

## **R-48**

December 6, 2022

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

### RECOMMENDATION:

Authorize the City Manager, or designee, to execute all documents necessary to amend Contract No. 34964 with Swinerton Builders, of Santa Ana, CA, for the construction of the Phase II Terminal Area Improvements at the Long Beach Airport, to increase the contract amount by \$12,632,000, for a revised contract amount not to exceed \$104,752,178, including contingencies; and,

Increase appropriations in the Airport Fund Group in the Airport Department by \$12,632,000, offset by a combination of funds available for the Phase II Terminal Area Improvements Project at the Long Beach Airport. (Districts 4, 5)

### DISCUSSION

City Council approval is requested to amend Contract No. 34964 with Swinerton Builders to continue construction of the Phase II Terminal Area Improvements at the Long Beach Airport (Airport).

On May 8, 2018, the City Council awarded a design-build contract to Swinerton Builders (Swinerton) as part of its adoption of RFP AP18-033 for the design and construction of the Phase II Terminal Area Improvements (Phase II), in the amount of \$58,809,490 plus a contingency of \$6,450,000, for a total contract amount not to exceed \$65,259,490. Focusing primarily on enhancing the pre-security customer experience and based on preliminary concept drawings and cost estimates, Phase II identified nine project components including a new ticketing lobby (Ticketing), new checked baggage screening facility (CBIS), new baggage claim facility (Baggage Claim), rehabilitation of the historic terminal (Terminal Renovation), relocation of rental car services into the historic terminal (Terminal Rental Car Counters), pre-security concessions, restrooms and enhancement of the meter/greeter plaza (Plaza Improvements), roadway improvements, rental car storage, and a ground transportation center.

Airport staff and Swinerton subsequently worked collaboratively with Airport stakeholders to finalize the design of Phase II. This included multiple design meetings identifying more modern, efficient customer-friendly facilities, bold new architecture, open accessible spaces, and seismic upgrades. The enhancement of landscape, hardscape, and lighting plans included upgraded finishes throughout the program. On February 11, 2020, the City Council authorized

an amendment to Contract No. 34964 with Swinerton to increase the contract authority by \$21,295,013 plus a contingency of \$5,565,675, for a revised base contract amount of \$80,104,503 and a revised contingency amount of \$12,015,675 for a total contract not to exceed \$92,120,178 to build six projects of Phase II. The projects included Ticketing, CBIS, Baggage Claim, Terminal Renovation, Terminal Rental Car Counters, and the Plaza Improvements. The revised base contract reflected the enhanced design improvements as well as an increase in costs due to volatile materials and labor market conditions.

In March 2020, the COVID-19 pandemic (Pandemic) blindsided the travel and construction industries causing significant financial impacts. Passenger traffic at the Airport dropped by 95 percent during the second quarter of 2020, significantly impacting the ability to finance Phase II. All capital projects except for Federal Aviation Administration grant-funded projects were deferred, while the Airport developed and analyzed resequencing scenarios for Phase II. The resequencing of Phase II, in a reduced capacity, minimized short term cashflow expenditures, while preserving liquidity. In addition, the Airport deferred all projects, except for the grant funded CBIS, and completed construction of the foundation for Ticketing. As passenger traffic recovered and federal relief funds were awarded, the Airport fully resumed the CBIS and Ticketing projects and commenced Baggage Claim. In June 2022, the Airport secured \$30 million in funding for Phase II through the issuance of the 2022C Series Bond. The funding for this recommendation was anticipated and taken into consideration during the bond issuance. To date, CBIS and Ticketing are fully operational. Baggage Claim is scheduled for completion by the end of Spring of 2023.

City Council approval is now requested to amend Contract No. 34964 with Swinerton to increase the base contract by \$12,632,000 to complete Terminal Renovation, Terminal Rental Car Counters, and the Plaza Improvements. The total revised contract authority for Swinerton will increase from \$92,120,178 to \$104,752,178, inclusive of the \$12,015,675 contract contingency previously authorized by City Council. The increase is largely due to economic inflation and Pandemic related impacts such as construction schedule lengthening and resequencing, escalation costs, supply chain impacts, and labor shortages.

This amendment includes several passenger enhancements to the project scope, such as terrazzo flooring in Baggage Claim, outdoor skycap podiums near Ticketing and associated technology infrastructure, customized bench seating on the plaza, and improvements to the historic terminal restrooms and related mechanical, electrical, and plumbing infrastructure. A featured component also included is the installation of a state-of-the-art video wall at Baggage Claim, displaying a variety of information and entertainment content for the traveling public. These remaining projects are estimated to be completed by the second quarter of 2024.

This matter was reviewed by Principal Deputy City Attorney Richard F. Anthony on October 10, 2022, Purchasing Agent Michelle Wilson on October 8, 2022, and by Budget Operations and Development Officer Rhutu Amin Gharib on October 13, 2022.

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TIMING CONSIDERATIONS

City Council action to amend Contract No. 34964 is requested on December 6, 2022, to expedite commencement of work and ensure sufficient appropriations to complete Phase II.

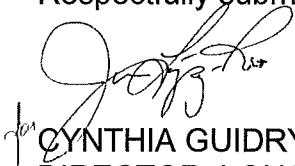
FISCAL IMPACT

The requested action increases the contract authority with Swinerton by \$12,632,000. The total amount of the contract will not exceed \$104,752,178, inclusive of the \$12,015,675 contract contingency previously authorized by the City Council. An increase in appropriations in the amount of \$12,632,000 is requested in the Airport Fund Group in the Airport Department to complete the construction of Phase II, offset by airport operating revenue, Passenger Facility Charges, and Customer Facility Charges. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. It is anticipated that this project will have a positive impact on the local job market.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



CYNTHIA GUIDRY  
DIRECTOR, LONG BEACH AIRPORT

APPROVED:



THOMAS B. MODICA  
CITY MANAGER