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Report to the BOARD OF AIRPORT COMMISSIONERS

Approver:  Jacob Adams (Jan 9, 2025 16:35 PST) Jake Adams, Deputy Executive Director Landside Access Modernization Program	Meeting Date 1/16/2025			
	Needs Council Approval: <input checked="" type="checkbox"/> Y			
	Reviewer:  Brian C. Ostler, City Attorney  John Ackerman, Chief Executive Officer	Reviewed for/by	Date	Approval Status
	Finance	12/20/2024	<input checked="" type="checkbox"/> Y <input type="checkbox"/> NA	JS
	CEQA	12/13/2024	<input checked="" type="checkbox"/> Y	VW
	Procurement	1/9/2025	<input checked="" type="checkbox"/> Y <input type="checkbox"/> Cond	LK
	Guest Experience	12/18/2024	<input checked="" type="checkbox"/> Y	TB
	Strategic Planning	12/13/2024	<input checked="" type="checkbox"/> Y	BNZ

SUBJECT

Request to adopt the following report as well as approve the award and execution of 51 five-year Multiple Award Task Order Contracts, with two one-year renewal options for each contract, to pre-qualified contractors to provide Design-Build and Construction Services, on an as-needed basis, in support of the Capital Improvement Plan and other key initiatives at Los Angeles International Airport, for a total combined contract authority amount not to exceed \$5,000,000,000.

DISCUSSION

1. Purpose

The proposed Multiple Award Task Order Contracts (MATOC) will support the Los Angeles World Airports (LAWA) Capital Improvement Plan (CIP) and other key initiatives, as well as enhance business inclusivity and provide alternative strategies for barriers to small/disadvantaged businesses, including disparity in contract amounts based on firm size standards. The MATOC also enables interested firms to propose on a menu of scopes and services that best match their firm's skills, knowledge and abilities.

2. Prior Related Actions/History of Board Actions

- None

3. Background

In preparation for the next wave of CIP projects, LAWA has conducted extensive outreach with the contracting community (including roundtable discussions with small businesses, meetings with existing prime contractors, and industry outreach events with hundreds of new and existing firms) to solicit feedback and identify opportunities to better engage business within Los Angeles. Topics included potential barriers for diverse, local, small, and disadvantaged businesses, and the challenges of current contract terms and conditions.

As a result of these efforts, LAWA initiated a Design-Build and Construction Services MATOC procurement strategy which combined various construction scopes into one Request for Qualifications (RFQ).

4. Current Action/Rationale

This MATOC will allow pre-qualified design-builders and construction contractors to undertake and complete construction projects for LAWA that are authorized by ordinance to be procured via competitive sealed proposal solicitations. Separate benches will be established for pre-qualified design-builders and pre-qualified construction contractors with further clarification of specialty in either horizontal or vertical construction. These benches will be further differentiated by business size categories for small, medium, and large contractors.

5. Selection Process

The MATOC procurement model enabled LAWA to eliminate barriers to competition for small firms by (a) establishing three contract award levels based on business size categories (small, medium, and large), (b) establishing historically higher Business Enterprise (XBE) goals and evaluation criteria scoring, and (c) providing small firms with contract capacity equal to that of large firms.

The United States Small Business Administration's size standards were used to set the small business size level at \$45 million or less in gross revenue based on a three-year average; to set the medium business size level from \$45 million to \$250 million in annual gross revenue; and to set the large business size level for firms exceeding \$250 million in annual gross revenue.

In this procurement, Small Business Enterprise (SBE) participation was established at 30 percent, and included requirements for Local Business Enterprise (LBE) at 20 percent, Local Small Business Enterprise (LSBE) at 15 percent, and Disabled Veteran-Owned Business Enterprise (DVBE) at 3 percent, to maximize inclusive participation.

On July 30, 2024, LAWA issued the Design-Build and Construction Services MATOC RFQ to establish a pool of pre-qualified builders that would subsequently be invited to submit task order proposals relating to a defined Scope of Services.

The total value of all combined task orders issued under all MATOC contracts awarded through this RFQ will not exceed \$5 billion over the term. Each contract will be for a term of five years, with two one-year renewal options exercised at LAWA's sole discretion.

Applicants were asked to declare their status as a small, medium, or large company and were given the option to submit a comprehensive Statement of Qualifications (SOQ) for any or all the services below:

- Horizontal Design Build
- Vertical Design Build
- Horizontal Construction Contract
- Vertical Construction Contract

Applicants were required to demonstrate financial solvency, strong safety records, relevant skills, experience, and knowledge; to show previous successful experience in delivering comparable projects; and to provide resumes for any proposed Key Personnel's professional qualifications. Additionally, the SOQ required a detailed narrative describing how the applicant team planned to achieve the inclusivity and workforce development requirements, including the internship program, Mentor Protégé Program, and engagement with K-12 Title 1 schools.

On November 18, 2024, LAWA received SOQs from 36 applicant teams, and 31 of those teams (9 small, 5 medium, and 17 large) were deemed highly qualified and successful bidders.

Successful respondents are shown in the table on the following page.

SMALL TEAM SIZE		SBE	LBE	LSBE	DVBE	MBE	WBE	Design Build	Construction	NOTES
1	Birdi Systems, Inc.	✓	✓		✓	✓		V		
2	J-Squared General Contractors, Inc.	✓						V	V	First-time LAWA prime
3	Lucas Builders, Inc.	✓				✓			H&V	First-time LAWA prime
4	Mata Construction Services, Inc.		✓			✓			V	First-time LAWA prime
5	Mladen Buntich Construction Co., Inc.		✓						H	First-time LAWA prime
6	Premier Interior Development, Inc.	✓							V	First-time LAWA prime
7	Steve Bubalo Construction Co.	✓	✓	✓					H	
8	Technion Contractors TCI, Inc.	✓	✓	✓		✓	✓		H&V	
9	TEC Constructors and Engineers	✓	✓	✓		✓		V	V	First-time LAWA prime
MEDIUM TEAM SIZE		SBE	LBE	LSBE	DVBE	MBE	WBE	Design Build	Construction	NOTES
1	Kemp Bros. Construction, Inc.							V		First-time LAWA prime
2	Myers & Sons Construction, LLC		✓					H	H	
3	Pinner Construction Co., Inc.		✓						V	First-time LAWA prime
4	Silverado Contractors, Inc.								H&V	First-time LAWA prime
5	Xcel Mechanical Systems, Inc.							V	V	First-time LAWA prime
LARGE TEAM SIZE		SBE	LBE	LSBE	DVBE	MBE	WBE	Design Build	Construction	NOTES
1	AECOM Hunt							V	H&V	First-time LAWA prime
2	Austin Commercial LP							V	V	
3	Balfour Beatty							H&V	H&V	First-time LAWA prime
4	Clark Construction Group- CA, LP							V	V	
5	Flatiron West, Inc.							H	H	
6	Granite Construction Company								H	
7	Griffith Company		✓					H	H	
8	Hensel Phelps							V	V	
9	McCarthy Building Companies, Inc.		✓					V	V	
10	PCL Construction Services Inc.							V	V	
11	Skanska USA Civil West California District Inc.							H	H	
12	Sully-Miller Contracting Company		✓					H	H	
13	Swinerton		✓					H&V	V	
14	The Whiting-Turner Contracting Company		✓					V	V	First-time LAWA prime
15	Turner Construction							V	V	
16	W.E. O'Neil Construction Co. of CA							V	V	
17	Webcor Builders		✓					V	V	
Total Contracts								22	29	

The respondents listed above have committed to achieving at least the minimum Business Enterprise requirements set forth in the Request for Qualifications.

6. Task Order Management and Oversight

The requested contract authority is based on an estimate of the total combined value of all task orders that will be issued under the collective MATOC throughout the duration of the contract. Los Angeles World Airports may use a combination of operating and capital funds to pay for costs incurred for the proposed contracts and related task orders.

Costs associated with these awards will be managed through the issuance of task order solicitations and receipt of either proposals or bids. In all cases LAWA shall issue task orders to the pre-qualified respondent with the lowest ultimate cost to the City. These costs will be allocated to the respective CIP projects.

Following LAWA's capital programming process, staff will come to the Board of Airport Commissioners ("Board") to request project appropriations, including hard costs, softs costs,

and contingency. Upon approval of those project appropriations, or other Board-approved capital appropriations or outlays, the Chief Executive Officer shall be authorized to execute Task Orders and Task Order Amendments up to the total amounts appropriated by the Board.

On a quarterly basis, LAWA staff shall provide an update to the Board detailing executed Task Orders, Task Order Amendments, and inclusivity performance during the previous quarter.

7. Fiscal Impact

Support for capital projects is included in LAWA's overall Capital Investment Plan and programmed within the 2018 and 2022 Capital Improvement Plans (CIP), assigned to particular project budgets. As a result, approval of this action will result in no net increase to the CIP.

Support for operating projects will be funded from the Operating Budget, which is approved by the Board on a fiscal year basis.

8. Alternatives Considered

- ***Take No Action***

If no action is taken, the resources and opportunities to provide construction services within a more inclusive landscape would be constrained. This would significantly delay the projects in LAWA's CIP.

- ***Procure Separate Services for Each Individual Project***

This alternative is not recommended. It would require separate procurement efforts for each individual construction project in the CIP ranging from \$50,000 to \$2 billion. Furthermore, it would also require significantly more contract administration resources and an additional layer of program management to coordinate efforts between multiple separate contract agreements.

APPROPRIATIONS

No appropriation of funds is required for this action.

STANDARD PROVISIONS

The Board is hereby requested to adopt staff's determination that this action, as a continuing administrative activity, is exempt from California Environmental Quality Act (CEQA) requirements pursuant to Article II, Section 2.f of the Los Angeles City CEQA Guidelines.

The proposed document(s) is/are subject to approval as to form by the City Attorney.

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.