

2023 CSPP UPDATES – FACT SHEET

Below are the BOAC approved updates to the LAX Certified Service Provider Program (CSPP) Requirements, **effective September 1, 2023**:

I. Enhanced Emergency Preparedness Training (EPT), Living Wage Ordinance (LWO), and Worker Retention Ordinance (WRO) compliance and enforcement standards per LAWA and SEIU-USWW MOU

- 1) Enhanced Oversight of EPT
 - a) LAWA shall conduct regular inspection of Certified Service Provider's (CSP) EPT syllabi, records of completion, and lists of employees on payroll
 - b) A training syllabus and evidence of a proper training plan are required prior to training badged employees at LAX
 - c) LAWA shall conduct an automatic CSPP NOI meeting due to non-compliance with EPT requirements
- 2) New Employer Orientation Program
 - a) LAWA shall conduct annual virtual orientations to ensure all CSP employees are educated on LAX pertinent rules, regulations, and ordinances (*first one held on 3/30/2023*)
 - b) The City's Bureau of Contract Administration (BCA) shall provide education, outreach, and information on LWO and WRO
 - c) All companies obtaining new Certified Service Provider License Agreements (CSPLA) within past year or who are in the application process are required to attend
- 3) Consequences for Labor Violations
 - a) LAWA shall conduct annual virtual orientations to ensure all CSP employees are educated on LAX pertinent rules, regulations, and ordinances (*first one held on 3/30/2023*)
 - b) BCA shall provide education, outreach, and information on LWO and WRO
 - c) All companies obtaining new CSPLAs within past year or who are in the application process are required to attend

II. Updated Contract Verification Requirements

- 1) New & existing CSPs shall submit a fully executed copy of the service contract between Licensee and LAX customer(s), without redaction of any section of the contract.
- 2) All documents in LAWA's possession are subject to a California Public Records Act (CPRA) request. CSPs are responsible for protecting the release of any documents identified as confidential/proprietary upon notification from LAWA.

III. New Monetary Fines and Contracting Limitations for companies exceeding the CSPP Notice of Investigation (NOI) non-compliance thresholds

- 1) Monetary Fine Structure
 - a) CSPs reaching a NOI Level One status of higher will be subject to a progressive monetary fine structure for each citation issued or major violation committed by a CSP employee or CSP at LAX, as shown below:

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Type	Fine Amount		
	Level 1	Level 2	Level 3
Per Citation	\$500	\$1,000	\$2,000
Per Major Violation	\$1,000	\$2,000	\$3,000

- 2) NOI Monthly Fee & Faithful Performance Guarantee (FPG) Increase
- a) CSPs reaching any NOI status shall be subject to an increase in FPG and monthly fee payments to LAWA, as shown below:

Type	Increased Amount		
	Level 1	Level 2	Level 3
Monthly Fee	30%	60%	100%
FPG	6 Months of Monthly Fees		

- 3) NOI Contracting Limitations
- a) CSPs reaching a NOI Level 2 status shall not be authorized to add any new service contracts to expand their operations at LAX
- b) CSPs reaching a NOI Level 3 status shall not be authorized to add any new service contracts to expand their operations at LAX
- c) LAWA reserves the right to issue a CSPLA with a reduced term length for companies at Level 3
- d) CSPs providing services without LAWA authorization shall result in an automatic CSPP Administrative Hearing, and may result in deactivation of badges and/or CSPLA termination

IV. Additional NOI Corrective Actions

- 1) Additional NOI corrective actions shall be taken by LAWA, as shown below:

Level 1	Level 2	Level 3
Monetary Fines	Monetary Fines	Monetary Fines
30% Monthly Fee Increase	60% Monthly Fee Increase	100% Monthly Fee Increase
6 Months of FPG on File	6 Months of FPG on File	6 Months of FPG on File
Meeting with LAWA Contract Administrator	Meeting with LAWA Senior Management	Meeting with LAWA Executive Management
Submit Updated Corrective Action Plan	Submit Updated Corrective Action Plan	Submit Updated Corrective Action Plan
Submit Bi-annual Employee Training Rosters	Submit Quarterly Employee Training Rosters	Submit Monthly Performance Status Reports
Attend Bi-Annual Compliance Status Meetings with Contract Administrator	Attend Quarterly Compliance Status Meetings with LAWA Senior Management	Attend Monthly Compliance Status Meetings with LAWA Executive Management
	Not authorized to expand LAX operations	Not authorized to expand LAX operations
		CSPLA term reduced

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- 2) CSPP NOI Adjudication Process
 - a) Effective September 1, 2023, the CSPP penalty points assessed to all CSPs with a NOI status will be reset to zero
 - b) CSPs currently at NOI Level 1, 2, or 3 and that are projected to exceed 10% of its employee badge count in penalty points within the 90-day period will be charged a fine based on the CSPP NOI Proposed Monetary Fine Structure
 - c) CSPs projected not to exceed 10% of its employee badge count in penalty points will not be charged a fine
 - d) CSP must remain under the 10% threshold over a 12-month period to have its NOI status removed

V. New CSPP Administrative Hearing Process

- 1) CSPs may be subject to an Administrative Hearing for any material changes to its CSPLA with LAWA. CSPs may also request an Administrative Hearing to contest any monetary fine imposed by LAWA.
- 2) The purpose of the hearing is to afford due process for CSPs to present their case before a Hearing Officer, and to provide evidence of having the necessary trustworthiness, quality, fitness, and capacity to operate as a responsible Service Provider at LAX.
- 3) Serious violations of LAX Rules and Regulations that may result in LAWA conducting an automatic Administrative Hearing, include but are not limited to:
 - a) Multiple violations of employees operating on the airfield without required credentials.
 - b) Multiple instances of CSP employees being intoxicated while on duty and/or bringing open alcoholic beverages or other controlled substances on campus.
 - c) Multiple instances of employees using airport-issued security credentials for unauthorized and/or unintended purposes.
 - d) CSPs abusing its restricted access to operate at LAX without authorization through its CSPLA.
 - e) CSPs abusing its restricted access to operate under a different company at LAX that does not have a CSPLA.
 - f) Causing an accident resulting in major damage to airport or airline property, serious injuries and/or death.

VI. New Administrative Violations & Penalty-Points Process

- 1) LAWA shall issue a citation if a CSP fails to comply with Sections 2, 3, and 4 of the CSPP Requirements or any other administrative requirements imposed by LAWA.
- 2) One penalty point shall be assessed to the CSP per violation. The points accumulated for these violations shall be added to the points accumulated for SAFE violations for the purposes of enforcement under this Section 5.
- 3) CSPs under a NOI status shall be subject to monetary fines per citation.

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VII. Updated Capacity & Experience Requirements

1) Companies shall have the demonstrated capacity and experience for at least **3 of the last 5 years** at large-hub airport to provide the following CSPP Core Service(s) at LAX:

- a) Aircraft Line Maintenance
- b) Aircraft Food Services
- c) Airfield Transportation **(new)**
- d) Baggage Management*
- e) Cargo Handling
- f) Into-Plane Fueling
- g) Ramp
- h) Security
- i) Wheelchair Services*

*Passenger Services Category unbundled to create 2 separate service types.

2) Companies shall have the capacity and qualified personnel to provide the following CSPP Limited Service(s) at LAX:

- a) Aircraft Cabin Cleaning
- b) Cargo Screening **(new)**
- c) Terminal

VIII. New CSPP Monthly Fee Schedule to add revenue bands for Licensees generating over \$30M annually at LAX:

Gross Revenue Band	Annual Gross Revenue	Monthly Fee Due to LAWA				
		FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
A	\$0 - \$249,999	\$ 155	\$ 160	\$ 165	\$ 170	\$ 175
B	\$250,000 - \$999,999	\$ 650	\$ 670	\$ 690	\$ 710	\$ 730
C	\$1,000,000 - \$1,999,999	\$ 1,550	\$ 1,600	\$ 1,650	\$ 1,700	\$ 1,750
D	\$2,000,000 - \$3,999,999	\$ 3,100	\$ 3,200	\$ 3,300	\$ 3,400	\$ 3,500
E	\$4,000,000 - \$5,999,999	\$ 5,150	\$ 5,300	\$ 5,460	\$ 5,630	\$ 5,800
F	\$6,000,000 - \$7,999,999	\$ 7,420	\$ 7,650	\$ 7,880	\$ 8,120	\$ 8,370
G	\$8,000,000 - \$9,999,999	\$ 8,350	\$ 8,600	\$ 8,860	\$ 9,130	\$ 9,400
H	\$10,000,000 - \$19,999,999	\$ 10,000	\$ 10,300	\$ 10,610	\$ 10,930	\$ 11,260
I	\$20,000,000 - \$29,999,999	\$ 15,000	\$ 15,450	\$ 15,920	\$ 16,400	\$ 16,900
J*	\$30,000,000 - \$39,999,999			\$ 21,000	\$ 21,630	\$ 22,280
K*	\$40,000,000 - \$49,999,999			\$ 27,300	\$ 28,120	\$ 28,970
L*	\$50,000,000 - \$59,999,999			\$ 35,500	\$ 36,570	\$ 37,670
M*	\$60,000,000+			\$ 46,150	\$ 47,540	\$ 48,970

*Effective September 1, 2023.

IX. New Operational Plan Requirement

1) CSPLA applicants shall submit an Operational Plan to LAWA describing the nature of its business, including its capacity, experience, and qualifications to provide the requested service(s) safely and effectively at LAX.

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- 2) LAWA may require an existing CSP to submit an Operational Plan if requested to expand its operations at LAX.

X. Updated CSP Contracting and Subcontracting Requirements

- 1) A CSP shall not contract with another CSP to provide any service(s) that are beyond the scope of its own License classification. For example, a CSP issued a License to provide Passenger Services shall not contract with another CSP to provide services that are not Passenger Services.
- 2) A CSP may, only with LAWA's prior written approval, contract with another CSP to provide services that are part of and included in its License classification.

XI. New CSPLA Application & Amendment Processing Fee

- 1) CSPs requesting to provide any service(s) beyond the scope of its License classification shall pay a **\$1,500** non-refundable fee
- 2) CSPs requesting to provide any service(s) currently authorized within its scope of License classification shall pay a **\$500** non-refundable fee
- 3) CSPLA non-refundable application fee will increase to **\$1,500**

XII. New Foreign Object Debris (FOD) Prevention Plan Requirement

All airfield CSPs shall develop and implement a FOD plan that identifies a process to dispose of all FOD in the receptacles identified by LAWA or LAX customer(s) and shall use its best endeavors to ensure that the Apron is always kept clean and tidy. All FOD plans must be submitted and approved by LAWA Airport Operations.

XIII. Updated Non-LAWA Agency Violations Report

CSPs must submit a Non-LAWA Agency Violations (NLAV) Report for any violation(s) confirmed by California Division of Occupational Safety and Health (Cal-OSHA) or any other non-LAWA regulatory agency, within thirty (30) business days of receiving a notice. CSPs are required to submit an annual NLAV report verifying that there were no violations confirmed by any non-LAWA regulatory agency during the past 12 months, by January 31st.

XIV. New California Secretary of State (CSS) Filing Requirement

CSPs shall notify LAWA of any changes to its CSS status within twenty-one (21) business days and shall ensure all corporate documents and/or articles of incorporation on file with LAWA are consistent with its CSS filing.