

Baggage Optimization Program

April 26, 2022

Program Purpose and Scope

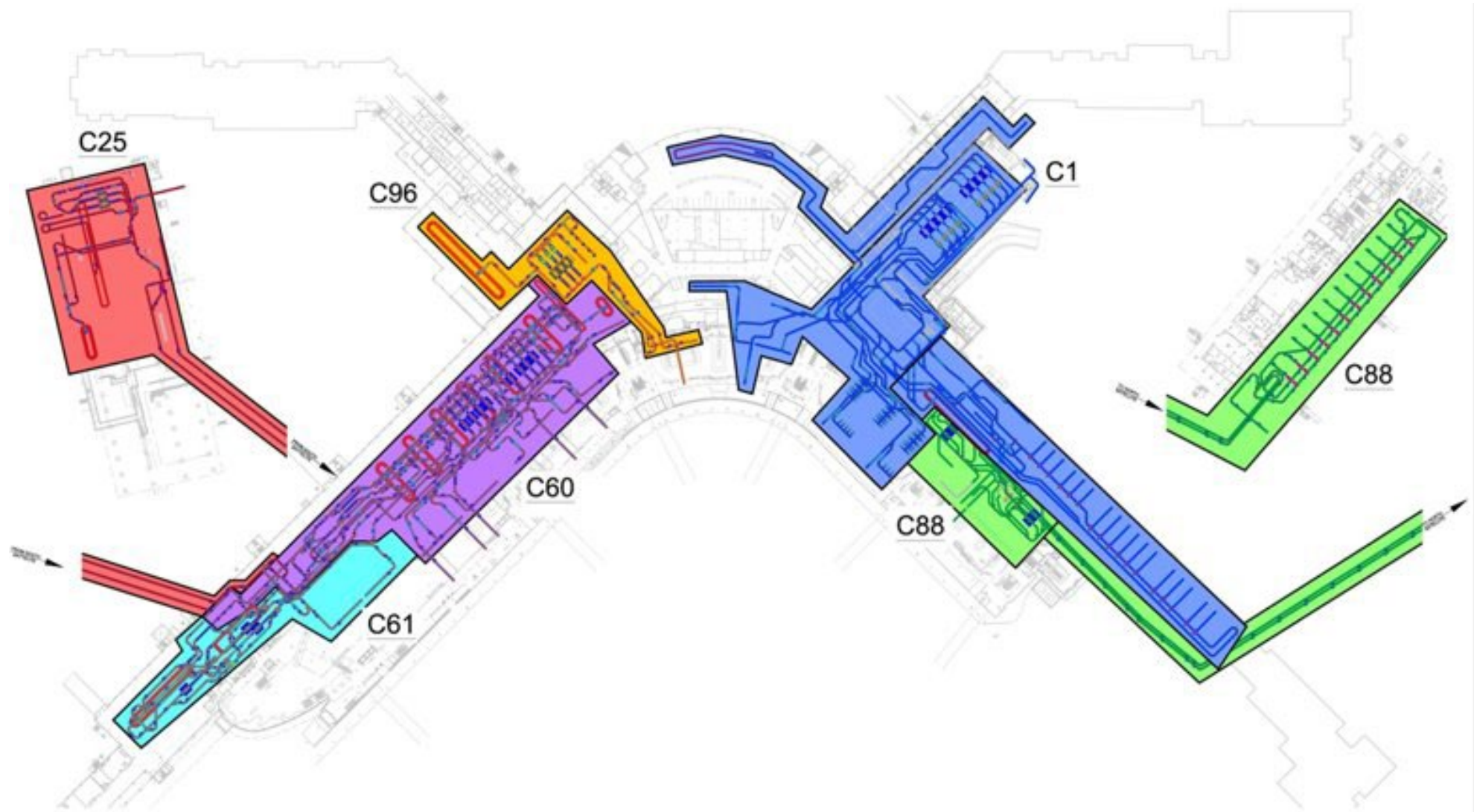
Purpose:

- Airport wide public safety and security program that improves customer service for both airlines and passengers by providing flexibility, reliability, and efficiency.

Scope:

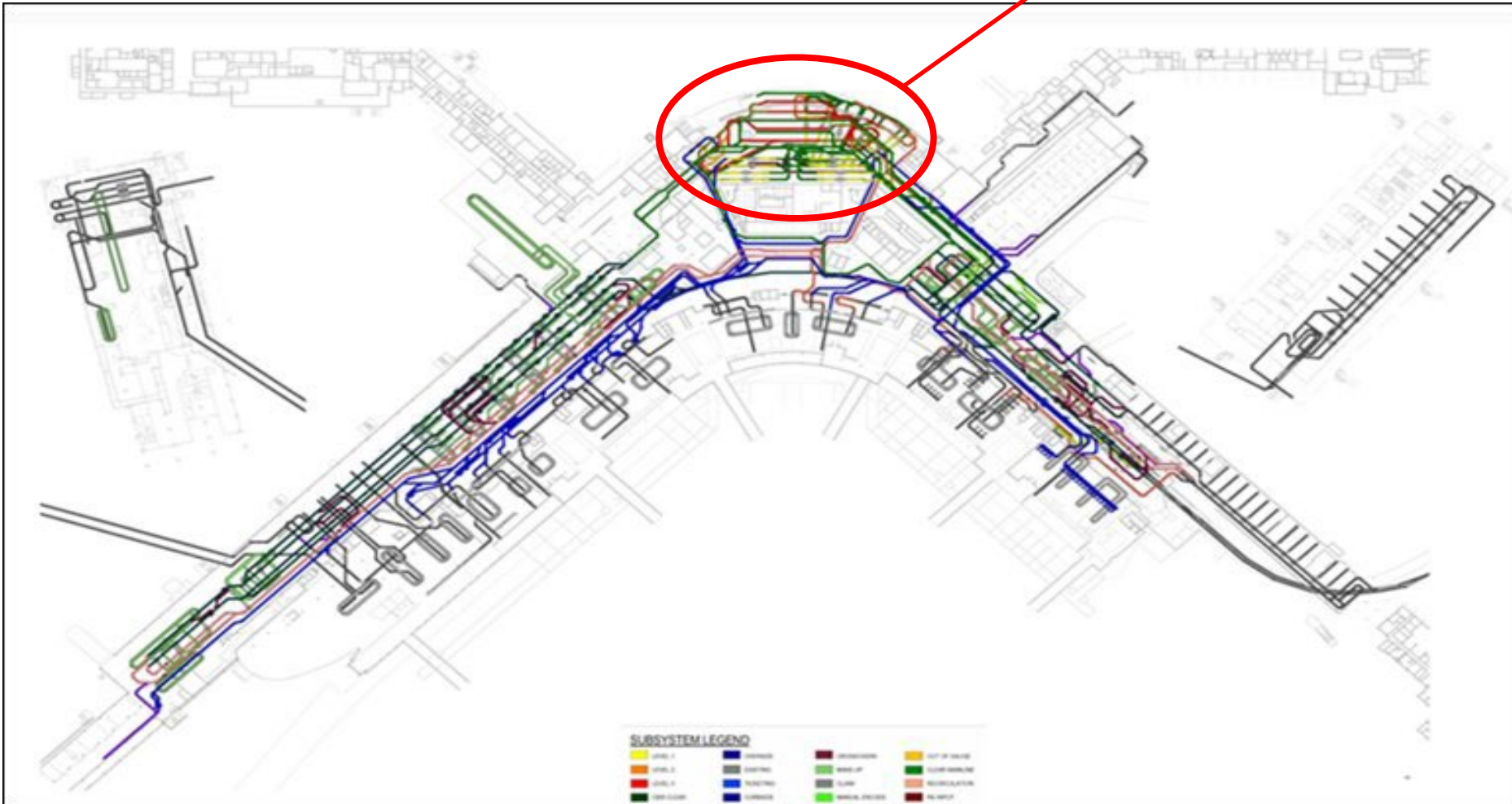
- The Baggage Optimization project replaces six individual baggage screening systems with a centralized system that optimizes the operation and functionality of the checked baggage system.

Current System

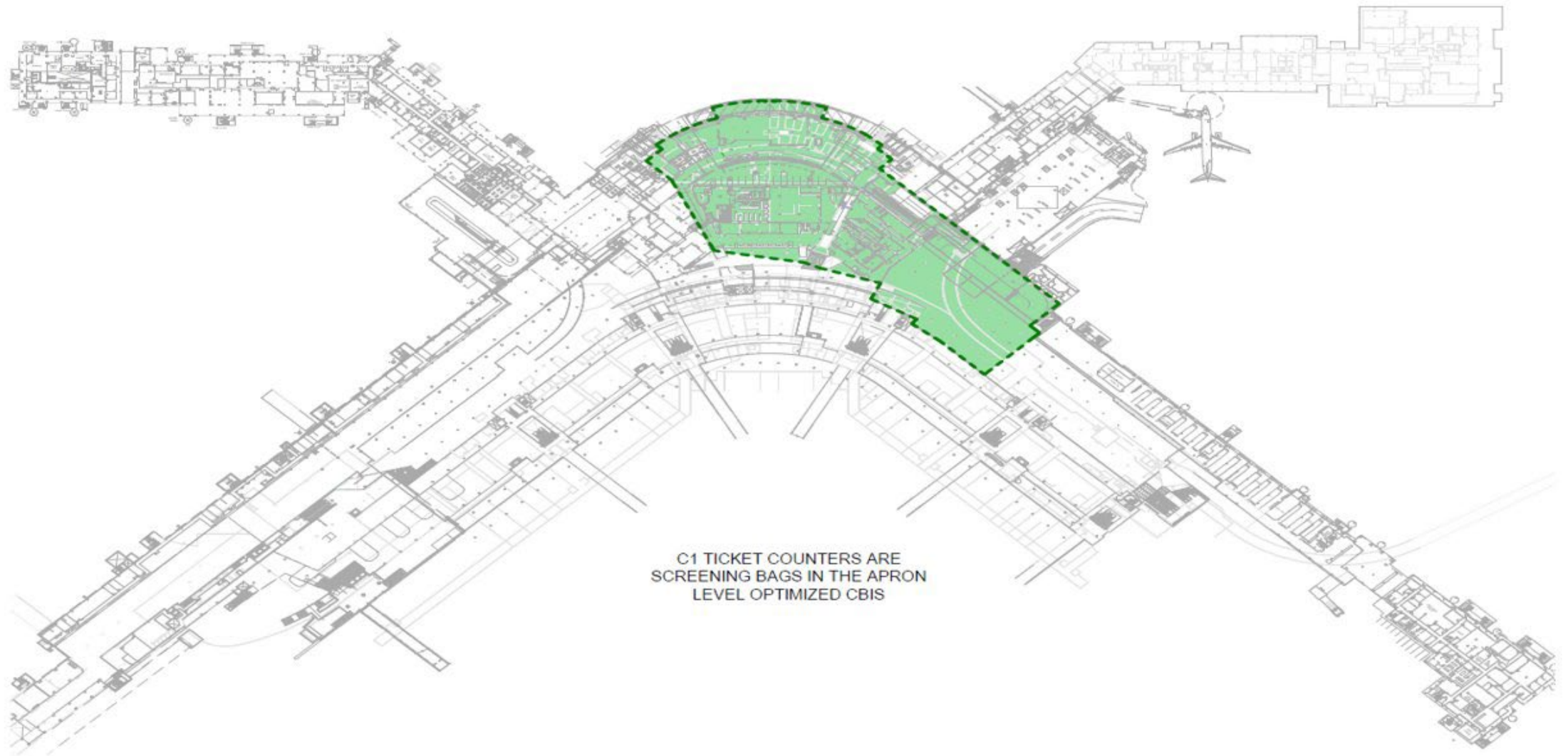


Optimized System

Centralized
Screening



Phase 1: Construction Completed Q1 2020



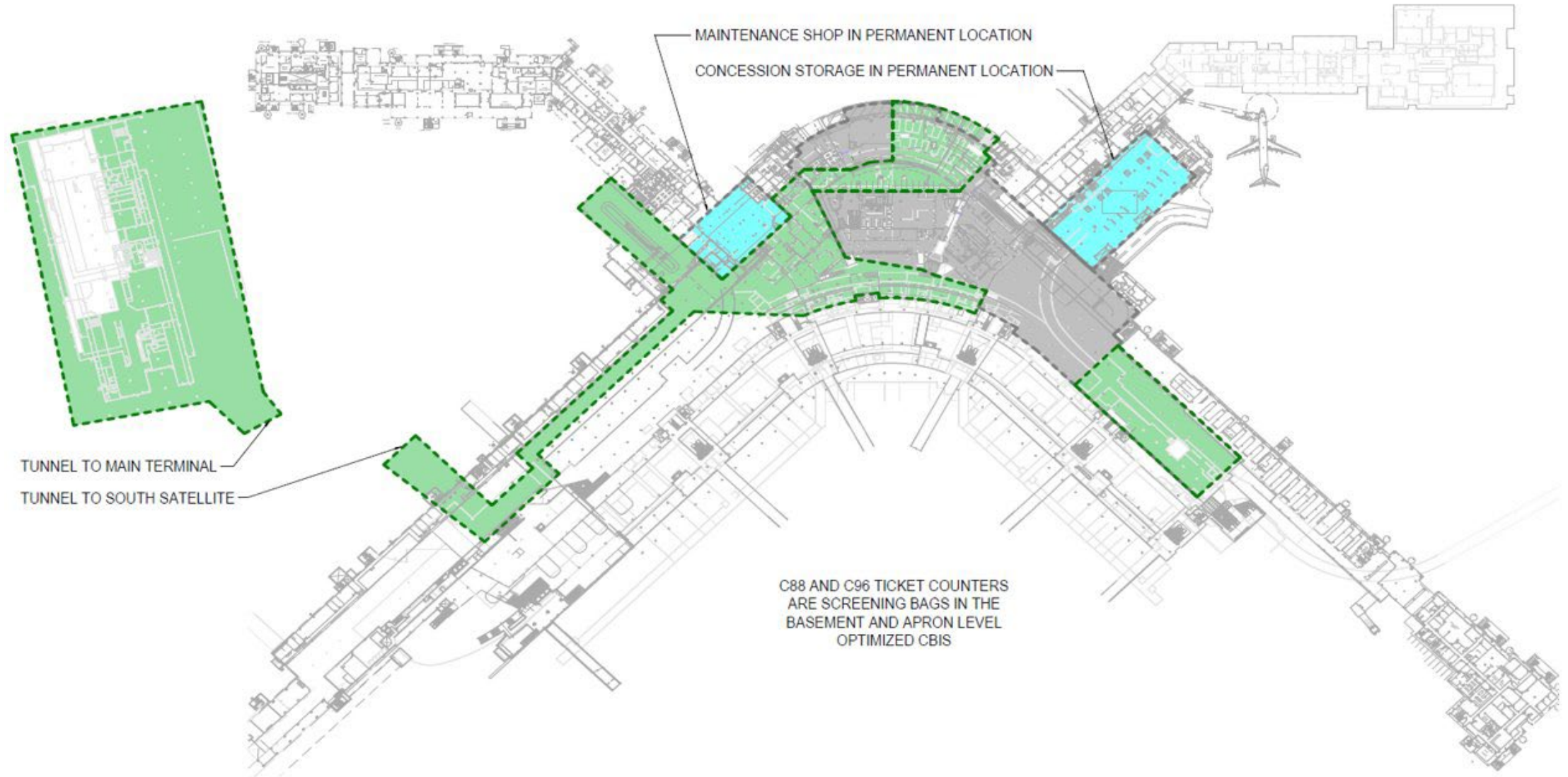
C1 TICKET COUNTERS ARE
SCREENING BAGS IN THE APRON
LEVEL OPTIMIZED CBIS

Phase 1 Contract Compliance


- Small Business Enterprise (SBE) Utilization
 - Requirement of 15%
 - Total Contract: 16.28%

Apprenticeship	Final Utilization
Total labor hours performed by Registered Apprentices	21.63%
Apprentice hours by minorities	16.58%
Apprentice hours by females	7.50%

Phase 2: Construction Underway



Phase 2 Accomplishments

- Construction is 45% Complete
 - Change Order Rate: 1% (approx. \$500k)
 - Over 375 Major and Complex Shutdowns Completed
 - Completed impactful project steps – excellent collaboration
 - 5 Pre-Factory Acceptance Tests in Michigan completed
 - Women and Minority Business Enterprise (WMBE) and Apprenticeship goals are being exceeded or on target to be met
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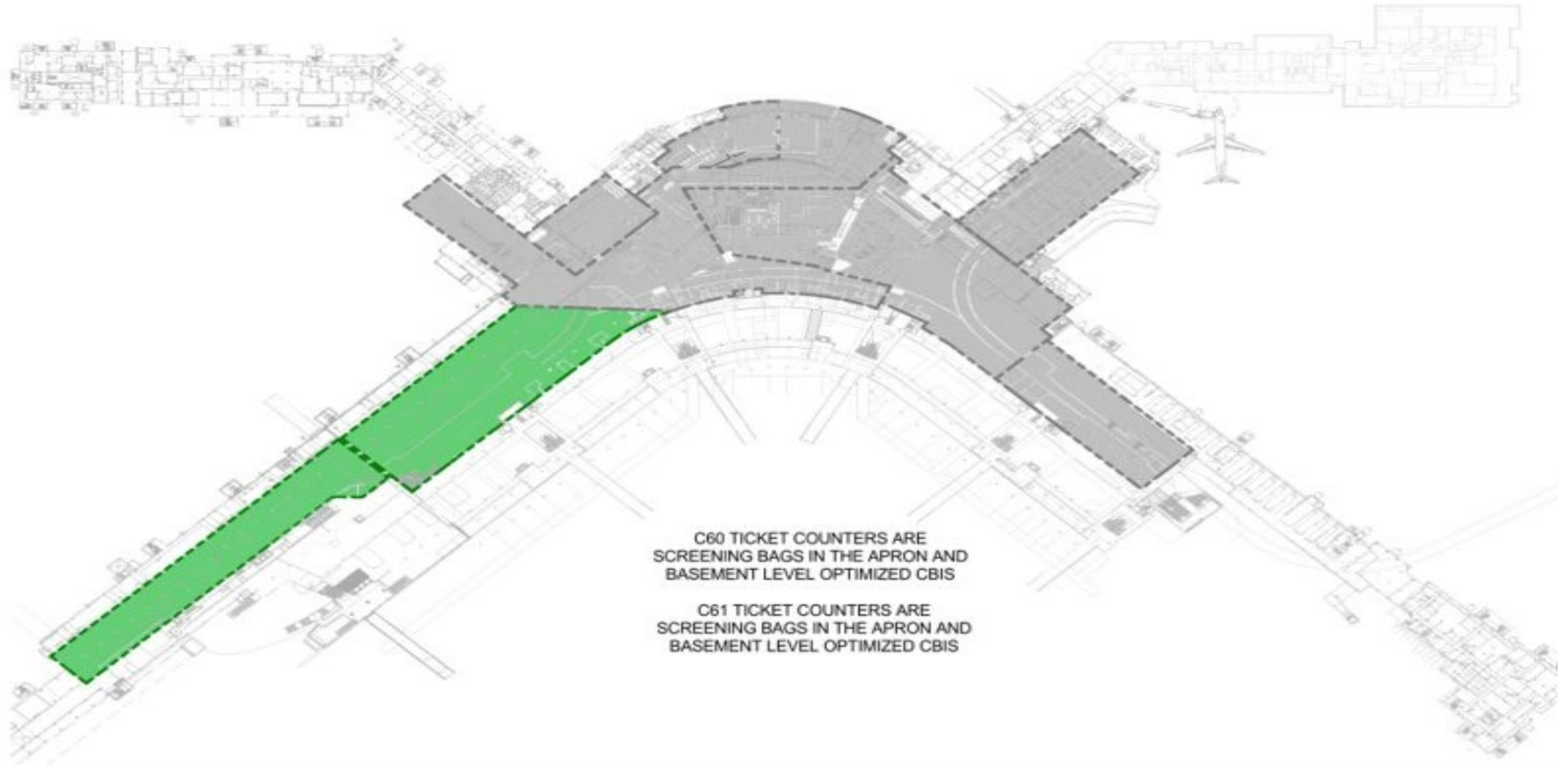
Phase 2 Contract Compliance

- Project Labor Agreement (PLA)
- Women and Minority Business Enterprise (WMBE)
 - Goal: 2% of total contract
 - Current Status: Project is 45% complete, at 1.21% of total contract; on track to meet goal

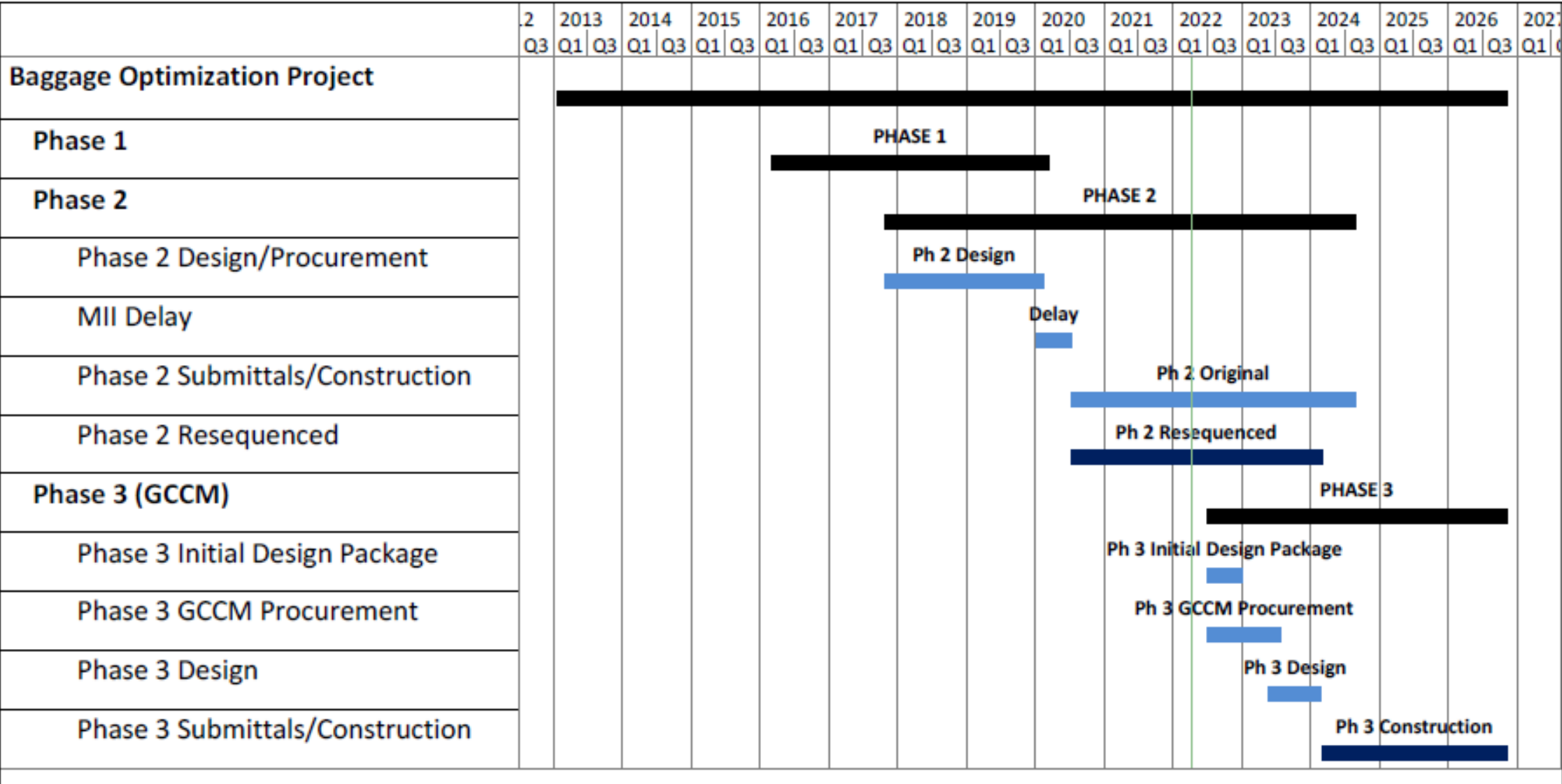
Note: Due to the nature of Phase 2 scope of work primarily being highly specialized baggage conveyors and limited building work; the WMBE goals were limited

Apprenticeship	Current Status
Total labor hours, per craft, performed by Registered Apprentices	26.58%
Apprentice hours by people of color	28.37%
Apprentice hours by females	8.53%

Phase 3: Project delivery method - GC/CM



Schedule




Budget

Phase	Current Budget	Forecast at Completion	Current Authorization
Phase 1	\$101,375,000	\$97,488,982	\$101,375,000
Phase 2	\$425,675,000 Includes \$10M Executive Director Reserve	\$415,675,000	\$425,675,000
Phase 3	\$313,000,000	\$400M - \$500M	\$13,000,000 (Design/Pre-Const)
Total	\$840,050,000	\$914M - \$1.1B	\$540,050,000

TSA contribution over \$94M; Port has been reimbursed for \$65M to date

Critical Issues

1. Supply chain
 2. Cyber Attacks
 3. Restrictive daily and seasonal construction limits and duration
 4. Minimizing operational impact as passenger growth increases
 5. Airline required baggage handling
 6. Project Coordination
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Next Steps

- Upcoming Commission requests:
 - Phase 3 project delivery method - General Contractor/Construction Management (GC/CM). Contractor input on design and phasing consistent with audit and Airline recommendation
 - Program budget increase to complete Phase 3; still being determined
 - Increase to Design Consultant contract to complete Phase 3 design (approx. \$10M)
 - Advertise and execute project specific Construction Management contract to provide GC/CM expertise
 - Advertise and execute General Contractor preconstruction services
 - Memorandum of Agreement (MOA) with Transportation Security Administration (TSA) for varying site conditions
- Majority In Interest (MII) Airline vote on Phase 3
 - Date to be determined; discussing with Airlines

Photos



Appendix

Outbound Baggage Flow

