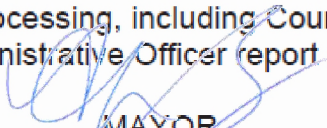


0150-11072-0002

**TRANSMITTAL**

|   |                        |                  |
|---|------------------------|------------------|
| TO<br>Justin Erbacci, Interim Chief Executive Officer<br>Department of Airports   | DATE<br><br>06/24/20   | COUNCIL FILE NO. |
| FROM<br>The Mayor   | COUNCIL DISTRICT<br>11 |                  |
| <p style="text-align: center;"><b>Proposed Change Order No. 5 to Contract No. DA-5262 with Austin Commercial, LP for the Terminal Cores And Automated People Mover Interface Project at Los Angeles International Airport</b></p> <p style="text-align: center;">Transmitted for further processing, including Council consideration. See the City Administrative Officer report attached.</p> <p style="text-align: center;"><br/>MAYOR (Ana Guerrero for)</p> <p>RHL:AVM:10200132t</p> |                        |                  |

REPORT FROM

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Date: June 23, 2020

CAO File No. 0150-11072-0002

Council File No.

Council District: 11

To: The Mayor

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

Reference: Communication from Los Angeles World Airports dated June 16, 2020; referred by the Mayor for a report on June 16, 2020

Subject: **PROPOSED CHANGE ORDER NO. 5 TO CONTRACT NO. DA-5262 WITH AUSTIN COMMERCIAL, LP FOR THE TERMINAL CORES AND AUTOMATED PEOPLE MOVER INTERFACE PROJECT AT LOS ANGELES INTERNATIONAL AIRPORT**

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### RECOMMENDATIONS

That the Mayor:

1. Approve a proposed Change Order No. 5 to Contract No. DA-5262 with Austin Commercial, LP, to provide design and construction services in the amount of \$5,900,000 for the Terminal Cores and Automated People Mover Interface Project, 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, approved insurance documents, Bidders Contributions City Ethics Commission Form 55, Business Tax Registration Certificate, Child Support Obligations Ordinance, Contractor Responsibility Program, Equal Benefits Ordinance, First Source Hiring Program for all non-trade Airport jobs, Labor Code of the State of California (Prevailing Wage), Living Wage Ordinance, and Service Contractor Worker Retention Ordinance;
2. Authorize the Interim Chief Executive Officer to execute the proposed Change Order No. 5 with Austin Commercial, LP, upon approval by the Los Angeles City Council; and,
3. Return the request to the Los Angeles World Airports for further processing, including Council consideration.

### SUMMARY

#### **Background and Austin Commercial, LP - Contract Overview and First Amendment**

The Los Angeles World Airports (LAWA, Department) embarked upon an extensive program,

including capital improvements projects, to help alleviate traffic and relieve congestion in and around the Los Angeles International Airport (LAX). The Landside Access Modernization Program (LAMP) will provide a more predictable and reliable commute to and from LAX, and will ease vehicle crowding in neighboring communities. A primary component of LAMP will be an Automated People Mover (APM) system of 24-hour reliable trains moving along a 2.25 mile elevated guideway between six stations to transport passengers to and from the Central Terminal Area (CTA) at LAX.

The Board of Airport Commissioners (BOAC) awarded a five-year, two-phase Design-Build contract to Austin Commercial, LP (Austin Contract), on January 18, 2018, for the Terminal Cores and APM Interface Project (TCAPM). The TCAPM will enable LAX passengers coming from and going to the APM stations and pedestrian walkways to pass through, go to, or come from the Tom Bradley International Terminal (TBIT) and Terminals 5-7 (C.F. No.18-0083). The program scope includes design, demolition, construction and commissioning of two new buildings and a vertical conveyance, as noted below.

- TBIT Core - will be a new building addition to the front of the existing Tom Bradley International Terminal, to provide the last point of connection for the APM system at the West Station, with vertical conveyances connecting departures, arrivals, APM Levels and office spaces;
- Terminal 5.5 (T5.5) Core - will be a new building to service as a passenger connection point between the APM and Terminals 5 and 6, providing a ramp, vertical circulation and walkway to security, ticketing or arrivals areas; and,
- Terminal 7 (T7) Core - will enhance the vertical circulation and passenger flow between the APM, Parking Structure No. 7 and T7.

The approved January 2018 original budget was \$336,531,000 for Phase 1 of the Austin Contract and provided a total budget of \$456,000,000 for the overall TCAPM project. The new "core" structures will contain vertical circulation (elevators, escalators and stairs), and one or more of the following: new and relocated spaces for tenants; offices; passenger convenience areas; kiosks; LAWA administrative/operations and airlines operations areas, i.e., electrical, baggage conveyance, and information technology rooms; US Customs Service-Customs and Border Patrol (CBP) Public Information Office; structural supports for the future walkways in vertical passenger circulation "cores"; and, other designated areas.

The BOAC approved a First Amendment to the Austin Contract on September 10, 2019, that provided funding to cover unexpected increases in the construction market and additional scope of work services. The new funding of \$61,869,876 revised the Austin Contract total budget to an amount not-to-exceed \$398,400,876, which is the Guaranteed Maximum Price (GMP). The impact of the First Amendment funding increased the total TCAPM project budget to \$513,626,876. Then the BOAC approved a modified total TCAPM project budget of \$505,022,876, on October 10, 2019, after the Owner Contingency component of the project budget was reduced to \$41,876,000.



## Proposed Change Order No. 5 to the Austin Contract

Approval of the proposed Change Order No. 5 will add \$5,900,000 to the Austin Contract to compensate the contractor for design and construction services of additional infrastructure to complete a portion of the CTA Fire Water Pipe Replacement Project (CTA Fire Water). Department staff explains that as Austin contractor employees are preparing to construct the T5.5 Core, the contractor has an opportunity to install infrastructures and construct connections needed to supply the CTA Fire Water pipeline that will service the terminals and Air Operations Area (AOA). Approved funding for the CTA Fire Water Project was secured in March 2020. Additionally, LAWA staff reports: (1) the T5.5 Core construction site is secure, (2) it is feasible to construct the approved CTA Fire Water Project under the footprint of the terminal building, and (3) the design and construction work could be completed within the normal activities of the construction with minimal impact to the T5.5 Core project.

Four change orders have occurred since January 2018 when the Austin Contract initially was approved. LAWA staff notes the first three change orders had no funding impact and \$189,588 was approved in Change Order No. 4, on March 18, 2020. Subsequent to the various budget revisions since January 2018 and inclusive of the proposed Change Order No. 5, the Department provided table below presents an overview of the total TCAPM project budget, \$511,447,876.

| <b>Terminal Cores and Automated People Mover Interface Project (TCAPM)</b> | <b>Overview of the TCAPM Budget</b> |
|--|-------------------------------------|
| Austin Design-Build Contract, original                                     | \$336,531,000                       |
| First Amendment, Austin Contract   | \$61,869,876                        |
| <b>Proposed Change Order No. 5</b>   | <b><u>\$5,900,000</u></b>           |
| <b>Total, Austin Contract (GMP)</b>  | <b>\$404,300,876</b>                |
|  |                                     |
| Construction Support Services  | \$5,645,000                         |
| <b>Total Construction Cost</b>   | <b>\$409,945,876</b>                |
|  |                                     |
| Owner Contingency  | \$41,876,000                        |
|  |                                     |
| Staffing and Support Services  | <u>\$59,626,000</u>                 |
| <b>Total TCAPM Budget</b>  | <b><u>\$511,447,876</u></b>         |

An outcome of the CTA expansion and renovation is a need for increased reliability and capacity within the fire water system. The Los Angeles Fire Department also requires that increased capacity is necessary for the AOA fire hydrant system. After the Austin contractor completes a portion of the CTA Fire Water Project, improvements to the AOA fire hydrant system will be completed during terminal renovation programs initiated by major airlines, reports LAWA staff.

Through approval of Change Order No. 5, the Austin contractor will be compensated for designing,

constructing and installing elements required for the new fire water piping. Some of the actions needed will be constructing an underground tunnel, installing concrete valve vaults, tunnel and underground piping, and associated valves and fittings, and testing and commissioning of the system. Department staff explains the reinforced concrete tunnel and valve vaults will be constructed concurrently with the T5.5 Core foundations. Although piping will be constructed, it will be installed at a later time in the schedule. The scope of work includes installing earthquake resistant fire water piping under airfield pavement, and providing points of connection for airline programs. In essence, larger diameter fire water pipelines in the CTA Water Fire Project will provide new larger capacity connections for the proposed high pressure fire water piping in the CTA to the alleyways on the AOA – a new large capacity connection line needed to serve T5 and T6.

The Department's Procurement Services staff reviewed the proposed actions (File No. 8148) and established the following four mandatory participation goals for this project: 20 percent Small Business Enterprise (SBE); seven percent Local Business Enterprise (LBE); five percent Local Small Business Enterprise (LSBE); and three percent Disabled Veteran Business Enterprise (DVBE). Austin Commercial, LP has committed to the above-stated mandatory participation goals and, to date, has achieved: 21.61 percent SBE; 31.9 percent LBE; 15.73 percent LSBE; and, 0.329 percent DVBE.

The proposed Change Order No. 5 was approved by the BOAC during its June 18, 2020 meeting.

## **FISCAL IMPACT STATEMENT**

The proposed Change Order No. 5 for \$5,900,000 is to compensate Austin Commercial, LP, Contract No. DA-5262, a part of the Terminal Cores and Automated People Mover Interface Project (TCAPM), for design and construction services of additional infrastructure to complete a portion of the Central Terminal Area Fire Water Pipe Replacement Project, at Los Angeles International Airport (LAX). Los Angeles World Airports staff requests that funds in the not-to-exceed amount of \$6,425,000, which includes hard costs and soft costs, be appropriated and allocated from the LAX Revenue Fund to Work Breakdown Structure (WBS) elements 1.17.02A-700 (TCAPM) or other Board approved appropriation, as required. The proposed actions comply with the Department of Airports' adopted Financial Policies.

*RHL:AVM:10200132*