$ 0.00

### (24) (TOTAL DUE TO THE CITY) / TOTAL DUE TO EMPLOYEE

$ 343.89

### (25) CLAIMANT'S SIGNATURE

Gina Marie Lindsey

### (26) DATE (mm/dd/yy)

10/16/2011

### (27) SIGNATURE OF APPROVING AUTHORITY

I hereby certify that the above is a true statement of the travel expenses incurred by me in accordance with travel policies and procedures in the service of the city of Los Angeles. I further certify that the above expenses were necessary in connection with the performance of my duties.

### (28) DATE (mm/dd/yy)

11/30/2011

### (29) Remarks / Comments:

Discussed national aviation funding restructuring.
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<tr>
<td>Gina Marie Lindsey</td>
<td>424-646-6250</td>
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<th>(3) DIVISION</th>
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<th>(5) DESTINATION</th>
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(16) CLAIM TOTAL, this page: **$343.89**
SUBJECT: Approve sponsorship of International Pow Wow 2012, hosted by the U.S. Travel Association in Los Angeles from April 21-25, 2012, and authorize the expenditure of $300,000.

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 this work can be performed more economically or feasibly by an independent contractor than by City employees.
4. AUTHORIZE the expenditure of $300,000 for the sponsorship of International Pow Wow 2012, hosted by the U.S. Travel Association in Los Angeles from April 21-25, 2012.

DISCUSSION:

1. Executive Summary

Staff requests authorization to proceed with a one-time sponsorship of the U.S. Travel Association's International Pow Wow 2012 as part of Los Angeles World Airport's (LAWA) air service marketing program. The total cost of the sponsorship is $300,000.
2. Prior Related Actions

Los Angeles World Airports (LAWA) was one of the title sponsors of the U.S. Travel Industry Association’s International Pow Wow convention the previous two times it was held in Los Angeles, in 1996 and 2004 (Board Resolution No. 22179).

3. Current Action

The U.S. Travel Association (U.S. Travel) is a national non-profit organization representing all components of the $1.8 trillion travel industry with a sole mission of increasing travel to and within the United States. Its top priorities are to connect industry players to network, learn, and build business; promote U.S. domestic and inbound international travel; advocate in support of favorable travel/travel-related policies; and research both on travel’s economic impact and macro issues related to travel.

U.S. Travel’s International Pow Wow is an annual event that began in 1969 and has come to be regarded as the U.S. travel industry's premiere marketplace for selling travel to the United States from international markets. Each year, major cities across the country bid to host the event, where more than 1,000 U.S. travel organizations from every region of the country (representing all industry category components), and close to 1,200 international and domestic buyers from more than 70 countries, conduct business negotiations that result in the generation of over $3.5 billion in future U.S. travel business. More than 5,000 attendees are anticipated at this year’s Pow Wow.

The current estimated cost to a destination hosting Pow Wow is roughly $3.5 million. If LAWA’s sponsorship is approved, LAWA will join other title sponsors including LA INC., The Convention and Visitors Bureau (lead sponsor), California Travel & Tourism Commission, and Brand USA. Main event sponsors include Universal Studios Hollywood, Hollywood & Highland/Cirque du Soleil, and local southern California communities at an Evening at California Plaza.

The potential benefit to LAWA is that, as the gateway for delegates from 70 countries, Pow Wow provides a timely opportunity to showcase Los Angeles International Airport’s (LAX) current investment at the New Tom Bradley International Terminal and Midfield Concourse modernization projects to an audience of travel media, airlines, and travel professionals, and will confirm LAWA’s prominence as a premiere U.S. airport committed to safety, security and convenience.

As a title sponsor, LAWA will have:

- Comprehensive on-site support personnel and welcome signage highlighting LAX for all international and domestic Pow Wow delegates arriving April 20-22 and departing April 26
- On-bus LAX welcome message and presentation of new international terminal video for arriving and departing passengers
- On-bus LAX-branded water for arriving passengers
- Booth exhibit and prominent exposure of LAWA and LAX in the International Pow Wow marketplace, with participation in three days of pre-scheduled appointments with tour operators and airlines.
- Promotion of LAX and LANext new logo on headrests of buses being used to transport delegates during Pow Wow over the six-day event.
• Full participation at the press marketplace providing pre-scheduled appointments with media outlets and journalists.

• LAX branding and speaking opportunity for LAX official to present future development plans at the official Pow Wow press kick-off event reaching 450 international journalists.

• LAX display in the official information media booth in the press room at the Los Angeles Convention Center (LACC).

• LAX exposure at the official Pow Wow hospitality booth for all delegates at LACC.

• LAX exposure on digital billboards and video graphics at the Opening Night at Hollywood and Highland.

• Prominent LAX exposure on 20'x70' screen during Closing Night Event at California Plaza in downtown Los Angeles.

• Reserved LAX table at three Pow Wow luncheons during Marketplace days, April 23-25.

• LAX branding and related signage at events as well as in press materials.

• LAX exposure to travel journalists and tour operators with Pow Wow e-communications and social media including Facebook and Twitter.

• Inclusion in pre-marketing campaign targeting international and domestic travel trade and media.

4. Alternatives Considered

- **No Sponsorship**

Not authorizing the proposed sponsorship would result in LAWA missing out on the premier international marketplace in the United States when held in its own city and at a time when LAX is poised to highlight the New Tom Bradley International Terminal and Midfield Concourse projects. In addition, not participating would severely undermine the foundation built by LAWA's Air Service Marketing and LA INC.

**FISCAL & ECONOMIC IMPACT STATEMENT:**

Funds for this sponsorship are included in the Fiscal Year 2011-12 Los Angeles World Airports Operating Budget, in LAX Cost Center 1220002 – External Affairs, Commitment Item 524 – Advertising and Public Relations.

**STANDARD PROVISIONS:**

1. This item, as a continuing administrative action, is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Article 2, Section 2.f, of the Los Angeles City CEQA Guidelines.
2. This item will be approved 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 245.

4. This action is not subject to the provisions of the Service Contractor Worker Retention and Living Wage Ordinances.

5. This action is not subject to the provisions of the MBE/WBE/OBE/DBE Program.

6. This action is not subject to the provisions of the Affirmative Action Program.

7. U.S. Travel Association has been assigned Business Tax Registration Certificate number 53-0231139.

8. This action is not subject to the provisions of the Child Support Obligations Ordinance.

9. This action is not subject to the insurance requirements of the Los Angeles World Airports.

10. This action is not subject to the provisions of City Charter Section 1022 (Use of Independent Contractors).

11. This action is not subject to the provisions of the Contractor Responsibility Program.

12. This action is not subject to the provisions of the Equal Benefits Ordinance.

13. This action is not subject to the provisions of the First Source Hiring Program.

14. This action is not subject to the provisions of Bidder Contributions CEC Form 55.
SUBJECT: Approval of First Amendment to Lease with Raytheon Company

Approve First Amendment to Lease LAA-8563 with Raytheon Company located at 6150 West Century Boulevard at Los Angeles International Airport to address fire protection requirements and to modify the area leased which will generate $119,814 additional revenue annually.

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 III Class 1 (18)(c) of the Los Angeles City CEQA Guidelines.

3. APPROVE the proposed First Amendment to lease LAA-8563 with Raytheon Company at Los Angeles International Airport, which will address fire protection requirements and modify the area leased which will generate $119,814 additional revenue annually.

4. AUTHORIZE the Executive Director to execute the First Amendment to lease LAA-8563 with Raytheon Company at Los Angeles International Airport after approval as to form by the City Attorney and upon approval by Los Angeles City Council.
DISCUSSION:

1. Executive Summary

Staff requests the Board of Airport Commissioners (Board) to approve the proposed First Amendment to Lease No. LAA-8563 with Raytheon Company (Raytheon) located at 6150 West Century Boulevard at Los Angeles International Airport (LAX). This First Amendment will require Raytheon to defuel aircraft prior to bringing them into the hangar, increase ramp space leased to accommodate the defueling procedures, and update calculations for the measured area of the hangar.

2. Prior Related Actions

On March 7, 2011, the Board approved Lease LAA-8563 with Raytheon for a ten-year term with one five-year option (Resolution Number 24400). The Los Angeles City Council approved the Lease on April 26, 2011. Los Angeles World Airports (LAWA) executed the Lease on April 29, 2011.

3. Current Action

The lease requires Raytheon to build certain improvements to the leasehold, and those improvements must be approved by the City of Los Angeles Department of Building and Safety (DBS). Raytheon entered into an Agreement with DBS, which requires Raytheon to defuel its aircraft prior to entering the hangar. This Agreement allows a modification of the building code which would have required Raytheon to upgrade the hangar fire sprinkler system to a foam deluge system. As a condition of final building permit approval, DBS requires LAWA to (a) amend the Lease with Raytheon to include the defueling requirement, and (b) record with the County of Los Angeles a memorandum of lease acknowledging the defueling requirement for the duration of the Lease.

Raytheon requests to lease an additional 26,816 square feet of ramp area south of the hangar to accommodate aircraft defueling / refueling activities. The incremental ramp area is currently included within the Delta leasehold. Delta has agreed to have this ramp area deducted from the Delta Lease. While measuring the area of the ramp necessary for defueling, staff determined that a correction to the measured size of the hangar was necessary. The hangar area will increase by 1,494 square feet.

Staff requests that the Board approve the proposed First Amendment to Lease LAA-8563 with Raytheon, subject to approval as to form by City Attorney and approval by the Los Angeles City Council.

4. Alternatives Considered

- Installation of a Foam Deluge System

Raytheon reviewed with LAWA staff the option of installing a foam deluge system in the hangar and developed multiple layouts for the required recovery tanks. Because Raytheon's preliminary bids for this system exceeded $2.5 million, Raytheon worked with DBS on the defueling procedure as an alternate. This approach is more cost effective for the program Raytheon will manage within this leasehold.
FISCAL & ECONOMIC IMPACT STATEMENT:

LAWA will receive additional revenue of $119,814 annually from Raytheon for the additional 28,816 square feet of ramp area and the hangar square-footage correction, exclusive of annual and periodic adjustments. The additional revenue of $94,715 received from Raytheon for the ramp area will be offset by the identical reduction in Delta's leasehold. As a result, the net increase in revenue to LAWÅ is $25,099 for the hangar area square-footage correction.

STANDARD PROVISIONS:

1. The issuance of permits, leases, agreements, and amendments thereof, granting use of an existing facility at a municipal airport is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Article III, Class 1(18)(c) of the Los Angeles City CEQA Guidelines.

2. This Amendment is 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 606.

4. Raytheon will comply with the provisions of the Living Wage Ordinance.


6. Raytheon will comply with the provisions of the Affirmative Action Program.

7. Raytheon has been assigned Business Tax Registration Certificate No. 0000565132.

8. Raytheon will comply with the provisions of the Child Support Obligations Ordinance.

9. Raytheon has approved insurance documents, in the terms and amounts required, on file with Los Angeles World Airports.

10. This action is not subject to the provisions of City Charter Section 1022 (Use of Independent Contractors).

11. Raytheon has submitted the Contractor Responsibility Program Pledge of Compliance and will comply with the provisions of the Contractor Responsibility Program.

12. Raytheon must be determined by Public Works, Office of Contract Compliance, with the provisions of the Equal Benefits Ordinance prior to execution of the Lease Agreement.

13. Raytheon will be required to comply with the provisions of the First Source Hiring Program for all non-trade LAX Airport jobs.

14. This action is not subject to the provisions of Bidder Contributions CEC Form 55.