

ADMINISTRATIVE EXEMPTION and TRADE, COMMERCE, AND TOURISM COMMITTEE REPORT relative to authorizing the use of the Competitive Sealed Proposals Selection process and the Construction Manager-at-Risk alternative project delivery methods for the construction of five airfield capital improvement projects at the Los Angeles International Airport (LAX).

Recommendations for Council action:

1. ADOPT the determination by the Board of Airport Commissioners (Board) that the proposed action is exempt under the California Environmental Quality Act (CEQA) as provided in Article II, Section 2(m) of the Los Angeles City CEQA Guidelines.
2. ADOPT Resolution No. 25481, attached to the Council file, which was approved by the Board at their meeting held on July 21, 2014.
3. REQUEST the City Attorney to prepare and present an Ordinance to authorize the use of Competitive Sealed Proposal Selection Process and the Construction Manager at Risk Alternative Project Delivery Method for select airfield capital improvement projects at LAX.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that while there is no estimated direct, measurable economic impact resulting from the Council's approval of an Ordinance allowing the Board to authorize the Department of Airports to use alternative delivery methods for specific LAX capital projects, there is the potential for cost avoidance from the reduced risk of change orders that can result from design, construction, phasing, and sequencing conflicts. Additionally, the cost of the various airfield improvement projects will be recovered from the airfield users through the LAX Rates and Charges process. Approval of the proposed Ordinance will have no impact on the City's General Fund or the Department of Airports' Operating or Capital budgets since there is no appropriation of funds required. This action complies with the Department of Airports adopted Financial Policies.

Community Impact Statement: None submitted.

## SUMMARY

At a regular meeting held on August 12, 2014, your Trade, Commerce and Tourism Committee considered a revised Los Angeles World Airports (LAWA) transmittal dated July 30, 2014 relative to allowing the Board to authorize the Department of Airports to use the Competitive Sealed Proposals Selection process and the Construction Manager-at-Risk alternative project delivery methods, as permitted by Charter Section 371(b), to obtain efficiencies and shorten project duration for the construction of five airfield capital improvement projects at LAX. The CAO reports that the Competitive Sealed Proposals Selection process and the Construction Manager-at-Risk alternative project delivery methods being proposed have been used successfully by the Department, as early as 2005, on various capital projects (e.g., the Security Baggage Screening In-Line system, the Tom Bradley International Terminal renovation, the Bradley West Core and Concourses Project, Terminals 1 through 8 Improvements, Midfield Satellite Concourse, Central Utilities Plant Replacement,

Central Terminal Area Improvements, and the LAX Second Level Roadway Repair Project). The proposed construction/contracting method is considered an alternative to the traditional Design-Bid-Build process and has been used by LAWA, as well as other international airports, to ensure the timely completion of construction projects; assist with minimizing interference with ongoing airport operations; allow the construction contractor to be involved early in the design phase with corresponding improvements in design, preconstruction work, and actual construction, as well as the avoidance of constructability issues; leverage limited City project administration resources; and reduce risk to the Department.

An opportunity for public comment was held. After a brief discussion, the Committee moved to approve the recommendations contained in the revised transmittal. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

TRADE, COMMERCE, AND TOURISM COMMITTEE

<b><u>MEMBER</u></b>	<b><u>VOTE</u></b>
LABONGE:	YES
BUSCAINO:	ABSENT
BONIN:	YES

ME

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**