

Los Angeles  
World Airports

April 10, 2014

The Honorable City Council  
of the City of Los Angeles  
City Hall – Room 395  
Los Angeles, CA 90012

LAX  
LA/Ontario  
Van Nuys  
City of Los Angeles

Reference: CF 14-0438

Eric Garcetti  
Mayor

This is to hereby transmit for your information the Mayor approved City Administrative Officer's report covering the consideration and approval of Operating Agreement No. DA-4891 with ABM Parking Services, Incorporated to operate transportation systems and manage employee parking lots at Los Angeles International Airport.

Board of Airport  
Commissioners

Sean O. Burton  
President

Upon further discussion with the City Attorney, it was determined that the appropriate charter section was 606 rather than 373.

Valeria C. Velasco  
Vice President

Gabriel L. Eshaghian  
Jackie Goldberg  
Beatrice C. Hsu  
Matthew M. Johnson  
Dr. Cynthia A. Telles

Sincerely,

Gina Marie Lindsey  
Executive Director

Christine D. Iseri  
Government Affairs Division  
Los Angeles World Airports

Attachments



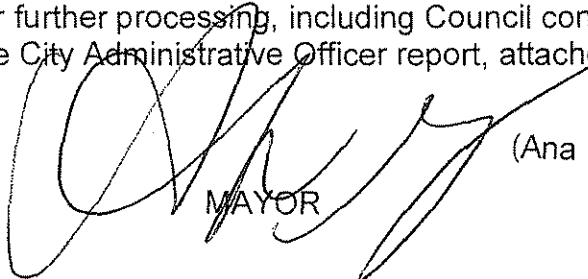
0150-10180-0000

**TRANSMITTAL**

TO Gina Marie Lindsey, Executive Director Department of Airports	DATE APR 07 2014	COUNCIL FILE NO.
FROM The Mayor	COUNCIL DISTRICT 11	

**Approval to Award an Agreement to ABM Parking Services, Inc. to  
Provide Transportation Services and Operation of Employee Parking Lots at  
Los Angeles international Airport**

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

  
MAYOR (Ana Guerrero)

MAS:AVM:10140150t

REPORT FROM

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Date: April 4, 2014

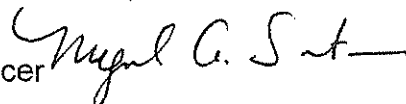
CAO File No. 0150-10180-0000

Council File No.

Council District: 11

To: The Mayor

From: Miguel A. Santana, City Administrative Officer



Reference: Communication from the Department of Airports dated March 11, 2014; referred by the Mayor for report on March 11, 2014

Subject: **APPROVAL TO AWARD AN AGREEMENT TO ABM PARKING SERVICES, INC. TO PROVIDE TRANSPORTATION SERVICES AND OPERATION OF EMPLOYEE PARKING LOTS AT LOS ANGELES INTERNATIONAL AIRPORT**

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### SUMMARY

The Executive Director of the Department of Airports (Department) requests approval to award a competitively bid agreement (Agreement) to ABM Parking Services, Inc. (ABM). Approval of the proposed Agreement will provide: (1) transportation and parking management services for employee parking lots at Los Angeles International Airport (LAX); (2) transportation between Metro's Green Line Station and the Central Terminal Area (CTA) at LAX; and, (3) the design, installation and maintenance of a new turn-key parking Access Control System (ACS) at LAX's remote employee parking lots. The proposed Agreement is for a five-year term and two one-year extension options, thus permitting a maximum duration of seven years for the proposed Agreement. The estimated seven-year cost is an amount not-to-exceed \$53.5 million.

The Board of Airport Commissioners (BOAC) approved the proposed Agreement with ABM at a meeting on March 18, 2014. The above-referenced aspects of the Agreement, and this report, incorporate revised information received from the Department subsequent to the initial request submittal. Pursuant to Charter Section 373 and Los Angeles Administrative Code Section 10.5(b)2, Council approval of the Proposed Third Amendment is required because the cumulative contract term will exceed three years.

### Background

The Department currently has contractual arrangements with two different firms to provide parking management and transportation services. New South Parking provides parking management for public and employee parking lots at LAX and Van Nuys Airport. Servisair LLC provides transportation services at LAX for the CTA, public and employee lots and between Metro's Green Line Station and the CTA. The first contract's term will expire in 2014, although there is an option to extend the term until 2016; the second contract's term will expire in 2016.

In an effort to provide additional services, improve accountability and manage costs, the Department released a Request for Proposals (RFP) on May 8, 2013 for transportation services and operation of employee parking lots. On November 12, 2013, four firms submitted proposals in response to the RFP to participate in a competition selection process. A five-member evaluation committee interviewed the four proposers on January 22, 2014. Following the interviews, the evaluation committee ranked the proposals based upon weighted criteria. The final rankings were: ABM Parking Services, Inc. – first rank; Standard Parking Corporation – second rank; Servisair LLC - third rank; and, Keolis Transit Services, LLC – fourth rank.

### **Proposed ABM Agreement for Transportation Services and Operation of Employee Parking Lots**

Approval of the proposed Agreement will provide: (1) transportation and parking management services for employee parking lots at LAX; (2) transportation between Metro’s Green Line Station and the Central Terminal Area (CTA) at LAX; and, (3) the design, installation and maintenance of a new turn-key parking Access Control System at LAX’s remote employee parking lots. An estimated cost not-to-exceed \$53.5 million is projected for the seven years maximum term of the proposed Agreement.

The Department expects that the services to be provided by ABM will consolidate the two existing parking management and transportation contracts. According to Department staff, an annual cost of approximately \$1,790,000 through the current parking management contract is attributable to LAX employee lots and approximately \$5,290,000 annually through the current transportation services contract is attributable to LAX employee lots and the Metro Green Line Station and CTA transit. The estimated first year cost for the proposed ABM Agreement is \$7 million; this amount represents no change from the annual expenditure of approximately \$7 million for services relating to LAX through the two existing contracts.

An overview of the projected costs for the proposed Agreement, which includes a management fee and cost escalation, is presented below and totals an amount not-to-exceed \$53.5 million.

<b>Proposed ABM Contract Category of Service</b>	<b>Parking</b>	<b>Transportation</b>	<b>Cleaning</b>	<b>Infrastructure, Contingency</b>	<b>Total Cost</b>
Year 1 - Year 5	\$7,853,963	\$27,564,005	\$774,335		<b>\$36,192,303</b>
<i>Option, Years 6 and 7</i>	\$3,322,423	\$12,481,802	\$354,830		<b>\$16,159,055</b>
Infrastructure, Contingency *				\$1,100,000	<b>\$ 1,100,000</b>
<b>Total Cost</b>	<b>\$11,176,386</b>	<b>\$40,045,807</b>	<b>\$1,129,165</b>	<b>\$1,100,000</b>	<b>\$53,451,358</b>
Cost Percentage	21 percent	75 percent	2 percent	2 percent	

\*Note: Infrastructure = \$500,000, Contingency = \$600,000

The proposed Agreement also will provide the design, installation and maintenance of ACS, an automated parking lot access control system and equipment, at LAX’s remote employee parking lots. Staff reports that currently a stationary guard monitors the employee lots to ensure that only

pass holders gain access to the parking areas. The new ACS will allow permit holders to access employees lots using proximity cards and also allow web based permit purchase of the parking (hang-tag) permits. Additionally for the 6,300 parking spaces to be serviced, the proposed Agreement will utilize 29 buses to transport riders, which is the same number of buses currently in use.

The five-year term of the proposed Agreement may be augmented by two one-year extension options that will give ABM opportunity to provide a total of seven years of transportation services and the operation of employee parking lots. The Executive Director has the sole right to implement each extension option by providing written notification to ABM not less than 90 days prior to the date to begin a term extension. Conversely, a provision in the proposed Agreement also gives ABM an opportunity to notify the City, by a specified time, if its agency elects to 'opt-out' of the extension options. Furthermore, the proposed Agreement includes 'termination for convenience' provision that allows the Executive Director sole and absolute discretion to terminate the contract through written notification to ABM providing at least 90 days prior notice.

### **Alternative to the Proposed Agreement Award**

Two different actions were considered, according to Department staff, as alternatives to not awarding and implementing the proposed new Agreement; however, both were deemed unacceptable by staff. One alternative discussed was that if the Department kept its existing, separate contractual arrangements for employee parking services and transportation for employees and Metro's Green Line passengers, then customer service accountability is reduced and overhead costs are redundant. A second alternative considered was to replace contractual service providers with City employees. This idea was not supported because Department staff anticipates that with contractors it will be easier to maximize parking and transportation services flexibility, plus minimize long-term costs, while planned development of various transportation facilities evolve and are constructed at LAX.

### **City Contract Compliance**

The proposed ABM Agreement is subject to approval as to form by the City Attorney. Staff notes ABM has an assigned Business Tax Registration Certificate number and will have approved insurance documents in the terms and amounts required on file with the Department prior to the issuance of a Notice to Proceed. The proposed contractor, ABM, has submitted the Contractor Responsibility Program Questionnaire and Pledge of Compliance. In addition, ABM has submitted and will comply with provisions of the Contractor Responsibility Program as well as the Bidder Contributions City Ethics Commission Form 55 pertaining to the City's contract bidder campaign contribution and fundraising restrictions (Charter Amendment H). The Public Works, Office of Contract Compliance has determined that PCI is in full compliance with provisions of the Equal Benefits Ordinance. Furthermore, in accordance with City Charter Section 1022, Department staff has determined that the work specified in the proposed Agreement can be performed more feasibly or economically by an independent contractor than by City employees.

The Department's Procurement Services Division staff reviewed this action (File No. 6225) and established a ten percent Airports Concessions Disadvantage Business Enterprise (ACDBE) participation goal. The ACDBE participation level proposed by ABM is 11.38 percent. Staff in the Department's Procurement Services Division confirms that based upon documents submitted, ABM has made a good faith effort to outreach to ACDBE subcontractors to achieve their proposed participation level.

ABM will comply with the provisions of the following City contract standard documents: Affirmative Action Program, Child Support Obligations Ordinance, the Living Wage / Service Contractor Worker Retention Ordinances and the First Source Hiring Program for all non-trade Airport jobs. The issuance of permits, leases, agreements and renewals, amendments or extensions thereof, or other entitlements granting use of an existing airport facility involving negligible or no expansion of use and/or alteration or modification of the facilities or its operations beyond that previously existing or permitted is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Article III, Class 1(18)(c) of the Los Angeles City CEQA Guidelines.

Actions taken on this item by the BOAC will become final pursuant to Charter Section 373, "Long Term Contracts Approved by Council," and Administrative Code 10.5, "Limitation and Power to Make Contracts". City Council approval is required because approval of the proposed Agreement will result in the term exceeding three years.

## **RECOMMENDATIONS**

That the Mayor:

1. Approve, subject to approval of the City Attorney as to form, an award of a proposed Agreement with ABM Parking Services, Inc. (ABM) to provide transportation and parking management services for employee parking lots at Los Angeles International Airport (LAX), transportation services between Metro's Green Line Station and the Central Terminal Area at LAX and the design, installation and maintenance of a new turn-key parking Access Control System at LAX's remote employee parking lots, for a five-year term, with two one-year extension options, for an estimated seven-year cost not-to-exceed \$53.5 million, and
2. Return the request to the Board of Airport Commissioners for further processing, including Council consideration.

## **FISCAL IMPACT STATEMENT**

Approval of the proposed Agreement between ABM and the Department of Airports will have no impact on the General Fund. Current year funds for the proposed Agreement are available in the 2013-14 Airports Operating Budget, in LAX Cost Center 1240005 - Landside Business Management, Commitment Item 520 - Contractual Services. Funding for subsequent years will be requested as a part of the annual budget process. The proposed Amendment complies with the Department of Airports' adopted Financial Policies

**TIME LIMIT FOR COUNCIL ACTION**

Pursuant to Charter Section 373, "Long Term Contracts Approved by Council", and the Los Angeles Administrative code Section 10.5, "Limitation and Power to Make Contracts", unless the Council takes action disapproving a contract that is longer than three years within 60 days after submission to Council, the contract shall be deemed approved.

*MAS:AVM:10140150*