Los Angeles
World Airports

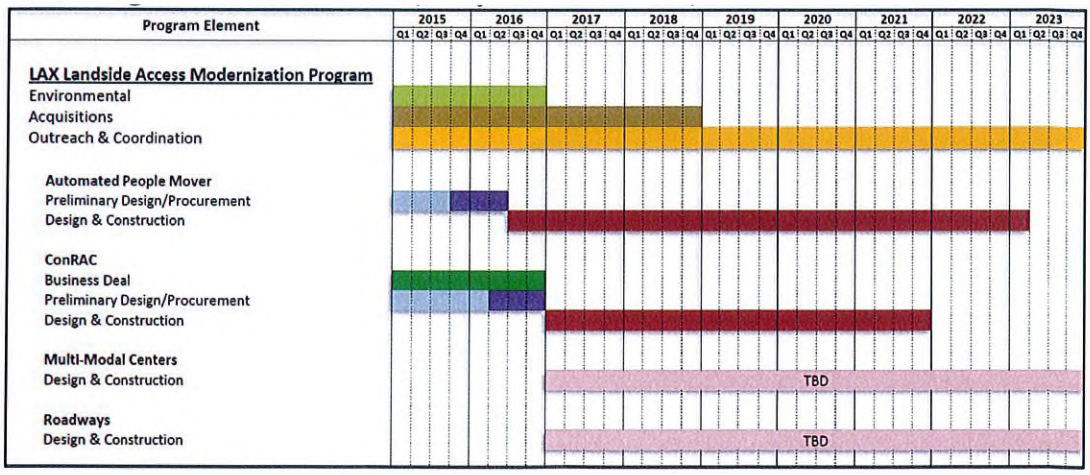
RESOLUTION NO. 25681

WHEREAS, on recommendation of Management, there was presented for approval, a Resolution requesting 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, Design-Build-Operate and Maintain and Construction Manager At Risk contracts for delivery of select Capital Improvements Projects related to the LAX Landside Access Modernization Program at Los Angeles International Airport; and

WHEREAS, the LAX Landside Access Modernization Program includes a series of projects that will redevelop and modernize the ground transportation system at Los Angeles International Airport (LAX). Program components include, but are not limited to, the Automated People Mover system (APM), a Consolidated Rent-A-Car (ConRAC), multi-modal centers, Central Terminal Area (CTA) parking structures, pedestrian bridges and a comprehensive set of roadway improvements. An APM System is comprised of two (2) distinct parts, namely, the APM Operating System and the APM Fixed Facilities. The APM Operating System consists of the vehicles/rolling stock, the running surface (tracks), the command and control systems, the automatic train control system, the power distribution system, guidance system, etc., which when fully integrated result in a fully operational transportation system. The APM Fixed Facilities consist of the guideway structure, the station structure, the maintenance and storage facility structure, i.e., the infrastructure upon which the APM Operating System is installed and operated as intended; and

WHEREAS, a list of the selected capital improvement projects and their key elements is included as Attachment A; and

WHEREAS, in December of 2014, the Board of Airport Commissioners selected a preferred Program concept, allowing staff to initiate environmental review and detailed planning and program definition. As part of the planning efforts to date, Los Angeles World Airports (LAWA) staff has developed an overall Program implementation timeline centered on the delivery of an operational APM in 2023 and ConRAC in 2021:



; and

WHEREAS, to meet this timeline, LAWA staff initiated at-risk project definition of these two (2) Program components while the overall Program contemporaneously undergoes environmental review. Design of the APM, including the APM Operating System and APM Fixed Facilities, is expected to take more than two (2) years. Construction and commissioning of the APM (and associated enabling projects), is projected to take approximately six (6) years. Performing these tasks using the traditional Design-Bid-Build (DBB) sequential fashion would likely result in the delivery of the system beyond 2024; and

WHEREAS, likewise, ConRAC design is expected to take up to two (2) years, and construction an additional four (4) years. Using a traditional DBB method, the project would be projected to finish in 2023, over a year later than if project design and construction can be performed concurrently; and

WHEREAS, other Program elements, including the proposed Multi-Modal Centers (currently termed Intermodal Transportation Facilities-East and West, respectively) and roadway improvements, are currently under analysis to determine optimal delivery scenarios, but would likely benefit from the use of alternate delivery methods; and

WHEREAS, LAWA staff believes that an expedited delivery of the Program, enabled by the use of Alternate Delivery Strategies and Competitive Sealed Proposals, is highly desirable because projected passenger growth at the airport will continue to erode the ability of the ground transportation system to efficiently operate the later the Program is delivered, and to shorten the overall disruption that the airport will experience during Program construction. Additionally, this type of work is highly specialized and regulated making it critically important that contractors have the expertise and experience to carry it out in an accurate and timely manner; and

WHEREAS, potential Delivery Methods that could be used for Program components include the following:

- Design-Bid-Build (DBB)
  Under DBB, the project owner hires a designer to prepare design documents, project plans, and specifications. These documents are incorporated in the Request for Bids which are issued to potential firms to solicit competitive bids. LAWA then conducts an administrative and technical review of the submissions and ultimately awards a contract to the lowest responsive and responsible bidder for construction of the project.

- Construction Manager at Risk (CMAR)
  Under CMAR, LAWA would select a construction manager during the design development process to provide pre-construction services as a member of the program development team. LAWA would also separately contract with a design consultant to complete the project design and provide design support during construction. The selected CMAR assists in design review, facilitates constructability reviews, participates in design packaging phasing and scheduling decisions, cost estimating, other market analysis as appropriate, and then executes construction of the project as the general contractor. The construction manager is considered "at risk" to deliver the project at an agreed maximum guaranteed price.

- Design-Build (DB)
  Under DB, LAWA would select a single entity to complete the design and construction of a project. The designer-builder is selected following project definition, based on qualifications, which dictate performance requirements and criteria for the finished project. In DB scenarios, LAWA retains control by documenting the criteria to which the design and construction will be measured for project acceptance. Under DB, the responsibility and associated risks related to the design of the project shifts from LAWA to the Design-Builder.

- Design-Build-Operate and Manage (DBOM)
  DBOM is a variant to DB, but includes the additional specification that the Design-Builder will also be responsible for the operations and maintenance of the delivered asset for an additional term of years (to be specified by the Owner); and

WHEREAS, the traditional delivery method of DBB is not practical or advantageous for many elements of the Program. The use of DB, DBOM, or CMAR can expedite a well-defined project by allowing design, pre-construction, and construction to occur simultaneously. Additionally, contractors operating under an Alternate Delivery structure are better positioned to quickly deal with unknown challenges that could threaten a project's delivery timeline. For instance, much of the Program will be built in areas where construction will inevitably uncover infrastructure conflicts and deficiencies that need to be addressed immediately to prevent significant schedule delays, higher costs, and lengthened disruptions to traffic and operations. In these cases, the typical DBB approach would not allow LAWA to correct these deficiencies in a timely manner. Authorizing the use of DB, DBOM, or CMAR, will allow staff to develop more robust and responsible approaches and strategies when encountering these challenges including placing risk on the entities most capable of minimizing and mitigating the risks; and

WHEREAS, in addition, the construction and operation of the APM presents unique risks and challenges. APM systems are, by their nature, complex and proprietary systems that include train tracks, train cars, and automatic train control systems. LAWA staff recommends that the selected developer of the system be retained for several years to operate and maintain the system. Such expertise does not currently exist amongst LAWA staff, and system developers will be prepared to offer a team to manage and maintain the system, as they do at almost all airports that have APMs; and

WHEREAS, under the typical selection process using the DBB delivery method, LAWA hires a designer to prepare the design documents, project plans, and specifications. These documents are incorporated into the Notice Inviting Bids which are issued to potential firms for competitive bids. LAWA then conducts an administrative review of the submissions and ultimately awards a contract to the lowest responsive and responsible bidder for the construction of the project. Experience and past performance are not factored into the selection under this process; and

WHEREAS, as an alternative, Los Angeles City Charter Section 371(b) authorizes the use of Competitive Sealed Proposal Selection (CSPS) process with the DBB and other alternative delivery methods. This allows LAWA to evaluate and consider not only the construction cost, but also the contractors' experience, design and construction approach, staffing organization, resource capacity, project controls, safety, and other critical criteria needs to successfully construct and implement these unique construction projects. Considering the special nature of the projects included in the Program, and the desire to utilize an alternative delivery approach for design, construction, operation, and maintenance of certain projects, LAWA staff recommends that CSPS process be utilized, where appropriate and responsible; and

WHEREAS, City Charter Section 371(b) requires that prior to using the CSPS process or the use of alternative project delivery methods, the specific projects must first be approved by the City Council via an ordinance. LAWA proposes an ordinance allowing the Executive Director to use the CMAR, DB, DBOM (or their variants) and the CSPS method for Program related capital improvement projects as listed in Attachment A; and

WHEREAS, the adoption of ordinances is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Article II Section 2(m) of the Los Angeles City CEQA Guidelines; 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 371(b);

NOW, THEREFORE, BE IT RESOLVED that the Board of Airport Commissioners determined that this action is exempt from the California Environmental Quality Act requirements; adopted the Staff Report; found that use of Design-Build, Design-Build-Operate and Maintain, and Construction Manager at Risk as Alternate Project Delivery Methods and the Competitive Sealed Proposal Selection Process for select Capital Improvements Projects should be authorized based on operational need, schedule, and technical aspects of the LAX Landside Access Modernization Program at Los Angeles International Airport, and that awarding to the lowest responsive and responsible bidder is not practicable or advantageous; and requested the Los Angeles City Council to consider and approve an ordinance allowing the Board of Airport Commissioners to authorize its Executive Director to let Design-Build, Design-Build-Operate and Maintain, and Construction Manager at Risk contracts for delivery of select capital improvement projects related to the LAX Landside Access Modernization Program at Los Angeles International Airport pursuant to the Competitive Sealed Proposal Selection process, upon approval as to form by the City Attorney.

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I hereby certify that this Resolution No. 25681 is true and correct, as adopted by the Board of Airport Commissioners at its Special Meeting held on Thursday, April 16, 2015.

Sandra J. Miller – Secretary
BOARD OF AIRPORT COMMISSIONERS

Attachment A

List of LAX Landside Access Modernization Program

Landside Automated People Mover System

- APM Operating System
  - Vehicles/rolling stock,
  - Train control/communications,
  - Guidance system,
  - Power distribution system,
  - Station and wayside equipment
  - Other equipment

- APM Fixed Facilities
  - Guideway Structure
  - APM Stations including passenger amenities
  - APM Maintenance and Storage Facility
  - APM Power Distribution System substation structures
- Pedestrian Walkways and Connections
- Central Terminal Area Parking Facilities
- Terminal Interfaces and Integration
- Integration with proposed 96th Street Metro Station
- Enabling Projects, including Demolition and Relocation of existing facilities
- Utilities

Consolidated Rent-A-Car (CONRAC) Facility

- Customer Service Building, including passenger amenities
- Ready Return and Storage Areas
- Quick Turn Around Facilities
- Vehicle Access Ramps and Roads
- Enabling Projects, including Demolition and Relocation of existing facilities
- Utilities

Multi-Modal Facilities

- APM Stations
- Vehicle Access Ramps, Roads, and Curbs
- Pedestrian Facilities
- Passenger Amenities

Roadway Improvements

- New Ramps, roads, and curbs
- Demolition, modification, or relocation or existing ramps, roads, and curbs
- Utilities