

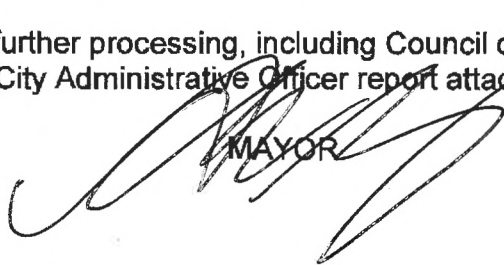
TRANSMITTAL

0150-09955-0004

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 Fourth Amendment to a Contract with
SITA Information Networking Computing USA, Inc. for
Maintenance, Support, and Repair of Automated Passport Control
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: 10200063t

CAO 649-d

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: January 15, 2020

CAO File No.: 0150-09955-0004

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 FOURTH AMENDMENT TO A CONTRACT WITH SITA INFORMATION NETWORK COMPUTING USA, INC. FOR MAINTENANCE, SUPPORT, AND REPAIR OF AUTOMATED PASSPORT CONTROL KIOSKS AT THE LOS ANGELES INTERNATIONAL AIRPORT**

RECOMMENDATIONS

That the Mayor:

1. Approve the Fourth Amendment to Contract DA-4910 between the Los Angeles World Airports (LAWA) and SITA Information Networking Computing USA, Inc. to extend, by two additional years to December 31, 2021, the term to continue the maintenance, support, and repair of Automated Passport Control kiosks at the Los Angeles International Airport until the results of a Request for Proposals process are obtained, subject to 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 Fourth Amendment; and,
3. Return the Amendment to the Department for further processing, including Council consideration.

SUMMARY

Automated Passport Control kiosks at the Los Angeles International Airport (LAX) date to September 2014 when SITA Information Networking Computing USA, Inc. (SITA), a leader in air transport communications and information technology, was first contracted to install and support

40 kiosks in the Tom Bradley International Terminal (TBIT). The award was the result of a competitive process.

Since that time, an additional 132 kiosks have been installed in TBIT and Terminals 2, 4, and 7 for a total of 172 kiosks. All of these kiosks are maintained and supported by SITA at an average annual cost of \$1.405 million.

The automated kiosks serve a daily average of 23,700 international passengers (i.e., American and Canadian citizens and travelers from countries that participate in the Visa Waiver Program) in the four terminals and approximately 8.5 million passengers annually (as of 2018). Use of the kiosks has, according to the Department, reduced waiting times and improved the passenger experience at LAX, and continuation of the services for an additional two years will both maintain the efficiencies—especially as international traffic increases—and promote a positive guest experience in the affected terminals.

The original three-year contract has been extended to five-and-a-half years with a corresponding increase in funding to support the addition of 132 kiosks. The current contract term expired on December 31, 2019. The Los Angeles World Airports (LAWA, Department) is in the process of issuing a Request for Proposals for the support and maintenance of the kiosks; as a consequence, LAWA requests authority to extend the agreement two additional years, to December 31, 2021, to allow staff to complete the selection process. The projected cost for the extension is \$5.718 million which will be recovered through the Federal Inspection Services fees paid by the international airlines.

As a result of the above, the Department's Chief Executive Officer requests approval to execute the Fourth Amendment to Contract DA-4910 with SITA to continue maintenance, support, and repair of the LAX Automated Passport Control kiosks by extending the current agreement for two years with no additional appropriation.

The Board of Airport Commissioners approved the Amendment at its meeting of December 19, 2019.

FISCAL IMPACT STATEMENT

Approval of the Fourth Amendment between the Los Angeles World Airports and SITA Information Networking Computing USA, Inc. for maintenance, support, and repair of automated passport control kiosks at the Los Angeles International Airport will have no impact on the General Fund. Funding is available in the Department's 2019-2020 Operating Budget in Cost Center 1170010 – IT Airport Operations Division, Commitment Item 520 – Contractual Services. 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 Hays

City of Los Angeles

Eric Garcetti
Mayor

Board of Airport
Commissioners

Sean O. Burton
President

Valeria C. Velasco
Vice President

Gabriel L. Esheghian
Beatrice C. Hsu
Nicholas P. Roxborough
Dr. Cynthia A. Tallis
Karim Webb

Deborah Flint
Chief Executive Officer

ATTN: Heleen Ramirez
Legislative Coordinator

RE: 4th Amendment to Contract DA-4910 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 4th Amendment to Contract DA-4910
with SITA Information Networking Computing USA, Inc. to provide ongoing
maintenance, support, and repair of the Automated Passport Control kiosks at Los
Angeles International Airport.

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

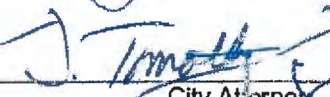
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REPORT TO THE

BOARD OF AIRPORT COMMISSIONERS


 Approved by: Anra Moore, Chief Information Officer


 Reviewed by: Justin Erbacci, Chief Operating Officer

 KTR
 City Attorney


 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 LAX.
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.

FOURTH AMENDMENT TO SITA CONTRACT RE APC KIOSKS AT LAX

This Fourth Amendment to the ~~CONTRACT RE INSTALLATION AND MAINTENANCE OF AUTOMATED PASSPORT CONTROL KIOSKS AT LAX~~ is made and entered into as of _____, 2019 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 Automated Passport Control Kiosks ("Contract") on May 20, 2014; and

WHEREAS, City and Contractor entered into a First Amendment on June 4, 2015, which amendment modified the Contract to, among other things, upgrade the functionality of the previously installed kiosks and to also install and maintain an additional seventy (70) kiosks as per the SITA's May 13, 2015 Response to Request for Cost Proposal; and

WHEREAS, City and Contractor entered into a Second Amendment on March 31, 2016, which amendment modified the Contract to, among other things, have the Contractor provide additional work and services amended with the installation and maintenance of one hundred additional kiosks; and

WHEREAS, City and Contractor entered into a Third Amendment on May 19, 2017 which extended the term of the APC Contract to December 31, 2019, increased the number of Kiosks, modified the services and terms and increased the total amount payable under this Contract; and

WHEREAS, City and Contractor seek to extend the term of this Contract to a date not beyond December 31, 2021.

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. **Section 1.0 Term of Contract.**

Section 1.0 Term of Contract is revised to read as follows:

"1.1 The commencement date of this Contract is May 20, 2014. Unless earlier terminated pursuant to Section 6, below, the expiration date of this Contract will be 11:59:59 p.m. on December 31, 2021."

2. Full Force and Effect.

Except as specifically set forth in this Fourth Amendment, the First Amendment, Second Amendment, Third Amendment and the May 20, 2014 Contract remain unmodified and in full force and effect.

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

APPROVED AS TO FORM:

CITY OF LOS ANGELES

MICHEL N. FEUER,
City Attorney

Date: 1/6/20

Date: _____


By: 
Deputy/Assistant City Attorney

By: _____
Chief Executive Officer
Department of Airports

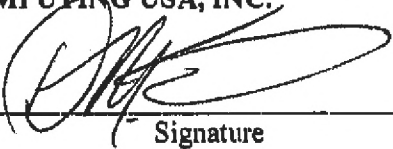
APPROVED:

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

ATTEST:

By: 
Signature

SITA INFORMATION NETWORKING
COMPUTING USA, INC.

By: 
Signature



Harihar Subramanian
Print Name
Assistant Treasurer
Print Title

Diana Einterz
Print Name
President
Print Title