

April 18, 2012

The Honorable City Council
of the City of Los Angeles
City Hall, Room 395
Los Angeles, CA 90012

LAX

LA/Ontario

Van Nuys

City of Los Angeles

Antonio R. Villaraigosa
Mayor

Board of Airport
Commissioners

Michael A. Lawson
President

Valeria C. Velasco
Vice President

Joseph A. Aredas
Robert D. Beyer
Boyd Hight
Ann M. Hollister
Fernando M. Torres-Gil

Gina Marie Lindsey
Executive Director

**Subject: APPROVAL OF CONTRACT WITH W. E. O'NEIL CONSTRUCTION
COMPANY OF CALIFORNIA FOR CONSTRUCTION WORK AT LOS
ANGELES INTERNATIONAL AIRPORT**

In accordance with Section 373 of the City Charter, the Board of Airport Commissioners transmit for your approval the Contract with W. E. O'Neil Construction Company of California for construction work on the Elevator Upgrades and Escalator Site Modifications Project at Los Angeles International Airport.

RECOMMENDATION FOR CITY COUNCIL

1. APPROVE the Contract with W. E. O'Neil Company of California.
2. CONCUR in the Board's action authorizing the Executive Director to execute the Contract.
3. FIND that the recommended action is exempt from the requirements of the California Environmental Quality Act as provided by Article III, Class 1(4) of the Los Angeles City CEQA Guidelines.

The Board of Airport Commissioners, at their meeting held on April 16, 2012, by Resolution No. 24755 approved the Contract with W. E. O'Neil Company of California.

There is no fiscal impact to the City's General Fund as a result of this action.



Los Angeles City Council
April 18, 2012
Page 2

CONCLUSION

Please return the attached Contract to the Department of Airports' Board Office after City Council approval and Certification of that approval.

Very truly yours,



Sandra J. Miller, Secretary
BOARD OF AIRPORT COMMISSIONERS

cc: Trade, Commerce and Tourism Committee
Councilmember LaBonge, E-file
Councilmember Rosendahl, E-file
Councilmember Buscaino, E-file
CAO (Airport Analyst), E-file
CLA (Airport Analyst), E-file
City Clerk's Office, Enc. (one original and one copy)



RESOLUTION NO. 24755

WHEREAS, on recommendation of Management, there was presented for approval, Award a five (5)-year Contract to W.E. O'Neil Construction Company of California for construction work on the Elevator Upgrades and Escalator Site Modifications Project at Los Angeles International Airport, for cost not to exceed \$84,082,608; and

WHEREAS, W.E. O'Neil will perform the demolition, structural, plumbing, electrical, mechanical, fire/life safety modifications, and architectural finish work necessary to allow for installation of the remaining fifty-eight (58) Schindler units (6 elevators, 49 escalators and 3 moving walkways) previously procured and located in Terminals 1, 2, 4, 5, 7, and in front of Tom Bradley International Terminal. This contract also includes procurement, installation and site work modifications for fifty-three (53) elevators in Terminals 1, 2, 4, 5, 6, 7, 8, Los Angeles World Airports (LAWA) administration offices, and the Theme Building; this contract will bring the total number of units that have either been replaced or are in various stages of replacement to 170 (this includes the 11 escalators that were installed by Alaska Airlines in Terminal 6); and

LAX
LA/Ontario
Van Nuys
City of Los Angeles
Antonio R. Villaraigosa
Mayor
Board of Airport
Commissioners
Michael A. Lawson
President
Valeria C. Velasco
Vice President
Joseph A. Aredas
Robert D. Beyer
Boyd Hight
Ann M. Hollister
Fernando M. Torres-Gil
Gina Marie Lindsey
Executive Director

WHEREAS, staff advertised the project and received the following two (2) bids on January 12, 2012 (the bids will expire on June 10, 2012):

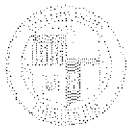
<u>Contractor</u>	<u>Bid Amount</u>
W.E. O'Neil	\$84,082,608
Hunt Construction Group	\$98,990,046; and

WHEREAS, total project cost is as follows:

<u>Cost of Construction/Hard Costs</u>	
W.E. O'Neil Construction Contract	\$ 84,082,608
<u>Project Soft Costs</u>	
Design and Construction Administration	4,800,000
Project Management Services	10,931,000
City Services & Supplies (Inspection, Testing, etc.)	5,900,000
<u>Project Contingency</u>	
25% of Cost of Construction	<u>\$ 21,020,652</u>
<i>Total Project Cost:</i>	\$ 126,734,260
<u>less: Prior Appropriated Project Cost</u>	
Design Services	<u>\$ (2,200,000)</u>
<i>Total Appropriation:</i>	\$ 124,534,260; and

WHEREAS, the design plans to replace twenty-five (25) elevators in the parking structures are currently underway. LAWA's replacement program for this critical equipment will be complete once the parking structure elevators are replaced; and

WHEREAS, restoration or rehabilitation of deteriorated or damaged structures or mechanical equipment and systems is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Article III Class 1(4) of the Los Angeles City CEQA Guidelines; and



WHEREAS, this action is statutorily exempt from the provisions of the Living Wage/Service Contractor Worker Retention Ordinances; and

WHEREAS, Procurement Services Division (PSD) has reviewed this action (File No. 5467/102611) and established a 20% combined Minority/Women Business Enterprise (M/WBE) level of participation for the project. W.E. O'Neil Construction Company of California proposes 9.6% combined M/WBE levels of participation. PSD confirms that based on documents submitted W.E. O'Neil Construction Company of California has made a good faith effort to outreach to M/WBE/Other Business Enterprise subcontractors; and

WHEREAS, W.E. O'Neil Construction Company of California will comply with the provisions of the Affirmative Action Program; and

WHEREAS, W.E. O'Neil Construction Company of California has been assigned Business Tax Registration Certificate No. 0000256159-0000-2; and

WHEREAS, W.E. O'Neil Construction Company of California will comply with the provisions of the Child Support Obligations Ordinance; and

WHEREAS, W.E. O'Neil Construction Company of California must have approved insurance documents, in the terms and amounts required, on file with LAWA prior to issuance of a Notice to Proceed; and

WHEREAS, pursuant to Charter Section 1022, staff determined the work specified on the contract can be performed more feasibly or economically by an Independent Contractor than by City employees; and

WHEREAS, W.E. O'Neil Construction Company of California has submitted the Contractor Responsibility Program Questionnaire and Pledge of Compliance, and will comply with the provisions of the Contractor Responsibility Program; and

WHEREAS, W.E. O'Neil Construction Company of California has been determined by Public Works, Office of Contract Compliance, to be in full compliance with the provisions of the Equal Benefits Ordinance; and

WHEREAS, W.E. O'Neil Construction Company of California will be required to comply with the provisions of the First Source Hiring Program for all non-trade LAX jobs; and

WHEREAS, W.E. O'Neil Construction Company of California has submitted the Bidder Contributions City Ethics Commission Form 55 and will comply with its provisions; and

WHEREAS 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;

NOW, THEREFORE, BE IT RESOLVED that the Board of Airport Commissioners determined that this action is exempt from the California Environmental Quality Act requirements; adopted the Staff Report; approved Award a five (5)-year Contract to W.E. O'Neil Construction Company of California for construction work on the Elevator Upgrades and Escalator Site Modifications Project at Los Angeles International Airport, for cost not to exceed \$84,082,608; authorized the Executive Director to execute the Contract with W.E. O'Neil Construction Company of California upon approval as to form by the City Attorney and upon approval by the Los Angeles City Council; and further approved appropriation of capital funds in the amount of \$124,534,260 from LAX Revenue Fund to Work Breakdown Structure Element 1.09.11-700 (Elevators and Escalators Upgrades) and allocated as required.

I hereby certify that this Resolution No. 24755 is true and correct, as adopted by the Board of Airport Commissioners at its Regular Meeting held on Monday, April 16, 2012.

A handwritten signature in black ink, appearing to read 'S. J. Miller', written in a cursive style.

Sandra J. Miller – Secretary
BOARD OF AIRPORT COMMISSIONERS

**CONTRACT AGREEMENT BETWEEN THE CITY OF LOS ANGELES AND
W.E. O'NEIL CONSTRUCTION CO. OF CALIFORNIA
FOR THE
ELEVATOR UPGRADES AND
ESCALATOR SITE MODIFICATIONS
AT
LOS ANGELES INTERNATIONAL AIRPORT**

THIS CONTRACT, made and entered into this _____ day of _____, 2012 (hereinafter referred to as "Contract Effective Date"), by and between the CITY OF LOS ANGELES (hereinafter referred to as "City"), a municipal corporation, acting by order of and through its Board of Airport Commissioners (hereinafter referred to as "Board"), and **W.E. O'Neil Construction Co. of California** (hereinafter referred to as "Contractor"),

RECITALS

WHEREAS, City's Department of Airports, by action of the Board; approved and authorized the issuance of a "Notice Inviting Bids" for the construction of the project entitled **"ELEVATOR UPGRADES AND ESCALATOR SITE MODIFICATIONS"** (hereinafter referred to as "Project") at Los Angeles International Airport (hereinafter referred to as "Airport"); and

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

WHEREAS, in response to said Notice Inviting Bids, Contractor was determined to be the lowest responsive and responsible bidder for the Project; and

WHEREAS, Contractor is engaged in the business of providing Construction services of the type sought by LAWA; and

WHEREAS, the Board has now authorized the construction of the Project, as specified in said Notice Inviting Bids and the Contractor's Bid;

NOW THEREFORE, in consideration of the premises, and of the terms, covenants and conditions hereinafter contained to be kept and performed by the respective parties hereto, IT IS MUTUALLY AGREED AS FOLLOWS:

Section 1.0 Incorporation by Reference.

It is expressly understood and agreed that this Contract Agreement, Notice Inviting Bids and all Addenda, General Conditions, Special Conditions, Administrative Requirements, Lump Sum Bid Forms, Project Requirements, Project Plans, Addenda, Appendices and Technical Specifications (hereinafter referred to as the "Contract Documents") and any document referenced in said documents, are hereby incorporated by this reference as though specifically set forth herein and shall constitute, and are hereby made, a part of this Contract, and each of the parties does hereby expressly covenant and agree to carry out and fully perform each and all of the provisions of said documents upon its part to be performed.

Section 2.0 Scope of Work.

2.1. Contractor agrees to furnish all labor, materials and equipment, and to perform all work required as outlined in the Contract Documents hereto, to completely construct, in a final and finished state, the Project, in strict compliance with the Contract Documents.

2.2. It is expressly understood and agreed that Contractor shall perform all incidental work required to complete the Project, including work for which no specific bid item(s) was/were included, and/or including work which is required to furnish a final finished detailed product consistent with, and to fulfill, the intent of the Contract Documents. All such incidental work shall not be considered extra work for which additional compensation can be claimed by Contractor.

Section 3.0 Term of Contract.

Notwithstanding any other provision herein, the term of this Contract Agreement shall commence on the date of issuance by LAWA to Contractor of a Notice to Proceed and expire no later than 5 (five) years from the contract effective date and subject to other termination provisions contained within the Contract Documents. Contractor will be assessed Liquidated Damages as set forth in the Contract Documents if it fails to meet the full construction of the Project, consistent with the intent of the Contract Documents, no later than 1,445 (one thousand, four hundred forty-five) calendar days from the date of the Notice to Proceed, subject to LAWA-authorized modifications as provided for in the Contract Documents. In addition, Contractor may be assessed Liquidated Damages for failure to meet specific Contract Milestone dates as set forth in the Contract Documents.

Section 4.0 Contract Price.

For all labor, all materials, all equipment and all services rendered, for all costs direct or indirect, and for all expenses incurred by Contractor pursuant to this Contract, and upon satisfactory completion of said Project in a final finished form consistent with the intent of the Contract Documents, LAWA shall pay Contractor an amount not-to-exceed \$84,082,068 (eighty - four million, eighty-two thousand, sixty eight dollars) subject to LAWA authorized modification as provided for in the Contract Documents. LAWA shall pay Contractor for its performance under this Contract at the times and in the manner specified in the Contract Documents.

Section 5.0 Notices.

Notice to City. Written notices to City hereunder, with a copy to the City Attorney of the City of Los Angeles, shall be given by registered or certified mail, postage prepaid, and addressed to:

**Chief Airports Engineer
7301 World Way West
8th Floor
Los Angeles, CA 90045**

And

**Department of Airports
1 World Way
Post Office Box 92216
Los Angeles, CA 90009-2216**

or to such other address as City may designate by written notice to Contractor.

Notice to Contractor. Written notices to Contractor hereunder, with a copy to the City Attorney of the City of Los Angeles, shall be given by registered or certified mail, postage prepaid, and addressed to:

**W.E. O'Neil Construction Co. of California
909 N. Sepulveda Boulevard, Suite # 400
El Segundo, CA 90245**

or to such other address as Contractor may designate by written notice to City.

The execution of any such notice by the Executive Director Designee shall be as effective as to Contractor as if it were executed by the Board, or by Resolution or Order of said Board, and Contractor shall not question the authority of the Executive Director or the designee to execute any such notice.

Section 6.0 Contract Contains Entire Agreement.

The provisions of this Contract Agreement, including the Contract Documents and provisions incorporated herein and by reference, contain the entire agreement between the parties hereto and supersedes any and all prior written or oral agreements between them concerning the subject matter contained herein. There are no representations, agreements, or understandings, oral or written, between and among the parties relating to the subject matter contained in this Contract Agreement which are not fully set forth herein. This is an integrated agreement. This agreement may not be changed or modified in any manner except by written amendment fully executed by LAWA and Contractor or as otherwise set forth in the Contract Documents.

Section 7.0 Minority/Women Business Enterprises.

7.1. Contractor hereby agrees and obligates itself to utilize the services of Minority and Women Business Enterprise (MBE/WBE) firms on the level designated in its proposal (specifically, a 9.6% MBE/WBE Subcontractor level of participation for the required Project designated Work).

7.2. Should a substitution or an addition of Subcontractor(s) become necessary, Contractor shall make and document a good faith (MBE/WBE/OBE) outreach effort in replacing or adding any Subcontractor. Contractor shall notify the Contracting Division and Procurement Services Division of LAWA of the need for a substitution as soon as such need is determined, and shall not make a substitution until the Division has been notified, and the substitution has been authorized by LAWA. Should such a substitution result in a lower level of MBE/WBE participation, Contractor will be required to submit the documentation of its good faith outreach efforts to LAWA.

7.3. Failure to comply with the City's notification requirements, or to comply with the City's good faith outreach efforts requirement, shall constitute a breach of contract. LAWA staff will notify the Board if it is deemed that a good faith effort by Contractor has not been made, or if the substitution will result in a significant change in the percentage of the MBE/WBE participation.

7.4 Contractor shall submit, on a monthly basis, together with its invoice for payment a MBE/WBE Utilization Form listing the MBE/WBE Subcontractors utilized during the reporting period. Contractor shall cooperate with LAWA personnel in providing such information as shall be requested by LAWA in order to ensure compliance with the provisions of this section. LAWA will not process or pay Contractor's subsequent invoices if the MBE/WBE Utilization Forms are

not submitted on time or if the Contractor fails to cooperate with LAWA personnel by promptly providing any and all information related to MBE/WBE participation requested by LAWA.

7.5 Failure to comply with any of the terms of this Section (or the terms of this Contract) shall constitute a material breach of contract and may result in the Contract being deemed "Non-Responsible." (Section 10.40 et seq. of the Los Angeles Administrative Code)

Section 8.0 Compliance With Los Angeles City Charter Section 470(c)(12)

8.1 The Contractor, Subcontractors, and their Principals are obligated to fully comply with City of Los Angeles Charter Section 470(c)(12) and related ordinances, regarding limitations on campaign contributions and fundraising for certain elected City officials or candidates for elected City office if the contract is valued at \$100,000 or more and requires approval of a City elected official. Additionally, Contractor is required to provide and update certain information to the City as specified by law. Any Contractor subject to Charter Section 470(c)(12) shall include the following notice in any contract with a subcontractor expected to receive at least \$100,000 for performance under this contract:

Notice Regarding Los Angeles Campaign Contribution and Fundraising Restrictions

As provided in Charter Section 470(c)(12) and related ordinances, you are a subcontractor on City of Los Angeles contract #_____. Pursuant to City Charter Section 470(c)(12), subcontractor and its principals are prohibited from making campaign contributions and fundraising for certain elected City officials or candidates for elected City office for 12 months after the City contract is signed. Subcontractor is required to provide to contractor the names and addresses of the subcontractor's principals and contact information and shall update that information if it changes during the 12 month time period. Subcontractor's information included must be provided to contractor within 5 business days. Failure to comply may result in termination of contract or any other available legal remedies including fines. Information about the restrictions may be found at the City Ethics Commission's website at <http://ethics.lacity.org/> or by calling 213/978-1960.

8.2 Contractor, Subcontractors, and their Principals shall comply with these requirements and limitations throughout the term of this Contract. Violation of this provision shall entitle the City to terminate this Contract and pursue any and all legal remedies that may be available.

Section 9.0 Retention.

Five percent (5%) of each progress payment will be retained until the Work has been completed and accepted by LAWA per the Contract Documents. After fifty percent (50%) of the Work has been completed, including approved Change Orders, the Contractor may request a reduction in the withholding of retention. LAWA will review the progress to date and the

remaining work. If it appears that the Work will be successfully completed and is progressing on schedule, LAWA may at its sole discretion reduce the retention on subsequent work. LAWA may, at its complete discretion and in a manner which protects the interests of LAWA, subsequently increase the retention percentage, but in no event to more than five percent (5%) of the amount completed to date.

[The remainder of this page intentionally left blank]

IN WITNESS WHEREOF, City has caused this Contract Agreement to be executed by the Executive Director of its Department of Airports, and Contractor 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
Carmen A. Trutanich, City Attorney

CITY OF LOS ANGELES

Date: 4/17/12

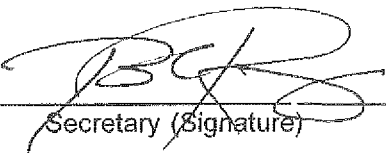
By: _____
Executive Director
Los Angeles World Airports

By: 
Assistant/Deputy City Attorney


By: _____
Comptroller
Los Angeles World Airports

ATTEST:

W.E. O'NEIL CONSTRUCTION CO. OF CALIFORNIA

By: 
Secretary (Signature)

Brian G. Ramsay
Print Name

By: 
Signature

James E. Surdyk
Print Name

Vice President
Print Title

[SEAL]