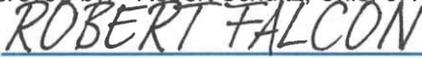
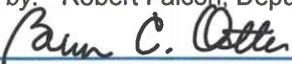




REPORT TO THE

BOARD OF AIRPORT COMMISSIONERS

 <u>Robert Schultz (Dec 9, 2021 17:09 PST)</u> Approved by: Robert Schultz, Chief of Airport Planning II  <u>ROBERT FALCON (Dec 9, 2021 17:36 PST)</u> Reviewed by: Robert Falcon, Deputy Executive Director  <u>Brian C. Ostler (Dec 9, 2021 18:01 PST)</u> Brian C. Ostler, City Attorney  <u>Justin Erbacci (Dec 9, 2021 20:10 PST)</u> Justin Erbacci, Chief Executive Officer		Meeting Date: 12/16/2021																							
CAO Review:		<input type="checkbox"/> Completed <input checked="" type="checkbox"/> Pending <input type="checkbox"/> N/A																							
<table border="1"> <thead> <tr> <th>Reviewed for</th> <th>Date</th> <th>Approval Status</th> <th>By</th> </tr> </thead> <tbody> <tr> <td>Finance</td> <td>12/7/2021</td> <td><input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> NA</td> <td>JS</td> </tr> <tr> <td>CEQA</td> <td>12/3/2021</td> <td><input checked="" type="checkbox"/> Y <input type="checkbox"/> N</td> <td>VW</td> </tr> <tr> <td>Procurement</td> <td>12/7/2021</td> <td><input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> Cond</td> <td>LK</td> </tr> <tr> <td>Guest Experience</td> <td>12/7/2021</td> <td><input checked="" type="checkbox"/> Y <input type="checkbox"/> N</td> <td>TB</td> </tr> <tr> <td>Strategic Planning</td> <td>12/3/2021</td> <td><input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> NA</td> <td>KC</td> </tr> </tbody> </table>	Reviewed for	Date	Approval Status	By	Finance	12/7/2021	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> NA	JS	CEQA	12/3/2021	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	VW	Procurement	12/7/2021	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> Cond	LK	Guest Experience	12/7/2021	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	TB	Strategic Planning	12/3/2021	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> NA	KC	
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SUBJECT

Request to adopt a Resolution requesting the Los Angeles City Council to consider and approve an ordinance allowing the Board of Airport Commissioners to authorize the Chief Executive Officer to utilize Alternate Delivery Methods and the Competitive Sealed Proposal Selection process for the Airfield and Terminal Modernization Project, and related projects at Los Angeles International Airport.

RECOMMENDATIONS

Management RECOMMENDS that the Board of Airport Commissioners:

- ADOPT the Staff Report.
- DETERMINE that this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Article II, Section 2.i. of the Los Angeles City CEQA Guidelines.
- ADOPT a resolution requesting the Los Angeles City Council to consider and approve an ordinance allowing the Board of Airport Commissioners to authorize the Chief Executive Officer to utilize Alternate Delivery Methods for delivery of the Airfield and Terminal Modernization Project and related enabling projects at Los Angeles International Airport, pursuant to a Competitive Sealed Proposal Selection process.
- FIND that the use of Alternate Delivery Methods, paired with a Competitive Sealed Proposal Selection process, should be authorized based on operational need, schedule, and technical

aspects of the Airfield and Terminal Modernization Project at Los Angeles International Airport, and that awarding to the lowest responsive and responsible bidder, without any involvement from the Contractor during the design stage, would be neither practicable nor advantageous.

DISCUSSION

1. Purpose

This action is to request that the Los Angeles City Council consider and approve an ordinance allowing the Los Angeles World Airports (LAWA) to use Alternate Delivery Methods, which include Design-Build (DB), Public Private Partnerships (P3), and Construction Manager at Risk (CMAR), and the Competitive Sealed Proposal Selection process, for the delivery of the Airport Terminal Modernization Project (ATMP), and related projects, at Los Angeles International Airport (LAX).

2. Prior Related Actions

- **October 7, 2021 – Resolution No. 27351 (DA-5162)**
The Board of Airport Commissioners (1) approved the LAX ATMP, (2) certified the Final Environmental Impact Report (FEIR) for the LAX ATMP, (3) adopted the associated documents (4) approved the LAX Specific Plan Compliance Review Determination set forth in the Executive Director's Report, and (5) approved the LAX ATMP as described in the FEIR.

3. Current Action

Los Angeles International Airport is in the middle of one of the largest modernization programs in the country. The capital improvements that currently are underway will provide improved access to LAX via an Automated People Mover and new parking and rental car facilities. The ATMP will continue the modernization at LAX by providing airfield, roadway, and terminal improvements that will improve the passenger experience and prepare LAWA to handle future passenger growth.

As the 2028 Olympic and Paralympic Games approach, LAWA will need to move quickly to implement the ATMP in order to accommodate the expected growth and to improve passenger circulation in and around LAX before the Games. In order to meet its timelines, LAWA would like to utilize alternate delivery methods and the Competitive Sealed Proposal Selection (CSPS) process.

Traditional construction contracts with the City of Los Angeles are awarded under a Design-Bid-Build delivery method and, based on City Charter requirements, are let to the "lowest responsive and responsible bidder." However, these approaches do not allow for time savings, collaboration, innovations, consideration of experience, past performance, or other pertinent qualifications. City Charter Section 371 (b) authorizes the use of alternate delivery methods and the CSPS process, provided that an ordinance approving their use is first approved by the City Council.

The CSPS process is used to procure projects through a process which, in addition to cost, takes qualifications, experience, and other technical factors into consideration. To select contractors that possess the expertise to successfully complete the ATMP, and related

projects, staff will need to consider experience, design and construction approach, resources, safety, and other relevant qualifications.

In recent years, LAWA increasingly, and very successfully, utilized varying alternate delivery methods to construct capital improvements throughout the LAWA campus. Recent projects, and their delivery method, include, but are not limited to, the Intermodal Transportation Facility West (Design-Build), Airport Police Facility (Design-Build), and the Consolidated Rent-A-Car Facility (Public Private Partnership). In order to maximize flexibility in the delivery of the ATMP, LAWA would like the ability to consider the following alternate Delivery Methods for the construction of the multiple aspects of the ATMP:

Construction Manager at Risk (CMAR)

Under CMAR, LAWA would select a construction manager during the design development process to provide pre-construction services as a member of the program development team. The selected CMAR collaborates with the designer early in the process to align on aspects of the process. The CMAR then executes construction of the project as the general contractor, and is considered “at risk” to deliver the project at an agreed maximum guaranteed price.

Design-Build (DB)

Under DB, LAWA would select a single entity to complete the design and construction of a project. The Design-Builder is selected based on qualifications, which dictate performance requirements and criteria for the finished project. Under DB, the responsibility and associated risks related to the design of the project shifts from LAWA to the Design-Builder.

Public Private Partnership (P3) or Design Build Finance Operate Maintain (DBFOM)

A P3 is a further evolution of the Design-Build model that involves an agreement between a public owner and a private entity partner for the design, build, possible finance, and possible long-term management of portions of the project over a specified term.

Providing these delivery methods as options will allow LAWA to be more creative in the planning phase. They also will allow LAWA more flexibility in the delivery of projects. For these reasons, LAWA proposes an ordinance allowing the Chief Executive Officer to use alternate Delivery Methods and CSPS processes to solicit contracts for the ATMP and related 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.* The proposed capital improvement projects will continue to ensure that LAWA meets the needs of our passengers, airlines, industry partners, community, and other stakeholders as our needs and priorities evolve over time, to adapt to our changing operating environment.

Action Requested

Staff requests that the Board adopt a resolution requesting the Los Angeles City Council to consider and approve an ordinance allowing the Board to authorize the Chief Executive Officer to utilize Alternate Delivery Methods, including Design-Build, Construction Manager at Risk, and/or Public-Private-Partnership (P3) for delivery of the ATMP, and related projects, at LAX, pursuant to a Competitive Sealed Proposal Selection process.

Fiscal Impact

As an administrative action, no appropriation of funds is required. Under the CMAR and DB Alternate Project Delivery Methods, LAWA would be allowed to execute contracts with entities responsible for design, design and construction together, or pre-construction services and construction, depending upon the method determined best for a particular project. Staff estimates that the use of an Alternate Project Delivery Method can shorten the project schedule duration by several months, if not years, when compared to the traditional Design-Bid-Build delivery method.

4. Alternatives Considered

- ***Take No Action***

If the Board does not request that the Los Angeles City Council adopt an Alternate Delivery Method Ordinance, LAWA will be required to use the traditional Design-Bid-Build delivery method which may increase risk and delay the implementation of the Project.

APPROPRIATIONS

As an administrative action, no appropriation of funds is required at this time.

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 Airfield and Terminal Modernization Project Environmental Impact Report (EIR) was certified by the Board of Airport Commissioners for this project on October 7, 2021 (Resolution No. 27351).
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 371.
4. This action is not subject to the provisions of the Living Wage/Service Contractor Worker Retention Ordinances.
5. This action is not subject to the provisions of the Business Enterprise (BE) Programs.
6. This action is not subject to the provisions of the Affirmative Action Program.
7. This action does not require a Business Tax Registration Certificate number.
8. This action is not subject to the provisions of the Child Support Obligations Ordinance.
9. This action is not subject to the insurance requirements of the Los Angeles World Airports.

10. This action is not subject to the provisions of Charter Section 1022 (Use of Independent Contractors).
11. This action is not subject to the provisions of the Contractor Responsibility Program.
12. This action is not subject to the provisions of the Equal Benefits Ordinance.
13. This action is not subject to the provisions of the First Source Hiring Program.
14. This action is not subject to the provisions of Bidder Contributions CEC Form 55.
15. This action is not subject to the provisions of MLO Bidder Contributions CEC Form 50.
16. This action is not subject to the provisions of the Iran Contracting Act.