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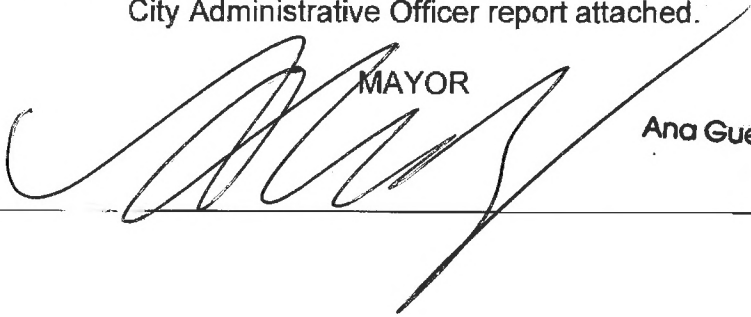
TRANSMITTAL

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| TO Justin Erbacci, Interim Chief Executive Officer Department of Airports | DATE FEB 05 2020 | COUNCIL FILE NO. |
| FROM The Mayor | COUNCIL DISTRICT 6, 11 | |

Request to Execute the Third Amendment to a Contract With Elevators Etc., Inc., to Extend the Time of Performance and Increase the Contracting Authority to Continue Repair Services for Elevators, Escalators, and Moving Walkways at the Los Angeles International and Van Nuys Airports

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

MAYOR



Ana Guerrero

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: January 30, 2020

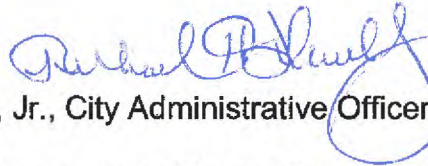
CAO File No. 0150-11554-0000

Council File No.

Council District: 6, 11

To: The Mayor

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



Reference: Transmittal from the Los Angeles World Airports dated December 16, 2019; referred by the Mayor for report on December 20, 2019

Subject: **REQUEST TO EXECUTE THE THIRD AMENDMENT TO A CONTRACT WITH ELEVATORS ETC., INC., TO EXTEND THE TIME OF PERFORMANCE AND INCREASE THE CONTRACTING AUTHORITY TO CONTINUE REPAIR SERVICES FOR ELEVATORS, ESCALATORS, AND MOVING WALKWAYS AT THE LOS ANGELES INTERNATIONAL AND VAN NUYS AIRPORTS**

RECOMMENDATIONS

That the Mayor:

1. Approve the proposed Third Amendment to Contract DA-5161 between the Los Angeles World Airports and Elevators Etc., Inc. to increase the current contracting authority by \$3,500,000, to a not-to-exceed \$19,132,726, to continue repair services and the provision of parts for elevators, escalators, and moving walkways at the Los Angeles International and Van Nuys Airports and extend the term of performance by one additional year for a total of four years, subject to compliance with the following Standard Provisions for City Contracts: the Prevailing Wage Ordinance, Affirmative Action Program, Child Support Obligations Ordinance, Contractor Responsibility Program, First Source Hiring Program for all non-trade Airport jobs, 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 Third Amendment; and,
3. Return the Amendment to the Department for further processing, including Council consideration.

SUMMARY

Elevators Etc., Inc. (Elevators Etc., contractor) is a local business that was selected in December

2016, through a competitive process, to provide repair services and parts for escalators, elevators, and moving walkways at both the Los Angeles International Airport (LAX) and Van Nuys Airport (VNY). The three-year term ended January 7, 2020. The initial not-to-exceed contract amount was \$4,170,000. Two subsequent amendments, however, increased the contracting authority by a total of \$11,462,726 for a not-to-exceed \$15,632,726 that reflects the fact that (1) LAWA has had to depend on contract staff to a greater degree than what was originally envisioned as a consequence of the difficulty in hiring and retaining in-house repair staff; (2) in order to maximize the availability of equipment during the airport's peak operating hours, much of the repair work has had to be done at night, thus necessitating increased expenditures for contract night shift work; and (3) the learning curve for in-house maintenance staff working on state-of-the-art equipment was greater than expected and, therefore, resulted in increased reliance on contract employees provided by Elevators Etc.

In order for the Los Angeles World Airports (LAWA, Department) to adequately maintain over 380 pieces of equipment and ensure their safety and reliability, as well as position staff resources to address the maintenance of what will become over 500 pieces of equipment when, over the next four years, new airport facilities are completed, the Department employs a two-pronged strategy. The strategy consists of a mix of in-house mechanics supplemented by contract mechanics like those hired through Elevators Etc. It also reflects the fact that hiring and retaining qualified elevator, escalator, and moving walkways mechanics is difficult in an industry characterized by labor shortages.

The current contract provides for up to five two-person crews; the Third Amendment proposes to reduce contract support to three two-person crews with the expectation that LAWA will continue efforts to increase City forces. LAWA reports that difficulties with retention and the need to maintain optimal flexibility necessitates the need for contract support in addition to City forces. Currently, contract forces primarily work nights which increases costs, resulting in the need to increase funding as proposed by this Amendment. The Department is exploring methodologies to address workload that currently includes 366 conveyances that will increase to over 500 after the Automated People Mover and other capital projects are completed.

The Department's Chief Executive Officer is seeking approval of a Third Amendment to the current contract in order to retain the services of Elevators Etc. to supplement in-house crews and support a possible transition to other methodologies by extending the term of performance by one year with a corresponding increase to the contract authority. The cost for the extension will be recovered from landing fees, terminal rates and charges, and non-aeronautical revenues (typically concessions like food/beverage, retail, rental cars, and parking lot revenue).

The Board of Airport Commissioners approved this item at its meeting of December 19, 2019.

FISCAL IMPACT STATEMENT

Approval of the proposed Third Amendment will have no impact on the City's General Fund. The elevators, escalators, and moving walkways repairs and maintenance by Elevators Etc., Inc., while not generating revenue for the Department, will contribute to the safety and reliability of the equipment and, therefore, the safety and convenience of the airports' passengers, customers, and

employees. Funding for the \$3,500,000 cost increase for a one-year term extension is available in the Department's 2019-2020 Operating Budget in Cost Center 1150067 for LAX and Cost Center 1400003 for Van Nuys Airport. Subsequent years' funding will be requested as part of the annual budget process. This project complies with the Department of Airports' adopted Financial Policies.

RHL:WDC:10200072