



February 3, 2012

CALL AND NOTICE OF A REGULAR MEETING  
OF THE OPERATIONS AND DEVELOPMENT COMMITTEE  
OF THE  
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

NOTICE is hereby given that a regular meeting of the Operations and Development Committee will be held Monday, February 6, 2012, at 8:30 a.m. in the Airport Skyroom of the Bob Hope Airport, 2627 Hollywood Way, Burbank, California 91505.

The items to be discussed are listed on the attached agenda.

Sue Loyd, Board Secretary  
Burbank-Glendale-Pasadena Airport Authority

REGULAR MEETING  
OF THE  
OPERATIONS AND DEVELOPMENT COMMITTEE

Airport Skyroom  
Monday, February 6, 2012  
8:30 A.M.

***NOTE TO THE PUBLIC:*** Any discloseable public records related to an open session item on a regular meeting agenda and distributed by the Authority to the Commission less than 72 hours prior to that meeting are available for public inspection at Bob Hope Airport (2627 Hollywood Way, Burbank) in the administrative office during normal business hours.

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***In accordance with the Americans with Disabilities Act of 1990, if you require a disability-related modification or accommodation to attend or participate in this meeting, including auxiliary aids or services, please call the Board Secretary at (818) 840-8840 at least 48 hours prior to the meeting.***

A G E N D A

1. Public Comment
2. Approval of Minutes
  - a. December 5, 2011  
(carried over from January 17, 2012, meeting) **[See page 1]**
  - b. January 17, 2012 **[See page 5]**
3. Contracts and Leases
  - a. Extension of Agreement Between Burbank-Glendale-Pasadena Airport Authority and LSF Shuttle to Provide Fleet Vehicle and Special Equipment Repair/Maintenance Services
    - Staff Report Attached **[See page 12]**

***Staff seeks a recommendation from the Operations and Development Committee to the Authority for its concurrence with Staff's decision to exercise and issue the required thirty-day advance notice to LSF Shuttle for the second and final one-year contract extension option to provide maintenance services for the Authority's fleet of shuttle buses, vehicles and specialized maintenance equipment, for the period from March 3, 2012, to March 2, 2013.***

**Subject to the review and recommendation of the Committee, this item has also been included on the agenda for the Authority's consideration at its February 6, 2012, meeting immediately following the Committee's meeting.**

4. Items for Information

a. Parking Operator Transition Update

**No staff report is attached. Staff will update the Committee on the transition of the self-park management services, valet parking services and passenger and employee busing services contract from Central Parking System to the new contractor, Standard Parking.**

b. Parking Utilization Update

**No staff report is attached. This item has been carried over from the Committee's January 17, 2012, meeting. Staff will update the Committee on recent parking utilization at Authority lots and activity levels at off-Airport operators.**

c. December 2011 Passenger Statistics

**No staff report is attached. Staff will discuss the December 2011 passenger statistics with the Committee.**

5. Other Contracts and Leases and Capital Projects

6. Closed Session

a. Conference with Real Property Negotiators  
(California Government Code Section 54956.8)

Property: Bob Hope Airport Leaseholds  
Authority Negotiator: Executive Director  
Negotiating Parties: Enterprise Rent-a-Car Company of Los Angeles, LLC;  
The Hertz Corporation; Avis Budget Car Rental LLC;  
Budget Rent a Car of Southern California; DTG Operations;  
Fox Rent A Car; and Midway Car Rental  
Under Negotiation: Price and Terms of Payment

Property: Bob Hope Airport Leasehold  
Authority Negotiator: Executive Director  
Negotiating Party: American Airlines  
Under Negotiation: Price and Terms of Payment

Property: Bob Hope Airport Leasehold  
Authority Negotiator: Executive Director  
Negotiating Party: AVJET Corporation  
Under Negotiation: Price and Terms of Payment

Property: Bob Hope Airport Leasehold  
Authority Negotiator: Executive Director  
Negotiating Party: D & L Studio Transportation Inc. dba Desmond's  
Studio Production  
Under Negotiation: Price and Terms of Payment

Property: B-6 Property Easements  
Authority Negotiator: Executive Director  
Negotiating Party: City of Burbank  
Under Negotiation: Price and Terms of Payment

b. Conference with Legal Counsel – Existing Litigation  
(California Government Code Section 54956.9(a))

Name of Case: In re Petition of Burbank-Glendale-Pasadena Airport Authority for  
Order Permitting Entry on Property (Union Pacific) (Case No. BS131944)

c. Conference with Legal Counsel – Anticipated Litigation

Initiation of Litigation (California Government Code Section 54956.9(c)): One potential  
case: Noise Variance Application to Department of Transportation, Division of Aeronautics

Significant Exposure to Litigation (California Government Code Section 54956.9(b)):  
One potential case. Facts and Circumstances: Maintenance Department Claim

7. Adjournment

Subject to Approval

**MINUTES OF THE REGULAR MEETING OF THE  
OPERATIONS AND DEVELOPMENT COMMITTEE  
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

**MONDAY, DECEMBER 5, 2011**

A regular meeting of the Operations and Development Committee was called to order this date in the Airport Skyroom of the Burbank-Glendale-Pasadena Airport Authority, 2627 Hollywood Way, Burbank, California, at 8:34 a.m., by Chairman Holden.

**ROLL CALL**

**Present:** Commissioners Holden and Weaver

**Absent:** Commissioner Brown

**Also Present:** Staff: Dan Feger, Executive Director; and John Hatanaka, Senior Deputy Executive Director

**1. Public Comment** There were no public speakers.

**2. Approval of Minutes**

**a. November 7, 2011** Commissioner Weaver moved approval of the minutes of the November 7, 2011, meeting. There being no objection, the minutes were approved 2-0 (1 absent).

**3. Contracts and Leases**

**a. Construction  
Coordination  
Services Agreements**

The Authority has historically obtained the services of qualified individuals to assist the Airport Engineering Department with construction coordination on an independent contractor basis. In May 2010 the Commission approved a three-year professional services agreement with Mr. Michael Perry for such services on a time and materials basis at an hourly rate of \$60, subject to a Consumer Price Index ("CPI") adjustment after the end of the second year) with a maximum 2,000 hours annually. Mr. Perry had served as a Construction Superintendent for construction companies on previous Airport projects and was familiar with the Airport Engineering Department's procedures and methods. Staff seeks Commission approval of a contract amendment with Mr. Perry to increase the maximum annual hours to 2,500.

In July 2011 Staff determined there was a need for additional construction coordination services support. Pursuant to the Authority's expenditure policy, the Executive Director executed a six-month professional services agreement with Mr. David V.

Padilla, Jr., for such services on a time and material basis at an hourly rate of \$60 with a maximum 1,000 hours. This short-term contract was intended to afford Staff a "probationary period" in which to evaluate Mr. Padilla and decide whether to seek Commission approval for a three-year professional services agreement with Mr. Padilla under the same terms approved for Mr. Perry. As with Mr. Perry, Mr. Padilla had served as a Construction Superintendent for construction companies on previous Bob Hope Airport projects and was familiar with the Airport Engineering Department's procedures and methods. Mr. Padilla has completed five months of services and his performance has been satisfactory. Staff seeks Commission approval of a three-year professional services agreement with Mr. Padilla on a time and materials basis at an hourly rate of \$60 (subject to a CPI adjustment after the end of the second year) with a maximum 2,500 hours annually starting January 1, 2012.

The existing contract with Mr. Perry provides for the consideration of an adjustment in the hourly labor rate upon conclusion of the second year of the contract term based on the CPI for All Urban Consumers for the Los Angeles-Riverside-Orange County statistical area ("CPI-U") published by the United States Department of Labor, Bureau of Labor Statistics. In the event the CPI is discontinued or revised during the term of the contract, such other governmental index or computation with which it is replaced shall be used. The proposed contract with Mr. Padilla would include the same provision.

Staff recommended that the Committee recommend to the Commission (1) amendment of a professional services agreement with Mr. Perry for construction coordination services to increase the maximum annual hours from 2,000 to 2,500 and (2) authorization to execute a three-year professional services agreement with Mr. David V. Padilla, Jr., for construction coordination services on a time and materials basis at an hourly rate of \$60 (subject to a CPI adjustment after the end of the second year) with a maximum 2,500 hours annually.

Following the presentation, the Committee agreed 2-0 (1 absent) to approve Staff's recommendation. As the Commission is scheduled to meet once in December, this item has been placed on the Commission's agenda for its December 5, 2011, meeting immediately following the Committee meeting.

**b. Authorization to Purchase Equipment for the Verdugo Fire Communications Service Agreement**

On July 5, 2011, the Authority unanimously voted to become a contract member of the Verdugo Fire Communications Center ("Verdugo"), and the Authority's membership became effective on September 1, 2011, which has allowed for an increase in the emergency preparedness at Bob Hope Airport ("Airport"). In the

beginning of September 2011, the initial cutover of the Authority's Fire Department into the Verdugo system was successfully completed. This cutover encompassed the following components of the Verdugo system:

- Tie-in into the Verdugo ICIS Radio System;
- Facilitation into the Los Angeles Fire Department Communication System; and
- Tie-in into the Verdugo Fire Dispatch Center centralized data reporting system.

With the Authority's Fire Department now operating on the base system with Verdugo, the installation of the proposed revised equipment into the Authority's ARFF vehicles will complete the full integration of the Authority's Fire Department into the Verdugo system. This will allow the Authority's Fire Department the ability to utilize all the available tools the Verdugo system provides its contract members, while improving the efficiency and effectiveness of the Authority's Fire Department's ability to respond to emergencies.

Also on July 5, 2011, the Authority authorized the purchase of equipment for Verdugo in the amount of \$45,529 and a 10% contingency in the amount of \$4,553, for a total equipment acquisition of \$50,082. After receiving the equipment it was determined jointly by Verdugo and Staff that the Mobile Data Communication ("MDC") units specified for use in the Authority's ARFF vehicles and the associated hardware would not be compatible due to the operating environment and required FAA Part 139 response times at the Airport.

The Authority's ARFF vehicles are, for the majority of the time, on standby outdoors in uncovered positions throughout the day and night in order to respond to any calls within the FAA Part 139 requirements the Authority Fire Department may receive. This exposes the vehicles to extreme heat and/or cold temperatures which can have a significant negative impact on the MDC and its useful life. After re-evaluating the field conditions at the airport and the various constraints within the physical layout of the ARFF vehicles, Verdugo representatives and Staff concluded that it would be best to return the original MDC equipment purchased and acquire alternate MDC equipment that would be capable of functioning properly in ARFF vehicles in an airport operating environment.

The initial authorization received from the Authority on July 5, 2011, was \$50,082 as detailed in the staff report. As noted above, portions of the original MDC equipment were ultimately determined to be incompatible with an airport operating

environment. The total amount of equipment deemed incompatible in the amount of \$10,641 was returned and a full refund has been obtained. The replacement equipment that is being recommended, determined through collaboration between Verdugo representatives and Staff, will meet the specific needs to accommodate the Airport field conditions. This replacement equipment has a higher level of durability to address exposure to constant outdoor environmental conditions. The recommended computer equipment is produced by Motorola and only available through Motorola's designated area provider, KR Nida Corporation ("KR"). Staff is therefore recommending that KR be awarded a sole source purchase order for this equipment. Additionally, three bids were obtained for the Panasonic Tough book 19 with SHI International Corp. ("SHI") being the low bidder. Staff is recommending the procurement of the replacement equipment from the vendors listed in the staff report.

The additional cost for the revised MDC equipment, less the credit of \$10,641, is \$21,345. As noted above, portions of the equipment package for this system are PFC-eligible and can be reimbursed under the existing approved PFC Application No. 7. With the revised equipment, the total cost of the project is \$71,427, to be funded with PFC revenues in the amount of \$49,204 with the balance funded utilizing approved appropriations under the Emergency Systems/Preparedness line item in the FY 2011/2012 Capital Budget.

Following the presentation, the Committee agreed 2-0 (1 absent) to recommend to the Authority authorization for the acquisition and installation of revised recommended MDC equipment for the Authority's ARFF vehicles in the amount of \$31,986 from KR Nida corporation, SHI and Day Wireless Systems ("Day"), including the cost of installation into the ARFF vehicles by Day as detailed in the staff report to replace the previously authorized MDC equipment acquired, returned and refunded due to a determination that the original equipment is incompatible with the environmental operating conditions at the Airport discovered during the original installation.

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| 4. <b>Other Contracts and Capital Projects</b> | This item was not discussed.  |
| 5. <b>Closed Session</b>                       | The meeting did not recess to closed session.                       |
| 6. <b>Adjournment</b>                          | There being no further business, the meeting adjourned at 8:40 a.m. |

Subject to Approval

**MINUTES OF THE SPECIAL MEETING OF THE  
OPERATIONS AND DEVELOPMENT COMMITTEE  
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

**TUESDAY, JANUARY 17, 2012**

A special meeting of the Operations and Development Committee was called to order this date in the Airport Skyroom of the Burbank-Glendale-Pasadena Airport Authority, 2627 Hollywood Way, Burbank, California, at 8:35 a.m., by Acting Chairman Brown.

**ROLL CALL**

**Present:** Commissioners Brown and Weaver

**Absent:** Commissioner Holden

**Also Present:** Staff: Dan Feger, Executive Director; John Hatanaka, Senior Deputy Executive Director; and Karen Sepulveda, Assistant Airport Engineer

**1. Public Comment** There were no public speakers.

**2. Approval of Minutes**

**a. December 5, 2011** Commissioner Brown was not present at the December 5, 2011, meeting and since the minutes cannot be approved with only one vote, the minutes will be carried over to the next Committee meeting.

**3. Contracts and Leases**

**a. Award of Contract, Project Number E11-17, Fiber Optic and Service Equipment Project, Phase 4B** This project is part of an ongoing project to install a fiber optic "backbone" and associated surveillance equipment around the perimeter of the Airport to enhance existing airport access controls and perimeter security. Previous phases of construction have completed the installation of infrastructure and fiber optic cable from the terminal buildings to the Airport Maintenance Department and Engineering Department, currently terminating in the southwest portion of the property.

The proposed project consists of Phase 4B to include installation of eleven cameras that will add surveillance configurations in five locations around the facility. In addition, this project will include additional trenching, conduit installation and fiber optic wiring. This project was bid as a unit-price project so that Staff would be able to increase the scope of the

project to exhaust any unused federal funding before such funding authority expires.

Additional phases of the fiber optic and service equipment project will be brought to the Commission at a later date as additional federal UASI Funding is secured and the extent of the funding is known.

Staff solicited bids by the usual method of advertising as well as public postings on the Internet and in the Burbank, Glendale and Pasadena city halls. Bids were opened publicly on December 8, 2011, with three contractors submitting bids ranging from \$110,576.61 to \$138,900.02.

During the latter part of the bidding phase, Staff was advised by the bidders that the vendor for the camera equipment had reduced its pricing 40–60%. Since the project is predominantly technology and equipment, the bids received were very favorable to the Authority. However, because there would have been a significant amount of unused grant funding left over, Staff rebid the project with an increased scope intended to exhaust approximately \$200,000 in funding. Rebids were opened on December 22, 2011, with only two bidders submitting the following results: the Fishel company, \$174,952.74, and Veterans Communication Services, Inc., \$204,551.24. The highest bidder from the original bid chose not to participate in the rebidding. The low bidder in the second round of bids, The Fishel Company, was recently awarded a contract for Phase 4A of the project and has already begun the work. To date, its work is satisfactory. During the award process for Phase 4A references were checked on The Fishel Company and were found to be acceptable.

Prior to the first round of bidding, the scope of work necessary to spend the available amount of construction funding was prepared by Engineering Department staff using then currently known pricing for same on similar work. After the first round of bids was received, the scope of the project was increased—based on the favorable unit prices—to maximize the amount of work constructed with the available funding. Even with the increased scope of work, the project bid at approximately \$25,000 less than the available funding.

This project is funded entirely from a 2009 Urban Area Security Initiative (“UASI”) grant in the amount of \$275,000 that must be utilized prior to March 31, 2012. A breakdown of costs associated with this grant is listed in the staff report. Because the low bid construction cost is just under \$175,000

there is a surplus of approximately \$25,000 in construction funding still available. Accordingly, Staff proposed to increase the scope of the project through the bid unit prices to exhaust all of the \$275,000 in available grant funding.

Staff recommended that the Committee recommend that the Authority award a construction contract in the amount of \$174,952.74 to The Fishel Company for the installation of 11 cameras and related equipment along the existing fiber optic backbone and an approximate 10% contingency, in the amount of \$17,500, to permit Staff to authorize any necessary changes in the scope of the project and that it authorize Staff to expend any remaining balance (anticipated to be approximately \$25,000) in the 2009 UASI grant as the project progresses prior to the expiration of the grant funding.

**Motion**

Following Staff's presentation Commissioner Weaver moved approval of Staff's recommendation.

**Motion Approved**

There being no objection, the motion was approved 2-0 (1 absent).

To ensure that the UASI grant deadline of March 31, 2012, can be met, this item has been included in the agenda for the Commission's January 17, 2012, meeting immediately following the Committee's meeting.

**b. Regional Intermodal Transportation Center, Amendment to Professional Services Agreement for Program Management Services**

Staff reviewed the background of the Regional Intermodal Transportation Center ("RITC") project with the Committee.

The original design for the RITC project was subjected to public bidding in May 2011 and the bids received were substantially in excess of the program budget. In August 2011 the Authority approved a redesign of the project that reduced the size of the constructed facility and initiated a number of cost-saving measures intended to make the project financially feasible. The RITC hard construction budget, excluding soft costs, was established at \$100,341,000 including the Replacement Parking Structure ("RPS").

In early January 2012 the Pierce Goodwin Alexander and Linville ("PGAL") Design Team completed the redesign and reprogramming effort for the RITC project. The Statement of Probable costs received on January 11, 2012, is \$102,515,394. The redesign separated the project into two main bid packages: (1) a design-build RITC package consisting of the Regional Intermodal Transportation Center, Consolidated Rental Car Facility ("CRCF"), elevated walkway, site work, off-site improvements and site preparation for the

Replacement Parking Structure ("RPS") and (2) a design-build RPS. In addition, gkkworks, the program manager, is managing the bidding process for procurement of the earthquake isolators, which will be purchased by the Authority for installment by the selected contractor and is also pursuing the selection of three inspection firms to promote local and DBE participation in the project.

Bids for the design-build RPS were opened on January 12, 2012, with bids ranging from \$8,496,000 to \$11,443,000. As part of the \$102,515,394 budget, \$12.1 million was allocated for the construction of the RPS. Staff reported that during the course of the bidding process, several contractors inquired whether it would be permissible to submit bids based on the use of an open-frame building without shear walls and bracing. Prior to that time, it was Staff's belief that the most cost-effective type of structure would be a structure with shear walls and/or bracing. Staff's response to this inquiry was that so long as it met the Authority's requirements, complied with the City of Burbank's Building Code, passed the City's plan check process and was cost-effective, it would be permissible. It is Staff's belief that should this project move forward, in order to protect the Airport Authority's good rating with the credit rating agencies, the cost of the project should be cut by approximately 10% to offset the 7% cut in service and the resulting decreases in PFC and CFC collections due to the termination of American Airlines' service at the Airport effective February 9, 2012, and to provide a margin to accommodate potential revenue decreases at the Airport. Staff reported that preliminary rough estimates indicated that building the RPS out of concrete, using a moment frame structure without shear walls and bracing, could result in a \$9--\$11 million cost reduction given the competitive nature of concrete versus steel construction.

The gkkworks program management team has prepared a 100% Cost Estimate Statement of Probable Costs based on the completed redesign and has engaged two independent estimating teams to concurrently validate the projected costs to assure the highest probability of obtaining bids that will be affordable. The program budget amount established in August 2010 is \$109,822,792.

The original schedule for the completion of the redesign and reprogramming effort was November 30, 2011, with a proposed bid release date of December 6, 2011. The bid release date was delayed until January 13, 2012, to allow additional time for the PGAL design team to provide complete and accurate drawings that incorporate as many cost-saving

unsuccessful bid process. Bid opening is scheduled for February 24, 2012. Staff strongly believes that this additional time and effort to produce as complete a set of drawings as possible will result in cost savings and avoidance of future change orders.

At its December 5, 2011, meeting the Authority was advised that for a variety of reasons the gkkworks program management team would exhaust its approved program management budget in December. One of these reasons is Staff's direction to the program management team to aggressively pursue the Authority's commitment to maximize the use of local contractors and Disadvantaged Business Enterprises. The scope of Outreach Services was not defined in the original program management scope of services, with the intent that the program management team would be in a position to best understand the outreach needs when the project was better defined. This allowed the program manager to tailor the required outreach services over the course of the delivery of the RITC program. Outreach services have been and are continuing to be carried out as part of a collaboration of Airport staff (engineering, operations, public relations), gkkworks/STV in-house resources and that of other specialty outreach subconsultants (Del Richardson Associates and Heritage Tree Films). An additional reason why the program management budget has been exhausted is due to the fact that the redesign effort has extended the program management effort by some eight months beyond what it was originally planned to be.

Staff recommended that the Committee recommend that the Authority approve the following actions and noted that the recommendations are different from those contained in the staff report due to the inclusion of the deductive alternate support for the design-build concrete replacement of the Consolidated Rental Car Facility.

- (1) Authorize the Executive Director to issue a time and materials Work Order Number 2 in the not-to-exceed amount of \$148,677 to gkkworks, inc. for providing outreach and other speciality consultant services (Hennon Survey, Stantec, Art Consultant) that were not included in the original proposed scope of work from gkkworks;
- (2) Authorize the Executive Director to issue a time and materials Work Order Number 3 to gkkworks in the amount of \$500,000 for bid and deductive alternate support for design-build concrete replacement of the CRCF structure; and

- (3) Authorize the Executive Director to issue a time and materials work order to PGAL in the amount of \$60,000 for conceptual/support work associated with change to concrete.

Should the Commission concur with Staff's recommendations, the proposal for the design-build concrete CRCF structure will be reviewed with the rental car companies. Provided the rental car companies are in agreement with the alternative construction, Staff anticipates returning to the Authority at its March 19, 2012, meeting to advise the Authority of the results of the bid openings. At that meeting, subject to acceptable bids having been received, Staff intends to seek authorization from the Authority to issue general airport revenue bonds to finance the project. If the Authority approves such an action, Staff will request at that time a further adjustment of the program management budget to provide sufficient support to assist the financing team.

On the assumption that a successful bond offering and closing has been completed and other elements of the Plan of Finance are in place, Staff will seek Authority approval to award construction contracts for the two construction packages and will also seek approval to move forward with the construction management portion of the program management effort.

Following Staff's presentation the Committee concurred 2-0 (1 absent) to approve Staff's recommendations.

Staff noted that this is included on the Authority's agenda for its January 17, 2012, meeting immediately following the Committee's meeting.

#### **4. Items for Information**

- a. **Parking Utilization Update** This item will be carried over to the next Committee meeting.
- b. **October and November 2011 Passenger Statistics and October, November and December Parking Revenue** In the interest of time, this item was not discussed. Staff will present the passenger statistics for October and November 2011 and the October, November and December 2011 parking revenue at the special Commission meeting immediately following the Operations and Development Committee.

#### **5. Other Contracts and Capital Projects**

This item was not discussed.

**6. Closed Session**

The meeting did not recess to closed session.

**7. Adjournment**

There being no further business, the meeting adjourned at 9:00 a.m.

STAFF REPORT PRESENTED TO THE  
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY  
OPERATIONS AND DEVELOPMENT COMMITTEE  
FEBRUARY 6, 2012

EXTENSION OF AGREEMENT BETWEEN  
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY AND  
LSF SHUTTLE TO PROVIDE FLEET VEHICLE AND  
SPECIAL EQUIPMENT REPAIR/MAINTENANCE SERVICES

SUMMARY

Staff seeks a recommendation from the Operations and Development Committee ("Committee") to the Authority for its concurrence with Staff's decision to exercise and issue the required thirty-day advance notice to LSF Shuttle ("LSF") for the second and final one-year contract extension option to provide maintenance services for the Authority's fleet of shuttle buses, vehicles and specialized maintenance equipment, for the period from March 3, 2012, to March 2, 2013.

Subject to the review and recommendation of the Committee, this item has also been included on the agenda for the Authority's consideration at its February 6, 2012, meeting immediately following the Committee's meeting.

BACKGROUND

The Authority's fleet of 14 shuttle buses, 38 pieces of specialized maintenance equipment, and approximately 58 police, fire, operations, administration and maintenance vehicles are currently being serviced by LSF. The Authority initially entered into a one-year service agreement ("Agreement") with LSF that commenced on February 15, 2010, with the option for two one-year extensions. The first one-year option will end on March 2, 2012.

The Agreement provides for two full-time mechanics on-site at the Airport and additional services at LSF facilities at a current base labor rate of \$60.39/hour plus parts. The Agreement also provides for a Consumer Price Index ("CPI") increase, effective February 15, not to exceed 5% for each of the two option years if exercised.

The estimated total cost of the current one-year option period ending March 2, 2012, is approximately \$550,000, consisting of \$265,000 for labor and \$285,000 for parts.

EXTENSION TERMS AND CONDITIONS

Since LSF has performed satisfactorily over the past year, and the rates for this service remain competitive, Staff, in order to maintain continuity with these services, exercised and issued the required thirty day advance notice to LSF for the second and final one-year option of the Agreement. As this is the second and final one-year option of the Agreement, Staff will initiate a competitive re-bid process in late spring/early summer.

Based on an estimate of the CPI adjustment (using the latest available CPI rate at December 2011 of 2.197%), the new base hourly labor rate would be \$61.72/hour. The estimated total cost of the second one-year option period is \$585,000, consisting of \$271,000 of labor and \$314,000 of parts. This represents an increase of approximately

\$6,000 for labor due to the CPI adjustment and \$29,000 or 10% for estimated additional parts due to the aging of the Authority's shuttle bus fleet.

The maintenance of the Authority's shuttle bus fleet is a specialized service, and there are a limited number of qualified firms capable of providing these services. However, there are many vendors available to maintain the balance of the Authority's fleet vehicles. A major portion of the expenses for this Agreement relate to the maintenance of the Authority's shuttle bus fleet, and as this fleet ages, the maintenance requirements for the shuttle bus fleet continue to rise. In order to keep the shuttle bus fleet fully operational and safe, and in order to minimize the costs of vehicle maintenance, Staff is currently seeking proposals from other vehicle maintenance vendors to provide supplemental maintenance services for the balance of the Authority's fleet vehicles and allow the Authority the flexibility to utilize a supplemental vendor to ensure LSF can focus attention on shuttle bus maintenance. Staff will present to the Authority for its consideration at a future meeting a proposal to award a contract for these supplemental services.

#### FUNDING

The FY 2011/2012 adopted Operations and Maintenance budget line item for contractual vehicle maintenance services (Account # 8620) is \$674,000, of which \$575,000 relates to the vehicle/fleet maintenance services to be provided by LSF. At this time, based on actual data for the first six months of FY 2011/2012 and taking into account the upcoming contractually required CPI labor adjustment, it is anticipated that LSF will remain within the budget parameters for this fiscal year.

#### STAFF RECOMMENDATION

Staff seeks a recommendation from the Operations and Development Committee to the Authority for concurrence with Staff's decision and notice to LSF Shuttle ("LSF") which exercised the second and final one-year contract extension option to provide maintenance services for the Authority's fleet of shuttle buses, vehicles and specialized maintenance equipment, for the period from March 3, 2012 to March 2, 2013.

As noted above, subject to the review and recommendation of the Committee, this item has also been included on the agenda for the Authority's consideration at its February 6, 2012, meeting immediately following the Committee's meeting.