

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: October 3, 2022

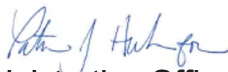
CAO File No. 0150-12143-0000

Council File No. 22-0877

Council District: 6, 11

To: The Mayor

From: Matthew W. Szabo, City Administrative Officer



Reference: Communication from Los Angeles World Airports dated July 7, 2022, referred by the Mayor for a report on July 7, 2022

Subject: **PROPOSED CONTRACT WITH 9139249 CANADA INC., DOING BUSINESS AS BUS.COM TO OPERATE AND MANAGE THE FLYAWAY TRANSPORTATION SERVICES AT LOS ANGELES INTERNATIONAL AIRPORT**

RECOMMENDATION

That the Mayor:

1. Approve the award of a five-year contract to 9139249 Canada Inc., doing business as Bus.com, in an amount not-to-exceed \$95,760,000, to provide round-trip transportation services between the Van Nuys FlyAway Bus Terminal and Los Angeles International Airport, and Union Station and Los Angeles International Airport, subject to City Attorney approval as to form and compliance with the City's Standard Provisions, including: Living Wage Ordinance, Affirmative Action Program, Business Tax Registration, Child Support Obligations Ordinance, Contractor Responsibility Program, First Source Hiring Program, Bidder Contributions CEC Form 55, MLO Bidder Contributions CEC Form 50; and Iran Contracting Act;
2. Authorize the Chief Executive Officer to execute the proposed Agreement, upon approval by the Los Angeles City Council, and prior to the execution of the proposed contract, 9139249 Canada Inc., doing business as Bus.com must:
 - a. Have approved insurance documents, in the terms and amounts required, on file with the Los Angeles World Airports; and
 - b. Be determined by Public Works, Office of Contract Compliance, to be in full compliance with the provisions of the Equal Benefits Ordinance; and
3. Return the request to the Los Angeles World Airports for further processing, including Council Consideration.

SUMMARY

The Los Angeles World Airports (LAWA; Department) Board of Airport Commissioners (BOAC) requests approval to award a contract to 9139249 Canada Inc., doing business as (dba) Bus.com, a Quebec, Canada-based transit company, to operate and manage the FlyAway airport bus service that connects passengers to and from the Van Nuys Bus Terminal and Union Station with the Los Angeles International Airport (LAX). The length of the contract is a five-year term, for an amount not-to-exceed \$95,760,000. Upon expiration of the current contract (October 31, 2022), the proposed Agreement will commence on November 1, 2022 and expire on October 31, 2027.

The LAX FlyAway program was created to reduce airport vehicle congestion, air pollution, and to provide an alternative for passengers to access the airport. The program serves as an essential resource to transport customers to and from LAX and it has been providing such services since 1975. FlyAway's shuttle services were first offered in Van Nuys, then expanded to eight additional locations. Half of the routes were canceled in early 2020, thereafter, Hollywood, Long Beach, Union Station, and Van Nuys remained as the only active routes. During the COVID-19 pandemic, the Hollywood and Long Beach routes were suspended as a result of low ridership, shrinking the operations to service the Van Nuys and Union Station routes only. On average, the Van Nuys-LAX route makes 128 daily round-trips and the Union Station-LAX route makes 80.

City contracts were let to various transit operators over the years. Currently, the FlyAway bus service is operated between the Van Nuys FlyAway Bus Terminal, Union Station, and LAX under an operating agreement with Pacific Coast Sightseeing Tours and Charters, Inc. (Pacific Coast). To alleviate vehicle congestion at the airport and its surrounding streets, execution of a new contract for FlyAway is requested with Bus.com as part of a key strategy to increase ridership by moving a greater number of arriving and departing guests from private vehicles to charter buses.

Recently, LAWA implemented the LAX-it program to reduce traffic and free up curb space in the Central Terminal Area while contractors build the Automated People Mover (APM). The initiative identifies high occupancy shuttles and FlyAway buses as foundational pieces to achieve a successful program because these alternative modes of transportation provide the public with convenient means to get to LAX, in addition to furthering LAWA's objective to reduce greenhouse gas emissions.

In efforts to develop and maintain sustainable bus fleet services for the Van Nuys and Union Station service routes (proposed routes), components for FlyAway solicitation were developed to include recommendations from an industry FlyAway modernization workshop in 2019, a Motion from the City's Trade, Travel, and Tourism Council Committee in 2020, and a collection of data that derived from a Request for Information (RFI) in 2021, which informed LAWA about the vendor landscape and innovative approaches to produce a technology-driven, flexible service model that would be integral LAWA's mission to the grow the FlyAway transportation service and significantly reduce emissions.

On January 15, 2021, LAWA released a Request for Proposals (RFP) to operate and manage the LAX FlyAway bus service. The open procurement process consisted of a strategy to solicit

proposers that could deliver a sustainable, comprehensive, and reliable transportation service along the proposed routes, using new fleet buses, while allowing flexibility to add smaller-sized shuttle options. A clarification and refinement of the proposal requirements were necessary, so the RFP was canceled and replaced with a new RFP. The new proposal was reissued on August 8, 2021 and was succeeded by a pre-proposal conference with more than 75 participants in attendance on August 17, 2021. Of the total participants, five firms submitted proposals to participate in the competitive selection process. The firms consisted of 9139249 Canada Inc., dba Bus.com (herein referred to as Bus.com), Coach USA, Zero Transportation, Hallcon, and Four Season Travel. All five firms were evaluated by a five-member Evaluation Committee comprised of a/an Assistant General Manager, Deputy Executive Director, Airport Manager III, Information Systems Manager II, and Supervising Transportation Planner II.

The five proposers were evaluated based on weighted criteria composed of five categories, for 100 possible points:

| Criteria | Weight |
|---|-------------------|
| Methodology and Approach <ul style="list-style-type: none"> • Customer-Centric Technology and Analytics Capabilities • Management and Operations of Fixed-Route Scheduled Service | 50 points |
| Team Organization and Experience | 15 points |
| Inclusivity Plan | 10 points |
| Cost Proposal <ul style="list-style-type: none"> • Technology and Analytics • Management and Operations of Fixed-Route Scheduled Service | 25 points |
| Total possible points | 100 points |
| Administrative Requirements | Pass/Fail |

Each of the proposers passed the Administrative requirements and upon review of the remaining criteria, the Evaluation Committee determined that Bus.com was the most qualified firm to provide the scope consistent with LAWA’s vision for an enhanced FlyAway service. Based on the scoring results of the combined weighted criteria, the final rankings were: Bus.com – first rank; Coach USA – second rank; Zero Transportation – third rank; Hallcon – fourth rank; and Four Season Travel – fifth rank.

The Evaluation Committee concluded that Bus.com was the highest qualified proposer because of its solid transportation experience, existing network of transportation partners to provide services that align with LAWA’s vision for an enhanced FlyAway service, and favorable costs. Additionally, Bus.com demonstrated extensive experience in providing technology advancements to implement on-line booking and payment options, around-the-clock customer support, and other advanced transportation technologies desired by LAWA. This technology will enable LAWA to receive up-to-date service analysis and market assessments to determine whether previously canceled routes should be restored, as well as identify new routes that can be implemented.

Given that the contract is set to expire on October 31, 2022, LAWA is collaborating with the incumbent contractor, Pacific Coast and the impending contractor, Bus.com to ensure a seamless transition of the transportation services are carried out prior to the effective date of the new contract.

Bus.com has been providing ground transportation services in the Los Angeles area for over 30 years and it is continuously working to develop and enhance the ground travel experience through smart infrastructure and advanced technology. These technology solutions include features such as an automated customer-facing application so that passengers can have the ability to buy and download tickets, reserve specific seats, retain route information, and track buses. The Contractor's digital platform will also have the ability to integrate with third parties, including airlines. The benefits of the technological advancements meet LAWA's digital requirements and it will also increase the traveling public's awareness of a safer and more efficient method to get to and from LAX.

LAWA is establishing a budget to invest in marketing initiatives for the first time in its FlyAway contract and plans to increase ridership through collaborative efforts with Bus.com. Marketing activities and other various strategies such as advertising on social media platforms, on-line booking agencies, and implementing prudent transit planning efforts are vital components of the Department's comprehensive plan.

The Van Nuys location (6611-6615 Valjean Ave, Van Nuys, CA 91406) will be the main operating facility, where Bus.com's on-site management personnel will report and where vehicles utilized for the Van Nuys-LAX route will be stored and maintained. Vehicles employed for the Union Station-LAX route will be stored and maintained at the Inglewood facility (150 W. Ivy Ave, Inglewood, CA 90302). There will be 27 56-passenger coach buses distributed between the respective routes, with 13 buses plus three spares assigned to the Van Nuys-LAX route, and 10 buses plus 1 spare allocated to the Union Station-LAX route. The purchase versus lease procurement ratio has yet to be determined, however, buses will be a combination of new purchases and leases. Each vehicle is required to be less than three years old, have low emission rates, and be outfitted with a range of customer amenities, including free Wi-Fi, lumbar support, restrooms, and an air conditioner-air filtration system.

LAWA intends to shift the FlyAway service to an all-electric or zero emission operation upon Bus.com's contract expiration in 2027. The Department entered into a five-year contract rather than a longer term because a fully electric, zero-emission fleet will be attainable for the two routes by the time a replacement contract is required in 2028, thus enabling LAWA to achieve a 100 percent electric vehicle (EV) fleet for the 2028 Olympic Games. During the five-year term, LAWA plans to establish an electric charger infrastructure to facilitate a greener mode of transportation. An all-electric fleet is not feasible at this time due to several factors, however, the Department will use this contract as a five-year bridge to pilot EVs on the Van Nuys-LAX and Union Station-LAX routes. The impending Agreement also requires that any new FlyAway route less than 15 miles round trip is required to be serviced by EVs.

Inflation and wages have been trending upward since 2015. Those economic elements, in addition the technological advancements, and the contract’s emphasis on marketing initiatives are key variables that combine to yield substantially higher costs than what was formerly included in the Pacific Coast contract. The table below illustrates a two-year comparison of how rising expenses influence the cost of the proposed contract award to Bus.com.

| Category | 2015 Cost | 2022 Cost | Difference |
|--------------------|---------------------------|---------------------------|----------------|
| Contract Cost | \$76.2 million | \$95.7 million | \$19.5 million |
| Buses | \$10 million for 23 buses | \$13 million for 27 buses | \$3 million |
| Living Wage | \$11 | \$18 | \$7 |
| Average Fuel Price | \$3.28 | \$5.41 | \$2.13 |

*2015 costs were amortized over seven years while the 2022 costs are calculated for a five-year term.

Other contributing factors that lead to the increased cost include a maintenance and repair increase of 13 percent and an insurance premium growth between 10 – 20 percent. It is also important to note that a bus operator shortage currently exists, resulting in Bus.com offering drivers a more competitive wage to attract interest in employment opportunities

The planned contract expenditures are programmed over the proposed five-year term as follows:

| Category | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Total |
|---------------------------|----------|----------|----------|--------------------|----------|-----------------|
| Operations Management Fee | \$1,864 | \$1,073 | \$1,111 | \$1,151 | \$1,194 | \$6,391 |
| Trip Fee | 12,849 | 13,154 | 13,458 | 13,762 | 14,067 | 67,287 |
| Technology Management Fee | 1,107 | 172 | 177 | 182 | 187 | 1,823 |
| Reimbursables | 2,551 | 2,807 | 2,907 | 3,014 | 3,125 | 14,401 |
| Education Initiatives | 298 | 250 | 250 | 250 | 250 | 1,298 |
| Annual Total | \$18,669 | \$17,456 | \$17,903 | \$18,359 | \$18,823 | \$91,200 |
| Contingency (5%) | | | | | | 4,550 |
| | | | | Grand Total | | \$95,760 |

*The expenditures indicated in the table are displayed in the thousands.

Although the overall costs are substantially higher than revenues, the attached Trade, Travel and Tourism 2020 Motion establishes that the FlyAway transit operation prioritizes a more reliable, affordable, sustainable, and customer-centric service for current and future passengers and employees at LAX, regardless of profitability. LAWA staff will continue to conduct analysis on revenue-generating sources that can potentially offset FlyAway’s expenses. Projected revenues are based on the current fare of \$9.75 and a modest increase will only have a minimal effect on the expenses as costs are expected to outweigh revenues for the duration of the proposed contract.

LAWA’s Procurement Services staff reviewed the proposed action (File No. 9684) and established mandatory inclusive goals of 10 percent Small Business Enterprise (SBE), 3 percent Local Business Enterprise (LBE), 2 percent Local Small Business Enterprise (LSBE), and 1 percent

Disabled Veterans Business Enterprise (DVBE) for this contract. As reported by LAWA staff, 9139249 Canada Inc., dba Bus.com has proposed 36.4 percent SBE, 3.1 percent LBE, 3.1 percent LSBE, and 1.33 percent DVBE.

The BOAC approved the proposed five-year contract at its meeting on July 7, 2022. Actions taken on this item by the BOAC will become final pursuant to the provisions of the Los Angeles City Charter Section 373.

FISCAL IMPACT STATEMENT

Approval of the proposed five-year contract with 9139249 Canada Inc., doing business as (dba) Bus.com to operate and manage the FlyAway airport bus service for a cost not-to-exceed \$95,760,000 will have no impact on the City's General Fund. Funds for this contract are available in the Fiscal Year 2022-23 Los Angeles World Airports Operating Budget in LAX Cost Center 2001187 - LND Union Station FlyAway, Cost Center 2001209 - VNY LND FlyAway Operations, Commitment Item 520 - Contractual Services. Funding for subsequent years will be requested as part of the annual budget process. This item complies with the Los Angeles World Airports' adopted Financial Policies.



July 7, 2022

LAX

Van Nuys

City of Los Angeles

Eric Garcetti
Mayor

Board of Airport
Commissioners

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

The Honorable Eric Garcetti
Mayor, City of Los Angeles
City Hall – Room 303
Los Angeles, CA 90012

ATTN: Heleen Ramirez
Legislative Coordinator

RE: Contract to 9139249 Canada Inc., doing business as Bus.com, to operate and manage FlyAway service

In accordance with Executive Directive No. 4, we are transmitting a copy of the specified board report for the request for approval to award a contract to 9139249 Canada Inc., doing business as Bus.com, to operate and manage FlyAway service for Los Angeles International Airport, for a five-year term and total contract amount not to exceed \$95,760,000.

City Council approval is required pursuant to Section 373 of the Los Angeles City Charter.

Sincerely,

A handwritten signature in black ink, appearing to read "Justin Erbacci".

Justin Erbacci
Chief Executive Officer

JPE:MSA:MTR
Attachments





Item 15
Number

Report to the BOARD OF AIRPORT COMMISSIONERS

DAVID REICH

DAVID REICH (Jul 1, 2022 16:28 PDT)

Reviewed by: David Reich, Deputy Executive Director

Brian C. Ostler

Brian C. Ostler, City Attorney *nak*

Justin Erbacci

Justin Erbacci (Jul 1, 2022 16:45 PDT)

Justin Erbacci, Chief Executive Officer

Meeting Date

7/7/2022

Needs Council Approval: Y

| <u>Reviewed for / by</u> | <u>Date</u> | <u>Approval Status</u> | <u>By</u> |
|--------------------------|-------------|---|-----------|
| Finance | 6/30/2022 | <input checked="" type="checkbox"/> Y <input type="checkbox"/> NA | JS |
| CEQA | 4/29/2022 | <input checked="" type="checkbox"/> Y | VW |
| Procurement | 6/21/2022 | <input type="checkbox"/> Y <input checked="" type="checkbox"/> Cond | BG |
| Guest Experience | 5/20/2022 | <input checked="" type="checkbox"/> Y | TB |
| Strategic Planning | 5/19/2022 | <input checked="" type="checkbox"/> Y | KC |

SUBJECT

Request for approval to award a contract to 9139249 Canada Inc., doing business as Bus.com, to operate and manage FlyAway service for Los Angeles International Airport, for a five-year term and total contract amount not to exceed \$95,760,000.

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 and State CEQA Guidelines Section 15061 (b)(3).
3. FIND that the work can be performed more economically or feasibly by an independent contractor than by City employees.
4. FURTHER FIND that the Request for Proposal process used in this competitive process satisfies requirements of the Administrative Code Section 10.17 and is compatible with City interests.

5. APPROVE the award of a contract to 9139249 Canada Inc., doing business as Bus.com, to operate and manage the FlyAway service at Los Angeles International Airport for a five-year term and total contract amount not to exceed \$95,760,000.
6. AUTHORIZE the Chief Executive Officer, or designee, to execute the contract with 9139249 Canada Inc. doing business as Bus.com upon approval as to form by the City Attorney and approval by the Los Angeles City Council.

DISCUSSION

1. Purpose

To enter into an agreement with 9139249 Canada Inc., doing business as Bus.com (Bus.com), to manage and operate an enhanced FlyAway service at Los Angeles International Airport (LAX) and to employ new technologies and customer service tools to reimagine the FlyAway service over the next 5 years.

2. Prior Related Actions/History of Board Actions

- **May 21, 2015 – Resolution No. 25710 (Board File No. DA-4999)**

The Board of Airport Commissioners (Board) awarded a seven-year Operating Agreement to Pacific Coast Sightseeing Tours & Charters, Inc. (DA-4999) to manage and operate the Union Station, Van Nuys, and Metro Orange Line FlyAway scheduled bus services to and from Los Angeles International Airport. The contract commenced on July 11, 2015 and terminates on July 10, 2022.

- **November 5, 2015 – Resolution No. 25829 (Board File No. DA-5035)**

The Board approved the award of a three-year agreement to MV Transportation, Inc., with two one one-year extension options, for the operation of Hollywood and Westwood FlyAway bus service and the potential to operate Santa Monica and Long Beach FlyAway service. The contract commenced on December 31, 2015 and terminated on December 30, 2020.

- **December 6, 2018 – Resolution No. 26655 (Board File No. DA-5035A)**

The Board approved an amendment to contract DA-5035 with MV Transportation, Inc. to increase scope of services and revise the financial terms for the two renewal option years covering operation of the Hollywood, Long Beach, and Westwood FlyAway bus service.

- **June 2, 2022 – Resolution No. 27513 (Board File No. DA-4999A)**

The Board approved an amendment to contract DA-4999 with Pacific Coast Sightseeing Tours and Charters, Inc. to amend the financial terms, increase contract authority by \$5.2 million, for a total not to exceed \$81.4 million, and extend the term through October 31, 2022, for the provision of the Downtown Los Angeles Union Station and Van Nuys FlyAway bus service.

3. Background

The LAX FlyAway Program commenced in 1975 offering direct scheduled service seven days a week between the LAX Terminals and Van Nuys. Between 2006 and 2015, in compliance with

the Stipulated Settlement Agreement, eight additional sites were implemented: Hollywood, Irvine, La Brea, Long Beach, Orange Line Santa Monica, Union Station, and Westwood. Due to low ridership, routes were cancelled resulting in four remaining routes in early 2020 (Hollywood, Long Beach, Union Station, and Van Nuys).

In calendar year 2019, before the COVID-19 pandemic, 1,970,802 passengers were transported on the FlyAway buses (see the following table for route statistics).

| Route | CY 2019 Total Ridership Data | Daily Avg Rider Per Trip |
|---------------|------------------------------|--------------------------|
| Van Nuys | 1,175,940 | 28 |
| Union Station | 632,789 | 19 |
| Long Beach | 43,018 | 3 |
| Hollywood | 119,055 | 9 |

The Hollywood and Long Beach routes were suspended due to COVID-19, and the operating agreement for these two routes with MV Transportation expired on December 30, 2020.

The operating agreement for the Van Nuys and Union Station routes with Pacific Coast Sightseeing Tours & Charters, Inc. originally was to have expired on July 10, 2022, and was recently extended by the Board to October 31, 2022.

Currently, the FlyAway service is operating 24-hours a day, every day of the year, with 128 daily trips to Van Nuys and 80 daily trips to Union Station. Calendar Year 2022 FlyAway Program ridership through the end of March was 267,625, which is 49 percent of FY 2019 levels; however, in FY 2019, the Hollywood and Long Beach routes still were active. Recovery of the ridership specifically on the Union Station and Van Nuys routes is at 72.3 percent of FY 2019 levels.

| Route | CY 2022 Total Ridership Data ¹ | Daily Avg Rider Per Trip |
|---------------|---|--------------------------|
| Van Nuys | 344,027 | 20 |
| Union Station | 177,293 | 15 |

¹Data through May 2022

The current passenger fare is \$9.75 each way for both the Union Station and Van Nuys routes. The \$9.75 fare was implemented January 1, 2017.

4. Current Action/Rationale

The new operating agreement with Bus.com will integrate state-of-the-art technology to improve customer experience and operational efficiency in a cost-effective manner, provide continued service at Van Nuys and Union Station, be flexible to serve changing passenger demands, allow for the implementation of new routes and enable Los Angeles World Airports (LAWA) to introduce new service models.

Under the terms of the contract, Bus.com will be required to:

- a. Provide a technology solution that includes a customer-facing, user-friendly platform for FlyAway customers that offers a consistent, seamless interface. This automated platform or application will include the ability for passengers to buy and download tickets, reserve space or specific seats, get route information, track buses, enable customer loyalty program management, provide feedback and comments, as well as other features that will help customers with their journey. This platform will be Americans with Disabilities Act-compliant and will adhere to LAWA's information security requirements. The platform will have the capability to integrate with third parties such as airlines. Bus.com has partnered with leaders in transportation technology innovation, Masabi, Translōc, and Tixora, to configure a FlyAway specific solution utilizing their off-the-shelf software and hardware solutions. The configuring and customization of the online website and application is less risky than a custom development and expected to be ready by contract start date.
- b. Acquire a new vehicle fleet to provide service on the Union Station and Van Nuys routes and ensure its availability and operation to fully support passenger demand throughout the term of the contract at agreed service levels. All vehicles will comply with the LAX Alternative Fuel Vehicle Program and be equipped with the latest GPS vehicle tracking systems to provide LAWA and the public real-time updates.
- c. Operate and manage the Union Station and Van Nuys FlyAway routes.
- d. Perform all required fleet preventative maintenance, repair, towing, fueling, cleaning, washing, fumigation, and disinfection services.
- e. Analyze data to recommend adjustments to operation of the existing routes to improve efficiency and meet customer needs.
- f. Analyze data to recommend new routes, assess innovative delivery methods, and recommend future routes.
- g. Identify other solutions that could add value to LAWA and the FlyAway brand.
- h. Upon LAWA's request, provide a price proposal and accompanying financial model for new service route(s) and operational delivery models.

The contract will provide LAWA with the ability and flexibility to work with Bus.com to adjust shuttle service levels throughout the year to match demand through real time monitoring and seasonal planning. A contract term of five years also provides LAWA with the flexibility to respond and adapt to impacts once the Automated People Mover is operational and to reassess the long-term need for shuttle transportation services.

Electric Vehicle Transition

LAWA is committed to transitioning FlyAway and all shuttle bus services at the airport to electric or zero emission. However, electrifying the Van Nuys and Union Station routes at this time is challenging. The election of a five-year contract for the FlyAway rather than a longer seven or ten-year term, reflects staff's belief that by the time of the next contract (to commence at the end of 2027) a full electric fleet will be feasible on the two routes, which will enable an all-zero emission fleet for the Olympics in 2028. LAWA will pilot buses on the routes during the five-year period and will build up electric charger infrastructure to facilitate operations.

There are several reasons for the difficulty of electrifying the Van Nuys and Union Station routes at this time. Buses reach capacity on both routes at peak. For that reason, a large 50+ passenger capacity vehicle with luggage stowed under the cabin, categorized as an over-the-road coach bus, is the preferred type for these routes. Smaller vehicles and lower speed transit buses are readily available in an electric version. As the procurement effort began, however, few manufacturers were offering electric coaches. More models are starting to become available, but they lack the luggage capacity of the lower compartments in existing coach buses. On a route with a high demand for luggage capacity like FlyAway, this might force the operator to configure the passenger cabin with less seats to fit baggage at the back of the bus. This would create a "seat penalty" in which the operator would have to transport less passengers per bus, leading to reduced revenue, but also to poorer service as more passengers would be left behind at the curb. Moreover, the Van Nuys and Union Station routes are 47 miles and 40.4 miles roundtrip respectively and the operations run 24 hours, meaning battery range remains a risk factor. Current models typically have advertised ranges of 170 miles to 230 miles per charge with charging times of 4-6 hours using a 150 kW/h charger. In current usage, a FlyAway bus may make as many as eight round trips in a day with multiple stops in the central terminal area. Additional buses would be required to cover for charging time while sustaining the same level of service.

LAWA will use this five-year bridge contract to pilot electric vehicles on the Van Nuys and Union Station routes. LAWA is actively pursuing a procurement of zero emissions buses that can be provided to multiple LAX shuttle lines and has negotiated a clause in this contract that will require the operator to pilot buses on the Van Nuys and Union Station routes as LAWA provides them. LAWA will work with Bus.com to study usage of the FlyAway to see where perhaps smaller electric buses can augment service. In addition, LAWA will pilot an over the road coach bus during the course of this contract. Finally, LAWA will require that any new FlyAway routes, if less than 15 miles round trip, be serviced by electric vehicles.

Contract Expenditures

The contract expenditures are programmed as follows:

| <i>(In thousands)</i> | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Total |
|---------------------------|----------|----------|----------|--------------------|----------|-----------------|
| Operations Management Fee | \$ 1,864 | \$ 1,073 | \$ 1,111 | \$ 1,151 | \$ 1,194 | \$ 6,391 |
| Trip Fees | 12,849 | 13,154 | 13,458 | 13,762 | 14,067 | 67,287 |
| Technology Management Fee | 1,107 | 172 | 177 | 182 | 187 | 1,823 |
| Reimbursables | 2,551 | 2,807 | 2,907 | 3,014 | 3,125 | 14,401 |
| Education Initiatives | 298 | 250 | 250 | 250 | 250 | 1,298 |
| Annual Total | \$18,669 | \$17,456 | \$17,903 | \$18,359 | \$18,823 | \$91,200 |
| | | | | 5% contingency | | 4,560 |
| | | | | Grand Total | | \$95,760 |

Reimbursables include merchant fees and fuel.

A five percent contingency is included for the flexibility to add trips and features allowed within the scope of services; expense of funds must be pre-approved by LAWA.

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: Upgrade every element of the guest experience.* The new FlyAway Program will deliver transportation options that provide efficient, direct, and convenient connections from around the region to LAX incorporating a customer-first model leveraging technology and data to maximize efficiencies and address customer needs.

5. Selection Process

The components for the solicitation for the FlyAway service were developed to include recommendations from an industry FlyAway modernization workshop in 2019, a February 2020 Motion from the City’s Transportation, Trade and Tourism (TTT) Council Committee, and submissions from a September 2021 Request for Information (RFI) that informed LAWA about the vendor landscape for LAWA’s development of a more innovative, flexible service model for the FlyAway.

An RFP for Operation and Management of LAX FlyAway was issued January 15, 2021. Based upon the questions received from potential proposers, the RFP was cancelled to clarify and refine the proposal requirements.

An RFP for Operation and Management of LAX FlyAway Service was reissued August 8, 2021. The reissued RFP reflected input from industry and other stakeholders received after cancellation of the January 15, 2021 RFP. The required responses were to address customer-centric technology and analytics capabilities, management and operations of fixed-route scheduled service, capabilities to analyze and implement new routes and service models, and the ability to leverage technology and data to maximize efficiency and address customer needs. In short, LAWA was looking for an operator that could integrate new technologies with existing operations to make the journey from purchasing a ticket to riding the bus more seamless. LAWA also wanted an operator that reliably could run the current scheduled service from Van Nuys and Union Station, while having the flexibility and initiative to propose new routes and on-demand service where appropriate. The pre-proposal conference on August 17, 2021, was attended by more than 75 individuals. LAWA received five proposals on November 12, 2021.

Evaluation Process

The LAWA evaluation panel reviewed the proposals, conducted proposer interviews, and performed an evaluation based on the following criteria and weight:

| Part One: The Proposal Criteria | | Weight |
|----------------------------------|--|--------|
| Methodology and Approach | | 50 |
| | Customer-Centric Technology and Analytics Capabilities | |
| | Management and Operations of Fixed-Route Scheduled Service | |
| Team Organization and Experience | | 15 |

| | |
|--|------------------|
| Inclusivity Plan | 10 |
| Cost Proposal (Technology and Analytics, Management and Operations of Fixed-Route Scheduled Service) | 25 |
| TOTAL | 100 |
| Part Two: Administrative Requirements | Pass/Fail |

Bus.com was determined to be the successful proposer for the scope of services required and included a favorable cost proposal. Bus.com has solid transportation experience and has developed an existing network of transportation partners to enable it to provide the services that are consistent with LAWA's vision for an enhanced FlyAway service. Bus.com and its partners have experience providing on-line booking, 24/7 customer support, and other required functionality desired by LAWA. The result is an operator who effectively can run the Van Nuys and Union Station routes and improve the experience through a state-of-the-art website/application for ticketing and other customer services. Bus.com also will provide improved backend data analytics to better meet passenger demand and reduce leave-behinds on the routes. Finally, while the scope of services does not currently contain new routes, Bus.com is required to provide proposals for service, upon staff's request, including on-demand where most appropriate.

Bus.com has committed to the following inclusivity goals, which exceed the requirement set forth in the RFP.

| | LAWA Goal | Bus.com Proposed |
|---|------------------|-------------------------|
| Small Business Enterprise (SBE) | 10% | 36.40% |
| Local Business Enterprise (LBE) | 3% | 3.10% |
| Local Small Business Enterprise (LSBE) | 2% | 3.10% |
| Disabled Veteran Business Enterprise (DVBE) | 1% | 1.33% |

Fiscal Impact

FlyAway Program revenues and expenses are conservatively estimated to be as follows:

| All Routes | Ridership ² | Revenues ⁴ | Expense ⁵ |
|----------------------|------------------------|-----------------------|----------------------|
| FY 2020 | 1,498,884 | \$12,460,418 | \$14,121,755 |
| FY 2021 | 544,115 | \$4,471,000 | \$10,359,005 |
| FY 2022 ³ | 1,336,534 | \$11,590,241 | \$10,114,825 |
| FY 2023 | 1,297,491 | \$10,120,430 | \$19,752,000 |
| FY 2024 | 1,633,320 | \$12,739,896 | \$18,437,000 |
| FY 2025 | 1,740,765 | \$13,577,967 | \$18,907,000 |
| FY 2026 | 1,771,068 | \$13,814,330 | \$19,385,000 |
| FY 2027 | 1,801,956 | \$14,055,257 | \$19,872,000 |

² Projected ridership based on historic percent of FlyAway ridership (3.9%) of LAX enplaned passengers and projected LAX enplaned passengers.

³ Actuals year-to-date through May 2022, projected through June 2022, trending approximately 5.0% of previously FY 2022 projected enplanements.

⁴ Projected revenues based on current fare of \$9.75 one way; regular, employee and child ridership results in average revenue/passenger of \$7.80

⁵ Expense include Metro lease for Union Station. It does not include Van Nuys Terminal facilities operations expense.

By projecting ridership based only on organic LAX passenger growth and keeping the fare static, this table is very conservative. Staff and Bus.com are instituting initiatives to increase ridership with FlyAway program enhancements and increased marketing. Staff will also conduct a fare review as only a modest increase has the potential to offset the FlyAway program expense.

6. Alternatives Considered

- **Take No Action**
Taking no action will result in no service beginning November 1, 2022, for LAX FlyAway routes to Van Nuys and Union Station. The current LAX FlyAway Operating Agreement expires October 31, 2022.
- **Extend Existing Contract**
Negotiate an extension to the existing agreement with Pacific Coast Sightseeing Tours & Charters. Further extending the current agreement will not provide the enhanced service desired for FlyAway. Current contract vehicles are experiencing a higher rate of maintenance resulting in a decrease in service as breakdowns are more common.

APPROPRIATIONS

Funds for this contract are available in the Fiscal Year 2022-2023 Los Angeles World Airports Operating Budget in LAX Cost Center 2001187 – LND Union Station FlyAway, Cost Center 2001209 – VNY LND FlyAway Operations, Commitment Item 520 – Contractual Services. 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. And, the activity is exempt from CEQA requirements pursuant to State CEQA Guidelines Section 15061 (b)(3).
2. The City Attorney has approved this item.
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. 9139249 Canada Inc. dba Bus.com will comply with the provisions of the Living Wage Ordinance.
5. Procurement Services has reviewed this action (File No. 9684) and established mandatory goals of 10% SBE, 3% LBE, 2% LSBE, and 1% DVBE. 9139249 Canada Inc. dba Bus.com committed to 36.4% SBE, 3.1% LBE, 3.1% LSBE, and 1.33% DVBE.
6. 9139249 Canada Inc. dba Bus.com will comply with the provisions of the Affirmative Action Program.
7. 9139249 Canada Inc. dba Bus.com has been assigned Business Tax Registration Certificate No. 000324284-0001-1.
8. 9139249 Canada Inc. dba Bus.com will comply with the provisions of the Child Support Obligations Ordinance.
9. 9139249 Canada Inc. dba Bus.com must have approved insurance documents, in the terms and amounts required, on file with the Los Angeles World Airports prior to the issuance of a Notice to Proceed.
10. Pursuant to Charter Section 1022, staff determined the work specified in the proposed contract can be performed more feasibly or economically by an Independent Contractor than by City employees.
11. 9139249 Canada Inc. dba Bus.com has submitted the Contractor Responsibility Program Questionnaire and Pledge of Compliance and will comply with the provisions of the Contractor Responsibility Program.
12. 9139249 Canada Inc. dba Bus.com has been determined by Public Works, Office of Contract Compliance, to be in full compliance with the provisions of the Equal Benefits Ordinance.
13. 9139249 Canada Inc. dba Bus.com will be required to comply with the provisions of the First Source Hiring Program for all non-trade LAX Airport jobs.
14. 9139249 Canada Inc. dba Bus.com has submitted the Bidder Contributions CEC Form 55 and will comply with its provisions.

15. 9139249 Canada Inc. dba Bus.com has submitted the MLO Bidder Contributions CEC Form 50 and will comply with its provisions.
16. 9139249 Canada Inc. dba Bus.com has submitted the Iran Contracting Act and will comply with its provisions.



July 21, 2022

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

Subject: Award of five (5)-year Contract to 9139249 Canada Inc. dba Bus.com

LAX
Van Nuys
City of Los Angeles

Pursuant to Section 373 of the City Charter, enclosed for your approval is the Contract with 9139249 Canada Inc. dba Bus.com that was approved by the Board of Airport Commissioners at its July 7, 2022 meeting. There is no impact to the General Fund.

Eric Garcetti
Mayor

Board of Airport
Commissioners

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

RECOMMENDATIONS FOR CITY COUNCIL:

1. Adopt the determination by said Board 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 and State CEQA Guidelines Section 15061 (b)(3); and
2. Approve Award of five (5)-year Contract to 9139249 Canada Inc. dba Bus.com covering operation and management of FlyAway service for Los Angeles International Airport, for cost not to exceed \$95,760,000; and
3. Concur with said Board's action on July 7, 2022, by Resolution 27536, authorizing the Chief Executive Officer, or designee, of Los Angeles World Airports to execute said Contract with 9139249 Canada Inc. dba Bus.com.

Very truly yours,

Grace Miguel, Commission Executive Assistant II
BOARD OF AIRPORT COMMISSIONERS

Enclosures

- cc: Trade, Travel and Tourism Committee
Councilmember Buscaino, e-file
Councilmember Bonin, e-file
Councilmember Lee, e-file
CAO (Airport Analyst), e-file
CLA (Airport Analyst), e-file
City Clerk's Office, e-file



RESOLUTION NO. 27536

WHEREAS, on recommendation of Management, there was presented for approval, Award of five (5)-year Contract to 9139249 Canada Inc. dba Bus.com covering operation and management of FlyAway service for Los Angeles International Airport, for cost not to exceed \$95,760,000; and

WHEREAS, the Los Angeles International Airport (LAX) FlyAway Program commenced in 1975 offering direct scheduled service seven days a week between the LAX terminals and Van Nuys. Between 2006 and 2015, in compliance with the Stipulated Settlement Agreement, eight additional sites were implemented: Hollywood, Irvine, La Brea, Long Beach, Orange Line Santa Monica, Union Station, and Westwood. Due to low ridership, routes were cancelled resulting in four remaining routes in early 2020 (Hollywood, Long Beach, Union Station, and Van Nuys); and

LAX

Van Nuys

City of Los Angeles

Eric Garcetti
Mayor

Board of Airport
Commissioners

Beatrice C. Hsu
President

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Vice President

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Gabriel L. Eshaghian
Nicholas P. Roxborough
Belinda M. Vega
Karim Webb

Justin Erbacci
Chief Executive Officer

WHEREAS, in Calendar Year (CY) 2019, before the COVID-19 pandemic, 1,970,802 passengers were transported on the FlyAway buses. Following are the route statistics:

| Route | CY 2019 Total Ridership Data | Daily Average Rider per trip |
|---------------|---------------------------------|---------------------------------|
| Van Nuys | 1,175,940 | 28 |
| Union Station | 632,789 | 19 |
| Long Beach | 43,018 | 3 |
| Hollywood | 119,055 | 9; and |

WHEREAS, the Hollywood and Long Beach routes were suspended due to COVID-19, and the operating agreement with MV Transportation for said two routes expired on December 30, 2020. The operating agreement with Pacific Coast Sightseeing Tours & Charters, Inc. for the Van Nuys and Union Station routes was recently extended to October 31, 2022; and

WHEREAS, currently, the FlyAway service is operating 24-hours a day, every day of the year, with 128 daily trips to Van Nuys and 80 daily trips to Union Station. The CY 2022 FlyAway Program ridership through the end of March was 267,625, which is 49% of Fiscal Year (FY) 2019 levels; however, in FY 2019, the Hollywood and Long Beach routes were still active. Recovery of the ridership specifically on the Union Station and Van Nuys routes is at 72.3% of FY 2019 levels.

| Route | CY 2022 Total Ridership Data ¹ | Daily Average Rider per trip |
|---------------|--|---------------------------------|
| Van Nuys | 344,027 | 20 |
| Union Station | 177,293 | 15; and |

¹Data through May 2022

WHEREAS, the components for solicitation for the FlyAway service were developed to include recommendations from an industry FlyAway modernization workshop in 2019, a February 2020 Motion from the City's Transportation, Trade and Tourism Council Committee, and submissions from a September 2021 Request for Information that informed Los Angeles World Airports (LAWA) about the vendor landscape for LAWA's development of a more innovative, flexible service model for the FlyAway; and

WHEREAS, a Request for Proposals (RFP) for operation and management of the LAX FlyAway was issued on January 15, 2021. Based upon the questions received from potential proposers, the RFP was cancelled to clarify and refine the proposal requirements; and



WHEREAS, an RFP for said service was reissued on August 8, 2021. The reissued RFP reflected input from industry and other stakeholders received after cancellation of the January 15, 2021 RFP. The required responses were to address customer-centric technology and analytics capabilities, management and operations of fixed-route scheduled service, capabilities to analyze and implement new routes and service models, and the ability to leverage technology and data to maximize efficiency and address customer needs. In short, LAWA was looking for an operator that could integrate new technologies with existing operations to make the journey from purchasing a ticket to riding the bus more seamless. LAWA also wanted an operator that reliably could run the current scheduled service from Van Nuys and Union Station, while having the flexibility and initiative to propose new routes and on-demand service where appropriate. The pre-proposal conference on August 17, 2021 was attended by more than 75 individuals. LAWA received five (5) proposals on November 12, 2021; and

WHEREAS, the LAWA evaluation panel reviewed the proposals, conducted proposer interviews, and performed an evaluation based on the following criteria and weight:

| Part One: The Proposal Criteria | Weight |
|---|----------------|
| Methodology and Approach <ul style="list-style-type: none"> • Customer-Centric Technology and Analytics Capabilities • Management and Operations of Fixed-Route Scheduled Service | 50 |
| Team Organization and Experience | 15 |
| Inclusivity Plan | 10 |
| Cost Proposal (Technology and Analytics, Management and Operations of Fixed-Route Scheduled Service) | 25 |
| Total | 100 |
| Part Two: Administrative Requirements | Pass/Fail; and |

WHEREAS, Bus.com was determined to be the successful proposer for the scope of services required and included a favorable cost proposal. The firm has solid transportation experience and has developed an existing network of transportation partners to enable it to provide the services that are consistent with LAWA’s vision for an enhanced FlyAway service. Bus.com and its partners have experience providing on-line booking, 24/7 customer support, and other required functionality desired by LAWA. The result is an operator that effectively can run the Van Nuys and Union Station routes and improve the experience through a state-of-the-art website/application for ticketing and other customer services. Bus.com will also provide improved backend data analytics to better meet passenger demand and reduce leave behinds on the routes. Finally, while the scope of services does not currently contain new routes, Bus.com is required to provide proposals for service, upon staff’s request, including on-demand where most appropriate; and

WHEREAS, the new contract with Bus.com will integrate state-of-the-art technology to improve customer experience and operational efficiency in a cost-effective manner, provide continued service at Van Nuys and Union Station, be flexible to serve changing passenger demands, allow for implementation of new routes and enable Los Angeles World Airports (LAWA) to introduce new service models; and

WHEREAS, under the terms of the contract, Bus.com will be required to:

- a. Provide a technology solution that includes a customer-facing, user-friendly platform for FlyAway customers that offers a consistent, seamless interface. This automated platform or application will include the ability for passengers to buy and download tickets, reserve space or specific seats, get route information, track buses, enable customer loyalty program management, provide feedback and comments, as well as other features that will help customers with their journey. This platform will be Americans with Disabilities Act-compliant

and will adhere to LAWA's information security requirements. The platform will have the capability to integrate with third parties such as airlines. Bus.com has partnered with leaders in transportation technology innovation, Masabi, Transloc, and Tixora, to configure a FlyAway specific solution utilizing their off-the-shelf software and hardware solutions. The configuring and customization of the online website and application is less risky than a custom development and expected to be ready by contract start date.

- b. Acquire a new vehicle fleet to provide service on the Union Station and Van Nuys routes and ensure its availability and operation to fully support passenger demand throughout the term of the contract at agreed service levels. All vehicles will comply with the LAX Alternative Fuel Vehicle Program and be equipped with the latest GPS vehicle tracking systems to provide LAWA and the public real-time updates.
- c. Operate and manage the Union Station and Van Nuys FlyAway routes.
- d. Perform all required fleet preventative maintenance, repair, towing, fueling, cleaning, washing, fumigation, and disinfection services.
- e. Analyze data to recommend adjustments to operation of the existing routes to improve efficiency and meet customer needs.
- f. Analyze data to recommend new routes, assess innovative delivery methods, and recommend future routes.
- g. Identify other solutions that could add value to LAWA and the FlyAway brand.
- h. Upon LAWA's request, provide a price proposal and accompanying financial model for new service route(s) and operational delivery models; and

WHEREAS, the contract will provide LAWA with the ability and flexibility to work with Bus.com to adjust shuttle service levels throughout the year to match demand through real time monitoring and seasonal planning. A contract term of five (5) years also provides LAWA with the flexibility to respond and adapt to impacts once the Automated People Mover is operational and to reassess the long-term need for shuttle transportation services; and

WHEREAS, LAWA is committed to transitioning FlyAway and all shuttle bus services at the airport to electric or zero emission. However, electrifying the Van Nuys and Union Station routes at this time is challenging. Election of a five (5)-year contract for the FlyAway, rather than a longer seven- or ten-year term, reflects staff's belief that by the time of the next contract (to commence at the end of 2027) a full electric fleet will be feasible on the two routes, which will enable an all-zero emission fleet for the Olympics in 2028. LAWA will pilot buses on the routes during the five (5)-year period and will build up electric charger infrastructure to facilitate operations; and

WHEREAS, there are several reasons for the difficulty of electrifying the Van Nuys and Union Station routes at this time. Buses reach capacity on both routes at peak. For that reason, a large 50+ passenger capacity vehicle with luggage stowed under the cabin, categorized as an over-the-road coach bus, is the preferred type for these routes. Smaller vehicles and lower speed transit buses are readily available in an electric version. As the procurement effort began, however, few manufacturers were offering electric coaches. More models are starting to become available, but they lack the luggage capacity of the lower compartments in existing coach buses. On a route with a high demand for luggage capacity like FlyAway, this might force the operator to configure the passenger cabin with less seats to fit baggage at the back of the bus. This would create a "seat penalty" in which the operator would have to transport less passengers per bus, leading to reduced revenue, but also to poorer service as more passengers would be left behind at the curb. Moreover, the Van Nuys and Union Station routes are 47 miles and 40.4 miles roundtrip respectively and the operations run 24 hours, meaning battery range remains a risk factor. Current models typically have advertised ranges of 170 miles to 230 miles per charge with charging times of 4-6 hours using a 150 kW/h charger. In current usage, a FlyAway bus may make as many as eight (8) round trips

in a day with multiple stops in the central terminal area. Additional buses would be required to cover for charging time while sustaining the same level of service; and

WHEREAS, LAWA will use the five (5)-year bridge contract to pilot electric vehicles on the Van Nuys and Union Station routes. LAWA is actively pursuing procurement of zero emissions buses that can be provided to multiple LAX shuttle lines and has negotiated a clause in this contract that will require the operator to pilot buses on the Van Nuys and Union Station routes as LAWA provides them. LAWA will work with Bus.com to study usage of the FlyAway to see where perhaps smaller electric buses can augment service. In addition, LAWA will pilot an over the road coach bus during the course of the contract. Finally, LAWA will require that any new FlyAway routes, if less than 15 miles round trip, be serviced by electric vehicles; and

WHEREAS, following are the contract expenditures, which include a 5% contingency for flexibility to add trips and features allowed within the scope of services; expense of funds must be pre-approved by LAWA:

| <i>(In thousands)</i> | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Total |
|---------------------------|----------|----------|----------|----------|----------------|---------------|
| Operations Management Fee | \$ 1,864 | \$ 1,073 | \$ 1,111 | \$ 1,151 | \$ 1,194 | \$ 6,391 |
| Trip Fees | 12,849 | 13,154 | 13,458 | 13,762 | 14,067 | 67,287 |
| Technology Management Fee | 1,107 | 172 | 177 | 182 | 187 | 1,823 |
| Reimbursables* | 2,551 | 2,807 | 2,907 | 3,014 | 3,125 | 14,401 |
| Education Initiatives | 298 | 250 | 250 | 250 | 250 | 1,298 |
| Annual Total | \$18,669 | \$17,456 | \$17,903 | \$18,359 | \$18,823 | \$91,200 |
| | | | | | 5% contingency | 4,560 |
| | | | | | Grand Total | \$95,760; and |

*Reimbursables include merchant fees and fuel.

WHEREAS, the FlyAway Program revenues and expenses are conservatively estimated to be as follows:

| All Routes | Ridership ² | Revenues ⁴ | Expense ⁵ |
|----------------------|------------------------|-----------------------|----------------------|
| FY 2020 | 1,498,884 | \$12,460,418 | \$14,121,755 |
| FY 2021 | 544,115 | \$4,471,000 | \$10,359,005 |
| FY 2022 ³ | 1,336,534 | \$11,590,241 | \$10,114,825 |
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| FY 2026 | 1,771,068 | \$13,814,330 | \$19,385,000 |
| FY 2027 | 1,801,956 | \$14,055,257 | \$19,872,000; and |

² Projected ridership based on historic percent of FlyAway ridership (3.9%) of LAX enplaned passengers and projected LAX enplaned passengers.

³ Actuals year-to-date through May 2022, projected through June 2022, trending approximately 5.0% of previously FY 2022 projected enplanements.

⁴ Projected revenues based on current fare of \$9.75 one way; regular, employee and child ridership results in average revenue/passenger of \$7.80.

⁵ Expense include Metro lease for Union Station. It does not include Van Nuys Terminal facilities operations expense.

WHEREAS, by projecting ridership based only on organic LAX passenger growth and keeping the fare static, the foregoing table is very conservative. Staff and Bus.com are instituting initiatives to increase ridership with FlyAway program enhancements and increased marketing. Staff will also conduct a fare review as only a modest increase has the potential to offset the FlyAway program expense; and

WHEREAS, funds for the contract are available in FY2022-2023 LAWA Operating Budget in LAX Cost Center 2001187 – LND Union Station FlyAway, Cost Center 2001209 – VNY LND FlyAway Operations; 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, the activity is exempt from CEQA requirements pursuant to State CEQA Guidelines Section 15061 (b)(3); and

WHEREAS, Bus.com will comply with the provisions of the Living Wage Ordinance; and

WHEREAS, Procurement Services has reviewed this action (File 9684) and established mandatory goals of 10% Small Business Enterprise (SBE), 3% Local Business Enterprise (LBE), 2% Local Small Business Enterprise (LSBE), and 1% Disabled Veteran Business Enterprise (DVBE). Bus.com committed to 36.4% SBE, 3.1% LBE, 3.1% LSBE, and 1.33% DVBE; and

WHEREAS, Bus.com will comply with the provisions of the Affirmative Action Program; and

WHEREAS, Bus.com is assigned Business Tax Registration Certificate 000324284-0001-1; and

WHEREAS, Bus.com will comply with the provisions of the Child Support Obligations Ordinance; and

WHEREAS, Bus.com must have approved insurance documents, in the terms and amounts required, on file with LAWA prior to issuance of a Notice to Proceed; 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, Bus.com has submitted the Contractor Responsibility Program Questionnaire and Pledge of Compliance, and will comply with the provisions of said program; and

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

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

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

WHEREAS, Bus.com has submitted the MLO Bidder Contributions CEC Form 50, and will comply with its provisions; and

WHEREAS, Bus.com has submitted the Iran Contracting Act, 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 and State CEQA Guidelines Section 15061 (b)(3); found that the work can be performed more economically or feasibly by an independent contractor than by City employees; further found that the Request for Proposals process used in this competitive process satisfies requirements of Administrative Code Section 10.17 and is compatible with City interests; approved Award of five (5)-year Contract to 9139249 Canada Inc. dba Bus.com covering operation and management of FlyAway service for Los Angeles International Airport, for cost not to exceed \$95,760,000; and authorized the Chief Executive Officer, or designee, to execute said Contract with 9139249 Canada Inc. dba Bus.com 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. 27536 is true and correct, as adopted by the Board of Airport Commissioners at its Special Meeting held on Thursday, July 7, 2022.



Grace Miguel – Secretary
BOARD OF AIRPORT COMMISSIONERS