

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: April 21, 2022

CAO File No. 0150-10887-0002

Council File No. 17-0217

Council District: 11

To: The Mayor



From: Matthew W. Szabo, City Administrative Officer

Reference: Communication from Los Angeles World Airports dated March 3, 2022; referred by the Mayor for a report on March 3, 2022

Subject: **PROPOSED FIRST AMENDMENT WITH RS&H CALIFORNIA, INC. TO EXTEND THE TERM OF CONTRACT NO. DA-5173 FOR PROFESSIONAL ENGINEERING DESIGN AND CONSTRUCTION ADMINISTRATION SERVICES AT LOS ANGELES INTERNATIONAL AIRPORT**

RECOMMENDATION

That the Mayor:

1. Approve the proposed First Amendment to Contract No. DA-5173 with RS&H California, Inc., to extend the term of the agreement by three years, to April 3, 2025, with no additional funding, to continue professional engineering design and construction administration services associated with airfield improvement initiatives at Los Angeles International Airport, subject to City Attorney approval as to form and compliance with the City's Standard Provisions, including: Living Wage Ordinance / Labor Code of the State of California (Prevailing Wage), 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 of 2010;
2. Authorize the Chief Executive Officer to execute the proposed First Amendment to Contract No. DA-5173, upon approval by the Los Angeles City Council, and prior to the execution of the First Amendment, RS&H California, Inc. must:
 - a. Have approved insurance documents, in the terms and amounts required, on file with Los Angeles World Airports; and
 - b. Be determined by Public Works, Office of Contract Compliance to be in full 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

On February 2, 2017, the Board of Airport of Commissioners (BOAC) approved the award of Contract No. DA-5173 (Contract; Agreement) with RS&H California, Inc. (RS&H), for a five-year term, in an amount not-to-exceed \$15,987,356, covering professional engineering design and construction administration services for the Taxiway C-14, Taxiway D Extension, Enabling, and other airfield projects at Los Angeles International Airport (LAX). Before the contract expiration date of April 3, 2022, the BOAC approved the proposed First Amendment to extend the term of the Agreement through April 3, 2025, to preserve professional engineering design and construction administration support during the bidding, construction, and closeout phase of the Taxiway D project.

According to LAWA, the primary objective for rehabilitating and constructing the taxiways within the north runway complex is to provide a full parallel taxiway to connect the westerly cross-field Taxiway AA with the midfield crossing Taxiways P and N. This activity will complete the parallel taxiway system on the North Airfield, address Federal Aviation Administration (FAA) standards, reduce congestion, improve circulation, operational flexibility, and enhance airfield safety by reducing runway incursions.

The Taxiway D Extension project is anticipated to be the initial airfield improvement project implemented as part of the Airfield and Terminal Modernization Improvement Project (ATMP) and the FAA is scheduled to subsidize the design and construction of the initiative through Airfield Improvement Program (AIP) grants. LAWA requested full grant funding for the entire project, which includes construction, inspection, staff, and design consultant costs. The total project cost is estimated at \$118.9 million and 75 percent of this amount is eligible for reimbursement through FAA AIP grant funding. Although the actual amount of the grant offer will not be determined until after the bid opening, LAWA anticipates the FAA Grant distribution to be approximately \$89.1 million. The federal grant offer will be presented between July 2022 and August 2022 and the award must be accepted by LAWA before the end of the federal fiscal year - September 30, 2022.

LAWA staff indicates that the FAA will be funding the Taxiway D Extension by utilizing LAWA's Entitlement Funds and Discretionary Funds. Additionally, LAWA will pursue FAA AIP grant reimbursements for all qualified airfield improvement costs, therefore, an increase in funding is not requested for the proposed Amendment because there is a sufficient balance remaining on the contract authority (\$3,645,000) to sustain RS&H's engineering design and construction administration services.

Through the initial term of the contract, RS&H has served as the engineer of record and successfully delivered professional engineering design and construction administrative support for the Taxiway P, Runway 25R Reconstruction, and Runway 25L Rehabilitation projects at LAX. Each of the projects was timely completed, within budget, and with minimal change orders.

Given that the engineering design of the project was completed at the end of March 2022, three forthcoming procurement elements are anticipated before moving to the construction stages: 1) release Request for Proposal – April 2022; 2) deadline for proposers to respond – May 2022; and 3) contract award – August 2022. LAWA estimates that the construction component of the taxiway extension project will extend over a 23-month period and its conclusion is expected by December 2024.

Execution of Contract No. DA-5173 with RS&H enabled LAWA to launch airfield initiatives contained in the Airfield and Terminal Modernization Project (ATMP), the Los Angeles International Airport's (LAX) Airfield Improvement Project (AIP), and remain competitive for Federal Aviation Administration (FAA) airfield grant funding opportunities. Hiring a new contractor at this time will be counterproductive to LAWA because of the considerable amount of time that would be required to familiarize a new consultant with the ongoing airfield projects, in addition to assuming the duties of the Designer of Record. Approval of the proposed three-year term extension will permit the Contractor to continue providing professional engineering support during the bidding, construction, and closeout phase of the Taxiway D project. Furthermore, securing RS&H's services will stabilize LAWA's position to remain competitive for FAA AIP grant funding possibilities this fiscal year.

LAWA's Procurement Services staff has reviewed the proposed action (File No. 7872) and established a mandatory inclusivity goal of 15 percent Disadvantaged Business Enterprise (DBE) for this project. As reported by LAWA staff, RS&H California, Inc. proposed 16 percent DBE and has achieved 19.45 percent participation to date.

The BOAC approved the proposed First Amendment at its meeting on March 3, 2022. Actions taken on this item by the BOAC will become final pursuant to the provisions of Los Angeles City Charter Section 373.

FISCAL IMPACT STATEMENT

Approval of the proposed First Amendment to extend the term of Contract No. DA-5173 by three years with RS&H California, Inc., to secure professional engineering design and construction administration services, including Designer of Record duties, will have no impact on the City's General Fund. Project costs will be capitalized, and when operational, associated costs will be recovered through landing fees, terminal rates and charges, and non-aeronautical revenues. No appropriation is required for this action as the contract authority has a remaining balance of \$3,645,000, and those funds will be allocated from the LAX Revenue Fund to support actions of the First Amendment. This project complies with the Los Angeles World Airports' adopted Financial Policies.