

RESOLUTION NO. 27668

WHEREAS, on recommendation of Management, there was presented for approval, Award of seven (7)-year Progressive Design-Build Contract to Skanska-Flatiron, a Joint Venture, covering Phase 1 of the Airfield and Terminal Modernization Project – Roadway Improvements at Los Angeles International Airport, for cost not to exceed \$173,700,000, and appropriation of \$192,200,000 for said project; and

WHEREAS, the Airfield and Terminal Modernization Project (ATMP) consists of several primary elements, including airfield improvements that would enhance operational management and safety within the north airfield, new terminal facilities that would upgrade passenger processing capabilities and enhance the passenger experience, and an improved system of roadways to better access the Central Terminal Area (CTA) and reduce congestion in and around Los Angeles International Airport (LAX); and

LAX

Van Nuys

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Mayor

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Commissioners

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Vice President

Gabriel L. Eshaghian
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Justin Erbacci
Chief Executive Officer

WHEREAS, the projects related to ATMP – Roadway Improvements will provide landside access to the proposed Terminal 9 facility, develop a comprehensive network of roadway system improvements that would separate and remove airport-related (i.e., CTA-related) traffic from the local roadway system (e.g., Sepulveda Boulevard), and improve access to the LAX Economy Parking and the future Ground Transportation Center that is linked to the future Automated People Mover system; and

WHEREAS, the ATMP – Roadway Improvements include primary components that are intended to support the roadway improvements, as well as secondary components that are either required to enable the primary scope or additional scope that was not previously identified but may become part of those roadway improvements. The order in which said components are to be designed and constructed will be established during Phase 1 of the Contract:

• Primary Components:

- | | |
|--|----------------------------------|
| 1. Roadways | 6. Street Lighting |
| 2. Rams and Bridges | 7. Signage and Striping |
| 3. Intersection Improvements | 8. Landscaping and Sidewalks |
| 4. Traffic Signals and Controls | 9. Utilities and Infrastructure |
| 5. Traffic Monitoring and Management Equipment | 10. Terminal 9 Circulation Roads |

• Secondary / Enabling Components:

1. Demolition of Existing Roadways
2. Demolition of Existing Facilities
3. New Terminal 9 Circulation Roads
4. Reconfiguration of LAX Gateway
5. Temporary Improvements to Enable Construction Phasing
6. Additional Roadway Improvements; and

WHEREAS, Figure 1, attached hereto and made part hereof, provides an initial concept of the new roadways associated with the ATMP Roadway Improvements. Phase I of the Contract will further develop the concepts and finalize the designs and phasing of those improvements; and

WHEREAS, Los Angeles World Airports (LAWA) received proposals from the following three firms that responded to the Request for Proposals:

- Connect LAX
- Kiewit Infrastructure West Co.
- Skanska-Flatiron, a Joint Venture (SFJV); and



WHEREAS, LAWA Procurement Services Division (PSD) reviewed all administrative requirements submitted and determined that all firms passed; and

WHEREAS, after review of technical proposals, all three firms were invited to participate in interviews. After interviews, two teams were invited to submit cost proposals. Technical proposals and interviews were reviewed and scored by a four-member evaluation panel in accordance with the following weighted criteria:

Part	Criteria Description	Criteria Score / Weight			
A	Administrative Requirements				
	Administrative Submittal	Pass/Fail			
B	Technical Proposals	Max Review Score	Weight	Max Possible Weighted Points	Min Qualifying Weighted Score (80%)*
B0	Minimum Qualifications	Pass/Fail			
B1	Technical Qualifications <ul style="list-style-type: none"> Proposed Firms Proposed Teams 	10	8	80	
B2	Project Approaches <ul style="list-style-type: none"> Project Management Plan Approaches to the Project Self-Perform Work Innovation Concepts 	10	10	100	
B3	AHJs and MOTs	10	10	100	
B4	Inclusivity	10	4	40	
B5	Cost & Schedule Metrics	10	8	80	
	Sub-Total Points	50		400	320
	Interview	10	35	350	280
	Total Weighted Technical Points			750	
C	Financial Proposal	Available Points			
	Labor Rate Schedule	150			
	Fee Proposal Form	100			
	Grand Total	1,000; and			

* LAWA may, at its own discretion, adjust the qualifying minimum score up or down, or forego the qualifying minimum score altogether. LAWA may base a decision on several factors including, but not limited to, number of proposals, quality of proposals, and other operational considerations.

WHEREAS, after scoring of the technical proposals, interviews, and cost proposals, SFJV was selected as the Design-Builder for projects related to the ATMP – Roadway Improvements. Said determination was based on SFJV's experience and innovative thinking for delivering the project at LAX, as well as a competitive cost proposal when compared to other proposers; and

WHEREAS, the evaluation panel believed that SFJV provided the best proposal and team. SFJV displayed unique capabilities, expertise, and experience that LAWA believes will provide the best outcome on the project. The firm displayed excellent understanding of the project throughout its team and strong previous experience with similar projects to those contemplated under the Contract; and

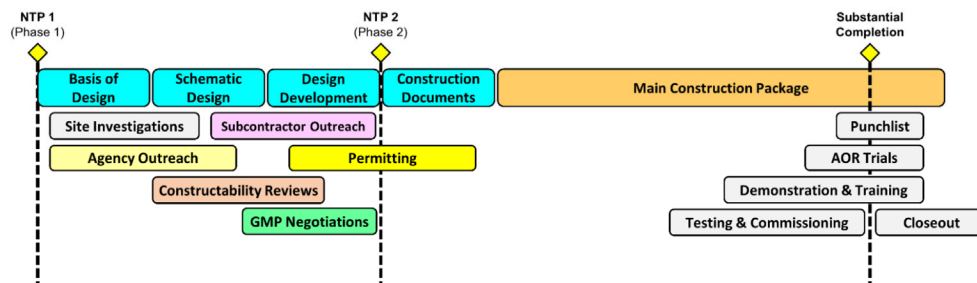
WHEREAS, LAWA entered into negotiations with SFJV. The result of those negotiations led to the not-to-exceed contract value of \$173,700,000 for Phase 1 design services. Said value generally is consistent with LAWA's independent estimate for mobilization, design, preconstruction, and early enabling works for the ATMP – Roadway Improvements; and

WHEREAS, as a potentially federally-funded project, LAWA procured the Contract under federal guidelines. Under federal policy, the procurement was not subject to LAWA's Local Business Preference Program, nor its mandatory Small Business Enterprise/Local Business Enterprise/Local Small Business Enterprise programs; and

WHEREAS, the selected Design-Build team will perform design, pre-construction, and construction services related to the ATMP – Roadway Improvements. This is anticipated to be a two-phase progressive design-build contract with Phase 1 services including, but not limited to, the following:

- Mobilization:
Project Management Office (PMO), Insurance and Bonds, Staff Onboarding, etc.
- Design:
Basis of Design, Alternatives Analysis, Schematic Design, 3D Modeling, Design Development, Early Permitting, Construction Documents, etc.
- Preconstruction:
Field Investigations, Exploratory Excavations, Subcontractor Outreach and Procurement, Cost Estimating, Phasing and Logistics Planning, Scheduling, Stakeholder Outreach, etc.
- Early Enabling Work:
Utility Relocations, Purchase of Long-Lead Equipment, etc.; and

WHEREAS, the Contract will involve Component Guaranteed Maximum Price (CGMP)/Guaranteed Maximum Price (GMP) development. The work packages will occur in parallel, allowing for early delivery of select project components while design is still ongoing. The following Figure 2 outlines the general design, preconstruction, construction, and closeout activities of the progressive design-build contract and how the overlapping components accelerate project delivery with minimal risk. Upon completion of the various Design Development Packages, SFJV will submit various CGMP/GMP proposals for Phase 2 of the contract, which includes construction, commissioning, and closeout activities. The CGMP/GMP proposals will be developed from detailed estimates by the Design-Build team, using independent cost estimates and actual competitive bids from key subcontractors; and



WHEREAS, as design development is completed and CGMPs/GMP are negotiated and finalized, staff will return to the Board and request approval of contract amendments for Phase 2 construction and for appropriation of additional associated funds; and

WHEREAS, the estimated cost for Phase 1 of the project is \$192,200,000, which includes costs for the basis of design, alternatives analysis, proof of concept, design to 100%, permitting, pre-

construction services, early enabling work, allowances, other construction support services, and owner contingency as shown in the following table:

Design-Build Contract – Phase 1	
Design and Pre-Construction Services	\$ 173,700,000
Other Costs – Phase 1	
• Other Construction Support Services (Permit, Testing, etc.)	1,000,000
Phase 1 Sub Total	\$ 174,700,000
Project Contingency – Phase 1	17,500,000
Total Design-Build Cost with Contingency – Phase 1	\$ 192,200,000; and

WHEREAS, the project will be partially grant-funded. LAWA has requested Bipartisan Infrastructure Law (BIL) grant funds from the Federal Aviation Administration (FAA) for the project in the 2022 and 2023 competitive grant funding cycles. On July 7, 2022, the FAA awarded \$50 million in grant funds for the project from the 2022 funding cycle. The FAA is anticipated to announce projects selected for awards for the 2023 funding cycle by March 2023; and

WHEREAS, in addition to said confirmed \$50 million award, LAWA will receive another \$79.3 million and an additional \$79.3 million of allocation in 2023, based upon the BIL formula allocation grant calculation. The BIL will provide three additional formula allocations in the future years, which currently are planned to be used for the future phases of the ATMP – Roadway Improvement Projects; and

WHEREAS, 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 environmental impacts of the ATMP Roadway Improvements were evaluated under the Environmental Impact Report for the LAX ATMP certified by the Board of Airport Commissioners on October 7, 2021 (Resolution 27351); and

WHEREAS, SFJV will comply with the provisions of the Living Wage Ordinance, Affirmative Action Program, and Child Support Obligations Ordinance; and

WHEREAS, PSD has reviewed this action (File 10159) and established mandatory goal of 15% Disadvantaged Business Enterprise. SFJV pledged to said goal; and

WHEREAS, SFJV must provide a Business Tax Registration Certificate number prior to execution of the Contract; and

WHEREAS, SFJV must have approved insurance documents, in the terms and amounts required, on file with LAWA prior to issuance of a Notice to Proceed; and

WHEREAS, SFJV has submitted the Contractor Responsibility Program Questionnaire and Pledge of Compliance, and will comply with the provisions of said program; and

WHEREAS, SFJV has been determined by Public Works, Office of Contract Compliance, to be in full compliance with the provisions of the Equal Benefits Ordinance; and

WHEREAS, SFJV has submitted the Bidder Contributions CEC Form 55, MLO CEC Form 50, and Iran Contracting Act Affidavit, and will comply with their provisions; and

WHEREAS, 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;

NOW, THEREFORE, BE IT RESOLVED that the Board of Airport Commissioners adopted the Staff Report; determined 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; found that the work can be performed more economically or feasibly by an independent contractor than by City employees; further found that the proposal from Skanska-Flatiron, a Joint Venture, represents the lowest ultimate cost (as defined in City Charter Section 371) to the City than any other responsive proposal submitted; further found that award of the Contract is in compliance with Los Angeles City Ordinance 187476 approved by the City Council on April 27, 2022; approved Award of seven (7)-year Progressive Design-Build Contract to Skanska-Flatiron, a Joint Venture, covering Phase 1 of the Airfield and Terminal Modernization Project – Roadway Improvements at Los Angeles International Airport, for cost not to exceed \$173,700,000, subject to change order authority by the Chief Executive Officer, or designee, as necessary; further approved a budgeted owner's contingency of \$17,500,000 for Phase 1 of said project that can only be utilized through change orders authorized by the Chief Executive Officer, or designee, or the Board of Airport Commissioners; further approved appropriation and allocation of \$192,200,000, from the LAX Revenue Fund to WBS Element 1.21.24A-700 (ATMP – Roadway & Mobility Improvements), bringing the total appropriations for the project to \$275,700,000, for Phase 1 of the project for services including, but not limited to, mobilization, design services, preconstruction services, early enabling work, permitting, Guaranteed Maximum Price development, and owner's contingency, whereas staff will return to the Board of Airport Commissioners upon completion and request approval of the Guaranteed Maximum Price package proposals and for future phases of the project and appropriation of the associated funds; authorized the Chief Executive Officer, or designee, to approve and execute change orders, up to a budgeted Owner's contingency of \$17,500,000, for Phase 1 of the project, provided that, prior to execution of any change order in excess of \$5,000,000, the Board of Airport Commissioners shall have reviewed and authorized execution thereof, and such authorization shall become final pursuant to City Charter Section 245; and further authorized the Chief Executive Officer, or designee, to execute said Contract with Skanska-Flatiron, a Joint Venture, after approval as to form by the City Attorney and approval by the Los Angeles City Council.

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I hereby certify that this Resolution No. 27668 is true and correct, as adopted by the Board of Airport Commissioners at its Regular Meeting held on Thursday, January 19, 2023.



Grace Miguel – Secretary
BOARD OF AIRPORT COMMISSIONERS

Attachment:

- Figure 1 (General ATMP - Roadway Improvements)

Figure 1: General ATMP - Roadway Improvements

