



Capital Improvement Projects Third Quarter Report 2009 Commission Briefing

Capital Improvement Projects Overall Status of Projects

- 82 Total Projects in report
- 40 Projects that are within or ahead of target schedule and budget
- 40 Projects that have either target schedule or budget off
- 2 Projects that have both schedule and budget off

Capital Development Division Aviation Projects

Capital Improvement Projects
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Aviation Project Overall Status

- 19 projects are within target budget and schedule
- 21 projects have either schedule or budget off
- 2 projects are forecast to under-run budget due to project savings
- 1 project is forecast to under-run budget due to project savings, but has a schedule delay
- 2 project is forecast ahead of schedule and on budget
- 1 project is forecast ahead of schedule, but is forecast to over-run budget

Aviation Quarterly Variance

- Update includes 46 projects
- 36 of the projects have no reportable variances for this quarter
- 2 project with favorable variances (budget and/or schedule)
- 8 projects with reportable variances (projected late completion and/or forecast overruns)

Projects with Favorable Variances

- Renew/Replace 42 Escalators

Ahead of schedule – an expedited design-build procurement as well as an accelerated construction duration have moved the schedule ahead to start the replacement of the failing escalators.

- Consolidated Warehouse

Ahead of schedule – the small business design firm was very successful in designing a facility that met our needs. Additionally, the general contractor brought national experience in constructing warehouses. Therefore, scheduling and performance was streamlined allowing early completion.

Projects with Reportable Variances

- Garage Floor Count System

Schedule delay – due to weather related issues and procurement issues, completion of the 8th Floor section camera installation was delayed.

- Airport Owned Gate Infrastructure

Schedule delay – the delivery schedule for the production of a new loading bridge is creating a delay in the project schedule.

- Security CCTV System Improvements

Schedule delay – the work by the vendor in developing the interface to the access control system took longer than anticipated. Additionally, the access control system had to be updated to the next version in order to make the interface work.

Projects with Reportable Variances (cont.)

- RMU/Kiosk Concession Program
 - Schedule delay – with the intent to restructure and maximize the timing for new concessions opportunities, the project was put on hold until prioritization decisions were made by the Business Development group.
- Central Plant Preconditioned Air
 - Schedule delay – the negotiation process with the design firm took longer than anticipated. Work is being done to get the consultant back on schedule.
- Street Vacations – Des Moines Creek 1
 - Schedule delay – the original conditions required for closing, including the Des Moines City Council's approval of the developer's master plan, cannot be met now that the developer withdrew from ground lease negotiations.

Projects with Reportable Variances (cont.)

- FAR Part 150 Mobile Home Park Acquisition

Budget overrun – budget increase of \$2,600,000 is required to fund remaining tenant relocations and manufactured home demolition. This increase falls within the current Commission authorization. (Previous budget reductions were processed).

- Home Insulation Retrofit

Schedule delay - a new design contract was required for the insulation of the remaining homes.

Construction Contract Growth that Exceeds 10%

- Consolidated Warehouse changes/awd = $\$891\text{k}/\$4,661\text{k} = 22.42\%$
 - History of site contributed to high level of unknown materials in fill
 - Favorable bid allowed adding back mezzanine floor to the project
 - Purchase & install of pallet racks was also added to the construction contract, based on advice of the Central Procurement Office
- Rental Car Facility changes/awd = $\$37\text{m}/\$225\text{m} = 16.25\%$
 - Project was suspended in 2008/2009 due to lack of financing
 - On June 30, 2009 Commission authorized project suspension costs
 - Increased contaminated soil removal
- Concessions Flooring changes/awd = $\$270\text{k}/\$1,013\text{k} = 31.18\%$
 - Structural deficiencies were encountered during the demolition phase
 - Changes in phasing & materials were required to expedite curing to allow tenants to remain open during construction
 - Varying site conditions required additional demo & regulated materials removal

Construction Contract Growth that Exceeds 10% (cont.)

- Main Terminal Baggage Screening changes/awd = \$52m/\$111m = 46%
 - Changing TSA requirements
 - Original baggage handling system subcontractor was terminated
 - Remaining work was then rebid, including additional scope for the Alaska Airlines 2 Step Project
 - Project is in closeout

Capital Development Division Seaport Projects

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Seaport Project Overall Status

- 2 Projects are within or ahead of target budget and schedule
- 10 Projects have either target schedule or budget off
- 1 Project has both target schedule and budget off

Seaport Quarterly Variance

- Update includes 13 projects
- 11 of these projects have no reportable variances
- 2 projects have reportable variances

Project with Favorable Variance

- T86 Grain Spout Repair

Budget under run - the project was completed for approximately \$300,000 less than the budget.

Project with Reportable Variance

- P 66 Baggage Corridor & Passenger Screening

Schedule variance - result of elevator upgrade rebid postponed for specification modifications.

Construction Contract Growth that Exceeds 10%

- T 30/91 Program

- T 91 Cruise Terminal changes/awd = \$5m/\$39m = 13.18%

- Pile supported foundation change.

- T30 Apron Upgrade changes/awd = \$5m/\$33m = 15.87%

- Upland disposal of dredged material.

Capital Development Division Real Estate Projects

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Real Estate Project Overall Status

- 3 Projects are within or ahead of target budget and schedule
- 3 Projects have either target schedule or budget off

Real Estate Quarterly Variance

- Update includes 6 projects
- 5 of these projects have no reportable variances
- 1 project has a reportable variance

Project with Reportable Variances

- C-15 Sewer Line Upgrade

Schedule delay – the schedule was delayed as the result of remedial measures taken to remove mold that had been encountered during construction.

Construction Contract Growth that Exceeds 10%

- No Real Estate projects exceed 10% in construction change orders

Corporate Division Projects

Information and Communications Technology
Capital Projects
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The background of the slide is a dark blue image. On the left, there is a silhouette of a large ship's hull and a port crane. On the right, there are silhouettes of people in an office setting, one of whom is talking on a mobile phone. The overall scene is dimly lit, suggesting an industrial or office environment at dusk or dawn.

ICT Overall Status

- 1 project is behind schedule but under budget
- 5 projects within or under budget and schedule
- 6 projects are behind schedule but within budget

ICT Quarterly Variance

- Update includes 12 projects
- 4 projects have a reportable variance for this quarter
- 8 projects have no reportable variances for this quarter

Projects with Reportable Schedule Variances

- Enterprise Project Cost Management

Project was put on hold because vendor has not delivered software per contract. Legal is evaluating our options that may involve cancelling the agreement.

- External Sharepoint

Project was put on hold by ICT Management to evaluate potential security issues with anticipated design, identified during architecture development.

Projects with Reportable Schedule Variances Cont.

- Enterprise Maximo

Delay of 9 months due to resource constraints and a successful re-planning effort to mitigate potential vendor cost overruns.

- Parking Consolidation

Business has requested additional features that would impact authorized budget. Schedule has been delayed to analyze request and opportunities to deploy software without negatively impacting operations.

Construction Contract Growth that Exceeds 10%

- No ICT projects exceed 10% in construction change orders