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Item Number
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Report to the BOARD OF AIRPORT COMMISSIONERS

Approver:

Teresa Mestas (Jan 12, 2024 10:46 PST)

Terri Mestas, Chief Development Officer

Reviewer:

Brian C. Ostler, City Attorney

Beatrice Hsu, Interim Chief Executive Officer

Meeting Date

1/18/2024

Needs Council Approval: ☒ Y

Reviewed for/by	Date	Approval Status	By
Finance	1/9/2024	<input checked="" type="checkbox"/> Y <input type="checkbox"/> NA	JS
CEQA	1/4/2024	<input checked="" type="checkbox"/> Y	MD
Procurement	1/8/2024	<input checked="" type="checkbox"/> Y <input type="checkbox"/> Cond	BG
Guest Experience	1/9/2024	<input checked="" type="checkbox"/> Y	TB
Strategic Planning	1/9/2024	<input checked="" type="checkbox"/> Y	BNZ

SUBJECT

Request the Los Angeles City Council consider and approve an ordinance allowing the Board of Airport Commissioners to authorize the Chief Executive Officer to utilize Alternative Delivery Methods and a Competitive Sealed Proposal Selection process for the West Campus Redevelopment Program and related projects at Los Angeles International Airport.

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.m of the Los Angeles City CEQA Guidelines.
3. FURTHER REQUEST the Los Angeles City Council consider and approve an ordinance allowing the Board of Airport Commissioners to authorize the Chief Executive Officer to utilize Alternative Delivery Methods for delivery of the West Campus Redevelopment Program and related projects at Los Angeles International Airport, pursuant to a Competitive Sealed Proposal Selection process.
4. FIND that the use of Alternative Delivery Methods, paired with a Competitive Sealed Proposal Selection process, should be authorized based on operational need, schedule, and technical aspects of the West Campus Redevelopment Program at Los Angeles International Airport, and that awarding to the lowest responsive and responsible bidder,

without any involvement from the contractor during the design stage, would be neither practical nor advantageous.

DISCUSSION

1. Purpose

This action is to request the Los Angeles City Council to consider and approve an ordinance allowing Los Angeles World Airports (LAWA) to use Alternative Delivery Methods, which include but are not limited to Design-Build (DB), Progressive Design-Build (PDB), Public Private Partnerships (P3), Multiple Award Task Order Contract (MATOC), and Construction Manager at Risk (CMAR); and further to use the Competitive Sealed Proposal Selection (CSPS) process for the delivery of the West Campus Redevelopment Program, and related projects, at Los Angeles International Airport (LAX), in accordance with the Los Angeles City Charter Section 371(b).

2. Prior Related Actions/History of Board Actions

- **October 20, 2008 – Resolution No. 23651, Ordinance No. 180311**
The Board of Airport Commissioners (Board) adopted a resolution, and the Los Angeles City Council approved an ordinance, allowing LAWA to use Alternative Delivery Methods and a CSPS process for the Tom Bradley International Terminal (TBIT) and Central Utility Plant Projects at LAX.
- **September 19, 2011 – Resolution No. 24565, and September 17, 2012 – Resolution No. 24898; Ordinance Nos. 182086 and 182347**
The Board issued a resolution, and the Los Angeles City Council approved an ordinance, allowing LAWA to use Alternative Delivery Methods and a CSPS process for the Terminals 1-8 Projects, Midfield Satellite Concourse (MSC) Projects, Second Level Roadway Repair Project, and New Face of the Central Terminal Area Project at LAX.
- **February 16, 2017 – Resolution No. 26178, Ordinance No. 184889**
The Board issued a resolution, and the Los Angeles City Council approved an ordinance, allowing LAWA to use Alternative Delivery Methods and a CSPS process for various Airport Police Facilities, Administration Buildings, Maintenance Buildings, and Storage Buildings at LAX.
- **February 16, 2017 – Resolution No. 26177, Ordinance Nos. 184937 and 183585**
The Board issued a resolution, and the Los Angeles City Council approved an ordinance, allowing LAWA to use Alternative Delivery Methods and a CSPS process for the Landside Access Modernization Program (LAMP) and related projects at LAX.
- **April 19, 2018 – Resolution No. 26478, Ordinance No. 185576**
The Board issued a resolution, and the Los Angeles City Council approved an ordinance, allowing LAWA to use Alternative Delivery Methods and a CSPS process for the Receiving Station X and related projects at LAX.

- **December 16, 2021 – Resolution No. 27410, Ordinance No. 187479**
The Board issued a resolution, and the Los Angeles City Council approved an ordinance, allowing LAWA to use Alternative Delivery Methods and a CSPS process for the Airfield & Terminal Modernization Program (ATMP) and related projects at LAX.

3. Background

Los Angeles World Airports is in the midst of a multi-billion-dollar Capital Improvement Program (CIP) to transform LAX into the “world-class” airport that our city deserves. This includes our ongoing LAMP, ATMP, Terminal Development & Improvement Program, and more.

In order to meet the operational and efficiency needs of the airport, the West Campus needs to be redeveloped to serve our projected demands for aircraft parking and other airside support functional needs for the next 20 years.

This effort will involve a series of small-to-medium sized projects that will execute the following types of projects:

- *Demolition of existing facilities* (aircraft hangars, maintenance buildings, storage buildings, office buildings, vehicular parking, etc.)
- *New aircraft parking and maintenance areas* (grading and paving, utilities and infrastructure, striping and signage, fences and gates, lighting and security cameras, aircraft hangars, Ground Service Equipment (GSE) facilities, aircraft support equipment, storage facilities, taxiway and taxilane improvements, vehicular parking, etc.)
- *New temporary facilities* (support for special events such as the 2026 World Cup and/or the 2028 Olympics)
- *Other miscellaneous improvements* (reconfiguration of existing groundwater treatment compound, reconfiguration of existing firewater and deluge systems, hydrant fueling systems, and other related improvements and enabling projects)

In addition to the traditional Design-Bid-Build (DBB) delivery methods, LAWA uses a wide variety of Alternative Delivery Methods to deliver our CIP. When using Alternative Delivery Methods, LAWA uses the CSPS process with selection criteria established by ordinance in accordance with Section 371(b) of the Los Angeles City Charter.

Given the known interdependencies with other Capital Projects, and the extensive operational impacts to existing functions and facilities, the West Campus Redevelopment Program is envisioned to be delivered in multiple phases over a span of five to ten years.

The timing of these phases will be critical as well as the coordination and interfacing with other Capital Projects. Because of the precising timing and complexity of the interfacing between projects, a CSPS process will be required to attract and select a qualified delivery team, and Alternative Delivery Methods will be required to efficiently deliver the projects with multiple parallel tracks of planning, design, construction, and activation of each scope component.

4. Current Action/Rationale

Staff requests that the Board request the Los Angeles City Council to consider and approve an ordinance allowing the Board to authorize the Chief Executive Officer to utilize Alternative Delivery Methods – including but not limited to DB, PDB, CMAR, MATOC, and/or P3 – for delivery of the West Campus Redevelopment Program and related projects at LAX, pursuant to a Competitive Sealed Proposal Selection process.

Approval of the ordinance will give LAWA the flexibility required to attract and select qualified delivery teams and to efficiently deliver this complex, multi-phased program.

5. Fiscal Impact

The approval of this item is an administrative action and will have no fiscal impact on Los Angeles World Airports.

6. Alternatives Considered

- **Take No Action**

If the Board and/or City Council do not allow the use of Alternative Delivery Methods and a CSPA process, then LAWA would be required to use the traditional Design-Bid-Build delivery method. This would significantly delay the West Campus Redevelopment Program and other related Capital Projects.

7. How This Action Advances a Specific Strategic Plan Goal and Objective

This action advances this strategic goal and objective: Build and Operate Facilities to Meet Evolving Demand: Plan and deliver Capital Programs. The use of the Alternative Delivery Methods and CSPA process will support the complex phasing strategies, techniques, and program scope required to support the dozens of projects that will need to be delivered for these world events.

APPROPRIATIONS

No appropriation of funds is required for this action.

STANDARD PROVISIONS

1. The adoption of ordinances that do not result in impacts on the physical environment, is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Article II, Section 2.m of the Los Angeles City CEQA Guidelines.
2. The proposed document(s) is/are subject to approval as to form by the City Attorney.
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. This action is not subject to the provisions of the Living Wage/Service Contractor Worker Retention Ordinances.

5. This action is not subject to the provisions of the Business Enterprise (BE) Programs.
6. This action is not subject to the provisions of the Affirmative Action Program.
7. This action does not require a Business Tax Registration Certificate number.
8. This action is not subject to the provisions of the Child Support Obligations Ordinance.
9. This action is not subject to the insurance requirements of the Los Angeles World Airports.
10. This action is not subject to the provisions of Charter Section 1022 (Use of Independent Contractors).
11. This action is not subject to the provisions of the Contractor Responsibility Program.
12. This action is not subject to the provisions of the Equal Benefits Ordinance.
13. This action is not subject to the provisions of the First Source Hiring Program.
14. This action is not subject to the provisions of Bidder Contributions CEC Form 55.
15. This action is not subject to the provisions of MLO Bidder Contributions CEC Form 50.
16. This action is not subject to the provisions of the Iran Contracting Act.