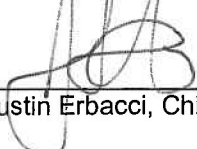




REPORT TO THE BOARD OF AIRPORT COMMISSIONERS


Approved by: Aura Moore, Chief Information Officer


Reviewed by: Justin Erbacci, Chief Operating Officer


City Attorney KTR


Deborah Flint, Chief Executive Officer

Meeting Date:

12/19/2019

CAO Review:

- Completed
- Pending
- N/A

Reviewed for	Date	Approval Status	By
Finance	11/8/2019	<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	KV

SUBJECT: Second Amendment to Contract No. DA-4985 with SITA Information Networking Computing USA, Inc. for Maintenance and Support of Common Use Self Service Kiosks

Approve the Second Amendment to Contract No. DA-4985 with SITA Information Networking Computing USA, Inc. to extend the term through June 30, 2020 for maintenance, repair and support services of Common Use Self Service kiosks 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 pursuant to City Administrative Code §10.15(a)(2) that the nature of many of the services to be provided under this contract include expert, technical and/or special

services of a temporary and occasional character for which a competitive bidding process is not practical or advantageous.

5. FURTHER FIND pursuant to City Administrative Code §10.15(a)(10) that under the circumstances presented the products and services sought in this contract are such that the use of a new competitive bidding process at the present time would be impractical and undesirable because the existing Common Use Self Service kiosks can only be maintained and supported by SITA Information Networking Computing USA, Inc. Los Angeles World Airports has determined it is in its best interest to amend and extend the current contract to keep the existing Common Use Self Service kiosks in place through June 30, 2020.
6. FURTHER FIND the amendment of this contract satisfies the requirement of City Administrative Code §10.17 and is compatible with the City's interests.
7. APPROVE the Second Amendment to Contract No. DA-4985 with SITA Information Networking Computing USA, Inc. to extend the term through June 30, 2020 for ongoing maintenance and support of Common Use Self Service Kiosks.
8. AUTHORIZE the Chief Executive Officer to execute the First Amendment to Contract No. DA-4985 after approval as to form by the City Attorney and approval by the Los Angeles City Council.

DISCUSSION:

1. Purpose

To ensure the continuation of ongoing maintenance, repair, and support services for the Common Use Self Service (CUSS) kiosks installed at Tom Bradley International Terminal (TBIT) and the Terminal 4 (T4) connector at Los Angeles International Airport (LAX).

2. Prior Related Actions

- **March 12, 2015 – Resolution No. 25653 (DA-4985)**
The Board of Airport Commissioners (Board) awarded a one-year contract with two one-year renewal options to SITA Information Networking Computing USA, Inc. (SITA) to implement and maintain CUSS kiosks at Los Angeles International Airport in an amount not to exceed \$8,407,297.
- **March 20, 2017 – Resolution No. 26217 (DA-4985A)**
The Board approved the First Amendment to Contract No. DA-4985 with SITA to extend the term through December 31, 2019 for the maintenance and support services for the CUSS kiosks at LAX.

3. Current Action

The SITA CUSS kiosks provide a completely automated and expedited process for guests to obtain boarding passes and print bag tags prior to proceeding to the bag-drop counter, the security screening checkpoints, or the boarding gates at TBIT. At present, there are a total of 68 CUSS kiosks in operation at both TBIT and T4 connector at LAX.

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 the 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 CUSS kiosks while allowing sufficient time for City Council's approval of the new Common Use contract. Ensuring that the current CUSS kiosks remain operational as the new system is being implemented allows guests continued access to this automated service, shortening wait times and helping with the queuing issue in the terminals.

Action Requested

Staff requests that the Board authorize the Chief Executive Officer to execute the Second Amendment to Contract No. DA-4985 with SITA to extend the contract term for six months until June 30, 2020 for the ongoing maintenance, repair and support services of the CUSS kiosks.

A summary of the current expenditures is as follows:

Description	Total Expenditures
Project Implementation Cost for 68 kiosks	\$ 1,728,324
Year 1 to 4 Maintenance, Support, Consumables and Software Licenses	\$ 1,061,855
Total Expenditures to Date	\$ 2,790,179
Current Contract Authority	\$ 8,407,297
Remaining Contract Authority	\$ 5,617,118

Estimated costs under the Second Amendment are as follows:

Description	Estimated Cost *
Maintenance, Support, Consumables and Software Licenses (6 months)	\$ 164,000
As-needed System Repairs, Software Updates, Spare Equipment	\$ 100,000
Total 2nd Amendment Costs	\$ 264,000

*Note: Costs for individual line items may vary, but the total expenditures shall not exceed the remaining contract authority.

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)	\$147,300
2018 – 2019	\$294,600
2017 – 2018	\$294,540
2016 – 2017	\$325,415

4. Alternatives Considered

- ***Take No Action***

The CUSS kiosks are proprietary systems that can only be supported and maintained by SITA. Without this contract extension, LAWA will not have the resources to maintain and support the current CUSS kiosks. Passengers queuing at limited counter space will experience increased wait times which will adversely impact passenger processing and aircraft departures.

APPROPRIATIONS:

Funds for this contract are included in the FY2019-2020 Los Angeles World Airports Operating Budget in LAX Cost Center 1170010 – IT Airport Operations Division, Commitment Item 520 - Contractual Services and Commitment Item 522 – Materials & Supplies. 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 Information Networking Computing USA, Inc. will comply with the provisions of the Living Wage Ordinance.
5. Procurement Services has reviewed this action (File No. 9220). No mandatory Small Business Enterprise goal for this project has been established, as no subcontracting opportunities were identified.

6. SITA Information Networking Computing USA, Inc. will comply with the provisions of the Affirmative Action Program.
7. SITA Information Networking Computing USA, Inc. has been assigned Business Tax Registration Certificate No. 0002134058- 0001 -6.
8. SITA Information Networking Computing USA, Inc. will comply with the provisions of the Child Support Obligations Ordinance.
9. SITA Information Networking Computing USA, Inc. 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 Information Networking Computing USA, Inc. has submitted the Contractor Responsibility Program Questionnaire and Pledge of Compliance and will comply with the provisions of the Contractor Responsibility Program.
12. SITA Information Networking Computing USA, Inc. 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 Information Networking Computing USA, Inc. will be required to comply with the provisions of the First Source Hiring Program for all non -trade LAX Airport jobs.
14. SITA Information Networking Computing USA, Inc. has submitted the Bidder Contributions.
15. This action is not subject to the provisions of the Iran Contracting Act.