



Report to the BOARD OF AIRPORT COMMISSIONERS

Approver:


Jacob Adams (Jun 30, 2022 11:35 PDT)

Jake Adams, Deputy Executive Director,
Landside Access Modernization Program

Reviewer:



Brian C. Ostler, Deputy City Attorney *EGR*


Justin Erbacci (Jun 30, 2022 14:21 PDT)

Justin Erbacci, Chief Executive Officer

Meeting Date

7/7/2022

Needs Council Approval: ☒ Y

Reviewed for/by	Date	Approval Status	By
Finance	6/22/2022	☒ Y ☐ NA	JS
CEQA	6/17/2022	☒ Y	VW
Procurement	6/22/2022	☒ Y ☐ Cond	QM
Guest Experience	6/23/2022	☒ Y	TB
Strategic Planning	6/24/2022	☒ Y	BNZ

SUBJECT

Request to approve the Second Amendment to Contract DA-5462 with Skanska USA Civil West California District, Inc., to revise General Condition 09 Subcontracts of the Contract and replace this language with the current version of General Condition 09 Subcontracts for Design-Build Contracts.

RECOMMENDATIONS

Management RECOMMENDS that the Board of Airport Commissioners:

1. ADOPT the Staff Report.
2. DETERMINE that this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Article II, Section 2.i of the Los Angeles City CEQA Guidelines.
3. APPROVE the Second Amendment to Contract DA-5462 with Skanska USA Civil West California District, Inc., to revise General Condition 09 Subcontracts to the current version for Design-Build Contracts.
4. AUTHORIZE the Chief Executive Officer, or designee, to execute the Second Amendment with Skanska USA Civil West California District, Inc., upon approval as to form by the City Attorney and approval by Los Angeles City Council.

DISCUSSION

1. Purpose

Contract DA-5462 with Skanska USA Civil West California District, Inc. (Skanska) included a provision for an Additional Gap Projects allowance. Revising General Conditions 09 Subcontracts to replace it with the latest version of General Condition 09 Subcontracts Design-Build Contracts allows the Design-Builder to better promote pricing or buyout of the work in a fair and reasonable manner, and to maintain fair and open competition while achieving the schedule requirements of the Gap Projects as they are identified and assigned to Skanska.

2. Prior Related Actions/History of Board Actions

- **September 3, 2020 – Resolution No. 27099**
The Board of Airport Commissioners (Board) awarded a five-year contract to Skanska for the design and construction of the Landside Access Modernization Program (LAMP) Roadways, Utilities, and Enabling (RUE) projects at Los Angeles International Airport (LAX), in the amount of \$334,900,000 and appropriated funds in the amount of \$333,648,000.
- **May 20, 2021 – Resolution No. 27262**
The Board approved the First Amendment to Contract DA-5462 with Skanska for the installation of a 24" Water Trunk Line at LAX, for the Los Angeles Department of Water and Power, in the not-to-exceed amount of \$1,760,845.
- **December 16, 2021 – Resolution No. 27394**
The Board approved a Change Order to Contract DA-5462 with Skanska to construct an additional electrical bank for the LAMP RUE Projects in the not-to-exceed amount of \$2,001,428.
- **January 6, 2022 – Resolution No. 27419**
The Board approved and appropriated funds to Contract DA-5462 with Skanska for the relocation of Taxilane C12, in the not-to-exceed amount of \$9,706,881.

3. Current Action/Rationale

The RUE Project was established to provide the next phase of enabling projects for LAMP, focusing on high priority projects necessary to support the Automated People Mover, Consolidated Rental Car Facility, and Intermodal Transportation Facility West. The RUE Project also will address several Capital Improvement Plan utility projects that either fall within the LAMP footprint and/or provide a utility service to one of the LAMP efforts.

The amendment to revise General Conditions of the Contract GC-09 Subcontracts and replace it with the current version for Design-Build contracts will allow projects established under the Additional RUE Projects line item, except for services which are a part of the Design-Builder's self-performance of the General Conditions, to be procured based upon either competitive bids, awarded to the lowest responsive and responsible bidder, or through the use of a Competitive Sealed Proposal Selection Process. This ensures the contract will be awarded to proposers providing the best value to the City. The Design-Builder shall

utilize mandatory inclusivity goals consistent with Los Angeles World Airports' (LAWA's) inclusivity requirement programs as listed in the Contract Documents.

4. Action-Requested

Approve a Second Amendment to Contract No. DA-5462 with Skanska to revise General Condition 09 Subcontracts of the Contract and replace it with the current version of General Condition 09 Subcontracts for Design-Build Contracts.

5. Fiscal Impact

This action is an administrative change with no fiscal impact to the project.

6. Alternatives Considered

- **Take No Action**

Without further approval, implementation of the future Gap Allowance project activities will be delayed. These projects and project activities have been prioritized by LAWA staff in conjunction with the Design-Builder as critical to preparing for the planned development of all LAMP projects. Delaying implementation of these projects puts the LAMP schedule and budget at risk and could impact the schedule for other LAMP and non-LAMP projects.

APPROPRIATIONS

No additional funding appropriations are required.

STANDARD PROVISIONS

1. Any activity (approval of bids, execution of contracts, allocation of funds, etc.) for which the underlying project has previously been evaluated for environmental significance and processed according to the requirements of the California Environmental Quality Act (CEQA) is exempt from further review pursuant to Article II, Section 2.i of the Los Angeles City CEQA Guidelines. The Land Access Modernization Program Environmental Impact Report (EIR) was certified by the Board of Airport Commissioners for this project on March 2, 2017 (Resolution 26185).
2. The City Attorney has reviewed this item.
3. Actions taken on this item by the Board of Airport Commissioners will become final pursuant to the provisions of Los Angeles City Charter Section 373.
4. This action is not subject to the provisions of the Living Wage/Worker Retention Ordinances.
5. Procurement Services has reviewed this action (File No. 9286) and established a mandatory 20% Small Business Enterprise (SBE) goal, a 7% Local Business Enterprise (LBE) goal, a 3% Local Small Business Enterprise (LSBE) goal, and a 3% Disabled Veterans Business Enterprise (DVBE) goal. Skanska USA Civil West California District, Inc. committed to 20% SBE, 7% LBE, 3% LSBE, and 3% DVBE, and has achieved 14.602% SBE, 23.347% LBE, 7.99% LSBE, and 3.34% DVBE participation to date.

6. Skanska USA Civil West California District, Inc. will comply with the provisions of the Affirmative Action Program.

7. Skanska USA Civil West California District, Inc. has been assigned the Business Tax Registration Certificate number 0002412916-0001-5.
8. Skanska USA Civil West California District, Inc. will comply with the provisions of the Child Support Obligations Ordinance.
9. Skanska USA Civil West California District, Inc. has approved insurance documents, in the terms and amounts required, on file with Los Angeles World Airports.
10. Pursuant to Charter Section 1022, staff determined the work specified in the proposed contract can be performed more feasibly or economically by an Independent Contractor than by City employees.
11. Skanska USA Civil West California District, Inc. has submitted the Contractor Responsibility Program Questionnaire and Pledge of Compliance and will comply with the provisions of the Contractor Responsibility Program.
12. Skanska USA Civil West California District, Inc. has been determined by Public Works, Office of Contract Compliance, to be in full compliance with the provisions of the Equal Benefits Ordinance.
13. This action is not subject to the provisions of the First Source Hiring Program.
14. Skanska USA Civil West California District, Inc. has submitted the Bidder Contributions CEC Form 55 and will comply with its provisions.
15. Skanska USA Civil West California District, Inc. has submitted the MLO Bidder Contributions CEC Form 50 and will comply with its provisions.
16. Skanska USA Civil West California District, Inc. has submitted the Iran Contracting Act of 2010 and will comply with its provisions.

SECOND AMENDMENT TO CONTRACT DA-5462
BETWEEN THE CITY OF LOS ANGELES AND SKANSKA USA CIVIL WEST CALIFORNIA
DISTRICT INC. FOR THE
ROADS AND ULITITIES ENABLING (RUE) PROJECT AT LOS ANGELES INTERNATIONAL
AIRPORT

THIS SECOND AMENDMENT to Contract No. DA-5462, made and entered into this day of July ___, 2022, by and between the CITY OF LOS ANGELES ("City"), a municipal corporation, acting by order of and through its Board of Airport Commissioners ("Board"), and SKANSKA USA CIVIL WEST CALIFORNIA DISTRICT INC. ("Design/Builder"),

RECITALS

WHEREAS the City's Department of Airports known formally as Los Angeles World Airports ("LAWA") is responsible for the management and administration of this Contract, and

WHEREAS, the Board awarded Contract DA-5462 for Design/Build services and Construction of the Project on September 29, 2020; and

WHEREAS, the parties desire to amend Contract DA-5462 to replace in its entirety General Condition 09 Subcontracts of the Contract.

NOW THEREFORE, in consideration of the premises, and of the terms, covenants and conditions hereinafter contained to be kept and performed by the respective parties hereto, IT IS MUTUALLY AGREED that Contract DA-5462 be amended as follows:

GC-9 Subcontracts of Contract DA-5462, is amended and restated in its entirety to read:

GC- 9. SUBCONTRACTS

- A. The provisions of this section shall only pertain to projects established under the Additional RUE Projects line item. For each Additional RUE Project the Design/Builder recognizes and accepts that the subcontractor and supplier selection and contracting procedures specified herein are intended to promote pricing or buyout of the Work in a fair and reasonable manner and to maintain fair and open competition. As such, all Work, except for services which are a part of the Design/Builder's self-performance of the General Conditions, shall be procured based upon either Competitive Bids awarded to the lowest responsive and responsible bidder or through the use of a Competitive Sealed Proposal Selection Process (CSPSP), awarded to proposers providing the best value to the City as defined below. Design/Builder shall utilize mandatory inclusivity goals consistent with LAWA's inclusivity requirement programs as listed in the Contract Documents.
- B. The Design/Builder shall develop lists of possible bidders or proposers to solicit bids or competitive sealed proposals (proposals) for the work package(s). The Design/Builder shall conduct an outreach effort to attract broad interest among qualified firms. At a minimum, the Design/Builder shall use three (3) different publications and/or other industry standard outreach vehicles to advertise each work package and each work package shall be advertised for a minimum of two (2) weeks, unless otherwise specified by LAWA. It shall be the responsibility of the Design/Builder to contact potential bidders or proposers to develop a sufficient pool of bidders. The Design/Builder shall maintain evidence of such outreach.
- C. If the Design/Builder is proposing to use a prequalification process, the Design/Builder shall provide subcontractor prequalification criteria to LAWA for review. Prequalification criteria shall be consistent with those published by the California Department of Industrial Relations. Prequalification criteria shall be submitted in writing to LAWA for its review prior to use. LAWA will confirm that such prequalification criteria are fair and reasonable. LAWA may request notification of the Design/Builder's prequalification selections, before notification is made to any subcontractor of those selections. Use of a prequalification process does not preclude Design/Builder from further shortlisting during a CSPS process.
- D. For proposals, the Design/Builder requests for proposals shall be submitted to LAWA for review and approval. The requests for proposal shall include as a minimum, the following:
1. Detailed scope of services
 2. Qualifications and experience of proposers
 3. Proposal content requirements
 4. Terms of the proposal
 5. Submission instructions
 6. Evaluation criteria
 7. All legal, administrative and contractual information and requirements
- E. The Design/Builder shall secure the commitment to bid or propose on each Work Package from a minimum of three (3) firms for each trade depending on the approved packaging in the Procurement Plan, unless the Design/Builder elects to self-perform that work as permitted herein. The Design/Builder shall invite LAWA in writing five (5) days prior to all pre-bid or pre-proposal conferences, outreach events, bid openings, proposal reviews and scope and selection interviews (if conducted) for each work package.
1. Instructions to Bidders and Proposers in each work package shall be clear and precise

and reviewed by LAWA before solicitation.

2. The Design/Builder shall ensure that subcontractors understand that all items in the Instructions to Bidders and Instructions to Proposers must be submitted at the time the bid or proposal is due in the manner of the detailed format requested. If there are gaps in the itemized pricing list as requested but the grand total is shown as inclusive of these items, the Design/Builder shall have the subcontractor resubmit the itemized list, dated and initialed by the subcontractor.
 3. Subcontractors shall have an EMR (Experience Modification Rate/Rating) of less than 1.0 to qualify for award. In lieu of a EMR of less than 1.0, subcontractors may have an EMR between 1.00 and 1.25. LAWA may modify this requirement on a case specific basis.
- F. To the extent the Design/Builder chooses to utilize mandatory inclusivity levels, the inclusivity levels for each CGMP must meet the inclusivity levels of participation given by LAWA to the Design/Builder for this Contract, unless otherwise specified by LAWA.
- The inclusivity levels for each CGMP must meet the inclusivity levels of participation given by LAWA.
- G. The Design/Builder shall respond to request for proposal and bid questions and issue addenda as necessary during the bid and proposal preparation periods and at the pre-bid or pre-proposal conferences and walk-throughs. When needed, the Design/Builder shall consult with LAWA to address the questions and addenda.
- H. In the event that the Design/Builder obtains fewer than three bids or proposals, it shall provide LAWA with a written justification of its efforts to obtain competition and, if it recommends that it should proceed to award the subcontract with fewer than three (3) bidders or proposers, the justification therefore. No award shall be made where there are fewer than three (3) bidders or proposers without LAWA's concurrence. Any sole source award must be issued consistent with Public Contract Code Section 3400 et seq. The Design/Builder should be aware that approval of an award may be delayed when less than three (3) bids are obtained.
- I. LAWA shall be given reasonable and sufficient notice of bid openings or proposal submissions for all subcontracts. The Design/Builder shall provide a written Procurement Plan that identifies the various work packages and the Design/Builder's approach to procuring each. The Design/Builder shall submit to LAWA a written copy of the cost estimated budget for that work package two (2) days before the date the bids or proposals are due. Bid openings and proposal reviews are to be held with LAWA present.
- J. Upon receipt of bids or proposals:
1. The Design/Builder shall record all bids or proposals received and provide recording sheets to LAWA staff during the bid opening or proposal review that include contractors budget/estimate for the work, the list of bidders or proposers, and any specific bid or proposal requirements that would deem a bidder or proposer non-responsive. The Design/Builder may utilize a system that allows for electronic submission of bids or proposals, provided that said system allows for "sealed" submission of bids or proposals.
 - a. The bids will be tabulated in a pre-approved format which allows for comparison of each GMP budgeted line item for review by the Design/Builder and LAWA. The report shall also indicate all bids received and compare the lowest responsible, responsive bids with the cost estimate for that work package. Bidders should be discouraged from including clarifications and assumptions as these items may render the bidder nonresponsive to the scope requirements.
 - b. For proposals, the Design/Builder will provide a selection criterion scoring sheet,

previously approved by LAWA, which tabulates the scores of the proposers. A report shall be generated by the Design/Builder comparing the scores of each proposer, the cost element from each proposer and a comparison of the apparent selected subcontractor with the cost estimate for that work package. The report shall also include results of all pass/fail criteria.

2. The Design/Builder shall analyze the bid results and proposal pricing for potential errors, the spread of bid amounts or pricing components and review the apparent low bids and proposals for responsiveness, responsibility and compliance with the relevant work package. Scoping meetings with the subcontractors are allowed to determine if the bidders or proposers understood the scope of work; however, LAWA shall be present if such meeting takes place.
 3. Responsibility is defined as a bidder or proposer that has demonstrated it understands the Scope of Work and has the attribute of trustworthiness, as well as quality, fitness, capacity, and experience to satisfactorily perform the applicable Work at LAX. For proposers, additional attributes may include expertise and experience of key personnel that will be assigned to the project, specific project experience and expertise with references and the quality of the proposer's submitted project approach and work plan.
 4. Design-Builder may reject any and all bids or proposals and waive any informality in such bids or proposals, only if Design-Builder receives approval from LAWA that LAWA has determined that such rejection or waiver would be to the advantage of LAWA.
- K. For work packages bid, award shall be made to the responsive and responsible bidder with the lowest bid price. The Design/Builder will notify LAWA in writing of the proposed subcontractor, prior to awarding any subcontract, for a quality assurance check. For work packages procured under a request for proposals, award shall be made to the proposer with the lowest ultimate cost to the City as determined through the CSPSP selection process.
- L. The Design/Builder must allow time for the subcontractor approval process. Before making award to a subcontractor or material supplier, the Design/Builder shall obtain approval from LAWA.
- M. All subcontracts will be between the Design/Builder and the subcontractors or suppliers. Subcontracts shall be written to protect LAWA from impacts and claims arising from the work. A copy of every subcontract shall be furnished to LAWA at least five (5) calendar days prior to execution of the subcontract by Design/Builder. The Design/Builder shall be responsible to LAWA for the acts and omissions of its agents and employees, suppliers, subcontractors performing work under a contract with the Design/Builder, and of its lower tier subcontractors, agents or employees.
- N. The Design/Builder shall require each subcontractor of every tier to be bound to the Design/Builder by the terms of the Contract Documents, and to assume toward the Design/Builder all applicable obligations and responsibilities which the Design/Builder, by these Documents, assumes toward LAWA. Said Contract shall preserve and protect the rights of LAWA under the Contract Documents with respect to the Work to be performed by the subcontractors that the subcontracting thereof will not prejudice such rights. The Design/Builder shall make available to each proposed subcontractor, prior to the execution of the subcontract, copies of the Contract Documents and the Design/Builder's Summary Schedule, to which the subcontractor shall similarly make copies of such Contract Documents available to their subcontractors of every tier. Subcontractors also shall be provided access to all RFI's, Schedule Updates, and any other information that arises during the performance of the work. No subcontract or purchase order shall bind or purport to bind LAWA. Each

subcontract or purchase order shall provide, without requiring the prior consent of the relevant subcontractor or supplier, for assignment and delegation of such subcontract or purchase order by Design/Builder to LAWA in the event of a Design/Builder Event of Default.

- O. The Design/Builder shall make no substitution for any subcontractor, person or entity previously selected without the prior written concurrence of LAWA.
- P. All remaining Work budget in the Design/Builder's "Cost of Work" upon completion reverts to LAWA.

It is understood and agreed by and between the parties hereto that, except as specifically provided herein, this SECOND Amendment shall not, in any manner, alter, change, modify or affect any of the rights, privileges, duties or obligations of either of the parties hereto under or by reason of said Contract No. DA-5462.

IN WITNESS WHEREOF, the parties hereto have made and executed this SECOND Amendment on the day and year first above written.

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APPROVED AS TO FORM
Michael N. Feuer, City Attorney

Date: _____

By: _____
Deputy City Attorney

CITY OF LOS ANGELES

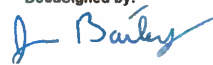
By: _____
Chief Executive Officer
Los Angeles World Airports

By: _____
Chief Financial Officer
Los Angeles World Airports

ATTEST:
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Secretary (Signature)

Brett Bockmann

Print Name

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James Bailey

Print Name

Sr. Vice President

Print Title