



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8b

ACTION ITEM

Date of Meeting January 28, 2020

DATE: January 21, 2020

TO: Stephen P. Metruck, Executive Director

FROM: Jeffrey Brown, Director Aviation Facilities and Capital Program
Wendy Reiter, Director Aviation Security
Wayne Grotheer, Director Aviation Project Management

SUBJECT: Baggage Optimization Phase 2 Bid Irregularity and Budget Increase (CIP #C800612, WP #U00424)

Amount of this request: \$190,737,800

Total estimated project cost: \$540,050,000

ACTION REQUESTED

Request commission authorization for the Executive Director to (1) execute a construction contract with the low responsive and responsible bidder for the Baggage Optimization Phase 2 Project at Seattle-Tacoma International Airport, notwithstanding the low bid exceeding the estimate at time of bid by more than 10 percent, and (2) authorize an additional \$190,737,800 for Phase 2 construction and Phase 3 design for a total program authorization of \$540,050,000.

EXECUTIVE SUMMARY

Baggage Optimization is an airport-wide public safety and security program that improves customer service for both airlines and passengers. This is a long-term, three-phase program that is anticipated to be completed by 2026. Although the bid results for phase two are greatly in excess of the engineer's estimate due to multiple factors, proceeding with the project on the current schedule is essential to maintain security and safety, replace aging systems, meet airline and passenger needs, and enable multiple other projects to improve passenger service and provide needed upgrades.

The program replaces six aging individual baggage screening systems with one centralized system at Seattle-Tacoma International Airport. The new system will meet Transportation Security Administration (TSA) federal safety and security requirements while ensuring reliability, flexibility and efficiency for airlines, and passengers. The program allows the flexibility for bags to be checked in from any ticket counter and be conveyed to serve any gate. This program allows the airport to meet the demands of growing airlines.

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Baggage Optimization Phase 2 is an extremely complex project. There are 64 sequencing steps which include over 2000 infrastructure and baggage system shutdowns. The contractor has only two hours and forty-five minutes where the existing baggage system is not operational to perform steps involving impacts to live operations. In addition, there is no construction materials or equipment storage laydown space within the project site; material and equipment must be moved in and out of the project site daily. All bidders requested an additional year of construction time beyond the three-year schedule that was projected. The low bid contractor will be working two shifts over the four-year contract duration. The contract terms put the liability of operational impacts on the contractor, who must ensure that baggage operations resume fully after each of the 2000+ shutdowns, or immediately implement contingency plans required by the Port for each of those shutdowns. The high risks and construction inefficiencies made this an unattractive project for bidders and was a major factor why we only received two bids.

The project team has evaluated the bids and concluded that the low bid is a fair and reasonable price for the work in the current baggage industry, representing market conditions. The bids are within nine percent of each other. Staff has evaluated the reasons for the high bids with the low bid contractor. Staff also evaluated the bidder's experience and found that the contractor's team and their subcontractors met all the requirements that were requested in the bid criteria to deem them the lowest responsible bidder.

Staff is currently pursuing additional TSA funding (beyond the \$93 million already committed for the three-phase project) to help to offset the increased cost.

The Aviation Project Management Group will be implementing the following lessons learned based on this project outcome:

- 1) Require a second independent estimate for large or more complex projects. This is currently underway for the pending C1 building project.
- 2) Improve risk communication to Commission in project briefings and authorization requests to ensure knowledge of key risks.
- 3) Review selected projects with other airports/airlines. This was done for baggage optimization phase 2 and will be applied more broadly.
- 4) Review and reevaluate contracting methods for phased projects including potential use of outside expert advisors for project delivery method selection for large or more complex projects.
- 5) Evaluate potential cost estimate increase factors for large or more complex projects.

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JUSTIFICATION

The highly utilized and aging baggage handling system (BHS) is one of the most complex systems in the airport. To achieve the project goals the baggage system will need to be replaced on the current schedule and the budget increased to accept the low bid as justified below.

Need for baggage system replacement on current schedule

In its current state, the Airport's baggage system is not a single system, but rather six separate outbound systems. After the events of September 11, modifying the separate systems was the best way to rapidly increase security. At the time, each separate system was designed to include a nominal amount of passenger growth. Over the ensuing years as specific airline needs emerged or as airlines were relocated, the separate systems have been updated to meet the carriers' specific operating needs. Although various baggage projects have been implemented to address operating needs over the years, the systems continue to have limited capacity to meet both near- and long-term growth needs of the Airport.

The airport baggage system is faced with three problems:

1. The existing systems have major subsystems, such as controls, that are aging and must be replaced;
2. There is limited ability for the current systems to be expanded in their current configuration to adequately meet growing passenger demands; and
3. These separate systems lack interconnectivity between ticket counters and all their aircraft gates.

Passenger growth has increased in unprecedented amounts and is expected to continue. This is a major and near-term challenge for the Airport due to both, the complexity of keeping operations ongoing during construction and major space constraints on expanding the systems' capacity to meet future growth.

The capital program faces challenges within the airport, as the Baggage Optimization Phase 2 project impacts scope, schedule, and constructability of major capital projects that will improve passenger service and provide needed upgrades. Stopping or delaying this project would directly impact the following known projects: Main Terminal Optimization, Airline Realignment, Main Terminal Low Voltage, Main Terminal Smoke Control, and C1 Building. The current schedule has the lowest impact to other major capital projects to improve passenger service and upgrade existing systems that are dependent on work being completed by Phase 2.

The project has detailed construction sequencing plans that have been coordinated with airlines and Port of Seattle stakeholders to minimize impacts during construction. In addition, airlines have requested South Satellite makeups to be accelerated to meet demand, and a delay would affect their operation.

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Proceeding with the current construction bid poses the lowest risk of baggage system operational impacts which become more likely over time due to aging equipment and growing demands on the existing systems. Proceeding is the fastest way to deliver the new system elements, providing increased capacity, flexibility, redundancy, and higher reliability, and meeting TSA federal requirement for security screening.

As we go forward now, we can continue to prepare for Phase 3 including evaluation of General Contractor/Construction Manager (GC/CM) contracting to complete the baggage optimization project and meet the demands of growing airlines.

Budget Increase and award of contract to low bidder

We have received bids which exceeded our estimates and represent market pricing. Moving forward with the low bidder will increase the overall program budget to \$540 million. This increase will cover Phase 2 construction and the design of Phase 3. Phase 3 construction will be estimated at a later date based on market conditions and selection of the contracting method. We will have two independent estimates completed and will return to commission for authorization in the next three years.

Prior to advertising Phase 2, the team conducted marketing meetings with contractors to understand overall market conditions and baggage construction specialty companies. The contractors confirmed that there is very limited competition in the baggage industry (only five suppliers in the world capable of supplying the baggage handling equipment) and only a few companies would have the capacity to handle a project of this magnitude. The team also worked with two Airports: Raleigh-Durham (NC) and San Francisco (CA), to perform a peer review on Phase 2's scope and estimates. The airports felt that the scope and requirements were in line in with their baggage projects; the port's estimates included lower soft costs than their projects; and did not include findings that would direct the port to consider a change of course, or practice.

The low bid significantly exceeds the anticipated engineer's estimate. The project team has analyzed and assessed the price difference between the engineer's estimate at time of bid and bid amount. The project team met with the low bid contractor to gather information regarding their bid composition.

The team evaluated the two elements of the low bid with the engineer's estimate: (1) Baggage Optimization Phase 2 and (2) South Satellite. The contractor indicated that the following items were of significant value in their bid amount for the Baggage Optimization Phase 2 bid item:

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- Risk and Complexity: The contractor bears the risk of completing the job and staffing contingency plans, while having minimal impacts to airline operations and keeping the airport operational. The complexity of construction occurring in a short duration work window, within a complex web of critical operating systems, and in a congested footprint has significant risk to the contractor and is reflected in the bid price. Below are examples of the complexity and risk:
 - 64 demolition and installation sequencing steps; 43 of which require overnight cutovers to a live system.
 - Phase 1 vs Phase 2 Risk: In Phase 1 at the end of the construction work shift, the contractor was able to switch back to the existing system while in Phase 2 contractors have overnight cutovers with the expectation that existing conveyors are demolished, new conveyors put into place, tested and are fully functional for operations each morning.
 - Phase 2 scope of work is complex in that it requires an immense amount of ongoing coordination and buy-off from airlines, operations, maintenance, and security in order to be able to construct in a web of live operating environment.
 - The contractor's electrical subcontractor stated that on a scale of 1 – 10 for risk, this project is a 10.
- Advertisement Period: The project was initially advertised for 60 days and extended twice for a total advertisement duration of 120 days. Details of the advertisement include:
 - Addition of one month: Addendum 1, at airline request, added scope.
 - Addition of an additional month: contractors requested multiple times an extension to bid period as they needed more time to prepare this bid due to complexity of the project.
 - 53 total plan holders; 3 of which were baggage handling manufacturers; and 5 of which were general contractors.
 - Two pre-bid meetings that included project briefings and site walks.
 - The pre-bid meetings were well attended by 80-90 contractors' personnel.
 - 360 contractor questions were answered – Approximately 90 questions were related to:
 - (1) high risk due to the complexity of the project and the existing conditions to work in; and
 - (2) the work inefficiencies due to work hours and blackouts/moratoriums.
- Labor Market: The competitive local construction market combined with a flood of national baggage projects has escalated labor and material costs at a rate faster than general inflation. For example, the electrical subcontractor stated that they are paying 33 percent more in labor due to night shift and employee retention.
- Schedule: During the bidding period the contractors made multiple requests for the construction duration to be extended by 415 days. The port evaluated the request and extended the construction duration by 325 days. Therefore, the contract duration

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increased the overhead and profit included in the bid price. The estimate at time of bid included escalation and contingency for the added duration but not to the extent shown in the bids received. Examples of schedule constraints include:

- Limited Baggage System Work Hours: 12:15 am – 3:00 am, including setup and takedown.
- Blackout periods: work that would impact operations during high peak volumes are limited or not allowed:
 - Holiday closure
 - Holiday Moratoriums: 5 weeks out of the year
 - Summer Moratoriums: 108 days out of the year
- Baggage system work hours in Phase 2 were decreased from Phase 1 to accommodate the increase in Airline flights and Airline operations. These factors were included in the final estimate; however, the team did not accurately recognize the magnitude of inefficiency and associated costs that was shifted to the contractor.
- Logistical inefficiencies: Phase 1 was in an area where the contractor had adequate laydown space in the bagwell. In comparison, Phase 2 required the contractor to rent warehouse space due to the lack of construction laydown area. The cost of the warehouse rental and the logistical inefficiencies created by travel to and from the warehouse and jobsite also contributed to the bid amount. The estimate at time of bid included the cost of the warehouse but did not adequately capture inefficiencies.
- Construction Requirements: The port required the use of scaffolding and the associated life safety and code requirements, such as temporary lighting and fire sprinkler systems for the scaffolding. The scaffolding was intended to allow the contractor to perform work over the live baggage system with minimal disruption to airline operations. This requirement also incurs cost to the contractor that is reflected in the bid. The estimate at time of bid did not capture the full cost of the scaffolding.
- Shutdown procedures: Shutdown procedures are put into place to protect the port and to ensure that the contractor does the following: understands their scope of work, has performed sufficient site investigations, understands impacts to critical infrastructure, has plans in place to ensure continuity of airport operations, and has contingency plans in place. Phase 2 will require over 2000 shutdowns of critical Airport infrastructure such as power, mechanical systems, and baggage systems for the contractor to safely perform work while minimizing disruption to operations. The contractor indicated that this requirement was included in their bid price.
- Phase 1 lessons learned: The team also compared the estimates of Phase 1 and Phase 2 as part of the final estimate assessment. The fact that Phase 1 bids came in lower than the estimate at time of bid by \$24 million gave the team confidence in our estimating methods. Baggage systems estimates are generally developed using recent national data from similarly sized airports. Estimating risk and complexity is subjective and can affect bid amounts significantly.

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The Phase 2 South Satellite bid amounts came in under the estimate at time of bid. The scope of work for this bid item allows for 24/7 site access with no operational impacts and present the least amount of risk which allows for less added cost. The contractor indicated that this work bears less operational risk since South Satellite baggage system will be completely shut down and turned over to the contractor to perform their work.

The team learned, during the meeting with the contractor, that they will be working multiple shifts in order to complete the project on time. The port has increased costs for project management, construction management, and airport direct costs; to support the oversight of multiple shifts and for the 325 days added project duration.

Diversity in Contracting

The project team with the Diversity in Contracting Department determined a Women and Minority Business Enterprise (WMBE) participation aspirational goal for this project of two percent. The contractor has committed to meet all WMBE contract requirements.

DETAILS

The purpose of this project is to optimize the BHS and achieve the maximum outbound baggage capacity within the current airport footprint.

When complete, this project will have achieved the following outcomes:

- Increased outbound system capacity up to 60 MAP;
- Increased system reliability, redundancy, and security;
- Flexibility in Airline ticket counter use and related gate assignments;
- Reduced minimum connect-times where possible; and
- Long term energy savings.

Scope of Work

Phase 2 will:

1. Demolish and replace existing C1, C25, C88, and C96 baggage handling systems;
2. Construct the final sortation matrix;
3. Install, test, and certify TSA provided Explosive Detection System (EDS) machines in the basement level. This consists of two new EDS pods with two machines in each pod;
4. Demolish and replace the entire C25 BHS from the underground tunnel to the ramp level at the South Satellite. This adds outbound lines in the existing baggage tunnel, replaces two makeup units, provides future availability for manual encode, and demolishes the existing claims in the Federal Inspection Services (FIS) area;
5. Construct the new North-End odd-size BHS (Zone 7);
6. Demolish C22 odd-size BHS;
7. Construct C92 BHS final connections;

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8. Remove and decommission various existing BHS components;
9. Demolish and install BHS makeup devices;
10. Construct a new tenant storage area from the Central Terminal Expansion (CTE) basement level to the new area in the C1 building;
11. Relocate the existing tenant storage area from the Central Terminal Expansion (CTE) basement level to the new area in the C1 building;
12. Relocate, modify and add new structural, architectural and utility systems;
13. Construct a new maintenance conveyor shop;
14. Relocate and demolish the existing maintenance conveyor shop;
15. Construct, modify and demolish various construction elements, such as wall, ceiling, flooring and finish work; and
16. Perform various regulated material abatement.

Phase 1 will be substantially completed in Q1 2020. Phase 2 construction is scheduled to start in Q1 2020 and be completed in 2024. Phase 3 is anticipated to start in 2024 and be completed in 2026.

Project Phasing

Phase 1 installed the new centralized screening system including the first set of TSA provided EDS machines and associated support functions to enable Phase 2 to proceed. Phase 1 which was procured as a design/bid/build project, is under construction, under budget, and will be substantially complete in early 2020. The project is fully constructed and is currently completing contractor and owner testing prior to TSA certification.

Phase 2 will decommission the C1, C96, C25, and C88 screening systems. All bags previously sent to those systems will be screened through the new central screening system. Phase 2 is also a design/bid/build project, advertised the construction documents for four months and received two bids on November 19, 2019, both substantially exceeding the \$180M Engineer's Estimate. The responsible low bidder contractor is Hensel Phelps (HP) with the bid of \$294M. The other bidder, Siemens Logistics, submitted a bid of \$322M.

Phase 3 will tie in the C60, C61, and new IAF screening system into the central system. Phase 3 was designed as part of the 100 percent comprehensive package and will need to be further developed into its own design package. An alternative to design/bid/build, General Contractor/Construction Management contracting method will be evaluated for Phase 3 and construction funding will be requested at a later date. The cost of Phase 3 construction is not currently included in the \$540,050,000 total project cost.

Schedule

Phase 2 design efforts started on October 31, 2017, 100 percent design documents were received August 2018, and was advertised on July 2019 following extensive scheduling and sequencing with airlines, operations, security, and maintenance.

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Phase 1 Substantial Completion	2020 Quarter 1
Phase 2 Substantial Completion	2024 Quarter 2
Phase 3 Projected Substantial Completion	2026 Quarter 4

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Repackage the design to include Phase 3 and pursue an alternative delivery method for construction GC/CM.

Cost Implications: Phase 3 estimate would need to be updated to match the contract method and verified.

Pros:

- (1) No risk of loss in continuity of contractors between Phases 2 and 3;
- (2) There will be an opportunity to optimize risk allocation with the GC/CM in developing a construction sequencing plan;
- (3) A GC/CM delivery method allows for prequalification of the general and electrical contractor; and
- (4) GC/CM delivery method leverages innovations/ideas/expertise in design and constructability.

Cons:

- (1) Major capital projects to improve passenger service and provide needed upgrades are dependent on work being completed by Phase 2. In addition, Airlines have requested South Satellite makeups to be accelerated to meet demand, and a delay would affect their operations;
- (2) Potential TSA OTA funding expires in 2023 unless TSA grants extension, and the project could lose the funds
 - a) TSA would oppose this due to risk of system failure due to further delays in replacement of outdated screening equipment. Increased cost in TSA staffing and equipment maintenance.
- (3) Construction will be even more inefficient and therefore more costly if the construction is delayed due to continued growth in passenger and baggage volume;
- (4) Due to the aging systems, lack of sortation capacity and flexibility to keep up with Airport growth, the existing baggage system will experience increased operational demand and stress that will likely cause impacts to airlines and passengers. The port would still need to invest in upgrading the aging existing system to keep the airport operational;
- (5) Design will require repackaging and redesign
 - a) Phase 2 design cost beyond 70 percent would be lost;
 - b) Schedule impact of 1.5-2 years;

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- c) New design will create unknown schedule impacts to develop construction sequencing plan with contractor and stakeholder buy-in;
 - d) No guarantee of an improved construction sequencing plan; and
 - e) No guarantee of any cost savings.
- (6) Contractors including small businesses have invested four months and significant expense in preparing a bid. Rebidding this project may not result in low bids and/or sufficient bidder interest. The port may also be perceived as a less preferred owner if bids are rejected.

This is not the recommended alternative.

Alternative 2 – Significantly change the Phase 2 scope of work and/or contract terms to re-advertise the project.

Cost Implications: Taking the design back to 70 percent plus cost for redesign equals approximately \$4 million.

Pros:

- (1) Bid amount could potentially come in lower.

Cons:

- (1) Major capital projects to improve passenger service and provide needed upgrades are dependent on work being completed by Phase 2. In addition, Airlines have requested South Satellite makeups to be accelerated to meet demand, and a delay would affect their operations;
- (2) Potential TSA OTA funding expires in 2023 unless TSA grants extension, and the project could lose the funds
 - a) TSA would oppose this due to risk of system failure due to further delays in replacement of outdated screening equipment. Increased cost in TSA staffing and equipment maintenance.
- (3) Construction will be even more inefficient and therefore more costly if the construction is delayed due to continued growth in passenger and baggage volume;
- (4) Due to the aging systems, lack of sortation capacity and flexibility to keep up with Airport growth, the existing baggage system will experience increased operational demand and stress that will likely cause impacts to airlines and passengers. The port would still need to invest in upgrading the aging existing system to keep the airport operational;
- (5) There are limited opportunities to modify the scope of work to deliver a valuable project at the end of Phase 2
 - a) Holiday moratoriums could be reduced and relaxed to reduce contractor risk. This could cause operational impacts to airlines during busy holiday seasons;
 - b) Add port contracts for portering services for system shutdown and contractor system impacts;
 - c) Schedule impact of 1-1.5 years;
 - d) Redesign will create unknown schedule impacts to develop construction sequencing plan with contractor and stakeholder buy-in;

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- (6) Contractors including small businesses have invested four months and significant expense in preparing a bid. Rebidding this project may not result in low bids and/or sufficient bidder interest.

This is not the recommended alternative.

Alternative 3 – Proceed with constructing Phase 2 as originally planned and evaluate GC/CM contracting for Phase 3.

Cost Implications: Requested amount of \$180,737,800 additional Phase 2 budget and \$10 million for management reserves to be managed by the Executive Director.

Pros:

- (1) Lowest risk of operational impacts due to aging equipment and growing demands on the existing systems;
- (2) Fastest alternative in terms of delivery of the new system elements, providing increased capacity, flexibility, redundancy, and higher reliability;
- (3) Lowest impact to major capital projects that are dependent on work being completed by Phase 2;
- (4) Construction sequencing plans have been coordinated with airlines and Port of Seattle stakeholders to minimize impacts during construction;
- (5) Port can begin to prepare for Phase 3 including evaluation of GC/CM contracting to complete the intended design and meet growing airport demands;
- (6) Provides opportunity to seek additional TSA funding

Cons:

- (1) Increase in overall program budget

This is the recommended alternative.

FINANCIAL IMPLICATIONS

Cost Estimate/Authorization Summary

Capital

Expense

Total

<i>COST ESTIMATE</i>			
Original estimate (2013)	\$317,000,000	\$150,000	\$317,150,000
Previous changes (2017)	\$127,584,000	\$316,000	\$127,900,000
Current request	\$95,000,000	\$0	\$95,000,000
Revised estimate (not including Phase 3 construction)	\$539,584,000	\$466,000	\$540,050,000
<i>AUTHORIZATION</i>			
Previous authorizations	\$348,846,200	\$466,000	\$349,312,200
Current request for authorization			
<i>Bid Irregularity/Additional Soft Cost</i> \$167,737,800	\$190,737,800	\$0	\$190,737,800
<i>Management Reserve</i> \$10,000,000			
<i>Phase 3 Design</i> \$13,000,000			

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Total authorizations, including this request	\$539,584,000	\$466,000	\$540,050,000
Remaining amount to be authorized	\$0	\$0	TBD (Phase 3 construction)

<i>Phase</i>	Current Budget	Estimate at Completion	Requested Budget
Phase 1	\$101,375,000	\$101,375,000	\$101,375,000
Phase 2	\$248,033,200	\$425,675,000	\$425,675,000
Phase 3	\$95,641,800	Construction TBD	\$13,000,000 (Design Only)
Total	\$445,050,000	\$527,050,000	\$540,050,000

Annual Budget Status and Source of Funds

This project, C800612, was included in the 2020-2024 capital budget and plan of finance with a budget of \$444,584,000. The budget increase of \$95,000,000 was transferred from the Aeronautical Reserve CIP C800753 resulting in zero net change to the Aviation capital budget. The funding source would be future revenue bonds.

Financial Analysis and Summary

Project cost for analysis	\$540,050,000
Business Unit (BU)	Baggage System
Effect on business performance (NOI after depreciation)	NOI after depreciation will increase due to inclusion of capital (and operating) costs in airline rate base
IRR/NPV (if relevant)	N/A
CPE Impact	\$0.26 in 2020, \$1.33 in 2024 and \$1.32 in 2025

Future Revenues and Expenses (Total cost of ownership)

TSA will realize staffing efficiencies and a reduction of EDS machines from 28 to 12 by the end of Phase 2.

ADDITIONAL BACKGROUND

The Baggage Optimization program was scoped in 2012 to accommodate 45 MAP with an expandable design to accommodate future growth. At the time, growth forecasts were flat and predicted that 45 MAP would be adequate through 2027. The decision was made to proceed in building an expandable 45 MAP system with the expectation that an expansion would occur in the future in time to accommodate growth up to the 60 MAP level. Due to unprecedented growth at the airport, the 45 MAP threshold was met in 2016, over ten years earlier than anticipated. In June 2017, the Commission authorized the project to incorporate a capacity expansion of the Baggage Optimization program in order for the new outbound baggage system

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to accommodate 60 MAP. The additional capacity expansion increased the budget to \$445 million.

Starting in October 2018, the project team has briefed the Commission on the changes in market conditions such as: increase in baggage equipment prices, sharp steel price increases, added scope requested by airlines, and a competitive construction market, which together have escalated labor and material costs at a rate faster than had been anticipated in the 2017 program budget. The program cost was expected to increase but nowhere near the magnitude that was seen in the Phase 2 bid.

ATTACHMENTS TO THIS REQUEST

- (1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- April 23, 2019 – Commission Authorization to (1) advertise, award, and execute a construction contract for the Baggage Optimization Phase 2 project at Seattle-Tacoma International Airport; (2) employ a project labor agreement (PLA); and (3) utilize Port crews and small works contracts to perform construction work
- February 26, 2019 – Baggage Optimization Quarter 4 Project Briefing
- October 23, 2018 – Baggage Optimization Quarter 3 Project Briefing
- June 12, 2018 – Baggage Optimization Quarter 2 Project Briefing
- January 9, 2018 – Baggage Optimization Quarter 4 Project Briefing
- September 26, 2017 – Baggage Optimization Quarter 3 Project Briefing
- June 27, 2017 – Commission authorization to (1) authorize additional design and project management funds to expand the capacity to 60 million annual passengers (MAP); (2) use Port crews and small works contracts to perform additional construction work; and (3) amend Service Agreement P-00317641 to add \$10,160,000
- October 25, 2016 – Baggage Optimization Quarter 4 Project Briefing
- July 12, 2016 – Commission authorization to advertise and execute a contract for construction Phase 1
- June 28, 2016– Baggage Program Briefing
- May 17, 2016 – Checked Baggage Optimization Project Briefing
- March 8, 2016 – Commission authorization for the Chief Executive Officer to amend the Baggage Optimization Design Services contract
- June 23, 2015 – Checked Baggage Optimization Project Briefing
- September 10, 2013 – The Commission authorized the execution of an Other Transaction Agreement (OTA) with TSA for reimbursable costs for design; construction, and to authorize \$15 million to continue from 30% to 100% design; and execute a consultant service agreement for program management support services
- August 20, 2013 – Response to questions from Commissioners asked during August 6, 2013 Commission Meeting

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- August 6, 2013 – The Commission was briefed on the near-term and long-term challenges related to handling checked baggage at the Airport
- January 22, 2013 – The Commission authorized \$5 million for staff to begin design through 30%, and to enter into an agreement to allow reimbursement from the federal government to the Port for eligible elements of the 30% design effort
- January 8, 2013 – Baggage Systems Briefing
- August 14, 2012 – Baggage system recapitalization/optimization was noted in the 2013 business plan and capital briefing as a significant capital project not included in 2013-17 capital program
- August 7, 2012 – Baggage system recapitalization/optimization was referenced as one of the drivers for the need to develop an Airport Sustainability Master Plan
- June 26, 2012 – The Airport’s baggage systems were discussed during a briefing on terminal development challenges
- May 10, 2012 – TSA’s interest in a national recapitalization/optimization plan for all baggage-screening operations was referenced in a design authorization request for the C60-C61 Baggage Handling System Modifications Project