

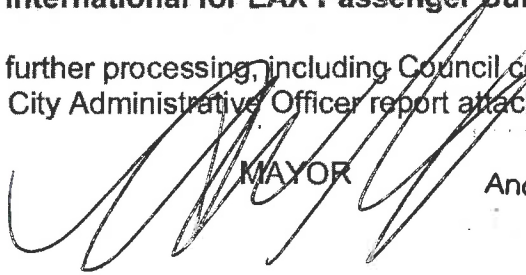
0150-11275-0000

TRANSMITTAL

TO Deborah Flint, Chief Executive Officer Department of Airports	DATE JAN 09 2019	COUNCIL FILE NO.
FROM The Mayor	COUNCIL DISTRICT 11	

Request to Approve a Second Amendment to Contract with Airports Council International for LAX Passenger Surveys

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


MAYOR Ana Guerrero

RHL:WDC: 10190055t

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: January 7, 2019

CAO File No. 0150-11275-0000

Council File No.

Council District: 11

To: The Mayor

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

Reference: Communication from the Department of Airports dated December 4, 2018; referred by the Mayor for report on December 4, 2018

Subject: **REQUEST TO APPROVE A SECOND AMENDMENT TO CONTRACT WITH AIRPORTS COUNCIL INTERNATIONAL FOR LAX PASSENGER SURVEYS**

RECOMMENDATIONS

That the Mayor:

1. Approve the Second Amendment to Contract 4700001225 with Airports Council International for LAX guest satisfaction surveys and benchmarking/performance management services to extend the term of performance by one year to March 10, 2020, and increase the overall contract authority by an amount not to exceed \$870,000 subject to approval by the City Attorney as to form and compliance with the City's Standard Provisions applicable to contracts including: the Living Wage Ordinance, Affirmative Action Program, Child Support Obligations Ordinance, Contractor Responsibility Program, First Source Hiring Program, and Bidder's Contributions City Ethics Commission (CEC) Form 55 provisions;
2. Authorize the Chief Executive Officer to execute the proposed Second Amendment; and,
3. Return the Amendment to the Department for further processing, including Council consideration.

SUMMARY

The Chief Executive Officer of the Los Angeles World Airports (LAWA) requests authority to execute the Second Amendment to a contract with Airports Council International (ACI), a firm that provides proprietary airport customer satisfaction measurement, benchmarking, and data management services, as well as service level enhancement strategies for commercial airports like the Los Angeles International Airport (LAX). The proposed Amendment will extend the current four-year agreement by one year, to March 10, 2020, and increase the expenditure authority to a maximum of \$870,000 so as to (1) enable the firm to continue to conduct guest surveys for departing passengers, capture passenger demographics, track improvements, and help LAWA to implement best practices with respect to the guest experience; and (2) extend customer

satisfaction surveys to arriving passengers. Doing so will also help the Department implement various aspects of its Strategic Plan.

Established in 1991, Canadian-headquartered ACI is, according to the company's promotional materials, "The only global trade representative of the world's airport authorities." Among other services, the firm develops standards, policies, and recommended practices for airports, as well as providing information and training opportunities to raise airport standards around the world. As such, ACI is providing services to LAWA under an agreement approved by the Board of Airport Commissioners (Board) in March 2016.

The Department reports that, as a result of ACI's services, it has used the results of passenger feedback to (1) identify enhancements necessary to upgrade the level of guest service at LAX and track the resulting improvements; (2) initiate terminal reviews with airport tenants to identify short-term opportunities to improve services; (3) re-focus priorities to ease passengers' transit through the airport, reduce wait times for airline check-in and security inspections, improve Wi-Fi and Internet access, as well as the cleanliness of restrooms; and (4) improve guests' perceptions of the value-for-their-money they receive from concessionaires.

To maintain the current service level and also expand the services to solicit feedback from both departing and arriving passengers, LAWA proposes to amend the current agreement to add one additional year to the term while increasing the corresponding contracting authority.

Specific services planned for the new contract term include the following:

- Implement the Airport Service Quality program surveys for arriving passengers—thereby increasing the overall airport sample size by approximately 2,800 passengers—and benchmarking the results
- Identify and implement additional strategies to further improve the LAX guest experience and customer service
- Further emphasize the airport-wide adoption of a customer-centric service philosophy

The cost of the guest satisfaction surveys and benchmarking/performance management services will be recovered through landing fees, terminal rates and charges, and other non-aeronautical revenues.

The Board approved the proposed Amendment at its meeting of December 6, 2018.

FISCAL IMPACT STATEMENT

The proposed Second Amendment to the contract with Airports Council International for LAX guest satisfaction surveys and benchmarking/performance management services to extend the term of the agreement for one year and increase the contracting authority to a maximum of \$870,000 will have no impact on the City's General Fund. Financing will be from funds currently available in the Los Angeles World Airports' Fiscal Year 2018-19 Operating Budget in the Guest

Experience Cost Center, Commitment Item 520 – Contractual Services. Future years' funding will be requested as part of the annual budget process. Expenditures will be recovered through landing fees, terminal rates and charges, and other non-aeronautical revenues (e.g., concessions, parking lot revenue, etc.).

RHL:WDC:10190055