



Los Angeles World Airports

Item Number
4

REPORT TO THE BOARD OF AIRPORT COMMISSIONERS

Janet Hackney

Approved by: Janet Hackney, Director of Airports Administration

Robert Falcon

Robert Falcon (Jan 26, 2022 13:18 PST)

Reviewed by: Robert Falcon, Deputy Executive Director

Brian C. Ostler

Brian Ostler (Jan 26, 2022 13:37 PST)

Brian C. Ostler, City Attorney

Justin Erbacci

Justin Erbacci (Jan 26, 2022 14:25 PST)

Justin Erbacci, Chief Executive Officer

Meeting Date:

2/3/2022

CAO Review:

☐

Completed

☒

Pending

☐

N/A

Reviewed for	Date	Approval Status	By
Finance	1/20/2022	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> NA	JS
CEQA	1/20/2022	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	VW
Procurement	1/20/2022	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> Cond	BG
Guest Experience	1/20/2022	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	TB
Strategic Planning	1/20/2022	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> NA	KC

SUBJECT

Request to approve the Second Amendment to Contract No. DA-5128 with Integrated Project Controls Team Joint Venture, LLC (IPCT JV, LLC) to increase the contract authority by \$13,800,000, for a total contract amount of \$67,800,000, and appropriate funds in the amount of \$13,800,000 for Project Control Services for Los Angeles World Airports.

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.f. of the Los Angeles City CEQA Guidelines.
3. APPROVE the Second Amendment to Contract No. DA-5128 with IPCT JV, LLC to increase the contract authority by \$13,800,000.
4. APPROPRIATE capital funds in the amount of \$13,800,000 for Project Control Services.
5. AUTHORIZE the Chief Financial Officer, or designee, to reallocate the appropriation to Capital improvement Program-approved project- and program-specific WBS numbers based on actual expenditures and in accordance with the governance process.

6. FURTHER AUTHORIZE the Chief Executive Officer to execute the Second Amendment to Contract No. DA-5128 with IPCT JV, LLC upon approval as to form by the City Attorney and approval by the Los Angeles City Council.

DISCUSSION

1. Purpose

To amend Contract No. DA-5128 with IPCT JV, LLC (herein referred to as IPCT) for project control services supporting the Capital Improvement Program (CIP) and enterprise-level initiatives at Los Angeles World Airports (LAWA). These consultant services are managed through the issuance of task orders for specific scopes of work providing technical and specialized services.

2. Prior Related Actions

- **September 21, 2016 – Resolution No. 26072 (DA-5127, DA-5128, DA-5129)**
The Board of Airport Commissioners (Board) approved three, seven-year contracts to Quest Project Controls, Inc. dba Construction Management Solutions; IPCT, a Joint Venture; and Hill International, Inc.- APSI Construction Management, a Joint Venture, in the not-to-exceed amounts of \$15 million, \$42.5 million, and \$42.5 million, to provide project controls support services to help deliver LAWA's CIP. The Board also appropriated funds for these contracts based on a two-year forecast of services, for a combined total of \$40 million.
- **September 6, 2018 – Resolution No. 26596 (DA-5127, DA-5128, DA-5129, DA-5130, DA-5133, DA-5136, and DA-5137)**
The Board approved the appropriation of funds not to exceed \$33,723,000 for Project Management/Construction Management (PM/CM) support services (Berg & Associates Inc., Jacobs Project Management Co., Simpson & Simpson Management Consulting Inc., and Vanir I ASL, LLC) and \$9,812,000 for project control support services (Quest Project Controls, Inc. dba CMS, IPCT, and Hill /APSI) for LAWA's CIP.
- **July 18, 2019 – Resolution No. 26815 (DA-5127, DA-5128, DA-5129, DA-5130, DA-5133, DA-5136, and DA-5137)**
The Board approved the appropriation of funds not to exceed \$38,277,000 for PM/CM support services (Berg & Associates Inc., Jacobs Project Management Co., Simpson & Simpson Management Consulting Inc., and Vanir I ASL, LLC) and \$50,188,000 for project control support services (Quest Project Controls, Inc. dba CMS, IPCT, and Hill/APSI) for LAWA's CIP.
- **August 20, 2020 – Resolution No. 27091 (DA-5127, DA-5128, DA-5130, DA-5133, DA-5136, and DA-5137)**
The Board approved contract amendments for two project control contracts (Quest Project Controls, Inc. dba CMS, IPCT) bringing the total contract not-to-exceed amounts to \$16.5 million and \$54 million, respectively; and four PM/CM contracts (Berg & Associates Inc., Jacobs Project Management Co., Simpson & Simpson Management Consulting Inc., and Vanir I ASL, LLC), bringing the total contract not-to-exceed amounts to \$12 million, \$99 million, \$12 million, and \$46 million, respectively.

3. Current Action

As described in Prior Related Actions, the Board, followed by the Los Angeles City Council, approved three contracts in 2016 to firms of varying sizes (small, medium, and large) to provide project control services to help deliver LAWA's multi-billion-dollar CIP and support other key LAWA initiatives. At the time of the awards, the process was established to intermittently add contract capacity and appropriate additional funds based on needs for active projects and specific LAWA initiatives within a given time frame.

The proposed action requests a Second Amendment to DA-5218 with IPCT, a medium-sized firm, to continue services through December 2023, the end of the seven-year term. Staff may return to the Board at a later time to request additional funding for the two remaining project control providers based on staffing requirements for the projects supported by those contracts.

As LAWA continues its multi-billion-dollar CIP, the need remains to engage consulting professionals to provide specialized expertise, managed through negotiated task orders. Utilizing consultant resources creates a flexible workforce, allowing LAWA to quickly adapt and deliver projects as they move through the planning, design, construction, and closeout phases. Over 40 professional disciplines are necessary to deliver such a diverse program, and, in most cases, the City of Los Angeles does not have similar job classifications or sufficient in-house resources to support the magnitude and complexity of the CIP.

The use of consultant services has contributed and continues to contribute many of the highest-profile developments, including the Landside Access Modernization Program component projects, the West Gates at Bradley - formerly Midfield Satellite Concourse, the Terminal Development and Improvement Program, and various other capital projects, programs, and initiatives. Specific outcomes achieved through the IPCT contract and their team of sub-consultants include:

CIP-Program Level Services

- Developed and implemented paperless consultant timekeeping system
- Implemented automated approval system for budget transactions
- Revised and improved CIP reports for the Board, LAWA executives, and airline partners
- Developed contract manager tool to streamline task order process
- Provided budget and schedule training for CIP project controls staff
- Developed new software tools to project capital expenditures (Soft Cost Planner)
- Assisted LAWA Finance in updating the LAWA capitalization process

Project-Level Services

- Performed Quality Assurance/Quality Control of project monthly reports
- Received, logged, and distributed contractor documents including Requests For Information, potential change notices, and monthly contractor pay applications
- Completed financial closeout of CIP projects including, but not limited to:
 - Americans with Disabilities Act Improvements Phase III
 - MSC Enabling
 - Runway 25R Reconstruction
 - Interim Electric Bus Chargers
 - Van Nuys Airport (VNY) Taxiway B Rehabilitation Phase I
 - Drainage and Expansion Joint Seal Improvements

- Terminal 1 Renovations (Southwest Airlines)
- Terminal 7/8 Renovations Project (United Airlines)
- Taxiway T Phase II

Based upon a thorough review of active CIP projects and upcoming initiatives, staff requests Board approval of a Second Amendment to Contract No. DA-5128 with IPCT to increase the contract authority by \$13,800,000 for project control services estimated for, but not limited to, the following efforts:

Landside Access Modernization Program - est. \$6,100,000

- Automated People Mover
- Consolidated Rental Car Facility
- Domestic Pipe Replacement
- Security Badge Office Relocation
- Roadways, Utilities, and Enabling Work

Terminal Development Improvement Program - est. \$3,500,000

- T4 Baggage Handling System
- T2/3 Modernization
- T4/5 Modernization
- Terminal Cores Project

Airport Development Program - est. \$650,000

- Secured Area Access Post and Enabling Projects
- Recycled Water Extension
- Receiving Station (RS-X) Project
- VNY Runway 16L-34R Reconstruction and Runway 16R-34L Slurry Seal

CIP Program Services - est. \$3,300,000

- CIP Budget Program and Project Database Administration (Prolog)
- CIP Reporting and Quality Control
- Document Controls
- Contract Administration
- CIP Global Schedule
- CIP Expenditure Forecasting
- Consultant Timekeeping and Job Cost Reporting

Other LAWA Initiatives - est. \$250,000

- Other Direct Costs (printing, vehicles, mileage, etc.)
- As-needed subject matter expertise

Approval of this request will provide contract capacity and funding for services anticipated through the end of the contract term of December 2023. Costs will continue to be managed through the issuance of task orders based on specific scopes of work and associated fees. Labor and other direct costs will be allocated to the respective CIP projects.

Staff may return to the Board to seek contract amendments and appropriations for the remaining contract years for other PM/CM and Project Controls contracts, authorized under a separate Board resolution, as needed.

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: Develop, maintain and operate first class facilities*. This action amends the contract authority and increases the initial appropriation to complete vital improvements to LAWA's infrastructure and physical assets at LAX and VNY. The expertise and services provided will ensure that the CIP will improve the passenger experience, increase operational efficiency, reduce traffic congestion, and provide other benefits to our surrounding communities.

Fiscal Impact

Costs associated with this requested Board action are included in LAWA's 10-Year CIP, either directly associated with individual projects or program-wide services used to support the delivery of the entire program. As such, the approval of this action will result in no net increase to the programmed CIP budget.

These contracts may also support LAWA's Executive Management and other non-capital initiatives, such as Guest Experience and Innovation Hangar, on an as-needed basis, to streamline processes and gain operational efficiencies. The budget amounts for these items are included within LAWA's FY22 operating budget and will be requested for subsequent years through the operating budget process. Costs incurred to the CIP or operating budget will be recovered through landing fees, terminal rates and charges, and non-aeronautical revenues.

To mitigate the economic impacts of the COVID-19 pandemic, staff continues a thorough review process with LAWA executives and project managers to identify opportunities for cost savings while still delivering the critical developments and programs. Since March 2020, several resources have been reduced or paused, and tasks deemed less pertinent in the current environment have been scaled back or paused. Overall, LAWA paused 23 percent of consultant services with an estimated savings of \$18.5 million per year. All cost saving measures are continuously monitored to assess any adverse impacts on project delivery and LAWA's business partners.

4. Alternatives Considered

- ***Take No Action***

The Board could defer this item or not appropriate funds to continue these services. However, this would severely impair staff's ability to deliver LAWA's CIP. Los Angeles World Airports does not have sufficient in-house resources to provide the necessary support, and inaction would have an adverse impact on operations, project costs, and construction schedules.

APPROPRIATIONS

Staff requests funds in the not-to-exceed amount of \$13,800,000 be appropriated and allocated for project control services and transferred from the LAX and VNY Revenue Funds to WBS Elements 1.22.18A-700 (LAX CIP Resources) and 3.22.01A-701 (VNY CIP Resources). Los Angeles World Airports' Finance Division will redistribute these allocations to project and program-specific WBS numbers, approved through the CIP Governance process, based on actual expenditures.

STANDARD PROVISIONS

1. This item, as a continuing administrative, maintenance and personnel-related activity, is exempt from California Environmental Quality Act (CEQA) requirements pursuant to Article II, Section 2.f. 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. IPCT will comply with the provisions of the Living Wage Ordinance.
5. Procurement Services has reviewed this action (File No. 10040789) and established a mandatory 20 percent Small Business Enterprise for this project. IPCT committed to 100 percent SBE participation and has achieved 100 percent to date.
6. IPCT will comply with the provisions of the Affirmative Action Program.
7. IPCT has been assigned BTRC No. 0002702265-0002-0.
8. IPCT will comply with the provisions of the Child Support Obligations Ordinance.
9. IPCT must have approved insurance documents, in the terms and amounts required, on file with the Los Angeles World Airports prior to execution of the Second Amendment.
10. Pursuant to Charter Section 1022, staff determined the work specified in this contract can be performed more feasibly and economically by Independent Contractors than by City employees.
11. IPCT has submitted the Contractor Responsibility Program Pledge of Compliance and will comply with the provisions of the Contractor Responsibility Program.
12. IPCT has been determined by Public Works, Office of Contract Compliance, to be in compliance with the provisions of the Equal Benefits Ordinance.
13. IPCT will be required to comply with the provisions of the First Source Hiring Program for all non-trade LAX Airport jobs.
14. IPCT has submitted the Bidder Contributions CEC Form 55 and will comply with its provisions.
15. IPCT has submitted and will comply with the provisions of the Iran Contracting Act of 2010.

**SECOND AMENDMENT TO CONTRACT NO. DA- 5128
BETWEEN THE CITY OF LOS ANGELES AND IPCT JV, LLC FOR PROJECT
CONTROLS SUPPORT SERVICES AT LOS ANGELES INTERNATIONAL
AIRPORT AND VAN NUYS AIRPORT**

THIS **SECOND AMENDMENT TO CONTRACT NO. DA-5128** ("Amendment") is made and entered into this ____ day of _____, 2022, by and between the **CITY OF LOS ANGELES** ("City"), a municipal corporation, acting by order of and through its Board of Airport Commissioners ("Board") of the Department of Airports (also known as Los Angeles World Airports or "LAWA") and **IPCT JV, LLC** ("Consultant"). The City and Consultant are collectively referred to herein as the "Parties".

RECITALS

WHEREAS, City and Consultant entered into Los Angeles World Airports Contract Number DA-5128 (the "Contract") to provide Project Controls Support Services ("PCSS") at Los Angeles World Airports ("Project") on November 7, 2016; and

WHEREAS, on August 20, 2020, the Contract was amended to increase the not-to-exceed amount from Forty Two Million Five Hundred Thousand and 00/100 Dollars (\$42,500,000.00) to Fifty Four Million and 00/100 Dollars (\$54,000,000); and

WHEREAS, the Parties desire to further amend the Contract to increase the total not-to-exceed amount from Fifty Four Million and 00/100 Dollars (\$54,000,000) to Sixty Seven Million Eight Hundred Thousand and 00/100 Dollars (\$67,800,000.00); and

NOW, THEREFORE, in consideration of the premises and of the terms and covenants and conditions hereinafter contained to be kept and performed by the respective parties hereto, do mutually agree that the Contract is **HEREBY AMENDED AS FOLLOWS:**

Amendment Section 1. Section 7.2 of the Contract shall be amended and restated in its entirety as follows:

For all Services rendered under this Contract, all costs, direct or indirect, and all expenses incurred by Consultant pursuant to this Contract, the total compensation to be paid to the Consultant for all services rendered under this

contract shall not exceed the total sum of Sixty Seven Million Eight Hundred Thousand and 00/100 Dollars (\$67,800,000.00).

Amendment Section 2. Except as specifically provided herein, this Amendment shall not in any manner alter, change, modify, or affect any of the rights, privileges, duties, or obligations of either of the parties hereto, under, or by reason of said Contract, as amended.

Execution. This Amendment and any other document necessary for the consummation of the transaction contemplated by this Amendment may be executed in counterparts, including counterparts that are manually executed and counterparts that are in the form of electronic records and are electronically executed. An electronic signature means a signature that is executed by symbol attached to or logically associate with a record and adopted by a party with the intent to sign such record, including facsimile or e-mail signatures. All executed counterparts shall constitute one Amendment, and each counterpart shall be deemed an original. The Parties hereby acknowledge and agree that electronic records and electronic signatures, as well as facsimile signatures, may be used in connection with the execution of this Amendment and electronic signatures, facsimile signatures or signatures transmitted by electronic mail in so-called PDF format shall be legal and binding and shall have the same full force and effect as if a paper original of this Amendment had been delivered that had been signed using a handwritten signature. All parties to this Amendment (i) agree that an electronic signature, whether digital or encrypted, of a party to this Amendment is intended to authenticate this writing and to have the same force and effect as a manual signature; (ii) intended to be bound by the signatures (whether original, faxed, or electronic) on any document sent or delivered by facsimile or electronic mail or other electronic means; (iii) are aware that the other party(ies) will rely on such signatures; and, (iv) hereby waive any defenses to the enforcement of the terms of this based Amendment on the foregoing forms of signature. If this Amendment has been executed by electronic signature, all parties executing this document are expressly consenting, under the United States Federal Electronic Signatures in Global and National Commerce Act of 2000 ("E-SIGN") and the California Uniform Electronic Transactions Act ("UETA") (California Civil Code §1633.1 et seq.), that a signature by fax, e-mail, or other electronic means shall constitute an Electronic Signature to an Electronic Record under both E-SIGN and UETA with respect to this specific transaction.

IN WITNESS WHEREOF, City has caused this Amendment to be executed, by the Chief Executive Officer, and Consultant has caused the same to be executed by its duly authorized officers and its corporate seal to be hereunto affixed, all as of the day and year first hereinabove written.

APPROVED AS TO FORM:
Michael N. Feuer, City Attorney

CITY OF LOS ANGELES

Date: _____

By: _____
Justin Erbacci
Chief Executive Officer
Los Angeles World Airports

By: _____
Deputy/Assistant City Attorney

By: _____
Tatiana Starostina
Chief Financial Officer
Los Angeles World Airports

ATTEST:

IPCT JV, LLC

By: Yelena Zeetser
Signature (Secretary) President (Lenax)

Yelena Zeetser
Print Name

By: Rubina Chaudhary
Signature

Rubina Chaudhary, MBA
Print Name

President
Print Title

[SEAL]

