



Legislation Text

File #: 18-0576, **Version:** 1

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, for reimbursement of up to \$6,650,000 for the construction of an In-Line Checked Baggage Inspection Screening Facility at the Long Beach Airport. (District 5)

On May 8, 2018, the City Council authorized the execution of a design-build contract for the Phase II Terminal Area Improvements, which includes the design and construction of a new In-Line Checked Baggage Inspection Screening facility (CBIS) at the Long Beach Airport (Airport). The new CBIS will be one of a number of improvements built during the Phase II project. The Transportation Security Administration (TSA), under the direction of the Department of Homeland Security, is responsible for critical aspects of security of all U.S. airports and under federal law, provides passenger and checked baggage security screening.

On May 22, 2018, the City Council authorized the execution of a TSA "Other Transaction Agreement" (OTA) for CBIS design services only. The City Manager executed this agreement on June 14, 2018.

The Airport submitted an application to TSA for a grant for the construction of a new CBIS, and TSA notified the Airport that funding is available for certain components of the CBIS in Fiscal Year 2018. The recommended Facility Modification OTA sets forth specific terms and conditions and also establishes the respective cost-sharing obligations of TSA and the Airport, with respect to the construction of the new CBIS. The estimated costs for construction of the CBIS is \$7,000,000. TSA will reimburse the Airport for 95 percent of the allowable, allocable, and reasonable costs up to a total of \$6,650,000.

This matter was reviewed by Deputy City Attorney Linda T. Vu on June 18, 2018 and by Budget Analysis Officer Julissa José-Murray on June 25, 2018.

City Council action is requested on July 10, 2018, to ensure the Facility Modification OTA is fully processed in the strict timeframe required by TSA. Failure to meet TSA's deadlines may result in loss of funding.

Funding for the construction of the new 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 in an amount not to exceed \$6,650,000. The OTA is a reimbursement agreement, and the Airport must initially fund the project. Reimbursement

from TSA will be requested up to \$6,650,000, as allowed. The Airport will contribute \$350,500, or 5 percent, of the allowable costs associated with this project. It is anticipated that the Phase II 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