



Approved by:	Hans Thilenius Deputy Executive Director Terminal Development & Improvement Program	
ITEM TYPE	<input type="checkbox"/> Award <input checked="" type="checkbox"/> Amendment <input type="checkbox"/> Appropriation <input type="checkbox"/> Policy/Program <input type="checkbox"/> Other	
SUBJECT	Request to adopt the following report and approve the Second Amendment to Contract DA-5629 with Vanderlande Industries, Inc. to add \$9,800,000 to the contract authority, for a new total not to exceed \$241,931,414.90 (inclusive of previously approved change orders), for design and construction services of the Baggage Optimization Project Phase 2 at Los Angeles International 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

04-11-2023	Resolution # 27714 (DA-5629)	Award and Appropriation
Awarded a three-year Design-Build contract to Vanderlande Industries, Inc., (Vanderlande) for a not-to-exceed amount of \$179.3 million, for the design and construction of the Baggage Optimization Project (BOP) - Phase 2 at Los Angeles International Airport (LAX), and appropriated funds in the amount of \$128.5 million, to include Los Angeles World Airports (LAWA) costs.		
11-07-2024	Resolution #28051 (DA-5629)	First Amendment and Appropriation.
Approved the First Amendment to Contract DA-5629 with Vanderlande to add \$52.4 million, for a total contract authority of \$231.7 million and to extend the term by two years covering design and construction services for the BOP - Phase 2 at LAX; and appropriated funds in the amount of \$57.4 million, including an additional \$2.6 million in project contingency and \$2.4 million for LAWA soft costs.		

The BOP - Phase 2 (Project) will replace the existing baggage screening matrices and consolidate them into one Checked Baggage Inspection System/Checked Baggage Resolution Area within the existing building footprint. The Project will also provide ticket counter cross-over redundancy and load balancing, while providing connections to the existing outbound sortation systems constructed under Phase 1 of the BOP. The result will increase the capacity of the Tom Bradley International Terminal (TBIT) inline Checked

Baggage Inspection System, raising Transportation Security Administration (TSA) screening throughput from 2,700 bags per hour (BPH) to 5,124 BPH, and improving the Individual Carrier System (ICS) throughput from 3,200 BPH to 6,400 BPH. This expanded capacity will enable the system to adequately process all checked baggage generated by outbound operations in both TBIT and the West Gates at TBIT. The Project also includes the reconfiguration of ticket counters, purge lines, and domestic conveyors; additions to both domestic and international oversize conveyors; and a new domestic bag carousel feed.

The proposed amendment addresses a number of items that were excluded from the base contract and are being funded out of program contingency. These items include: New IT Room (to replace an existing LAWA IT Room) with power redundancy uninterruptible power supply equipment, spare parts for the new baggage handling system, bag portering to enable the detailed phasing of the project, bag tracking equipment at the re-check facility, modifications to the inbound bag belt to support the TBIT Refresh Program, plus a few other minor mechanical, electrical, and plumbing related items.

The specific funding for this \$9.8M Amendment shall be from two program contingency Sources: Baggage Optimization Project Phase 2 Budget – WBS 1.17.14A-700 (\$6.8M) and TBIT Refresh Budget – WBS 1.24.05A-700 (\$3.0M).

Without this amendment, LAWA will not be able to fully complete the project, which would ultimately reduce the capacity of the TBIT baggage systems and decrease operational efficiency.

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

The original Request for Proposal for this project was posted in August 2022, on the Regional Alliance Marketplace for Procurement. Los Angeles World Airports hosted a Pre - Proposal Conference on August 31, 2022, with over 45 attendees.

Los Angeles World Airports received two proposals on the due date, and both proposals were determined to have met administrative requirements. Upon review of the firms' experience as well as their written technical and price proposals, Vanderlande 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 \$258,244,389, 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.

APPROPRIATIONS

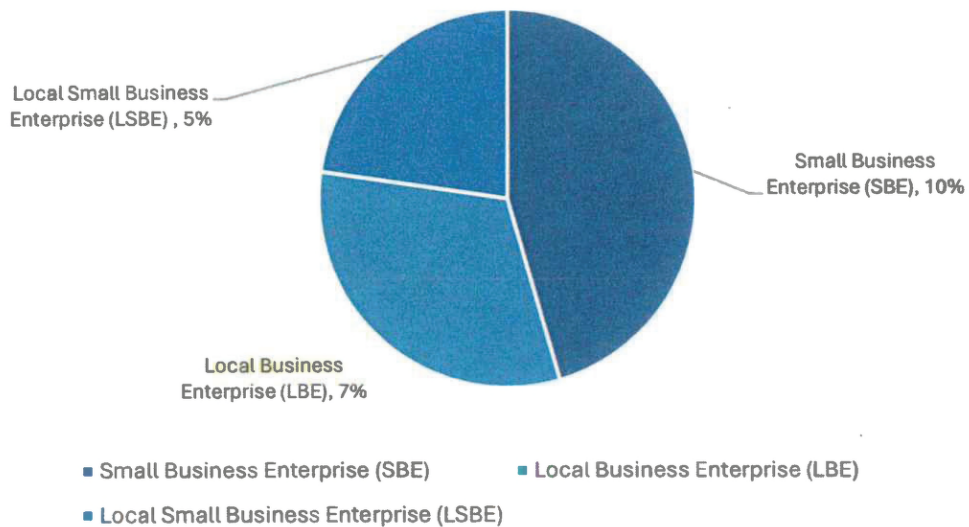
- Appropriation required. No appropriation required. Funding is available.

INCLUSIVITY & IMPACT

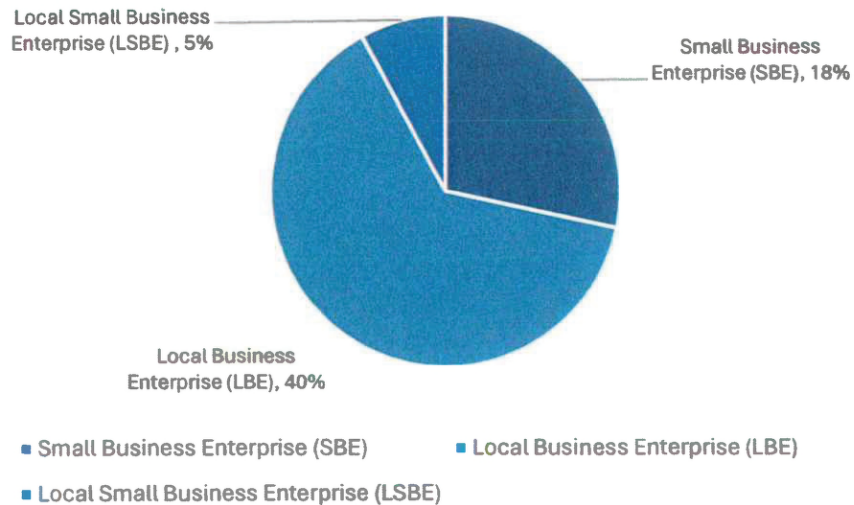
Goals/requirements identified. No goals/requirements stipulated. N/A or other.

Section 8.0 of Contract DA-5629 outlines the following disadvantage enterprise obligations:

Inclusivity Obligations



Actual Inclusivity Levels Based on Payments Made Through 12/31/2025



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 II, Section 2.i of the Los Angeles City CEQA Guidelines.

The Board is hereby further requested to authorize the Chief Executive Officer, or designee, to execute the Second Amendment to Contract DA-5629 with Vanderlande Industries, Inc. 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.