



REPORT TO THE

BOARD OF AIRPORT COMMISSIONERS

Aura Moore

Reviewed by: Aura Moore, Deputy Executive Director and Chief Information Officer

Brian C. Ostler
Brian Ostler (Mar 10, 2022 12:21 PST)

Brian C. Ostler, City Attorney

Justin Erbacci
Justin Erbacci (Mar 10, 2022 14:58 PST)

Justin Erbacci, Chief Executive Officer

Meeting Date

3/17/2022

Needs Council Approval: Y

Reviewed for / by	Date	Approval Status	By
Finance	3/4/2022	<input checked="" type="checkbox"/> Y <input type="checkbox"/> NA	JS
CEQA	2/25/2022	<input checked="" type="checkbox"/> Y	VW
Procurement	3/8/2022	<input type="checkbox"/> Y <input checked="" type="checkbox"/> Cond	QM
Guest Experience	3/4/2022	<input checked="" type="checkbox"/> Y	TB
Strategic Planning	3/1/2022	<input checked="" type="checkbox"/> Y	KC
City Attorney	3/9/2022	<input checked="" type="checkbox"/> Y	TD

SUBJECT

Request to approve the Fifth Amendment to Contract No. DA-5117 with Siemens Industry, Inc., to extend the term through September 2, 2023, and to increase the contract authority in an amount not to exceed \$1,317,079, for a total amount of \$7,857,342, for ongoing technical operations support, maintenance, and system enhancements for the Airport Response Coordination Center, Department Operations Center, and the Ramp Control Tower, 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 Los Angeles Administrative Code Section 10.15 (a)(10) and Los Angeles City Charter Section 371 (e)(10) that the services to be provided under this contract involve the performance of professional, expert, technical, and other special services such that the use of competitive bidding would be impractical and undesirable.

5. APPROVE the Fifth Amendment to Contract No. DA-5117 with Siemens Industry, Inc. to extend the term through September 2, 2023, and to increase the contract authority by an amount not to exceed \$1,317,079, for a total of \$7,857,342, for ongoing technical operations support, maintenance, and system enhancements for the Airport Response Coordination Center, Department Operations Center, and Ramp Control Tower, at Los Angeles International Airport.
6. AUTHORIZE the Chief Executive Officer or designee to execute the contract amendment upon approval as to form by the City Attorney and approval by the Los Angeles City Council.

DISCUSSION

1. Purpose

To ensure the continuation of ongoing maintenance and technical support for the Airport Response Coordination Center (ARCC), the Department Operations Center (DOC), and the Ramp Control Tower (RCT) at Los Angeles World Airports (LAWA).

2. Prior Related Actions/History of Board Actions

- **August 18, 2016 – Resolution No. 26051 (DA-5117)**

The Board of Airport Commissioners (Board) approved a one-year contract with two one-year renewal options with Siemens Industry, Inc. for the ARCC systems Operations and Maintenance Support and Services at LAWA for an amount not to exceed \$1,739,200.

- **November 2, 2017 – Resolution No. 26366 (DA-5117A)**

The Board approved the First Amendment to Contract No. DA-5117 with Siemens Industry, Inc. to increase the contract authority by \$1,382,600 for a total of \$3,121,800 for ongoing technical support, maintenance, and system enhancement services for the ARCC and DOC at LAWA.

- **August 30, 2018 – Resolution No. 26570 (DA-5117B)**

The Board approved the Second Amendment to Contract No. DA-5117 with Siemens Industry, Inc. to increase the contract authority by \$922,255 for a total of \$4,044,055 for ongoing technical support, maintenance, and system enhancements for the ARCC and the DOC at LAWA.

- **September 10, 2019 – Resolution No. 26848 (DA-5117C)**

The Board approved the Third Amendment to Contract No. DA-5117 with Siemens Industry, Inc. to extend the term for one additional year and to increase the contract authority by \$1,231,726 for a total of \$5,275,781 to provide ongoing technical support, maintenance, and system enhancement for the ARCC and DOC at LAWA.

- **September 3, 2020 – Resolution No. 27095 (DA-5117D)**

The Board approved the Fourth Amendment to Contract DA-5117 with Siemens Industry, Inc. to extend the term through April 2, 2022, and increase the contract authority by \$1,264,482, for a total of \$6,540,263, covering ongoing technical support, maintenance, and system enhancements for the Airport Response Coordination Center,

Department Operations Center, and Ramp Control Tower at LAWA. This contract expires on April 2, 2022.

3. Background

The ARCC provides 24-hours-per-day, 7-days-per-week coordination and support to manage all daily airport operations and to integrate tenant and governmental agency activities. The ARCC is staffed by LAWA personnel from Airport Operations, Facilities Maintenance and Utilities group, Airport Police, Information Management & Technology (IMT), and other governmental agencies, including the Transportation Security Administration. The Department Operations Center (DOC) provides response and recovery support during major incidents and airport emergencies. Responders from various departments and entities are summoned to the DOC, as needed, to support emergency management of these events.

A Ramp Control Tower (RCT) was built at The West Gates at Tom Bradley International Terminal to manage scheduling of arriving and departing flights, as well as aircraft movement on the Airfield Operations Area, as part of their operational footprint. Airport Operations staff manages operations at the RCT.

The ARCC, DOC, and RCT use various technologies to streamline and efficiently coordinate airport activities and to manage and maintain situational awareness of the state of critical systems, services, and aircraft operations.

A summary of current expenditures is listed below:

Description	Expenditures
Base Maintenance & Support Services - 18 months	\$1,200,000
ASOCS FAR Part 139 Compliance Software	\$13,923
BARCO Video System Support ARCC/RCT	\$146,198
Data Migration Tool, LightWerks Projector Support	\$4,158
FY 2021 - 22 Expenditures	\$1,364,279
Previous Expenditures	\$4,701,063
Total Expenditures to-Date	\$6,065,342
Current Not-to-Exceed Amount	\$6,540,263
Remaining Contract Authority	\$474,921

4. Current Action/Rationale

Siemens Industry, Inc. staff augments the existing IMT staff by providing remote and on-site ARCC/DOC/RCT technical systems operations support, maintenance, and training, including support for the Mobile Command Post vehicle and portable emergency response technology in the form of "DOC in a Box." Siemens staff conducts these and other duties on-site during standard business hours, and On-Call 24 x 7.

Technical operations and maintenance support tasks performed by Siemens support staff include:

- Respond to after-hours service calls as needed 24 x 7
- Respond to, resolve, and address first and second level technical issues associated with computer and mobile hardware, software, configuration and integration of systems at the ARCC/DOC and Ramp Control Tower locations
- Design, develop, create customized forms related to the airport's FAR Part 139 Safety & Operations Compliance System (ASOCS)
- Design, develop, and create customized Airport Operations-specific reports and dashboards using SQL and Microsoft Power BI
- Identify, create, gather, and document business processes associated with Airport Operations' day-to-day activities and usage of technology or for as-needed enhancements to existing systems
- Maintain, modify, and create mass communication templates and system interfaces; generate monthly and weekly reports and update user information
- Apply, install, and configure system updates, upgrades, and changes for system enhancements and security protocols
- Plan, monitor, track, document, and perform related tasks in the management of technical projects
- Create and develop training material and user guidelines, and deliver training for user familiarization of existing or new technology used at the ARCC/DOC and Ramp Control tower

The current ARCC operations and maintenance support contract expires on April 2, 2022. A consolidated IT Managed Services Request for Proposals (RFP) is being developed to consolidate and reduce the total cost of support services, including ARCC, DOC, and RCT operations and maintenance support. To prevent a gap in service, and to allow time for the RFP process to be completed, the existing contract with Siemens Industry, Inc. will be extended an additional 18 months. This contract can be and will be canceled upon execution of the consolidated IT Managed Services contract.

Estimated services and expenditures for the contract extension are as follows:

Description	Expenditures
Base Maintenance and Support Services - 18 Months	\$1,249,500
ASOCS FAR Part 139 Compliance Software	\$32,000
BARCO Video System Support ARCC/RCT	\$300,000
As-Needed ARCC/DOC/RCT Enhancements and Business Process Development	\$210,500
Total Fifth Amendment Costs	\$1,792,000
Remaining Contract Authority	\$474,921
Additional Contract Authority Needed	\$1,317,079
Current Not-to-Exceed Amount	\$6,540,263
New Not-to-Exceed Contract Amount*	\$7,857,342

*Note: Costs for individual line items may vary, but the total expenditures will not exceed \$7,857,342

Siemens Industry, Inc. is currently at 24.58 percent of their 25 percent Small Business Enterprise (SBE) goal. This contractor is on track for meeting their SBE participation commitment.

How This Action Advances a Specific Strategic Plan Goal and Objective

This action advances this strategic goal and objective: *Deliver Facilities & Guest Experiences that are Exceptional: Develop, maintain and operate first class facilities.* By extending the contract with Siemens Industry, Inc., the IMT support staff, supplemented with Siemens personnel, will be able to continue to provide consistent and timely operations support for ARCC, RCT, and DOC systems during day-to-day and emergency events. This level of support will ensure these facilities are functional at their optimal levels.

5. Fiscal Impact

- The costs incurred under this contract extension will be recovered through landing fees, terminal rates and charges, and non-aeronautical revenues.

6. Alternatives Considered

- ***Take No Action***
Support for the ARCC, DOC, RCT and related IT systems will be significantly reduced and response times for technical support will be greatly increased. This will negatively affect the efficient operation, provision, and coordination of airport services, as well as the management and gate assignment of arrival and departure of aircraft.
- ***Provide Support Utilizing LAWA Staff***
Upon evaluation, the annual cost to staff the required positions is approximately equivalent to the annual base cost of this contract. However, it would take approximately 18 months to hire the necessary staff and complete training in order to provide the required support services for the ARCC, DOC, and RCT.

APPROPRIATIONS

Funding will be requested in the FY 22-23 Los Angeles World Airports' annual operating budget in LAX Cost Center 1170010 – IT Airport Operations, Commitment Item 520 – Contractual Services, and Commitment Item 522 – Materials and Supplies. 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 exempt from California Environmental Quality Act (CEQA) requirements pursuant to Article II, Section 2.f. of the Los Angeles City CEQA Guidelines.
2. The 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. Siemens Industry, Inc. is required by contract to comply with the provisions of the Contractor Worker Retention and/or Living Wage Ordinance.
5. Procurement Services has reviewed this action (File No. 7588) and established a mandatory 10% Small Business Enterprise goal for this project. Siemens Industry, Inc. proposed 25% SBE participation and has achieved 24.695% to date.
6. Siemens Industry, Inc. is required by contract to comply with the provisions of the Affirmative Action Program.
7. Siemens Industry, Inc. has been assigned Business Tax Registration Certificate No.0000946975-0001-9.
8. Siemens Industry, Inc. is required by contract to comply with the provisions of the Child Support Obligations Ordinance.
9. Siemens Industry, 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 this contract can be performed more feasibly and economically by Independent Contractors than by City employees.
11. Siemens Industry, Inc. has submitted the Contractor Responsibility Program Pledge of Compliance and will comply with the provisions of the Contractor Responsibility Program.
12. Siemens Industry, Inc. must be determined by Public Works, Office of Contract Compliance to be in compliance with the provisions of the Equal Benefits Ordinance prior to execution of the contract.
13. Siemens Industry, Inc. will be required to comply with the provisions of the First Source Hiring Program for all non-trade LAX Airport jobs.
14. Siemens Industry, Inc. has submitted the Bidder Contributions CEC Form 55 and will comply with its provisions.
15. Siemens Industry, Inc. has submitted the Municipal Lobbying Ordinance CEC Form 50 and will comply with its provisions.
16. Siemens Industry, Inc. has submitted the Iran Contract Act of 2010 affidavit and will comply with its provisions.

FIFTH AMENDMENT TO CONTRACT NO. DA-5117
BETWEEN THE CITY OF LOS ANGELES
AND
SIEMENS INDUSTRY, INC.

This Fifth Amendment is made and entered into this _____ day of _____, 2022, at Los Angeles, California by and between the City of Los Angeles, a municipal corporation (hereinafter referred to as “City”), acting by and through the Board of Airport Commissioners (hereinafter referred to as “Board”) of the Department of Airports (hereinafter referred to as “Department” or “LAWA”) and Siemens Industry, Inc. (hereinafter referred to as “Contractor”).

RECITALS

WHEREAS, City and Contractor entered into Contract No. DA-5117 (hereinafter referred to as “Contract”) dated September 1, 2016 to provide on-site operations support, service, for the Airport Response Coordination Center (hereinafter referred to as “ARRC”) systems during regular working hours and equivalent on-call support, service, and maintenance for all hours outside of regular working hours, collectively on a twenty four (24) hour three hundred sixty five (365) days a year basis for the Department throughout the term of the Contract and as amended on November 27, 2017, August 30, 2018, October 25, 2019, and on September 3, 2020; and,

WHEREAS, the City finds that a competitive process is impractical under the current circumstances; and,

WHEREAS, the parties hereto desire to amend this Contract to extend the term for an additional seventeen (17) months and to add additional contracting authority.

NOW, THEREFORE, in consideration of the covenants and conditions hereinafter contained to be kept and performed by the respective parties hereto, it is mutually agreed that Contract No. DA-5117 BE AMENDED AS FOLLOWS:

Section 1.0 Sub-section 1.1 of Section 1.0, Term of Contract, is deleted in its entirety and replaced with the following:

“The term of this Contract shall commence on October 3, 2017 and shall terminate on September 2, 2023 unless otherwise terminated as set forth in this Contract. City may terminate this Contract, with or without cause, upon giving the other party thirty (30) days’ advance written notice or as otherwise set forth in the Contract.”

Section 2.0 Subsection 3.2 of Section 3.0, Contractor Scope and Fee, is deleted in its entirety and replaced with the following:

“The compensation to Contractor shall not exceed Seven Million Eight Hundred Fifty Seven Thousand Three Hundred Forty Two Dollars (\$7,857,342) for the term of the Contract. The stated amount is deemed to include all provisions for

Contractor's compensation for the scope of services under the Contract, including, without limitation, travel costs, fringe benefits, all out of pocket costs, and overhead."

Section 3.0 This Contract, and any amendments thereto, and any other document necessary for the consummation of the transaction contemplated by this Contract may be executed in counterparts, including counterparts that are manually executed and counterparts that are in the form of electronic records and are electronically executed. An electronic signature means a signature that is executed by symbol attached to or logically associate with a record and adopted by a party with the intent to sign such record, including facsimile or e-mail signatures. All executed counterparts shall constitute one agreement, and each counterpart shall be deemed an original. The parties hereby acknowledge and agree that electronic records and electronic signatures, as well as facsimile signatures, may be used in connection with the execution of this Contract and electronic signatures, facsimile signatures or signatures transmitted by electronic mail in so-called PDF format shall be legal and binding and shall have the same full force and effect as if a paper original of this Contract had been delivered that had been signed using a handwritten signature. All parties to this Contract (i) agree that an electronic signature, whether digital or encrypted, of a party to this Contract is intended to authenticate this writing and to have the same force and effect as a manual signature; (ii) intended to be bound by the signatures (whether original, faxed, or electronic) on any document sent or delivered by facsimile or electronic mail or other electronic means; (iii) are aware that the other party(ies) will rely on such signatures; and, (iv) hereby waive any defenses to the enforcement of the terms of this Contract based on the foregoing forms of signature. If this Contract has been executed by electronic signature, all parties executing this document are expressly consenting, under the United States Federal Electronic Signatures in Global and National Commerce Act of 2000 ("E-SIGN") and the California Uniform Electronic Transactions Act ("UETA") (California Civil Code §1633.1 et seq.), that a signature by fax, e-mail, or other electronic means shall constitute an Electronic Signature to an Electronic Record under both E-SIGN and UETA with respect to this specific transaction.

Section 4.0 It is understood and agreed by and between the parties hereto that, except as specifically provided herein, this Fifth Amendment shall not in any manner alter, change, modify, or affect any of the rights, privileges, duties or obligations of either of the parties hereto under or by reason of Contract No. DA-5117 and except as expressly amended herein, all terms, covenants, and conditions of Contract No. DA-5117, and all amendments thereto, shall remain in full force and effect.

IN WITNESS WHEREOF, City has caused this Fifth Amendment to be executed on its behalf by the Chief Executive Officer and Siemens Industry, Inc. has caused the same to be executed by its duly authorized officers, all as of the day and year first hereinabove written.

APPROVED AS TO FORM:
MICHEL N. FEUER,
City Attorney

CITY OF LOS ANGELES

Date: _____

Date: _____

By: _____
Deputy/Assistant City Attorney

By: _____
Chief Executive Officer
Department of Airports

By: _____
Tatiana Starostina
Deputy Executive Director
Chief Financial Officer

ATTEST:

SIEMENS INDUSTRY, INC.

By _____
Signature (Secretary)

By *Eric Ackermann* _____
Signature
Electronically signed by: Eric Ackermann
Date: Mar 8, 2022 17:48 PST

Print Name

Eric Ackermann _____
Print Name

Vice President _____
Print Title

[SEAL]

Dirk Glaser, VP Finance

Electronically signed by: Dirk Glaser, VP Finance
Date: Mar 9, 2022 08:06 PST