



SAN DIEGO COUNTY  
REGIONAL AIRPORT AUTHORITY  
STAFF REPORT

Item No.  
**20**

Meeting Date: **NOVEMBER 4, 2010**

Subject:

**Approve the Sixth Amendment to the Agreement with AECOM USA, Inc. and Authorize the President/CEO to Execute the Amendment**

Recommendation:

The Terminal Development Program Committee recommends that the Board adopt Resolution No. 2010-0129, approving the sixth amendment to the agreement with AECOM USA, Inc. (formerly known as DMJM Aviation) and authorizing the President/CEO to execute the amendment to provide Program Management/Construction Management services in support of the San Diego County Regional Airport Authority's Capital Improvement Program, Major Maintenance Program, Quieter Home Program, and Terminal Development Program, increasing the current agreement amount of \$81,700,000 by \$45,000,000 for a new total agreement amount not-to-exceed \$126,700,000 and extending the term of the agreement from December 31, 2010 to December 31, 2013.

Background/Justification:

History of Program Management Services and the AECOM USA, Inc. Agreement:

In 1995, the Unified Port of San Diego ("Port") contracted with Parsons, Inc. ("Parsons") to provide program management services for the terminal expansion project known as the Immediate Action Plan ("IAP"). Parsons was hired to provide industry expertise to the IAP and to get the program back on schedule and on budget. At the completion of the IAP, the Port maintained Parsons' program management contract to assist with the Airport Capital Improvement Program ("CIP") by providing continuous industry expertise and management support.

When the San Diego County Regional Airport Authority ("Authority") was created in 2003, it made a decision to re-compete the program management contract; making the new contract effective on December 14, 2005. The successful firm in that Request for Qualifications ("RFQ") process was DMJM Aviation, Inc. DMJM Aviation (now AECOM USA, Inc.) has provided the Authority program management services related to CIP, Major Maintenance Program ("MMP"), Quieter Home Program ("QHP"), and Terminal Development Program ("TDP") projects for the past 5 years, with a contract expiration date of December 31, 2010.

**Page 2 of 4**

These professional services include, but are not limited to, program management, project management, financial analysis, project scheduling, project inspection, safety management, design development, and other staff augmentation related construction and design services.

For clarification, the following is a summary of the program management funding authorizations previously approved by the Board for AECOM (formerly DMJM Aviation, Inc.):

- December 2005: \$750,000 to fund initial startup cost
- February 2006: \$37,050,000 to fund the first two years of the five-year agreement for a total contract not to exceed amount of \$37,800,000
- October 2008: \$38,700,000 to fund the CIP through the end of the agreement (December 2010) and fund the TDP through December 2009 for a total contract not to exceed amount of \$76,500,000
- December 2009: \$5,200,000 to fund TDP through December 2010 for a total contract not to exceed amount of \$81,700,000.

Proposed change to the Authority's Program Management Services business model:

Authority staff has reviewed our current single firm approach to providing program management services and examined best practices in the industry. The conclusion leads us to change our approach from a single program management firm to a multiple firm program. This new approach will provide the Authority more choices when filling various staff augmentation positions, create a competitive cost environment, and allow for a distribution of program management opportunities to more than one firm.

To accomplish this, the Authority will advertise an RFQ in January 2011 for up to three qualified firms to provide program management services for the Authority's CIP, MMP, and QHP (the RFQ will identify those projects assigned to AECOM). The RFQ process will take approximately 90 days. Following the evaluation process, in April or May 2011, Authority staff will bring the recommended firms to the Board for approval.

AECOM, with the approval of this amendment, will work exclusively on the TDP and other projects which they have previously worked on and which are currently in design or construction within the CIP, MMP, and QHP. A list identifying these "in the pipeline" CIP, MMP, and QHP projects will be prepared by staff. AECOM may compete for one of the three new proposed contracts for additional CIP, MMP, and QHP work by participating in the upcoming Program Management RFP process.

The \$45 million request for funding is based on a fully loaded manpower model, which staff utilizes to project manpower requirements and related costs. This is done on a routine basis to plan for staff augmentation support and to accurately budget for soft costs related to projects within the TDP, CIP, MMP, and QHP.

The sixth amendment with AECOM will maintain the current professional staff, which is critical to both the TDP and CIP, MMP, and QHP projects currently in design or under construction. Making staff changes in key project management positions would have a significant negative impact on both project schedules and budgets. Considering the dollars that are at risk in the Authority's TDP and various capital projects, maintaining staff continuity is crucial to our success.

**Proposed Actions:**

Authority staff requests Board authorization to amend the AECOM agreement:

1. Extend the AECOM contract expiration date to December 31, 2013 for work on the TDP and existing CIP, MMP, and QHP projects only; and
2. Increase funding of the AECOM agreement by \$45,000,000 (\$35 million for the TDP and \$10 million for existing CIP, MMP, and QHP projects only), to a total not-to-exceed amount of \$126,700,000.

**Fiscal Impact:**

The \$45 million in program management services is currently funded in the Authority's TDP and CIP budgets. The Authority's CIP and TDP budget will utilize various sources of funding including, but not limited to, Federal Entitlement and Discretionary Grants, Passenger Facility Charges, Commercial Paper, and General Airport Revenue Bonds. These sources are expected to be utilized predominantly during the periods of FY 2011 through FY 2013. Upon completion of the terminal expansion, additional revenue opportunities are expected to materialize from increased terminal and concession spaces. In order to use or apply federal AIP grant funds for any of the expenditures envisioned in the \$45 million amount, federal rules require that the procurement of the program management services must have complied with federal competitive procurement requirements.

**Environmental Review:**

- A. This Board action, as an administration action, is not a project that will have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code § 30106.

Equal Opportunity Program:

The Authority's small business program promotes the utilization of small, local, disadvantaged, and other business enterprises, on all contracts, to provide equal opportunity for qualified firms. By providing education programs, making resources available, and communication through effective outreach, the Authority strives for diversity in all contracting opportunities.

The Authority has a Disadvantaged Business Enterprises ("DBE") Plan as required by the Department of Transportation, 49 CFR Part 26. The DBE Plan calls for the Authority to submit an annual overall goal for DBE participation on all federally funded projects.

Prepared by:

BRYAN ENARSON  
VICE PRESIDENT, DEVELOPMENT

RESOLUTION NO. 2010-0129

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY APPROVING THE SIXTH AMENDMENT TO THE AGREEMENT WITH AECOM USA, INC. (FORMERLY KNOWN AS DMJM AVIATION) AND AUTHORIZING THE PRESIDENT/CEO TO EXECUTE THE AMENDMENT TO PROVIDE PROGRAM MANAGEMENT/CONSTRUCTION MANAGEMENT SERVICES IN SUPPORT OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY'S CAPITAL IMPROVEMENT PROGRAM, MAJOR MAINTENANCE PROGRAM, QUIETER HOME PROGRAM, AND TERMINAL DEVELOPMENT PROGRAM, INCREASING THE CURRENT AGREEMENT AMOUNT OF \$81,700,000 BY \$45,000,000 FOR A NEW TOTAL AGREEMENT AMOUNT NOT-TO-EXCEED \$126,700,000 AND EXTENDING THE TERM OF THE AGREEMENT FROM DECEMBER 31, 2010 TO DECEMBER 31, 2013

WHEREAS, the San Diego County Regional Airport Authority ("Authority") authorized a five-year agreement with AECOM USA, Inc. ("AECOM"), commencing on December 14, 2005, and terminating on December 31, 2010, to provide Program Management/Construction Management ("PM/CM") services to the Authority, in support of the Authority's Capital Improvement Program ("CIP"), Major Maintenance Program ("MMP"), Quieter Home Program ("QHP"), and Terminal Development Program ("TDP"); and

WHEREAS, the following is a summary of the funding authorizations approved by the Board to date:

- December 2005: \$750,000 to fund initial startup cost
- February 2006: \$37,050,000 to fund the first two years of the five year agreement for a total contract not to exceed amount of \$37,800,000
- October 2008: \$38,700,000 to fund the Capital Improvement Program through the end of the agreement (December 2010) and fund the TDP through December 2009 for a total contract not to exceed amount of \$76,500,000
- December 2009: \$5,200,000 to fund TDP through December 2010 for a total contract not to exceed amount of \$81,700,000; and

WHEREAS, the agreement with AECOM is scheduled to expire on December 31, 2010. Since substantial program management and construction management support services will continue to be required for the Authority's CIP, MMP, QHP and TDP projects currently in design or under construction, it is anticipated that AECOM's services will be necessary through December 31, 2013. Additional funding will be required to provide those services: \$35,000,000 in additional funding for the Terminal Development Program and \$10,000,000 in additional funding for the CIP, MMP, and QHP projects.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby APPROVES the sixth amendment to the agreement with AECOM USA, INC. (formerly known as DMJM Aviation) and AUTHORIZES the President/CEO to execute the amendment to provide Program Management/Construction Management services in support of the San Diego County Regional Airport Authority's Capital Improvement Program, Major Maintenance Program, Quieter Home Program, and Terminal Development Program, increasing the current agreement amount of \$81,700,000 by \$45,000,000, for a new total agreement amount not-to-exceed \$126,700,000, and extending the term of the agreement from December 31, 2010 to December 31, 2013.

BE IT FURTHER RESOLVED that the Authority's officers, employees, and agents hereby are authorized, empowered, and directed to do and perform all such acts as may be necessary or appropriate in order to effectuate fully the foregoing resolution; and

BE IT FURTHER RESOLVED that the Board of the San Diego County Regional Airport Authority FINDS that this Board action (1) is not a "project" as defined by the California Environmental Quality Act ("CEQA"); (2) is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106; and (3) is exempt from coastal permit requirements. Cal. Pub. Res. Code § 30610(b) and 14 Cal. Code Regs. §13253.

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 4<sup>th</sup> day of November, 2010, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

---

TONY R. RUSSELL  
DIRECTOR, CORPORATE SERVICES/  
AUTHORITY CLERK

APPROVED AS TO FORM:

---

BRETON K. LOBNER  
GENERAL COUNSEL

Item 20

# AECOM Amendment

Bryan Enarson  
Vice President, Development  
November 4, 2010

# History :

- **Parsons/IAP**
  - Port Immediate Action Plan (1998 T2W project)
- **Airport Authority**
  - Transitioned from the Port
  - Re-competed the Program Management (PM) contract
- **TDP/Green Build**
  - Extension of the AECOM contract
  - New Program Management approach



# Why Program Management?:

- **Flexibility to add or reduce staffing to meet program demands**
- **Ability to retain specific specialized technical skills; i.e. baggage systems, jetways, and security systems**
- **Allows the Authority to compete with private sector salaries**
- **Minimizes long term employment obligations**



# Why Amend the AECOM Contract?:

- **Ensure stability of the TDP**
- **Maintain critical TDP historical information**
- **Continuity for Design Build approach**



# Program Management Goal:

- **PM Goal set for AECOM contract: 17% of program budget**
- **Industry average: 17%**
- **Currently PM costs are 13% of budget**



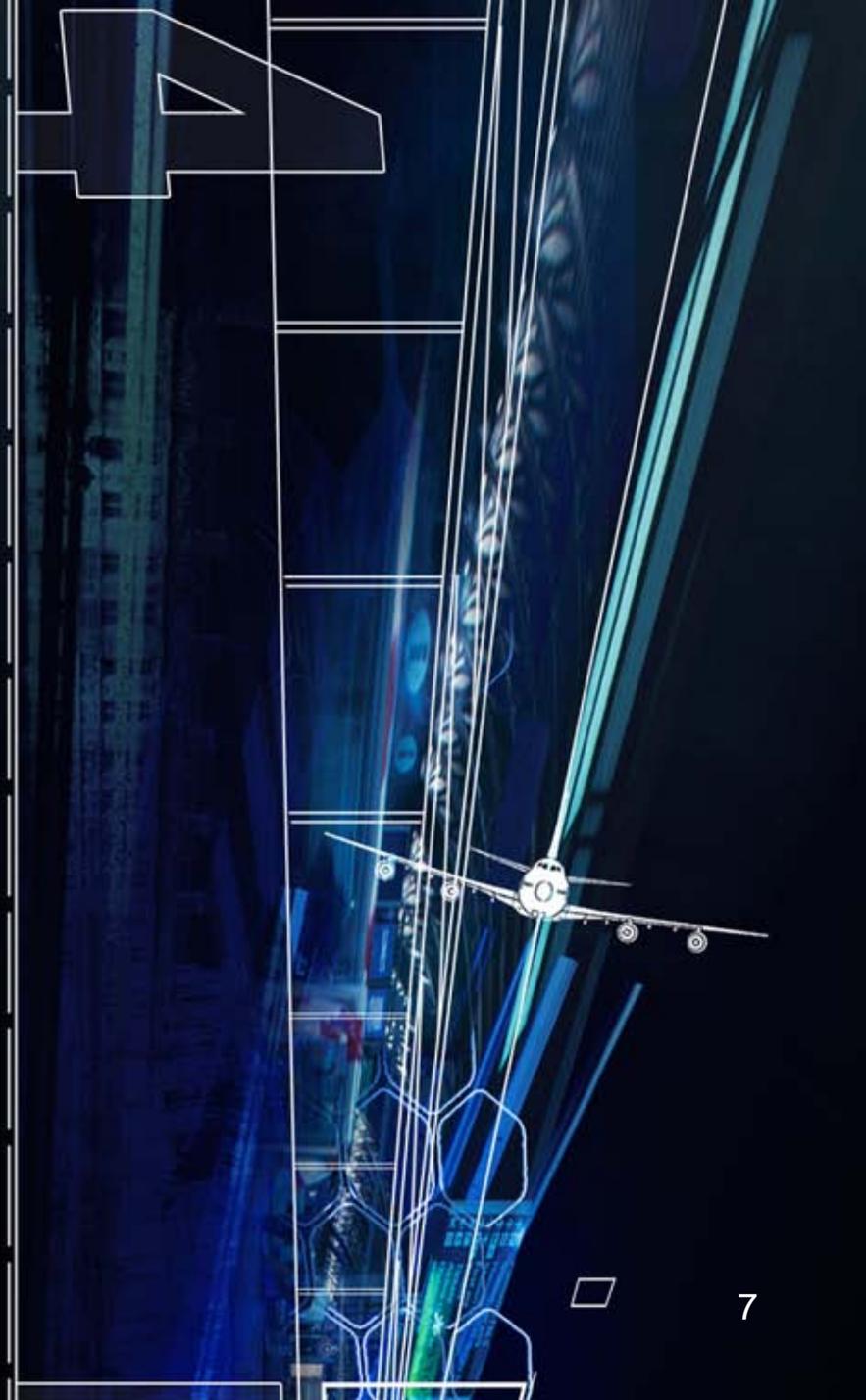
# Manpower Planning :

- **Manpower modeling**
- **Project specific**
- **All PM costs are within the approved TDP and CIP budgets**
- **CIP PM cost projections**
  - **\$47 million** (for the current 5 year CIP- \$10 million of which would be covered in the AECOM amendment)
- **TDP PM cost projections**  
(calendar year)
  - **\$13.5 million for 2011**
  - **\$13.5 million for 2012**
  - **\$ 8.0 million for 2013**



# Staff Augmentation :

- **Project Managers**
- **Design Managers**
- **Project Architects**
- **Engineers**
- **Civil Technicians**
- **Construction Managers**
- **Labor Compliance Technician**
- **Document Control Specialist**
- **Cost Analyst**
- **Construction Schedulers**
- **Inspectors**
- **Safety Manager**
- **Special Systems Coordinator**



**Questions ?**

