

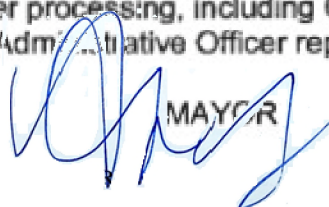
0150-11072-0000

**TRANSMITTAL**

TO Deborah Flint, Chief Executive Officer Department of Airports	DATE 2/2/18	COUNCIL FILE NO.
FROM The Mayor		COUNCIL DISTRICT 11

**Request for Authority to Award a Design-Build Contract With the  
Construction/Construction Management Firm of Austin Commercial, LP  
For Terminal Cores and Automated People Mover Interface Project at  
The Los Angeles International Airport**

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



MAYOR

(Ana Guerrero) for

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: February 1, 2018

CAO File No. 0150-11072-0000

Council File No.

Council District: 11

To: The Mayor

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

Reference: Communication from the Department of Airports dated January 17, 2018; Referred by the Mayor for Report on January 18, 2018

Subject: **REQUEST TO AWARD A DESIGN-BUILD CONTRACT TO THE CONSTRUCTION/CONSTRUCTION MANAGEMENT FIRM OF AUSTIN COMMERCIAL, LP FOR THE TERMINAL CORES AND AUTOMATED PEOPLE MOVER INTERFACE PROJECT AT THE LOS ANGELES INTERNATIONAL AIRPORT**

### RECOMMENDATIONS

That the Mayor:

1. Approve the award of a five-year \$336,531,000 Design-Build contract to Austin Commercial, LP for the Terminal Cores and Automated People Mover Interface Project at the Los Angeles International Airport subject to City Attorney approval as to form and Austin Commercial's compliance with the City's Standard Provisions for Contracting, including the Service Contractor Worker Retention and Living Wage Ordinances, Affirmative Action Program, Child Support Obligations Ordinance, insurance requirements, Contractor Responsibility Program, Equal Benefits Ordinance, First Source Hiring Program, and the Bidder Contributions CEC (City Ethics Commission) Form 55 and related provisions;
2. Authorize the Chief Executive Officer to award and execute the proposed contract; and,
3. Return the request to the Department for further processing, including Council consideration.

### SUMMARY

The Chief Executive Officer of the Los Angeles World Airports (LAWA; Department) requests approval to award a five-year (2018-2023), Design-Build contract to Dallas, Texas-based Austin Commercial, LP (contractor) for the engineering, design, preconstruction, and construction of the Terminal Cores and Automated People Mover Interface Project at the Los Angeles International Airport (LAX). The competitively bid contract is for a not-to-exceed amount of \$336,531,000, exclusive of the costs for Interdepartmental Orders, LAWA's soft costs, and the owner (LAWA) contingency of \$119,469,000, for a total project cost of \$456,000,000.

The Terminal Cores and Automated People Mover Interface Project involves two separate phases in support of the Landside Access Modernization Program: (1) mobilization, design, engineering, and pre-construction services, and (2) construction.

At the conclusion of Phase I, the contractor will provide LAWA with a Guaranteed Maximum Price proposal for the construction phase (Phase II). Depending upon Austin Commercial's performance on the first phase and the adequacy and cost of the construction proposal, LAWA will either:

- Negotiate the terms of the construction phase with Austin Commercial and return to the Board of Airport Commissioners (Board) for approval during the first quarter of 2019 or
- Solicit new bids for the Phase II construction.

The proposed project consists of the design and construction of elevators, escalators, stairs, and structural supports for the future pedestrian walkways in vertical passenger circulation "cores" that will enable passengers from the Automated People Mover stations and pedestrian walkways to transit to the Tom Bradley International Terminal and Terminals 5 and 6. Additional components of the project include (1) an upgrade to the existing vertical circulation core at Terminal 7 and (2) the design and construction of interior commercial space in the subject terminals. While outside the scope of this project, LAWA notes that, concurrent with the Terminal Cores and Automated People Mover Interface Project, various LAX airline tenants plan to develop new vertical cores in their respective terminals.

The Design-Build contracting method proposed for this complex, schedule-driven project was authorized by the Board on April 16, 2015, and the City Council by way of Ordinance No. 183585 approved on May 26, 2015 (C.F. 14-0987). Use of the Design-Build contracting method is based upon (1) the past success of LAWA and other City departments using this method and (2) the following overall benefits:

- Increased probability of timely project completion
- Optimized collaboration between LAWA and the designer and/or construction company
- Minimized interference with ongoing LAX operations
- Better leveraging of the City's project administration resources
- Improved design, pre-construction work, and construction, as well as avoidance of constructability issues
- Reduced risk to the City
- Contractor selection is based upon a combination of qualifications and lowest ultimate cost to the City rather than cost alone

The proposed budget for Phases I and II is \$456,000,000. Phase I costs are \$129,306,000, which are included as part of this contract award. The balance of \$326,694,000 is for Phase II. The Department is requesting that the Board authorize an initial appropriation of \$129,306,000 for Design-Build Contract costs (e.g., mobilization, design, preconstruction), LAWA "Soft Costs" (e.g., inspections, surveys, testing, permits, etc.), LAWA's 15 percent contingency, and Interdepartmental Orders for Phase I. If LAWA, at the conclusion of Phase I, is satisfied with the

contractor's performance, the option to retain the firm for Phase II construction is included in the proposed contract award.

The Board approved the proposed contract award at its meeting of January 18, 2018.

## **FISCAL IMPACT STATEMENT**

Award of the proposed five-year \$336,531,000 Design-Build contract to Austin Commercial, LP for the LAX Terminal Cores and Automated People Mover Interface Project will have no impact on the City's General Fund. Authorization for an initial allocation of \$129,306,000, available from the LAX Revenue Fund, is being requested by the Department from the Board of Airport Commissioners to finance Phase I Design-Build Contract costs, the Department's "Soft Costs," costs for Interdepartmental Orders, and related contingency costs. Project costs will be capitalized and, when the project is completed, will be recovered through landing fees, terminal rates and charges, and non-aeronautical revenues (e.g., food and beverage, retail, and rental car concessions). This project and the contract award comply with the Department of Airports' adopted Financial Policies.

*RHL:WDC:10180055*