

**TRANSMITTAL**

0150-10933-0001

TO  
Justin Erbacci, Interim Chief Executive Officer  
Department of Airports

DATE  
JAN 22 2020

COUNCIL FILE NO.

FROM  
The Mayor

COUNCIL DISTRICT  
11

**Request to Approve the Second Amendment to a Contract with  
SITA Information Networking Computing USA, Inc. for  
Maintenance, Support, and Repair of Terminal Airport Support  
Systems at the Los Angeles International Airport**

Transmitted for further processing, including Council consideration. See the  
City Administrative Officer report attached.

MAYOR

Ana Guerrero

RHL:WDC: 10200066t

CAO 649-d

REPORT FROM

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Date: January 15, 2020

CAO File No.: 0150-10933-0001

Council File No.:

Council District: 11

To: The Mayor

From: Richard H. Llewellyn, Jr., City Administrative Officer

Reference: Communication from the Los Angeles World Airports dated December 16, 2019; referred by the Mayor for report on December 20, 2019

Subject: **REQUEST TO APPROVE THE SECOND AMENDMENT TO A CONTRACT WITH SITA INFORMATION NETWORK COMPUTING USA, INC. FOR MAINTENANCE, SUPPORT, AND REPAIR OF TERMINAL AIRPORT SUPPORT SYSTEMS AT THE LOS ANGELES INTERNATIONAL AIRPORT**

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### RECOMMENDATIONS

That the Mayor:

1. Approve the Second Amendment to Contract DA-4812 between the Los Angeles World Airports and SITA Information Networking Computing USA, Inc. (SITA, contractor) to extend the term by six months, to June 30, 2020, and increase the contracting authority by \$626,487 to a not-to-exceed \$20,284,742, in order to continue maintenance, support, and repair services for the Terminal Airport Support Systems at the Los Angeles International Airport until the Request for Proposals process is concluded, subject to SITA's compliance with the following Standard Provisions for City Contracts: the Living Wage Ordinance, Affirmative Action Program, Child Support Obligations Ordinance, Contractor Responsibility Program, First Source Hiring Program, Bidder Contributions CEC (City Ethics Commission) Form 55 provisions, and City Attorney approval as to form;
2. Authorize the Chief Executive Officer of the Los Angeles World Airports to execute the proposed Second Amendment; and,
3. Return the Amendment to the Department for further processing, including Council consideration.

### SUMMARY

The Terminal Airport Support Systems (TASS) at the Los Angeles International Airport (LAX) have been operational since 2013 when SITA Information Networking Computing USA, Inc. was first

contracted as a sole source vendor to provide maintenance, support, and repair services for (1) the TASS system to be used by international airlines operating from the Tom Bradley International Terminal (TBIT), Terminal 3, and the Terminal 4 connector; and (2) the Electronic Visual Information Displays (EVID) at TBIT, Terminals 1, 2, and 3, and the Terminal 4 connector. Together, the systems support and manage aircraft gates, baggage handling, ticket counters, and passenger processing.

The Los Angeles World Airports (LAWA, Department) is in the process of obtaining approval of and executing a contract for a vendor to implement and support a common use technology system at LAX that will consolidate multiple, dissimilar platforms (including the TASS and EVID), supported by three separate contractors, into one system and one contract. That contract will likely be approved and executed in early 2020. In the interim, the agreement for SITA's support of the TASS and EVID systems expired on December 31, 2019. However, to maintain continuity of system support and maintenance while the new contract is being implemented, LAWA proposes to extend the current agreement for six additional months, from December 31, 2019 to June 30, 2020, with a corresponding increase in the contracting authority of \$626,487 for a total of \$20,284,742 for the overall six and one-half-year term.

The new common use technology system agreement will supersede its interim extension for the TASS and EVID systems support. The cost for the contract extension will be recovered from airlines using the new common use technology system.

As a result of the above, the Department's Chief Executive Officer requests approval to execute the Second Amendment to Contract DA-4812 with SITA to continue maintenance, support, and repair services for the TASS and EVID systems at LAX by extending the existing agreement for six months to June 30, 2020, with an increase in the contracting authority of \$626,487.

The Board of Airport Commissioners approved this item at its meeting of December 19, 2019.

## **FISCAL IMPACT STATEMENT**

Approval of the Second Amendment with SITA Information Networking Computing USA, Inc. to continue maintenance, support, and repair services for Terminal Airport Support Systems at the Los Angeles International Airport will have no impact on the City's General Fund. Funding for the \$626,487 cost increase for a six-month term extension is available in the Department's 2019-2020 Operating Budget in Cost Center 1170010 – IT Airport Operations – Contractual Services and Materials and Supplies or alternative cost centers as authorized by the Board of Airport Commissioners. Future years' funding will be requested as part of the annual budget process. This project complies with the Department of Airports' adopted Financial Policies.



Los Angeles  
World Airports

December 16, 2019

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

LAX

Van Nuys

City of Los Angeles

Eric Garcetti  
Mayor

Board of Airport  
Commissioners

Sean O. Burton  
President

Valeia C. Veiasco  
Vice President

Gabriel L. Eshaghian  
Beatrice C. Hsu  
Nicholas P. Roxborough  
Dr. Cynthia A. Telles  
Karim Webb

Deborah Flint  
Chief Executive Officer

ATTN: Heleen Ramirez  
Legislative Coordinator

RE: 2<sup>nd</sup> Amendment to Contract DA-4812 with SITA Information Networking  
Computing USA, Inc.

In accordance with Executive Directive No. 4, we are transmitting a copy of the  
specified board report for the approval to 2<sup>nd</sup> Amendment to Contract DA-4812  
with SITA Information Networking Computing USA, Inc. for Maintenance, Support,  
and Repair Services of Terminal Airport Support Systems.

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

Sincerely,

Deborah Flint  
Chief Executive Officer

DF:MSA:GS

Attachments





Los Angeles World Airports

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# REPORT TO THE BOARD OF AIRPORT COMMISSIONERS

 Approved by: Aura Modre, Chief Information Officer		<b>Meeting Date:</b> 12/19/2019																									
 Reviewed by: Justin Erbacci, Chief Operating Officer		<b>CAO Review:</b> <input type="checkbox"/> Completed <input checked="" type="checkbox"/> Pending <input type="checkbox"/> N/A																									
 City Attorney		<table border="1"> <thead> <tr> <th>Reviewed for</th> <th>Date</th> <th>Approval Status</th> <th>By</th> </tr> </thead> <tbody> <tr> <td>Finance</td> <td>11/6/2019</td> <td><input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> NA</td> <td>RW</td> </tr> <tr> <td>CEQA</td> <td>10/31/2019</td> <td><input checked="" type="checkbox"/> Y <input type="checkbox"/> N</td> <td>PI</td> </tr> <tr> <td>Procurement</td> <td>11/4/2019</td> <td><input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> Cond</td> <td>MJ</td> </tr> <tr> <td>Guest Experience</td> <td>11/6/2019</td> <td><input checked="" type="checkbox"/> Y <input type="checkbox"/> N</td> <td>BY</td> </tr> <tr> <td>Strategic Planning</td> <td>10/31/2019</td> <td><input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> NA</td> <td>XV</td> </tr> </tbody> </table>		Reviewed for	Date	Approval Status	By	Finance	11/6/2019	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> NA	RW	CEQA	10/31/2019	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	PI	Procurement	11/4/2019	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> Cond	MJ	Guest Experience	11/6/2019	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	BY	Strategic Planning	10/31/2019	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> NA	XV
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 Deborah Flint – Chief Executive Officer																											

**SUBJECT: Second Amendment to Contract No. DA-4812 with SITA Information Networking Computing USA, Inc. for Maintenance, Support and Repair Services of Terminal Airport Support Systems**

Approve the Second Amendment to Contract No. DA-4812 with SITA Information Networking Computing USA, Inc. to extend the term to June 30, 2020, and to increase the contract authority by \$626,487 for a total amount not to exceed \$20,284,742 for ongoing maintenance, support and repair services for the Terminal Airport Support Systems 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 administratively exempt from the California Environmental Quality Act (CEQA) pursuant to Article II, Section 2.f of the Los Angeles City CEQA Guidelines.
3. FIND that the work can be performed more economically or feasibly by an independent contractor than by City employees.

4. FURTHER FIND that, pursuant to Charter Section 371(e)(2), competitive bidding for these professional services would not be practicable or advantageous
5. APPROVE the Second Amendment to Contract No. DA-4812 with SITA to extend the term to June 30, 2020, and to increase the contract authority by \$626,487 for a total amount not to exceed \$20,284,742 for ongoing maintenance, support and repair services for the Terminal Airport Support Systems at Los Angeles International Airport.
6. AUTHORIZE the Chief Executive Officer to execute the Second Amendment to Contract No. DA-4812 after approval as to form by the City Attorney and approval by the Los Angeles City Council.

### **DISCUSSION:**

#### **1. Purpose**

To provide ongoing maintenance, support, and repair services for the Terminal Airport Support Systems (TASS) installed at Tom Bradley International Terminal (TBIT), Terminal 3 (T3) and Terminal 4 (T4) connector at Los Angeles International Airport (LAX).

#### **2. Prior Related Actions**

- **May 7, 2013 - Board Resolution No. 25113 (DA-4812)**  
The Board of Airport Commissioners (Board) awarded a five-year sole-source contract to SITA Information Networking Computing USA, Inc. (SITA) to provide maintenance, support, and repair services for TASS at Los Angeles International Airport in an amount not to exceed \$16,238,192.
- **June 13, 2017- Board Resolution No. 26218 (DA-4812A)**  
The Board approved the First Amendment to Contract No. DA-4812 with SITA to extend the term through December 31, 2019 and to increase the contract authority by \$3,420,063 for a total amount not to exceed \$19,658,255. This contract expires on December 31, 2019.

#### **3. Current Action**

The TASS maintenance contract provides maintenance, support, and repair services for the Common Use system utilized by the international carriers at Tom Bradley International Terminal (TBIT), Terminal 3 (T3) and Terminal 4 (T4) connector. The Common Use system is used to manage aircraft gates, ticket counters, and baggage handling. This contract also provides maintenance and support services for Electronic Visual Information Displays (EVIDS) at Terminals 1, 2, 3, TBIT, and the T4 connector.

In February 2019, a Request for Proposal (RFP) was issued for a new Common Use Consolidation Platform to be implemented at LAX. Staff has completed the RFP process and is negotiating an agreement with the selected vendor. The new contract with SITA will contain language terminating this agreement. Staff plans to present this new contract award recommendation to the Board in January 2020.

This six month contract extension will allow SITA to provide continuous maintenance and support services for the TASS while allowing sufficient time for City Council's approval of the new Common Use contract. This will ensure that the current TASS remain operational as the new system is being implemented.

**Action Requested**

Staff requests that the Board authorize the Chief Executive Officer to execute the Second Amendment to Contract No. DA-4812 with SITA for the ongoing maintenance, support and repair services of the TASS and EVIDS by extending the contract term for six months until June 30, 2020, and to increase the contract authority by \$626,487 for a total amount not to exceed \$20,284,742.

Below is a summary of the current expenditures.

Description	Total Expenditures
Year 1 to 6 - Base Maintenance & Support	\$ 17,175,632
Year 1 to 6 - Consumable & Hardware	\$ 452,449
Year 1 to 6 - Special Project & Services	\$ 1,378,661
<b>Total Expenditure to Date</b>	<b>\$ 19,006,742</b>
Current Contract Authority	\$ 19,658,255
<b>Remaining Contract Authority</b>	<b>\$ 651,513</b>

Estimated services and expenditures under the Second Amendment:

Description	Estimated Costs *
TASS Maintenance & Support Services (6 months)	\$ 1,228,000
As-needed System Repairs, Software Updates, Spare hardware, FIDS Display configuration	\$ 50,000
<b>Total 2<sup>nd</sup> Amendment Costs</b>	<b>\$ 1,278,000</b>
Remaining Contract Authority	\$ 651,513
<b>Additional 2<sup>nd</sup> Amendment Cost</b>	<b>\$ 626,487</b>
Current Contract Authority	\$ 19,658,255
<b>*Total Not-to-Exceed Contract Amount</b>	<b>\$ 20,284,742</b>

\*Note: Costs for individual line items may vary, but the total expenditures shall not exceed \$20,284,742

**Fiscal Impact**

- Costs of this contract will be recovered from airlines utilizing the common use system.
- Expenditures for the past fiscal years are as follows:

Fiscal Year	Expenditures
2019 – 2020 (up to December 2019)	\$1,119,188
2018 – 2019	\$2,354,675
2017 – 2018	\$2,407,037
2016 – 2017	\$3,221,159

**4. Alternatives Considered**

- **Take No Action**

Without this contract, TASS will not be properly supported and maintained and will have a negative impact on LAWA's business operations as this system is critical to managing aircraft gates, ticket counters, baggage handling and airline passenger processing.

**APPROPRIATIONS:**

Funds for this contract are available in the FY 2019-2020 Los Angeles World Airports Operating Budget in LAX Cost Center 1170010 - IT Airport Operations, Commitment Item 520 - Contractual Services and Commitment Item 522 – Materials and Supplies or it may be provided through other Board approved WBS Elements as required. Funding for subsequent years will be requested as part of the annual budget process.

**STANDARD PROVISIONS:**

1. This item, as a continuing administrative, maintenance and personnel-related activity, is administratively exempt from California Environmental Quality Act (CEQA) requirements pursuant to Article II, Section 2.f of the Los Angeles City CEQA Guidelines.
2. This proposed document(s) is/are subject to approval as to form by the City Attorney.
3. Actions taken on this item by the Board of Airport Commissioners will become final pursuant to the provisions of Los Angeles City Charter Section 373.
4. SITA is required by contract to comply with the provisions of the Living Wage Ordinance.
5. Procurement Services reviewed this action (File No. 9234) No mandatory Small Business Enterprise goal for this project has been established, as no subcontracting opportunities were identified.
6. SITA is required by contract to comply with the provisions of the Affirmative Action Program.
7. SITA has been assigned Business Tax Registration Certificate No. 0002134058-0001-6.



8. SITA is required by contract to comply with the provisions of the Child Support Obligations Ordinance.
9. SITA 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. SITA has submitted the Contractor Responsibility Program Questionnaire and Pledge of Compliance and will comply with the provisions of the Contractor Responsibility Program.
12. SITA has been determined by Public Works, Office of Contract Compliance, to be in full compliance with the provisions of the Equal Benefits Ordinance.
13. SITA will be required to comply with the provisions of the First Source Hiring Program for all non-trade LAX Airport jobs.
14. SITA has submitted the Bidder Contributions CEC Form 55 and will comply with its provisions.

**SECOND AMENDMENT TO CONTRACT NO. DA-4812 BETWEEN THE CITY OF  
LOS ANGELES AND SITA INFORMATION NETWORKING COMPUTING USA INC.  
FOR ANNUAL MAINTENANCE AND SUPPORT SERVICES FOR THE TERMINAL  
AND AIRLINE SUPPORT SYSTEM FOR THE DEPARTMENT OF AIRPORTS**

This SECOND AMENDMENT TO CONTRACT NO. DA-4812 ("Second Amendment") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, by and between the CITY OF LOS ANGELES, a municipal corporation, acting by order of and through its Board of Airport Commissioners of the Department of Airports also known as Los Angeles World Airports or LAWA (hereinafter referred to as "City"), and SITA INFORMATION NETWORKING COMPUTING USA INC., a Delaware corporation (hereinafter referred to as "Contractor").

**RECITALS**

WHEREAS, City and Contractor previously entered into Contract No. DA-4812 dated June 19, 2013 and commencing on July 1, 2013 ("Original Contract") for annual maintenance and support services for the terminal and airline support system for the Information Management and Technology Group at LAWA;

WHEREAS, the Original Contract was amended by the First Amendment to Contract No. DA-4812A dated June 13, 2017 (the "First Amendment" and together with the Original Contract, the "Contract"); and

WHEREAS, City and Contractor, by mutual agreement, desire to amend the Contract in order to extend the term until June 30, 2020, as set forth in this Second Amendment;

NOW, THEREFORE, the parties hereto, for and in consideration of the terms, covenants and conditions herein contained, City and Lessee do hereby mutually agree that the Original Contract shall BE AMENDED AS FOLLOWS:

**AMENDMENTS**

**Section 1** Section 1.0 of the Contract is hereby deleted and replaced in lieu thereof with the following:

"The Contract shall commence on July 1, 2013 and shall terminate on June 30, 2020, unless earlier terminated pursuant to Sections 5 and 6 below."

**Section 2** The first sentence of Section 3.2 of the Contract is hereby deleted and replaced in lieu thereof with the following:

"The compensation to Contractor shall not exceed Twenty Million Two Hundred Eight-Four Thousand Seven Hundred Forty-Two Dollars (\$20,284,742) for the term of the Contract."

**Section 3** It is understood and agreed by and between the parties hereto that, except as specifically provided herein, this Second Amendment shall not in any manner alter, change,

modify or affect any of the rights, privileges, duties or obligations of either of the parties hereto under or by reason of the Contract, and except as expressly amended herein, all of the terms, covenants, and conditions of the Contract shall remain in full force and effect.