

Memorandum



Date: October 11, 2007

To: Honorable Chairman Jose "Pepe" Diaz
and Members, Airport & Tourism Committee

From: George M. Burgess
County Manager

Subject: Miami-Dade Aviation Department Capital Improvement Program Report

ATC
Agenda Item No:
7(D)

The Miami-Dade County Board of County Commissioners (BCC) adopted a Master Plan for the Miami International Airport (MIA) and approved a \$6.2 billion Capital Improvements Program (CIP). The CIP at Miami International Airport includes an expanded and efficient airfield with four Runways and several new Taxiways, expanded parking, a central collection plaza, additional lanes at upper/lower Terminal drives, and enhanced connections to the surrounding expressways and MIC/Rental Car Center. The Terminal is expanding from 3.5 million to 7.4 million square feet with 101 International Gates and 26 Domestic Gates, for a total of 127 Gates with 555 ticket counters and 120 Self Service Devices (SSD). Separate Federal Inspection Services (FIS) locations in North, Central and South Terminals will have the capacity to process 7,400 passengers per hour.

The following is the status of the two major components of the CIP: North Terminal Development (NTD) Program and South Terminal Development (STD) Program:

NORTH TERMINAL PROGRAM

Contractual Issues

- Parsons-Odebrecht Joint Venture (POJV) has signed and executed the majority of Trade contracts
 - No change from previous update.
- The Terminal Wide Improvement (TWI) project is being advertised for bids; bid date has been extended until October 17, 2007. Two major contractors have expressed interest and have picked up plans.
 - No change from previous update.

Construction Issues

- Daily North Terminal Development (NTD) workforce is expected to total more than 1,000 workers by the end of September 2007.
 - There are approximately 600 workers.
- The A-B project has completed almost all of the pile work; with the exemption of the area under stair tower # 2 which is ongoing demolition by another contractor (Crompton), and the south side of the building which will be done upon closure of Concourse A. Pile caps are ongoing as well as vertical construction of columns. Project is progressing very well and within schedule.
 - There are 176 pile caps.
- FPL took over the NTD vault for permanent power on June 13, 2007. Permanent power for the job site will be up and running by September 30, 2007.
 - No change from previous update.

Construction Issues (con't)

- In spite of the fire accident on July 11th at the Ramp Control Tower at Concourse D, work is still on schedule to be completed and turned over to American Airlines (AA) by the end of October 2007. Besides the fire repairs which were begun promptly, there are other issues which need to be addressed and resolved, but we do not foresee any major obstacles. AA has confirmed that consoles for the tower will be delivered on schedule.
 - No change from previous update.

Completion Work Issues

"Completion"¹ work that began in July 2006 continues. The B-C completion project No. 745B (Annex # 3) is progressing according to schedule. The key concern is achieving dry-in of the shell to allow the interior finishes to commence. The project has mitigated a number of impacts the most significant was the modification to the storm water drainage which was conflicting with the finish ceiling elevations. The pre-cast exterior panels have been installed the clerestory and curtain wall is current being install which will complete the dry-in.

- Work is progressing according to schedule, glass panels are undergoing installation, and it is anticipated to have the portion of the building dry-in as per the schedule.
- Annex # 4, the C-D Infill and Automated People Mover (APM) Maintenance and Service Facility completion project has achieved substantial completion as of August 11, 2007.
- Turner-Austin Airport Team (TAAT) completion projects 737G and 737E have achieved substantial completion; and are in the process to receive a Temporary Certificate of Occupancy by September 25, 2007.
 - No change from previous update.
 - Project 769A is on schedule for the first time in the NTD program, also achieved substantial completion; and punch list items and issues are progressing extremely well.
 - We are still finishing punch list items as of this writing.
 - Project 739H, Concourse D rotunda is also on schedule and has obtained Substantial completion on August 11, 2007.
 - Civil apron work and other Building Contracts continue with Crompton and Marks Brothers. Concourse B demolition work is progressing slower than scheduled, but mitigating measures were implemented and progress improved dramatically, the last work remaining is demolition of the tower # 2, scheduled to be completed by September 24, 2007.
 - Still on schedule to finish the work by September 24, 2007.

¹ The North Terminal Project construction work is comprised of several major components:

- Completion Work- this is the area between old Concourses B and C which was partially constructed under TAAT. It was left in an unfinished condition.
- BD- the area between old concourse B and D, on the "airside" of the terminal. It consists of new construction and extensive renovations to the existing terminal.
- AB- this is basically all-new construction between concourses A and B.
- TWI- this is the extensive renovation of the existing terminal area between concourses A and D.
- APM- this is the rooftop people mover system being supplied and installed by Sumitomo Corporation of America.
- BHS- this is the new automated baggage system being furnished and installed by Siemens.

Construction Phasing/Scoping

- Concourse A is scheduled to close in November 2007.
- All work for the Concourses B and C bypass corridor was successfully completed; the area is fully operational and opened to the traveling public. We are pleased to report that the permit has obtained a Final Certificate of Occupancy (CO). This is the first time in the life of the NTD program that any phasing work obtains "final" approvals in lieu of only temporary certificates of occupancy (TCO). This is due to the new management initiative on how to handle, design and implement phasing work which is temporary in nature and is necessary only to allow progress of the final work.
 - This work has been closed and completed, will be deleted in the next update.
- Drawings have been submitted by the engineer; and the NTD Construction Access Road has been approved by police, security, fire, and other pertinent Departments. This work will be bid under POJV.
 - Bid opening day is September 19, 2007.

North Terminal Claims Status Report

On August 29th, the last of 335 construction claims on the NTD Project "inherited" from American Airlines was settled. There are still litigation matters pending.

Overall NTD Claims

| NTD CLAIM STATUS | Number of Claims | Claim Amount | Settlement Amount | Settlement Check Amount | Status |
|--|------------------|-------------------|-------------------|-------------------------|--------------|
| PAID STATUS Claimants have picked-up Checks | 187 | \$ 120,417,772.68 | \$ 54,829,597.61 | \$ 54,302,950.51 | Paid |
| PAYMENT IN PROCESS STATUS - (PROFESSIONAL COMPLIANCE DIVISION) With Professional Compliance Division - will be paid within 30 days | 1 | \$ 351,245.00 | \$ 281,373.99 | N/A | Next 30 Days |
| CLAIMS READY FOR BCC APPROVAL Next BCC meeting is 10/02/07 then 30 days with Professional Compliance | 0 | \$ - | \$ - | N/A | Next 60 Days |
| SUBTOTAL OF SETTLEMENTS: | 188 | \$ 120,769,017.68 | \$ 55,110,971.60 | \$ 54,302,950.51 | Next 60 Days |

| | Number of Claims | Claim Amount | Offer Amount | |
|--|------------------|------------------|-----------------|--|
| SETTLEMENT AGREEMENTS IN PROCESS County Attorneys Office | 2 | \$ 14,765.32 | \$ 13,548.85 | |
| ORB APPROVED Other Approvals in Process | 5 | \$ 4,055,181.98 | \$ 1,986,043.02 | |
| CLAIMANT STATUS Awaiting Claimant Action | 24 | \$ 7,433,560.70 | \$ 522,597.44 | |
| SUBTOTAL OF OFFERS: | 31 | \$ 11,503,508.00 | \$ 2,522,189.31 | |

| | Number of Claims | Claim Amount | Offer Amount | |
|--|------------------|------------------|--------------|--|
| CLOSED STATUS No Action Required | 124 | \$ 30,513,265.65 | \$ - | |

| | Number of Claims | Claim Amount | Offer Amount | |
|--|------------------|--------------|--------------|--|
| PENDING STATUS Claims that have not yet been reviewed by the ORB | 0 | \$ - | \$ - | |

| | Total Number of Claims | Total Claim Amount | Total Settlement Amounts | Total Outstanding Offers | Status |
|---|------------------------|--------------------|--------------------------|--------------------------|--------|
| GRAND TOTALS - NTD CLAIMS PROCESS: | 343 | \$ 162,785,791.33 | \$ 55,110,971.60 | \$ 2,522,189.31 | |

CSBE Claims

| NTD CLAIM STATUS | Number of Claims | Claim Amount | Settlement Amount | Settlement Check Amount | Status |
|--|-------------------------------|---------------------------|---------------------------------|---------------------------------|---------------|
| PAID STATUS Claimants have picked-up Checks | 26 | \$ 2,829,230.00 | \$ 2,069,126.38 | \$ 1,682,471.12 | Paid |
| PAYMENT IN PROCESS STATUS - (PROFESSIONAL COMPLIANCE DIVISION) With Professional Compliance Division - will be paid within 30 days | 0 | \$ - | \$ - | n/a | Next 30 Days |
| CLAIMS READY FOR BCC APPROVAL Next BCC meeting is 10/02/07 then 30 days with Professional Compliance | 0 | \$ - | \$ - | n/a | N/A |
| SUBTOTAL OF SETTLEMENTS: | 26 | \$ 2,829,230.00 | \$ 2,069,126.38 | \$ 1,682,471.12 | N/A |
| | Number of Claims | Claim Amount | | Offer Amount | |
| SETTLEMENT AGREEMENTS IN PROCESS County Attorneys Office | 0 | \$ - | | \$ - | |
| ORB APPROVED Other Approvals in Process | 1 | \$ 769,927.25 | | \$ - | |
| CLAIMANT STATUS Awaiting Claimant Action | 2 | \$ 20,412.79 | | \$ 10,673.15 | |
| SUBTOTAL OF OFFERS: | 3 | \$ 790,340.04 | | \$ 10,673.15 | |
| | Number of Claims | Claim Amount | | Offer Amount | |
| CLOSED STATUS No Action Required | 7 | \$ 2,103,117.49 | | \$ - | |
| | Number of Claims | Claim Amount | | Offer Amount | |
| PENDING STATUS Claims that have not yet been reviewed by the ORB | 0 | \$ - | | \$ - | |
| | Total Number of Claims | Total Claim Amount | Total Settlement Amounts | Total Outstanding Offers | Status |
| CSBE GRAND TOTALS - NTD CLAIMS PROCESS: | 36 | \$ 5,722,687.53 | \$ 2,069,126.38 | \$ 10,673.15 | |

AS OF 09/30/2007

SOUTH TERMINAL PROGRAM

Construction Status

- Additional sections of the South Terminal and Concourse J were opened to the public in Mid-September 2007 and Customs and Border Protection commenced operations on September 14th. The Program achieved the first international flight from South Terminal and the new Concourse H International Gates on September 14, 2007 by Air France, and the First Concourse J flight on September 24, 2007 by LAN.
- MDAD is targeting completing the relocation of all remaining South Terminal Airlines by November 10, 2007. Thus far 5 airlines have been relocated in total to the building: Delta, Air France, LAN, Air France, and COPA.
- Contractor is currently working on completing the remaining CBP booths, elevators, escalators and moving walks, AHJ items, ADA items, and finishes.
- Punchlist inspections have begun and the contractor is required by contract to completing all items within 90 days after substantial completion is granted.

Current Issues

- Significant list of Building and Fire Department comments as well as remaining base contract work is pending in order to maintain TCO status and obtain final CO's.

- There remains a concern with the contractors providing proper staffing on the project in order to complete all the remaining work. Some of the sub-contractors as well as POJV have begun to shift personnel to other airport projects.
- Due to some programming problems in the baggage messaging system after the relocation of COPA airlines and provided by the airline, the state of the art baggage system has begun to malfunction causing an excessive amount of bags to be sent to the TSA for hand search. This issue needs to be corrected before additional airlines can be relocated to Terminal South and is anticipated to be resolved by October 5th. This has caused a one-week delay in the relocation of additional airlines.
- Contractor continues to be behind schedule failing to achieve Milestone 9 on time and is forecasting on its July update achieving substantial completion for Phase I on November 16, 2007 and Phase II on August 13, 2009 due to Authorities Having Jurisdiction (AHJ) modifications. This is being reviewed, as these two phases are somewhat concurrent work.
- On 7/26/07 POJV forwarded to MDAD copies of letters and attachments from Hensel Phelps and Enclos regarding claims to POJV for time extensions and additional compensation in the amount of \$85 million for events occurring from 5/5/06 to 5/31/07. There have been 2 revisions issued thus far for these claims that have increased the amounts above the \$86 million dollar mark. MDAD has requested POJV to evaluate its Trade Contractors' claims and certify any resulting claim in accordance with County requirements as soon as possible for resolution. POJV communicated they are targeting to complete their evaluation and submit any certified claims by November 2007. MDAD required a response by no later than October 31, 2007 in correspondence sent to POJV.
- Due to the pending claims, additional operational requirements by the airlines and federal agencies and the delayed completion of base contract work partially attributed to the contractor, MDAD will need to exercise a one year option to extend the Dade Aviation Consultants (DAC) contract starting December 16th, 2007. The contract is only being extended for limited staffing and for the purpose of closing out all Phase 1 work and resolve outstanding claims. As the tasks are completed, the staff will be reduced accordingly. This amendment is scheduled to go before the Airport and Tourism Committee (ATC) in October and the full Board of County Commission (BCC) in November for consideration. All Phase 2 project management work originally being handled by DAC will be assumed by MDAD staff prior to the December 15th when the DAC original contract expires.

Summary

- The Program Team followed the prior achievement of the first domestic flight in August 2007, with other major significant achievements in September 2007, which were the opening of the international gates at Concourse H, first international flight from South Terminal and the first Concourse J flight. Thus far, 5 airlines have been relocated into the facility. In order to de-link North Terminal from South Terminal, all Airline relocations from North to South and North to Central must be completed by November 10, 2007. Continued focus will be required in order to complete the remaining Airline Relocations by November 10 and to complete the remaining portions of the facility for Substantial Completion. The Team continues to meet weekly to mitigate any schedule slippages. Contractor must provide further emphasis on their subcontractors, with regard to productivity and craft staffing being essential toward meeting the required schedule for completion.



Assistant County Manager