

0150-10478-0000

**TRANSMITTAL**

TO  
Deborah Flint, Executive Director  
Department of Airports

DATE  
**NOV 16 2015**

COUNCIL FILE NO

FROM  
The Mayor

COUNCIL DISTRICT  
11

**Request to Execute a First Amendment to Contract DA-4761 With  
Gruen Associates to Extend the Term of Performance for Two Years,  
With No Increase to the Expenditure Limit, to Continue Architectural  
And Design 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: 101600111

REPORT FROM

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Date: November 13, 2015

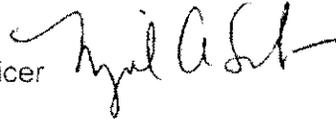
CAO File No. 0150-10478-0000

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 August 6, 2015; referred by the Mayor for report on August 6, 2015

Subject: **REQUEST TO EXECUTE A FIRST AMENDMENT TO CONTRACT DA-4761 WITH GRUEN ASSOCIATES TO EXTEND THE TERM OF PERFORMANCE FOR TWO YEARS, WITH NO INCREASE TO THE EXPENDITURE LIMIT, TO CONTINUE ARCHITECTURAL AND DESIGN AND CONSTRUCTION ADMINISTRATION SERVICES IN SUPPORT OF THE LOS ANGELES WORLD AIRPORTS**

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### SUMMARY

The Executive Director of the Los Angeles World Airports (LAWA; Department) requests approval to execute a proposed First Amendment to Agreement No. DA-4761 with Gruen Associates (contractor), a firm specializing in architectural, interior design, planning, urban design, environmental assessment, and transportation services. The proposed Amendment will continue on-call architectural, design, and construction administration services for various capital improvement projects at the Los Angeles International Airport (LAX), including the Information Technology/Minimum Point of Entry (IT/MPOE) Rooms in Terminals 4, 5, 6, 7, and 8, and the Terminal 6 Electrical Upgrade project, for two additional years (until February 3, 2018), for a total of five years, with no increase to the original \$10 million contract authority.

Approval of the First Amendment will extend the current three-year term by two additional years, from February 3, 2016 to February 3, 2018, for a total of five years. Of the \$10 million authorized for this contract, there is \$4,960,000 available; consequently, no additional funding is required to finance the contract extension. The Department is, however, requesting authority from the Board of Airport Commissioners (Board) to appropriate an additional \$917,400 from the \$10 million contract authority to finance the additional work (which is directly related to the firms' approved work tasks) proposed for Gruen Associates, thus leaving \$4,042,600 as the available balance. All expenditures for this agreement will be recovered through user rates and fees.

Continuing the provision of architectural, design, and construction administration services by Gruen Associates, the Architect and Engineer of Record for the IT/MPOE Rooms (where all incoming telecommunications cables initially pass through before being routed to the various building locations) and Terminal 6 Electrical Upgrade projects, allows the Department to avoid interruptions to

both projects, aspects of which require significant involvement by the contractor. Furthermore, by extending the agreement, it will allow the contractor to complete work on the IT/MPOE Rooms and Terminal 6 Electrical Upgrade projects, for which the Board specifically appropriated funding in October 2012 (Resolution 24927 - for the IT/MPOE Room project) and again in March 2013 (Resolution 25057 – for both projects).

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

- Provide resident and field engineering services
- Provide constructability reviews
- Manage requests for information between contractors and LAWA
- Review contractor change order requests
- Review Requests for Information (known as "RFIs") and submittals
- 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

The \$4,960,000 remaining from the original Gruen Associates budget results from delays in tenant- and concessionaire-related construction work designed to (1) help reduce disruption to airport patrons and (2) balance the various work elements. Consequently, the Department requires the services of the contractor beyond the original February 3, 2016 contract expiration and estimates that the unspent funds are sufficient to retain the contractor through completion of the projects for which they have been assigned. The appropriation of \$917,400--\$550,440 for the IT/MPOE and \$366,960 for the Terminal 6 Electrical Upgrade--from the available \$4,960,000 is for work directly related to the original project scope that would have been requested earlier in the contract term if not for the planned construction delays. The proposed amendment is subject to City Attorney approval as to form.

The proposed Amendment was approved by the Board at its meeting held on November 5, 2015.

## **Background**

Gruen Associates was selected in October 2012, by way of a competitive process involving six proposers, 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 February 3, 2016. At the time the original three-year contract was established, the Board appropriated \$1,400,000 for design work specific to the Terminal 7 Restrooms and Terminal 6 IT/MPOE Room projects.

A second appropriation, for \$2,600,000, was authorized by the Board in March 2013 for various capital projects at LAX, including the IT/MPOE Rooms and Terminal 6 Electrical Upgrades projects. The appropriation was for the continuation of architectural and design services.

A third appropriation for Gruen Associates, for \$1,040,000, was authorized by the Board in April 2013 for architectural and design services for the Terminals 3 and 6 Passenger Boarding Bridges and Terminal 3 Restroom Enhancements. The three appropriations total \$5,040,000, which leaves a balance of \$4,960,000 for any remaining services required to support the projects.

Following is a description of and justification for the remaining work to be done by the contractor during the proposed two-year contract extension:

### **Information Technology/Minimum Point of Entry (IT/MPOE) Rooms**

*Estimated Gruen Associates construction administration services schedule: May 2015 to May 2017 – 24 months*

As the Architect and Engineer of Record, the contractor has provided the design services (including architectural, electrical, mechanical, and fire alarm design) for 13 rooms in LAX Terminals 4, 5, 6, 7, and 8. As such, the contractor's services are required to continue construction administration through the conclusion of the project's construction phase in May 2017.

### **Terminal 6 Electrical Upgrade**

*Estimated Gruen Associates construction administration schedule: November 2015 through January 2017 – 14 months (estimate)*

As the Architect and Engineer of Record, Gruen and Associates has provided design services (including space planning, engineering and renovation of electrical rooms and electrical equipment, as well as electrical distribution and connectivity) for this project. Consequently, the contractor's services are needed to continue construction administration through the conclusion of the project's construction phase in January 2017.

Approval of the First Amendment will provide for the continuation, without interruption, of essential construction administration services by Gruen Associates thereby avoiding delays in the projects' completion.

### **Alternatives to the Proposed First Amendment**

The Department advises that there are no viable alternatives to extending the current contract with Gruen Associates for two years as proposed. In that the contractor (1) is the Architect and Engineer of Record for both the IT/MPOE Rooms and Terminal 6 Electrical Upgrade projects; (2) has designed several LAX projects currently under construction; and (3) was selected by way of a competitive process to provide architectural and design and construction administration services, the Department believes that it is more efficient and cost effective to leverage Gruen Associates' experience with and knowledge of the major LAX capital projects by retaining their services rather than using another firm.

### **Compliance with City Administrative Requirements**

Department staff determined that the specified work required for these capital projects can be performed more feasibly or economically by an independent contractor than by City employees pursuant to Charter Section 1022.

With respect to the Charter Section 371 requirements pertaining to competitive bidding, the Department has determined that the proposed contract amendment with Gruen Associates 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 Department's determination of exemption was concurred in by the Board of Airport Commissioners at its November 5, 2015 meeting.

Gruen Associates 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. Gruen Associates must also be 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 contractor has approved insurance documents, in the terms and amounts required, on file with LAWA. Gruen Associates 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}) and will comply with its provisions.

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, in turn, proposed a 25 percent participation level and has exceeded the established 20 percent combined participation by achieving a 47.66 percent participation level.

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 CEQA Guidelines**

In terms of 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-4761 between the Los Angeles World Airports and architectural and design firm, Gruen Associates, to extend the term of performance by two additional years to February 3, 2018, to continue the provision of architectural, design, and construction administration services in support of the Information Technology/Minimum Point of Entry Rooms and Terminal 6 Electrical Upgrade projects at the Los Angeles International Airport, 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, the provisions of the City Ethics Commission Form 55 pertaining to the City's contract bidder campaign contribution and fundraising restrictions, and provisions of the Equal Benefits Ordinance;
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 and appropriation of a not-to-exceed amount of \$917,400 from the LAX Revenue Fund to WBS (Work Breakdown Structure) Elements 1.13.14-700 (Terminal MPOE & IT Room Expansion Program) and to WBS 1.13.18-700 (T6 Infrastructure Upgrades) will have no impact on the General Fund. 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.