

0150-11706-0000

TRANSMITTAL

TO Justin Erbacci, Chief Executive Officer Department of Airports	DATE 08/12/20	COUNCIL FILE NO.
FROM The Mayor	COUNCIL DISTRICT 6, 11	

**Proposed Third Amendment to Seven IT Professional Services Contracts and
Appropriate Funds for IT Project Management and Technical Support Services
for Los Angeles World Airports**

Transmitted for further processing, including Council consideration. See the
City Administrative Officer report attached.


MAYOR

(Ana Guerrero for)

RHL:AVM:10200141t

CAO 649-d

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: July 28, 2020

CAO File No. 0150-11706-0000

Council File No.

Council District: 6, 11

To: The Mayor

From: Richard H. Llewellyn, Jr., City Administrative Officer 

Reference: Communication from the Los Angeles World Airports dated July 15, 2020; referred by the Mayor for a report July 15, 2020

Subject: **PROPOSED THIRD AMENDMENT TO SEVEN IT PROFESSIONAL SERVICES CONTRACTS AND APPROPRIATE FUNDS FOR IT PROJECT MANAGEMENT AND TECHNICAL SUPPORT SERVICES FOR LOS ANGELES WORLD AIRPORTS**

RECOMMENDATIONS

That the Mayor:

1. Approve a proposed Third Amendment (Amendment) to seven IT Professional Services Contracts (Contracts), to increase the contract authority only of Burns Engineering, Inc., Contract No. DA-5216, by \$400,000, for a combined total not-to-exceed amount for all seven Contracts of \$42,270,000, and to extend the term of the Contracts to a fourth year, by additional 12 months to July 31, 2021, to continue services that will complete planning and implementation phase projects for IT capital and operating budget initiatives, subject to approval by the City Attorney as to form and compliance with the City's Standard Provisions applicable to contracts including the: Affirmative Action Program, Bidders Contributions City Ethics Commission Form 55, Business Tax Registration Certificate, Child Support Obligations Ordinance, Contractor Responsibility Program, First Source Hiring Program for all non-trade Airport jobs, Living Wage Ordinance, and Service Contractor Worker Retention Ordinance;
2. Authorize the Chief Executive Officer to execute the proposed Amendment for each of the seven Contracts, upon approval by the Los Angeles City Council and, prior to (1) issuance of a Notice to Proceed, will have approved insurance documents in the terms and amounts required, (2) execution of the Contract Amendment being determined by the Public Works, Office of Contract Compliance to be in compliance with the provisions of the Equal Benefits Ordinance, and (3) execution of the Contract Amendment having complied with the Iran Contracting Act of 2010 Affidavit; and,
3. Return the request to the Los Angeles World Airports for further processing, including Council consideration.

SUMMARY

At least since April 2014, the Los Angeles World Airports (LAWA. Department) Information Management & Technology Group (IMTG) has used the services of contractors to augment its efforts and assist staff in the management and implementation of information technology (IT) capital and operational projects. On July 13, 2017, after a competitive bid process in which 24 proposals were received by the Department, the Board of Airport Commissioners (BOAC) awarded seven IT Professional Services contracts (Contracts) to provide IT assistance in the broad areas of Project Management, Project Controls and Technical Support Services. The seven, three-year Contracts, as follows, were awarded for a combined total not-to-exceed amount of \$10,900,000: Burns Engineering, Inc. (Burns Engineering); Faith Group, LLC (Faith Group); Ross & Baruzzini, Inc. (Ross & Baruzzini); IDM Groups LLC (IDM Groups); Burns & McDonnell Engineering Company, Inc. (Burns & McDonnell); Grant Thornton LLP (Grant Thornton); and, The North Highland Company LLC (North Highland).

To ensure services from the seven Contracts continued as needed, the BOAC annually approved resources for the ensuing year. The contract authority, which is now a combined total not-to-exceed amount of \$41,870,000, was revised through a first amendment on September 20, 2018 and a second amendment on November 7, 2019. The table below presents an overview of each Contract.

Contractor and Contract Number	Broad Areas*	Initial Contract Authority	First Amendment increases	Second Amendment increases	Current Total Contract Authority
Burns Engineering, No. DA-5216	(1) , (3)	\$2,700,000	\$3,800,000	\$5,320,000	\$11,820,000
Faith Group, No. DA-5217	(1) , (3)	\$2,700,000	\$3,200,000	\$4,100,000	\$10,000,000
Ross & Baruzzini, No. DA-5218	(3)	\$1,800,000	\$1,000,000	\$800,000	\$3,600,000
IDM Groups, No. DA-5219	(3)	\$1,500,000	\$1,500,000	\$1,850,000	\$4,850,000
Burns & McDonnell, No. DA-5220	(2) , (3)	\$1,100,000	\$2,000,000	\$4,300,000	\$7,400,000
Grant Thornton, No. DA-5221	(2)	\$600,000	\$500,000	\$800,000	\$1,900,000
North Highland, No. DA-5222	(1)	\$500,000	\$500,000	\$1,300,000	\$2,300,000
TOTAL		\$10,900,000	\$12,500,000	\$18,470,000	\$41,870,000

IT Services Areas*: (1) Project Management, (2) Project Controls, and (3) Technical Support Services

Within the three broad areas, services from the seven Contracts provide support for the (a) Capital Improvement Program's (CIP) Security & Technology Enhancement Projects, (b) other CIP projects for the Planning & Development Group (PDG), (c) LAWA-wide IT Operational Initiatives, and (d) IMTG Operational Initiatives. Department staff reports there are various projects within the detailed categories of the three broad areas that are in different phases along the work scope. The Contracts

provide an expert, flexible workforce to support LAWA IT projects and initiative which may be in ongoing phases, maintenance phases, nearing completion, or ready to complete delivery of the projects and initiatives in the planning and implementation phase to LAWA staff. Department staff reports, for example, of the 11 approved projects within CIP Security & Technology Enhancement Projects: two projects are completed (closed), six projects are in an execution phase, and three projects are in the planning (procurement) phase.

Approval of the proposed Third Amendment will extend the term of the Contracts, revising each by an additional 12 months, to a new expiration date of July 31, 2021. Also, approval of the proposed Third Amendment will increase the contract authority of the Burns Engineering Contract only, by \$400,000. A result will be an increase of the combined contract authority to a proposed total amount not-to-exceed \$42,270,000. Staff anticipates the extension of the Contracts to a fourth year will: (a) enable numerous CIP Projects to move to completion phase, or a construction completion and project closeout phase, (b) add new projects to the Security & Technology Enhancement Projects area, (c) continue support of ongoing LAWA-wide and IMTG Operational Initiatives, and (d) allow time to complete a Request for Proposal process possibly to award new contracts.

To support the Department's cost-cutting efforts to address financial impacts of COVID-19, LAWA staff conducted a thorough review of planned expenditures (for upcoming 12 months) for capital funded and operating budget funded initiatives. The result reduced anticipated fourth year expenditures and thus provide cost savings of approximately 27 percent, or \$1.9 million, for capital projects and approximately 30 percent, or \$600,000, for operating budget initiatives.

Contractor	Current Contract Authority	Proposed Third Amendment	Proposed Combined New Contract Authority	Expected Expenditures, Four Years (cost-saving compared to proposed new contract authority)	Small Business Enterprise (SBE) Commitment	SBE Actuals, as of May 2020
Burns Engineering	\$11,820,000	\$400,000	\$12,220,000	\$12,157,256	25 percent	58.97 percent
Faith Group	\$10,000,000	- -	\$10,000,000	\$6,604,376	100 percent	100 percent
Ross & Baruzzini	\$3,600,000	- -	\$3,600,000	\$2,981,472	16 percent	24.46 percent
IDM Groups	\$4,850,000	- -	\$4,850,000	\$4,844,554	100 percent	100 percent
Burns & McDonnell	\$7,400,000	- -	\$7,400,000	\$5,762,825	15 percent	65.06 percent
Grant Thornton	\$1,900,000	- -	\$1,900,000	\$1,424,746	15 percent	34.38 percent
North Highland	\$2,300,000	- -	\$2,300,000	\$1,872,498	15 percent	25.54 percent
TOTAL	\$41,870,000	\$400,000	\$42,270,000	\$35,647,727		

The Contracts continue actions supportive of LAWA Business Enterprise policy. The Department's Procurement Services staff reviewed this action (File No. 10041431) and set a 15 percent mandatory Small Business Enterprise (SBE) goal for the project. Each contractor, however, has set a SBE commitment goal. Information in the table above details each Contract commitment percent and the SBE participation level achieved to date. In addition, LAWA staff reports Faith Group and IDM Groups both are certified SBE firms and are credited with 100 percent SBE participation level.

The proposed Third Amendment was approved by the BOAC during its July 16, 2020 meeting.

FISCAL IMPACT STATEMENT

Approval of the proposed Third Amendment (Amendment) to seven IT Professional Services Contracts (Contracts) [Burns Engineering, Inc. (Burns Engineering), No. DA-5216; Faith Group, LLC, No. DA-5217; Ross & Baruzzini, Inc., No. DA-5218; IDM Groups LLC, No. DA-5219; Burns & McDonnell Engineering Company, Inc., No. DA-5220; Grant Thornton LLP, No. DA-5221; and, The North Highland Company LLC, No. DA-5222] with the Los Angeles World Airports (LAWA) will extend the term of the Contracts to a fourth year, by additional 12 months to July 31, 2021, and will increase the contract authority only of Burns Engineering, Inc., Contract No. DA-5216, by \$400,000, for a combined total not-to-exceed amount for all seven Contracts of \$42,270,000, to continue services that will complete planning and implementation phase projects for IT capital and operating budget initiatives. Funds for the Contracts are included in the LAWA Capital Budget Program and funding is available in the Fiscal Year 2020-2021 LAWA Operating Budget in various LAWA cost centers including, but not limited to, LAX Cost Center 1170094 – Information Management & Technology Group, Commitment Item 520 – Contractual Services or other Board of Airport Commissioners appropriations as needed. Operating funds for subsequent years will be requested as part of the annual budget process. There will be no impact on the City's General Fund; the project complies with the Department's adopted Financial Policies.