

0150-10447-0000

TRANSMITTAL

TO
Deborah Ale Flint, Executive Director
Department of Airports

DATE
7/27/15

COUNCIL FILE NO.

FROM
The Mayor

COUNCIL DISTRICT
11

**Request to Execute a Proposed First Amendment to a Contract
with Architectural, Planning, and Project Management Firm Rivers & Christian
to Extend the Term of Performance, with No Expenditure Limit Increase,
to Continue Design, Design Review, and Construction Administration
Services in Support of the Los Angeles World Airports**

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


MAYOR (Ana Guerrero)

MAS:WDC: 10150103f

REPORT FROM

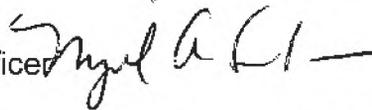
OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: July 23, 2015

CAO File No. 0150-10447-0000
Council File No.
Council District: 11

To: The Mayor

From: Miguel A. Santana, City Administrative Officer



Reference: Transmittal from the Los Angeles World Airports dated June 24, 2015; referred by the Mayor for report on June 30, 2015

Subject: **REQUEST TO EXECUTE A FIRST AMENDMENT TO CONTRACT DA-4762 WITH RIVERS & CHRISTIAN TO EXTEND THE TERM OF PERFORMANCE FOR TWO YEARS, WITH NO INCREASE TO THE EXPENDITURE LIMIT, TO CONTINUE DESIGN, DESIGN REVIEW, AND CONSTRUCTION ADMINISTRATION SERVICES IN SUPPORT OF THE LOS ANGELES WORLD AIRPORTS**

SUMMARY

The Executive Director of the Los Angeles World Airports (LAWA; Department) requests approval to execute a proposed First Amendment to Agreement No. DA-4762 (attached) with the architectural, planning, and project management firm of Rivers & Christian (contractor). The proposed Amendment will continue architectural, design, and construction administration services for various airport capital projects, including those involving Terminal 2, the Terminal 4 Connector, and the Tom Bradley International Terminal (TBIT) at the Los Angeles International Airport (LAX). Approval of the proposed Amendment will extend the current three-year term by two additional years, from November 4, 2015 to November 4, 2017, for a total of five years. Of the \$10 million authorized for this contract, there is \$5,492,542 available; consequently, no additional funding is required to finance the contract extension. All expenditures for this agreement will be recovered through user rates and fees.

Extending the existing contract by two years, thereby continuing the provision of architectural, design, and construction administration services by Rivers & Christian, the Architect and Engineer of Record for the Terminal 2 Federal Inspection Services (FIS), allows the Department to avoid interruptions to the following projects, aspects of which include significant involvement by the contractor: (1) the Terminal 2 FIS, (2) the Terminal 4 Connector, and (3) the TBIT. Furthermore, by extending the agreement, it will allow the contractor to complete work on the Terminal 2 Improvement Program for which the Board of Airport Commissioners (Board) specifically appropriated funding in November 2014 (Resolution 25554).

The contractor's construction administration services will include, but not be limited to, the following:

- Provide constructability reviews
- Provide resident and field engineering services
- Manage requests for information between the contractor and LAWA
- Review contractor change order requests
- Review construction schedules and phasing plans to identify variances that may affect the schedule, achievement of milestones, and work phases—all with the intent to lessen operational impacts
- Issue clarifications to plans and specifications
- Coordinate permits
- Develop design details to correct conditions found in the field

As of June 3, 2015, \$5,492,542 remained in the original Rivers & Christian budget resulting from the fact that various LAX capital improvement projects for which the company has been hired to design, review, and/or provide construction administration have not been completed, either because the scope of work has changed or the original timeframe was extended beyond what was envisioned. Furthermore, the disproportionate expenditure rate between the first three years of the contract and the proposed two-year extension reflects the fact that, due to project phasing, LAWA did not use the contractor as much as was initially planned. As a consequence, the Department estimates that the resulting unspent funds are sufficient to retain Rivers & Christian through completion of the projects for which they have been assigned. The contract amendment is subject to City Attorney approval as to form.

With respect to the Charter Section 371 requirements pertaining to competitive bidding, the Department determined that contracting with Rivers & Christian for architectural, design, and construction administration services is exempt from the competitive bid process in accordance with Charter Section 371(e)(10), which specifies that "...contracts... where the contracting authority finds that the use of competitive bidding would be undesirable, impractical or impossible or where the common law otherwise excuses the compliance with competitive bidding requirements" are exempt. The basis for that conclusion is twofold: (1) the Department believes that Rivers & Christian is best suited to provide these services because of prior experience with and knowledge of the buildings' systems and configurations, and (2) initiating a new competitive process could result in delays—both to the tasks already being managed by Rivers & Christian and other time-sensitive project components.

The proposed agreement was approved by the Board of Airport Commissioners at its meeting held on July 16, 2015.

Background

Rivers & Christian was selected, in October 2012 by way of a competitive process, to provide on-call architectural and design services to LAWA for various airport capital projects for a not-to-exceed amount of \$10,000,000 with a contract expiration date of November 4, 2015. At the time the original three-year contract was established, the Board appropriated \$800,000 for design work specific to the TBIT and Terminal 4 Connector Checked Baggage Inspection Systems (CBIS).

A second appropriation for Rivers & Christian, for \$3,590,000, was authorized by the Board in March

2013 as part of a design-build contract with Turner Construction Company for the TBIT and Terminal 4 Connector CBIS project. The appropriation was for the continuation of design review and construction administration services for the CBIS.

A third appropriation for Rivers & Christian, for \$5,610,000, was authorized by the Board in November 2014 for the design of various projects in the nine LAX terminals and the new Midfield Satellite Concourse.

Following is a description of the major LAX capital projects where the contractor will be providing design, review, and/or construction administration services as part of the proposed First Amendment:

Terminal 2 FIS

*Estimated Rivers & Christian design and construction administration services schedule: November 2015 to December 2016 – 13 months**

As the Architect and Engineer of Record, the contractor has provided both design and construction administration services for this project. As such, Rivers & Christian's services are required to continue construction administration through the conclusion of the project's construction phase.

Terminal 4 Connector

Estimated Rivers & Christian peer design review and construction administration schedule: Ongoing through July 2016

Having provided peer design review and construction administration in the early stages of this project, Rivers & Christian's assistance is required to continue, without interruption, those services through to the conclusion of construction.

Tom Bradley International Terminal

*Estimated Rivers & Christian design services and construction administration schedule: November 2015 to November 2017 – 24 months**

Because of the firm's extensive experience with the TBIT's building systems and configurations, the Department proposes using Rivers & Christian to continue providing design and construction administration services for the Tom Bradley International Terminal, including modifications to the outbound baggage system and capacity enhancements (e.g., installation of self check-in kiosks in the ticketing lobby) to the terminal.

*Estimated execution date for the First Amendment is November 2015

Approval of the proposed Amendment will allow for the continuation, without interruption, of essential construction administration and supplemental design services by Rivers & Christian and, thus, the avoidance of delays in the projects' completion.

Alternatives to the Proposed First Amendment

According to the Department, there are no viable alternatives to extending the current contract with Rivers & Christian for two years. In that the contractor is either the Architect and Engineer of Record (in the case of the Terminal 2 FIS project) or has provided design review, construction administration services, related design services, or a combination thereof for the Terminal 4 Connector and various Tom Bradley Terminal projects, the Department believes that it is more efficient and cost effective to leverage Rivers & Christian's experience with and knowledge of the major LAX capital projects by retaining their services rather than using another firm, especially given the critical timing of these projects.

Compliance with City Administrative Requirements

Department staff has determined that the specified work can be performed more feasibly or economically by an independent contractor than by City employees pursuant to Charter Section 1022. There have been no objections by the City's unions to the original agreement or the proposed First Amendment.

Rivers & Christian must comply with the following Standard Provisions for City Contracts: the Living Wage Ordinance, Affirmative Action Program, Child Support Obligations Ordinance, Contractor Responsibility Program, and First Source Hiring Program for all non-trade airport jobs. The contractor has approved insurance documents, in the terms and amounts required, on file with LAWA. Furthermore, the firm has submitted the Bidder Contributions City Ethics Commission Form 55 pertaining to the City's contract bidder campaign contribution and fundraising restrictions (Charter Section 470 {c}{12}) that became effective in April 2011 and will comply with its provisions. In addition, Rivers & Christian has been determined by the Department of Public Works, Office of Contract Administration, to be in compliance with the provisions of the Equal Benefits Ordinance. The proposed First Amendment must be approved by the City Attorney as to form.

The Department's Procurement Services staff reviewed this action and established a 20 percent combined Minority/Women Business Enterprise (M/WBE) participation level. The contractor exceeded the established 20 percent combined participation level by committing to a 26 percent participation level and had achieved 23.46 percent as of July 15, 2015. While only 2.54 percent below its commitment level—and having expended less than one-half of the original \$10 million allocation, the contractor is, nevertheless, taking steps to encourage its subcontractors to submit invoices and employee information in a more timely manner in order to accurately reflect the level of minority business participation in its reports to LAWA.

City Council approval of the proposed Amendment is required in accordance with Charter Section 373, "Long Term Contracts Approved by Council," and the Los Angeles Administrative Code Section 10.5, "Limitation and Power to Make Contracts," in that the contract will exceed three years.

Compliance with California Environmental Quality Act Guidelines

With respect to compliance with the CEQA (California Environmental Quality Act) guidelines, as a continuing administrative, maintenance or personnel-related activity, approval of the proposed First

Amendment is exempt from the requirements of the CEQA pursuant to Article II, Section 2(f) of the Los Angeles City CEQA Guidelines.

RECOMMENDATIONS

That the Mayor:

1. Approve the proposed First Amendment to Contract DA-4762 between the Los Angeles World Airports and architectural and design firm, Rivers & Christian, to extend the term of performance by two additional years to November 4, 2017, with no additional funding requested, to continue the provision of architectural, design, and construction administration services in support of various capital improvement projects at Terminal 2, the Terminal 4 Connector, and the Tom Bradley International Terminal (TBIT), subject to City Attorney approval as to form and compliance with the City's Standard Provisions for Contracts including the Living Wage Ordinance, Affirmative Action Program, Child Support Obligations Ordinance, Contractor Responsibility Program, First Source Hiring Program for all non-trade airport jobs, and the provisions of the City Ethics Commission Form 55 pertaining to the City's contract bidder campaign contribution and fundraising restrictions;
2. Authorize the Executive Director of the Los Angeles World Airports to execute the proposed First Amendment; and
3. Return the First Amendment to the Los Angeles World Airports for further processing, including Council consideration.

FISCAL IMPACT STATEMENT

Approval of the proposed contract amendment will have no impact on the General Fund. Funding for the two-year extension is available in the amount of \$5,492,542 (as of June 3, 2015) from the contractor's remaining, Board-approved, contract appropriation; consequently, no additional funding is being requested by the Department. The costs for the underlying contract and extension will be recovered from airport users through rates and fees. This project complies with the Department of Airports' adopted Financial Policies.

Time Limit for Council Action

In accordance with Charter Section 373, "Long Term Contracts Approved by Council," and the Los Angeles Administrative Code Section 10.5, "Limitation and Power to Make Contracts," the proposed contract amendment must be approved by the Council before it can become effective. Unless the Council takes action disapproving a contract that is longer than three years within 60 days after submission to Council, the contract will be deemed approved.

Attachment