



Los Angeles World Airports

23

REPORT TO THE BOARD OF AIRPORT COMMISSIONERS

Aura Moore
Approved by: Aura Moore, Chief Information Officer

Justin Erbacci
Reviewed by: Justin Erbacci, Chief Operating Officer

J. Timothy
City Attorney KTR

Deborah Flint
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	QM
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: Fourth Amendment to Contract No. DA-4910 with SITA Information Networking Computing USA, Inc. to provide maintenance, support, and repair of the Automated Passport Control kiosks.

Approve the Fourth Amendment to Contract No. DA-4910 with SITA Information Networking Computing USA, Inc. to extend the term to December 31, 2021 to provide ongoing maintenance, support, and repair of the Automated Passport Control 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 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 Automated Passport Control 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 the current contract to keep the existing APC system in place through the end of 2021.
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 Fourth Amendment to Contract No. DA-4910 with SITA Information Networking Computing USA, Inc. to extend the term to December 31, 2021 to provide ongoing maintenance, support, repair, and installation services of the APC kiosks in international areas at LAWA.
8. AUTHORIZE the Chief Executive Officer to execute the Fourth Amendment to Contract No. DA-4910 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 existing Automated Passport Control (APC) kiosks to expedite processing of passengers arriving from international destinations, thereby enhancing the guest experience.

2. Prior Related Actions

- **May 19, 2014- Board Resolution No. 25418 (DA-4910)**
The Board of Airport Commissioners (Board) awarded a three-year contract to SITA Information Networking Computing USA, Inc. (SITA) to implement and maintain 40 APC kiosks at LAX with an option to purchase an additional 20 kiosks for an amount not to exceed \$3,633,102.
- **May 21, 2015 - Board Resolution No. 25696 (DA-4910A)**
The Board approved a First Amendment to Contract No. DA-4910 with SITA to increase the contract authority by \$3,792,600 for a total amount not to exceed \$7,425,702, plus applicable sales taxes for the purchase, installation, implementation, and maintenance of an additional 70 APC kiosks at LAX.
- **March 31, 2016 - Board Resolution No. 25917 (DA-4910B)**
The Board approved a Second Amendment to Contract No. DA-4910 with SITA to increase the contract authority by \$4,638,000 for a total not to exceed \$12,063,702, plus

applicable sales taxes, for purchase, installation, implementation, and maintenance of an additional 100 APC kiosks at LAX.

- April 20, 2017 - Board Resolution No. 26216 (DA-4910C)**
 The Board approved a Third Amendment to Contract No. DA-4910 with SITA to extend the term to December 31, 2019 and to increase the contract authority by \$7,481,354 for a total not to exceed \$19,545,056 for ongoing maintenance, support, repair and installations services of an additional 84 APC kiosks at LAX.

3. Current Action

APC kiosks automate the processing of international passengers by capturing their travel documents, fingerprints, and customs declaration data as required by the United States (US) Customs and Border Patrol (CBP). These kiosks expedite the processing of US and Canadian citizens entering the US as well as visitors from countries that participate in the Visa Waiver Program and have filed a travel authorization via CBP Electronic Travel Authorization System.

In September 2014, Los Angeles World Airports (LAWA) installed and activated an initial batch of 40 APC kiosks in the Tom Bradley International Terminal (TBIT) Federal Inspection Service (FIS) area. Due to a sharp increase in the number of international traveling guests and limited CBP resources, an additional 132 APC kiosks were installed in TBIT, Terminals 2, 4, and 7, bringing the total kiosk count to 172. These kiosks process an average of 23,700 passengers per day and processed over 8.5 million passengers in 2018. APC kiosks provide a valuable service to passengers by reducing wait times and improving the overall guest experience in the FIS areas of the identified terminals.

LAWA is in the process of issuing a Request for Proposals (RFP) for the maintenance and support services of the APC kiosks. Extending this existing contract will allow staff time to complete the procurement process, while maintaining operations and support services of these kiosks.

Action Requested

Staff requests the Board authorize the Chief Executive Officer to execute the Fourth Amendment to Contract No. DA-4910 with SITA to extend the contract term to December 31, 2021 for the ongoing maintenance, support, and repair of APC kiosks at LAX.

Below is a summary of the current expenditures.

Description	Expenditures
Project Implementation Cost for 172 kiosks	\$ 5,471,360
Year 1 to 4 Maintenance, Support, Consumables and Software Licenses	\$ 5,620,227
Total Expenditures to date	\$ 11,091,587
Current Contract Authority	\$ 19,545,056
Remaining Contract Authority	\$ 8,453,469

Estimated services and expenditures under the Fourth Amendment are as follows:

Description	Estimated Costs *
Year 5 and 6 Maintenance, Support and Consumables	\$ 3,548,437
As-needed System Repairs, Software Updates & Spare Equipment	\$ 2,170,000
Total 4th Amendment Cost	\$ 5,718,437

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

Fiscal Impact

- The costs incurred under this contract will be recovered through the Federal Inspection Services (FIS) fees charged to international airlines.
- Expenditures for past fiscal years are as follows:
 - Fiscal Year 2016-17: \$1,573,946 was used to provide installation, maintenance and support for the APC kiosks.
 - Fiscal Year 2017-18: \$1,625,480 was used to provide installation, maintenance and support for the APC kiosks.
 - Fiscal Year 2018-19: \$1,612,926 was used to provide installation, maintenance and support services for the APC kiosks.
 - Fiscal Year 2019-20: \$807,875 was used to provide maintenance and support services for the APC kiosks until December 2019.

4. Alternatives Considered

- ***Take No Action***

Without this contract, LAWA will not have the resources to support and maintain the current APC kiosks. Inoperable or poorly maintained kiosks will negatively impact guests at LAX International. The average wait times will likely increase as international traffic grows and the number of APC kiosks remains static. The LAX guest experience in terminals other than TBIT will continue to be below the desired service level.

APPROPRIATIONS:

Funding for this contract is available in the FY 2019-2020 Los Angeles World Airports Operating Budget in LAX Cost Center 1170010 – IT Airport Operations Division, Commitment Item 520 - Contractual Services for consumables, maintenance and related services. 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. is required by contract to comply with the provisions of the Living Wage Ordinance.
5. Procurement Services has reviewed this action (File No.9217). No mandatory Small Business Enterprise, Local Business Enterprise, Local Small Business Enterprise, or Disable Veterans Business Enterprise goals were set for the project, as no subcontracting opportunities were identified.
6. SITA Information Networking Computing USA, Inc. is required by contract to comply with the provisions of the Affirmative Action Program.
7. SITA Information Networking Computing USA, Inc. has been assigned Business Tax Registration Certificate number 0002134058-0001-6.
8. SITA Information Networking Computing USA, Inc. is required by contract to 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.
12. SITA Information Networking Computing USA, Inc. has been determined by Public Works, Office of Contract Compliance to be in compliance with the provisions of the Equal Benefits Ordinance.
13. SITA Information Networking Computing USA, Inc. is required by contract to comply with the provisions of the First Source Hiring Program for all non-trade Airport jobs.
14. SITA Information Networking Computing USA, Inc. has submitted the Bidder Contributions CEC Form 55 and comply with its provisions.
15. This action is not subject to the Iran Contracting Ordinance of 2010.