

RESOLUTION NO. 27099

BE IT RESOLVED that, on recommendation of Management, the Board of Airport Commissioners approved Award of a five (5)-year Contract to Skanska USA Civil West California District, Inc. covering design and construction of the Landside Access Modernization Program Roadways, Utilities & Enabling Project at Los Angeles International Airport, for cost not to exceed \$334,900,000, as referenced in the Board-adopted staff report attached hereto and made part hereof; and

LAX

Van Nuys

City of Los Angeles

Eric Garcetti
Mayor

Board of Airport
Commissioners

Sean O. Burton
President

Valeria C. Velasco
Vice President

Gabriel L. Eshaghian
Beatrice C. Hsu
Nicholas P. Roxborough
Dr. Cynthia A. Telles
Karim Webb

Justin Erbacci
Chief Executive Officer

BE IT FURTHER RESOLVED that the Board approved a budgeted owner's contingency of \$35,748,000 for said project that can only be utilized through change orders authorized by the Chief Executive Officer or the Board of Airport Commissioners; and

BE IT FURTHER RESOLVED that the Board authorized the Chief Executive Officer to approve and execute change orders to the contract up to the budgeted owner's contingency of \$35,748,000 for said project, provided that prior to execution of any change order in excess of \$500,000, the Board of Airport Commissioners shall first have reviewed and authorized execution thereof, and such authorization shall become final pursuant to the Charter Section 245; and

BE IT FURTHER RESOLVED that the Board approved appropriation and allocation of not to exceed \$333,648,000 from the LAX Revenue Fund to WBS Element 1.17.16A-700 and other Board-approved WBS numbers as may be required; and

BE IT FURTHER RESOLVED that the Board authorized the Chief Executive Officer to execute said Contract with Skanska USA Civil West California District, Inc. after approval as to form by the City Attorney and approval by the Los Angeles City Council; and

BE IT FURTHER RESOLVED that this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Article II, Section 2.i. and Article III, Class 1(2) of the Los Angeles City CEQA Guidelines; and

BE IT FURTHER RESOLVED that this action is subject to the provisions of Los Angeles City Charter Sections 373.

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I hereby certify that this Resolution No. 27099 is true and correct, as adopted by the Board of Airport Commissioners at its Special Meeting held on Thursday, September 3, 2020.


Grace Miguel – Secretary
BOARD OF AIRPORT COMMISSIONERS





Los Angeles World Airports

Item Number
7

REPORT TO THE BOARD OF AIRPORT COMMISSIONERS

Jake Adams

Approved by: Jake Adams, Deputy Executive Director

Bernardo Gogna

Reviewed by: Bernardo Gogna, Chief Development Officers

Brian C. Ostler

City Attorney

Justin Erbacci

Justin Erbacci – Chief Executive Officer

Meeting Date:

9/3/2020

CAO Review:

☐ Completed
☒ Pending
☐ N/A

Reviewed for	Date	Approval Status	By
Finance	8/25/2020	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> NA	RW
CEQA	8/14/2020	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	VW
Procurement	8/18/2020	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> Cond	QM
Guest Experience	8/18/2020	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	BY
Strategic Planning	8/13/2020	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> NA	KV

SUBJECT: Award a five (5)-year contract to Skanska USA Civil West California District, Inc., for the design and construction of the Landside Access Modernization Program Roadways, Utilities & Enabling Project at Los Angeles International Airport.

Award of a five (5)-year contract to Skanska USA Civil West California District, Inc., for the design and construction of the Landside Access Modernization Program Roadways, Utilities & Enabling Project at Los Angeles International Airport, in the amount of \$334,900,000 and appropriate funds in the amount of \$333,648,000.

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.i. and Article III, Class 1(2) of the Los Angeles City CEQA Guidelines.
3. FIND that as this is a construction project, the CAO has determined that this action is exempt from the provisions of Charter Section 1022 (Use of independent Contractors).

4. FURTHER FIND that the proposal from Skanska USA Civil West California District, Inc., represents the lowest ultimate cost (as defined in Charter Section 371) to the City than any other responsive proposal submitted.
5. FURTHER FIND that the award of contract is in compliance with Los Angeles City Ordinance No.183585 approved by the City Council on May 27, 2015.
6. APPROVE the award of a five-year contract to Skanska USA Civil West California District, Inc., to provide design and construction of the Landside Access Modernization Program Roadways, Utilities & Enabling Project at Los Angeles International Airport in an amount not to exceed \$334,900,000 subject to change order authority by the Chief Executive Officer, as necessary.
7. FURTHER APPROVE a budgeted owner's contingency in the amount of \$35,748,000 for the project. This contingency can only be utilized through change orders authorized by the Chief Executive Officer or the Board of Airport Commissioners as outlined below.
8. AUTHORIZE the Chief Executive Officer to approve and execute change orders to the contract up to the budgeted owner's contingency of \$35,748,000 for this project, provided that prior to execution of any change order in excess of \$500,000, the Board of Airport Commissioners shall first have reviewed and authorized the execution thereof, and such authorization shall become final pursuant to the Charter Section 245.
9. APPROPRIATE capital funds in the amount of \$333,648,000 for the project, including hard costs and project contingency.
10. AUTHORIZE the Chief Executive Officer to execute the contract with Skanska USA Civil West California District, Inc., upon approval as to form by the City Attorney and approval by the Los Angeles City Council.

DISCUSSION:

1. Purpose

Award of a five (5)-year Design Build (DB) contract to Skanska USA Civil West California District, Inc., for design and construction services for the Roadways, Utilities & Enabling (RUE) Project at Los Angeles International Airport (LAX). This project will construct a number of key individual projects that are either directly related to the Landside Access Modernization Program (LAMP), or will provide a utility service or enabling work for a LAMP related project or facility.

2. Prior Related Actions

- **April 16, 2015 - Resolution No. 25681**

The Board of Airport Commissioners (Board) requested, and the Los Angeles City Council approved, an ordinance to allow the use of Alternate Project Delivery Methods and Competitive Sealed Proposal Selection (CSPS) process for DB, Design-Build-Operate and Maintain (DBFOM), and Construction Manager at Risk (CMAR) contracts for delivery of select Capital Improvement Projects related to the LAX LAMP.

- **November 3, 2016 – Resolution No. 26098**

The Board authorized Los Angeles World Airports (LAWA) to advertise a Request for Proposals (RFP) to solicit qualified firms to submit proposals to provide comprehensive engineering, design, demolition, pre-construction, and construction services for the LAWA Utilities and LAMP Enabling Project (LULEP) at LAX.

- **April 6, 2017 - Resolution No. 26207 (DA-5182)**

The Board authorized the award of a three (3)-year contract to Myers and Sons - Griffith, a Joint Venture to carry out comprehensive engineering, design, demolition, pre-construction, and construction services for the LULEP in the not-to-exceed amount of \$300,000,000 and appropriated funds in the amount of \$6,450,000 for the project's initial work packages, which provided the first phase of major roadway and utility enabling projects related to the overall LAMP.

- **December 19, 2019 - Resolution No. 26831**

The Board authorized the release an RFP to solicit qualified DB firms to submit proposals to provide comprehensive engineering, design, pre-construction, and construction services for the LAMP RUE Projects at LAX.

3. Current Action

The RUE Project will provide the next phase of enabling projects for LAMP, focusing on high priority projects necessary to support the Automated People Mover (APM), Consolidated Rental Car Facility (ConRAC) and Intermodal Transportation Facility West (ITFW). The RUE project will also address several Capital Improvement Plan (CIP) utility projects that either fall within the LAMP footprint, and/or provide a utility service to one of the LAMP efforts.

The RUE Project consists of multiple, individual projects that have been advanced by LAWA to a minimum of 30% design completion, and in some cases to 100% design completion. The following list includes the various RUE Projects from each criterion:

Design-Build Scoping Packages (30% design completed)

- Roadway Guide Signage for interim ITFW operation
- Final Roadway Guide Signage for the overall LAMP
- I-405 Off-Ramps/Intersection Improvements
- Sepulveda Boulevard (Blvd.) Closed-Circuit Television (CCTV) Traffic Signal Improvements
- La Cienega Blvd./Century Blvd. Intersection Improvements
- Installation of 12-Inch Water Line on La Cienega Blvd.
- New 98th Street Civil Packages C1 and C2
- RS-X Electrical Ductbank at Vicksburg Ave.
- Metro Access Road at former VIP Tours Lot
- Employee Lot South CCTV Project
- Relocation of Inglewood Fiber Optic Backbone along La Cienega Blvd.
- Central Terminal Area (CTA) Chilled Water & Heating Hot Water Pipe Replacement
- Recycled Water Extension
- CTA Domestic Water Pipe Replacement Project
- CTA Fire Water Line to Terminal 5.5
- Electrical Duct Bank closure on Aviation Blvd.

Ready to Issue Permit Construction Packages (100% design completed)

- New 98th Street Utility Packages (sewer, storm drain, water, electrical, communications)
- Electrical Duct bank Along Vicksburg Avenue
- Electrical Duct bank Along Westchester Blvd. Phase 2

In addition to the projects above, the RUE Project provides a vehicle to address gaps in the overall LAMP footprint through the use of an allowance for additional gap projects.

How this action advances a specific strategic plan goal and objective

This action advances this strategic goal and objective: *Deliver Facilities & Guest Experiences that are Exceptional: Plan collaboratively to improve guest services while delivering capital improvements.* This action will allow LAWA to provide enabling services and roadway and utility improvements that will improve the delivery of major capital improvements related to the LAMP.

Procurement Process

On January 23, 2020, LAWA held an informational session on the upcoming RUE Project. The informational session was geared at getting feedback from the industry on the approach to the project, as well as garnering interest in the project from qualified companies. Eighty guests attended the session, which was capacity for the venue. On February 12, 2020, the RFP for the RUE Projects was posted on the Los Angeles Business Assistance Virtual Network website, www.labavn.org. Approximately 80 guests attended a pre-proposal conference held on February 27, 2020. Two proposals were received by the due date of May 5, 2020, from the following firms:

1. Skanska USA Civil West California District, Inc.
2. Walsh Construction Company II, LLC

LAWA anticipated a potentially smaller pool of proposers, as two potential proposer teams were precluded based on a conflict of interest due to their internal knowledge of the projects.

All proposers passed the Administrative Requirements review conducted by the Procurement Services Division (PSD). The proposals were evaluated in accordance with the following criteria established in the RFP:

PARTS	CRITERIA DESCRIPTION	Criteria Score / Weight				
A	ADMINISTRATIVE REQUIREMENTS					
	Administrative Submittal	Pass/Fail				
B	TECHNICAL CRITERIA	Max Review Score	Weight	Max Weighted Points	% of Total Available Points	Minimum Qualifying Weighted Score
B0	Min Design/Build Experience	Pass/Fail				
B1	Design/Build Cohesive/Committed Team (Pass Experience & Current Commitment)	10	5	50	7%	
B2	Schedule Innovation	10	5	50	7%	
B3	Project Management					
	A. Overall Design/Builder Management	10	10	100	14%	
	B. Design Management/Excellence	10	6	60	9%	
	C. Design/Build Team Organization & Staffing Plan	10	6	60	9%	
B4	Qualifications					
	A. Team Qualifications	10	10	100	14%	
	B. Personnel Qualifications	10	6	60	9%	
B5	Inclusivity	10	7	70	10%	
	SUB-TOTAL POINTS	80		550	79%	440
	INTERVIEW	10	15	150	21%	120
	TOTAL WEIGHTED TECHNICAL POINTS			700		560
C	COST PROPOSAL	AVAILABLE POINTS				
	Grand Total Firm Fixed Price for Volume 2 Defined Projects	200				
	Design Builder's Fee Proposal	100				

Written Proposal Results

Written Technical Proposals were first evaluated by the selected Evaluation Committee. The Evaluation Committee was comprised of the following panel member of City of Los Angeles staff and Los Angeles County Metropolitan Transportation Authority (Metro) staff:

- Chief Development Officer
- Chief Environmental and Sustainability Officer
- Deputy Executive Director, LAMP
- Director, Engineering - Metro
- Airport Engineer II

The Committee reviewed the proposals for their response to the criteria outlined above. At the end of this review, the Evaluation Committee provided the following scores for the proposing firms:

Technical Proposal Score (550 Points)		
Rank	Proposer Name	Score
1	Skanska USA Civil West	480.20
2	Walsh Construction Company	352.20

Interview Proposal Results

LAWA invited both proposers for interviews. Interviews were held on June 1, 2020, and June 4, 2020, via Webex. Following the interviews, the Evaluation Committee scored the firms as described below:

Interview Score (150 Points)		
Rank	Proposer Name	Score
1	Skanska USA Civil West	138.70
2	Walsh Construction Company	75.60

As stipulated in the RFP, the Evaluation Committee elected to invite both proposers to submit a cost proposal. Cost proposals were due on July 2, 2020. Cost proposals were reviewed and scored based on the total firm fixed price for the defined projects (200 points) and the proposer's Design Builder Fee (100 points). Following the review of the cost proposals, staff calculated the following point distribution:

Cost Proposal Score (300 Points)		
Rank	Proposer Name	Score
1	Skanska USA Civil West	292.94
2	Walsh Construction Company	280.55

Final Ranking Results

Staff combined the scores of each phase of the process as defined in the RFP. The final scores are outlined as follows:

Final Ranking		
Rank	Proposer Name	Score
1	Skanska USA Civil West	911.84
2	Walsh Construction Company	708.35

LAWA's PSD established inclusivity goals of 20% (SBE), 7% (LBE), 3% (LSBE), and 3% (DVBE). Skanska USA Civil West California District, Inc., pledged 20% (SBE), 7% (LBE), 3% (LSBE), and 3% DVBE.

The Evaluation Committee believed Skanska USA Civil West California District, Inc., provided a more detailed understanding of the project. The Evaluation Committee also believed Skanska USA Civil West California District, Inc., provided LAWLA with an experienced and qualified team that conveyed an understanding of, and an ability to, work through some of the complex project interactions on this contract. Based on these evaluations, staff recommends awarding a contract for DB services for RUE Projects to Skanska USA Civil West California District, Inc.

Project Cost

The total estimated project cost for the RUE Project is \$432,478,220, which includes construction costs, project soft costs and project contingency. Staff is requesting a budgeted owner's contingency for the project in the amount of \$35,748,000 (12%). The total contract award amount to Skanska USA Civil West California District, Inc for this project is \$334,900,000, which includes the base construction contract and the additional gap projects allowance.

At this time staff is requesting an appropriation of funds in the amount of \$333,648,000 which includes the base construction contract with Skanska and project contingency. Appropriation for the additional gap projects allowance is not being requested at this time, as staff will return to the Board for incremental approvals and appropriations for those projects as they are further defined. These costs are detailed in the table below:

RUE Project Costs

Cost of Construction:

Base Construction Contract - (Skanska)	\$297,900,000
Additional Gap Projects allowance - (Skanska)	\$37,000,000
Other Construction - (DWP)	\$750,000
City & Other Agency Services	<u>\$19,005,000</u>
Total Hard Costs:	\$354,655,000

Project Soft Costs:

(including project controls, project management
& construction management, inspection, design
and construction administration)

\$42,075,220

Project Contingency:

12% of the base Construction Contract	\$35,748,000
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TOTAL PROJECT COST

\$432,478,220

Requested Appropriations

Base Construction Contract – (Skanska)	\$297,900,000
Additional Gap Projects allowance	\$0
Project Contingency	<u>\$35,748,000</u>

TOTAL REQUESTED APPROPRIATION:

\$333,648,000

Appropriations through other Board actions

Other Construction - (DWP)	\$750,000
City and Other Agency Services	\$19,005,000
Project Soft Costs	<u>\$42,075,220</u>
Total Other Appropriations:	\$61,830,220

Action Requested

Approve the award of a five (5)-year contract to Skanska USA Civil West California District, Inc., for the design and construction of the RUE project at LAX in the amount of \$334,900,000 and appropriation of funds in the amount of \$333,648,000.

Fiscal Impact

The scope of this project includes a combination of several projects that are included in the 10-year CIP as part of the roadways component of the LAMP. This project also includes several projects not in the LAMP, but covered in the CIP. These projects will directly interact with the LAMP projects in the area, and are therefore included here to reduce site coordination challenges, costs, and potential for delay. These projects include the Recycled Water Extension, CTA Chilled Water and Hot Water Pipe Replacement, CTA Domestic Water Pipe Replacement, and CTA Fire Water Replacement Projects. These CTA utility projects have a combined CIP project direct budget of approximately \$63,180,000. The LAMP Roadway, Utilities and Enabling Projects have a CIP project direct budget of approximately \$690,480,000.

In addition, since the original estimates used to develop the CIP budgets were all developed in or before 2018, LAWA budgeted an additional \$7,513,000 to account for inflation/escalation associated with the CTA Chilled and Hot Water, Recycled Water, and Fire Water projects. Therefore, the total direct project budget held for the proposed projects in the CIP is approximately \$761.2 million.

The total CIP budget amount associated with the scope of this RUE project is \$432,478,220. However, the RUE budget in the CIP also includes previous expenditures under the LULEP project, which are valued at \$288,000,000 in hard costs and \$38,558,990 in soft costs, for a total of \$327,138,905.

As the total of both of the LULEP and RUE projects are below the \$761.2 million amount programmed and reserved in the CIP, this action represents no net increase to the overall programmed CIP budget.

Costs incurred under this contract will be capitalized and when projects are put in service, those costs will be recovered through landing fees and terminal rates and charges and non-aeronautical revenues.

4. Alternatives Considered

- ***Take No Action***

Taking no action will result in a delay in the LAMP program completion and a reduced guest experience for the travelling public.

APPROPRIATIONS:

Staff requests that funds for this project be appropriated and allocated in the not-to-exceed amount of \$333,648,000 from the LAX Revenue Fund to WBS Element 1.17.16A-700 and other Board approved WBS numbers as may be required.

STANDARD PROVISIONS:

1. Any activity (approval of bids, execution of contracts, allocation of funds, etc.) for which the underlying project has previously been evaluated for environmental significance and processed according to the requirements of the California Environmental Quality Act (CEQA) is exempt from further review pursuant to Article II, Section 2.i of the Los Angeles City CEQA Guidelines. The Land Access Modernization Program Environmental Impact Report (EIR) was certified by the Board of Airport Commissioners for this project on March 2, 2017 (Resolution 26185). Also, the operation, repair, maintenance or minor alteration of existing facilities of both investor and publicly owned utilities, electrical power, natural gas, sewage, water, and telephone, and mechanical systems serving existing facilities is categorically exempt from California Environmental Quality Act (CEQA) requirements pursuant to Article III, Class 1(2) of the Los Angeles City CEQA Guidelines.
2. This 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/Worker Retention Ordinances.
5. Procurement Services has reviewed this action (File No. 9286) and established a mandatory 20% Small Business Enterprise goal (SBE), a 7% Local Business Enterprise goal (LBE), a 3% Local Small Business Enterprise goal (LSBE), and a 3% Disabled Veterans Business Enterprise (DVBE) goal. Skanska USA Civil West California District, Inc., committed to 20% SBE, 7% LBE, 3% LSBE, and 3% DVBE.
6. Skanska USA Civil West California District, Inc., will comply with the provisions of the Affirmative Action Program.
7. Skanska USA Civil West California District, Inc., has been assigned the Business Tax Registration Certificate number 0002412916-0001-5.
8. Skanska USA Civil West California District, Inc., will comply with the provisions of the Child Support Obligations Ordinance.
9. Skanska USA Civil West California District, Inc., must have approved insurance documents, in the terms and amounts required, on file with Los Angeles World Airports prior to issuance of a Notice to Proceed.
10. Pursuant to Charter Section 1022, staff determined the work specified on the proposed contract can be performed more feasibly or economically by an Independent Contractor than by City employees.
11. Skanska USA Civil West California District, Inc., has submitted the Contractor Responsibility Program Questionnaire and Pledge of Compliance and will comply with the provisions of the Contractor Responsibility Program.

12. Skanska USA Civil West California District, Inc., must be determined by Public Works, Office of Contract Compliance to be in full compliance with the provisions of the Equal Benefits Ordinance prior to execution of contract.
13. This action is not subject to the provisions of the First Source Hiring Program.
14. Skanska USA Civil West California District, Inc., has submitted the Bidder Contributions CEC Form 55 and will comply with its provisions.
15. Skanska USA Civil West California District, Inc. has submitted the Iran Contracting Act of 2010 and will comply with the provisions.