

San Diego International Airport

The Green Build

Moving Forward. Soaring Higher.



Items 2 & 3

Program Update

April 4, 2011



A stage with red curtains and a wooden floor. The curtains are closed, and the floor is made of light-colored wood. The text is centered on the stage.

Contract 1

Airside Expansion

Terminal Building

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Structural Steel Erection

March 2011



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Structural Steel Erection

March 2011



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Structural Steel Erection

First Column Set February 22, 2011



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Structural Steel Erection

First Column Set February 22, 2011





02.23.2011 13:09

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Structural Steel Erection

February, 2011





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Structural Steel Erection

March, 2011



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Structural Steel Erection

March, 2011





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Structural Steel Welding

March 2011





03.03.2011

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Structural Steel Tie-in

March, 2011



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Structural Steel Tie-in

March 2011





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Looking West - Temporary Parking

March 2011





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Temporary Parking Tool Booths

March 2011

















18 1:39PM

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Baggage Tunnel Waterproofing

March 2011



A background image of a stage with red theater curtains. The curtains are drawn back slightly on the sides, revealing a wooden floor. The text is centered over the curtains.

Contract 2

Elevated Roadway

Smart Curb

USO/PMO Building



10.06.2010 21:05



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Hydronic Pipe Installation



02/02/2011 15:15



Pipe Vault – Formwork & Rebar



12.14.2010 10:22



Hydronic Pipe Vault – Concrete Pour



01.07.2011 11:18



Re-routing Electrical Conduit



11.30.2010 10:19



42" Stormwater Line Collar



01.11.2011 10:29

San Diego International Airport

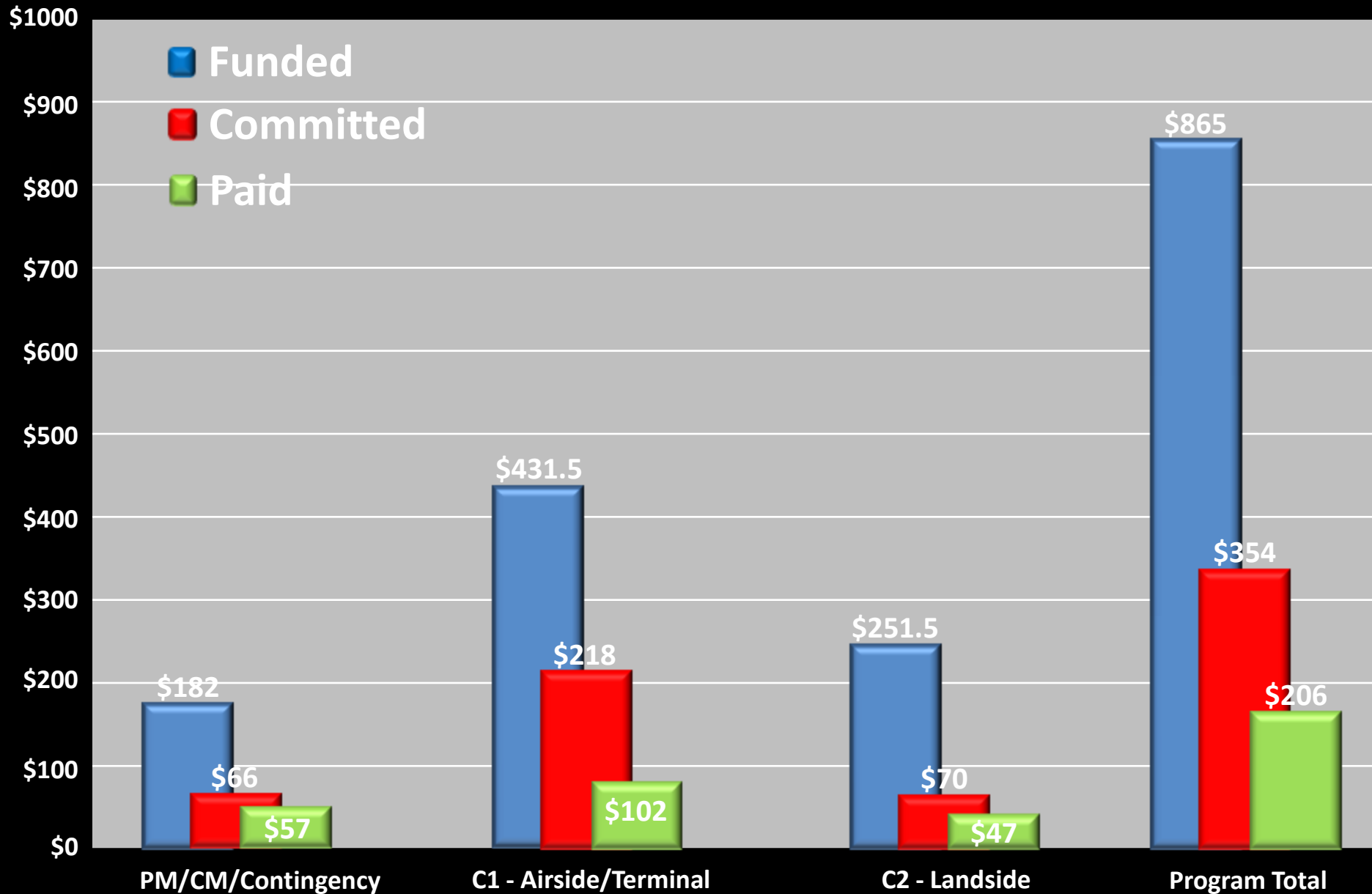
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Let's Do the Numbers





A stage with red curtains and a wooden floor. The curtains are closed, and the floor is made of light-colored wood. The text "GMP" is written in large, white, bold letters in the center of the image.

GMP

Guaranteed Maximum Price





- **Green Build Contractual History**

- April 2009, Contract 1 & 2 approved by the Board
- November 4, 2010 Board approved the Green Build Program Budget and Schedule
- November 4, 2010 to present, staff has been negotiating a final price and schedule for all elements of the Green Build
- The GMP(s) will reflect the final price and schedule



- The Design Build Contracts anticipated a *conversion to a GMP*
- Specific GMP Contract language:
 - 1.1.4: If, during the course of the Project, the parties mutually agree to a Guaranteed Maximum Price (GMP) for the Work, or portion of the Work remaining at the time such price is proposed and negotiated, the parties may execute a GMP Amendment to the Contract. Any terms in the GMP Amendment that conflict with terms of any prior agreements shall supersede those prior agreements, provided such conflicting terms are expressly and unambiguously identified in the GMP Amendment.



- Benefit:
 - Price Certainty
 - Schedule Certainty
- TDP Negotiating Focus:
 - Price (at or below budget) 
 - Schedule (on or ahead of target) 
 - Small & Local Business (opportunities maximized)





- Design-Builder agrees to perform a specified scope of work.
- Design-Builder agrees to deliver the project on (or before) an agreed upon date.
- Design-Builder agrees to complete the work for a guaranteed maximum price. (Contractor accepts full financial “risk” for any cost or schedule overruns.)
- Unused contingency shared with the Owner (75%/25%)



- Owner develops the program criteria, including:
 - Equipment performance
 - Material standards and quality
 - Operational restrictions
- Owner evolves the project design (15% - 30%)
- Design-Builder finishes the plans and specifications to satisfy the Owner's requirements.



- Prior to design completion the Design-Builder prepares a GMP based on:
 - Competitively bids on portions of the work, e.g. foundations (100% design level)
 - Estimates of the remaining work using historical cost data and past production rates. (30% to 60% design level)
- Design-Builder commences construction before the drawings are completed (often the 60% design level).



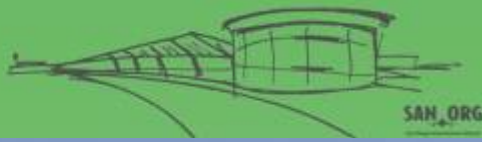
- Contractors have bid the majority of the work
- Based on the work accomplished to date, the “unknown conditions” factor is reduced
- The Joint Ventures desire to streamline the execution of the Program by eliminating the use of multiple Work and Task Authorizations
- The Authority wants to reduce its exposure to budget and schedule risks and reduce the volume of Work and Task Authorizations



- **Small and Local Businesses Impacts**
 - Contract 1: With 70% of the work bid, the Contractor is projecting:
 - At completion of the Green Build 70% local & 21% small business
 - Contract 2: With 86% of the work bid, the Contractor is projecting:
 - At completion of the Green Build 88% local & 17% small business
- **Self Performance (Work performed by Joint Venture)**
 - Contract 1: 8% (\$24 million) for airside work
 - Contract 2: 14% (\$24.3 million) for roadway & bridge work



- Recommend to the full Board on April 7, 2011, approval to authorize the President/CEO to negotiate and execute GMPs for both Contract 1 and Contract 2 of the Green Build.



Questions?