

0320-00165-0001

TRANSMITTAL

TO
Deborah Flint, Chief Executive Officer
Department of Airports

DATE
SEP 27 2017

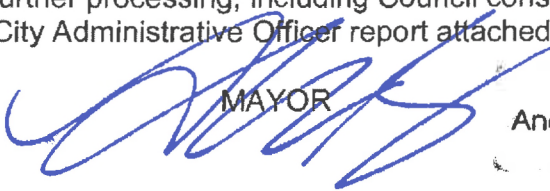
COUNCIL FILE NO.

FROM
The Mayor

COUNCIL DISTRICT
6, 11

Request to Amend City Ordinance No. 183457 and Approve a Board of Airport Commissioners' Amended Resolution Authorizing the Use of Alternative Project Delivery Methods for Select Capital Improvement Projects at the Los Angeles International and Van Nuys Airports

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

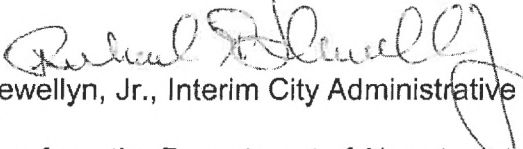

MAYOR Ana Guerrero

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: September 25, 2017 CAO File No. 0320-00165-0001
Council File No.
Council District: 6, 11

To: The Mayor

From: Richard H. Llewellyn, Jr., Interim City Administrative Officer 

Reference: Communication from the Department of Airports dated September 7, 2017; Referred by the Mayor for Report on September 7, 2017

Subject: **REQUEST TO AMEND CITY ORDINANCE NO. 183457 AND APPROVE A BOARD OF AIRPORT COMMISSIONERS' AMENDED RESOLUTION AUTHORIZING THE USE OF ALTERNATIVE PROJECT DELIVERY METHODS FOR SELECT CAPITAL IMPROVEMENT PROJECTS AT THE LOS ANGELES INTERNATIONAL AND VAN NUYS AIRPORTS**

RECOMMENDATIONS

That the Mayor:

1. Approve the Board of Airport Commissioners' Resolution requesting consideration and approval by the City Council of an Amendment to Ordinance No. 183457 adding five additional airfield projects at LAX and Van Nuys Airports to those originally authorized for the Los Angeles World Airports together with the Department's use of the Competitive Sealed Proposals Selection and Construction Manager-at-Risk methodologies for specific LAX capital improvement projects consistent with the City's Competitive Sealed Proposals process as permitted in City Charter Section 371(b), which requires that the Ordinance and subsequent amendments be approved by at least a two-thirds vote of the Council; and,
2. Return the request to the Department for further processing, including Council consideration.

SUMMARY

The Chief Executive Officer of the Los Angeles World Airports (LAWA; Department) requests consideration and approval of a September 7, 2017 Board of Airport Commissioners' (Board) Resolution (Attachment A) and proposed Amendment to City Ordinance No. 183457 (C.F. 14-0987; 2-18-2015; Attachment B) authorizing the Department to use the Competitive Sealed Proposals Selection (CSPS) and the Construction Manager-at-Risk (CMAR) alternative project delivery methods for five additional projects not included in the February 18, 2015 Ordinance.

The CSPS and CMAR project delivery methods being proposed have been used successfully by the Department on several capital projects. The CSPS and CMAR construction/contracting methods are considered as alternatives to the traditional Design-Bid-Build method and have been used by LAWA

and other international airports' owners (see Attachment C for a comparison of the two methods), to (1) ensure the timely completion of construction projects; (2) assist with minimizing interference with ongoing airport operations; (3) allow the construction contractor to be involved early in the design phase with corresponding improvements in design, pre-construction work, and actual construction, as well as the avoidance of constructability issues; (4) leverage limited City project administration resources; and (5) reduce risk to the Department.

The Department is recommending the use of alternative delivery methods for the following projects to be added to, by amending, the original Ordinance:

- Airside Cargo Facility Ramp Reconstruction Project at LAX – Estimated Start: FY2020
- North Airfield Runway Exit Taxiways Program at LAX – Estimated Start: FY2020
- South Airfield Reconstruction Program at LAX – Estimated Start: FY2019
- Taxiways Resurfacing Projects at LAX – Estimated Start: FY2018/19
- Taxiway Reconfiguration Projects at LAX and VNY – Estimated Start: End of FY2018/19

The proposed CSPA and CMAR project delivery methods, as well as “Design-Build” or other appropriate project delivery systems, as deviations from the City's traditional open and competitive bidding process, are permitted by Charter Section 371(b) when justified by the type of project and approved by the contracting authority. Use of such alternative project delivery methods requires approval by the Council, as well as by the City Attorney as to form.

On May 7, 2012, the Council adopted an Ordinance, No. 182806 (C.F. 11-1804), in support of the Board of Airport Commissioners' Resolution authorizing LAWA to use alternative project delivery methods, including the CMAR and Design-Build, for the Terminals 1-3 Project, the Terminals 4-8 Critical Terminal Infrastructure Project, and the LAX Midfield Satellite Concourse. A similar Resolution was approved by the Board on July 21, 2014, with the corresponding Ordinance (No. 183457) approved by Council on February 18, 2015, relative to an additional five LAX airfield improvements. The proposed amendment to Ordinance No. 183457 is the third in a series of recent actions authorizing LAWA's use of alternative project delivery methods.

The Board approved the Amendment to Ordinance No. 183457 at its September 7, 2017 meeting.

FISCAL IMPACT STATEMENT

There is no estimated direct, measurable economic impact resulting from the Council's amending Ordinance No. 183457 (C.F. 14-0987; 2-18-2015) to include five additional capital projects at the Los Angeles International and Van Nuys Airports for authorization to use alternative project delivery methods. However, there is the potential for cost avoidance from a reduced risk of change orders that can result from design, construction, phasing, and sequencing conflicts. Approval of the proposed Amendment will have no impact on the City's General Fund or the Department's Operating or Capital budgets since there is no appropriation of funds required. As a routine administrative action, this action complies with the Department of Airports adopted Financial Policies.

Attachments