

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: April 15, 2026

CAO File No. 0150-11073-0011

Council File No.

Council District: 11

To: The Mayor

From:  for
Matthew W. Szabo, City Administrative Officer

Reference: Correspondence from the Los Angeles World Airports LAWA 26-004 dated March 23, 2026 in accordance with Executive Directive No. 15

Subject: **PROPOSED FOURTH AMENDMENT TO CONTRACT NO. DA-5620 BETWEEN LOS ANGELES WORLD AIRPORTS AND HENSEL PHELPS CONSTRUCTION CO. TO ADD \$184,000,000 AND SCOPE FOR THE CENTRAL TERMINAL AREA UTILITIES REPLACEMENT PROGRAM IN THE CAPITAL IMPROVEMENT PLAN AT THE LOS ANGELES INTERNATIONAL AIRPORT**

RECOMMENDATION

1. Approve Los Angeles World Airports (LAWA) Report LAWA 26-004 authorizing a Fourth Amendment to Contract DA-5620 with Hensel Phelps Construction Co. to increase the maximum contract authority by \$184,000,000 from \$308,000,000 to \$492,000,000, add new scope for the Central Terminal Area – Utilities Replacement Program and appropriate \$193,313,200 to the Infrastructure Capital Program at said airport; the current term expiration of June 27, 2029 remains unchanged;
2. Adopt the November 17, 2025 Board of Airport Commissioners (Board) determination in Resolution No. 28272 that this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Article III Classes 1(1), 1(2), 1(3), 1(6), and 1(12) of the Los Angeles City CEQA Guidelines; and,
3. Authorize the LAWA Chief Executive Officer, or designee, to execute the proposed Fourth Amendment upon approval as to form by the City Attorney and approval by the Council.

SUMMARY

The Los Angeles World Airports (LAWA, Department) requests approval of its March 23, 2026 report (LAWA 26-004), which among other actions, authorizes a proposed Fourth Amendment (Amendment) to Contract No. DA-5620 (Contract) with Hensel Phelps Construction Co. (Hensel Phelps) for the Central Terminal Area (CTA) Curbside Improvement Program Project (Program/Project), formerly named the Landscaping Improvements Program, at Los Angeles International Airport (LAX). The proposed Amendment will increase the contract authority by

\$184,000,000 from the recently increased \$308,000,000 to a new not-to-exceed contract amount of \$492,000,000. The term of the agreement will remain unchanged and expire June 27, 2029. The Amendment provides an opportunity to add critical and necessary new scope in the Hensel Phelps agreement for the Central Terminal Area Utilities Replacement Program (CTA-URP), which is focused on mitigating operational risks associated with aging underground infrastructure. Planning is complete for the CTA-URP, a component of the Department's Capital Improvement Plan (CIP), including all below-grade utility surveys, and design has advanced to the 15 percent level. This CIP work is in the same area as work Hensel Phelps is already performing and can now advance to the comprehensive design-build phase and maintain alignment with program requirements and schedule commitments. The Department also requests an appropriation of \$193,313,200 from the Board to supplement existing available funding in order to ensure there is sufficient monies within the Infrastructure Capital Program at LAX.

Pursuant to Executive Directive No. 15, Section A1(a) (Bass Series), CAO review is required as the construction contract exceeds \$100 million. Review and approval by the Office of the Mayor is required prior to consideration by the Board of Airport Commissioners. Pursuant to Charter Section 373 and Los Angeles Administrative Code Section 10.5(e), due to the contract exceeding five years, on March 27, 2026, the City Council approved the Third Amendment (C.F. 23-0550-S3). The proposed Amendment to the contract is subject to approval as to form by the City Attorney. Our Office has reviewed the request and recommends approval.

BACKGROUND

Central Terminal Area (CTA) Curbside Improvement Program Project - The goal of the CTA Program is to enhance 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. The resulting improvements will provide space for employees to take lunch or breaks, new passenger waiting areas other than the terminal or baggage claim area, and new revenue-generating opportunities for LAWA.

CTA-URP Scope of Work - The CTA includes the Utilities Replacement Program or CTA-URP, which occupies the same physical area, and is focused on mitigating operational risks 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 hot and cold water, domestic water, fire water, sewer, and natural gas mechanical systems. The Project is included in LAWA's Investment Plan and the 2024 Capital Improvement Plan (CIP). The design phase for the CTA-URP has been completed, including all below-grade utility surveys and the design has advanced to the 15 percent level. This Amendment will allow the CTA-URP to proceed to the comprehensive design-build phase.

Original Contract – On August 5, 2022, the Department released a Request for Proposals for the design and construction of the LAX Landscaping Improvements Program, now renamed as the Central Terminal Area Curbside Improvement Program. The Department received five proposals and selected Hensel Phelps with the Board approving Resolution No. 27682 authorizing a five-year

progressive design-build contract (DA-5620) with Hensel Phelps for the design and construction of the Project in an amount not-to-exceed \$13,067,519 on February 16, 2023. The Council approved the contract (C.F. 23-0550) on June 13, 2023 and the Notice-To-Proceed was issued to Hensel Phelps on June 28, 2023.

Some of the scope of work (SOW) in the original Contract include: creation of four new plazas with landscaping, hardscaping, outdoor furniture, technology, and public art; CTA parking garage façade improvements; and possible scopes for Automated People Mover column enhancements, curbside and soft story improvements, and security improvements.

First Amendment – On November 7, 2024, the Board approved the first amendment to the Contract increasing the contract authority by \$13,840,500 from \$13,067,519 to \$26,908,019. Through this amendment, LAWA increased contract authority and added design for safety and security enhancements at the East, South, and West employee parking lots; relocation of personnel based in five modular buildings in the CTA to permanent facilities and removal of the modular buildings; and, creation and improvement of 32 marked street and lot parking spaces for Federal Aviation Administration (FAA) control tower personnel. The item was approved by Council on February 12, 2025 (C.F. 23-0550-S1).

Second Amendment – On February 20, 2025, the Board approved the second amendment to increase the contract authority by \$31,688,540 from \$26,908,019 to \$58,596,559. The contract term remained unchanged. The increased contract authority provided for the pre-design, design, and preconstruction activities for three additional scopes including replacing landscape along World Way Street, enhanced landscape areas in front of P3 and P4 and areas of the Theme Building, relocation of personnel currently based in modular buildings to permanent facilities and removal of modular buildings, lighting and art restorations, and other work. The item was approved by Council on May 5, 2025 (C.F. 23-0550-S2).

Third Amendment – On November 13, 2025, the Board approved the third amendment which moved the Project from Phase One - Design into Phase Two - Construction, and increased the total contract authority by \$249,403,441, from \$58,596,559 to \$308,000,000. The contract term was extended by one year, with a new expiration of June 27, 2029, in order to allow extra time to complete additional new scopes. The new scopes included: Application of epoxy coating at existing terminal sidewalks and islands; Installation of 12 new enhanced crosswalks; passenger loading zones to the inner and outer roadway curbs to achieve code compliance; demolition of existing curbside ceiling panels; new painting of the curbside ceilings; and parking structure façade improvements, including painting and new vinyl design applications at seven locations. This item was approved by Council on March 27, 2026 (C.F. 23-0550-S3) and the department reports the work is proceeding according to plan.

Proposed Fourth Amendment – The proposed Amendment increases the contract authority by \$184,000,000, from \$308,000 to a new not-to-exceed total of \$492,000,000 to address the CTA-URP, part of the LAWA's Biennial CIP. The increase will allow LAWA to add additional scope of work to include the CTA-URP to the Hensel Phelps contract and capitalize on the firm's familiarity with the CTA as well as the fact that the company is already mobilized in the area. LAWA reports

distinct benefits to overlapping scopes to a single design-builder which improves coordination and ensures cohesive execution across both programs. The term expiration of June 27, 2029 remains unchanged and is sufficient for all work to be completed.

Project Costs and Funding – The table below reflects the total new Project Costs, including Hensel Phelps design-builder costs of \$492,000,000 and LAWA’s soft costs of \$96,313,200 for a total Project cost of \$588,313,200. The CTA budget of \$350,000,000 includes the First, Second, and Third Amendments, including Hensel Phelps design and construction costs of \$308,000,000 and LAWA’s soft costs of \$42,000,000. The CTA-URP budget of \$238,313,200, through this proposed Fourth Amendment, includes \$184,000,000 design and construction costs to fund Hensel Phelps, and LAWA’s soft costs of \$54,313,200 and are funded from LAWA’s 2024 CIP Budget. The Board previously appropriated \$45,000,000 and an additional \$193,313,200 is requested from the Infrastructure Capital Program through this Amendment.

Hensel Phelps – Agreement DA 5620 / Components and Costs Central Terminal Area Curbside Improvement Program and 2024 Capital Improvement Plan / Central Terminal Area Utilities Replacement Program			
Detail of Design and Construction Work / Scope	Design and Construction Costs	LAWA Soft Costs	Total Costs per Program
Original, Amendments 1, 2, 3 (CTA): include Arrivals, Curbside, Landscaping, Art (FAA Tower, Asset Renewal, Office Relocations, FAA, Employee Parking and Security Enhancements, soft costs, etc.)	\$ 308,000,000	\$ 42,000,000	\$350,000,000
Amendment 4 (CTA-URP): Utilities Replacement, Paving; soft costs	\$ 184,000,000	\$ 54,313,200	\$238,313,200
Grand Totals	\$ 492,000,000	\$ 96,313,200	\$588,313,200
See Exhibit in Attachment 1 for more detail			

Project Schedule - Hensel Phelps is expected to achieve substantial completion of the CTA-URP Project ahead of the 2028 Olympic and Paralympic Games but has contingency plans that allows for post-Olympic completion if not completed ahead of the Olympics at no additional expense to the City. The term expiration of June 27, 2029 provides additional time to allow for any unforeseen conditions.

Alternatives Considered – The Department considered two alternatives, but does not recommend either: 1) Concurrent construction with a second design-builder, or 2) Defer construction until after the 2028 Olympics. Utilizing a second design-builder would create significant operational, safety, and schedule risks due to the time it would take to select a new design-builder. Deferral of the CTA-URP could result in further deterioration and eventual failure of aging mechanical systems throughout the CTA, causing disruptions to operations and poor guest experiences. In addition, there is the increased risk of escalated design and construction costs as well as higher

maintenance and operational costs due to inflation. LAWA reports the risk of having two construction primes could result in additional costs ranging between \$21.8 million to \$39.3 million.

CITY COMPLIANCE

Small Business Enterprise (SBE), Local Business Enterprise (LBE), Local Small Business Enterprise (LSBE), and Disabled Veterans Business Enterprise (DVBE) Participation – Participation goals for Hensel Phelps for the CTA-URP are as follows:

- Small Business Enterprise (SBE) – 30 percent
- Local Business Enterprise (LBE) – 20 percent
- Local Small Business Enterprise (LSBE) – 15 percent
- Disabled Veterans Business Enterprise (DVBE) – Three (3) percent

Charter Section 1022 – As previously reported in the CAO reports on the original contract and subsequent amendments, on February 16, 2023, the Board approved the determination that the work performed is more feasibly done by a contractor due to the proprietary nature of the work. (C.F. 23-0550, 23-0550-S1).

California Environmental Quality Act (CEQA) – Activities under the Project are exempt from the CEQA pursuant to Articles III Classes 1(1), 1(2), 1(3), 1(6), and 1(12) of the Los Angeles City CEQA Guidelines.

Pursuant to Executive Directive 15, Section A1(a) (Bass Series), CAO review is required as the construction services contract exceeds \$100 million. Review and approval by the Office of the Mayor is required prior to consideration by the Board of Airport Commissioners. Pursuant to Charter Section 373 and Los Angeles Administrative Code Section 10.5(e), due to the contract exceeding five years, on March 27, 2026, the City Council approved the Third Amendment (C.F. 23-0550-S3). The proposed Fourth Amendment is subject to approval as to form by the City Attorney. Our Office has reviewed the request and recommends approval.

FISCAL IMPACT STATEMENT

Approval of the Fourth Amendment to Contract DA-5620 with Hensel Phelps Construction Co. to add the progressive design-build Central Terminal Area Utilities Replacement Program will have no impact on the City's General Fund. The proposed Amendment will increase the maximum not-to-exceed contract authority by \$184,000,000 from \$308,000,000 to \$492,000,000. Funding of \$193,313,200 is being requested to be appropriated from the LAX Revenue Fund to the Infrastructure Capital Program. The overall amount for the CTA and CTA-URP work including all LAWA construction and soft costs is \$588,313,200. The recommendations in this report comply with the Los Angeles Airports' adopted Financial Policies.

Attachments – LAWA Report 26-004, proposed Fourth Amendment to Contract No. DA-5620 with Hensel Phelps Construction Co., including Draft Resolution



March 23, 2026

Matthew W. Szabo
 City Administrative Officer
 200 North Main Street Suite 1500
 Los Angeles, CA 90012-4137

RE: LAWA 26-004 – Fourth Amendment to DA-5620 with Hensel Phelps Construction

LAX

Van Nuys

City of Los Angeles

Karen Bass
 Mayor

Board of Airport
 Commissioners

Matthew M. Johnson
 President

Vanessa Aramayo
 Vice President

Courtney La Bau
 Victor Narro
 Nicholas P. Roxborough
 Valeria C. Velasco

John Ackerman
 Chief Executive Officer

In accordance with Executive Directive No. 15, we are transmitting a copy of documents related to the agreement referenced above.

This agreement authorizes Los Angeles World Airports 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. The original agreement was awarded using a competitive process.

City Council approval is required pursuant to Section 373 of the Los Angeles City Charter. Review by your office is required under Executive Directive No. 15 as the total value of this curbside improvement contract exceeds \$100 million. We respectfully request that your office review the proposed amendment and recommend approval to the Mayor and City Council. Upon receipt of your office's report, we will include this with our request for review by the Mayor's Office.

Sincerely,

Glenda Y. Silva
 Acting Chief of Staff

Attachments:
 Board Report
 BOAC Resolution
 Contract Amendments





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 provide immediate access, reduce cost, and minimize disruption by using shared temporary barriers, wayfinding signage, paving, safety controls, and quality oversight. Additionally, 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

<p style="font-size: 1.2em; color: #0070C0; margin: 0;">\$238 million</p> <p style="margin: 0;">\$45 million (Prior Actions) \$193.3 million (This Action)</p>	\$27,600,000	— Owner's Contingency
	\$23,920,000	— Soft Costs
	\$2,793,200	— Hard Cost (Other City Services)
	\$184,000,000	— Hard Cost (DA-5620/4 th Amendment)
	\$238,313,200	— Total Proposed Project Appropriations

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

Location	<i>Non CTA-URP Projects</i>	<i>CTA-URP</i>	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.

<p>Concurrent Construction with Second Design-Builder</p>	<p>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.</p>
<p>Defer Construction Until After the 2028 Olympics</p>	<p>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</p>

APPROPRIATIONS

Appropriation required. No appropriation required. Funding is available.

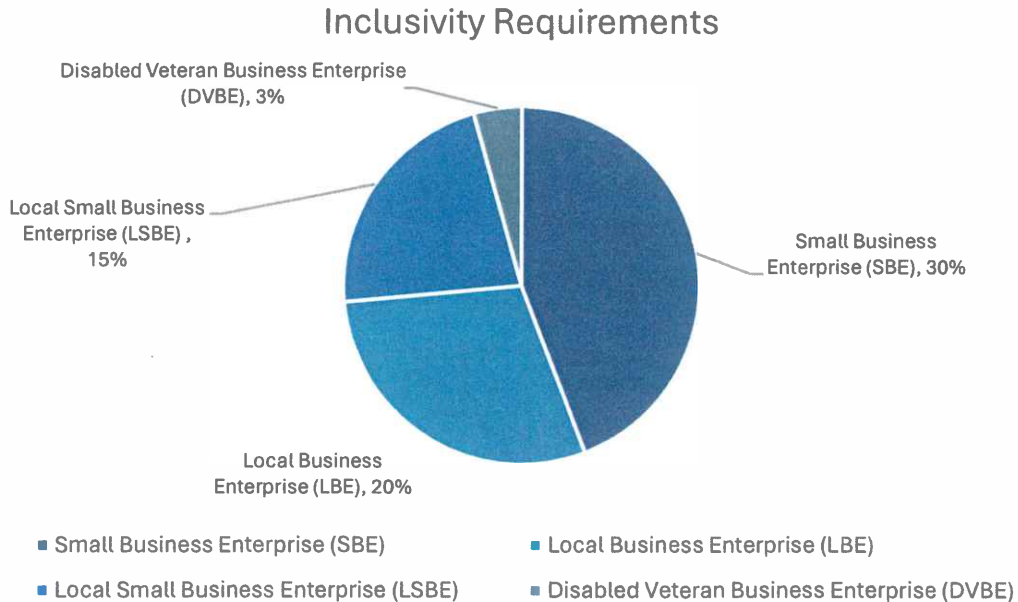
Staff request that funds for this project be appropriated and allocated in the not-to-exceed amount of \$193,313,200 from LAX Revenue Fund to WBS Elements as follows:

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.

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RESOLUTION NO. _____

WHEREAS, Los Angeles World Airports management presents for approval, Fourth Amendment to Contract DA-5620 with Hensel Phelps Construction Co. to add \$184,000,000 to the contract authority, for new total not to exceed \$492,000,000, covering the Central Terminal Area Curbside Improvement Program at Los Angeles International Airport, and appropriation of \$193,313,200 to the Infrastructure Capital Program at said airport; and

WHEREAS, the Central Terminal Area (CTA) Curbside Improvement Program is enhancing customer experience for passengers, employees, and guests at Los Angeles International Airport (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; and

WHEREAS, occupying the same physical area is the proposed Infrastructure Capital Program (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; and

WHEREAS, 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 Fourth Amendment adds the CTA-URP scope to the already-mobilized design-builder for the CTA Curbside Improvement Program; and

WHEREAS, said integrated delivery approach leverages the existing design-build team to provide immediate access, reduce cost, and minimize disruption by using shared temporary barriers, wayfinding signage, paving, safety controls, and quality oversight. Additionally, assigning overlapping scopes to a single design-builder improves coordination, reduces schedule risk, and ensures cohesive execution across both programs; and

WHEREAS, the CTA-URP has completed its planning phase, including all below-grade utility surveys, and has advanced design to the 15% level. With those 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 Fourth Amendment and project appropriations are necessary to add the scope to the existing design-build contract; and

WHEREAS, following is the ICP Proposed CTA-URP Project Budget:

	\$ 27,600,000	Owner's Contingency
<u>\$238 million</u>	\$ 23,920,000	Soft Costs
\$45.0 million (prior actions)	\$ 2,793,200	Hard Costs (other City services)
\$193.3 million (current action)	\$184,000,000	Hard Costs (DA-5620/Fourth Amendment)
	<u>\$238,313,200</u>	Total Proposed Project Appropriations; and

WHEREAS, following are the previous and current appropriations for ICP:

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

WHEREAS, the project is included in LAWA's Investment Plan and programmed as part of the 2024 Capital Improvement Plan (CIP) with a direct budget of \$657,438,200, which includes hard costs, owner's controlled costs, and contingency. The current appropriation is within said amount and will not increase the CIP; and

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

- Small Business Enterprise – 30%
- Local Business Enterprise – 20%
- Local Small Business Enterprise – 15%
- Disabled Veteran Business Enterprise – 3%; and

WHEREAS, actions taken on this item by the Board will become final pursuant to the provisions of Los Angeles City Charter Section 373;

NOW, THEREFORE, BE IT RESOLVED that the Board of Airport Commissioners hereby adopts the staff report; further adopts 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; approves the Fourth Amendment to Contract DA-5620 with Hensel Phelps Construction Co. to add \$184,000,000 to the contract authority, for new total not to exceed \$492,000,000, covering the Central Terminal Area Curbside Improvement Program at Los Angeles International Airport; authorizes the Chief Executive Officer, or designee, to execute said 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; and further approves appropriation and allocation of not to exceed \$193,313,200 from LAX Revenue Fund to WBS

Resolution No. _____

- 3 -

Elements 1.25.05A-700 Infrastructure Capital Program – Management Project (\$23,920,000) and
1.25.21A-700 Infrastructure Capital Program – Central Terminal Area Project (\$169,393,200).

o0o

I hereby certify that this Resolution No. _____
is true and correct, as adopted by the Board of
Airport Commissioners at its Special Meeting
held on Thursday, May 14, 2026.

<<Board Secretary>>
BOARD OF AIRPORT COMMISSIONERS

**FOURTH AMENDMENT TO CONTRACT NUMBER DA-5620 BETWEEN
THE CITY OF LOS ANGELES AND HENSEL PHELPS CONSTRUCTION CO. FOR
THE CTA CURBSIDE IMPROVEMENT PROGRAM (FORMERLY, LAX LANDSCAPING
IMPROVEMENT PROGRAM) AT LOS ANGELES INTERNATIONAL AIRPORT**

THIS **FOURTH AMENDMENT** TO CONTRACT NUMBER DA-5620 ("**Amendment**") is made and entered into as of this __ day of March, 2026, by and between the **CITY OF LOS ANGELES** ("**City**"), a municipal corporation, acting by order of and through its Board of Airport Commissioners ("**Board**") of the Department of Airports (also known as Los Angeles World Airports or "LAWA"), and **HENSEL PHELPS CONSTRUCTION CO.** ("**Design-Builder**"). The City and Design-Builder are collectively referred to herein as the "**Parties.**"

RECITALS

WHEREAS, City and Design-Builder entered into Los Angeles World Airports Contract Number DA5260 (the "**Contract**") for the design and construction of the project entitled "LAX Landscaping Improvement Program" (currently, "The CTA Curbside Improvement Program", hereinafter referred to as "**Program**") at Los Angeles International Airport ("**Airport**" or "**LAX**") on June 14, 2023; and

WHEREAS, the Contract requires Design-Builder to perform design/pre-construction and construction services under a two-phase Progressive Design Build Delivery Method: (a) Phase 1 – the Design/Pre-Construction Phase, consisting of mobilization, design development, preconstruction, and early enabling work, and includes the development of a Guaranteed Maximum Price ("**GMP**"); and (b) Phase 2 – the Construction Phase, consisting of design completion, final permitting, procurement of materials, construction, commissioning and closeout activities as identified in the agreed upon GMP; and

WHEREAS, on February 14, 2025, the City and Design-Builder entered into a First Amendment to the Contract, which added funding to the Contract for the following additional scope of work under Phase 1: (a) safety and security enhancements at the East, South, and West employee lots; (b) the removal of modular trailers from the Central Terminal Area ("**CTA**") and the relocation of employees working in those areas; and (c) the creation/improvement of parking for Federal Aviation Administration ("**FAA**") control tower personal displaced by the LAMP Program; and

WHEREAS, the Contract was amended a second time (Second Amendment) on May 13, 2025 to add additional funding for the following additional scope of work under Phase 1: (a) modification and/or repair of existing arrivals curbside roadway and curb ramps, replacement/enhancement of arrivals curbside lighting, upgrade of the arrivals curbside ceiling paint, renewal of arrivals sidewalk and terminal

wall finishes, installation of additional security bollards; (b) the installation of CTA parking garage façade screening, replacement/enhancement of the landscape along World Way Street; and (c) the restoration of the Theme Building’s lighting, restoration of the FAA Tower’s exterior artwork, and restoration/repair of existing “wishbone” lights and the “ribbon” lights along the upper roadway; and

WHEREAS, the City and Design-Builder entered into a Third Amendment on or about November 13, 2025, which extended the Term of the Contract by one (1) year and added funding for the following additional scope of work under Phase 2: (a) the application of epoxy coating at existing terminal sidewalks and islands; (b) the installation of twelve (12) new enhanced crosswalks at inner roadway, sidewalk bump out with new built-in raised concrete planters at the arrivals island and new painted stencil applications at ceilings; (c) the addition of passenger loading zones (“**PLZs**”) to the inner and outer roadway curbs for code compliance; (d) the demolition of existing curbside ceiling panels; (e) new painting throughout the curbside ceilings; (f) the refresh old terminal facades with new vinyl design applications at four (4) locations; (g) the installation of new seating/benches along terminal sidewalks; and (h) parking structure façade improvements at seven (7) locations; and

WHEREAS, LAWA has identified an additional scope of services and work in connection with the Program, and the Parties wish to amend the Contract for a fourth time to include, and add funding for, Phase 1 Design and Pre-Construction Services and Phase 2 Construction Services for the CTA Utilities Replacement Work described in detail in the following Exhibits to this Fourth Amendment:

- (a) Exhibit A – Scope of Work
- (b) Exhibit B -- Scheduling of the Work
- (c) Exhibit C -- PR-5 Allowances
- (d) Exhibit D -- Inclusivity Requirements

WHEREAS, City wishes to increase the total not-to-exceed amount for the added scope of services and work under this Fourth Amendment from Three Hundred Eight Million and 00/100 Dollars (\$308,000,000) to Four Hundred Ninety Two Million and 00/100 Dollars (\$492,000,000), to include Phase 1 Pre-Construction Services and Phase 2 Construction Services for the CTA Utilities Replacement Project.

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, the Parties do mutually agree that the Contract is HEREBY AMENDED AS FOLLOWS:

AMENDMENT

Amendment Section 1. Section 4.0 of the Contract titled “Contract Price” shall be amended and restated in its entirety to read as follows:

For all labor, all materials, all equipment and all services rendered, for all costs direct or indirect, and for all expenses incurred by Design-Builder pursuant to this Contract, and upon satisfactory completion of said Project in a final finished form consistent with the intent of the Contract Documents, the amount that LAWA may pay to the Design-Builder under the terms of this Contract, for Phase 1 Design and Pre-Construction Services, Mobilization and Early Enabling Works, Construction Documents, and Permitting, and for Phase 2 Construction, and for Phase 1 Design and Pre-Construction Services and Phase 2 Construction Services for the CTA Utilities Replacement Work is Not-to-Exceed Four Hundred Ninety Two Million and 00/100 Dollars (\$492,000,000), pursuant to the Contract Documents. This section will be amended, if necessary, to adjust the Contract Price once an agreed upon GMP Work Package(s) has been negotiated and incorporated herein for Phase 2 Construction of the CTA Curbside Improvement Program and separately for the Phase 2 Construction of the CTA Utility Replacement Work.

Amendment Section 2. The Project Description contained in PR- 01 Scope of Work of the Contract shall be amended to include the CTA Utilities Replacement Work detailed in Exhibit A titled “CTA Utilities Replacement Project, Scope of Work,” which is attached hereto and by this reference incorporated into and made a material part of the Contract.

Amendment Section 3. PR-04 of the Contract shall be amended to include the “Scheduling of the Work” for the CTA Utilities Replacement Work detailed in Exhibit B, which is attached hereto and by this reference incorporated into and made a material part of the Contract.

Amendment Section 4. PR-05 of the Contract shall be amended to include the allowances for the CTA Utilities Replacement Work detailed in Exhibit C titled “PR-5 Allowances (Exclusively for the CTA Utilities Replacement Work),” which is attached hereto and by this reference incorporated into and made a material part of the Contract. Previously established allowances for the CTA Curbside Improvement Program remain unchanged and are exclusively for use on the CTA Curbside Improvement Program.

Amendment Section 5.

Section 8.0 of the Contract titled “Disadvantaged Business Enterprise” shall be retitled “Inclusivity Requirements” and amended to include the inclusivity requirements expressly for the CTA Utilities Replacement Work detailed in Exhibit D titled “Inclusivity Requirements,” which is attached hereto and by this reference incorporated into and made a material part of the Contract. Previously established inclusivity requirements for the CTA Curbside Improvement Program, except those for the CTA Utilities Replacement Work, remain unchanged by this Amendment.

Amendment Section 6. Except as specifically provided herein, this 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, as amended.

Execution. This Amendment and any other document necessary for the consummation of the transaction contemplated by this Amendment may be executed in counterparts, including counterparts that are manually executed and counterparts that are in the form of electronic records and are electronically executed. An electronic signature means a signature that is executed by symbol attached to or logically associated with a record and adopted by a party with the intent to sign such record, including facsimile or e-mail signatures. All executed counterparts shall constitute one Amendment, and each counterpart shall be deemed an original. The Parties hereby acknowledge and agree that electronic records and electronic signatures, as well as facsimile signatures, may be used in connection with the execution of this Amendment and electronic signatures, facsimile signatures or signatures transmitted by electronic mail in so-called PDF format shall be legal and binding and shall have the same full force and effect as if a paper original of this Amendment had been delivered that had been signed using a handwritten signature. All parties to this Amendment (i) agree that an electronic signature, whether digital or encrypted, of a party to this Amendment is intended to authenticate this writing and to have the same force and effect as a manual signature; (ii) intended to be bound by the signatures (whether original, faxed, or electronic) on any document sent or delivered by facsimile or electronic mail or other electronic means; (iii) are aware that the other party(ies) will rely on such signatures; and, (i) hereby waive any defenses to the enforcement of the terms of this Amendment based on the foregoing forms of signature. If this Amendment has been executed by electronic signature, all parties executing this document are expressly consenting, under the United States Federal Electronic Signatures in Global and National Commerce Act of 2000 (“E-SIGN”) and the California

Uniform Electronic Transactions Act (“UETA”) (California Civil Code §1633.1 et seq.), that a signature by fax, e-mail, or other electronic means shall constitute an Electronic Signature to an Electronic Record under both E-SIGN and UETA with respect to this specific transaction.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, City has caused this Amendment to be executed, by the Interim Chief Executive Officer of LAWA, and Design-Builder has caused the same to be executed by its duly authorized officers and its corporate seal to be hereunto affixed, all as of the day and year first hereinabove written.

APPROVED AS TO FORM:
Hydee Feldstein Soto, City Attorney

CITY OF LOS ANGELES

By signing below, the signatory attests that they have no personal, financial, beneficial or familial interest in this Contract.

Date: _____

By: _____

John Ackerman
Chief Executive Officer
Los Angeles World Airports

By: _____
Deputy City Attorney

ATTEST:

**HENSEL PHELPS CONSTRUCTION
COMPANY CO.**

By: Shawn Edwards
Secretary (Signature)

By: [Signature]
Signature

SHAWN EDWARDS
Print Name

Damian Buessing
Print Name

VICE PRESIDENT
Print Title

[SEAL]

Exhibit A

CTA Utilities Replacement Project

Scope of Work

The PR-1 Scope of Work project description shall be amended to include the CTA Utilities Replacement Work as follows:

General

1. The design, construction, administrative processes and requirements for testing, commissioning, flushing, chemical treatments/sanitizing, and closeout of the Work will comply with:
 - a. Original Contract Agreement, and
 - b. Local, State, and National Building Codes, and
 - c. LAWA Design and Construction Handbook, and
 - d. LAWA General and Special Conditions issued with the original Contract Agreement, and
 - e. Project Requirements (PR's) issued with the original Contract Agreement.
 - f. For clarification, PR-5 Allowances, issued with this Fourth Amendment apply specifically to the Work of this Fourth Amendment.
2. Design Builder assumes full responsibility and risk for the coordination of the CTA Curbside Improvement Work with the CTA Utilities Replacement Work.

Phase 1 - Preconstruction and Design:

3. Provide all professional services necessary and required to complete the design drawings and specifications. In signing the Fourth Amendment, Hensel Phelps as the Design Builder to the CTA Utilities Replacement Work assumes all liability and risk for the engineering and design of the Project. LAWA understands that Hensel Phelps intends to hire HNTB for the design services.
4. To reduce design risk, provide potholing, scanning, or other investigative services necessary to validate existing utilities and other below-grade structures in the Central Terminal Area, within the areas that this work will occur.
5. Coordinate design reviews for each progress set with LAWA and other Stakeholders or AHJ's.
6. Provide for a phased execution of the work, reviewed and approved by LAWA.
7. Design Builder will coordinate with LADBS plan reviews and permit approvals. Design Builder is responsible to pay all permit fees.
8. During pre-construction, and to reduce design risk, the Design Builder will engage the expertise of its subcontracting trade partners to provide input into the design process including but not limited to constructability, means and methods, valving or other temporary measures necessary cutovers that may be required to phase the construction work, etc.
9. Design Builder will provide all estimating services necessary and required for development of the GMP.

Phase 2 – Construction:

10. The CTA Utility Replacement Project includes the replacement piping systems in the Central Terminal Area including, Natural Gas, Domestic Water, Fire Water, and Hot/Chilled Hydronic Piping. The basis of scope is the HNTB 15% drawings dated 12/11/2025.
11. Provide survey and layout for the Work.
12. Provide traffic control, barricades, covered walkways, flagmen, and temporary signage to safely re-direct traffic and pedestrians around the areas of work. Provide trench plates as required to facilitate traffic and pedestrian movements when barricades and traffic control are not present.
13. Provide clear/grub and demolition of existing landscape and irrigation, paving (asphalt and concrete), curbs, sidewalks, and below grade precast or cast-in-place structures necessary to perform the work.
14. Provide coring, saw-cutting, trench excavation, export, import, and backfill (including aggregates, slurry, or soil), for the work.
15. Provide all precast or cast-in-place vaults, manholes, valve boxes, etc. for the Work.
16. Provide demolition of the abandoned piping. Only when approved by LAWA, will Design Builder leave piping in place. When this occurs, piping will be filled with a LAWA approved slurry and capped.
17. All site conditions, landscaping, irrigation, curbs, walks and paving will be restored to its existing condition.
18. Provide chemical treatment, cleaning, flushing, and related testing of the piping systems.
19. Provide selective demolition of signage, posts, bollards, canopies, carts, railings, ADA etc. Restore or replace as necessary after the utilities are installed at each area of work.
20. Provide measures to phase the work. This may include modification to existing Isolation valves, installation of temporary bypass lines, or adding other miscellaneous valves. All systems must always remain operational except during a USR approved cutover.
21. The Laydown Yard to stage the work is located at the ICP Laydown Yards on Westchester Pkwy. Design Builder will be assigned to the ICP Laydown Yard #6.

Exclusions:

- CTA Electrical, Low Volage, Fiberoptic, Traffic Signal Infrastructure
- CTA Sewer Repairs (separate ICP project(s))
- CTA Storm Drain Piping

Continued on next page

Cost of Work

Cost of Work (w/Escalation to Mid-Point, June 2027)	\$	85,365,300
Pre-Construction	\$	1,800,000
Pot-Holing	\$	6,000,000
Design and Engineering	\$	6,197,200
General Conditions	\$	11,620,000
General Requirements	\$	2,324,000
Plan-Check and Permit Fees	\$	1,162,000
LA Gross Receipts Tax	\$	144,000
DB Fee, Bonds, Insurances	\$	<u>9,547,000</u>
	\$	124,159,500
Design-Builder Contingency	\$	<u>15,500,000</u>
Sub-Total	\$	139,659,500
LAWA Allowance - CTA Paving	\$	25,540,500
LAWA Allowance - Unforeseen Conditions	\$	<u>18,800,000</u>
TOTAL	\$	184,000,000

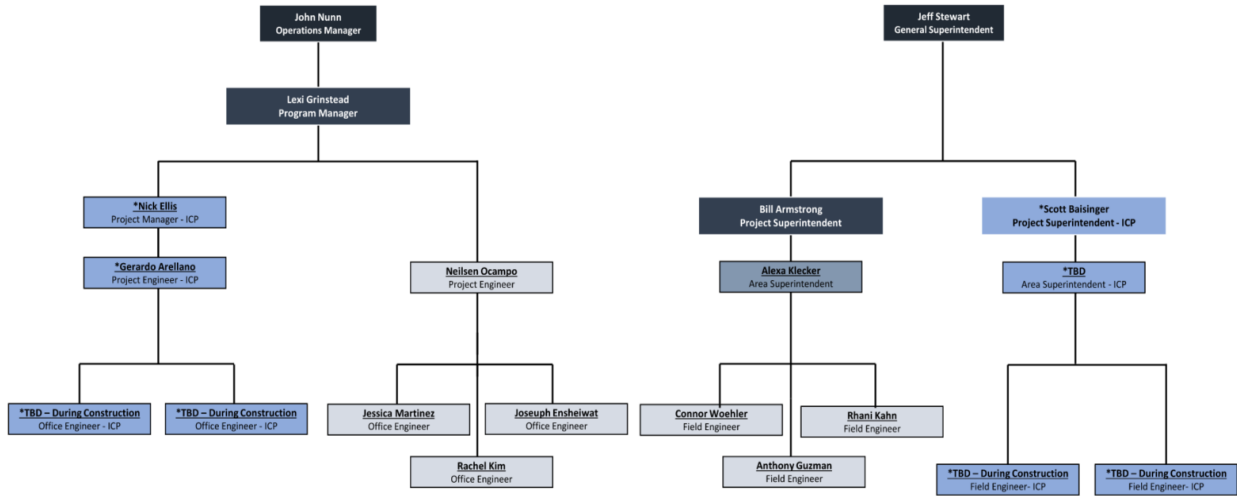
Clarifications:

1. The Design-Builders estimate for the work is based upon the 15% drawings from HNTB dated 12/11/2025.
2. Escalation is included for the CTA Utilities Replacement Work to a mid-point of late Q2 2027.
3. Escalation is included for the CTA Paving Work to a mid-point of Q1 2028.
4. Budget assumes the engineer will design around existing utilities without requiring the existing utilities be re-routed.
5. Estimate includes \$1M for existing utility bypass lines.
6. Budget assumes the Work will be constructed to be concurrent with the Curbside Improvement Program Work.
7. Estimate assumes that Design-Builder will commence pot-holing, investigations, and design completion of the utility's replacement Work in April 2026.
8. Terms and Conditions are assumed to be per Curbside Improvement Program Prime Contract with the following exceptions:
 - a. Design-Builder will prioritize the utilization of trade partners listed under the MATOC to the greatest extent possible. However, due to the specialized scopes, schedule demands, and unique requirements of the project, it may be necessary to engage additional qualified trade partners outside of the MATOC to ensure compliance with the prime contract requirements.

- b. Design-Builder agrees to comply with the MATOC Inclusivity Requirements of 30% SBE, 20% LBE, 15% SLBE, and 3% DVBE (reference Exhibit D to this Fourth Amendment).
9. Design-Builder's Contingency in the amount of **Fifteen-Million, Five-Hundred Thousand Dollars (\$15,500,000)** is included for:
 - a. Development of the 15% Design Documents to 100% permitted Construction Documents, and
 - b. Additional valving and coordination or other temporary means necessary to phase the utilities replacement Work to be constructed concurrently with the Curbside Improvement project, and
 - c. Other uses allowed by the existing Contract Agreement, exclusively though, for the CTA Utilities Replacement Work.
 10. A LAWA Allowance in the amount of **Eighteen-Million, Eight-Hundred Thousand Dollars (\$18,800,000)** is included for:
 - a. Unforeseen Conditions, including the abatement of Hazardous Materials if any, and
 - b. Misc. added scope not otherwise shown or included in the 15% Design Documents, as authorized and approved by LAWA.
 11. Contingencies and/or Allowances that are added and included within this Fourth Amendment are exclusively for the design, construction, and delivery of the CTA Utilities Replacement Work.
 12. Design-Builder will provide separate accounting for the Work added by this Fourth Amendment, separate from the Curbside Improvement Program.
 13. Testing and inspection are included in LAWA's soft costs.
 14. A LAWA Allowance in the amount of **Twenty-Five-Million, Five-Hundred and Forty-Thousand, Five-Hundred Dollars (\$25,540,500)** is included to pave the CTA in Q1/Q2 of 2028 with a "2" Mill and Overlay". The allowance assumes many mobilizations, installing only 10,000 SF of inner and outer road per mobilization.
 15. Temporary patching of utility trenches is included in the Design-Builder's direct costs of Work. LAWA Allowances are not for the temporary paving of utility trenches.
 16. Design Builder will provide the Phase 1 Design and Preconstruction Services for this added scope of work compliant with the terms, conditions, and requirements of the Contract Agreement, established for the Curbside Improvement Program.
 17. To ensure full compliance with LAWA's contractual requirements, once the design reaches approximately 30% completion, Design Builder will solicit a minimum of three (3) competitive bids to each scope of work and will submit the results to LAWA for concurrence prior to award. Near completion of the bid process, and prior to commencement of the Phase 2 construction services, Design Builder will submit establish its Guaranteed Maximum Price (GMP) proposal for LAWA's review, concurrence, with an executed Change Amendment to the Contract.

Design Builder Staffing Plan

Design Builder has included General Conditions to provide staffing for the CTA Utilities Replacement Work as shown and indicated in the attached Exhibit A.4 Staffing Plan. Positions shown in “blue boxes” are assigned fulltime to the CTA Utilities Replacement Work.



*Indicates staffing added to support ICP, CIP staffing to provide additional support as needed

Additional Program Support:



Exhibit B

Scheduling of the Work

PR-4 Scheduling of the Work is amended to include the CTA Utilities Replacement Work as follows:

Scheduling Criteria:

1. Design-Builder will integrate the CTA Utilities Replacement Project Work into its Short Interval Production Schedule (SIPS) that has been submitted to LAWA for the CTA Curbside Improvement Project Work.
2. The date of Substantial Completion for both the CTA Curbside Improvement Project and the CTA Utilities Replacement Project is March 31, 2028.
3. The date of Substantial Completion for the CTA Paving Work, included as a PR-5 Allowance (reference the Fourth Amendment, Exhibit C), if added to the Design Builders scope of work, will be 15 calendar days later April 15, 2028.

Exhibit C

PR-5 ALLOWANCES

(Exclusively for the CTA Utilities Replacement Work)

These PR-5 Allowances are established exclusively for use on the Utilities Replacement Project in the Central Terminal Area (CTA). The Utilities Replacement Project in the CTA is added by Amendment to the Curbside Improvement Program. Previously established allowances for the Curbside Improvement Program remain unchanged and are exclusively for use on the Curbside Improvement Program.

Accounting of allowances for the Curbside Improvement Program and the CTA Utilities Replacement Work will be tracked and reconciled separately from one another.

1. GENERAL

- A. Allowances have been established by LAWA for additional services and/or materials that may be required for the CTA Utilities Replacement Project. The authorization and approval of the scope of work listed as part of Allowances will be at the sole discretion of LAWA.
- B. LAWA may request the Design Builder to prepare and submit Proposals (including a proposed scope, schedule and budget) to provide additional services and/or materials, to be funded by these Allowances. If the Proposals are acceptable, in whole or in part, LAWA may issue Task Orders to the CONTRACTOR to provide those additional services and/or materials, to be paid out of these Allowances.
- C. LAWA may choose not to use any or all these Allowances, in whole or in part. All unused allowances shall remain outside of the Authorized Value. The Design Builder shall not be entitled to any costs, fees, markups, or any other form of payment whatsoever for these unused allowances, until and unless LAWA explicitly approves and authorizes the use of an allowance through a Contract Amendment.
- D. No additional work shall be performed, or change be made unless pursuant to a change or written authorization from LAWA.
- E. Notwithstanding the Parties agreement that an Allowance does not constitute a change, the expenditure of Allowance monies shall be administered and priced pursuant to the Contract Agreement and General Conditions for the Curbside Improvement Program.

2. ALLOWANCES

A. Below is a preliminary list of Allowances. LAWA may revise and/or replace this list entirely during the Project.

PR-05 ALLOWANCE TABLE		
Item	Allowance Type	Value
1	Unforeseen Conditions and/or Abatement of Hazardous Materials Allowance	\$ 18,800,000
2	2" Mill and Overlay Allowance to pave the inner and outer lanes of the Central Terminal Area (CTA). The Allowance includes escalation to Q1/Q2 of 2028. The Allowance assumes 10,000 SF of paving per mobilization.	\$ 25,540,500
	Total Allowances	\$ 44,340,500

END OF PR-5 ALLOWANCES



Exhibit D

Inclusivity Requirements

1. General Inclusivity Terms

For the CTA Utilities Replacement Work the Design Builder shall comply with the participation requirements and Inclusivity Commitments as stipulated within this Exhibit D. The strategies and commitments set forth by Design Builder, including any commitments it makes to exceed the participation requirements, and, where applicable, the workforce development commitments, shall become enumerated requirements in the Fourth Amendment to the Contract Agreement and shall be referred to as the “Inclusivity Commitments for the Work of the Fourth Amendment.”

2. Certified Firm Participation Requirements

Throughout the term of the Fourth Amendment Work, Design Builder shall achieve the mandatory minimum participation percentages set by LAWA (below). Design Builder shall confirm and submit Certified documentation for all Subcontractors. Participation shall be subject to ongoing monitoring and reviews by LAWA to verify Design Builder’s compliance with the requirements. Such monitoring may include, but shall not be limited to, periodic inclusivity performance assessments and reviews by LAWA of relevant agreements, documents, and data.

Business Enterprise Program	Mandatory Participation Levels
Small Business Enterprise (SBE)	30%
Local Business Enterprise (LBE)	20%
Local Small Business Enterprise (LSBE)	15%
Disabled Veteran Business Enterprise (DVBE)	3%

3. Inclusivity & Workforce Development Plan Performance and Reporting

Design Builder shall implement an Inclusivity and Workforce Development Plan that sets forth in detail key milestones for achieving the Inclusivity Requirements and Inclusivity Commitments as follows:

- a. Within 30 days of signing the Fourth Amendment, Design Builder will submit its Inclusivity and Workforce Development Plan for the CTA Utilities Replacement Work to LAWA for review, comment, and approval. LAWA will provide written feedback within 15 days of submittal date. Design Builder will submit a revised and approved Inclusivity and Workforce Development Plan no later than 60 days after the contract award date.
- b. Design Builder shall provide to LAWA an updated annual Inclusivity and Workforce Development Plan every year on the contract award date. Within 15 days, LAWA shall conduct an annual review of the Design Builder’s annual Workforce Development Inclusivity Plan to determine compliance and request a remediation plan, if necessary. Within 15 days, Design Builder shall make revisions, if any, and resubmit to LAWA for approval.

- c. Design Builder shall provide LAWA with the information required to monitor progress towards Certified Firm and workforce development participation requirements, and implementation of the Mentor Protégé Program and Internship Program. Design Builder shall comply with periodic performance assessments, and/or reviews of contract/subcontract documents, as needed.

4. Project Labor Agreement, Local Workers, and Workforce Development Requirements

Construction work under this Agreement is subject to LAWA's Project Labor Agreement (PLA), as amended. Design Builder will comply both with the terms of the PLA; however, the PLA will not be construed as superseding California Labor Code requirements or any applicable federal, state, or local laws. If changes in laws have occurred since the date of LAWA's current PLA, Design Builder will also be responsible for understanding and complying with the then current applicable laws affecting its labor requirements and obligations. The PLA is available on LAWA's website: <https://www.lawa.org/lawa-employment/lawa-hirelax/project-labor-agreement>.

The Design Builder shall:

- a. Remain neutral in employee or labor organization efforts to organize workers performing operations and maintenance for union representation and/or collective bargaining.
- b. Maximize the employment of Local Workers in performance of construction work and will work within the framework of the PLA hiring and referral provisions, as well the guidelines of the applicable union/joint-labor management apprenticeship programs.
- c. Ensure that at least 30% of hours worked by each contractor at all tiers are performed by Local Workers.
- d. In coordination with its subcontractors, hire the required number of new, first-period apprentices who are graduates of the HireLAX Apprenticeship Readiness Program or other local training organization using the Multi-Craft Core Curriculum (MC3). Refer to Section 10.
- e. Have a minimum of three (3) subcontractors attend quarterly HireLAX Contractor Open House events to interview new HireLAX graduates for employment consideration.
- f. Design Builder will develop and implement a strategy to transition local CWA craft workers to union apprenticeship programs and ensure employment retention; and
- g. Submit to PLA Administrator a copy of each subcontractor's Local Worker Hiring Plan prior to subcontractor starting PLA covered work.
- h. Each month, Design Builder will update and submit to LAWA the Craft Worker



Utilization Plan and Schedule. LAWA will provide the template.

- i. Each month, Design Builder will attend the LAWA monthly Local Labor Inclusion Meeting on the first Wednesday of each month.

5. Inclusivity & Workforce Development Reporting

Throughout the terms of the Task Order, the Design Builder Shall:

- a. Provide LAWA with the information required to monitor progress towards Certified Firm Participation Requirements and Inclusivity Requirements, including periodic performance assessments, and/or reviews of contract/subcontract documents.
- b. Report all contractor payments using the system designated by LAWA and augmented by monthly status reports. Design Builder shall require all contractors at all tiers to submit monthly payment information and comply with inclusivity reporting requests.
- c. Provide diversity, equity and inclusion reporting through LAWA B2Gnow system, and/or in any other format requested by LAWA, to capture the diversity of businesses performing project work, including certified DBE, DVBE, SBE, LBE, LSBE, MBE, WBE and/or LGBTQ+ firms.
- d. Submit and ensure that subcontractors at all tiers submit weekly certified payroll reports through LAWA's LCPtracker system.

6. Other Inclusivity Requirements

All other Inclusivity Requirements for the CTA Utilities Replacement, including Interns, HireLAX Graduates, and K-12 Stem Events, will comply with the Contract Agreement Inclusivity requirements that were issued for the Curbside Improvement Program.