

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: April 20, 2022

CAO File No. 0150-12063-0000

Council File No.

Council District: 11

To: The Mayor

From: Matthew W. Szabo, City Administrative Officer



Reference: Communication from the Department of Airports dated March 17, 2022; referred by the Mayor for a report on March 17, 2022

Subject: **PROPOSED CONTRACT WITH CSDA DESIGN GROUP FOR PROJECT MANAGEMENT/CONSTRUCTION MANAGEMENT SERVICES FOR LOS ANGELES INTERNATIONAL AIRPORT'S RESIDENTIAL SOUND INSULATION PROGRAM**

RECOMMENDATION

That the Mayor:

1. Approve the award of a seven-year contract to CSDA Design Group for an amount not-to-exceed \$35.7 million to provide Project Management/Construction Management services for Los Angeles International Airport's Residential Sound Insulation Program, subject to City Attorney approval as to form and compliance with the City's Standard Provisions, including: Living Wage Ordinance, Affirmative Action Program, Business Tax Registration Certification, Child Support Obligations Ordinance, Contractor Responsibility Program, First Source Hiring Program, Bidder Contributions CEC Form 55, MLO Bidder Contributions CEC Form 50; and Iran Contracting Act;
2. Authorize the Chief Executive Officer to execute the proposed Agreement, upon approval by the Los Angeles City Council, and prior to the execution of the proposed Contract, CSDA Design Group must:
 - a. Have approved insurance documents, in the terms and amounts required, on file with the Los Angeles World Airports; and
 - b. Be determined by Public Works, Office of Contract Compliance, to be in compliance with the provisions of the Equal Benefits Ordinance; and
3. Return the request to the Los Angeles World Airports for further processing, including Council consideration.

SUMMARY

In compliance with the Federal Aviation Administration's (FAA) Airport Improvement Program (AIP) guidelines and airport noise standards, the Los Angeles World Airports (LAWA; Department) Board of Airport Commissioners (BOAC) requests approval to award a seven-year contract to CSDA Design Group for an amount not-to-exceed \$35.7 million to deliver a Project Management/Construction Management (PM/CM) Residential Sound Insulation Program within noise impacted boundaries of the Los Angeles International Airport.

The Los Angeles International Airport's Residential Sound Insulation (LAX-RSI) Program is developed to reduce interior noise in habitable residential units that are exposed to aircraft noise of 65 decibels (dB) Community Noise Equivalent Level (CNEL) or higher. According to the California Code of Regulations (CCR) Title 21, residential units exposed to aircraft noise of specific levels are considered to be incompatible land uses and must be reduced to achieve compatibility.

The primary measurement of noise impact is the exterior noise assessment of cumulative day and night average sound levels captured throughout the year. That sound activity is then illustrated as noise contours (sound level distribution) on a Noise Exposure Map. This provides a graphical representation of the 24-hour average sound level from midnight to midnight.

As described on LAWA's website, the goal of the LAX-RSI Program is to ensure residential communities adversely impacted by aircraft noise are made compatible with California Noise Standards by providing additional sound insulation. Execution of the proposed Agreement would enable LAWA to establish and manage the LAX-RSI Program to mitigate aircraft noise for approximately 2,385 residential units in the affected Los Angeles and El Segundo areas.

Traditionally, the City of Inglewood, Los Angeles County, and the City of El Segundo implemented and managed their own RSI programs with FAA and LAWA funding. The FAA finances up to 80 percent of the respective projects and LAWA supplements the required 20 percent local match. El Segundo terminated its program in 2018 while the City of Inglewood and Los Angeles County continue their sound insulation efforts. To date, El Segundo has approximately 1,146 incompatible units that require sound treatment.

LAWA introduced its RSI program in 1997 and sound insulated 7,327 units before closing the program in 2014. Preexisting code issues prevented approximately 1,239 homeowners in approved noise contours within the City of Los Angeles from participating in the program. Now that those code issues have been resolved, new interest has developed from residents of previous ineligible, untreated homes.

The RSI Program is voluntary and every dwelling must meet the following eligibility criteria to participate in the program: 1) located inside 65 dB (decibel scale that measures sound pressure or forcefulness) noise contour of an FAA Approved Noise Exposure Map; 2) average interior noise level of 45 dB or greater; and 3) built before October 1, 1998.

The foundation of the LAX-RSI Program is a cluster of subprojects that are combined to form a principal project, and each initiative is inclusive of distinctive property owners. Because of the program's convoluted nature, staff consulted with subject matter experts and other airport officials to evaluate the availability of LAWA's internal resources to implement the program. After exhausting all possible options, the Department staff determined that the best approach is to outsource the program and its construction. Additionally, on September 14, 2021, the BOAC approved a Memorandum of Understanding to include the City of El Segundo the LAX-RSI Program.

In efforts to address the affected residential units, LAWA conducted an open procurement process under FAA guidelines to secure a consultant for the PM/CM Services required to institute the LAX-RSI Program. The procurement process consisted of a strategy to solicit proposers that could deliver a comprehensive turnkey program in order to satisfy the various components of the initiative. LAWA released a Request for Proposal (RFP) on September 7, 2021, succeeded by a virtual pre-proposal conference on September 21, 2021. C&S Engineers, Inc., CSDA Design Group, and Veneklasen Associates, Inc. submitted proposals to participate in the competitive selection process.

All three firms were evaluated based on weighted criteria composed of five categories: 1) Administrative Requirements (Pass/Fail); 2) Proposer Experience (30 points); 3) Key Personnel and Team Organization (25 points); 4) Project Approach (20 points); 5) Design Approach (15 points), and 6) Inclusivity (10 points), for 100 possible points. The four-member Evaluation Committee consisted of a/an Deputy Executive (LAWA), Airport Environmental Manager II (LAWA), and Sr. Management Analyst II (LAWA), and Program Manager (San Diego Airport).

Each of the proposers passed the Administrative Requirements and upon review of the remaining criteria, the Evaluation Committee designated CSDA Design Group as the most qualified firm. Considering the RFP was administered under federal guidelines, the Department must enter into negotiations with the highest-ranked proposer, and based on the scoring results of the combined weighted criteria, the final rankings were: CSDA Design Group – first rank; C&S Engineers – second rank; and Veneklasen – third rank.

The Evaluation Committee believed that CSDA provided the best proposal upon the conclusion of the rating process because key staff members were retained from similar projects and the Contractor's overall familiarity with local jurisdictions and permitting agencies. Additionally, CSDA demonstrated extensive experience on similar-sized projects such as San Jose International Airport, Milwaukee County's General Mitchell International Airport, Fresno-Yosemite International, and Santa Clara Valley Transportation. Accordingly, LAWA proceeded to negotiate a contract with CSDA to perform the scope of work described in the proposed Agreement.

As part of the federal process, LAWA secured an Independent Fee Estimate (IFE) for the project ahead of negotiations, which was \$32 million. Although the negotiated cost of \$35.7 million is approximately nine percent higher than the IFE, LAWA believes the proposed cost is comparable to fair market value based on the lower cost assumptions utilized when the IFE was retained.

LAWA's Procurement Services staff reviewed the proposed action and established mandatory inclusivity goals of 15 percent Disadvantaged Business Enterprise (DBE) utilization. CSDA Design Group pledged 26 percent DBE. The Contractor is also a certified small business with the State of California.

Costs associated with the proposed LAX-RSI Project are contained in LAWA's 10-year Capital Improvement Plan (CIP) with a total direct budget of approximately \$142.9 million, therefore, approval of the proposed Contract will not result in a net increase to the CIP budget.

The BOAC approved the proposed seven-year contract at its meeting on March 17, 2022. Actions taken on this item by the BOAC will become final pursuant to the provisions of the Los Angeles City Charter Section 373.

FISCAL IMPACT STATEMENT

Approval of the proposed seven-year contract with CSDA Design Group to provide Project Management/Construction Management services for a cost not-to-exceed \$35.7 million will have no impact on the General Fund. A total of \$35.7 million will be appropriated from the LAX Revenue Fund and allocated to WBS Element 1.22.20A-700 (Noise Mitigation Program - LAX Residential Sound Insulation). The Federal Aviation Administration Airport Improvement Program grants will reimburse up to 80 percent of the project's cost and LAWA will allocate the 20 percent local match requirement by appropriating funds from Passenger Facility Charge (PFC) fund to offset the balance. LAWA has applied for and received \$10 million in Federal Aviation Administration Airport Improvement Program grants and must apply for Federal Aviation Administration approval to reimburse the local match requirement with PFC funds. This item complies with the Department's adopted Financial Policies.