

Capital Improvement Projects

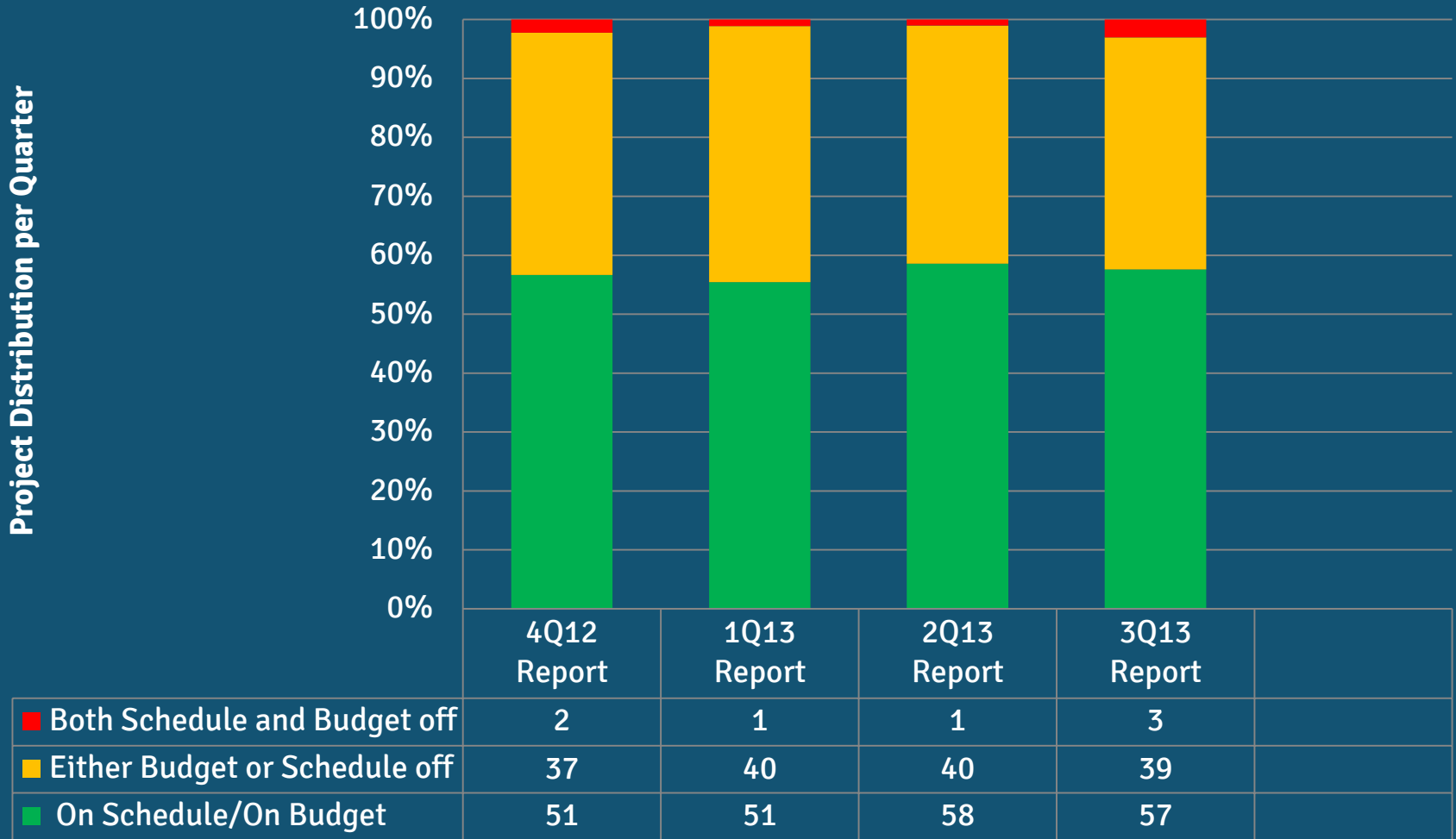
Third Quarter Report
2013
Commission Briefing

Capital Improvement Projects

Overall Status of Projects

- 111 Total Projects in report
- 61 Projects are within or ahead of target schedule and budget
- 47 Projects have either target schedule or budget off
- 3 Projects have both target schedule and budget off

Project Status Total CIPs Managed by CDD



AVIATION PROJECT SUMMARY

- Eight projects are behind schedule:
 - 8th Floor Weatherproofing (7 months) – The weatherproofing failed in portions of sections B and C. The work was rejected and has resulted in a delay of beneficial occupancy.
 - C60 – C61 BHS Modifications (6 months) –The project team revised the scope to ensure needed baggage make-up capacity, computer replacements, and automatic tag readers replacement, delaying the project delivery.
 - Feeder 101 Tap Replacement (3 months) – The slip is due to combining the project with the Fire Station Electrical Upgrade and to some issues accessing the manholes along Air Cargo Road.

AVIATION PROJECT SUMMARY, Cont.

- Eight projects are behind schedule (continued):
 - Vertical Conveyance Modernization Phase 1 (6 months)
Additional time needed to resolve change order issues.
 - Vertical Conveyance Modernization Phase 2 (12 months)
Replacing mechanical and electrical designers. Also potential loading concerns at site of foundation would add to design delay.
 - Stage 2 Mechanical Energy Implementation (1 month)
The schedule delays were due to the broken valves in Central Plant and the addition of ten terminal units to the scope.

AVIATION PROJECT SUMMARY, Cont.

- Eight projects are behind schedule (continued):
 - Security Exit Lane Breach Control Phase 2 (5 months) – The Phase 2 project schedule was pushed out to ensure adequate time for Airport Security and TSA testing of the pilot project (completed in Phase 1).
 - South Satellite Concessions (3 months) – The delay is partially a result of the late start for the second phase of this project caused by the tenant build out of the new duty free shop.
- One project is forecasting over budget:
 - Doug Fox Site Improvements (~\$1,385,000) – Construction bids were opened on September 5 and the low bid exceeded the engineer's estimate by more than 10%.

SEAPORT/REAL ESTATE PROJECT SUMMARY

- One Real Estate project - Fisherman's Terminal C-15 Building HVAC - is reporting both schedule and budget variance in the third quarter
- One Seaport project – T91 Maintenance Dredging – is reporting a schedule variance in the third quarter

Pier 66 Boilers



CORPORATE PROJECT SUMMARY

Two projects with a new reportable schedule variance this quarter:

- Maximo – Business resource constraints will delay the implementation of the new interfaces that link the Maximo system to the PeopleSoft Financials system until 2014. All other project components have been delivered.
- Police Records Management – Configuration of the final design took longer than anticipated because of complexity with the procured software. System deployment is scheduled for October 2013.

Small Business Contracting

<u>SB by SBA Standard</u>	<u>2011 Actual</u>	<u>2012 Actual</u>	<u>2013 To Date</u>	<u>2013 Proposed</u>	<u>2013 SCS</u>		<u>2014 Goals</u>
Major Construction	29%	45%	40.9%	20%	12.4%		50%
SW Construction	62%	92%	84.9%	60%	8.7%		90%
Goods and Services/ Service Agreements	18%	57%	*20.3%	30%	*4.9%		12%/30%
<u>Q1-Q3 2013 YTD</u>							
Aggregate	SB to SBE Standard		29.7%				
* As of 2Q 2013 – G&S includes Expense and Capital work. This is an overall POS # and includes consultants and sub-consultants.							

Service Agreement Procurement Phase Timelines

- Procurements Have Four Major Phases
- Phase times may vary by nature of procurement

Procurement Phase Times in Number of Days					
	Development	Advertising	Evaluation - Selection	Negotiation- Execution	Total Time
2011 YTD	77	27	85	80	211
2012 YTD	70	28	23	84	202
2013 YTD	71	24	42	87	167

Procurement-Team Approach

- Many players impact schedule
 - CPO – Facilitator
 - Department Representatives
 - Project Manager - Leader
 - Evaluation Committee
 - Port Stakeholders
 - Consultant
- RFQ procurement schedule establishes target for contract execution.

CPI – Evaluation Process

- Evaluation of Proposals
 - “Lean” Workshop in October 2011
 - Evaluation took average 76 days in 2010-2011
 - Mapped current process
 - Developed new process – Consensus Evaluation
 - Goal for 2012 forward = 36 days
 - Metrics
 - 2012 = 23 days
 - 2013 = 42 days

Future Process Improvements

- Negotiation Assistance to PMs
 - Launched March 2013
 - Not yet able to measure impact
- Negotiation Time for IDIQ
 - Evaluating how to improve time
 - May do an accelerate workshop (CPI process)
 - Current Average Time = 71 Days
 - Goal = TBD