



Los Angeles World Airports



REPORT TO THE

BOARD OF AIRPORT COMMISSIONERS

Hans Thilenius

Hans Thilenius (Dec 10, 2021 09:53 PST)

Approved by: Hans Thilenius Deputy Executive Director

Jacob Adams

Jacob Adams (Dec 10, 2021 10:27 PST)

Reviewed by: Jake Adams, Deputy Executive Director

Brian C. Ostler

Brian C. Ostler (Dec 10, 2021 10:33 PST)

Brian C. Ostler, City Attorney

Justin Erbacci

Justin Erbacci (Dec 10, 2021 11:00 PST)

Justin Erbacci, Chief Executive Officer

Meeting Date:

12/16/2021

CAO Review:

- Completed
- Pending
- N/A

Reviewed for	Date	Approval Status	By
Finance	12/7/2021	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> NA	JS
CEQA	12/7/2021	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	VW
Procurement	12/7/2021	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> Cond	LK
Guest Experience	12/7/2021	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	TB
Strategic Planning	12/7/2021	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> NA	KC

SUBJECT

Request to approve the Sixth Amendment to Contract No. DA-5305 with Swinerton Builders to increase the contract value by \$1,264,699, for a total not-to-exceed amount of \$296,984,443, to provide construction services for the domestic baggage claim work at Los Angeles International Airport.

RECOMMENDATIONS

Management RECOMMENDS that the Board of Airport Commissioners:

- ADOPT the Staff Report.
- DETERMINE that this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Article III, Class 1 (1) of the Los Angeles City CEQA Guidelines.
- APPROVE the Sixth Amendment to Contract No. DA-5305 with Swinerton Builders to increase the contract value by \$1,264,699, for a total not-to-exceed contract amount of \$296,984,443.
- APPROPRIATE capital funds in the not-to-exceed amount of \$1,264,699.

5. AUTHORIZE the Chief Executive Officer to execute the Sixth Amendment to Contract No. DA-5305 with Swinerton Builders, upon approval as to form by the City Attorney and approval by the Los Angeles City Council.

DISCUSSION

1. Purpose

Staff requests approval of the Sixth Amendment to Contract No. DA-5305 with Swinerton Builders (Swinerton) to address unanticipated costs driven by tenant modifications due to the COVID-19 pandemic and increased security measures related to the build-out of the Tom Bradley International Terminal (TBIT) Domestic Baggage Claim Circulation Corridor Project.

2. Prior Related Actions

Due to the large number of prior related actions, only the initial awarded contract and the relevant Fourth Amendment is listed below. A complete listing of prior related actions is listed in the appendix of this report.

- **July 11, 2018 – Resolution No. 26550 (DA-5305)**
The Board of Airport Commissioners (Board) approved a three (3)-year contract to Swinerton for two-phase Design-Build services for the Intermodal Transportation Facility West (ITFW) Project for an amount not to exceed \$208,740,346 and appropriated capital funds in the amount of \$28,500,000 for Phase 1 of the project, including mobilization, design, preconstruction, and enabling work.
- **October 15, 2020 – Resolution No. 27127**
The Board of Airport Commissioners approved the Fourth Amendment to Contract No. DA-5305 with Swinerton in the amount of \$20,012,641 and appropriated funds in the not-to-exceed amount of \$21,805,272 for the Landside Modernization Program (LAMP) ITFW Project and the Domestic Baggage Claim Project at LAX.

3. Current Action

Project Background

The Tom Bradley International Terminal was designed and constructed to serve international air service exclusively. The facility did not provide for a domestic baggage claim or a pathway for large numbers of domestic arriving passengers to gain access to a domestic baggage claim. As the West Gates at TBIT (formerly known as the Midfield Satellite Concourse) came online, Los Angeles World Airports (LAWA) initiated the new TBIT Domestic Bag Claim Project in conjunction with the TBIT Core Vertical Circulation Project to develop a circulation corridor to accommodate passengers arriving on domestic flights for airlines operating out of the West Gates who needed to claim their baggage in TBIT. Los Angeles World Airports (LAWA) engaged Swinerton to develop this project.

Current Action

After the construction portion of the Domestic Bag Claim Project was awarded and the design had progressed past 90 percent, several changes were necessary to accommodate tenants' and stakeholders' changes at TBIT due to the COVID-19 pandemic. International carriers, including Norwegian, Qantas, British Airlines, Avianca, Interjet and Volaris, either elected not to renew their leases or reduced the square footage of their proposed leasehold. Due to this downsizing, TBIT Equipment Company (TBITEC) elected to capture some of this unclaimed space and expand their leasehold. The by-product was a redesign of the spaces which created additional architectural and mechanical-electrical-plumbing related work.

Additionally, LAWA Information Management Technology and the Los Angeles Airport Police Department found that the existing circulation pathways (existing food court and ramp areas to the non-secured side) did not have sufficient existing Access Control and Alarm Monitoring System and Closed-Circuit Television monitoring, and required numerous devices of both systems to be added to the project scope.

The net result is that these additions to the project, which are above and beyond the traditional unforeseen conditions and minimal scope creep, could not be supported by the allowances and program contingencies. However, the project did have savings in the LAWA soft cost categories of unused funds for design, program management and inspection services. The overall project result is that there is no additional project budget required to fund the additional work (see Project Budget details below). The proposed Sixth Amendment will increase the contract value with Swinerton. However, funds from project soft costs will be re-allocated to cover the additional unanticipated costs, so there will be no new net money required.

Project Budget

This change will be accomplished with no increase to the Project Budget. It will be funded through the use of Contingency and unused funds available elsewhere in the Construction and Soft Cost budgets as shown in the table below:

Project Budget			
	Current	This Action	Proposed
Hard Costs - Swinerton	\$ 12,793,736	\$ 1,264,699	\$ 14,058,435
Hard Costs - Other	\$ 2,347,529	\$ (241,236)	\$ 2,106,293
Soft Costs	\$ 3,346,796	\$ (633,421)	\$ 2,713,375
Contingency	\$ 490,532	\$ (390,042)	\$ 100,490
Project Direct Cost	\$ 18,978,593	\$ -	\$ 18,978,593

The impact on the Swinerton's contract is detailed below:

Swinerton Builders - Overall Contract (DA-5305)	
Original Contract Award - Intermodal Transportation Facility West	\$208,740,346
Amendment 1 - Interim Ground Access Improvements (LAXit)	\$7,700,000
Amendment 2 - Interim Ground Access Improvements (LAXit)	\$18,771,300
Amendment 3 - Passenger Experience Enhancements for Intermodal Transportation Facility West	\$10,000,000
Amendment 4a - Smart Parking System for Intermodal Transportation Facility West	\$6,868,155
Amendment 4b - Design of Remote Baggage Check for Intermodal Transportation Facility West	\$1,234,338
Amendment 4c - Construction of new TBIT Domestic Baggage Claim	\$11,910,148
Amendment 5 - Construction of LAWA Badge Office	\$14,596,034
Amendment 6 - Additional Costs for TBIT Domestic Baggage Claim (today's action)	\$1,264,699
Cumulative Change Orders to Date - Interim Ground Access Improvements (LAXit)	\$2,178,000
Cumulative Change Orders to Date - new TBIT Domestic Baggage Claim	\$883,588
Cumulative Change Orders to Date - Intermodal Transportation Facility West	\$12,837,835
Total Contract Value to Date	\$296,984,443

Project contingency status is detailed below:

Domestic Bag Claim Project Contingency Summary	
Approved Project Contingency	\$1,374,120
Current Remaining Project Contingency	\$490,532
Proposed Change (today's action)	(\$390,042)
Remaining Project Contingency (including today's action)	\$100,490

Fiscal Impact

The TBIT Domestic Baggage Claim build-out is programmed in LAWA's 10-year Capital Improvement Plan (CIP), with a direct project budget of \$18,978,594, including hard costs, soft costs, and contingency, as outlined above. As the proposed amendment would be funded from the current soft cost and contingency budget, approval of this item would result in no net increase to the CIP.

4. Alternatives Considered

- ***Take No Action***

If the Sixth Amendment is not approved, staff will not have a mechanism to compensate Swinerton for work on the TBIT Domestic Baggage Claim build-out.

APPROPRIATIONS

Staff requests that funds in the not-to-exceed amount of \$1,264,699, the amount associated with the hard costs for the project, be appropriated and allocated from the LAX Revenue fund to WBS element 1.21.11A-700 (Domestic Bag Claim).

STANDARD PROVISIONS

1. Interior alterations involving remodeling or minor construction where there be negligible or no expansion of use is exempt from California Environmental Quality Act (CEQA) requirements pursuant to Article III, Class 1 (1) of the Los Angeles City CEQA Guidelines.

2. The City Attorney has approved the underlying contract as to form.
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. As this is a construction project, Swinerton Builders will comply with the applicable provisions of the Living Wage Ordinance and the Labor Code of the State of California (Prevailing Wage).
5. Procurement Services has reviewed this action (File No. 10042558), and established mandatory goals of 20% SBE, 10% LBE, 5% LSBE, and 3% DVBE. Swinerton Builders has committed to 20% SBE, 10% LBE, 5% LSBE, and 3% DVBE participation, and has achieved 46.16% SBE, 39.17% LBE, 37.7% LSBE and 0% DVBE to date.
6. Swinerton Builders is required by contract to comply with the provisions of the Affirmative Action Program.
7. Swinerton Builders has been assigned Business Tax Registration Certificate number 0000068488-0001-3.
8. Swinerton Builders is required by contract to comply with the provisions of the Child Support Obligations Ordinance.
9. Swinerton Builders has approved insurance documents, in the terms and amounts required, on file with the Los Angeles World Airports.
10. As this is a construction project, the CAO has determined that this action is exempt from the provisions of Charter Section 1022 (Use of Independent Contractor).
11. Swinerton Builders has submitted the Contractor Responsibility Program Questionnaire and Pledge of Compliance and will comply with the provisions of the Contractor Responsibility Program.
12. Swinerton Builders must be determined by Public Works, Office of Contract Compliance, to be in full compliance with the provisions of the Equal Benefits Ordinance, prior to Contract Amendment.
13. Swinerton Builders is required by contract to comply with the provisions of the First Source Hiring Program for all non-trade Airport jobs.
14. Swinerton Builders has submitted the Bidder Contributions CEC Form 55 and will comply with its provisions.
15. Swinerton Builders has submitted the MLO Bidder Contributions CEC Form 50 and will comply with its provisions.
16. Swinerton Builders will comply with the provisions of the Iran Contracting Act.

DATE	RESOLUTION NO.	PRIOR RELATED ACTIONS	FILE NO.
7/11/2018	26550	The Board of Airport Commissioners (Board) approved a three-year contract to Swinerton Builders for two-phase Design-Build services for the Intermodal Transportation Facility West (ITFW) Project for an amount not to exceed \$208,740,346 and appropriated capital funds in the amount of \$28,500,000 for Phase 1 of the project, including mobilization, design, pre-construction, and enabling work.	DA-5305
3/21/2019	26727	The Board approved the First Amendment in the amount of \$7,700,000 to Contract No. DA-5305 with Swinerton Builders to include construction services for Interim Ground Access (now known as the LAX-it facility) and traffic management at Los Angeles International Airport (LAX). This action resulted in an amended contract amount of \$216,440,346 and a total appropriation to-date of \$36,200,000. Staff notified the Board of its intent to return for additional funding and contract authority upon developing the complete work package.	DA-5305A
4/10/2019	26742	The Board approved the Second Amendment in the amount of \$18,771,300 to Contract No. DA-5305 with Swinerton Builders to include construction services for the LAX-it facility and traffic management at LAX, and appropriated capital funds in the amount of \$23,962,822. This action resulted in an amended contract amount of \$235,211,646 and a total Board appropriation to-date of \$61,671,177.	DA-5305B
5/2/2019	26755	The Board approved a Component Guaranteed Maximum Price to appropriate capital funds in the amount of \$31,182,049. This included \$22,934,825 for Contract No. DA-5305 with Swinerton Builders to include allowances, early works, and design completion for the Landside Access Modernization Program's (LAMP) ITFW Project. The Board also appropriated \$4,180,000 for Owner's Construction Support Services and \$4,067,224 for Owner's Construction Contingency. This action did not amend the contract amount of \$235,211,646 but amended a total Board appropriation to-date of \$92,853,226.	
7/18/2019	26813	The Board (1) approved a Guaranteed Maximum Price (GMP) in the amount of \$218,740,346 and the Third Amendment in the amount of \$10,000,000, and (2) appropriated \$175,863,637 to Contract No. DA-5305 with Swinerton Builders for Phase 2 of the ITFW Project, and \$19,186,660 for Owner's Contingency. This action resulted in an amended contract amount of \$245,211,646 and a total Board appropriation to-date of \$287,903,523.	DA-5305C
9/3/2020	27097	The Board approved a change order for design and pre-construction services for the Security Badge Office in the amount of \$693,766 and approved additional funds in the amount of \$200,000 for plan check and a permitting allowance covering the ITFW Project at LAX.	

10/15/2020	27127	The Board approved the Fourth Amendment to Contract No. DA-5305 with Swinerton Builders in the amount of \$20,012,641 and appropriated funds in the not-to-exceed amount of \$21,805,272 for the LAMP ITFW Project and the Domestic Baggage Claim Project at LAX.	DA-5305D
11/19/2020	27147	The Board approved a change order in the amount of \$800,000 to install a Distributed Antenna System to support infrastructure for Cellular Communication Systems for the ITFW Project at LAX.	
12/10/2020	27167	The Board approved a change order in the total amount of \$1,199,788 to provide network switches necessary for the functionality and operations of network systems throughout the ITFW Project at LAX.	
3/4/2021	27215	The Board approved a change order in the total amount of \$1,950,385 to provide crane access to the Los Angeles Department of Water and Power station and a crane pad to support a 100-ton crane for the ITFW Project at LAX.	
5/20/2021	27263	The Board approved (1) a Guaranteed Maximum Price to Contract No. DA - 5305 with Swinerton Builders in the amount of \$14,596,034, to construct the Security Badge Office within the Intermodal Transportation Facility West at Los Angeles International Airport, (2) the Fifth Amendment to increase the contract duration by 15 months and increase the value by \$14,596,034, and (3) the appropriation of funds in the amount of \$15,958,034.	