



Item Number
9

Report to the BOARD OF AIRPORT COMMISSIONERS

Approver: 
Teresa Mestas (Jan 12, 2024 10:46 PST)
Terri Mestas, Chief Development Officer

Meeting Date

1/18/2024

Reviewer: 
Brian C. Ostler, City Attorney

Needs Council Approval: Y


Beatrice Hsu, Interim Chief Executive Officer

Reviewed for/by	Date	Approval Status	By
Finance	1/9/2024	<input checked="" type="checkbox"/> Y <input type="checkbox"/> NA	JS
CEQA	1/5/2024	<input checked="" type="checkbox"/> Y	VW
Procurement	1/8/2024	<input checked="" type="checkbox"/> Y <input type="checkbox"/> Cond	BG
Guest Experience	1/9/2024	<input checked="" type="checkbox"/> Y	TB
Strategic Planning	1/9/2024	<input checked="" type="checkbox"/> Y	BNZ

SUBJECT

Request the Los Angeles City Council consider and approve an ordinance allowing the Board of Airport Commissioners to authorize the Chief Executive Officer to utilize Alternative Delivery Methods and a Competitive Sealed Proposal Selection process for the LA28 and FIFA26 Readiness Program and related projects at Los Angeles International Airport.

RECOMMENDATIONS

Management RECOMMENDS that the Board of Airport Commissioners:

- ADOPT the Staff Report.
- DETERMINE that this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Article II, Section 2.m of the Los Angeles City CEQA Guidelines.
- FURTHER REQUEST the Los Angeles City Council consider and approve an ordinance allowing the Board of Airport Commissioners to authorize the Chief Executive Officer to utilize Alternative Delivery Methods for delivery of the LA28 and FIFA26 Readiness Program and related projects at Los Angeles International Airport, pursuant to a Competitive Sealed Proposal Selection process.
- FIND that the use of Alternative Delivery Methods, paired with a Competitive Sealed Proposal Selection process, should be authorized based on operational need, schedule, and technical aspects of the LA28 and FIFA26 Readiness Program at Los Angeles International Airport, and that awarding to the lowest responsive and responsible bidder, without any

involvement from the contractor during the design stage, would be neither practical nor advantageous.

DISCUSSION

1. Purpose

This action is to request the Los Angeles City Council to consider and approve an ordinance allowing Los Angeles World Airports (LAWA) to use Alternative Delivery Methods – which includes but are not limited to Design-Build (DB), Progressive Design-Build (PDB), Public Private Partnerships (P3), Multiple Award Task Order Contract (MATOC), and Construction Manager at Risk (CMAR); and further to use the Competitive Sealed Proposal Selection (CSPS) process – for the delivery of the LA28 and FIFA26 Readiness Program and related projects at Los Angeles International Airport (LAX) in accordance with the Los Angeles City Charter Section 371(b).

2. Prior Related Actions/History of Board Actions

- **October 20, 2008 – Resolution No. 23651, Ordinance No. 180311**
The Board of Airport Commissioners (Board) adopted a resolution, and the Los Angeles City Council approved an ordinance, allowing LAWA to use Alternative Delivery Methods and a CSPS process for the Tom Bradley International Terminal (TBIT) and Central Utility Plant Projects at LAX.
- **September 19, 2011 – Resolution No. 24565, and September 17, 2012 – Resolution No. 24898, Ordinance Nos. 182086 and 182347**
The Board issued a resolution, and the Los Angeles City Council approved an ordinance, allowing LAWA to use Alternative Delivery Methods and a CSPS process for the Terminals 1-8 Projects, Midfield Satellite Concourse (MSC) Projects, Second Level Roadway Repair Project, and New Face of the Central Terminal Area Project at LAX.
- **February 16, 2017 – Resolution No. 26178, Ordinance No. 184889**
The Board issued a resolution, and the Los Angeles City Council approved an ordinance, allowing LAWA to use Alternative Delivery Methods and a CSPS process for various Airport Police Facilities, Administration Buildings, Maintenance Buildings, and Storage Buildings at LAX.
- **February 16, 2017 – Resolution No. 26177, Ordinance Nos. 184937 and 183585**
The Board issued a resolution, and the Los Angeles City Council approved an ordinance, allowing LAWA to use Alternative Delivery Methods and a CSPS process for the Landside Access Modernization Program and related projects at LAX.
- **April 19, 2018 – Resolution No. 26478, Ordinance No. 185576**
The Board issued a resolution, and the Los Angeles City Council approved an ordinance, allowing LAWA to use Alternative Delivery Methods and a CSPS process for the Receiving Station X and related projects at LAX.

- **December 16, 2021 – Resolution No. 27410, Ordinance No. 187479**
The Board issued a resolution, and the Los Angeles City Council approved an ordinance, allowing LAWA to use Alternative Delivery Methods and a CSPA process for the Airfield & Terminal Modernization Program (ATMP) and related projects at LAX.

3. Background

Over the past decade, LAWA has delivered a series of major capital programs that have enhanced the safety, capacity, resiliency, and sustainability of LAX. This included the new West Gates at Tom Bradley International Terminal, the upcoming Midfield Satellite Concourse South facility, and major renovation programs in every Terminal at LAX, to name a few of the major programs.

Collectively, our Capital Improvement Program has dramatically increased LAX's capacity across our airside, landside, and terminal facilities to meet our projected air service demand through 2035. Each new project has also introduced new technologies and innovations to enhance the safety, resiliency, sustainability, efficiency, and guest-experience of the LAX campus.

The world is set to arrive at LAX in just 29 months for the 2026 FIFA World Cup, and 54 months for the 2028 Summer Olympic Games. Therefore, LAWA is preparing to execute the LA28 and FIFA26 Readiness Program to ensure that every corner of our campus is elevated to the Gold Standard that our city and customers deserve.

This effort will involve a series of small-to-medium-sized projects that bridge our recent capital improvements. These include, but are not limited to:

- *Asset renewal program* (i.e., replacement of existing air handling units, fan coil units, electrical transformers, stormwater sump-pumps, and other components that are at or near the end of their useful life)
- *Safety and security program* (i.e., emergency responder radio coverage systems, seismic improvement projects, code-compliance upgrades, etc.)
- *Terminal refresh program* (i.e., localized interior renovations throughout the Central Terminal Area (CTA) in areas not recently modernized)
- *Temporary facilities* (i.e., temporary facilities to accommodate increased passengers, baggage, vehicles, and unique airport users (such as elected officials and diplomats, Olympic athletes and delegations, etc.) for the 2028 Olympics and other special events)
- *Other improvements* (i.e., localized pavement-repair, landscaping, wayfinding, electric vehicle chargers, demolition, curbside drop-off/pick-up areas, and other improvements in areas not recently modernized)

In addition to the traditional Design-Bid-Build (DBB) delivery method, LAWA uses a wide variety of Alternative Delivery Methods to deliver our CIP. When using Alternative Delivery Methods, LAWA uses the CSPA process with selection criteria established by ordinance in accordance with Section 371(b) of the Los Angeles City Charter.

Given the complexity and critical timeline of the LA28 and FIFA26 Readiness Programs, dozens of projects will need to be delivered throughout the active airport environment, and complex phasing strategies and innovative construction techniques will be necessary.

Therefore, a CSPS process will be required to attract and select a qualified delivery team, and Alternative Delivery Methods will be required to efficiently deliver the projects with multiple parallel tracks of planning, design, construction, and activation of each scope component.

4. Current Action/Rationale

Staff request that the Board request the Los Angeles City Council to consider and approve an ordinance allowing the Board to authorize the Chief Executive Officer to utilize Alternative Delivery Methods – including DB, PDB, CMAR, MATOC, and/or P3 – for delivery of the LA28 and FIFA26 Readiness Program and related projects at LAX, pursuant to a Competitive Sealed Proposal Selection process.

Approval of the ordinance will give LAWA the flexibility required to attract and select qualified delivery teams and to efficiently deliver this complex, multi-phased program.

5. Fiscal Impact

The approval of this item is an administrative action and will have no fiscal impact on the Los Angeles World Airports.

6. Alternatives Considered

- **Take No Action**

If the Board and/or City Council do not allow the use of Alternative Delivery Methods and a CSPS process, then LAWA would be required to use the traditional DBB delivery method. This would significantly limit the scope and effectiveness of the LA28 and FIFA26 Readiness Program.

7. How This Action Advances a Specific Strategic Plan Goal and Objective

This action advances this strategic goal and objective: Build and Operate Facilities to Meet Evolving Demand: Plan and deliver Capital Programs. The use of the Alternative Delivery Methods and CSPS process will support the complex phasing strategies, techniques, and program scope required to support the dozens of projects that will need to be delivered for these world events.

APPROPRIATIONS

No appropriation of funds is required for this action.

STANDARD PROVISIONS

1. The adoption of an ordinance that does not result in impacts on the physical environment, is exempt from California Environmental Quality Act (CEQA) requirements pursuant to Article II, Section 2.m of the Los Angeles City CEQA Guidelines.

2. The proposed document(s) is/are subject to approval as to form by the City Attorney.
3. Actions taken on this item by the Board of Airport Commissioners will become final pursuant to the provisions of Los Angeles City Charter Section 373.
4. This action is not subject to the provisions of the Living Wage/Service Contractor Worker Retention Ordinances.
5. This action is not subject to the provisions of the Business Enterprise (BE) Programs.
6. This action is not subject to the provisions of the Affirmative Action Program.
7. This action does not require a Business Tax Registration Certificate number.
8. This action is not subject to the provisions of the Child Support Obligations Ordinance.
9. This action is not subject to the insurance requirements of the Los Angeles World Airports.
10. This action is not subject to the provisions of Charter Section 1022 (Use of Independent Contractors).
11. This action is not subject to the provisions of the Contractor Responsibility Program.
12. This action is not subject to the provisions of the Equal Benefits Ordinance.
13. This action is not subject to the provisions of the First Source Hiring Program.
14. This action is not subject to the provisions of Bidder Contributions CEC Form 55.
15. This action is not subject to the provisions of MLO Bidder Contributions CEC Form 50.
16. This action is not subject to the provisions of the Iran Contracting Act