



Approved by:	Hans Thilenius Deputy Executive Director Terminal Development & Improvement Program	
ITEM TYPE	<input type="checkbox"/> Award <input checked="" type="checkbox"/> Amendment <input checked="" type="checkbox"/> Appropriation <input type="checkbox"/> Policy/Program <input type="checkbox"/> Other:	
SUBJECT	Request to adopt the following report; to approve the Fourth Amendment to Contract DA-5620 with Hensel Phelps Construction Co. to add \$184,000,000 to the contract authority, for a new total not to exceed \$492,000,000, covering the Central Terminal Area Curbside Improvement Program at Los Angeles International Airport; and to appropriate \$193,313,200 to the Infrastructure Capital Program at said airport.	

Item REQUIRES City Council Approval.
 Item is subject only to STANDARD REVIEW by the City Council.

DISCUSSION

1. Background and Necessity of Requested Action

02-16-2023	Resolution #27683 (DA-5620)	Award / Project Appropriations
Awarded a five-year Progressive design-build contract to Hensel Phelps Construction Co. (Hensel Phelps) covering Phase 1 (design and preconstruction) of the Central Terminal Area (CTA) Curbside Improvement Program at Los Angeles International Airport (LAX), for a cost not to exceed \$13,067,519, and appropriated funds in the amount of \$16,919,023 million.		
11-07-2024	Resolution #28052 (DA-5620)	First Amendment & Appropriations
Approved the First Amendment to Contract DA-5620 with Hensel Phelps to add \$13,840,500, for a total contract authority of \$26,908,019, to provide design and construction services for the CTA Curbside Improvement Program Project at LAX; and appropriated funds in the amount of \$17,001,840.		
12-12-2024	Resolution #28079	Appropriations
Approved the appropriation of \$10,728,000 million for the Infrastructure Capital Program (ICP) at LAX.		
02-20-2025	Resolution #28110 (DA-5620)	Second Amendment & Appropriations
Approved the Second Amendment to Contract DA-5620 with Hensel Phelps to add \$31,688,540, for a total contract authority of \$58,596,559, covering design and construction services for the CTA Curbside Improvement Program at LAX; and appropriated funds in the amount of \$40,101,076.		

07-17-2025	Resolution #28215	Appropriations
Approved the appropriation of \$158,397,000 for the ICP at LAX.		
11-13-2025	Resolution #28272 (DA-5620)	Third Amendment & Appropriations
Approved the Third Amendment to Contract DA-5620 with Hensel Phelps to add \$249,403,441 for a total contract authority of \$308,000,000 million, covering design and construction services for the CTA Curbside Improvement Program at LAX; and appropriated funds in the amount of \$275,978,061.		
01-22-2026	Resolution #28302	Appropriations
Approved the appropriation of \$289,000,000 million for the ICP at LAX and \$6,000,000 for the ICP at the FlyAway at Van Nuys Airport.		

The CTA Curbside Improvement Program is enhancing customer experience for passengers, employees, and guests at LAX through a series of improvements, including upgraded crosswalks and roadways; curbside enhancements such as new paint, landscaping, and passenger loading zones with better bollard placement; and enhanced lighting throughout the CTA.

Occupying the same physical area is the proposed ICP CTA - Utilities Replacement Program (CTA-URP), which is focused on mitigating operational risks associated with aging underground infrastructure, optimizing utility systems to meet current demands, and accommodating future airport growth. The CTA-URP includes the replacement and/or repairs to select utility crossings within the CTA for the hot and chilled water, domestic water, fire water, sewer and natural gas mechanical systems.

Because the CTA-URP work overlaps with the footprint of the ongoing CTA Curbside Improvement Program, and because both efforts share the critical objective of supporting LAX's readiness for the 2028 Olympic and Paralympic Games, the proposed amendment adds the CTA-URP scope to the already-mobilized design-builder for the CTA Curbside Improvement Program.

This integrated delivery approach leverages the existing design-build team to enable immediate site access, while minimizing operational disruption through shared temporary barriers, wayfinding signage, safety controls, and quality oversight. By integrating scopes, the approach also reduces costs by avoiding rework to concrete islands, bollards, landscaping, and paving throughout the CTA. Finally, assigning overlapping scopes to a single design-builder improves coordination, reduces schedule risk, and ensures cohesive execution across both programs.

The CTA-URP has completed its planning phase, including all below-grade utility surveys, and has advanced design to the 15 percent level. With these milestones complete, the program is now ready to advance into the comprehensive design-build phase. To proceed appropriately and maintain alignment with program requirements and schedule commitments, the requested contract amendment and project appropriations are necessary to add this scope to the existing design-build agreement.

ICP Proposed CTA-URP Project Budget



The table below indicates the previous appropriation of previous ICP approvals plus today's approvals request:

Location	Non CTA-URP Projects	CTA-URP	Sub-Total: Prior Appropriations	Current Request (CTA-URP)	Total Request
Airside - Airfield	\$21,224,465		\$21,224,465		\$21,224,465
Central Terminal Area	\$28,038,226	\$45,000,000	\$73,038,226	\$169,393,200	\$242,431,426
Central Utility Plant	\$16,626,147		\$16,626,147		\$16,626,147
Project Management	\$37,325,000		\$37,325,000	\$23,920,000	\$61,245,000
Terminal 1	\$6,000,000		\$6,000,000		\$6,000,000
Terminal 2	\$26,000,000		\$26,000,000		\$26,000,000
Terminal 3	\$5,000,000		\$5,000,000		\$5,000,000
Terminal 4	\$6,000,000		\$6,000,000		\$6,000,000
Terminal 6	\$130,764,526		\$130,764,526		\$130,764,526
Terminal 7	\$44,000,000		\$44,000,000		\$44,000,000
Terminal 8	\$37,146,636		\$37,146,636		\$37,146,636
Tom Bradley International Terminal	\$55,000,000		\$55,000,000		\$55,000,000
FlyAway at Van Nuys Airport	\$6,000,000		\$6,000,000		\$6,000,000
	\$419,125,000	\$45,000,000	\$464,125,000	\$193,313,200	\$657,438,200

If the proposed amendment is not approved and the CTA-URP is deferred, aging mechanical systems throughout the CTA will continue to deteriorate, and eventually fail, causing disruptions to operations, poor guest experiences, and increase operational costs.

2. **Selection Process:** Competitive process. Other process. Not applicable.

The original Request for Proposal (RFP) for the CTA Curbside Improvement Project was posted in August 2022 on the Regional Alliance Marketplace for Procurement. Los Angeles World Airports hosted a Pre-Proposal Conference on August 24, 2022, with over 40 attendees, and posted the Final RFP on August 25, 2022.

Five proposals were received on the due date, and all five were determined to have met administrative requirements. Upon review of the firms' experience, as well as written, technical, and price proposals, Hensel Phelps was determined to be the most qualified firm.

3. **Fiscal Impact:** None. Revenue generation. Cost/cost recovery. Other.

This project is included in LAWA's Investment Plan and programmed as part of the 2024 Capital Improvement Plan (CIP) with a direct budget in the amount of \$657,438,200, which includes hard costs, owner's controlled costs, and contingency. As approval of this item is within this amount, adoption of this item will not increase the CIP.

4. **Alternative Actions:** Alternatives considered. No alternatives considered.

Concurrent Construction with Second Design-Builder	While considered, this alternative is not recommended. Introducing a second prime design-builder to perform underground utilities work while the existing design-builder continued delivering the CTA landside, curbside, and sidewalk improvements would create significant operational, safety, and schedule risks including: conflicting traffic control plans; incompatible phasing schedules where each contractor's work depends on the other's access; competing needs for trenches, staging and excavation areas; increased hazards to workers and passengers from overlapping activities; and a high likelihood of delay and impact claims due to contractor interference.
Defer Construction Until After the 2028 Olympics	This alternative is also not recommended. This approach presents significant drawbacks, including increased exposure to cost escalation from inflation, materials, and labor; a longer overall period of disruption as construction impacts would occur both before and after the Games rather than within a single program; and loss of construction momentum requiring remobilization, re-procurement, and resequencing of work. As a result, this option would likely lead to higher costs, extended disruption, and reduced alignment with ongoing CTA modernization efforts

APPROPRIATIONS

- Appropriation required. No appropriation required. Funding is available.

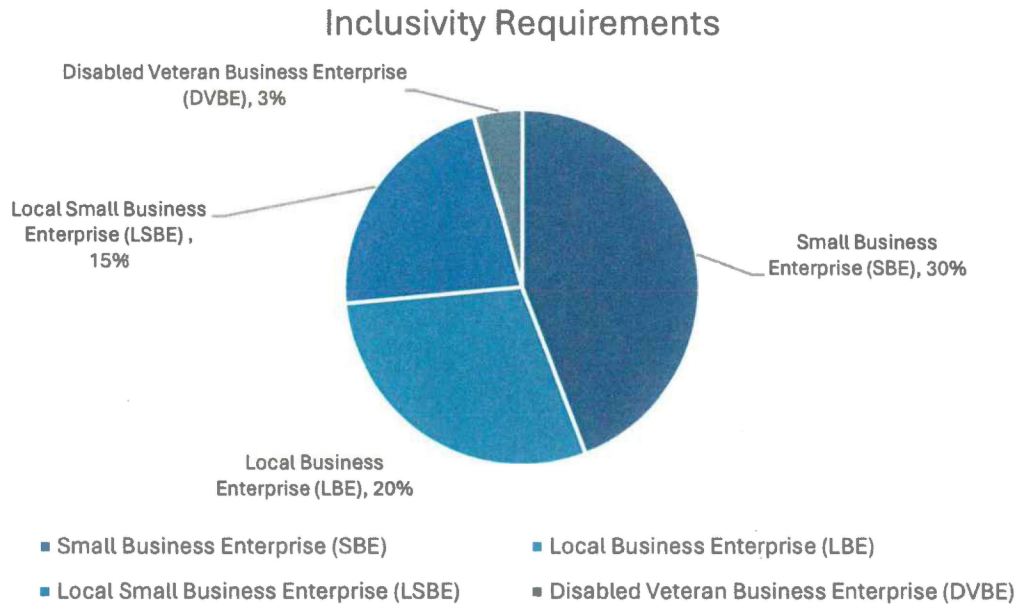
Staff request that funds for this project be appropriated and allocated in the not-to-exceed amount of \$193,313,200 from LAX Revenue Fund to WBS Elements as follows:

1. \$23,920,000 to WBS 1.25.05A-700 Infrastructure Capital Program – Management Project
2. \$169,393,200 to WBS 1.25.21A-700 Infrastructure Capital Program – Central Terminal Area Project

INCLUSIVITY & IMPACT

Goals/requirements identified. No goals/requirements stipulated. N/A or other.

The design builder for the CTA-URP will be required to meet the following participation levels for that portion of the work:



PROVISIONS

The Chief Executive Officer has approved this item.

The Board of Airport Commissioners is hereby requested to adopt staff's determination that the requested action is exempt from the California Environmental Quality Act (CEQA) pursuant to Article III Class 1 (1), Article III Class 1 (2), Article III Class 1 (3), Article III Class 1 (6), and Article III Class 1 (12) of the Los Angeles City CEQA Guidelines.

The Board is hereby further requested to authorize the Chief Executive Officer, or designee, to execute the Fourth Amendment to Contract DA-5620 with Hensel Phelps Construction Co. subject to approval by the Los Angeles City Council and approval as to form by the City Attorney.

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.