

Agenda Item



AGENDA STAFF REPORT

ASR Control 25-000018

MEETING DATE: 02/25/25

LEGAL ENTITY TAKING ACTION: Board of Supervisors

BOARD OF SUPERVISORS DISTRICT(S): 5

SUBMITTING AGENCY/DEPARTMENT: John Wayne Airport (Approved)

DEPARTMENT CONTACT PERSON(S): Charlene Reynolds (949) 252-5183
Komal Kumar (949) 252- 5166

SUBJECT: Approve Amendment Two for Airport Executive-Level Program Management Services

CEO CONCUR
Pending Review

COUNTY COUNSEL REVIEW
Approved Agreement to Form

CLERK OF THE BOARD
Discussion
3 Votes Board Majority

Budgeted: Yes

Current Year Cost: \$1,766,130

Annual Cost: FY 2025-26
\$1,880,047

Staffing Impact: No

of Positions:

Sole Source: No

Current Fiscal Year Revenue: N/A

Funding Source: Fund 280: 100%

County Audit in last 3 years: No

Levine Act Review Completed: Yes

Prior Board Action: 6/4/2024 #18

RECOMMENDED ACTION(S):

Authorize the County Procurement Officer or Deputized designee to execute Amendment Number Two to the contract with PMG Executive Program Management, LLC for Executive-Level Program Management Services to increase the contract amount by \$3,646,177, effective February 25, 2025, through June 5, 2027, in an amount not to exceed \$7,846,177.

SUMMARY:

Amending the Airport Executive-Level Program Management Services Contract with PMG Executive Program Management, LLC will provide program management advisory services for the establishment of the newly created Planning and Development Division and support the implementation of the Airport's multi-year, \$610 Million Capital Improvement Program at John Wayne Airport.

BACKGROUND INFORMATION:

John Wayne Airport (JWA) requires Executive-Level Program Management (EPM) to provide industry-specific advisory services to support its Capital Improvement Plan (CIP) and other Airport programs. The EPM provides technical reviews and recommendations to the Airport Director, leveraging best practices and emerging trends and technologies within the airport industry.

On June 4, 2024, the Board of Supervisors (Board) authorized JWA to execute Contract MA-280-24010248 for EPM Services with PMG Executive Program Management, LLC (PMG), effective June 6, 2024, through June 5, 2027, with the option to renew for two years. On January 22, 2025, Amendment Number One was executed by the Deputy Purchasing Agent to update the staffing plan and add new classification titles with rates.

On January 28, 2025, the Board approved the JWA and OC Public Works reorganization for the OC Facilities Design & Construction Division, Project Management Unit Three, and the transfer of 11 staff from OC Public Works to JWA's newly created Planning and Development Division, effective February 7, 2025.

JWA seeks Board approval to execute Amendment Number Two to increase the Contract amount by \$3,646,177, effective February 25, 2025, for a cumulative Total Contract Not-To-Exceed Amount of \$7,846,177. This amendment will add the following EPM services:

1. Establish an organizational framework for the Planning and Development Division.
2. Evaluate and consolidate JWA's CIP.
3. Create a coordination and logistics management (CALM) unit to integrate various project phasing plans into a comprehensive logistics plan.
4. Develop a project controls unit to manage reporting on project costs and schedule elements.
5. Provide aviation planning support for future aviation needs.
6. Deliver design management and review support.
7. Ensure oversight and compliance for projects in construction.
8. Establish a communication protocol for design and construction information conveyance to the stakeholders.
9. Assist in developing an on-call slate of architectural and engineering contracts for JWA's CIP.
10. Develop a master schedule for all projects, including CIP, maintenance, concessions, and fixed base operators.

The EPM additional services from Amendment Number Two will be scaled down after the second year of the contract when the transition and implementation of the Planning and Development Division will be completed.

The contract is being presented for Board approval less than 30 days before the effective date to expedite the implementation of the newly created Planning and Development Division and transition of the OC Facilities Design & Construction Division, Project Management Unit Three, that was approved by the Board and became effective on February 7, 2024.

The Orange County Preference Policy (OCPP) was applicable and incorporated into the solicitation. Zero OCPP qualified proposals were submitted.

This contract includes subcontractors. See Attachment B for information regarding subcontractors and the Contract Summary Form.

Compliance with CEQA: The proposed project was previously determined to be Categorical Exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15301 (Class_1) of the CEQA Guidelines, on June 4, 2024, when it was originally approved because it is a contract approval for program management advisory services to support the Airport's CIP and other programs. The proposed project is still consistent with this determination.

FINANCIAL IMPACT:

Appropriations for this contract are included in Fund 280, Airport Operating Fund, FY 2024-25 Budget and will be included in the budgeting process for future years.

The contract contains language that permits reductions or termination of the contract immediately without penalty if approved funding or appropriations are not forthcoming and upon 30-days' notice without penalty.

STAFFING IMPACT:

N/A

ATTACHMENT(S):

Attachment A – Amendment Number Two to Contract MA-280-24010248 with PMG Executive Program Management, LLC
Attachment B - Contract Summary Form



**AMENDMENT NUMBER TWO
FOR
EXECUTIVE-LEVEL PROGRAM MANAGEMENT**

This Amendment Number Two is made and entered into as of the date fully executed by and between the County of Orange, a political subdivision of the State of California, through its department John Wayne Airport ("County" or "JWA") and **PMG Executive Program Management, LLC.**, ("Contractor"), with County and Contractor sometimes individually referred to as "Party" or collectively referred to as "Parties."

RECITALS

WHEREAS, the Parties entered into Contract MA-280-24010248 for Executive-Level Program Management, effective June 6, 2024 through June 5, 2027, in the Total Contract Amount Not to Exceed of \$4,200,000.00, ("Contract"); and,

WHEREAS, pursuant to Amendment Number One, the Parties amended the Contract to replace Attachment B and C to update the classification titles and staffing plan, with no increase in the Total Contract Not to Exceed Amount; and,

WHEREAS, the Parties now desire to amend the Contract to increase the current Contract amount by \$3,646,177.00, for a new Total Contract Amount Not to Exceed of \$7,846,177.00; and

NOW, THEREFORE, the Parties mutually agree as follows:

AMENDMENT TO CONTRACT ARTICLES

1. Attachment B: Payment/Compensation shall be replaced in its entirety as attached hereto.
2. All other terms and conditions in this Contract, except as amended herein, shall remain unchanged and with full force and effect.

(signature page follows)



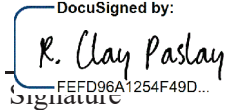
County of Orange, John Wayne Airport


MA-280-24010248
Executive-Level Program Management

Signature Page

IN WITNESS WHEREOF, the Parties hereto have executed this Contract on the date following their respective signatures.

PMG EXECUTIVE PROGRAM MANAGEMENT, LLC*

DocuSigned by:  Signature	R. Clay Paslay	ember	1/23/2025
	Name	Title	Date

Signed by:  Signature	Paul Blue	xec Vice President	1/24/2025
	Name	Title	Date

COUNTY OF ORANGE, A political subdivision of the State of California

COUNTY AUTHORIZED SIGNATURE:

		Deputy Purchasing Agent	
Signature	Name	Title	Date

APPROVED AS TO FORM:

County Counsel

By	 26F9D76C929A49E...	
	Deputy	
Date	1/24/2025	

* If the contracting party is a corporation, (2) two signatures are required: one (1) signature by the Chairman of the Board, the President or any Vice President; and one (1) signature by the Secretary, any Assistant Secretary, the Chief Financial Officer or any Assistant Treasurer. The signature of one person alone is sufficient to bind a corporation, as long as he or she holds corporate offices in each of the two categories described above. For County purposes, proof of such dual office holding will be satisfied by having the individual sign the instrument twice, each time indicating his or her office that qualifies under the above described provision. In the alternative, a single corporate signature is acceptable when accompanied by a corporate resolution demonstrating the legal authority of the signator to bind the corporation.



ATTACHMENT B PAYMENT/COMPENSATION

1. **Compensation:** This is a firm-fixed fee/usage Contract between the County and Contractor for Executive-Level Program Management as set forth in Attachment A, "Scope of Work."

The Contractor agrees to accept the specified compensation as set forth in this Contract as full payment for performing all services and furnishing all staffing, labor, vehicles, equipment, tools, materials, overhead, travel, etc. required, for any reasonably unforeseen difficulties which may arise or be encountered in the execution of the services until acceptance, for risks connected with the services, and for performance by the Contractor of all its duties and obligations hereunder. The Contractor shall only be compensated as set forth herein for work performed in accordance with the Scope of Work. **The County shall have no obligation to pay any sum in excess of the fixed rates specified herein unless authorized by amendment in accordance with Articles C and P of the County Contract Terms and Conditions.**

2. **Fees and Charges:** County will pay the following fees in accordance with the provisions of this Contract. Payment shall be as follows:

<u>Classification Titles</u>	<u>Hourly Rate</u>
Executive Program Manager	\$427
Executive Design Manager	\$427
Executive Construction Manager	\$368
Project Controls Manager	\$368
Planning Manager	\$368
Project Coordinator/Maintenance SME	\$368
Engagement Executive	\$427
Principal	\$427
Principal/Concessions SME	\$380
Coordination and Logistics Manager SME	\$325

Additional Services: Additional services not listed in Attachment A, Scope of Work may be ordered against this contract using the rates above. Any additional services not listed in the Contract must be approved by County's Project Manager or designee in accordance with Attachment "A", Scope of Work, Section III.

Contract Amount Not To Exceed Year 1:	\$2,707,919.00
Contract Amount Not To Exceed Year 2:	\$3,638,258.00
Contract Amount Not To Exceed Year 3:	\$1,500,000.00
Total Contract Amount Not To Exceed:	\$7,846,177.00

3. **Reimbursable Items:** Reimbursable items are non-salary items that are not included in the Scope of Work but necessary for completion of the work and must be authorized in advance by the County Project Manager. Contractor may be entitled to reimbursement for the following, upon prior approval by County:



- A. Travel reimbursements shall not exceed the per diem rates established by the U.S. General Services Administration (GSA) for the primary destination. Maximum per diem reimbursement rates for lodging, meals, and incidental expenses are established by city/county and may vary by season. Monthly lodging costs shall not exceed GSA rates. It is the Contractor's responsibility to review the current rates at www.gsa.gov and obtain the Project Manager's approval prior to travel.
 - B. Reimbursement of mileage for the business use of a personal vehicle during the conduct of business within the Scope of Services of this Contract shall be based on the Internal Revenue Service Standard Mileage Rate for Business in effect at the time. Mileage between Contractor's "Home Based" office location and County location, as well as mileage within County property will not be reimbursed. Reimbursable expenses for car rentals or leases must be authorized in advance by County Project Manager and must be used during the conduct of business within the Scope of Services of this Contract and be reasonably priced for the type of work being performed. Reimbursable expenses must be itemized on invoices and documented with receipts.
 - C. All other reimbursable expenses must be itemized on invoices and documented with receipts. Receipts for reimbursable expenses must be submitted with all invoices. Invoices for reimbursable expenses without back-up receipts will not be paid. Contractor is responsible for submitting reimbursable invoices in a format that is acceptable to the County. Reimbursable items shall be charged at cost. Any third-party or subcontractor services shall also be charged at cost; no mark-ups will be allowed.
4. **Price Increase/Decreases:** No price increases will be permitted during the first **term** of the Contract. The County requires documented proof of cost increases on Contracts prior to any price adjustment. A minimum of 30-days advance notice in writing is required to secure such adjustment. No retroactive price adjustments will be considered. All price decreases will automatically be extended to the County of Orange. The County may enforce, negotiate, or cancel escalating price Contracts or take any other action it deems appropriate, as it sees fit. The net dollar amount of profit will remain firm during the period of the Contract. Adjustments increasing the Contractor's profit will not be allowed.
 5. **Firm Discount and Pricing Structure:** Contractor guarantees that prices quoted are equal to or less than prices quoted to any other local, State or Federal government entity for services of equal or lesser scope. Contractor agrees that no price increases shall be passed along to the County during the term of this Contract not otherwise specified and provided for within this Contract.
 6. **Contractor's Expense:** The Contractor will be responsible for all costs related to photocopying, telephone communications and fax communications, and parking while on County sites during the performance of work and services under this Contract.
 7. **Payment Terms – Payment in Arrears:** Invoices are to be submitted in arrears to the user agency/department to the ship-to address, unless otherwise directed in this Contract. Vendor shall reference Contract number on invoice. Payment will be net 30 days after receipt of an invoice in a format acceptable to the County of Orange and verified and approved by the agency/department and subject to routine processing requirements. The responsibility for providing an acceptable invoice rests with the Contractor.

Billing shall cover services and/or goods not previously invoiced. The Contractor shall reimburse the County of Orange for any monies paid to the Contractor for goods or services not provided or when goods or services do not meet the Contract requirements.

Payments made by the County shall not preclude the right of the County from thereafter disputing any items or services involved or billed under this Contract and shall not be construed as acceptance of any part of the goods or services.



County of Orange, John Wayne Airport

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8. **Taxpayer ID Number:** The Contractor shall include its taxpayer ID number on all invoices submitted to the County for payment to ensure compliance with IRS requirements and to expedite payment processing.
9. **Payment – Invoicing Instructions:** The Contractor will provide an invoice on the Contractor's letterhead for goods delivered and/or services rendered. In the case of goods, the Contractor will leave an invoice with each delivery. Each invoice will have a number and will include the following information:
 - A. Contractor's name and address
 - B. Contractor's remittance address, if different from 1 above
 - C. Contractor's Federal Taxpayer ID Number
 - D. Name of County Agency/Department
 - E. Delivery/service address
 - F. Master Agreement (MA) or Purchase Order (PO) number
 - G. Agency/Department's Account Number
 - H. Date of invoice and invoice number
 - I. Product/service description, quantity, and prices
 - J. Order Date/Service Date(s)
 - K. Sales tax, if applicable
 - L. Freight/delivery charges, if applicable
 - M. Total

Invoices and support documentation are to be forwarded to **(not both):**

Mailed to John Wayne Airport
Attention: Accounts Payable
3160 Airway Avenue
Costa Mesa, CA 92626

OR

Emailed to AccountsPayable@ocair.com

Contractor has the option of receiving payment directly to their bank account via an Electronic Fund Transfer (EFT) process in lieu of a check payment. Payment made via EFT will also receive Electronic Remittance Advice with the payment details via email. An email address will need to be provided to the County via and EFT Authorization Form. To request a form, please contact the DPA.

Contract Summary Form

OC Expediter Requisition #: 1725770

PMG Executive Program Management, LLC.

SUMMARY OF SIGNIFICANT CHANGES

1. Costs: Increase the contract total by \$3,646,177 for a new total not to exceed amount of \$7,846,177. Annual breakdown:
 - a. Year 1 increased by \$1,507,919 for a new not to exceed amount of \$2,707,919.
 - b. Year 2 increased by \$2,138,258 for a new not to exceed amount of \$3,638,258.
 - c. No change to Year 3.

SUBCONTRACTORS

This contract includes the following subcontractors or pass through to other providers.

Subcontractor Name	Service(s)	Amount
Laguna College of Art and Design	Identifying opportunities to enhance customer experience through design, developing brand and identity, and creating sustainable environmental design.	No amount is anticipated for the first year of the contract.

CONTRACT OPERATING EXPENSES

Contract Amount Not To Exceed Year 1: \$2,707,919

Contract Amount Not To Exceed Year 2: \$3,638,258

Contract Amount Not To Exceed Year 3: \$1,500,000

Total Contract Amount Not To Exceed: \$7,846,177

Administrative costs may include travel, mileage, and reimbursable expenses.