

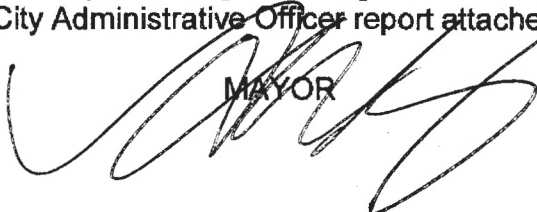
TRANSMITTAL

0150-10932-0001

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 Common Use Self Service
Kiosks 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: 10200067t

CAO 649-d

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: January 15, 2020

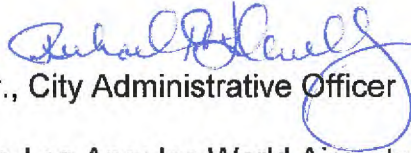
CAO File No.: 0150-10932-0001

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 COMMON USE SELF SERVICE KIOSKS AT THE LOS ANGELES INTERNATIONAL AIRPORT**

RECOMMENDATIONS

That the Mayor:

1. Approve the Second Amendment to Contract DA-4985 between the Los Angeles World Airports and SITA Information Networking Computing USA, Inc. to extend the term by six months, to June 30, 2020, with no additional appropriation, to continue the maintenance, support, and repair of the Common Use Self Service kiosks at the Los Angeles International Airport until the Request for Proposals process is concluded, subject to the contractor'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 Common Use Self Service (CUSS) kiosks at the Los Angeles International Airport (LAX) were installed in 2015 by SITA Information Networking Computing USA, Inc. (SITA, contractor) and have been maintained, supported, and repaired by the contractor since. Sixty-eight kiosks are available

in the Tom Bradley International Terminal and the Terminal 4 connector that automate and expedite the acquisition of boarding passes and luggage tags prior to entering security screening checkpoints, the benefits of which include reduced wait times and line length for passengers.

SITA's original three-year contract was extended, by way of the First Amendment, to December 31, 2019. Now, with the contract having expired and implementation of a common use consolidated technology platform throughout the airport planned for early 2020, the Department's Chief Executive Officer is requesting approval to execute a Second Amendment to Contract DA-4985 with SITA to extend the agreement for six months, to June 30, 2020, to ensure the availability of the kiosks and continuity of maintenance and support during the transition.

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, proprietary platforms (including the CUSS), supported by separate contractors, into one system with one contract. The Department's proposal to extend the current agreement for CUSS support for an additional six months will result in an overall term of approximately five years. While the costs for the extension are approximately \$264,000, as a result of a sufficient available balance, no additional appropriation is being requested by LAWA.

When executed, the common use consolidated technology platform agreement will replace this interim extension for the CUSS kiosks support. The cost for the contract extension will be recovered from airlines using the new technology system.

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 the Common Use Self Service kiosks at the Los Angeles International Airport will have no impact on the City's General Fund. Due to an available balance sufficient to finance the six-month term extension, no additional appropriation is being requested. Funding is available in the Department's 2019-2020 Operating Budget in Cost Center 1170010 – IT Airport Operations – Contractual Services and Materials and Supplies. 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

Valefa C. Velasco
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: 2nd Amendment to Contract DA-4985 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 2nd Amendment to Contract DA-4985
with SITA Information Networking Computing USA, Inc. for Maintenance, Support,
of Common Use Self Service Kiosks.

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


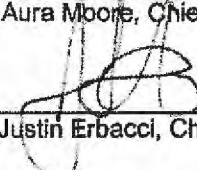
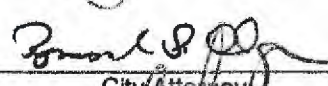
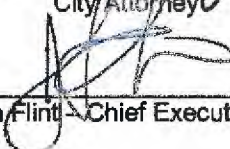




Los Angeles World Airports

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REPORT TO THE BOARD OF AIRPORT COMMISSIONERS

 Approved by: Aura Moore, Chief Information Officer		Meeting Date: 12/19/2019	
 Reviewed by: Justin Erbacci, Chief Operating Officer		CAO Review: <input type="checkbox"/> Completed <input checked="" type="checkbox"/> Pending <input type="checkbox"/> N/A	
 City Attorney		Reviewed for Date Approval Status By	
 Deborah Flint, Chief Executive Officer		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 11/8/2019 <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.

SECOND AMENDMENT TO SITA CONTRACT RE CUSS KIOSKS AT LAX

This Second Amendment to the **CONTRACT RE INSTALLATION AND MAINTENANCE OF COMMON USE SELF-SERVICE KIOSKS AT LAX, DA-4985**, is made entered into as of _____ 2020, at Los Angeles, California by and between, **SITA INFORMATION NETWORKING COMPUTING USA, INC.**, a Delaware Corporation ("Contractor") with its principal place of business in Atlanta, Georgia and the **CITY OF LOS ANGELES**, a municipal corporation and charter city ("City"), acting by and through the Board of Airport Commissioners ("Board") of the Department of Airports ("LAWA"), a department of the City of Los Angeles. City and the Contractor are collectively referred to as the "Parties"

RECITALS

WHEREAS, City and Contractor entered into the Contract re Installation and Maintenance of Common Use Self-Service Kiosks ("Contract") on March 27, 2015, said Contract had a Notice to Proceed date of May 18, 2015;

WHEREAS, City and Contractor entered into First Amendment on June 13, 2017 which amendment modified the Contract to extend the term of the Contract to December 31, 2019, modified the services and terms, and increased the total amount payable under the Contract.

WHEREAS, City and Contractors seek to extend the term of this Contract to a date not beyond June 30, 2020.

NOW, THEREFORE, in consideration of the promises and the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to amend the Contract as follows

1. Extension of Term of Contract.

Section 1.2 is deleted and replaced with the following:

"1.2 Notwithstanding the first two sentences of Section 1.1 and subject to the third sentence of Section 1.1, the Parties agree to extend the term of this Contract to a time not after 11:59:59 p.m. on June 30, 2020."

2. Full Force and Effect.

Except as specifically set forth in this Second Amendment, the March 27, 2015 Contract and the June 13, 2017 First Amendment thereto remain unmodified and in full force and effect.


IN WITNESS WHEREOF, the Parties have caused the Second Amendment to be executed by their respective authorized signatories, all as of the day and year first hereinabove written.

APPROVED AS TO FORM:
MICHEL N. FEUER,
City Attorney

CITY OF LOS ANGELES

Date: 1/6/20

Date: _____

By: 
Deputy/Assistant City Attorney

By: _____
Chief Executive Officer
Department of Airports

APPROVED:

By: _____
Chief Financial Officer
Deputy Executive Director
Department of Airports

ATTEST:

SITA INFORMATION NETWORKING
COMPUTING USA, INC.

By: 
Signature

By: _____
Signature

HARIHAR SUBRAMANIAN,
FINANCE DIRECTOR

Print Name

Print Title

Print Title

