

0150-10808-0000

**TRANSMITTAL**

TO Deborah Flint, Chief Executive Officer Department of Airports	DATE <b>OCT 24 2016</b>	COUNCIL FILE NO.
FROM The Mayor	COUNCIL DISTRICT 6, 11	

**Request to Award Eight Seven-Year Contracts for Program Management  
Support and Advisory Services and Project/Construction Management  
For a Not-to-Exceed \$185 Million in Support of Los Angeles  
World Airports' Capital Improvement Projects**

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

And Guerrero

MAYOR

MAS:WDC: 10170028t

CAO 649-d

REPORT FROM

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Date: October 24, 2016

CAO File No. 0150-10808-0000

Council File No.

Council District: 6, 11

To: The Mayor

From: Miguel A. Santana, City Administrative Officer



Reference: Request from the Los Angeles World Airports dated September 21, 2016; referred by the Mayor for report on September 23, 2016

Subject: **REQUEST TO AWARD EIGHT SEVEN-YEAR CONTRACTS FOR PROGRAM MANAGEMENT SUPPORT AND ADVISORY SERVICES AND PROJECT/CONSTRUCTION MANAGEMENT FOR A NOT-TO-EXCEED \$185 MILLION IN SUPPORT OF LOS ANGELES WORLD AIRPORTS' CAPITAL IMPROVEMENT PROJECTS**

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### RECOMMENDATIONS

That the Mayor:

1. Approve the award of eight seven-year contracts to Berg & Associates, Inc.; CMTS, LLC; Lea + Elliot, Inc.; Jacobs Project Management Co.; Jacobsen I Daniels Associates, LLC; Parsons Transportation Group Inc.; Simpson & Simpson Management Consulting Inc.; and Vanir I ASL, LLC for as-needed program management support and advisory services and project/construction management for capital improvement projects at the Los Angeles International and Van Nuys Airports in the amount of \$185,000,000, subject to City Attorney approval as to form and compliance with the City's Standard Provisions for Contracting, including the Living Wage Ordinance; Affirmative Action Program; Child Support Obligations Ordinance; required insurance; Contractor Responsibility Program; First Source Hiring Program for all non-trade airport jobs; and the Bidder Contributions CEC (City Ethics Commission) Form 55 pertaining to the City's contract bidder campaign contribution and fundraising restrictions;
2. Authorize the Chief Executive Officer of the Los Angeles World Airports to execute the proposed contracts; and
3. Return the eight contracts to the Department for further processing, including Council consideration.

### SUMMARY

With over \$14 billion in capital improvements planned or in process for the Los Angeles International

Airport (LAX) alone, as well as significant improvements being financed by major airline tenants, the need for a cadre of experienced program, project, and construction managers working to support Department staff within a flexible, scalable staffing framework is essential for the successful completion of the Airport Capital Improvement Plan and Airport Improvement Program. To that end, the Chief Executive Officer of the Los Angeles World Airports (LAWA; Department) requests approval to execute eight seven-year contracts, selected through a competitive process, for a combined total of \$185 million over the seven-year term, for as-needed program management support and advisory services and project/construction management for capital improvement projects at LAX and the Van Nuys Airport.

Of the \$185 million total estimated cost, the LAWA has requested a \$113 million initial appropriation from the Board of Airport Commissioners (Board) to finance the first two years of the construction, project, and program management support and advisory services leaving a balance of \$72 million to finance years three through five. At the conclusion of the initial two-year period, LAWA will reassess its need for program management staff support for the remaining years of the term.

The eight proposed contracts were approved by the Board at its meeting of September 21, 2016.

#### **FISCAL IMPACT STATEMENT**

Approval of the proposed contracts will have no impact on the General Fund. Contract expenditures will be capitalized and, when individual projects are put in service, such costs will be allocated across the associated cost centers; costs will then be recovered from landing fees, terminal rates and charges, and non-aeronautical revenues (e.g., concessions, parking lot revenue, etc.).

The Department's executive management and, to some degree, other non-capital projects may also be supported by the proposed contracts. In such instances, funding may come from the Department's Operating Budget within various cost centers. These costs will also be recovered from landing fees, terminal rates and charges, and non-aeronautical revenues.

Funding for Years 1 and 2 of the proposed contracts has been requested from the Board of Airport Commissioners (Board) from the LAX and Van Nuys Airport Revenue Funds to various Board-approved WBS (Work Breakdown Structure or "cost center") Elements, as required. This project complies with the Department of Airports' adopted Financial Policies.