



CITY OF LONG BEACH

R-10

LONG BEACH AIRPORT

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May 8, 2018

HONORABLE MAYOR AND CITY COUNCIL

City of Long Beach

California

RECOMMENDATION:

Adopt Specifications No. RFP AP18-033 and award a contract to Swinerton Builders, of Los Angeles, CA, for the design and construction of the Phase II Terminal Area Improvements at the Long Beach Airport, in the amount of \$58,809,490, authorize a 15 percent contingency in the amount of \$6,450,000 (based on construction value), for a total contract amount not to exceed \$65,259,490; authorize the City Manager, or designee, to execute all documents necessary to enter into a contract, including any necessary amendments; and,

Increase appropriations in the Airport Fund (EF 320) in the Airport Department by \$32,572,824, offset by funds available. (District 5)

DISCUSSION

On December 14, 2010, the City Council authorized the construction of the Phase I Improvements to the Terminal Area (Phase I) at the Long Beach Airport (Airport). The primary elements of Phase I included the construction of a new passenger concourse with 11 airline passenger gates and the Transportation Security Administration (TSA) passenger security screening checkpoint facility, which opened on December 12, 2012. Phase I included 41,299 square feet (SF) of new construction for terminal area facilities and the construction of Parking Structure B. Additional terminal-related improvements were contemplated in Phase I but were not included due to timing constraints and financial limitations.

On September 11, 2017, the Airport transmitted a memorandum to the Mayor and City Council providing an update on the proposed Phase II Terminal Area Improvements (Phase II). Focusing primarily on enhancing the pre-security customer experience and improvements not developed during Phase I, Phase II will consist of several project components comprising approximately 25,000 SF of enclosed space that will remain within the April 24, 2007, City Council-approved, overall limit for terminal area facilities of 89,995 SF.

The project components of Phase II will include the following:

- New enclosed ticketing lobby;
- New open-air consolidated baggage claim area;

- New relocated In-Line TSA Checked Baggage Inspection System (CBIS) facility;
- Historic terminal building rehabilitation;
- Relocation of rental car customer transaction services into the existing historic terminal building;
- Pre-security concessions, restrooms, and enhancement of the meet and greet plaza;
- Terminal loop roadway improvements;
- New consolidated rental car storage and ready-return surface lot; and,
- Development of a consolidated ground transportation drop-off and pick-up area.

Project Construction

The contract is divided into phases and includes design, pre-construction (site work, ancillary projects, and utilities), and construction of the project components. The contract stipulates that no phase of work for any project component shall begin without formal notice by the City, which allows the City to proceed incrementally based on phasing, project component priority, and funding. The phased progression is a cost-control measure that allows the City to formalize the negotiated lump sum or Guaranteed Maximum Price per project component with contract amendments at each development stage and allows flexibility with construction timing. Phasing will also ensure that airline passenger operations will continue during construction. The contract also allows for termination at the completion of any phase, should the City decide not to continue with any project component not yet started or if there is a material decline in Airport revenues that would make completing the project unfeasible or inappropriate.

The project components are interrelated and, as such, must be designed concurrently to facilitate a cohesive design. The design and construction for Phase II will be a multi-year project beginning in Fiscal Year 2018 (FY 18) and continuing through FY 21. The contract duration is three years with the option of two, one-year time extensions. Initial construction is anticipated to include the ticketing lobby, consolidated baggage claim area, and CBIS facility. These first three project components are the highest priority and will have the greatest impact on the passenger experience. It is anticipated that these three projects will be completed by the end of 2019.

Subsequent construction will include the historic terminal rehabilitation, relocation of the rental car customer transaction services into the first floor of the historic terminal building, and enhanced development of the meet and greet plaza. The terminal rehabilitation will include structural, mechanical, electrical, and plumbing improvements to better support activities in the terminal building and to bring it into compliance with current California Building Code requirements. The first floor will be renovated, to the extent possible, to restore its original appearance. One prominent feature includes restoration of the passenger walkway at the rear of the terminal leading to the meet and greet plaza. This work is expected to be completed in 2020.

The final construction elements include the terminal loop roadway and signage improvements, consolidated rental car storage and ready-return surface lot, and development of a ground transportation area. The terminal roadway loop will be modified to support improved vehicular traffic movement and safety. Other features include developing a master signage plan for improved vehicle and pedestrian wayfinding. An area to the north of the terminal will be developed into a surface lot for rental car storage and ready-return. The existing location of the rental car modular units and adjacent ready-return area will be converted into a ground transportation area for all commercial transportation services. This work is expected to be completed by the end of 2021.

Request for Proposals

The Request for Proposals (RFP) was advertised in the Long Beach Press-Telegram on November 16, 2017, and 4,600 potential proposers specializing in professional, construction, and engineering consulting services were notified of the RFP opportunity. Of those potential proposers, 156 downloaded the RFP via the City's electronic bid system. The RFP documents were made available from the Purchasing Division, located on the seventh floor of City Hall, and the Division's website at www.longbeach.gov/purchasing. An RFP announcement was also included in the Purchasing Division's weekly update of Open Bid Opportunities, which is sent to 22 local, minority, and women owned business groups. Five proposals were received on December 22, 2017. Of the five proposals, none were Minority-owned Business Enterprises (MBEs), Women-owned Business Enterprises (WBEs), certified Small Business Enterprises (SBEs), or Long Beach businesses (Local). One proposal was deemed non-responsive at submission and was not evaluated. The RFP was also released in the Aviation Daily, a national publication, as required by, and in accordance with, Federal Aviation Administration (FAA) consultant selection requirements.

A Selection Committee (Committee) reviewed the written Technical/Narrative Proposals and evaluated the firms on the criteria stated in Section 5.7.2 of the RFP. The Committee included representatives from the Airport, Public Works, and Harbor Departments, as well as a representative from the John Wayne Airport. All four responsive proposers were placed on the Short-List for demonstrating exceptional competence and preferable experience performing comparable projects. The proposers Technical/Narrative proposals required a minimum score of 50 points to be eligible for the Short-List.

In accordance with Section 5.6.1 of the RFP, interview invitations were sent to the Short-List of Design-Build Teams on January 5, 2018. During the interviews on January 17, 2018, all four Short-Listed firms presented their general project approach to perform the design and construction of Phase II. In addition to the Committee, representatives from the Airport, Development Services, Financial Management, a Deputy City Attorney, consultants from KDG, and Jacobs Engineering were present during the interviews as non-voting observers.

Upon conclusion of the interview presentations, members of the Committee ranked the firms by their respective interview scores in accordance with Section 5.7.3 of the RFP. The Technical/Narrative Evaluation Proposal and Interview scores represent a possible maximum score of 60 and 40 points respectively, for a total of 100 points possible. The

Cost Proposals of proposers whose total Technical/Narrative and Interview score was less than 85 total points were not reviewed. The combined total score of each proposer was then converted to Efficiency Points by converting the score to a percentage. Of the four proposers, one did not receive enough points for further review of their cost proposal.

The RFP defined that the design-build selection is based on best value and is not a low-bid selection process. The "Value Cost to the City" is calculated through a formula, identified on the Cost Proposal Form, which takes into account the proposer's Technical Proposal score, Interview score, and overall total cost. The resultant lowest Value Cost represents the "Best Value to the City."

Swinerton Builders, of Los Angeles, CA (not a MBE, WBE, SBE, or Local), attained the highest overall total score and coincidentally also proposed the lowest overall total cost. Therefore, Swinerton Builders was determined by the Committee to be the responsive and responsible proposer that presented the Best Value to the City for the design and construction of Phase II Terminal Area Improvements.

Swinerton Builders has worked on over 60 airports around the world, and the team proposed for the project has successfully worked on recent aviation design-build projects of similar scale and scope in Southern California, including the Delta Airlines Terminal Five Redevelopment Project at Los Angeles Airport (LAX), and complete architectural and seismic renovation of Terminals A and B at John Wayne Airport. Additionally, Swinerton Builders is positioned to bring to the Airport the same key personnel with recent relevant experience that made John Wayne Airport's project successful. Coupled with the team's extensive construction experience within the City, Swinerton Builders will provide safe, efficient, and sustainable construction while minimizing disruptions to passengers and Airport operations.

In accordance with the California Environmental Quality Act, Environmental Impact Report No. 37-03 (FEIR 37-03) related to the Concourse Improvements was prepared and certified by the City Council on June 20, 2006. Phase II is approved as being within the scope of the project addressed in FEIR 37-03, with a revised description of certain project elements addressed in Addendum to FEIR 37-03.

On April 5, 2018, the Planning Commission approved the Addendum to FEIR 37-03 and the Site Plan Review for the Phase II Terminal Area Improvements. On April 9, 2018, the Cultural Heritage Commission approved a Certificate of Appropriateness for the planned modifications to the Historic Terminal as part of the Phase II Terminal Area Improvements.

Local Business Outreach

In an effort to align with the City's outreach goal, Long Beach businesses are encouraged to submit proposals for City contracts. The Purchasing Division also assists businesses with registering on the PlanetBids database to download RFP specifications. Through outreach, 403 Long Beach vendors were notified to submit proposals, of which 12 downloaded and none submitted a proposal. The Purchasing Division is committed to continuing to perform outreach to local vendors to expand the bidder pool.

This matter was reviewed by Deputy City Attorney Richard F. Anthony on April 23, 2018 and by Budget Analysis Officer Julissa José-Murray on April 20, 2018.

TIMING CONSIDERATIONS

City Council action is requested on May 8, 2018, for the timely execution of this contract for the design and construction of the first three project components.

FISCAL IMPACT

The total cost of the Project is estimated at \$69,259,490, inclusive of the contract amount not to exceed \$65,259,490. The total Project cost includes design, preconstruction, construction, allowances, Design-Builder fees, labor compliance, construction management, project oversight, and a 15 percent contingency based on construction value.

The Design-Builder's construction price is guaranteed not to exceed \$43,000,000, except for change order cost increases directed by the City. The initial, primary funding source will be available Airport funds. Other funding sources include Customer Facility Charges, Passenger Facility Charges (PFCs), and TSA grants. PFCs and TSA grant money require an application process for which the Airport has begun seeking approval. In the event that the Airport does not receive the anticipated grant funds or sufficient funds are not available, the Airport may terminate any subsequent work at the end of any completed phase.

A financial analysis performed by Frasca & Associates, LLC, and reviewed by the Department of Financial Management, confirmed that the Airport is positioned to fully-fund the Phase II Terminal Area Improvements without issuing additional debt, while meeting internal financial targets. This outcome is the result of deliberate actions by the Airport to ensure strong financial performance following the completion of Phase I. The analysis also confirmed that the Airport would be able to meet all financial obligations and exceed bond covenants under a hypothetical model considering an unexpected decrease in current passenger traffic levels. No phase will begin without assurance that funds will be available to complete that work.

An increase in appropriation of \$32,572,824 in the Airport Enterprise Fund (EF 320) in the Airport Department (AP) is required based on the cost to complete preliminary engineering and design for the entire project and construction of the first three project components. Additional appropriations necessary to complete subsequent project components will be submitted via the annual budget process. Final design and construction costs for each component will require subsequent Airport review and approval, per the contract documents, prior to commencement. It is anticipated that the award of this contract will have a positive impact on the local job market and sustain approximately 440 direct jobs.

HONORABLE MAYOR AND CITY COUNCIL

May 8, 2018

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SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JESS L. ROMO, A.A.E.
DIRECTOR, LONG BEACH AIRPORT



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

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SICL/LBA - RFP18-033 Design Build Phase II Contract - rev17

APPROVED:



PATRICK H. WEST
CITY MANAGER