

# Aviation Capital Program

## Central Terminal Infrastructure Upgrade Project

# The problem

- August 2016 the ADR Infrastructure Modifications Central Terminal project received a single bid. That bid was 127% over the engineers estimate.
- October 2016 the CTE HVAC Upgrade project received a single bid. That bid was 197% over the engineers estimate.

Both projects had the same single bidder

# What we learned from the construction community

- Post bid interviews conducted with single bidder for both projects and select contractors that did not bid on either project.
  - Feedback
    - Working at the airport is difficult; stringent security requirements additional staff & overhead required, limited work hours & spaces.
    - Laydown areas for both projects were small with limited access to work sites, required multiple mobilizations which is not efficient for construction .
    - All crafts in the region are busy; we cannot find qualified personnel.
    - Subcontractor bids exceeded engineers estimates for both projects.

Post procurement cancelation interviews with contractors

# Recommended scope of work solution

- Combine the ADR Infrastructure Modifications and CTE HVAC projects into one design and re-advertise this combined design package as one larger project.

Combine two capital projects

# Project schedule

- 2<sup>nd</sup> QTR 2017 Request Commission Authorization
  - Transfer ADR Infrastructure Modifications Central Terminals authorization and budget to Central Terminals Infrastructure Upgrade.
  - Increase the Central Terminals Infrastructure Upgrade authorization and budget.
  - Advertise and award a major construction contract.
- 3<sup>rd</sup> QTR 2017 Advertise and award a major construction contract
- 1<sup>st</sup> QTR 2018 Start Construction
- 1<sup>st</sup> QTR 2019 Phase 1 (south side construction) completed
- 4<sup>th</sup> QTR 2019 Phase 2 (north side construction) completed

Requires closure of multiple tenant spaces

# Budget

- Design: \$ 1,851,000
- Construction: \$14,983,000
- Total Project: \$16,834,000

Increase the budget and authorization from \$12,802,000 to \$16,834,000

# Effect on Passengers

- Closure of 5 Central Terminal south-side units in Phase 1:
  - Loss of 4,600 square feet of space and \$22.6 million in annual sales
- Impacts of these closures will be minimized by:
  - Opening 4 new food and beverage units from Lease Group 1 and 2
    - Gain of 4,600 square feet of new space and \$12.3 million new annual sales
  - Installing temporary food and beverage units in the Central Terminal and within the concourses
    - Gain of 500 square feet and \$9.0 million annual sales
  - Working with existing tenants to increase productivity.

Maintaining a Level of Service to the Passengers

## Central Terminal Food and Beverage (F&B) Locations

Phase 1 as of Q1 2018



Existing Central Terminal F&B Locations Open During Construction

Proposed Temporary Locations During Construction

New F&B Locations Open as part of Lease Group 1 & 2

Grab and Go/Food Cart Units

6-19-17





## Phase 1 Construction Activity



# Central Terminal Food and Beverage (F&B) Locations

Phase 2 as of Q1 2019



-  Existing Central Terminal F&B Locations Open During Construction
-  New F&B Locations Open as part of Lease Group 1 & 2
-  Proposed Temporary Locations During Construction
-  Grab and Go/Food Cart Units

6-19-17

## Phase 2 Construction Activity