

**CAPITAL MANAGEMENT COMMITTEE  
AGENDA**

DATE: JUNE 21, 2022

DAY: TUESDAY

TIME: 4:00 P.M.

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. ITEM(S) FOR CONSIDERATION**

- A. Recommendation to Approve Funding, Procurement Process, and Project-Delivery/Contract Method for BP-477 Airsides 2 and 4 APM Replacement Project



**GREATER ORLANDO AVIATION AUTHORITY**

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

**MEMORANDUM**

TO: Members of the Capital Management Committee  
FROM: Scott Shedek, Nils Johnson and Robert Alfert, Jr.  
DATE: JUNE 21, 2022

**ITEM DESCRIPTION**

Recommendation to approve Funding, Procurement Process, and Project-Delivery/Contract Method for BP-477 Airsides 2 and 4 APM Replacement Project

**EXECUTIVE SUMMARY**

This proposed procurement involves the replacement of the Airsides 2 and 4 Automated People Mover Systems (A2/B4 APM Systems), which require full replacement, as well as the operations and maintenance of the new A2/B4 APM Systems (the “Project”).

Staff and the Authority’s consultants recommend that the Project: (1) utilize funds from the federal Bipartisan Infrastructure Law (BIL); (2) utilize a design, build, operate, maintain (DBOM) project-delivery method, where the contractor will execute a lump-sum Phase 1 contract for the design and construction and also execute a lump-sum Phase 2 contract for the operations and maintenance services; and (3) be procured through a two-step competitive proposal procurement process. Where possible, this procurement and contracting process will model what the Authority successfully used for the Airside 1 and 3 APM Systems (BP-S100).<sup>1</sup> The Authority also used a similar DBOM project delivery methodology and a two-step procurement process for the South Terminal Baggage Handling Systems Project.

Staff also recommends that, after the contract is awarded, all awards, contracts, addenda, and contract modifications related to the design, construction, operation, and maintenance of the A2/B4 APM Systems will be consolidated before the Construction Committee for management, review, and approval.

**BACKGROUND & SCOPE OF WORK**

The scope of services for this Project will include the design and construction services for the A2/B4 APM Systems; the supply, installation, and integration of all A2/B4 APM operating system equipment and material (i.e., vehicles/trains, running surfaces, guidance equipment, communications equipment, command and control equipment, station equipment, power distribution system, supporting equipment for maintenance facility operations, public information, and Closed Circuit Television [CCTV] systems); and the testing, commissioning, safety certification, and training to produce fully integrated Automated People Mover Systems for Airsides 2 and 4 that

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<sup>1</sup> However, BP-S100 did not use federal funding. Thus, if federal funding is used for this Project, the federal funding source requires certain key procurement and contracting differences highlighted herein.

meet the technical requirements set forth in the Design Criteria Package (DCP) and all the requirements of the Aviation Authority set forth in the procurement documents.

This Project also includes all labor, equipment, parts, materials and services required to operate and maintain the completed A2/B4 APM Systems. After safety certification, the APM system service supplier will provide Operation and Maintenance (O&M) services to the Aviation Authority for the systems installed by the supplier. The design-build portion of work is defined as Phase 1, and the O&M portion of work is defined as Phase 2.

Each of the Airside 2 and 4 APM Systems consists of two lanes, each connecting the North Terminal landside terminal to the respective Airside 2 and Airside 4 satellite buildings/gates. Two trains, each 3-cars long, operate in a dual lane shuttle mode carrying passengers to their destination. The existing Airside 2 APM System was placed into service in 2000. The Airside 4 APM System was first placed into service in 1989, but the cars were replaced in 2008. The Airside 2 trains have been in operation for approximately 21 years and have reached over 3.4 million service miles between the two trains. The Airside 4 APM system has been in service for over 30 years, and the newer trains have currently reached 1.4 million miles between the two trains. The A2/B4 APM Systems require full replacement.

The Authority initiated an evaluation process for Airsides 2 and 4 at the Orlando International Airport (MCO). As part of this effort, the Authority tasked Lea+Elliott, Inc. (L+E) with evaluating the viability of the available APM technologies in the industry that could be considered for replacement of the existing A2/B4 APM Systems at MCO. Key considerations identified as part of the evaluation included impacts to the existing facilities, including the guideway, stations and maintenance facility fit and function, impacts to continued airport operations, ability to meet the required passenger demands, especially at Airside 4 during peak international traffic times, passenger impacts/inconvenience and maintaining the "Orlando Experience™", and maximizing flexibility for future development of airport property, roadways, future rail corridors, etc.

As a result of this evaluation, staff recommended and the Authority Board approved certain Minimum "Must Have" Requirements for the Project, as follows:

1. Must minimize intrusion and impacts with existing airport facilities. This includes station platforms, rooms and dedicated space below the stations such as the new FIS in Airside 4 and other electrical, mechanical and office space currently being utilized by the Aviation Authority.
2. Vehicle floor height must match the emergency walkway elevation. Step down or up from the emergency walkway to the vehicle at any point along the guideway will not be permitted.
3. No additional structures that could impact the Active Aircraft Areas will be permitted east of the designated area. Maximum flexibility for potential future redevelopment on airport property must be provided. Future ponds and land redevelopment are currently planned as part of the All Aboard Florida rail corridor planning.
4. All technologies must fit within the confines of the boundaries illustrated in L+E's report, under Typical Tangent A2/B4 Guideway Section.
5. The Authority will only allow for new cars that meet the design service life requirements of ANSI/ASCE/T&DI 21-13 to replace the existing Airsides 2 and 4 fleet. Refurbishment or remanufacturing of the existing cars will not be considered.

See May 17, 2017 Authority Board Meeting Minutes at Item GG.

**Scheduling:** The Phase 1 (Design-Build) portion of this Project is currently scheduled to start in April 2023, with Airsides 2 and 4 APM System to be completed in September 2026. The O&M contract for the current operations and maintenance provider on Airsides 2 and 4 (Bombardier) terminates on September 30, 2026.

### **FUNDING SOURCE OPTIONS**

**Federal Funds:** Using federal funds will require compliance with Buy America and Buy American requirements, unless Buy America waivers are obtained. The Buy America requirements under the BIL are currently in a state of flux but moving toward more stringent requirements and applications. APM Systems are highly proprietary and there are a limited number of suppliers, even globally. There are no US-owned APM suppliers, and their supply chains are specialized and global in nature. Industry outreach has demonstrated there is only one potential supplier who stated a willingness to comply with the Buy America requirements. Federal procurement requirements require at least 3 proposals/bids. Thus, it is highly likely that Buy America and Buy American waivers will be needed to obtain 3 or more responsive proposals.

Due to the new Buy America Office and regime, it is unknown how long the waiver process can take right now, but it likely will be at least 3-6 months. However, the waiver process can be started during the procurement process with the goal of not delaying the procurement and the Project schedule.

If Buy America waivers are obtained, the Authority should receive an adequate number of responsive proposals for a competitive procurement. If Buy America waivers are not obtained, it is possible that only one responsive proposal is received and thus the Authority may have to consider awarding the Project as a non-competitive sole source (which would be allowed under the federal funding).

**Local Funds:** Using local funds will require an update to the CIP and an analysis that local funds are available. Using local funds will not require Buy America compliance and thus should result in more eligible proposers. Local funds were used for the Airside 1 and 3 replacement project, which received three responsive proposals.

### **PROJECT-DELIVERY & CONTRACTING METHOD**

The Project should utilize a DBOM project-delivery method. Staff strongly advises against any other project-delivery methods besides DBOM. Highly specialized systems like APMs are almost exclusively delivered through a DBOM, due to their specialized nature and proprietary technology. If federal funding is used, approval for the DBOM project-delivery method will have to be obtained from the Federal Aviation Administration (FAA).<sup>2</sup> Approval is also required by FAA policy for any AIP-funded project where competitive proposal methods that involve selection based on factors other than price will be used, as is the case here.

The Design Criteria Package (DCP) will provide a Phase 1 Contract for design-build services and a separate Phase 2 Contract for O&M services. The DCP will allow a proposer to identify a separate

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<sup>2</sup> AIP Handbook at § 3-43. The BIL guidance refers to the Airport Improvement Project Handbook, which requires this pre-approval. *See also* 49 USC § 47142 (requiring FAA pre-approval for design-build contracts and requiring at least 3 or more bids for the project).

but related entity to delivery the Phase 2 services only if that entity is the operating system service supplier, also meets the stated criteria, and executes the Phase 2 contract. The initial five-year term of the Phase 2 Contract will not begin until substantial completion of the first APM System (Airsides 2 APM System). The Phase 2 O&M Contract will have 2 additional 5-year options (for a total of 15 years).

## **PROCUREMENT PROCESS**

The procurement process will follow the Authority's standard two-step approach in accordance with Florida's Consultant's Competitive Negotiation Act (CCNA) and federal procurement rules. The first step involves a qualifications round, where the most highly qualified proposers are shortlisted for the second, RFP step. The second RFP step involves a competitive design, technical, and price proposal based on the DCP and RFP requirements. The final evaluation criteria will be a best value consideration of the proposers and their design, technical, and price proposal submissions.

The submission requirements will state that it is preferred that proposers, including team members and key personnel, have prior experience on a minimum of three similar DBOM projects within the last five years, one of which having a minimum construction value of not less than \$30 million. The submission requirements will also state that the following experience is also preferred: (a) prior experience completing similar turn-key APM systems with a similar scope and complexity as this project and that required a high degree of reliability and 24 hours-per-day, 7 days-per-week operation; (b) prior experience replacing an existing, operating APM system, similar to Airsides 2 and 4, while maintaining passenger service throughout the construction period; (c) prior experience working on an active airport, public facility or commercial environment with complex phasing; (d) prior experience working together with the proposed team members; and, (e) prior experience using the same or similar APM Operating System technologies.

At a public meeting, the Selection Committee will evaluate the qualifications submissions and shortlist for further consideration the most highly qualified proposers. Only those shortlisted proposers will receive the DCP and RFP package. The shortlisted proposers will then submit design, technical, and price proposals for review by the Selection Committee. The Selection Committee will allow for presentations and an interview session so that it can better understand and evaluate the proposals. At a second public meeting, the Selection Committee will evaluate the design and technical proposals, weigh them in accordance with the RFP, and only then open the price proposals. The price proposal results will then be factored into the formula for final award.

## **COMMITTEE MANAGEMENT**

As these areas cross committees – from the Professional Services Committee to Construction Committee, and including Concessions Procurement Committee for the O&M contracts – staff recommends that the management of this entire Project be consolidated into one Committee for continuity and efficiency. Staff believes that, after the contract is awarded, the Construction Committee is the most centralized Committee given the scope of work, and method of award, recommended by the Board.

## **ISSUES FOR DISCUSSION**

1. Whether federal funding sources should be used for the Project, and if so, whether Buy America waivers should be sought.

2. Whether a DBOM project-delivery method is most preferred for the Project.
3. Whether the two-step competitive proposal process set forth above is appropriate for the Project.
4. Whether all awards, contracts, addenda, and contract modifications related to the upgrades of the A2/B4 APM Systems be consolidated before a single committee for management, review, and approval; and if so, which committee.

### **ALTERNATIVES**

The CMC could:

- provide other direction for other procurement processes or requirements
- provide other direction for other committee management of the A2/B4 APM Systems

### **FISCAL IMPACT**

Federal BIL funding is currently planned for this Project. If the CMC ultimately decides not to use federal funding, the Authority will need to update its CIP to include the cost of this Project.

### **RECOMMENDED ACTION**

It is respectfully requested that the Capital Management Committee accept the following recommendations for the Project:

1. If federal funding is utilized, start the process of seeking Buy America and Buy American waivers now;
2. Use a DBOM project-delivery method, and if federal funding is to be used, grant authority to obtain pre-approval from the FAA to use the design-build delivery method;
3. Use the two-step competitive proposal procurement process described above, and if federal funding is to be used, grant authority to obtain pre-approval from the FAA to use such process since factors other than price will be considered;
4. Have all awards, contracts, addenda, and contract modifications related to the upgrades of the A2/B4 APM Systems be consolidated before the Construction Committee for review, approval, and management.