

0150-11073-0004

**T R A N S M I T T A L**

TO Justin Erbacci, Chief Executive Officer Department of Airports	DATE 05/26/2023	COUNCIL FILE NO.
FROM The Mayor	COUNCIL DISTRICT 11	

**Proposed Progressive Design-Build Contract with Hensel Phelps Construction Co. for Phase 1 of the Landscaping Improvements Program at Los Angeles International Airport**

Transmitted for further processing, including Council consideration. See the City Administrative Officer report attached.

  
MAYOR  
(Chris Thompson for)

MWS/PJH/JVW:DG:10230110t

REPORT FROM

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

---

---

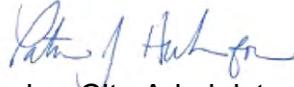
Date: April 6, 2023

CAO File No. 0150-11073-0004

Council File No.

Council District: 11

To: The Mayor



From: Matthew W. Szabo, City Administrative Officer

Reference: Correspondence from Los Angeles World Airports Board of Airport Commissioners (Board) dated February 16, 2023 and March 8, 2023; referred by the Mayor for a report on February 16, 2023

Subject: **RESOLUTION NO. 27683 AND PROPOSED PROGRESSIVE DESIGN-BUILD CONTRACT WITH HENSEL PHELPS CONSTRUCTION CO. FOR PHASE 1 OF THE LANDSCAPING IMPROVEMENTS PROGRAM AT LOS ANGELES INTERNATIONAL AIRPORT**

---

---

### RECOMMENDATION

That the Mayor:

1. Approve Los Angeles World Airports (LAWA) Resolution No. 27683 authorizing a proposed five-year progressive design-build contract with Hensel Phelps Construction Co. to implement Phase 1 of the Landscaping Improvements Program at Los Angeles International Airport, for a compensation limit not-to-exceed \$13,067,519;
2. Adopt the California Environmental Quality Act (CEQA) determinations of the March 8, 2023 Board of Airport Commissioners (Board) Resolution 27683, that the action is not a project as defined by CEQA and is exempt from CEQA pursuant to State CEQA Guidelines Section 15306, and Article II Section 2.f and Article III Class 6 (2) of the Los Angeles City CEQA Guidelines; and
3. Authorize the Chief Executive Officer, or designee, to execute the proposed agreement and return the Resolution to LAWA for further processing, including Council consideration.

### SUMMARY

The Los Angeles World Airports (LAWA; Department) Board of Airport Commissioners (Board) requested approval of its March 8, 2023 Resolution 27683, to execute a proposed five-year progressive design-build contract (Agreement) with Hensel Phelps Construction Co. (Hensel Phelps) to implement the Design Development Package (Phase 1) for the Landscaping Improvements Program at Los Angeles International Airport (LAX). Through the proposed

Agreement, Hensel Phelps will provide engineering, design, early enabling work, and pre-construction activities to facilitate the primary scope or the additional scope that has yet to be identified. Compensation for the proposed Agreement is for an amount not-to-exceed \$13,067,519. In additional actions, the Board approved appropriations totaling \$3,851,504 for expenses associated with City services, various support services, and owner contingency. The combined project cost (including the contract of \$13,067,519 and City services) is \$16,919,023.

The proposed contract has been approved as to form by the City Attorney. Pursuant to Charter Section 373 and Los Angeles Administrative Code Section 10.5, Council approval is required because the cumulative contract term exceeds three years. Our Office has reviewed the request and recommends approval.

## **BACKGROUND**

On March 8, 2023 and February 16, 2023, the Board approved Resolution 27683 and a LAWA staff report requesting approval to execute a proposed five-year Agreement with Hensel Phelps to deliver the first of a two-phase progressive design-build project for the LAX Landscaping Improvements Program (Program). Phase 1 of the proposed contract will provide engineering, design, pre-construction services, and development of the Guarantee Maximum Price (GMP). Upon achieving 60 percent of the Phase 1 design package, Hensel Phelps will provide LAWA with the GMP proposal for Phase 2, which consists of construction, closeout activities, and commissioning. Depending on the contractor's performance through the first phase and the cost of the construction proposal, LAWA will have the option to either (1) negotiate the terms for the construction phase with Hensel Phelps and return to the Board for approval, or (2) solicit bids from other construction firms for Phase 2.

The objective of the LAX Landscaping Improvements Program is to create social settings that are directly connected to the future Automated People Mover and modernize the facades of the parking structures. As reported by LAWA, the program will transform approximately 13 acres of open-air space by creating four outdoor plazas and beautifying the parking exteriors around the Central Terminal Area (CTA) through vertical landscaping, supergraphics, digital screens, and other enhancement imageries. Each location will consist of landscaping, seating, and wayfinding, in addition to concessions and advertising spaces. The resulting benefits created are leisure spaces for employees to eat lunch or take breaks, convenient passenger waiting areas other than the terminal or baggage claim area, and new revenue-generating opportunities for LAWA.

## **Competitive Selection Process**

On August 5, 2022, LAWA posted a draft Request for Proposals (RFP) soliciting qualified contractors to carry out the design and construction of the LAX Landscaping Improvements Program. This action was succeeded by a virtual pre-proposal conference on August 24, 2022, to present the Department's initiatives and answer questions from the firms that were in attendance. The final RFP was subsequently drafted and released on August 25, 2022. LAWA established a five-member Evaluation Panel composed of the Department's senior-level staff to assess the proposals. The RFP included a minimum baseline scoring requirement for the Technical

Qualifications portion of the evaluation. If firms did not meet the minimum threshold, they were not allowed to advance to the succeeding steps of the process. This approach enabled the Evaluation Panel to eliminate unqualified firms early in the competitive process and establish a refined list of well-qualified proposers to continue through the remaining stages of the RFP.

On September 14, 2022, five firms submitted proposals. All of the proposers passed the administrative requirements, consequently, one firm was excluded from the competitive process being that the organization did not generate the minimum point requirement during the Technical Qualifications assessment. The four remaining firms met the baseline condition and were advanced to the proceeding stages of the competitive process.

Based on the scoring outcome of the remaining criteria, Hensel Phelps was the highest-ranking firm. The Evaluation Panel concluded that the contractor provided the best value procurement because it demonstrated extensive knowledge, strong experience and expertise with similar projects, and an innovative approach to the design and construction services required to timely complete the project. Similar projects at LAX such as the Terminal 1.5 and Terminal 1.5 Secure Connector were successfully completed by Hensel Phelps in 2021 and 2022 respectively.

## **Phase 1 and Phase 2**

*Phase 1* - Construction activities are not planned during the initial phase but a significant amount of mobilization, design, pre-construction, and early enabling work will occur. The components included in the first phase are forecasted to take up to 18 months to complete, commencing in the second quarter of 2023 and concluding during the third quarter of 2024. LAWA will implement Target Value Design (TVD) procedures to manage the primary stages. This management practice will enable LAWA and the contractor to prevent overruns and stay within given budget parameters by consistently reviewing, estimating, and adjusting the design. LAWA and Hensel Phelps will separately prepare independent estimates at each formal design milestone to evaluate costs, risks, and benchmarks. Precautionary measures as such enhance collaboration efforts for sound decision-making to achieve higher degrees of effective and efficient outcomes. Furthermore, management processes included in TVD provide LAWA with more project controls to keep schedules on track and implement safeguards to suppress costs.

*Cost-Benefit Study* - As plans develop, LAWA will conduct an independent cost study for Phase 2 construction and support costs. Such action provides LAWA with in-depth data to perform a comparative analysis in parallel with various Phase 2 GMP proposals produced by Hensel Phelps. The start of GMP negotiations for the individual construction packages can begin once LAWA and the design-builder have more clarity on the construction scope, phasing, and division of work.

*Performance Contingencies* - LAWA reports that award of the initial contract and approval of Phase 1 does not commit LAWA to proceeding with Phase 2 of the contract with Hensel Phelps, nor does it preclude the Board's ability to terminate the Agreement with the contractor at any time. Alternatively, LAWA could select another firm to complete the design and undertake construction. Before proceeding with Phase 2, the Department will ensure that (1) 60 percent of the design package is complete, (2) the contractor's Phase 1 performance has been sufficient, and (3) GMP

proposals are presented to LAWA based upon detailed estimates provided by Hensel Phelps and compared to independent estimates obtained by LAWA. At this point, LAWA will utilize the knowledge derived from the cost analysis to negotiate a fair market price to carry out the construction components of the project and finalize the Agreement.

*Phase 2* - After selecting a contractor and prior to commencing construction, LAWA will return to the Board to request additional funds and appropriations to initiate the next steps of the project. LAWA estimates a construction budget of approximately \$105 million over a two year span. Phase 2 will include competitively bid subcontractor pricing for key trades to ensure that the City of Los Angeles receives the lowest cost available. According to LAWA projections, construction is scheduled to begin in the third quarter of 2024, with substantial completion by the end of the second quarter of 2026, in time for the International Federation of Association Football (FIFA) World Cup. The target date to conclude the project is the fourth quarter of 2026.

**LAX Landscaping Improvements Program Project Budget**

*Project Cost and Funding* – Capital funds not-to-exceed \$16,919,023 are requested to finance the program. Costs associated with the proposed initiative are contained in LAWA’s 2022 Capital Improvement Plan (CIP), therefore, approval of the proposed Agreement will not result in a net increase to the programmed CIP budget. Board actions included an appropriation of \$3,851,504 for City services, contingency and soft costs not included in the design and construction contract. A breakdown of the estimated design-build costs associated with Phase 1 of the project is shown in the table below:

<b>Proposed Contract with Hensel Phelps Construction Co. LAX Landscaping Improvements Program – Phase 1</b>	
<b>Description</b>	<b>Estimated Costs</b>
Design & Construction Contract	\$13,067,519
City Services, Contingency and Soft Costs	
<i>City Services - \$200,000</i>	
<i>Owner Contingency - \$1,538,104</i>	
<i>Soft Costs - \$2,113,400</i>	
Subtotal City Services, Contingency and Soft Cost	<u>\$3,851,504</u>
<b>Total Phase 1 Project Appropriation</b>	<b>\$16,919,023</b>

**CITY COMPLIANCE**

The City Attorney has reviewed the proposed Contract as to form and legality. The proposed Agreement includes provisions to ensure compliance with applicable City Ordinances, contracting, and insurance requirements. In accordance with Charter Section 373 and Administrative Code Section 10.5(a) and 10.5(b)(2), the Contract requires Council approval because the total term of the Agreement exceeds three years. The Department’s Procurement Services Division staff reviewed this action (File No. 10335) and established mandatory goals of 20 percent Small Business Enterprise (SBE), 10 percent Local Business Enterprise (LBE), five percent Local Small Business Enterprise (LSBE), and three percent Disabled Veteran Business Enterprise (DVBE). As

reported by LAWA staff, Hensel Phelps proposed a level of 20 percent SBE, 10 percent LBE, five percent LSBE, and three percent DVBE participation.

## **FISCAL IMPACT STATEMENT**

Approval of the proposed five-year design-build contract with Hensel Phelps Construction Co. will have no impact on the City's General Fund. Authorization of capital funds in the amount of \$16,919,023 is requested to be appropriated from the LAX Revenue Fund to WB Element 1.23.07A-700 and included in the LAWA's 2022 Capital Improvement Plan. Of the total appropriated, \$13,067,519 is authorized for the Hensel Phelps contract. The actions of the proposed Agreement comply with the Los Angeles World Airports' adopted Financial Policies.

Attachment 1 BOAC February 16, 2023 Report and March 8, 2023 Resolution No. 27683

*MWSPJH/JVW:DG:10230110*

**AMENDED**  
**at the meeting**  
 (see meeting video or minutes)

 LOS ANGELES WORLD AIRPORTS <b>Report to the</b> <b>BOARD OF AIRPORT COMMISSIONERS</b>		Item Number <span style="font-size: 2em; color: blue;">14</span>																																																
Approver: <u></u> <small>Teresa Mestas (Feb 10, 2023 15:02 PST)</small> <b>Terri Mestas, Chief Development Officer</b>	<b>Meeting Date</b>  <b>2/16/2023</b>																																																	
Reviewer: <u></u> <small>D Dazé (Feb 10, 2023 15:22 PST)</small> <b>Brian C. Ostler, City Attorney <i>JRL</i></b>	<b>Needs Council Approval: <input checked="" type="checkbox"/> Y</b>																																																	
<u></u> <small>Justin Erbacci (Feb 10, 2023 15:48 PST)</small> <b>Justin Erbacci, Chief Executive Officer</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Reviewed for/by</th> <th>Date</th> <th>Approval Status</th> <th>By</th> </tr> </thead> <tbody> <tr> <td>Finance</td> <td>2/8/2023</td> <td><input checked="" type="checkbox"/> Y <input type="checkbox"/> NA</td> <td>JS</td> </tr> <tr> <td>CEQA</td> <td>2/6/2023</td> <td><input checked="" type="checkbox"/> Y</td> <td>JD</td> </tr> <tr> <td>Procurement</td> <td>1/12/2023</td> <td><input checked="" type="checkbox"/> Y <input type="checkbox"/> Cond</td> <td>BG</td> </tr> <tr> <td>Guest Experience</td> <td>1/9/2023</td> <td><input checked="" type="checkbox"/> Y</td> <td>TB</td> </tr> <tr> <td>Strategic Planning</td> <td>1/31/2023</td> <td><input checked="" type="checkbox"/> Y</td> <td>BNZ</td> </tr> </tbody> </table>	Reviewed for/by	Date	Approval Status	By	Finance	2/8/2023	<input checked="" type="checkbox"/> Y <input type="checkbox"/> NA	JS	CEQA	2/6/2023	<input checked="" type="checkbox"/> Y	JD	Procurement	1/12/2023	<input checked="" type="checkbox"/> Y <input type="checkbox"/> Cond	BG	Guest Experience	1/9/2023	<input checked="" type="checkbox"/> Y	TB	Strategic Planning	1/31/2023	<input checked="" type="checkbox"/> Y	BNZ	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Reviewed for/by</th> <th>Date</th> <th>Approval Status</th> <th>By</th> </tr> </thead> <tbody> <tr> <td>Finance</td> <td>2/8/2023</td> <td><input checked="" type="checkbox"/> Y <input type="checkbox"/> NA</td> <td>JS</td> </tr> <tr> <td>CEQA</td> <td>2/6/2023</td> <td><input checked="" type="checkbox"/> Y</td> <td>JD</td> </tr> <tr> <td>Procurement</td> <td>1/12/2023</td> <td><input checked="" type="checkbox"/> Y <input type="checkbox"/> Cond</td> <td>BG</td> </tr> <tr> <td>Guest Experience</td> <td>1/9/2023</td> <td><input checked="" type="checkbox"/> Y</td> <td>TB</td> </tr> <tr> <td>Strategic Planning</td> <td>1/31/2023</td> <td><input checked="" type="checkbox"/> Y</td> <td>BNZ</td> </tr> </tbody> </table>	Reviewed for/by	Date	Approval Status	By	Finance	2/8/2023	<input checked="" type="checkbox"/> Y <input type="checkbox"/> NA	JS	CEQA	2/6/2023	<input checked="" type="checkbox"/> Y	JD	Procurement	1/12/2023	<input checked="" type="checkbox"/> Y <input type="checkbox"/> Cond	BG	Guest Experience	1/9/2023	<input checked="" type="checkbox"/> Y	TB	Strategic Planning	1/31/2023	<input checked="" type="checkbox"/> Y	BNZ
Reviewed for/by	Date	Approval Status	By																																															
Finance	2/8/2023	<input checked="" type="checkbox"/> Y <input type="checkbox"/> NA	JS																																															
CEQA	2/6/2023	<input checked="" type="checkbox"/> Y	JD																																															
Procurement	1/12/2023	<input checked="" type="checkbox"/> Y <input type="checkbox"/> Cond	BG																																															
Guest Experience	1/9/2023	<input checked="" type="checkbox"/> Y	TB																																															
Strategic Planning	1/31/2023	<input checked="" type="checkbox"/> Y	BNZ																																															
Reviewed for/by	Date	Approval Status	By																																															
Finance	2/8/2023	<input checked="" type="checkbox"/> Y <input type="checkbox"/> NA	JS																																															
CEQA	2/6/2023	<input checked="" type="checkbox"/> Y	JD																																															
Procurement	1/12/2023	<input checked="" type="checkbox"/> Y <input type="checkbox"/> Cond	BG																																															
Guest Experience	1/9/2023	<input checked="" type="checkbox"/> Y	TB																																															
Strategic Planning	1/31/2023	<input checked="" type="checkbox"/> Y	BNZ																																															

## SUBJECT

Request to award a five-year Progressive Design-Build contract to Hensel Phelps Construction Co., for a not-to-exceed amount of \$13,067,519, for Phase 1 (design and preconstruction) of the Landscaping Improvements Program at Los Angeles International Airport, and to appropriate capital funds in the amount of \$16,919,023.

## RECOMMENDATIONS

Management RECOMMENDS that the Board of Airport Commissioners:

1. ADOPT the Staff Report.
2. DETERMINE that this action is not a project as defined in the California Environmental Quality Act (CEQA) (Pub. Resources Code, § 21065; State CEQA Guidelines, § 15378) and is also exempt from CEQA pursuant to State CEQA Guidelines section 15306, and Article II, Section 2.f and Article III, Class 6 (2) of the Los Angeles City CEQA Guidelines.
3. FIND that the work can be performed more economically or feasibly by an independent contractor than by City employees.
4. FURTHER FIND that the proposal from Hensel Phelps Construction Co. represents the lowest ultimate cost (as defined in Charter Section 371) to the City.
5. FURTHER FIND that the award of contract is in compliance with Los Angeles City Ordinance No. 187476 approved by the City Council on May 4, 2022.

6. APPROVE the award of a five-year Design-Build contract to Hensel Phelps Construction Co. for Phase 1 of the Landscaping Improvements Program at Los Angeles International Airport in the not-to-exceed amount of \$13,067,519, subject to change order authority by the Chief Executive Officer, or designee, as necessary. Potential future approval of Phase 2 is subject to completion of appropriate analysis under CEQA and all other applicable requirements.
7. FURTHER APPROVE a budgeted owner's contingency in the amount of ~~\$1,369,600~~ <sup>\$1,538,104</sup> for Phase 1 of the contract. This contingency can only be utilized through change orders authorized by the Chief Executive Officer, or designee, or the Board of Airport Commissioners as outlined below.
8. APPROPRIATE capital funds in the amount of \$16,919,023 for Phase 1 of the contract, including, but not limited to, design, permitting, preconstruction services, Guaranteed Maximum Price development, soft costs, and project contingency. Staff will return to the Board of Airport Commissioners upon the completion of the Guaranteed Maximum Price proposal and request approval of a contract amendment for Phase 2 of the contract and appropriation of the associated funds.
9. AUTHORIZE the Chief Executive Officer, or designee, to approve and execute change orders to the contract up to the budgeted Owner's Contingency of ~~\$1,528,100~~ <sup>\$1,538,104</sup> for Phase 1 of the contract, provided that, prior to execution of any change order in excess of \$500,000, the Board of Airport Commissioners shall have reviewed and authorized the execution thereof, and such authorization shall become final pursuant to City Charter Section 245.
10. FURTHER AUTHORIZE the Chief Executive Officer, or designee, to execute the contract with Hensel Phelps Construction Co. upon its approval as to form by the City Attorney, and approval by the Los Angeles City Council.

## DISCUSSION

### 1. Purpose

The award of contract to Hensel Phelps Construction Co. (Hensel Phelps) will enable the design and future construction of landscaping improvements that will enhance the user experience at Los Angeles International Airport (LAX). If approved, the Landscaping Improvements Program would provide new outdoor plazas, parking garage façade improvements, landscaping, technology innovation, pedestrian paths of travel, and other amenities at the LAX Campus, thereby increasing revenue potential and enhancing the user experience for passengers, employees, and guests.

### 2. Prior Related Actions/History of Board Actions

- **December 16, 2021 – Resolution No. 27410**  
The Board of Airport Commissioners (Board) requested the Los Angeles City Council to consider and approve an ordinance to allow use of Alternate Project Delivery Methods and Competitive Sealed Proposal Selection process for Design-Build, Public Private Partnerships, and Construction Manager at Risk contracts for delivery of the Airfield and Terminal Modernization Project (ATMP), and related projects, at LAX.

### 3. Background

In 2017, Los Angeles World Airports (LAWA) approved the LAX Landside Access Modernization Program (LAMP), which included an Automated People Mover (APM) system around the Central Terminal Area (CTA) and new intermodal transportation facilities. In 2021, LAWA approved the ATMP. The ATMP includes a series of new airside, landside, and terminal improvements to enhance the user experience and increase business opportunities at LAX. Among other things, this includes a series of new roadways and mobility improvements throughout the LAX Campus. As the LAMP and ATMP facilities near completion in the coming years, LAWA plans to improve the landscaping and public outdoor areas throughout the LAX Campus to improve the guest experience.

This LAX Landscaping Improvements Program, would reimagine the exterior areas of the LAX Campus by providing a series of new outdoor plazas (as shown on the exhibits which follow) that would have landscaping, seating, wayfinding, and meter/greeter type elements. To support these areas, the goal is to create new and riveting customer experience with concessions and advertising spaces, which would provide future revenue-generating opportunities. Additionally, improvements would be made to the facades of the parking structures which also could have advertising and digital content to create a more uniform landside experience for guests as they exit the terminals in the Central Terminal Area (CTA) and Ground Transportation Center (GTC). These features also would provide potential revenue generating opportunities for the airport.

### 4. Current Action/Rationale

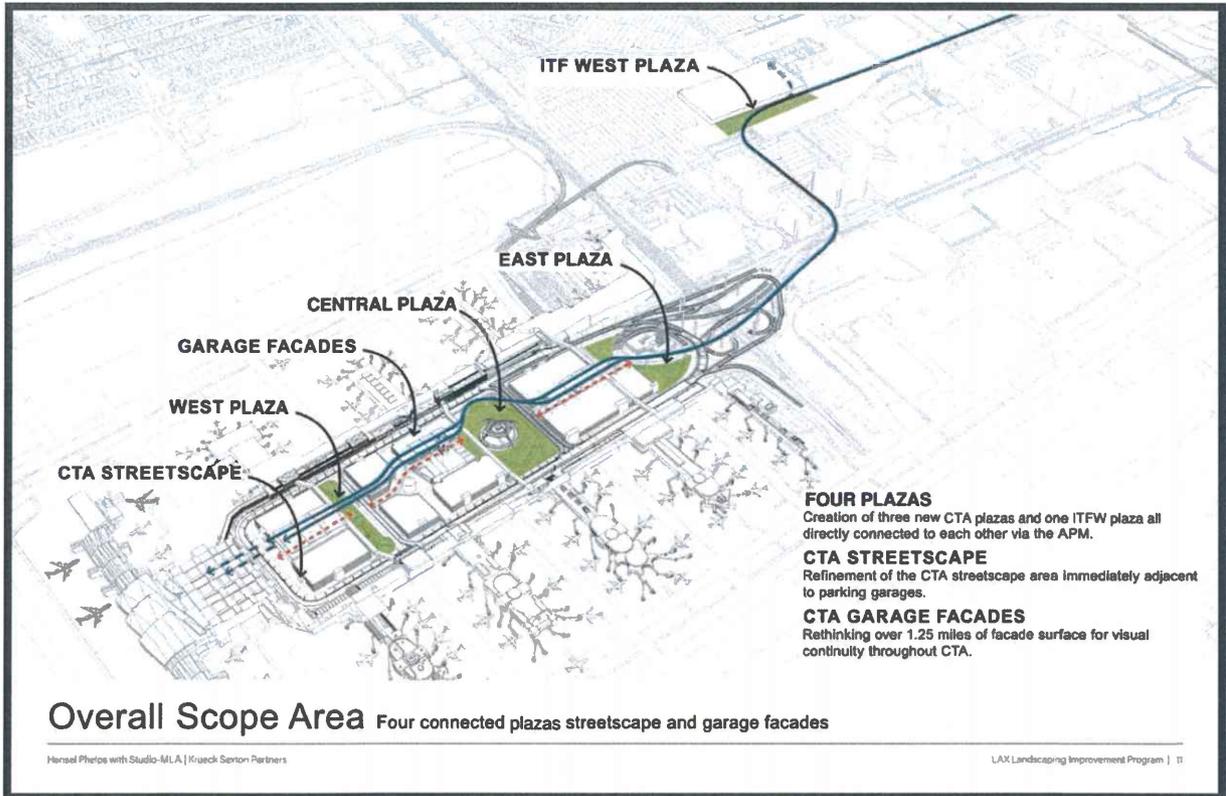
#### *Scope of Work*

If approved, the LAX Landscaping Improvements Program would create new outdoor plazas, paired with new landscaping and technology improvements throughout the CTA and GTC. This may include, but is not limited to:

- **New Outdoor Plazas** (≈ 13 acres of potential plaza improvements)  
Create new plazas with new landscaping, hardscaping, outdoor furniture, technology, and public art. The opportunities for new plazas include:
  - West CTA Plaza (Plaza at Parking Structure 3 and 4)
  - Central CTA Plaza (Theme Building Plaza)
  - East CTA Plaza (Administration East Plaza)
  - Ground Transportation Center (GTC) Plaza
- **CTA Parking Garage Façade Improvements** (≈ 103,000 square feet of potential façade surface improvements)
  - Vertical landscaping
  - Supergraphics and Digital Screens
  - Other Possible Enhancements include: paint, cladding, smart glass, etc.)
- **Potential Scope** (That will be explored during Phase 1 of the contract)
  - Automated People Mover Column Enhancements
  - Curbside and Soffit Improvements (Arrivals Level)
  - Security Improvements (Bollards, etc.)

In the appendix of this report are some renderings of designs that are being considered for further development.

Below is a map of the proposed areas to be addressed in this contract:



### ***Project Delivery***

The LAX Landscaping Improvements Program would be delivered using a two-phase Progressive Design-Build delivery method.

Phase 1 would include (Elements of this board action):

- Design: Basis of Design, Schematic Design, Design Development, Building Information Modeling, Add Alternatives Analysis, etc.
- Preconstruction: Field Investigations, Exploratory Excavations, Subcontractor Outreach and Procurement, Cost Estimating, Phasing and Logistics Planning, Scheduling and Stakeholder Outreach
- Development of the Guaranteed Maximum Price (GMP) (which would come back to the Board for review and approval).
- This phase would take about 12-18 months

Phase 2 (Elements of the next board action):

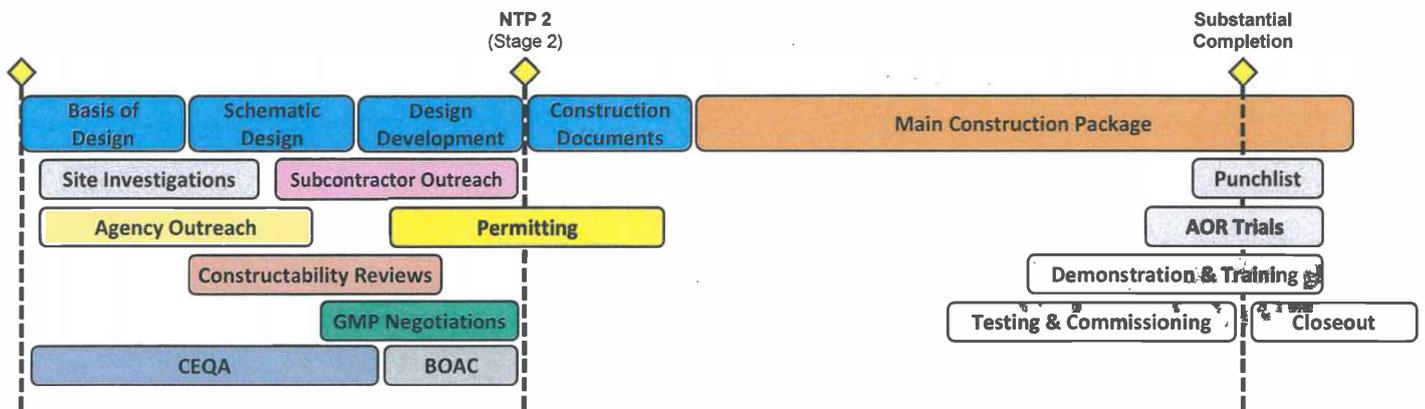
- Would be for the construction phase of the project if the GMP is approved.
- This phase would take approximately two years with a final completion date no later than December 31, 2026. The majority of the construction would be completed by the summer of 2026, in time for the 2026 FIFA World Cup.

- Phase 2 is subject to completion of appropriate analysis under CEQA and all other applicable requirements.

Los Angeles World Airports will be using Target Value Design, where the design will be continuously reviewed, estimated, and adjusted to stay within a budget constraint. Los Angeles World Airports and the Design-Builder will separately prepare independent estimates at each formal design-milestone, and will continuously monitor costs, risks, milestones, etc., to inform key decisions throughout Phase 1 of the contract. The team will conduct regular stakeholder meetings, participate in partnering to provide ongoing reports, design charrettes, and constant coordination throughout all stages of the contract. In order to maximize collaboration and transparency, the LAWA and Design-Builder Project Team will co-locate into a Project Management Office.

At the completion of the Design Development Package (Phase 1), Hensel Phelps would develop the GMP proposal for Phase 2, which would include Construction and Closeout Activities. The GMP Proposal would be developed based on the design from the Design-Builder, using actual competitive bids from key subcontractors plus sufficient contingencies for the remaining design. Once the GMP has been negotiated and finalized, staff would return to the Board for approval of the GMP in order to appropriate the remaining funds and execute future phases of the contract. Before returning to the Board, staff would prepare the appropriate level of documentation under CEQA, which would depend on the project description developed during Phase 1.

### Project Delivery Process



### Differentiating Features of the Selected Team

The Hensel Phelps Co. team and proposed project approach will allow this project to encompass diversity, sustainability and world class experiences to continue to achieve the LAX Gold Standard. Some of these features are:

#### Team Chemistry and Diversity

- MLA Studio is a Los Angeles based Women Owned Business providing landscape architecture services. MLA Studio worked on the LAX Police Facility and was the Landscape Architect for So-Fi Stadium

- Krueck & Sexton Partners is a Small Business Enterprise with international experience providing architectural design services. They worked on the Terminal 7 & 8 redevelopment project and iconic outdoor plazas such as Crown Fountain in Chicago.
- Hensel Phelps has worked with both firms and worked on numerous projects at LAX.
- The Hensel Phelps team has committed to meet or exceed the projects inclusivity and local hire goals: SBE 20%, LBE 10%, LSBE 5%, DVBE 3%, 30% Local Hire participation. They have also committed to provide technical assistance to eliminate barriers to participation and hold their own XBE outreach events and create social media tools to increase awareness and participation.
- The Hensel Phelps team as committed to the priority hiring of HireLAX Graduates, host HireLAX graduate reunion events and provide a Craftworker Utilization Plan and Schedule with monthly updates.

#### Sustainability Approach

- Storm water management with water storage facilities in nearby locations
- Tree Species selection that mitigates the need extensive watering
- Solar energy opportunities to target a carbon neutral landscape

#### Innovation Approach

- Additional CTA Pick Up Zones
- A concessions consultant on their team
- An approach to the arrivals level enhancement
- Budget strategies to control costs

#### ***Environmental Process***

The award of contract does not constitute approval of the project under CEQA because the award of the contract and approval of Phase 1 involve continuing administrative activities that would not cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. (Pub. Resources Code, § 21065; State CEQA Guidelines, § 15378(b)(2).) In addition, the action is not defined as a project under CEQA because it involves government fiscal activities which do not commit LAWA to any specific project that may result in a potentially significant physical impact on the environment. (State CEQA Guidelines, § 15378(b)(4).) The design work contemplated in Phase 1 would not have any significant physical impact on the environment, and award of the contract and approval of Phase 1 do not commit LAWA to proceeding with Phase 2 of the contract and do not foreclose the Board's ability to decide not to proceed with Phase 2 of the contract. Prior to Phase 2 of the contract, LAWA would conduct an environmental review of the proposed design in compliance with CEQA and other applicable laws. Furthermore, LAWA would ensure that the proposed design complies with the LAX Specific Plan, the LAX Plan, and all applicable LAX Design Guidelines and Standards.

In addition, to the extent site investigations and surveys are required during Phase 1 to develop the proposed design, these activities would involve basic data collection, research, experimental management, and resource evaluation activities needed for the environmental review and permitting and would not result in any serious or major disturbance to an environmental resource. As such, they are categorically exempt from CEQA under State CEQA Guidelines section 15306 (Information Collection).

**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 enables improvements that will enhance the user experience throughout the LAX Campus with new outdoor spaces, improved aesthetics, and the possibility for new concessions access for our guests and business opportunities for operators.

**5. Selection Process**

On August 5, 2022, LAWA posted a draft Request for Proposal (RFP) on the Regional Alliance Marketplace for Procurement (RAMPLA). Los Angeles World Airports hosted a Pre-Proposal Conference on August 24, 2022, with over 40 attendees, and posted the Final RFP on RAMPLA on August 25, 2022.

Los Angeles World Airports received five proposals on the due date of September 14, 2022, from the Design-Build teams listed below:

- Hensel Phelps
- Kemp Bros Construction
- Skanska USA Building Inc.
- Suffolk Construction Company
- Swinerton Builders

Technical Proposals, Interviews, and Price Proposals were scored using the following criteria:

	Criteria Description	Maximum Weighted Points
<b>A</b>	<b>Administrative Requirements</b>	
	Administrative Submittal	Pass/Fail
<b>B</b>	<b>Technical Qualifications</b>	
B1	Minimum Qualifications	Pass/Fail
B2	Technical Qualifications	50
	<b>Sub-Total</b>	<b>50</b>
<b>C</b>	<b>Technical Proposal</b>	
C1	Design Concepts	200
C2	Management Plan	100
C3	Schedule	80
C4	Inclusivity and Workforce	70
	<b>Sub-Total</b>	<b>450</b>
	Interview	200
	<b>Total Weighted Technical Points</b>	<b>700</b>
<b>D</b>	<b>Cost Proposal and Proposal Bond</b>	
D1	Cost Proposal	300
D2	Proposal Bond	Pass/Fail
	<b>Sub-Total</b>	<b>300</b>
	<b>Total Available Points</b>	<b>1,000</b>

Los Angeles World Airports' Strategic Sourcing Division reviewed all administrative requirements submitted and determined that all five Design-Build teams fulfilled the Administrative Requirements.

### Written Proposal Results

Proposals were rated independently by a five-member, senior-level Evaluation Panel.

The RFP established a threshold that only firms scoring 40 points or higher in the Part B - Technical Qualification would be invited to participate in Part C - Technical Proposal and Part D – Cost Proposal and Proposal Bond. The following four firms (in alphabetical order) met this baseline criteria and were invited for Part C and Part D submission.

- Hensel Phelps
- Skanska USA Building Inc.
- Suffolk Construction Company
- Swinerton Builders

The panelists evaluated the Technical Qualification portion – Part C and then interviewed the proposers during the Week of December 1 – December 5, 2022. Upon completion of the technical and interview phases (Part B and C), cost proposals (Part D) were submitted on January 9, 2023, and were scored accordingly against the scoring criteria. Based on all of the above scoring criteria, Hensel Phelps Co. was the highest ranking firm.

Throughout the selection process, Hensel Phelps demonstrated a thorough understanding of the project, extensive experience with the project delivery, and a strong commitment and approach to the design and construction services required to successfully complete the project.

### 6. Fiscal Impact

- The LAX Landscaping Improvements Program is included in LAWA's 2022 Capital Improvement Plan (CIP).
- Breakdown of request to appropriate capital funds in the amount of \$16,919,023:
  - \$13,067,519 for design & construction contract (Hensel Phelps)
  - \$ 200,000 for City Services (i.e., Permitting)
  - ~~\$ 1,538,100~~ <sup>\$1,538,104</sup> for Owner Contingency
  - \$ 2,113,400 for 21 months of Project Management, Project Controls, IT Support, Inspections and Planning Services support. This soft cost allocation covers the initial design phase and monies to bridge the time gap until the final GMP (Phase 2) is fully approved and executed. These budgets will be reconciled at the time of the GMP.

### 7. Alternatives Considered

- **Take No Action**  
If the LAX Landscaping Improvement Program is deferred, the existing conditions will remain in their current state, with minimal landscaping and outdoor gathering spaces and limited advertising revenue from the exterior areas of the CTA.

## APPROPRIATIONS

Staff requests that funds in the not-to-exceed amount of \$16,919,023 be appropriated from the LAX Revenue Fund to WBS Element 1.23.07A-700.

## STANDARD PROVISIONS

1. This action, as a continuing administrative activity, is not a project as defined in the California Environmental Quality Act (CEQA) pursuant to Public Resources Code section 21065 and State CEQA Guidelines section 15378 and is exempt from CEQA pursuant to Article II, Section 2.f of the Los Angeles City CEQA Guidelines. In addition, basic data collection, field testing, research, experimental management and resource activities of City Departments, bureaus, divisions, sections, offices or officers which do not result in serious or major disturbances to an environmental resource, is exempt from CEQA requirements pursuant to State CEQA Guidelines section 15306 and Article III, Class 6 (2) of the Los Angeles City CEQA Guidelines.
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. Hensel Phelps will comply with the provisions of the Living Wage Ordinance.
5. Procurement Services has reviewed this action (File No. 10335) and established mandatory goals of 20% SBE, 10% LBE, 5% LSBE, and 3% DVBE. Hensel Phelps pledged to 20% SBE, 10% LBE, 5% LSBE, and 3% DVBE.
6. Hensel Phelps will comply with the provisions of the Affirmative Action Program.
7. Hensel Phelps has been assigned Business Tax Registration Certificate No. 0000099083-0001-4.
8. Hensel Phelps will comply with the provisions of the Child Support Obligations Ordinance.
9. Hensel Phelps has approved insurance documents, in the terms and amounts required, on file with Los Angeles World Airports.
10. This action is not subject to the provisions of Charter Section 1022 (Use of Independent Contractors).
11. Hensel Phelps has submitted the Contractor Responsibility Program Questionnaire and Pledge of Compliance and will comply with the provisions of the Contractor Responsibility Program.
12. Hensel Phelps has been determined by Public Works, Office of Contract Compliance, to be in full compliance with the provisions of the Equal Benefits Ordinance.
13. This action is not subject to the provisions of the First Source Hiring Program.

14. Hensel Phelps has submitted the Bidder Contributions CEC Form 55 and will comply with its provisions.
15. Hensel Phelps has submitted the MLO CEC Form 50 and will comply with its provisions.
16. Hensel Phelps has submitted the Iran Contracting Act and will comply with its provisions.

## APPENDIX



**West Plaza Guest Experience** view looking north towards pickup zone and pavilion

Hensel Phelps with Studio Mt. A | Krueck Sexton Partners

LAX Landscaping Improvement Program | 37



**Central Plaza Guest Experience** Entry plaza looking south with cloud seating and info kiosk

Hensel Phelps with Studio Mt. A | Krueck Sexton Partners

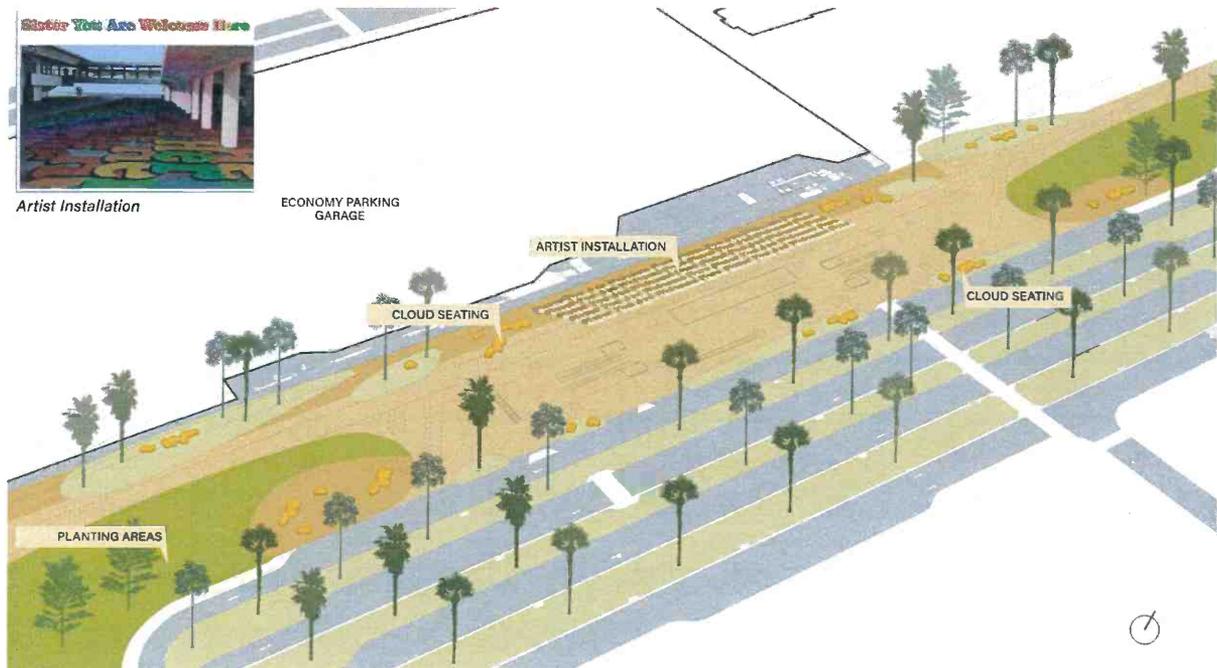
LAX Landscaping Improvement Program | 40



**East Plaza Guest Experience** Providing a new icon moment with clear pathway connectors

Hensel Phelps with Studio-MLA | Krueck Sexton Partners

LAX Landscaping Improvement Program | 42



**ITF West Plaza Programming** Clear movement centered on art, cloud seating and large framing planting areas



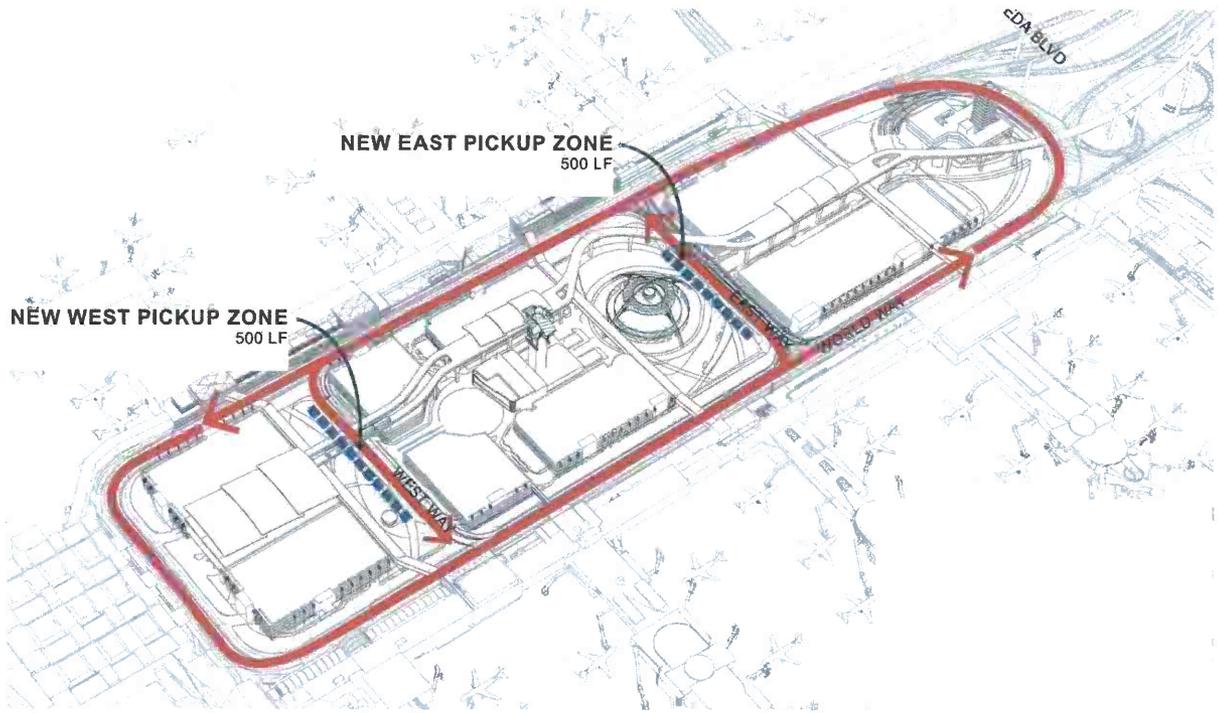
**Guest Experience: Drop-Off and Pick-Up**

---

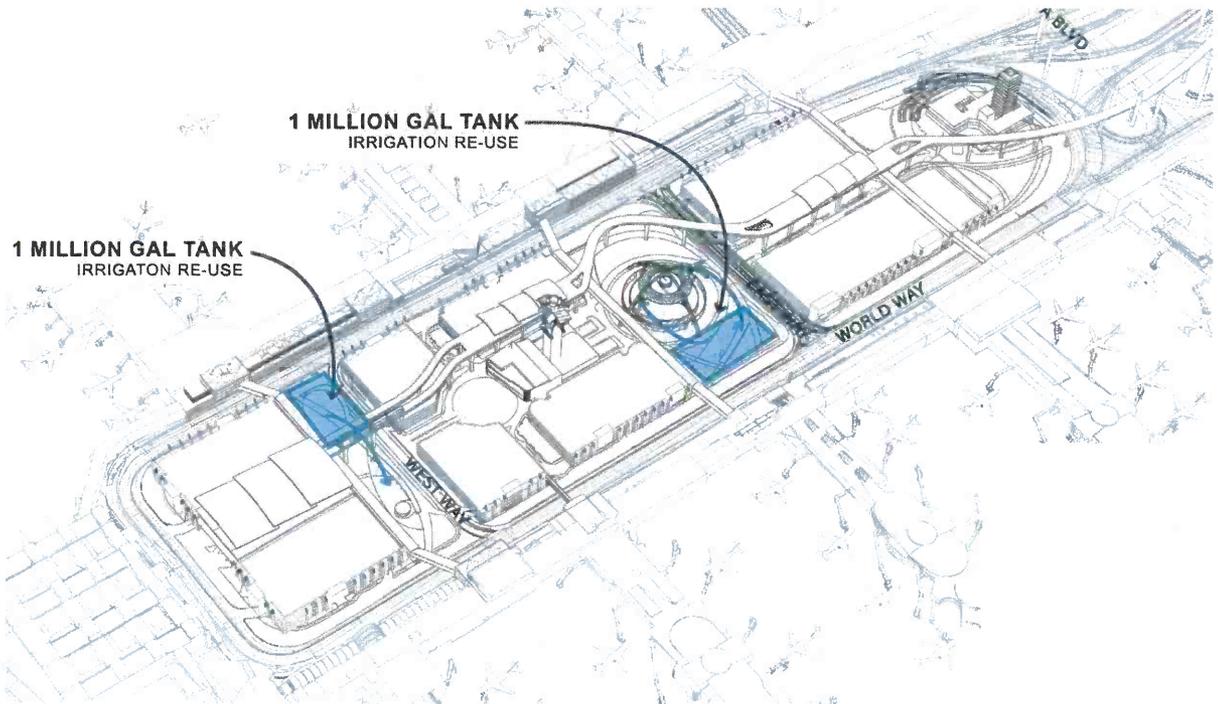


**Guest Experience: Arrival**

Innovation and Sustainability



**Vehicular Mobility and Safety** Enhance CTA efficiency and safety with new one-way pickup zones



**Stormwater** Underground modular tank collectors, reuse for irrigation

March 8, 2023

The Honorable City Council  
of the City of Los Angeles  
City Hall, Room 395  
Los Angeles, CA 9001

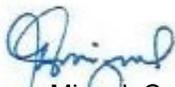
*Subject:* Five (5)-year Progressive Design-Build Contract with Hensel Phelps Construction Co.

Pursuant to Section 373 of the City Charter, enclosed for your approval is the five (5)-year Progressive Design-Build Contract with Hensel Phelps Construction Co. that was approved by the Board of Airport Commissioners at its February 16, 2023 meeting. There is no impact to the General Fund.

**RECOMMENDATIONS FOR CITY COUNCIL:**

1. Adopt the determination by said Board that this action is not a project as defined in the California Environmental Quality Act (CEQA) (Pub. Resources Code Section 21065, State CEQA Guidelines Section 15378) and is also exempt from CEQA pursuant to State CEQA Guidelines Section 15306, and Article II Section 2.f and Article III Class 6 (2) of the Los Angeles City CEQA Guidelines; and
2. Approve the five (5)-year Progressive Design-Build Contract with Hensel Phelps Construction Co., covering Phase 1 (design and preconstruction) of the Landscaping Improvements Program at Los Angeles International Airport, for cost not to exceed \$13,067,519; and
3. Concur with said Board's action on February 16, 2023, by Resolution 27683, authorizing the Chief Executive Officer, or designee, of Los Angeles World Airports to execute said Contract with Hensel Phelps Construction Co.

Very truly yours,



Grace Miguel, Commission Executive Assistant II  
BOARD OF AIRPORT COMMISSIONERS

**Enclosures**

- cc: Trade, Travel and Tourism Committee  
Councilmember Park, e-file  
Councilmember McOsker, e-file  
Councilmember Soto-Martinez, e-file  
CAO (Airport Analyst), e-file  
CLA (Airport Analyst), e-file  
City Clerk's Office, e-file



RESOLUTION NO. 27683

WHEREAS, on recommendation of Management, there was presented for approval, Award of five (5)-year Progressive Design-Build Contract to Hensel Phelps Construction Co. covering Phase 1 (design and preconstruction) of the Landscaping Improvements Program at Los Angeles International Airport, for cost not to exceed \$13,067,519, and appropriation of capital funds of \$16,919,023; and

WHEREAS, in 2017, Los Angeles World Airports (LAWA) approved the Los Angeles International Airport (LAX) Landside Access Modernization Program (LAMP), which included an Automated People Mover (APM) system around the Central Terminal Area (CTA) and new intermodal transportation facilities. In 2021, LAWA approved the Airfield and Terminal Modernization Program (ATMP). The ATMP includes a series of new airside, landside, and terminal improvements to enhance user experience and increase business opportunities at LAX. Among other things, it includes a series of new roadways and mobility improvements throughout the LAX campus. As the LAMP and ATMP facilities near completion in the coming years, LAWA plans to improve the landscaping and public outdoor areas throughout the LAX campus to improve guest experience; and

WHEREAS, the LAX Landscaping Improvements Program would reimagine the exterior areas of the LAX campus by providing a series of new outdoor plazas that would have landscaping, seating, wayfinding, and meter/greeter type elements. To support those areas, the goal is to create new and riveting customer experience with concessions and advertising spaces, which would provide future revenue-generating opportunities. Additionally, improvements would be made to the facades of the parking structures which could also have advertising and digital content to create a more uniform landside experience for guests as they exit the terminals in the CTA and Ground Transportation Center (GTC). Those features would also provide potential revenue-generating opportunities for the airport; and

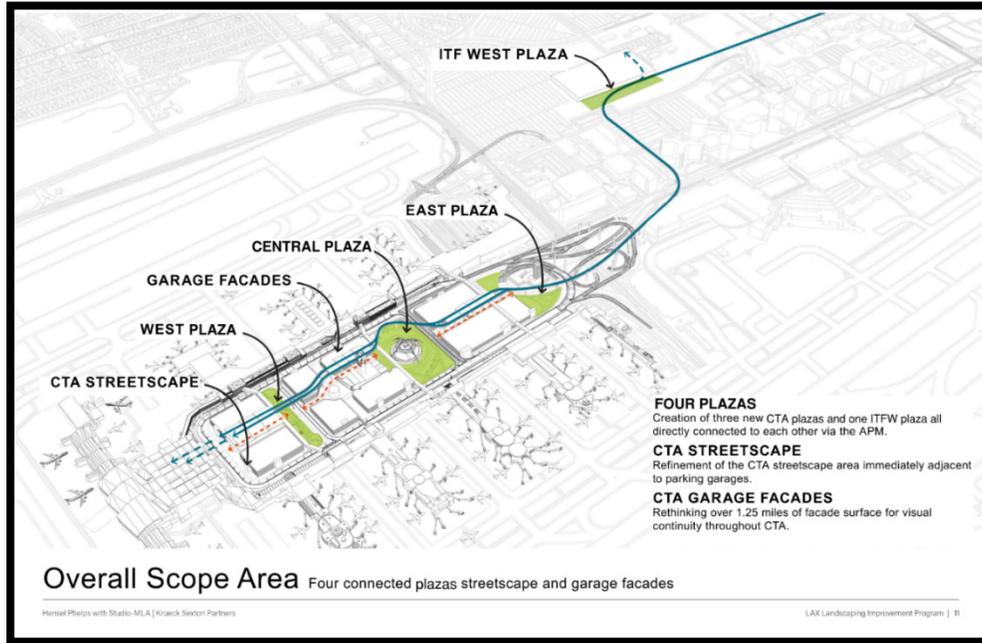
WHEREAS, the LAX Landscaping Improvements Program would create new outdoor plazas, paired with new landscaping and technology improvements throughout the CTA and GTC that may include, but not limited to:

- New Outdoor Plazas (≈ 13 acres of potential plaza improvements)  
Create new plazas with new landscaping, hardscaping, outdoor furniture, technology, and public art. The opportunities for new plazas include:
  - West CTA Plaza (Plaza at Parking Structure 3 and 4)
  - Central CTA Plaza (Theme Building Plaza)
  - East CTA Plaza (Administration East Plaza)
  - GTC Plaza
- CTA Parking Garage Facade Improvements (≈ 103,000 square feet of potential façade surface improvements)
  - Vertical landscaping
  - Supergraphics and Digital Screens
  - Other Possible Enhancements include paint, cladding, smart glass, etc.
- Potential Scope (that will be explored during Phase 1 of the Contract)
  - APM Column Enhancements
  - Curbside and Soffit Improvements (Arrivals Level)
  - Security Improvements (bollards, etc.); and

LAX  
Van Nuys  
City of Los Angeles  
Karen Bass  
Mayor  
Board of Airport  
Commissioners  
Beatrice C. Hsu  
President  
Valeria C. Velasco  
Vice President  
Gabriel L. Eshaghian  
Matthew M. Johnson  
Nicholas P. Roxborough  
Belinda M. Vega  
Karim Webb  
Justin Erbacci  
Chief Executive Officer



WHEREAS, following is a map of the proposed areas to be addressed in the Contract:



WHEREAS, LAWA received proposals from the following five (5) Design-Build teams that responded to the Request for Proposals (RFP):

- Hensel Phelps Construction Co. (Hensel Phelps)
- Kemp Bros Construction
- Skanska USA Building Inc.
- Suffolk Construction Company
- Swinerton Builders; and

WHEREAS, Technical Proposals, Interviews, and Price Proposals were scored using the following criteria:

Part	Criteria Description	Minimum Weighted Points
A	Administrative Requirements Administrative Submittal	Pass/Fail
B	Technical Qualifications	
B1	Minimum Qualifications	Pass/Fail
B2	Technical Qualifications	50
	Sub-Total	50
C	Technical Proposal	
C1	Design Concepts	200
C2	Management Plan	100
C3	Schedule	80
C4	Inclusivity and Workforce	70
	Sub-Total	450
	Interview	200
	Total Weighted Technical Points	700

(table continued)

Part	Criteria Description	Minimum Weighted Score
D	Cost Proposal and Proposal Bond	
D1	Cost Proposal	300
D2	Proposal Bond	Pass/Fail
	Sub-Total	300
	Total Available Points	1,000; and

WHEREAS, LAWA Strategic Sourcing Division reviewed all administrative requirements submitted and determined that all five (5) Design-Build teams fulfilled the Administrative Requirements; and

WHEREAS, the RFP established a threshold that only firms scoring 40 points or higher in Part B – Technical Qualification would be invited to participate in Part C – Technical Proposal and Part D – Cost Proposal and Proposal Bond. The following four (4) firms (in alphabetical order) met the baseline criteria and were invited for Part C and Part D submission:

- Hensel Phelps
- Skanska USA Building Inc.
- Suffolk Construction Company
- Swinerton Builders; and

WHEREAS, upon completion of the technical and interview phases (Parts B and C), cost proposals (Part D) were submitted and were scored accordingly against the scoring criteria. Based on all of the above scoring criteria, Hensel Phelps was the highest ranking firm; and

WHEREAS, throughout the selection process, Hensel Phelps demonstrated a thorough understanding of the project, extensive experience with project delivery, and a strong commitment and approach to design and construction services required to successfully complete the project; and

WHEREAS, the LAX Landscaping Improvements Program would be delivered using a two (2)-phase Progressive Design-Build delivery method:

Phase 1 would include (elements of this Board action):

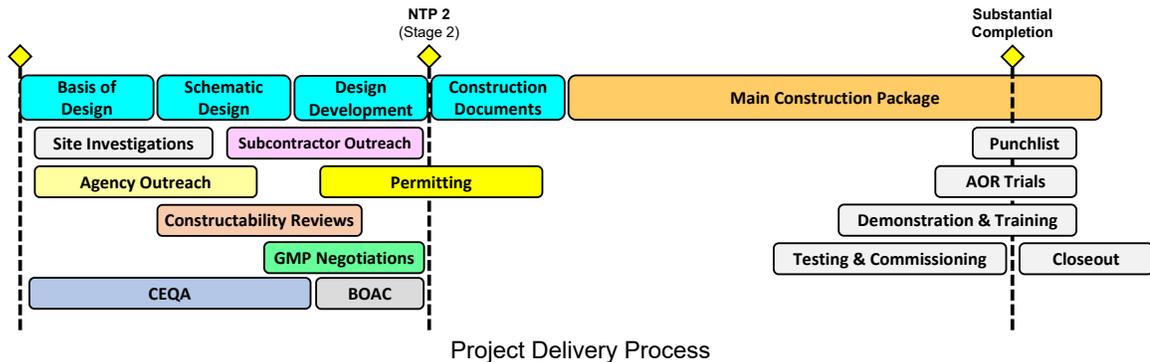
- Design: Basis of Design, Schematic Design, Design Development, Building Information Modeling, Add Alternatives Analysis, etc.
- Preconstruction: Field Investigations, Exploratory Excavations, Subcontractor Outreach and Procurement, Cost Estimating, Phasing and Logistics Planning, Scheduling and Stakeholder Outreach
- Development of the Guaranteed Maximum Price (GMP) (which would come back to the Board for review and approval)
- This phase would take about 12-18 months

Phase 2 (elements of the next Board action):

- Would be for the construction phase of the project if the GMP is approved
- This phase would take approximately two (2) years with a final completion date no later than December 31, 2026. Majority of the construction would be completed by the summer of 2026, in time for the 2026 FIFA World Cup.
- Phase 2 is subject to completion of appropriate analysis under California Environmental Quality Act (CEQA) and all other applicable requirements; and

WHEREAS, LAWA will be using Target Value Design, where the design will be continuously reviewed, estimated, and adjusted to stay within a budget constraint. LAWA and the Design-Builder will separately prepare independent estimates at each formal design-milestone, and will continuously monitor costs, risks, milestones, etc., to inform key decisions throughout the Phase 1 of the Contract. The team will conduct regular stakeholder meetings, participate in partnering to provide ongoing reports, design charrettes, and constant coordination throughout all stages of the Contract. In order to maximize collaboration and transparency, the LAWA and Design-Builder Project Team will co-locate into a Project Management Office; and

WHEREAS, at completion of the Design Development Package (Phase 1), Hensel Phelps would develop the GMP proposal for Phase 2, which would include Construction and Closeout Activities. The GMP proposal would be developed based on the design from the Design-Builder, using actual competitive bids from key subcontractors plus sufficient contingencies for the remaining design. Once the GMP has been negotiated and finalized, staff would return to the Board for approval of the GMP in order to appropriate the remaining funds and execute future phases of the Contract. Before returning to the Board, staff would prepare the appropriate level of documentation under CEQA, which would depend on the project description developed during Phase 1; and



WHEREAS, the Hensel Phelps team and proposed project approach will allow the project to encompass diversity, sustainability and world class experiences to continue to achieve the LAX Gold Standard. Some of these features are:

Team Chemistry and Diversity

- MLA Studio is a Los Angeles-based Women Owned Business providing landscape architecture services. The firm worked on the LAX Police Facility and was the Landscape Architect for So-Fi Stadium.
- Krueck & Sexton Partners is a Small Business Enterprise (SBE) with international experience providing architectural design services. The firm worked on the Terminal 7 & 8 redevelopment project and iconic outdoor plazas such as Crown Fountain in Chicago.
- Hensel Phelps has worked with both firms and worked on numerous projects at LAX.
- The Hensel Phelps team has committed to meet or exceed the projects inclusivity and local hire goals: SBE 20%, Local Business Enterprise (LBE) 10%, Local Small Business Enterprise (LSBE) 5%, Disabled Veterans Business Enterprise (DVBE) 3%, 30% Local Hire participation. The firm has also committed to provide technical assistance to eliminate barriers to participation and hold its own XBE outreach events and create social media tools to increase awareness and participation.
- The Hensel Phelps team is committed to the priority hiring of HireLAX Graduates, host HireLAX graduate reunion events and provide a Craftworker Utilization Plan and Schedule with monthly updates.

Sustainability Approach

- Storm water management with water storage facilities in nearby locations

- Tree Species selection that mitigates the need for extensive watering
- Solar energy opportunities to target a carbon neutral landscape

#### Innovation Approach

- Additional CTA Pick Up Zones
- A concessions consultant on its team
- An approach to the arrivals level enhancement
- Budget strategies to control costs; and

WHEREAS, the award of contract does not constitute approval of the project under CEQA because award of the Contract and approval of Phase 1 involve continuing administrative activities that would not cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. (Pub. Resources Code Section 21065, State CEQA Guidelines Section 15378(b)(2)) In addition, the action is not defined as a project under CEQA because it involves government fiscal activities which do not commit LAWA to any specific project that may result in a potentially significant physical impact on the environment. (State CEQA Guidelines Section 15378(b)(4)) The design work contemplated in Phase 1 would not have any significant physical impact on the environment, and award of the Contract and approval of Phase 1 do not commit LAWA to proceeding with Phase 2 of the Contract and do not foreclose the Board's ability to decide not to proceed with Phase 2 of the Contract. Prior to Phase 2 of the Contract, LAWA would conduct an environmental review of the proposed design in compliance with CEQA and other applicable laws. Furthermore, LAWA would ensure that the proposed design complies with the LAX Specific Plan, the LAX Plan, and all applicable LAX Design Guidelines and Standards; and

WHEREAS, in addition, to the extent site investigations and surveys are required during Phase 1 to develop the proposed design, these activities would involve basic data collection, research, experimental management, and resource evaluation activities needed for environmental review and permitting and would not result in any serious or major disturbance to an environmental resource. As such, they are categorically exempt from CEQA under State CEQA Guidelines Section 15306 (Information Collection); and

WHEREAS, the LAX Landscaping Improvements Program is included in LAWA's 2022 Capital Improvement Plan. Following is a breakdown of the appropriation of capital funds in the amount of \$16,919,023:

- \$13,067,519 for design & construction contract (Hensel Phelps)
- \$ 200,000 for City services (i.e., Permitting)
- \$ 1,538,104<sup>◇</sup> for Owner's Contingency
- \$ 2,113,400 for 21 months of Project Management, Project Controls, IT Support, Inspections and Planning Services support. This soft cost allocation covers the initial design phase and monies to bridge the time gap until the final GMP (Phase 2) is fully approved and executed. These budgets will be reconciled at the time of the GMP; and

<sup>◇</sup> *This amount for Owner's Contingency is a Board-approved amendment to the staff report. The same amendment was made to two references of the Owner's Contingency amount under the Recommendations section of said staff report and, thus, reflected in the final operative clause of this Resolution.*

WHEREAS, this action, as a continuing administrative activity, is not a project as defined in CEQA pursuant to Public Resources Code section 21065 and State CEQA Guidelines Section 15378 and is exempt from CEQA pursuant to Article II, Section 2.f of the Los Angeles City CEQA Guidelines. In addition, basic data collection, field testing, research, experimental management and resource activities of City departments, bureaus, divisions, sections, offices or officers which do not result in serious or major disturbances to an environmental resource, is exempt from CEQA requirements

pursuant to State CEQA Guidelines Section 15306 and Article III, Class 6 (2) of the Los Angeles City CEQA Guidelines; and

WHEREAS, Hensel Phelps will comply with the provisions of the Living Wage Ordinance; and

WHEREAS, Procurement Services has reviewed this action (File 10335) and established mandatory goals of 20% SBE, 10% LBE, 5% LSBE, and 3% DVBE. Hensel Phelps pledged to said goals; and

WHEREAS, Hensel Phelps will comply with the provisions of the Affirmative Action Program; and

WHEREAS, Hensel Phelps has been assigned Business Tax Registration Certificate 0000099083-0001-4; and

WHEREAS, Hensel Phelps will comply with the provisions of the Child Support Obligations Ordinance; and

WHEREAS, Hensel Phelps has approved insurance documents, in the terms and amounts required, on file with LAWA; and

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

WHEREAS, Hensel Phelps 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, Hensel Phelps has submitted the Bidder Contributions CEC Form 55, and will comply with its provisions; and

WHEREAS, Hensel Phelps has submitted the MLO CEC Form 50, and will comply with its provisions; and

WHEREAS, Hensel Phelps has submitted the Iran Contracting Act Affidavit, and will comply with its 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 amended Staff Report; determined that this action is not a project as defined in CEQA (Pub. Resources Code Section 21065, State CEQA Guidelines Section 15378) and is also exempt from CEQA pursuant to State CEQA Guidelines Section 15306, and Article II Section 2.f and Article III Class 6 (2) 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 Hensel Phelps Construction Co. represents the lowest ultimate cost (as defined in Charter Section 371) to the City; further found that the award of contract is in compliance with Los Angeles City Ordinance 187476 approved by the City Council on May 4, 2022; approved Award of five (5)-year Progressive Design-Build Contract to Hensel Phelps Construction Co. covering Phase 1 (design and preconstruction) of the Landscaping Improvements Program at Los Angeles International Airport, for cost not to exceed \$13,067,519, subject to change order authority by the Chief Executive Officer, or designee, as necessary, whereas potential future approval of Phase 2 is subject to completion of appropriate analysis under CEQA and all other applicable requirements; further approved a budgeted Owner's Contingency of \$1,538,104 for Phase 1 of the Contract 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 of not to exceed \$16,919,023, from the LAX Revenue Fund to WBS Element 1.23.07A-700, for Phase 1 of the Contract, including, but not limited to, design, permitting, preconstruction services, Guaranteed Maximum Price development, soft costs, and project contingency, whereas staff will return to the Board of Airport Commissioners upon completion of the Guaranteed Maximum Price proposal and request approval of a contract amendment for Phase 2 of the Contract and appropriation of the associated funds; authorized the Chief Executive Officer, or designee, to approve and execute change orders to the Contract up to the budgeted Owner's Contingency of \$1,538,104 for Phase 1 of the Contract, provided that, prior to execution of any change order in excess of \$500,000, 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 Hensel Phelps Construction Co. after approval as to form by the City Attorney and approval by the Los Angeles City Council.

o0o

I hereby certify that this Resolution No. 27683 is true and correct, as adopted by the Board of Airport Commissioners at its Regular Meeting held on Thursday, February 16, 2023.



Grace Miguel – Secretary  
BOARD OF AIRPORT COMMISSIONERS