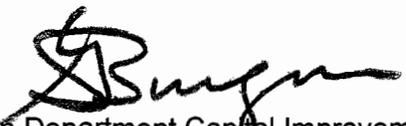


Memorandum



Date: December 11, 2008

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 adopted a Master Plan for Miami International Airport (MIA) and approved a \$6.2 billion Capital Improvement Program (CIP). The CIP at MIA 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 Miami Intermodal Center (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 (NTD)

Contractual Issues

- Parsons-Odebrecht Joint Venture (POJV). There are no contractual issues to report.
- MCM-Dragados Joint Venture (MDJV). There are no contractual issues to report.
- Beauchamp Construction Company (BCC). There are no contractual issues to report.

Construction Issues

POJV WORK

NTD Program Workforce

- NTD POJV workforce reported 900 workers for the month of October 2008.
- NTI MDJV has approximately 120 workers at the job site.
- BCC has an estimated crew of approximately 15 workers (no report to date yet).
- Overall workforce at the NTD, including all contractors (POJV, Siemens, MDJV, BCC, SCOA, Marks Brothers, etc), is a little more than 1,200 workers.

Managing General Contractor (MGC) Baseline Schedule

- The approved October 2008 schedule update shows no delays to the overall program completion date. Program is maintaining schedule.

A-B Infill

- Work is progressing well and according to schedule. Curtain wall installation continues. Pre-cast panels have been installed already. We anticipate having the building dried in by the end of the year.
- Automated People Mover (APM) roofing metal structure framing work is progressing well in both of the A-B infill APM stations.
- Gates D-21, D-22, and D-23 are tracking schedule for opening in July 2009.

B-C Infill

- Annex # 3 is still in the process of achieving substantial completion. On-going weekly focus meetings with POJV are being held to devise the best alternative to complete the work and close this Annex. We anticipate closure of Annex 3 within a couple of months.

- The 756E B-C ticket counter work regarding installation of the induction belts steel plates has been resolved and plates have been ordered and installed.
- Interior finishes are progressing well on concourse and third levels; ramp level work has finally picked up and has progressed as requested and in accordance with the schedule.

C-D Infill

- All phases of the C-D Infill were successfully opened as scheduled.
- All phases of the interim C-D checkpoint successfully opened as scheduled. Project is complete.
- Annex # 4 has been substantially closed out.
- Annex # 5 Gate Control Tower has been substantially closed out.
- The C-D Infill project is scheduled for final completion by mid November 2008. A walk through was conducted on November 14th, 2008 for substantial completion punch list.

FIS

- 740A FIS work is still progressing well, with interior metal framing ahead of schedule. Mechanical Electrical Plumbing (MEP) installation has begun, and the project is on schedule.
- NTD Team and POJV approved and implemented a plan to enable early access to ramp level in order to begin ramp level utilities and other work.
- Most issues and design modifications have been agreed with CBP.
- Project is progressing according to the schedule.

Concourse D Remodel

- 739I D-Remodel Ramp Level Improvements Phase 2 work has begun. The project has been completed and is in the process of being closed out.
- 739C D-Remodel phase 1 and 2 work begun on October 9, 2008. Submittals and coordination issues are progressing according to schedule. Concession work for "La Carreta" restaurant has begun and it is anticipated to open by May 2009.
- 739C phase-2 work and re-opening of gates D-31 and D-32 on schedule for completion by September 2009.

NON-POJV WORK

Concourse D Extension

- Construction documents to execute the remaining work to complete the D-Extension project concluded all mandatory reviews and the Request to Advertise (RTA) has been approved by OCI.

Terminal Wide Improvements

- Demolition work keeps progressing as per the schedule.
- Baseline schedule was accepted by the NTD team on August 25, 2008. The improved schedule to mitigate the 58-day delay due to extended bidding process has been received by MDAD and is currently under review.
- Work is progressing well.

Regional Commuter Facility (RCF)

- Contract signed and executed.
- Test pile work has been executed.
- Notice to proceed (NTP) issues on November 3rd 2008.
- Contractor has mobilized to the job site.
- Preliminary schedule has been submitted.

Baggage Handling System (BHS)

- Work is progressing well. All 14 EDS (Explosives Detection System) machines necessary for phase 1 have been successfully installed in the West and Central Matrices.
- Installation of conveyor work is also progressing well.

- MDAD continues mitigation efforts related to any impacts to Siemens work, in particular the ticket counters and other areas.
- Progress meetings with TSA headquarters are on-going to ensure compliance with the most recent Baggage Screening Investment Study (BSIS) screening procedures.
- Phase 1 testing activities have begun; and a 120-day look-ahead schedule has been submitted by Siemens and it is currently under review.

Automated People Mover (APM)

- Guide way system for the APM is 100% complete from Concourse D extension all the way to Concourse A.
- Work is progressing well and according to the revised schedule.
- Sumitomo (SCOA) has begun preventive maintenance for the trains. The first successful dynamic test of the cars was conducted on October 14, 2008.
- NTD team efforts are concentrated in achieving all access dates.

Civil Work

- Design documents for civil work for the apron area at the RCF have been delivered, and request to advertise has been approved by OCI. This project is part of the Economic Stimulus Plan (ESP).
- Pricing has been re-submitted from Marks Brothers for the completion of the B-C apron work (including fueling) and it is currently undergoing independent review by US Cost. MDAD has begun Change Order process to be done under the NTD ordinance.
- Apron work for the early opening of gates D-29 and D-30 is on schedule for opening on December 15, 2008 at 0500 hrs. Passenger Loading Bridges have been delivered and installed.

Construction Phasing/Scoping

- The landside access road is fully operational and successful.
- The new phasing initiative regarding opening gates has been approved and executed in order to reduce costs and mitigate all delay exposures. This was part of the mitigated re-baseline schedule effort.
- The NTD team is currently engaged in the early opening of two additional gates (D-29 and D-30) by December 15, 2008, as requested by American Airlines in order to accommodate the increased end of the year travel demand.
- The NTD team and POJV have agreed on a plan to open gates D-24 and D-24 on June 4, 2009 (earlier than scheduled). There are a lot of hurdles to overcome to reach this goal, but we feel it is plausible.
- A plan to maintain 42 gates opened for American Airlines beginning June 4, 2009 has been agreed by all parties.
- No additional phasing issues to report.

Upcoming NTD Milestones

- C-D 3rd level North South corridor opened on October 1, 2008 as scheduled.
- Concourse C-D to Concourse E connector corridor completed by October 14, 2008. Connector was successfully completed on October 8th (6 days ahead of schedule)
- Start of Phases 1 and 2 of Concourse D remodel (project 739C) on October 15, 2008. project begun on October 9th (6 days ahead of schedule)
- C-D Infill project 739A completion target for November 14, 2008.
- Opening of Gated D-29 and D-30 on schedule for December 15, 2008.

SOUTH TERMINAL PROGRAM

Construction Status

- Annexes 1, 2, 4, 5, 8, 9, 12, 14, 16, 17, 18 & 19 have been issued substantial completion status. Annexes 6, 7 & 20 are pending substantial completion because there is on-going work on Phase 2.

- A/E punch list work-off continues. B312A Concourse "J" is 98% complete. Approximately 95% of the punch list items in South Terminal (B313A & A155A/S) have been completed. Of the remaining Open Items, POJV has identified several hundred items which have been classified as 'disputed' and the acceptance of a diminished value has been proposed. A series of meetings has occurred and will continue to occur between the Trade Contractors / POJV, DAC, HNTB and MDAD to work through these remaining items. If this work is not completed as promised by December 12th, the Aviation Department will complete the work at its expense and back charge the contractors.
- 34 new MDAD work orders have been prepared during the period with an estimated value of \$484,000 for de-scoped or Non-POJV (CM) work required on the South Terminal Program. To date, 239 work orders have been prepared with an estimated value of \$4.3 million. This work is being performed by MDAD direct hire staff and MDAD Maintenance Contractors.

Current Issues

- The contractor has not submitted an updated South Terminal Overall Progress Schedule (OPS) in 12 months; however, previously this schedule submission was essentially for a commercial entitlement purposes to back up their claim and not for its intended purpose to provide an accurate status of the project.
- In February of 2008, POJV transmitted a partial claim in the amount of \$42.5 million.
- In May 2008, POJV forwarded a revised claim certifying approximately \$65 million, a \$22.5 million increase overall. Pre-litigation negotiations began on August 27, 2008 by mutual consent of POJV and MDAD. Hensel Phelps (HPCC) did not agree to participate.
- HPCC has sued POJV in State Court on behalf of themselves and their sub-contractors. Additionally POJV's and Hensel Phelps' bonding companies have been sued in Federal Court by four (4) of Hensel Phelps' sub-contractors. The County to date has not been adjointed to any legal action.
- MDAD continues to work with POJV on an amicable non-legal resolution. Negotiations with all POJV direct work Annexes (5 out of 6) have been successfully negotiated. In addition, the four HPCC subcontractors that filed suit in federal court have agreed on terms for settlement directly with the County and POJV and are headed back to court to dismiss POJV's portion of the case. This action indemnifies the POJV/County from further action.
- There are approximately 20 contractors, mostly local small business firms, that have small claims but are embedded within the HPCC overall claim. As the County has not been adjointed to any legal action, we have asked POJV to set up meetings in order to settle these claims in a gesture of goodwill.
- Assuming that we will arrive at a settlement with the above 20 contractors by early December, all claims will have been settled except HPCC, Fisk Electric, Kone Elevators, and Jervis Webb Conveyors in an amicable way and within all projects funds and County procedures without going to court.

Summary

Focus is continuing in order to complete the remaining portions of the facility for Substantial Completion, including Phase 2. Contractor must provide further emphasis on their subcontractors, with subcontractors, with staffing being an essential requirement to complete all remaining finish work. A work order process for de-scoped and Non-POJV work has been in place to manage the completion of outstanding scope items required by the County. Negotiations with sub-contractors and POJV are showing good progress leaving HPCC and 3 sub-contractors not willing to come to terms with the County and/or POJV.


Assistant County Manager