

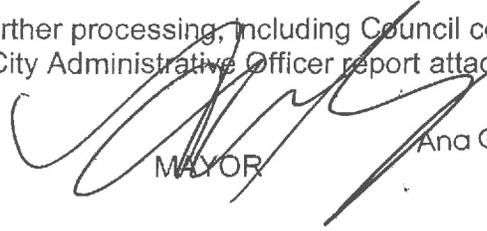
0150-10933-0000

TRANSMITTAL

TO Deborah Flint, Chief Executive Officer Department of Airports	DATE MAY 17 2017	COUNCIL FILE NO.
FROM The Mayor	COUNCIL DISTRICT 11	

Request to Approve a First Amendment to Contract No. DA-4812 with SITA Information Networking Computing USA, Inc. to Increase the Contract Authority by \$3,420,063 and Extend the Term Through December 31, 2019, for the Ongoing Maintenance and Support of Terminal Airport Support Systems at Los Angeles International Airport

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


MAYOR Ana Guerrero

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: May 12, 2017

CAO File No. 0150-10933-0000

Council File No.

Council District: 11

To: The Mayor

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

Reference: Transmittal from the Department of Airports dated April 17, 2017; referred by the Mayor for report on April 17, 2017

Subject: **PROPOSED FIRST AMENDMENT TO CONTRACT NO. DA-4812 WITH SITA INFORMATION NETWORKING COMPUTING USA, INC. TO EXTEND THE TERM THROUGH DECEMBER 31, 2019, FOR THE ONGOING MAINTENANCE AND SUPPORT OF TERMINAL AIRPORT SUPPORT SYSTEMS AT LOS ANGELES INTERNATIONAL AIRPORT**

RECOMMENDATIONS

That the Mayor:

1. Approve the proposed First Amendment to Contract No. DA-4812 between the Los Angeles World Airports and SITA Information Networking Computing USA, Inc. to extend the term to December 31, 2019, for the ongoing maintenance and support of the Terminal Airport Support Systems at Los Angeles International Airport, subject to City Attorney approval as to form and compliance with the City's Standard Provisions for Contracts including: Living Wage Ordinance, Affirmative Action Program, Child Support Obligations Ordinance, Contractor Responsibility Program, First Source Hiring Program for all non-trade LAX jobs, and compliance with the provisions of Bidder Contributions CEC (City Ethics Commission) Form 55 prior to execution of the Amendment;
2. Authorize the Chief Executive Officer to execute the proposed Amendment; and,
3. Return the Amendment to the Department for further processing, including Council consideration.

SUMMARY

The Société Internationale de Télécommunications Aéronautiques or SITA was founded in 1949 by 11 airlines in order to bring about shared infrastructure cost efficiency by combining their communications networks. In 1989 computer reservations systems, aerospace manufacturers, tour operators, airfreight forwarders, airport authorities, and other organizations in the air transport industry began joining SITA as members. Today the company provides a range of information technology solutions, as well as infrastructure and communications services, for the air transport industry. The company operates in the United States through a subsidiary company, SITA Information Networking Computing USA, Inc. (SITA), which was incorporated in 1998 and is based in Atlanta, Georgia.

One of the services provided by SITA is the support of Terminal Airport Support Systems (TASS) which are utilized by the international carriers in the Tom Bradley International Terminal (TBIT), Terminal 3 and Terminal 4 Connector at Los Angeles International Airport (LAX). The TASS provide airport operations and other terminal managers with tools to assign terminal resources, including gates, ticket counters, and baggage carousels.

On May 7, 2015, the Los Angeles World Airports (LAWA, Department) Board of Airport Commissioners (Board) awarded a five-year sole-source contract to SITA to provide maintenance, support, and repair services for TASS at LAX in an amount not to exceed \$16,238,192 (DA-4812). This contract was awarded utilizing an independent competitive process and expires on May 17, 2018. In addition to maintenance and support of TASS, this contract also provides Electronic Visual Information Displays for Terminals 1, 2, 3, TBIT, and the Terminal 4 Connector.

The Department is working with airlines to develop a common use strategy that will continue improvements in the guest experience at LAX. The Department indicates that a TASS contract extension is necessary to allow time to complete the process and implement the resulting solution to address LAWA's TASS, Automated Passport Control (APC) kiosk, and Common Use Support System (CUSS) requirements. The Executive Director of LAWA, therefore, requests authority to execute a First Amendment to Contract No. DA-4812 with SITA that will increase the contract authority by \$3,420,063 to a total not-to-exceed amount of \$19,658,255 and extend the term to December 31, 2019.

The Department reports that extension of the SITA TASS contract term to December 31, 2019, along with the extension of the terms of separate SITA APC and CUSS contracts (DA-4910 and DA-4985, respectively), will achieve a common expiration date and also a four percent net savings over the life of the three contracts. The SITA APC and CUSS contract term extensions are being submitted separately for approval by the Council.

The Board approved the proposed Amendment at its meeting of April 20, 2017.

FISCAL IMPACT STATEMENT

The proposed First Amendment to Contract No. DA-4812 with SITA Information Networking Computing USA, Inc. for ongoing maintenance and support of the Terminal Airport Support Systems at Los Angeles International Airport will increase the contract authority by \$3,420,063 and extend the term to December 31, 2019.

Funds for the proposed Amendment are available in the FY 2016-17 Los Angeles World Airports Operating Budget in LAX Cost Center 1170072 – IT Airport & Public Safety Systems Division, Commitment Item 520 – Contractual Services. Funding for subsequent fiscal years will be requested as part of the annual budget process. The cost of the amended contract will be recovered from airlines utilizing the common use terminal support systems. Approval of the proposed Amendment will have no impact on the City's General Fund.

