

# C800612 Baggage Optimization

## Capacity Acceleration

### June 27, 2017

# Capacity Increase Scope Request

- The Baggage Optimization project was initially scoped in 2012 to accommodate a projected volume of 45 million annual passengers (MAP), with an expandable design to accommodate future growth.
- 45 MAP was expected to be adequate capacity through 2027; however, due to unprecedented growth, the Airport exceeded 45 MAP in 2016.
- To avoid significant negative impacts to airlines and travelers, acceleration of this future work is necessary now in order to increase the baggage system capacity to accommodate a projected 60 MAP.
- Requesting to incorporate expansion into existing Baggage Optimization Phases 2 and 3.

The Airport is growing faster than was anticipated.

# Revised Baggage Optimization Phases

(including future capacity of 60 MAP)

Project Phase	Budget	Construction Start	Construction End
Phase 1	\$135 M	Q2 2017	Q3 2019
Phase 2	\$83 M + 60 MAP	Q3 2019	Q2 2022
Phase 3	\$100 M + 60 MAP	Q2 2022	Q4 2024
<b>Original Total</b>	<b>\$319 M</b>	<b>Q4 2023 (Original)</b>	

<b>60 MAP Capacity</b>	<b>+ \$150 M</b>	<b>14 months</b>
Favorable Phase 1 Bid	- \$24 M	
<b>Revised Total</b>	<b>\$445 M</b>	<b>Q 2024</b>

This capacity increase will add \$150M and 14 months to the project.

# Budget Details

- Budget Increase:
  - + \$150,000,000 Capacity Increase scope
  - \$24,000,000 Return from favorable Phase 1 bid
  - = \$126,000,000 Net Increase for Increased Capacity
- New Total Project Budget
  - \$319,050,000 Original Budget
  - + \$126,000,000 Net Increase for Increased Capacity
  - = \$445,050,000 Revised Total Estimate Project Cost

Revised project budget will be \$445,050,000.

# Budget Details

- This Request:
  - + \$19,937,000 Project Management funds to expand capacity
  - + \$5,000,000 Port crews and small works to perform additional construction work
  - \$24,300,000 Return from favorable Phase 1 bid (previously authorized for construction)

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  - = \$637,000 Net Increase for Increased Capacity

This request is for Commission to authorize \$637,000.

# Additional Capacity Scope Details

- Five CTX machines (TSA provided) and spur lines
- Two additional mainlines
- Two additional recirculation lines
- Building infrastructure to accommodate additional BHS capacity
- With coordination of the IAF project-
  - Two additional makeup units
  - One manual encode station
  - Partial demolition of IAF baggage system
  - Additional feedlines
- With coordination of the South Satellite renovation project-
  - Additional outbound line in the baggage tunnel
  - Two additional makeup units
  - Availability to add manual encode and additional makeups in the future

Required Baggage Optimization Scope to achieve 60 MAP

# Port Construction Services Pre-Work Scope

- H-line wall code compliance for Phase 2 permit
- Claim 13 conveyor input installation
- Right of way clearances
- Right of way conveyor, MCP and conduit demolition
- Change order alternative
- Portering
- Shutdown support
- Equipment movement and TSA/contractor support
- Tenant, TSA, Airline and Port move support
- Testing Support

This PCS work will help to streamline the transition between phasing and capacity expansion.

# Baggage Optimization

## Project Update





# Q1 Financials

<b>Total Project Budget</b>	<b>\$ 319,050,000</b>
Total TSA Contribution	\$ 93,220,422
Total Commission Authorization to Date	\$ 135,375,000
Amount Spent to Date (as of 3-31-17)	\$ 20,454,390
TSA Design Reimbursement to Date (as of 3-31-17)	\$ 5,834,580

The project is within budget as originally scoped.

# Phase 1 Bid Results

- Contract Awarded to lowest bidder:
  - PCL Construction Services Inc. (General Contractor)
  - Jervis Webb (Baggage Sub-Contractor)
- Bid Amount:
  - \$52,000,000.00 (Below Engineer's Estimate)

The project returned \$24M due to a low bid below the Engineer's Estimate.

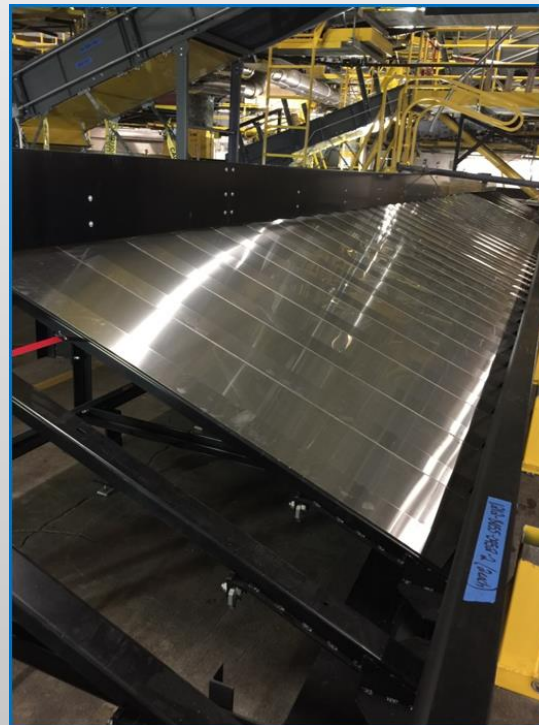
# Phase 1 Small Business Requirements

- Small Business Requirement: 15%
  - Certified Small Business: 5% included within 15% total
- Specialized Baggage, Controls, and Electrical equipment installation is not heavily represented in the Small Business Community.

Total Requirement: 15% Small Business

# Phase 1 Pre-work

- New makeup device and a new odd-size device in the North end of the bagwell have been installed.
- Work completed by PCS, Port Maintenance, and Small Works.



Completion of pre-work allowed Horizon operations to be moved prior to major contract work