

THE  
**VOICE**  
OF  
**AIRPORTS®**



# LOS ANGELES WORLD AIRPORTS LAX LANDSIDE ACCESS MODERNIZATION PROGRAM P3 PROCUREMENT

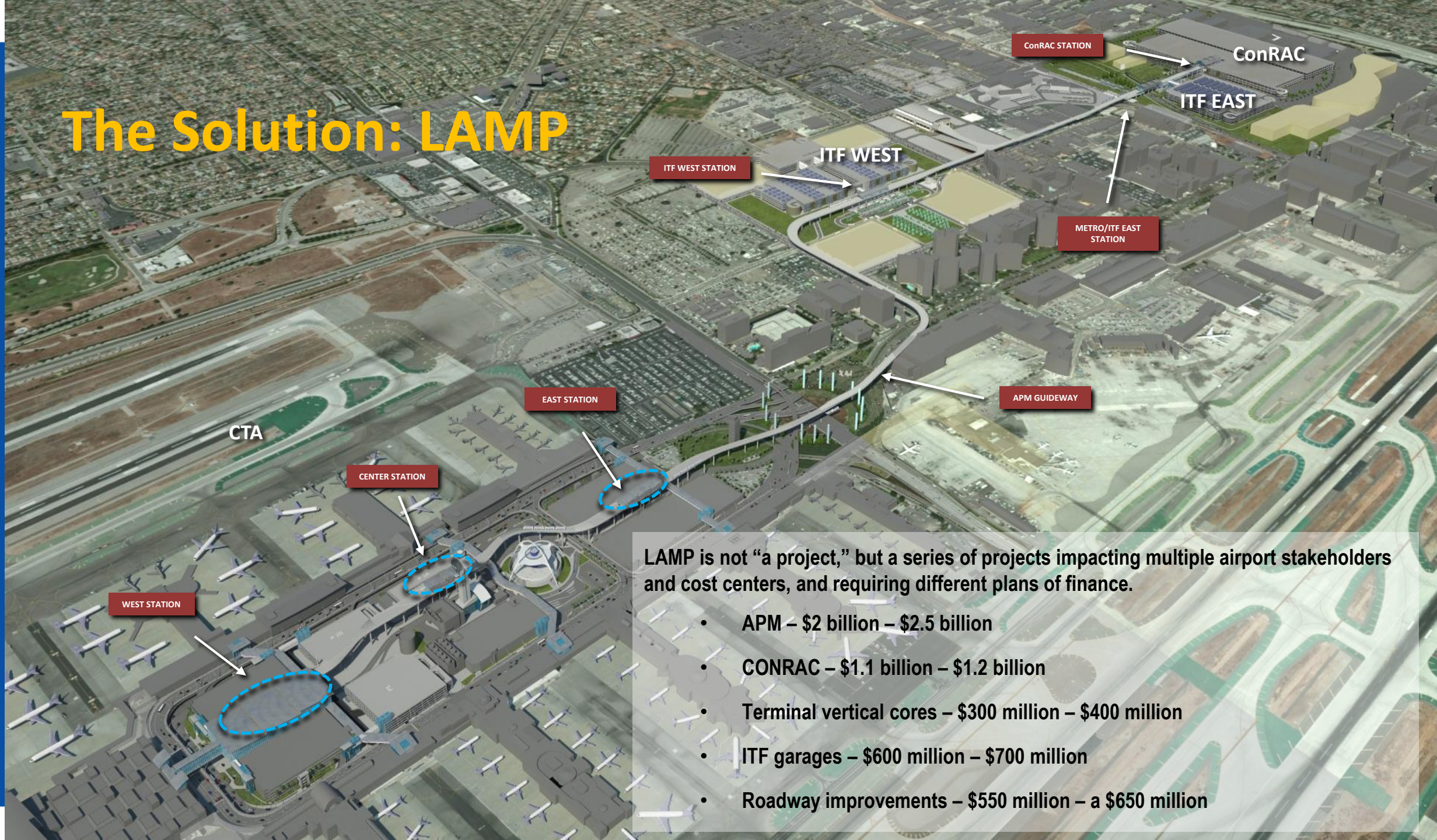
Roger A. Johnson  
Airports Program Executive  
Jacobs  
9/30/2018

An aerial photograph of the Los Angeles International Airport (LAX) is shown in grayscale. A semi-transparent rectangular box is overlaid on the left side of the image, containing the title and a bullet point. The background shows the airport's runways, taxiways, and terminal buildings.

# The Challenge

- Being the busiest origin and destination airport in the world presents many challenges to passengers when trying to access LAX.

# The Solution: LAMP



LAMP is not “a project,” but a series of projects impacting multiple airport stakeholders and cost centers, and requiring different plans of finance.

- APM – \$2 billion – \$2.5 billion
- CONRAC – \$1.1 billion – \$1.2 billion
- Terminal vertical cores – \$300 million – \$400 million
- ITF garages – \$600 million – \$700 million
- Roadway improvements – \$550 million – a \$650 million

## THE SECOND CHALLENGE: PAYING FOR IT

- Funding for LAMP projects comes from the following sources:
    - Airport revenues (unrestricted cash on hand)
    - Special fund balances (PFC, CFC, etc.)
    - General airport revenue bonds/commercial paper
    - Third-party financing instruments (DBFOM)
    - Special facility bonds
    - Grant funding
- } Debt instruments

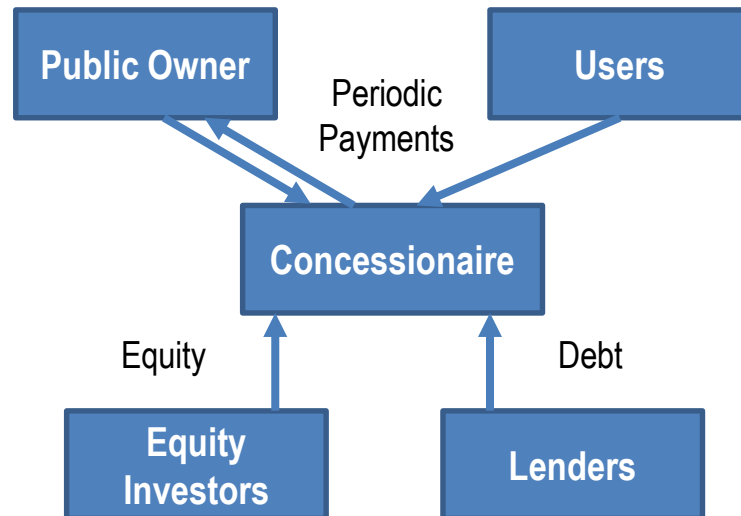
## REVENUE SUPPORTING LAMP

	<u>Available Revenue to Support Funding</u>					
	APM Guideways and Trains	APM Stations	Terminal Vertical Cores	CONRAC	ITF Garages (East & West)	Roadways
Some or all of the project subject to existing airport rates and fees structures	■	■	■			■
Eligible for use of regulated charges (PFC, CFC, etc.)	■	■	■	■		
Commercial operations (concession, parking, privilege fees, etc.)	■		■	■	■	
Grant Eligible	■	■				■
Some or all of the project lacks a direct revenue source	■	■				■

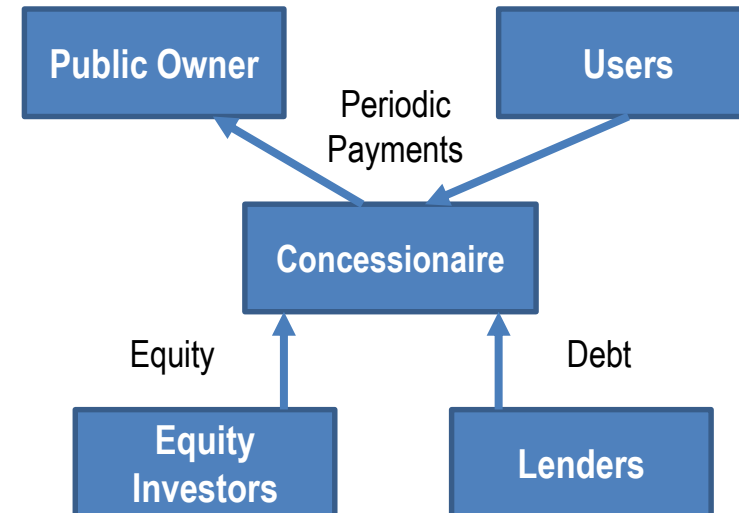
*Revenue certainty plays an important role in choosing funding sources for a project*

# AVAILABILITY VS REVENUE PAYMENTS

## AVAILABILITY PAYMENTS



## REVENUE PAYMENTS



- LAWA chose a P3 availability payment model for both APM and ConRAC delivery
- The availability payment includes the cost of construction, operations & maintenance (25 years) plus the cost of financing

## “BEST VALUE SELECTION PROCESS”

- Combination of Qualifications and Price (70% Technical; 30% Price)
- Two-Step Process
  1. RFQ (Shortlist)
  2. RFP
    1. Technical (required to achieve a minimum score in all categories to advance)
    2. Price
      1. Price was defined as the net present value of the annual “availability payments”
      2. On the APM, any “qualified proposer” whose price was \$300 million higher than the lowest qualified proposer received zero price points
      3. Used an affordability cap on the ConRAC process

# PROCUREMENT PROCESS

1. Schedule
2. Procurement Confidentiality
3. Industry Forum
4. RFQs
5. RFPs

# PROCUREMENT SCHEDULE

11/27/2015 Version

## **LAMP PROCUREMENT PLAN by CONTRACTS for Phase 1**

		APM FF + Sys DBFOM	ConRAC DBFOM	ITF West (Phase 1) DBOM or DB	ITF - West (Balance) DBOM or DB	ITF - East [EARLY] DBOM or DBFOM
CONTRACT SCOPE		APM Vehicles APM Systems APM Guideway (Fdn and Struc) APM Stations APM West Processor / Parking APM Substations APM MSF APM associated Road Imprv CTA Demolition CTA Garages APM Ped Bridges Vertical Cores to Garages	21,000 Stall Parking Structure Customer Service Bldg (CSB) APM Station inside ConRAC Quick Turnaround Area (QTA) and Support Facilities Ready Return (RR) Idle Storage Employee Parking Sitework / Internal Driveways	4,300 Stall Parking Structure ITF West Road Improvement ITF Busway for Shuttles  Separate ITF West DBOM into two NTPs: > NTP 1 for Phase 1 Garage, Open for 2019/20 ITF West full design (both structures) ITF West constructs western structure (only) > NTP 2 for Phase 2 Garage, Open for 2023/24 ITF West constructs eastern structure with common core to Ped Bridge / APM Station	4,000 Stall Parking Struct(s) Vertical Core to APM Station ITF West Road Improvements Sitework	9,600 Stall Parking Structure Vertical Core to APM Station Surface Parking Lot, Sitework, ITF East Road Improvements  <b>Needs to be phased with ConRAC construction to minimize impact in Work Area</b>  <b>Early Schedule opens ITF East on or before 1Q2023 starts construction 28-mos after ConRAC</b>  Schedule needs to coord w/Metro's 96th Street Transit Center
Procurement Milestones		APM FF	APM Sys			
		[ Date ]	[ Date ]	[ Date ]	[ Date ]	[ Date ]
1	Procurement Prep / Support					
2	Draft RFQ for Internal QC Review	11/10/2015	10/28/2015	12/10/2015	3/3/2016	8/9/2018
3	First Draft to LAMP Proc Team Review	11/24/2015	11/12/2015	12/29/2015	3/24/2016	8/23/2018
4	Receipt of Review Comments	12/3/2015	12/1/2015	1/21/2016	4/14/2016	8/30/2018
5	Workshop / Page-Turn to Resolve Comments	12/10/2015	12/8/2015	1/28/2016	4/21/2016	9/6/2018
6	Final Draft for LAWA Mgmt Review, RFQ	12/17/2015	12/15/2015	2/18/2016	5/5/2016	9/27/2018
7	(Opt) Workshop / Page-Turn Review, RFQ	1/14/2016	1/14/2016	2/25/2016	5/12/2016	10/4/2018
8	INDUSTRY FORUM followed by 1 on 1s	2/4/2016	2/4/2016	2/4/2016	2/4/2016	2/4/2016
9	Receipt of LAWA Mgmt Comments (NLT)	2/11/2016	1/21/2016	3/17/2016	5/26/2016	11/22/2018
10	BOAC Approval to Release RFQ	3/3/2016	2/11/2016	4/7/2016	6/2/2016	12/6/2018
11	Final RFQ, Release to Industry	3/15/2016	2/18/2016	4/14/2016	6/9/2016	12/13/2018
12	End of RFIs / Last Addendum	4/14/2016	3/19/2016	5/9/2016	7/9/2016	1/17/2019
13	SOQ Due	5/24/2016	4/28/2016	6/23/2016	8/18/2016	2/21/2019
14	SOQ Evaluation and Shortlist	7/7/2016	6/7/2016	8/4/2016	9/27/2016	4/11/2019
15	Draft RFP to Shortlist	7/14/2016	6/15/2016**	8/11/2016	10/4/2016	4/18/2019
16	RFP Review and Comments	8/4/2016	7/14/2016**	9/15/2016	10/25/2016	5/18/2019
17	Shortlists 1 on 1 Meetings (last round)	7/28/2016	8/18/2016**	9/22/2016	11/1/2016	5/25/2019
18	Technical Input to RFP	8/18/2016		8/4/2016	11/22/2016	12/15/2016
19	Environmental Input to RFP	8/11/2016		8/18/2016	12/30/2016	6/30/2017
20	ROW Commitment Input to RFP	8/18/2016		8/18/2016	12/30/2016	6/30/2017
21	Final RFP, Release to Shortlist	9/1/2016		11/5/2016	1/12/2017	6/8/2019
22	End of ATCs	10/31/2016		1/12/2017	3/13/2017	8/17/2019
23	End of RFIs / Last Addendum	11/30/2016		2/8/2017	4/22/2017	9/16/2019
24	Proposals Due	1/24/2017		4/4/2017	6/11/2017	11/5/2019
25	Proposal Technical Evaluation	3/10/2017		6/8/2017	7/21/2017	10/28/2019
26	Proposal Price Evaluation	3/24/2016		6/22/2017	8/11/2017	11/18/2019
27	Best Value Recommendation	4/7/2016		7/13/2017	5/25/2017	11/26/2019
28	LAWA Selection / Notification	5/4/2017		8/3/2017	6/9/2017	12/10/2019
29	Pre-Development Agreement NTP	6/1/2017		9/1/2017		1/9/2020
30	Construction NTP awaits Env Clear				7/6/2017	6/1/2022
31	For DBFOM Contracts, Financial Close	12/29/2017		3/1/2018		7/7/2020
TOTAL CapEx Estimate, Ph 1 (in millions)		\$ 2,180	\$ 603	\$ 1,005	\$ 150	\$ 181
		\$ 4,474	6/1/2022 (APM Open)	2/15/2022 (ConRAC Open)	12/20/2019 (ITF W-1 Open)	11/17/2024 (ITF W-2 Open)
		Note 1: Terminal Interfaces and VCs for T1 - T6 are not included (Estimated CapEx \$447M to be done by ADG) Note 2: Assumes environmental clearance will occur NLT 6/30/2017 Note 3: ITF West, Ph 2 starts construction following APM Opening on or about June 1, 2022 Note 4: ITF East starts construction following ConRAC construction either 28-months (Early Schedule) or 35-months (Late Schedule) Note 5: Balance of Road Improvements, not necessary for APM Opening occurs after May 2025 (Procurement Not Shown) -Contr Pkg TBD				
		= Next 100-Days through February 2016				

# PROCUREMENT CONFIDENTIALITY

1. Related to Conflict of Interest Policy
2. Maintain Level Playing Field
3. LAWA Procurement Supervisor is Single Point of Contact
4. Cone of Silence
  - Drops when formal procurement begins
  - Avoids being conduit for inaccurate information
  - “I’m sorry, I am not at liberty to discuss that”

# INDUSTRY FORUM

## 1. Inform Industry

1. Program/Project Scope
2. COI Guidelines
3. Procurement Process
4. Procurement Schedule

## 2. Industry Feedback

1. Q&As
2. One-on-One Meetings



Made Available on Program Website

# DBFOM PROCUREMENT

1. Request(s) for Qualifications (RFQs)
  2. Pre-Proposal Meeting
  3. Shortlisting
  4. Issue Draft Request for Proposals (RFP)
    1. One-on-One Meetings to Discuss RFP
  5. Issue Final RFP
  6. One-on-One Meetings
    1. Design
    2. Technical
    3. Alternative Technical Concepts
  7. Proposal Evaluation
    1. Selection/Award/Post-Award Negotiations
- } Over 50 Meetings

# RFQ AND RFP EVALUATION PLAN

1. Critical to the discipline, confidentiality, fairness, credibility, and dependability of the process
2. Modeled after the Federal “Source Selection Plan”
3. Details all functions, procedures and guidelines for each role in the process
4. Five separate selection “panels”
  1. Executive Oversight
  2. Technical Review Panel
  3. Technical Scoring Panel
  4. Financial Review Panel
  5. Financial Scoring

Approximately 85 People

Source Selection Information - See FAR 2.101 and 3.104

**SOURCE SELECTION PLAN**

{Insert if Phase I or Phase II}  
 {Insert Project Name}  
 {Insert Project Acronym}  
 SOLICITATION XXXXXX-xx-R-xxxx  
 {INSERT MONTH & YEAR}



PENTAGON  
RENOVATION &  
CONSTRUCTION

COORDINATION:

Contracting Officer	Date
IPT Leader	Date
SSEB Chair	Date
General Counsel	Date

APPROVED:

SSA	Date
{Adjust coordination list as required}	

Source Selection Information - See FAR 2.101 and 3.104

# PROCUREMENT RESULTS

## 1. APM

1. The team with the highest technical score also had the lowest price
2. The difference in capital costs between the highest and lowest price was approximately \$600 million
3. The winning team's cost (approximately \$1.9 billion) was within 2% of LAWA's estimate

## 2. ConRAC

1. The team with the highest technical score proposed a price above the cap
2. The team with the second highest technical score presented the lowest price under the cap

Video