Item No: 6a_Supp

Mtg Date: June 27, 2017

Aviation Capital Program



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.

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.

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.

Project schedule

- 2nd 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.
- 3rd QTR 2017 Advertise and award a major construction contract
- 1st QTR 2018 Start Construction
- 1st QTR 2019 Phase 1 (south side construction) completed
- 4th QTR 2019 Phase 2 (north side construction) completed

Budget

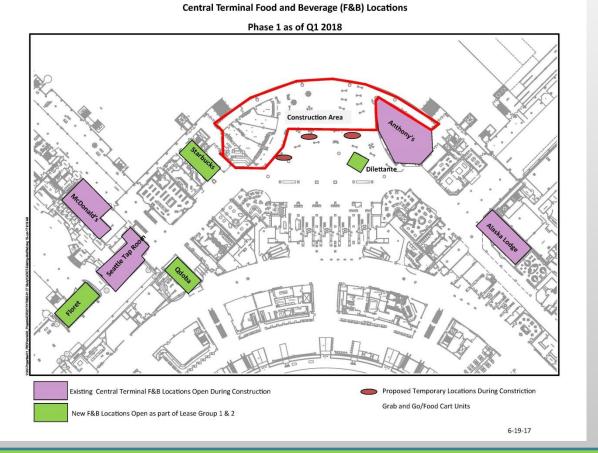
• Design: \$ 1,851,000

• Construction: \$14,983,000

• Total Project: \$16,834,000

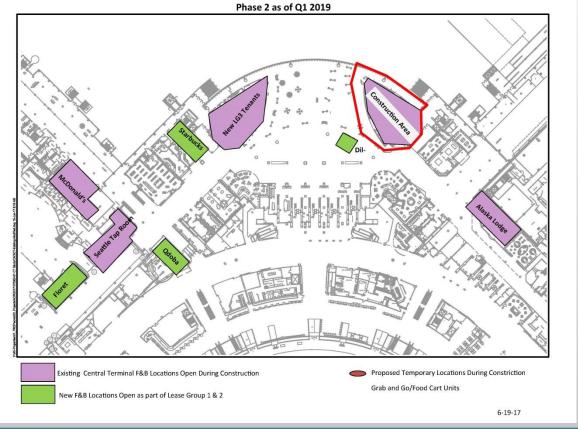
Effect on Passengers

- 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.



Phase 1 Construction Activity

Central Terminal Food and Beverage (F&B) Locations



Phase 2 Construction Activity