



Legislation Text

File #: 20-0413, **Version:** 1

Recommendation to adopt resolution authorizing City Manager, or designee, to execute all documents necessary to enter into a contract, including any necessary amendments, with Anser Advisory, LLC, dba Simplus Management, LLC, of Cypress, CA, to continue construction management services for the Phase II Terminal Area Improvements at the Long Beach Airport, in the amount of \$3,947,343, for a period of three years, with option to renew for two additional one-year periods, at the discretion of the City Manager; and

Increase appropriations in the Airport Fund Group in the Airport Department by \$3,947,343, offset by funds available. (District 5)

City Council approval is requested to enter into a contract with Anser Advisory, LLC (Anser), dba Simplus Management, LLC (Simplus), to continue construction management services for the Phase II Terminal Area Improvement Program (Phase II), for the total amount of \$3,947,343. Phase II is for capital improvements primarily to enhance the pre-security passenger experience at the Long Beach Airport (Airport). Simplus is currently providing Phase II construction management services for the Airport.

The Phase II program schedule may change to adapt to the evolving economic condition due to the coronavirus pandemic (COVID-19) and to ensure the viability of funding the projects. Construction management services for Phase II is dependent on the construction schedule of Phase II, and will be adjusted accordingly to align with any changes to the schedule. The current re-sequenced schedule, to mitigate COVID-19 funding impacts, includes proceeding only with the Checked Baggage Inspection System (CBIS) project and the Ticketing building underground work (utilities, foundation, and slab). The remaining Ticketing building work will be paused as the Airport continuously monitors travel demand, air service recovery and subsequent Airport revenues before continuing with the remaining projects. The Airport anticipates the overall completion of Phase II will be delayed six months to one year, but the timeline may contract or extend, depending on the future economic situation.

COVID-19 has adversely impacted many industries, including travel. In response, the federal government passed the CARES Act, which included financial assistance for Airports. The Airport was allocated \$18.4 million. This financial assistance will be used to maintain Airport operations - the CARES Act's intended purpose. The Airport's financial performance and related economic conditions are constantly evaluated to ensure Airport operations are maintained and the continuation of the project is viable.

On April 3, 2019, a By Invitation Only Request for Proposals (RFP) was released to invite the 19 firms with existing on-call construction management contracts awarded by the City of Long

Beach (City), Department of Public Works (PW), to propose on construction management services specifically for the Phase II Program. Of those 19 potential firms, 11 downloaded the RFP via the City's electronic bid system. Five proposals were received on April 11, 2019. In accordance with the RFP, three proposals were shortlisted, and these firms were invited to interview on April 17, 2019. Based on the evaluation criteria stated in the RFP and analysis of responses, Simplus Management Company, LLC (Simplus), of Cypress, CA, was considered the most qualified firm to provide construction management services for Phase II.

As it was unnecessary to follow standard process to award a contract from the RFP, since Simplus was already under contract with the City, a Task Order was issued on April 25, 2019, in accordance with the Simplus Contract No. 34389. Simplus was acquired by Anser on June 30, 2018, and maintained the name, Simplus, during a transition period, but now desires to change its name to Anser. The contract will expire in August 2020. The Airport is requesting to execute a new contract with Anser to continue their current work, under new terms and conditions appropriate for these specific services to be provided for the Airport.

Anser has demonstrated extreme dedication and quality performance on Phase II. Many key personnel, including the Senior Construction Manager, Field Construction Manager, and Inspectors, have acquired critical information and developed significant institutional knowledge regarding the program's complex design and phasing that are invaluable for successful project execution, which are not easily transferrable to a new firm. Phase II is a multi-year program. Projects will be constructed in a series of phases and were anticipated to be completed in 2022; however, completion will now take place in 2023, due to COVID-19 impacts.

A new procurement is not possible, as the cost and downtime of conducting a new RFP, and for the new firm to quickly familiarize themselves with the technical and administrative nature of Phase II, while in construction, is likely to have a negative impact on the program. Anser's continued support will reduce project risks, prevent costly delays, and maintain continuity of construction management services.

Anser's construction management services were procured through a competitive bid process. This Resolution will allow the Airport to contract directly with Anser for construction management services specifically for the Phase II Program. City Charter Section 1801 requires that contracts for City purchases be awarded to the lowest responsible bidder after a competitive bid process but allows for awards without a competitive bid process if accompanied by a Resolution adopted by City Council.

This matter was reviewed by Deputy City Attorney Richard F. Anthony on April 22, 2020, Purchasing Agent Tara Yeats on March 25, 2020, and by Revenue Management Officer Geraldine Alejo on April 20, 2020.

City Council action to adopt a Resolution and award a contract concurrently is requested on May 12, 2020, to ensure the contract in place expeditiously and maintain continuous

construction management services.

The total contract amount with Anser will not exceed \$3,947,343, over the three-year term. The contract amount is included in the total estimated project costs of \$110,241,974, previously reported in the Phase II project amendment approved by the City Council on February 11, 2020. The total estimated project cost includes design, preconstruction, construction, allowances, project labor agreement, labor compliance, construction management, project oversight, overhead, and contingency. An increase in appropriation of \$3,947,343 to support the contract for construction management services is requested in the Airport Fund Group in the Airport Department, offset by funds available.

This recommendation takes into consideration the financial impacts to the Airport Department from the COVID-19 pandemic, and financial assistance from the federal CARES Act available to eligible impacted airports. The Airport's financial performance and related economic conditions are constantly evaluated to ensure the continuation of the project is viable. Phase II project components may not proceed until funding is secured and appropriations are approved by the City Council. 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 contract will have a positive impact on the local job market.
Approve recommendation.

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CYNTHIA GUIDRY
DIRECTOR, LONG BEACH AIRPORT

APPROVED:

THOMAS B. MODICA
ACTING CITY MANAGER