



Legislation Text

File #: 18-0804, **Version:** 2

Recommendation to authorize City Manager, or designee, to execute a Facility Modification “Other Transaction Agreement,” and any necessary amendments, with the United States Department of Homeland Security, Transportation Security Administration, and increase reimbursement by \$4,750,000, for a total reimbursement amount not to exceed \$11,400,000, for the construction of an In-Line Checked Baggage Inspection Screening Facility at the Long Beach Airport. (District 5)

On July 10, 2018, the City Council authorized the City Manager to execute the Transportation Security Administration (TSA) Facility Modification “Other Transaction Agreement” (OTA) for reimbursement of up to \$6,650,000 for the construction of an In-Line Checked Baggage Inspection Screening Facility (CBIS) as part of the Phase II Terminal Area Improvement Project at the Long Beach Airport (Airport). The reimbursement amount was based on independent cost estimates provided to the Airport.

Swinerton Builders, the contracted Design-Builder, has completed the development of the Guaranteed Maximum Price (GMP) for construction of the CBIS facility. The results of this work showed that TSA-eligible costs for reimbursement exceeded the original amount the Airport requested from TSA.

The current allowable and allocable cost identified in the GMP is \$12,000,000. The TSA is currently reviewing the GMP and the allowable and allocable costs associated with the CBIS. Should the TSA concur with the GMP and approve the funding of 95 percent of the allowable and allocable costs, the reimbursement from TSA is estimated to be up to \$11,400,000.

This matter was reviewed by Deputy City Attorney Richard F. Anthony on August 18, 2018 and by Revenue Management Officer Geraldine Alejo on August 27, 2018.

City Council action is requested on September 11, 2018, to ensure the City has the authority to accept increased grant funding from TSA. Failure to meet TSA’s deadlines could result in the loss of partial funding.

Funding for the construction of the CBIS is included in the total project costs of the Phase II Terminal Area Improvements Project, and is budgeted in the Airport Fund (EF 320) in the Airport Department (AP). The amount of Federal OTA funds requested for the construction is estimated not to exceed \$11,400,000. The OTA is a reimbursement agreement, and the Airport must initially fund the project. The obligation of Airport funds to participate in the OTA totals \$600,000, or 5 percent of the allowable costs, which will be funded with Passenger Facility Charge (PFC) and Airport Capital funds. It is anticipated that this project will have a positive impact on the local job

market.

Approve recommendation.

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

APPROVED:

PATRICK H. WEST
CITY MANAGER