

RESOLUTION NO. 27561

WHEREAS, on recommendation of Management, there was presented for approval, Second Amendment to Contract DA-5382 with LAZ Parking California, LLC to extend the term through October 28, 2024 and increase the contract authority by \$4,550,000, for new total not to exceed \$70,050,000, covering the Taxi and Ride App Pickup Lot (LAX-It) at Los Angeles International Airport; and

WHEREAS, since October 28, 2019, LAXit helped to reduce traffic in the Central Terminal Area (CTA) by consolidating taxi and rideshare pick-up at one central location and away from the terminal curbside space. LAXit is a traffic mitigation measure in the CTA as work continues on the \$15.1 billion capital improvement and modernization program at Los Angeles International Airport (LAX); and

LAX
Van Nuys
City of Los Angeles

Eric Garcetti
Mayor
Board of Airport
Commissioners

WHEREAS, LAZ Parking California, LLC (LAZ) provides operation and management services at LAXit. All passenger pick-ups for Uber, Lyft, Opoli, and taxis are conducted from the LAXit lot. The service also includes maintenance of the lot, administration, and related services; and

Beatrice C. Hsu
President
Valeria C. Velasco
Vice President
Sean O. Burton
Gabriel L. Eshaghian
Nicholas P. Roxborough
Belinda M. Vega
Karim Webb
Justin Erbacci
Chief Executive Officer

WHEREAS, in addition, LAZ also provides courtesy transportation services for passengers to LAXit using both a leased and Los Angeles World Airports (LAWA)-owned shuttle bus fleet, which is composed of seventeen 40-foot and four 60-foot compressed natural gas-powered buses that service all the terminals. Service includes maintenance of the shuttle fleet. The courtesy shuttles operate 24 hours a day throughout the year; and

WHEREAS, the Second Amendment will extend the contract term until taxi and ride app pick-up operations can be relocated when the Automated People Mover is operational. The Amendment will add eighteen (18) months, with an extension option of six (6) months, and a new expiration date of October 28, 2024; and

WHEREAS, in September 2020, by Resolution 27100, the Board of Airport Commissioners approved the First Amendment to LAZ's contract to revise the firm's management and shuttle maintenance fee schedules for LAXit. With continued uncertainty regarding the COVID-19 pandemic, staff recommended maintaining the current variable fee structure to match the level of activity anticipated at LAXit. The management fee increased from contract year 2 to year 3 by 3.8%; the same rate is applied for contract years 4 and 5.

Management Fee – Year 4 (November 2022 – October 2023)

LAXit Passenger Volume	<50%	50%	65%	80%	>90%
Management Fee	\$130,029	\$167,042	\$217,155	\$267,268	\$307,870

Management Fee – Year 5 (November 2023 – October 2024)

LAXit Passenger Volume	<50%	50%	65%	80%	>90%
Management Fee	\$134,970	\$173,390	\$225,407	\$277,425	\$319,569; and

WHEREAS, the activity each month will be compared to a daily average base of 16,500 vehicles, which was the anticipated monthly vehicle average of LAXit operation pre-COVID-19. Activity for the four (4) months of pre-COVID-19 operation ranged from a daily average of 16,432 to 17,724 vehicles per day. The daily average in year 2021 was 7,946 vehicles per day. The daily average in year 2022 year-to-date is 10,625 vehicles per day; and



WHEREAS, the management fee schedule for all years includes insurance for ten (10) shuttles. For additional shuttles required and authorized by LAWA, the management fee will be increased by the cost of insurance for each additional shuttle (currently \$6,500/year); and

WHEREAS, additionally, the Amendment will adjust and reduce the annual salary rate of increase for contract years 4 and 5 as noted in the following table. This adjustment aligns with the salary rate increases included in other related agreements with similar services and job classifications.

Description	Year 1 Hourly Rate	Year 2 Hourly Rate	Year 3 Hourly Rate	Year 4 Hourly Rate	Year 5 Hourly Rate
Transportation Staff	\$40.93	\$42.92	\$45.98	\$48.05	\$50.21
<i>% Increase</i>		4.86%	7.13%	4.50%	4.50%
Lot & Stop Staff	\$30.75	\$34.50	\$38.00	\$39.71	\$41.50
<i>% Increase</i>		12.20%	10.14%	4.50%	4.50%
Cleaning & Maintenance Staff	\$30.75	\$34.50	\$38.00	\$39.71	\$41.50
<i>% Increase</i>		12.20%	10.14%	4.50%	4.50%; and

WHEREAS, the actual cost of the services through June 2022 is \$33,354,981.27, which is 50.9% of the current contract authority. Due to the reduced operations during the pandemic, there is residual contract authority available from the original authorization. Thus, the incremental authorization requirement is only \$4,550,000, for a total amount not to exceed \$70,050,000 over the total five (5)-year contract to cover the expense of the contract extension; and

WHEREAS, funds for the contract are available in the Fiscal Year 2022-2023 LAWA Operating Budget in LAX Cost Center 1160051 – Landside Operations, in Commitment Item 520 – Contractual Services. Funding for subsequent years will be requested as part of the annual budget process; and

WHEREAS, 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; and

WHEREAS, LAZ is required by contract to comply with the provisions of the Living Wage/Service Contractor Worker Retention Ordinances; and

WHEREAS, Procurement Services reviewed this action (File 9027) and established a goal of 5% Airport Concessions Disadvantaged Business Enterprise (ACDBE). LAZ proposed 5.1% ACDBE participation and has achieved 12.9% ACDBE participation to date; and

WHEREAS, LAZ is required by contract to comply with the provisions of the Affirmative Action Program; and

WHEREAS, LAZ is assigned Business Tax Registration Certificate 0002517570-0019-1; and

WHEREAS, LAZ is required by contract to comply with the provisions of the Child Support Obligations Ordinance; and

WHEREAS, LAZ has approved insurance documents, in the terms and amounts required, on file with LAWA prior to execution of the contract amendment; and

WHEREAS, pursuant to Charter Section 1022, staff determined that the work specified in the contract can be performed more feasibly or economically by an independent contractor than by City employees; and

WHEREAS, LAZ has submitted the Contractor Responsibility Program Questionnaire and Pledge of Compliance, and will comply with the provisions of said program; and

WHEREAS, LAZ has been determined by Public Works, Office of Contract Compliance, to be in compliance with the provisions of the Equal Benefits Ordinance; and

WHEREAS, LAZ will be required to comply with the provisions of the First Source Hiring Program for all non-trade LAX jobs; and

WHEREAS, LAZ has submitted the Bidder Contributions CEC Form 55, and will comply with its provisions; and

WHEREAS, LAZ has submitted the Municipal Lobbying Ordinance CEC Form 50, and will comply with its provisions; and

WHEREAS, 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;

NOW, THEREFORE, BE IT RESOLVED that the Board of Airport Commissioners adopted the Staff Report; determined 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; approved the Second Amendment to Contract DA-5382 with LAZ Parking California, LLC to extend the term through October 28, 2024 and increase the contract authority by \$4,550,000, for new total not to exceed \$70,050,000, covering the Taxi and Ride App Pickup Lot (LAX-It) at Los Angeles International Airport; and authorized the Chief Executive Officer, or designee, to execute said Second Amendment to Contract DA-5382 with LAZ Parking California, LLC after approval as to form by the City Attorney and approval by the Los Angeles City Council.

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I hereby certify that this Resolution No. 27561 is true and correct, as adopted by the Board of Airport Commissioners at its Regular Meeting held on Thursday, August 4, 2022.



Grace Miguel – Secretary
BOARD OF AIRPORT COMMISSIONERS