



Item Number
10

Report to the BOARD OF AIRPORT COMMISSIONERS

Approver: <u></u> Jake Adams (Jun 30, 2022 13:50 PDT) Jake Adams, Deputy Executive Director, Landside Access Modernization Program	Meeting Date			
	7/7/2022			
Reviewer: <u></u> Brian C. Ostler, City Attorney <i>EGR</i> <u></u> Justin Erbacci (Jun 30, 2022 14:22 PDT) Justin Erbacci, Chief Executive Officer	Needs Council Approval: <input checked="" type="checkbox"/> Y			
	Reviewed for/by	Date	Approval Status	By
	Finance	6/24/2022	<input checked="" type="checkbox"/> Y <input type="checkbox"/> NA	JS
CEQA	6/23/2022	<input checked="" type="checkbox"/> Y	VW	
Procurement	6/23/2022	<input type="checkbox"/> Y <input checked="" type="checkbox"/> Cond	BG	
Guest Experience	6/23/2022	<input checked="" type="checkbox"/> Y	TB	
Strategic Planning	6/23/2022	<input checked="" type="checkbox"/> Y	BNZ	

SUBJECT

Request to approve a Second Amendment to Contract DA-5131 with CMTS, LLC for Project Management and Construction Management Services, to increase the contract authority by \$3,850,000, for a total contract amount of \$11,850,000; and appropriate capital funds in the not-to-exceed amount of \$3,850,000 for these services.

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.
- FIND that the work can be performed more economically or feasibly by an independent contractor than by City employees.
- APPROVE the Second Amendment to Contract DA-5131 with CMTS, LLC to increase the contract authority by \$3,850,000 for Project Management and Construction Management Services.
- APPROPRIATE funds in the not-to-exceed amount of \$3,850,000 for Project Management and Construction Management services.

6. 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.
7. FURTHER AUTHORIZE the Chief Executive Officer to execute the Second Amendment to Contract DA-5131 upon approval as to form by the City Attorney and approval by the Los Angeles City Council.

DISCUSSION

1. Purpose

Amend Contract DA-5131 with CMTS, LLC for Project Management and Construction Management (PM/CM) services supporting the Landside Access Modernization Program (LAMP), as part of the Los Angeles World Airports (LAWA) Capital Improvement Program (CIP). These consultant services are for specific scopes of work, managed through task orders, providing distinct skillsets not readily available through in-house resources.

2. Prior Related Actions/History of Board Actions

- **September 21, 2016 – Resolution No. 26073 (DA-5130, DA-5131, DA-5132, DA-5133, DA-5134, DA-5135, DA-5136, and DA-5137)**
The Board of Airport Commissioners (Board) approved six, seven-year contracts to Berg & Associates, Inc.; CMTS, LLC (CMTS); Jacobs Project Management Co.; Parsons Transportation Group Inc. (Parsons); Simpson & Simpson Management Consulting Inc.; and Vanir I ASL, LLC in the not-to-exceed amounts of \$10 million, \$4 million, \$70 million, \$35 million, \$10 million, and \$30 million, respectively, to provide PM/CM services to help deliver LAWA's CIP. The total combined value of these contracts is \$159 million with an estimated \$39 million primarily devoted to LAMP. The Board also appropriated funds for these contracts, based on a two-year forecast of services, for a combined total of \$87 million.
- **April 5, 2018 – Resolution No. 26460 (DA-5131, DA-5132, DA-5134, and DA-5135)**
The Board approved contract amendments to Lea+Elliott, Inc.; Jacobsen I Daniels Associates, LLC; CMTS; and Parsons, in the not-to-exceed amounts of \$39 million, \$28 million, \$8 million, and \$193 million, respectively, to provide Project Management Advisory Services (PMAS) and PM/CM services; the Board also appropriated funds in the amount of \$41 million for PMAS and \$162 million for PM/CM to continue the services through December 2020, predominantly for LAMP.
- **September 6, 2018 – Resolution No. 26596 (DA-5127, DA-5128, DA-5129, DA-5130, DA-5133, DA-5136, and DA-5137)**
The Board approved an appropriation of funds not to exceed \$33,723,000 for 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 (PC) support services (Quest Project Controls, Inc. dba CMS, IPCT, and Hill/APSI) for the LAWA 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 an 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 | ASL, LLC) and \$50,188,000 for PC support services (Quest Project Controls, Inc. dba CMS, IPCT, and Hill/APSI) for the LAWA CIP.

- **August 20, 2020 – Resolution No. 27091 (DA-5127, DA-5128, DA-5130, DA-5133, DA-5136, and DA-5137)**

The Board approved First Amendments for PC Services Contracts: DA-5127 with Construction Management Solutions, to increase the contract authority by \$1.5 million for a total contract amount of \$16.5 million; DA-5128 with Integrated Project Controls Team, to increase the contract authority by \$11.5 million for a total contract amount of \$54 million; and appropriated funds in the combined not-to-exceed amount of \$13 million for these services.

The Board approved First Amendments for PM/CM Services Contracts: DA-5130 with Berg & Associates, to increase the contract authority by \$2 million for a total contract amount of \$12 million; DA-5133 with Jacobs Project Management Co., to increase the contract authority by \$29 million for a total contract amount of \$99 million; DA-5136 with Simpson & Simpson Management Consulting, to increase the contract authority by \$2 million for a total amount of \$12 million; and DA-5137 with Vanir | ASL, to increase the contract authority by \$16 million for a total amount of \$46 mill; and appropriate funds in the combined not-to-exceed amount of \$49 million for these services.

3. Background

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

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 to many of the highest-profile developments, including LAMP component projects, West Gates at Bradley, Airport Police Facility, Terminal Development and Improvement Program, and various other capital projects, programs, and initiatives.

The proposed action requests a Second Amendment to one PM/CM services contract to fund services through the end of the seven-year contract term, through January 2024.

CMTS is a Small Business Enterprise (SBE) firm and their contract was awarded to support LAMP exclusively. CMTS has been successfully supporting LAMP in the areas of:

- a. Construction management
- b. Project management
- c. Design reviews
- d. Office and field engineering
- e. Technical support
- f. Change management and administration
- g. Administrative support

The First Amendment to their contract, approved by the Board in April 2018, provided capacity and funding anticipated through the end of 2020. Given the fiscal impacts of the COVID-19 pandemic and LAWA's cost savings measures implemented across all contracts, CMTS' current contract capacity has been able to cover services well into 2022. The requested Second Amendment will increase the authority by \$3,850,000 to continue advancing the LAMP program to include:

Landside Access Modernization Program - est. \$3,850,000

- Automated People Mover
- Consolidated Rental Car Facility
- Domestic Pipe Replacement
- Security Badge Office Relocation
- Roadways, Utilities, and Enabling Work
- Other Direct Costs (printing, vehicles, mileage, etc.)
- As-Needed Subject Matter Expertise

4. Current Action/Rationale

Staff requests that the Board approve the Second Amendment to Contract DA-5131 with CMTS, for PM/CM Services, to increase the contract authority by \$3,850,000, for a total contract amount of \$11,850,000. This total is fully budgeted within the 10-Year CIP. Labor and other direct costs will be allocated to the respective LAMP projects.

Approval of this request will provide contract capacity and funding anticipated for CMTS services through January 2024. Costs will continue to be managed through the issuance of task orders based on approved staffing plans and available project budget for the various services.

Staff is reviewing the other PM/CM firms supporting the full CIP and expects to return to the Board later this year to seek final contract amendments and appropriations through the end of the seven-year terms. Additionally, staff currently is procuring a new PM/CM contract to support the roadways component for the Airfield and Terminal Modernization Program and will advertise another procurement toward the end of 2022 for successor PM/CM contracts to support other future capital improvements.

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 Los Angeles International Airport and Van Nuys Airport. 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.

5. Selection Process

CMTS' contract was awarded through a competitive process conducted in 2016. The Board approved the contract for a term of seven years which will expire in January 2024. The process was established to return periodically to add contract capacity and appropriation as CIP projects needs became more defined. CMTS, a small firm, is one of two contracts awarded to support the LAMP program. Parsons is the large firm helping on LAMP, and their contract has sufficient capacity to reach the end of the term.

6. Action Requested

Approve the Second Amendment to Contract DA-5131 with CMTS, LLC to increase the contract authority by \$3,850,000 for Project Management and Construction Management Services.

7. 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.

Costs are managed under these on-call contracts via task orders which undergo a thorough review process with LAWA executives and project managers to identify opportunities for cost savings while still delivering critical developments and programs. All cost saving measures are continuously monitored to assess any adverse impacts on project delivery and LAWA's business partners.

8. 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 \$3,850,000 to be appropriated and allocated for PM/CM services and transferred from the LAX Revenue Fund to Work Breakdown

Structure (WBS) Element 1.22.18A-700 (LAX 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. 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 Landside Access Modernization Program Environmental Impact Report (EIR) was certified by the Board of Airport Commissioners for this project on March 2, 2017 (Resolution 26185) and the Addendum to the EIR was completed in September 2018.
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. CMTS, LLC is required by contract to 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 SBE goal for this project. CMTS, LLC committed to 100 percent SBE as CMTS, LLC is a certified SBE firm.
6. CMTS, LLC is required by contract to comply with the provisions of the Affirmative Action program.
7. CMTS, LLC has been assigned Business Tax Registration Certificate No. 0002552840-0001-1.
8. CMTS, LLC is required by contract to comply with the provisions of the Child Support Obligation Ordinance.
9. CMTS, LLC has approved insurance documents, in the terms and amounts required, on file with Los Angeles World Airports.
10. Pursuant to Charter Section 1022, staff determined the work specified on this contract can be performed more feasibly and economically by Independent Contractors than by City employees.
11. CMTS, LLC has submitted the Contractor Responsibility Program Questionnaire and Pledge of Compliance and will comply with the provisions of the Contractor Responsibility Program.
12. CMTS, LLC must be determined by Public Works, Office of Contract Compliance, to be in compliance with the provisions of the Equal Benefits Ordinance prior to execution of the contract amendment.

13. CMTS, LLC will be required to comply with the provisions of the First Source Hiring Program for all non-trade LAX Airport jobs.
14. CMTS, LLC has submitted the Bidder Contributions CEC Form 55 and will comply with its provisions.

SECOND AMENDMENT TO CONTRACT NO. DA- 5131
BETWEEN THE CITY OF LOS ANGELES AND CMTS, LLC FOR PROJECT
MANAGEMENT AND CONSTRUCTION MANAGEMENT SERVICES AT LOS ANGELES
INTERNATIONAL AIRPORT AND VAN NUYS AIRPORT

This **SECOND AMENDMENT TO CONTRACT NO. DA-5131** is made and entered into this ____ day of _____, 2022, between the City of Los Angeles, a municipal corporation (hereinafter referred to as “City”), acting by order of and through its Board of Airport Commissioners (herein referred to as “Board”) of the Department of Airports (hereinafter referred to as “Department” or “LAWA”) and CMTS, LLC, (hereinafter referred to as “Consultant”).

RECITALS

WHEREAS, City’s Department of Airports known formally as Los Angeles World Airports (“LAWA”) is responsible for the management and administration of this Con

WHEREAS, City and Consultant entered into Contract No. DA-5131 (the “Contract”) dated November 7, 2016, for Project Management and Construction Management services (“PMCM”) at Los Angeles World Airports (hereinafter referred to as “Project”),

WHEREAS, the Board approved the First Amendment to Contract DA-5131 for PMCM on April 5, 2018 to increase the total sum of the Contract by an additional four million dollars (\$4,000,000.00), for a total of eight million dollars (\$8,000,000.00);

WHEREAS, City and Consultant entered into First Amendment to Contract DA-5131 for PMCM on April 27, 2018;

WHEREAS, the Parties desire now and both agree to increase the total sum of the Contract by an additional three million, eight hundred fifty thousand dollars (\$3,850,000.00), for a total of eleven million, eight hundred fifty thousand dollars (\$11,850,000.00) which will require the approval of the Board;

NOW, THEREFORE, in consideration of the promises 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 1.0 Subsection 7.2 of Section 7.0 of the Contract is hereby deleted in its entirety and replaced with the following:

7.2 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 eleven million, eight hundred fifty thousand dollars (\$11,850,000.00).

It is understood and agreed by and between the parties hereto that, except as specifically provided herein, this Second Amendment to Contract DA-5131 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 DA-5131.

IN WITNESS WHEREOF, the parties hereto have made and executed this Second Amendment on the day and year first above written.

APPROVED AS TO FORM:
MICHAEL N. FEUER
City Attorney

CITY OF LOS ANGELES

Date: _____

By: _____

Justin Erbacci
Chief Executive Officer, LAWA

By: _____
Deputy/Assistant City Attorney

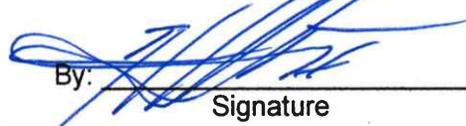
By: _____

Tatiana Starostina
Chief Financial Officer, LAWA

ATTEST:

CMTS, LLC

By: 
Signature (Witness)

By: 
Signature

Maxine Pryor
Print Name

K. Hezekiah Harris II
Print Name

President / Managing Member
Print Title

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