

CAPITAL MANAGEMENT COMMITTEE
REVISED AGENDA

DATE: March 18, 2021

DAY: Thursday

TIME: 10:30 am

PLACE: CONFERENCE ROOM LINDBERGH - ORLANDO INTERNATIONAL AIRPORT


For individuals who conduct lobbying activities with Aviation Authority employees or Board members, registration with the Aviation Authority is required each year prior to conducting any lobbying activities. A statement of expenditures incurred in connection with those lobbying instances should also be filed prior to April 1 of each year for the preceding year. Lobbying any Aviation Authority Staff who are members of any committee responsible for ranking Proposals, Letters of Interest, Statements of Qualifications or Bids and thereafter forwarding those recommendations to the Board and/or Board Members is prohibited from the time that a Request for Proposals, Request for Letters of Interests, Request for Qualifications or Request for Bids is released to the time that the Board makes an award. The lobbyist shall file a Notice of Lobbying (Form 4) detailing each instance of lobbying to the Aviation Authority within 7 calendar days of such lobbying. Lobbyists will also provide a notice to the Aviation Authority when meeting with the Mayor of the City of Orlando or the Mayor of Orange County at their offices. The policy, forms, and instructions are available on the Aviation Authority's offices web site. Please contact the Chief Administrative Officer with questions at (407) 825-7105.

I. CALL TO ORDER

II. ROLL CALL

III. CONSIDERATION OF CAPITAL MANAGEMENT COMMITTEE MINUTES FOR JANUARY 28, 2021

IV. ITEM(S) FOR CONSIDERATION

-  A. Recommendation to Approve the Delivery Method for Furnishing and Installation of Overhead Roadway Wayfinding Signs, Phase 2 of the Overhead Roadway Signage Plan for the South Terminal Complex (STC)

On **THURSDAY, JANUARY 28, 2021**, the **CAPITAL MANAGEMENT COMMITTEE** of the Greater Orlando Aviation Authority met in Conference Room Lindbergh of the Greater Aviation Authority offices in the main terminal building at the Orlando International Airport (MCO), One Jeff Fuqua Boulevard, Orlando, Florida. Chairman Phillip N. Brown called the meeting to order at 3:00 p.m. The meeting was posted in accordance with Florida Statutes and a quorum was present in the room.

Committee members present, Phillip N. Brown, Chairman
Thomas Draper, Senior Director of Operations
Davin Ruohomaki, Senior Director of Construction and
Engineering

Also present, Kathleen Sharman, Chief Financial Officer
Linda George, Consultant
Dan Gerber, Rumberger Kirk
Rob Brancheau, Anser Advisory
Larissa Bou, Recording Secretary and Manager of Board
Services

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MINUTES

1. The Committee was in consensus to approve the meeting minutes of August 26, 2020, as written.

REVIEW OF ENPLANEMENTS FORECAST COMPARED TO ACTUAL ENPLANEMENTS THROUGH DECEMBER 2020 AND THE FISCAL YEAR 2018-2025 CAPITAL IMPROVEMENT PROGRAM

2. Ms. Sharman stated that on August 10, 2020, Staff presented a recommendation to the Capital Management Committee (CMC) to approve an update to the Fiscal Year 2018-2025 Capital Improvement Program (2020 CIP) with an overall reduction of \$361 million from the prior year CIP value of \$4.116 billion bringing the current 2020 CIP to \$3.756 billion. This reduction included \$134 million reduced from non-South Terminal C programs and \$227 million from the South Terminal C Phase I (STC-P1) and Phase 1 Expansion (STC-P1X) programs. The STC reductions allowed for the completion of the STC-P1 and STC-P1X Landside Terminal scope, the completion of the STC-P1 Airside Terminal, and the deferral of the STC-P1X

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Airside Terminal. The prior year CIP (2019 CIP) provided for Landside and Airside terminal facility to support 19 aircraft gates with a capacity of up to 27 Narrow-body aircraft positions. The current 2020 CIP provides for the operation of a total of 15 gates and a capability of up to 19 aircraft positions. The STC-P1X Landside Terminal together with STC-P1 is anticipated to be completed under this current 2020 CIP Update by February 2022, while the STC-P1X Airside Terminal will be deferred until a later date when the Aviation Authority determines market conditions support a demand driven expansion. The Aviation Authority Board approved the current 2020 CIP on August 19, 2020.

At the CMC meeting on August 10, 2020, in addition to accepting staff’s recommendation, the CMC requested staff to review both the enplanement forecast and the CIP in January 2021, to ensure actual enplanements were meeting or exceeding the baseline traffic recovery scenario projections developed in May 2020 for purposes of financial projections. The ability to fund the current 2020 CIP was based on these projections, which were based on a weighted average of various independent enplanement forecasts prepared by aviation experts.

Enplanement Review

As indicated in the following table, enplanements have met or exceeded expectations since May.

| Month | FY 2020 | | Variance | Percent Variance |
|--------------|--------------------------------|---------------------------------|------------------|-------------------------|
| | Projected Enplanements* | 2020 Actual Enplanements | | |
| October | 2,000,733 | 2,000,733 | - | 0.0% |
| November | 2,095,613 | 2,095,613 | - | 0.0% |
| December | 2,270,118 | 2,270,118 | - | 0.0% |
| January | 2,200,391 | 2,200,391 | - | 0.0% |
| February | 2,151,015 | 2,151,015 | - | 0.0% |
| March | 1,368,149 | 1,368,149 | - | 0.0% |
| April | 108,968 | 82,335 | (26,633) | (24.44%) |
| May | 110,934 | 183,966 | 73,032 | 65.8% |
| June | 106,417 | 433,523 | 327,106 | 307.4% |
| July | 110,534 | 597,218 | 486,684 | 440.3% |
| August | 212,375 | 569,069 | 356,694 | 168.0% |
| September | 233,715 | 583,307 | 349,592 | 149.6% |
| Total | 12,968,961 | 14,535,437 | 1,566,476 | 12.1% |

* Projection includes actual enplanements through March

| Month | FY 2021 | | Variance | Percent Variance |
|--------------|-------------------------------|---------------------------------|-----------------|-------------------------|
| | Projected Enplanements | 2021 Actual Enplanements | | |
| October | 728,045 | 778,779 | 50,734 | 7.0% |
| November | 784,424 | 899,464 | 115,040 | 14.7% |
| December | 820,465 | 978,811 | 158,346 | 19.3% |
| | 2,332,934 | 2,657,054 | 324,120 | 13.9% |

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The 2020 CIP includes funding from Passenger Facility Charges (PFC), the \$4.50 user fee approved by the Federal Aviation Administration (FAA) for eligible capital projects and Customer Facility Charges (CFC), the \$3.50 charge per day added to rental car contracts. The collection of these fees is highly correlated with the number of passenger enplanements, and thus, the expected revenues from these funding sources are significantly impacted by the lower post-COVID enplanement projections. Forty-two percent of the STC programs are currently funded with PFCs. CFCs, which are used for ground transportation projects including parking garages and rental car capital facilities, constitute 5% of the STC Plan of Finance.

Actual PFC revenue in FY 2020 was \$52.3 million, exceeding the May 2020 projection of \$48.1 million by \$4.2 million. The PFC revenue projection for FY 2021 is \$45.9 million and as of November 30, 2020, \$6.6 million was recorded. Monthly passenger enplanements are expected to increase as a percentage of the same month of the prior year. Staff expects the PFC revenues to track with the projections when fully recorded.

Actual CFC revenue in FY 2020 was \$25.1 million, exceeding the May 2020 projection of \$20.6 million for FY 2020 by \$4.5 million. The CFC revenue projection for FY 2021 is \$8.9 million and as of November 30, 2020, \$2.5 million was recorded. The Rental Car companies report and remit CFCs in arrears. Staff expects the CFC revenues to track ahead of the projections when fully recorded.

CIP Update

Each year the Aviation Authority evaluates and updates the CIP to ensure resources are allocated in the most effective, efficient, and appropriate manner to manage the demands of the facilities at the Orlando International Airport. As a working plan, the CIP evolves and changes as economic and regulatory conditions change. The CIP is evaluated annually concurrent with the annual budget process. This process begins in February and is normally completed no later than August.

The CIP update process involves collection of proposed CIP revisions from the Project Team consisting of the Planning, Engineering, and Construction department, Owners Authorized Representatives, Financial Consultant, and other various sources, including senior staff meetings, Construction Committee and Construction Finance Oversight Committee actions that impact the CIP, the Annual Budget process, and ongoing funding changes that occur during the implementation of a program.

To address the large volume of contingency requests, reduce costs, and mitigate the risks associated with the STC budget, funding, and schedule, the project team is in the process of negotiating interim (or final) settlements with selected subcontractors. This process is designed to resolve the outstanding cost and schedule issues with specific subcontractors by GMP. The project team is confident at this time that the scope as defined can still be completed within the current budgeted amount. Once the negotiated settlement process is complete and the final GMPs are awarded, the project team will review funding eligibility.

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At this time, the 2020 CIP funding may require adjustment to accommodate any shifts in funding eligibility.

Based on actual enplanements having exceeded the projections used in the financial model and the project team's confidence that the STC can still be completed within the current budget, staff recommends that no immediate action to revise the 2020 CIP is required at this time. Staff intends to update the CIP as is normally done concurrent with the annual budget process. This will allow for coordination of the CIP with the annual capital budget development as well as further refinement of the STC budget as the negotiated settlement process continues. The CIP update is targeted for presentation to CMC in late spring.

There is no fiscal impact.

It was respectfully requested that the Capital Management Committee (1) concur with staff's recommendation that no action to the CIP is required at this time, and (2) direct staff to update the CIP in Spring 2021, in connection with the annual budget process.

Chairman Brown asked if any member had questions or comments regarding the item. Mr. Ruohomaki made the observation that, currently, Anser Advisory, formerly known as R.W. Block Consulting, is looking at the funding eligibility.

Discussion ensued regarding the ability to fund the current CIP and the possibility of presenting the updated CIP to the Aviation Authority Board in August 2021. After discussion, Chairman Brown suggested that the best plan is to gather all the information by mid-June and present the updated CIP to the Aviation Authority Board in August.

Chairman Brown asked if there were any further questions or comments regarding the item. Hearing none, the Committee was in consensus of the recommendation.

Before closing the meeting, Chairman Brown stated, for the record, that current passenger traffic is trending lower compared to the passenger traffic before the Christmas holiday. This is because convention traffic has not materialized. This is also being reflected in the hotel bookings, which is also trending down. He indicated that due to this, January and February are tough months. Additionally, the vaccination program will ultimately impact travel and the public's interest in traveling. Ms. Sharman has been working on a monthly seasonal projection, which reflects a slowdown in traffic recovery, even during the months of March and April. If Spring Break does not materialize, that will result in a significant decrease in enplanement traffic. Historically, Spring Break is the traffic peak point, and without that peak, this will present challenges both in operations and in capital.

Discussion ensued regarding possible passenger traffic during Spring Break.

Chairman Brown asked if there were any further comments or questions. No further discussion took place.

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ADJOURNMENT

3. There being no further business to be considered, Chairman Brown adjourned the meeting at 3:17 p.m.

(Digitally signed on)

Larissa Bou
Recording Secretary

Phillip N. Brown
Chairman



GREATER ORLANDO AVIATION AUTHORITY

Orlando International Airport
One Jeff Fuqua Boulevard
Orlando, Florida 32827-4399

REVISED MEMORANDUM

TO: Members of the Capital Management Committee
FROM: Brad Friel, Director of Planning and Development
DATE: March 16, 2021

ITEM DESCRIPTION

Recommendation to Approve the Delivery Method for Furnishing and Installation of Overhead Roadway Wayfinding Signs, Phase 2 of the Overhead Roadway Signage Plan for the South Terminal Complex (STC)

BACKGROUND

The Greater Orlando Aviation Authority (Aviation Authority) Master Roadway Signage Program has been established to improve wayfinding around the Orlando International Airport (MCO) campus. Contained within the Aviation Authority Master Roadway Signage Program, which is included within the Aviation Authority Capital Improvement Program (CIP) at 50% Florida Department of Transportation (FDOT) / 50% General Airport Revenue Bonds (GARB) funding, are roadway signs associated with and necessary for wayfinding to the STC.

To ensure the required signs are installed prior to the opening of the STC, the STC Overhead Roadway Signage program has been divided into two phases; Phase 1 has been procured under BP-S00192 - GMP 5S.7 South Terminal C Phase 1 Landside Overhead Roadway Signage and Phase 2 is proposed to be competitively procured by the Aviation Authority in accordance with its procurement policies and Florida Department of Transportation (FDOT) funding requirements.

The estimated cost of the Phase 2 portion of the signage program is approximately \$4 million. Design for these signs would need to start in late summer of 2021, to support a final installation window of late 2021/early 2022.

ISSUES

To allow the STC Design Team and Construction Management at Risk (CMAR) Team to concentrate on their primary objective of timely completion of the South Terminal Complex, it is recommended that Phase 2 of the Roadway Signage Program be procured using contractors outside of the CMAR team. The delivery method used for Phase 2 of the Roadway Signage Program must support the timelines of designing and installing the signs in a reasonable amount of time to the Phase 1 installation.

The Planning Department and Engineering & Construction Department propose to use the Design/Build (D/B) delivery method for this Project. The design concept has been completed with the types and locations of signs mostly determined. The roadway signage design must follow the standard FDOT Roadway Signage design criteria and it is typical for signage contractors to complete the remainder of the design details as delegated engineering shop drawings. The D/B delivery method will also result in a faster construction schedule as it will avoid the time that would be required for separate design, bidding and construction phases.

The selection of the D/B contractor would follow Florida Statutes Section 287.055, the Consultants Competitive Negotiations Act (CCNA) and the Aviation Authority's standard policies for the procurement of D/B contracts. The Advertisement and Submission Requirements will be prepared by Aviation Authority's staff supported by Aviation Authority's General Consultant serving as the Design Criteria Consultant (DCC). The Aviation Authority's Professional Services Committee (PSC) will evaluate the Statement of Qualifications (SOQ) based upon criteria allowed by the CCNA and Aviation Authority policy, which includes preferred past experience with the Aviation Authority and/or past experience with municipalities or private overhead roadway signage facilities. Past experience of similar work at MCO will be highly preferred but not mandatory. The PSC will shortlist the proposers based upon the published selection criteria. Upon Aviation Authority Board approval of the shortlisted selection, the Aviation Authority will solicit bids from the shortlisted firms and will enter into a contract with the lowest bidder. The Aviation Authority has, for reference, the Phase 1 pricing, which was recently competitively procured in February 2021, as another good indicator of competitive market pricing.

It is not recommended that a Dispute Review Board be appointed for this Project.

ALTERNATIVES

The CMC may select another delivery method, such as design-bid-build, which would require the procurement of a design consultant in accordance with the CCNA and a separate procurement for the contractor after the design has been completed.

~~The CMC may also select another procurement method, such as the D/B competitive proposal method whereby price proposals would be submitted and considered as part of the selection criteria.~~

FISCAL IMPACT

The estimated cost of the Phase 2 portion of the Roadway Signage Program is approximately \$4 million and it is included in the current Capital Improvement Plan.

RECOMMENDED ACTION

It is respectfully requested that the Capital Management Committee reach unanimous consensus to accept the staff recommendation to use the Design/Build delivery method for the Phase 2 of the Roadway Signage Program and procure the contract following the CCNA's ~~qualifications-based~~ selection method.

