

**CAPITAL MANAGEMENT COMMITTEE
AGENDA**

DATE: MAY 31, 2022

DAY: TUESDAY

TIME: 8:30 A.M.

PLACE: CONFERENCE ROOM ALPHA-BRAVO / 11344 TERMINAL C SERVICE ROAD / ORLANDO, FL

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. Request for approval to procure Construction Services for H-S00027 - Temporary Quick Turn-Around Facility at the Orlando International Airport among the Authority's existing Continuing Horizontal Contractors using Traditional Bid and Award Methods. Recommendation to Transfer Temporary Quick Turn-Around Site work and RAC CIP Unallocated Funds from Rental Car Related Projects CIP Program to Rental Car Quick-Turn-Around Facility Projects Program
- B. Recommendation to Update the Fiscal Year 2021-2027 Capital Improvement Program



GREATER ORLANDO AVIATION AUTHORITY

Orlando International Airport
One Jeff Fuqua Boulevard
Orlando, Florida 32827-4392

MEMORANDUM

TO: Members of the Capital Management Committee

FROM: Mark Birkebak, Director of Engineering
Kathleen M. Sharman, Chief Financial Officer

DATE: May 31, 2022

ITEM DESCRIPTION

Request for approval to procure Construction Services for H-S00027 - Temporary Quick Turn-Around Facility at the Orlando International Airport among the Authority's existing Continuing Horizontal Contractors using Traditional Bid and Award Methods. Recommendation to Transfer Temporary Quick Turn-Around Site work and RAC CIP Unallocated Funds from Rental Car Related Projects CIP Program to Rental Car Quick-Turn-Around Facility Projects Program

BACKGROUND

In January 2018, the Aviation Authority contracted with HNTB Corporation for initial design services for Quick-Turn-Around (QTA) projects that were required for rental car operations located at Terminal C. The QTA construction contract was publicly procured, bids were received in June 2019 and the Aviation Authority approved the award of construction for BP-S00175 – South Terminal C (STC) QTA Facility in September 2019.

In March 2020, as a result of the COVID-19 pandemic impact on passenger traffic, the Aviation Authority suspended BP-S00175 to re-evaluate the Capital Improvement Program (CIP). In May 2020, BP-S00175 was terminated for convenience and a final change order approved in July 2020.

As a result of a quicker than forecasted recovery of passenger traffic to the Orlando International Airport, the Aviation Authority now desires to proceed with the construction of a temporary QTA to accommodate four Rental Car (RAC) QTA positions at Terminal C as soon as possible. The Aviation Authority's agreement with the RACs is under negotiation and will address operation costs, such as fuel, water, sewer, and electricity, as well as staffing to the temporary QTA location for oversight of the turnkey operator and general site maintenance. On March 16, 2022, the Aviation Authority Board authorized staff to enter into a contract with Conrac Solutions Operators, LLC, to operate the temporary QTA. It is anticipated that the temporary QTA facility will operate for approximately three years until the permanent facility is operational. Project H-S00027 – Site work for Temporary QTA is necessary to provide the site work conditions necessary for the contractor to operate the temporary QTA.

On April 5, 2022, the Aviation Authority Construction Committee approved an award to the Architect of Record, HNTB in the amount of \$235,056 to provide design, bid, and award services for a temporary QTA, to be located just north of the Terminal C parking garage. The Construction Committee also approved an award to the Technology and Multi-Media Systems Specialty Engineer, Burns Engineering, Inc. in the amount of \$39,144 to provide design for technology, security, and fire alarm

systems.

In order to determine if the project was within the threshold where it could be bid amongst the Continuing Contractors or if it needed to be bid publicly, an estimate was performed at 30% design. The figures reflected in **Table 1** are based on the estimates received, along with an estimated cost of completion after taking into consideration the current construction climate.

Table 1

Project Component	30% Estimate	Estimated Cost of Completion
Construction	\$ 2,069,196	\$ 4,000,000
Soft Costs - Construction	1,723,804	1,402,000
Systems	115,000	250,000
Total*	\$ 3,908,000	\$ 5,652,000

* - Design Previously Awarded Under W-S00110 and W-S00113

The remaining design has been expedited in order to provide Continuing Horizontal Contractors plans and specifications to prepare bid pricing that could be presented at the June 15, 2022, Aviation Authority Board Meeting for approval. Providing authorization to proceed at the June 15, 2022, Aviation Authority Board meeting gives the Aviation Authority the most favorable chance of meeting the requirement of having the temporary QTA operational when Terminal C opens to the traveling public in September 2022.

ISSUES

The Aviation Authority maintains base agreements with several continual horizontal contractors who are familiar with the Authority's procurement methods and procedures. By bidding projects to the Continuing Horizontal Contractors, the Aviation Authority typically receives quicker turn around bids and more accurate pricing. In order to meet the procurement schedule to award this contract at the June 15, 2022, Aviation Authority Board meeting, staff proposes to provide a bid package to the Continuing Horizontal Contractors requesting pricing for the construction of H-S00027 - Temporary Quick Turn-Around Facility.

To effectively provide rental car QTA services to Terminal C customers upon opening in September 2022, combining resources from two separate QTA programs into one asset program provides the Aviation Authority an efficient mechanism to manage the QTA budgets. Staff proposes to transfer all Temporary QTA Site work and remaining RAC CIP Unallocated funds from the Rental Car Related Projects CIP Program to the Rental Car Quick-Turn-Around Projects CIP Program, as reflected in Tables 2 and 3.

Table 2

Rental Car Related Projects Program

Project	Award	Current Budget	Proposed Changes	Proposed Budget
<u>Temporary QTA Sitework</u>				
W-S00110 Temporary QTA A/E Design Svcs	CFC	\$ 240,000	\$ (240,000)	\$ -
W-S00113 Temporary QTA Systems Design Svcs	CFC	\$ 40,000	\$ (40,000)	\$ -
ZC-357 Temporary QTA Sitework Design Unalloc	CFC	\$ 220,000	\$ (220,000)	\$ -
Total Temporary QTA Sitework Design Services		\$ 500,000	\$ (500,000)	\$ -
ZC-331 CIP Unallocated	CFC	\$ 3,729,343	\$ (3,729,343)	\$ -
All Other Projects	CFC	\$ 40,792,402	\$ -	\$ 40,792,402
Total Rental Car Related Projects Program		\$ 45,021,745	\$ (4,229,343)	\$ 40,792,402

In anticipation of construction bids being received on June 6, 2022, from the Continuing Horizontal Contractors for the temporary QTA facility, it is requested that funding in the amount of \$5,652,000 be allocated to H-S00027 – Site work for Temporary QTA for Construction, Construction Administrative Services, and Owner Authorized Representative Services as reflected in Table 3. Design services were awarded at a lower amount than previously anticipated and are established in the RAC QTA Projects program at the awarded amount as reflected in Table 3. The un-awarded balances are being reallocated to H-S00027, therefore the total amount needed from Unallocated is \$5,646,200.

Table 3
Rental Car QTA Projects Program

Asset	Award	Current Budget	Proposed Changes	Proposed Budget
<u>Permanent QTA Restart</u>				
ZC-352 Permanent QTA Restart CIP Unalloc.	FUT FDOT	\$ 3,086,236	\$ -	\$ 3,086,236
ZC-352 Permanent QTA Restart CIP Unalloc.	CFC	55,363,764	(1,696,857)	53,666,907
	Total ZC-352	\$ 58,450,000	\$ (1,696,857)	\$ 56,753,143
All Other Projects	CFC	\$ 1,550,000	\$ -	\$ 1,550,000
	Total Permanent QTA Restart	\$ 60,000,000	\$ (1,696,857)	\$ 58,303,143
<u>Temporary QTA Sitework</u>				
W-S00110 Temporary QTA A/E Design Svcs	CFC	\$ -	\$ 235,056	\$ 235,056
W-S00113 Temporary QTA Systems Design Svcs	CFC	\$ -	\$ 39,144	\$ 39,144
H-S00027 Temporary QTA	CFC	\$ -	\$ 5,652,000	\$ 5,652,000
	Total Temporary QTA Sitework Design Services	\$ -	\$ 5,926,200	\$ 5,926,200
	Total Rental Car QTA Projects Program	\$ 60,000,000	\$ 4,229,343	\$ 64,229,343

Estimated cost at completion for the temporary and permanent QTA facilities will be reevaluated and any needed adjustments will be incorporated into the August CIP update.

ALTERNATIVES

Because the temporary QTA is a critical component to the effective operation of Terminal C, there are no reasonable alternatives under consideration at this time.

FISCAL IMPACT

There is no overall change to the CIP, however, this action decreases the Rental Car Related Projects CIP Program by \$4,229,343 and increases the Rental Car Quick-Turn-Around Projects CIP Program by the same amount. Also, the CIP Unallocated funding will be reduced by \$5,646,200.

RECOMMENDED ACTION

It is respectfully requested that the Capital Management Committee recommend to the Aviation Authority Board to (a) authorize staff to initiate an invitation to bid for construction services on H-S00027 – Site work for Temporary Quick-Turn-Around Facility with the Continuing Horizontal Contractors; and (b) approve the scope and budget transfers from the Rental Car Related Projects Program to the Rental Car Quick-Turn-Around Projects Program as reflected in Tables 2 and Table 3.



GREATER ORLANDO AVIATION AUTHORITY

Orlando International Airport
One Jeff Fuqua Boulevard
Orlando, Florida 32827-4392

MEMORANDUM

TO: Members of the Capital Management Committee

FROM: Kathleen M. Sharman, Chief Financial Officer

DATE: May 31, 2022

ITEM DESCRIPTION

Recommendation to Update the Fiscal Year 2021-2027 Capital Improvement Program

BACKGROUND

On March 16, 2022, the Aviation Authority approved the recommendation of the Capital Management Committee to update the Fiscal Year 2021-2027 Capital Improvement Plan (CIP) for the Orlando International Airport. Table 1 reflects the adopted CIP and the changes from the previously approved CIP.

The March 2022 CIP update was required to comply with requests from the Federal Aviation Authority related to Bipartisan Infrastructure Law (BIL) funding issues. The primary focus of the March 2022 CIP update was the inclusion of proposed BIL funds within the CIP.

Table 1 - Summary of Revisions to the December 2021 CIP
(millions)

Description	December 2021 CIP	March 2022 CIP	Revisions
Terminal	\$ 495.5	\$ 578.6	\$ 83.1
Airfield	138.2	138.2	-
Ground Transportation	112.9	184.3	71.4
Other	34.2	34.2	-
STC - P1	2,265.1	2,265.1	-
STC - P1X	530.0	530.0	-
Terminal C ASC Expansion	-	350.0	350.0
Terminal C Apron Expansion	-	50.0	50.0
Net Revisions to 2021 CIP	\$ 3,575.9	\$ 4,130.4	\$ 554.5

ISSUES

As the Terminal C (First 15 gates) portion of South Terminal C, Phase 1 (STC-P1) and Phase 1 Expansion (STC-P1X) programs are nearing completion, the Project Team has worked with the various contractors and consultants to update the Estimates At Completion (EACs) for the various components of the STC-P1 and STC-P1X Programs.

The Project Team is recommending that the Aviation Authority's Construction Committee and Board approve negotiated agreements that resolve all requests for time, costs, and all other issues that were or could have been raised by any construction contractor, including Hensel Phelps Construction, Turner

Kiewit Joint Venture, and Vanderlande Industries. Each contractor and subcontractor request for additional cost was analyzed by the construction and estimating teams and resolved for an amount determined reasonable for the work performed.

The agreements address all requests raised by the Construction Management at Risk (CMAR) entities and their subcontractors, releasing the Aviation Authority from all liability for issues through May 10, 2022, and provides the necessary resources to ensure that the project can be completed within the required timeframe to maintain the announced operations date. The agreements mitigate the risk of claims and protracted litigation at the end of the project with the intention of avoiding disputes. The agreements allow the parties to focus resources on a strong project finish, instead of expending efforts on claims preparation, management and defense, with the goal of providing budget certainty for all involved.

The Final Change Order with Vanderlande Industries for BP-S00132 has been negotiated including all costs through Final Completion, anticipated in July 2022. This final change order can be funded under the current CIP without further CMC action.

The proposed agreements with the CMAR entities, Hensel Phelps Construction and Turner Kiewit Joint Venture, will take the form of an Addendum to the base construction contract, wherein the parties agree to execute all GMP Amendments and an amendment to Addendum 12 regarding completion milestone dates. The agreements are to be presented along with the corresponding GMP amendments to the Aviation Authority Board on June 15, 2022. The total increase to the CMARs is estimated at \$25 million.

Final Completion dates that are being contractually established as part of the negotiated agreements by and between the Aviation Authority and the CMARs are as follows:

- Hensel Phelps Construction (HP): Final completion by September 30, 2022
- Turner Kiewit Joint Venture (TK): Final completion by November 15, 2022, with the exception of GMP 7S.4 which is anticipated by the end of the calendar year

The agreements are to be presented along with the corresponding GMP amendments to the Aviation Authority Board on June 15, 2022. Upon Final Completion and submission of the final payment applications for each GMP, final GMP credit amendments, based on conditions known at this time, are anticipated and will be presented at future Aviation Authority's Construction Committee and Board meetings for approval. The project team is also negotiating with the other consultants to address all construction and professional services contracts through final completion of the Program. Firms impacted by these final negotiated agreements are expected to submit amendments to their current contracts and agreements by June 7, 2022. The Owner Authorized Representatives (OAR) and Designer fees are planned to be lump sum based on the CMARs schedule to complete as detailed above. The scope of the lump sum amounts will consist of all work necessary to close out the projects so long as the CMARs meet their contractually obligated final completion deadlines as detailed above.

As of the writing of this memorandum, the GMP amendments are being finalized and the actual values are being determined. As more detailed agreement values become available, the CIP element budgets and the STC-P1 and STC-P1X individual budgets may be adjusted while maintaining the overall combined STC-P1 and STC-P1X budget. Any adjustments made within the overall budget will be subject to CFOC approval and reflected in the updated Control Documents and August 2022 annual CIP update.

The result of these negotiations is a request to increase the combined STC-P1 and STC-P1X budget in the net total amount of \$40 million and provides for the following estimated additional costs to complete as reflected in Table 2.

Table 2 – Additional Budget (millions)

Category	Entity	Total
CMARs	TK and HP	\$ 25.0
DBOM	Vanderlande	
Program Consultants	OARs, Legal, Designers, Financial	9.0
Insurance	GOAA vendors	1.0
Utilities	OUC	1.0
Landscaping	TBD	1.0
Miscellaneous Program Closeout	Equipment / Weather / Permitting / Security / IT EME Logistics/Opening	3.0
Total		\$ 40.0

On May 31, 2022, the Construction Finance Oversight Committee will consider the program budget revisions for STC-P1 and STC-P1X as summarized in Table 3.

Table 3

STC Budget Adjustments (millions)

STC-P1 Program Funding Sources	Current CIP	Proposed CIP	Proposed Revisions
FDOT Grants	\$ 95.5	\$ 95.5	\$ -
Authority Funds	6.8	7.4	0.6
PFC PayGo	241.0	216.0	(25.0)
PFC Bonds	769.0	769.0	-
General Airport Revenue Bonds	1,006.4	1,068.4	62.0
Customer Facility Charges	98.0	98.0	-
OUC	48.4	48.5	0.1
STC-P1 Change	\$ 2,265.1	\$ 2,302.8	\$ 37.7

STC-P1X Program Funding Sources	Current CIP	Proposed CIP	Proposed Revisions
FDOT Grants	\$ 18.0	\$ 18.0	\$ -
Authority Funds	26.4	25.8	(0.6)
PFC PayGo	17.7	17.7	-
PFC Bonds	150.0	145.3	(4.7)
General Airport Revenue Bonds	274.0	281.7	7.7
Customer Facility Charges	37.3	37.3	-
OUC	6.6	6.5	(0.1)
STC-P1X Change	\$ 530.0	\$ 532.3	\$ 2.3

STC Combined Funding Sources	Current CIP	Proposed CIP	Proposed Revisions
FDOT Grants	\$ 113.5	\$ 113.5	\$ -
Authority Funds	33.2	33.2	-
PFC PayGo	258.7	233.7	(25.0)
PFC Bonds	919.0	914.3	(4.7)
General Airport Revenue Bonds	1,280.4	1,350.1	69.7
Customer Facility Charges	135.3	135.3	-
OUC	55.0	55.0	-
STC Combined Program Change	\$ 2,795.1	\$ 2,835.1	\$ 40.0

Funding Source Changes: To provide flexible funds to achieve a successful closeout and allow for timely payments to the CMAR firms, it recommended that un-awarded PFC funds remaining within the GMPs be removed and replaced with General Airport Revenue Bond (GARB) funds. Additionally, it is recommended that unexpended PFC funds within TK GMPs awarded direct cost of work (DCOW) also be removed and replaced with GARB funds. To establish this amount, a review of the most current GMP payment applications was completed; along with a review of all un-awarded GMP contingencies,

allowances, and unbought scope through May 10, 2022, CCM actions. While the funding changes recommended for STC-P1 and STC-P1X result in a combined STC increase of \$69.7 million of additional GARB, staff has identified funding strategies to consider as part of the August 2022 CIP update that could mitigate the proposed reduction of PFCs and increase of GARB requirement for the overall MCO CIP. Staff will review the final agreements in an effort to apply these funding strategies to utilize the maximum amount of PFC funding, thereby reducing the amount of additional GARB being proposed. The amount of GARB being requested will not exceed \$69.7 million and the PFC PayGo reduction will not exceed \$25 million.

ALTERNATIVES

The CMC could choose to reject the proposed CIP changes as described above. This option is not recommended as these changes are required to fund the proposed negotiated agreements for the timely completion of Terminal C.

FISCAL IMPACT

The net increase to the CIP is \$40 million including an increase of \$69.7 million of GARB funds, a decrease of \$25 million of PFC Pay Go and a decrease of \$4.7 million of PFC bonds. By increasing the GARB funding, this will add 11 cents to the cost per enplaned passenger and reduce debt service coverage by 2.5 basis points.

RECOMMENDED ACTION

It is respectfully requested that the Capital Management Committee recommend to the Aviation Authority Board to approve the update of the Fiscal Year 2021-2027 Capital Improvement Program as presented in the memorandum within and not exceeding the addition of \$69.7 million of General Airport Revenue Bonds (GARBs) and the reduction of no more than \$25.0 million of PFC 19.35/18.8 PayGo funds.