

Item #7

# **Guaranteed Maximum Price Update**

## **Contract Negotiations**

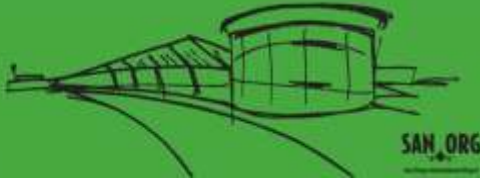
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# GMP Overview

## Design-Builder Selection

- **November 2007 to February 2008**

Prequalification of design & construction firms for various delivery methods

- **June 2008 to October 2008**

Qualifications Based Selection

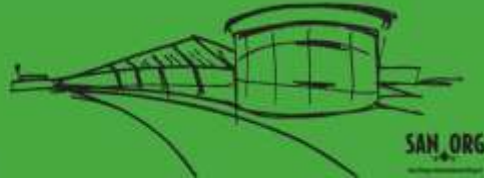
- **October 2008 to April 2009**

Design-Build Agreements negotiated with the two selected firms

- **April 9, 2009**

Design-Build Agreements approved by the Board

- Turner/PCL/Flatiron - Airside and Terminal (Contract 1)
- Kiewit/Sundt - Landside (Contract 2)



- **April 2009 to July 2009**

Budget and Financial Plan developed

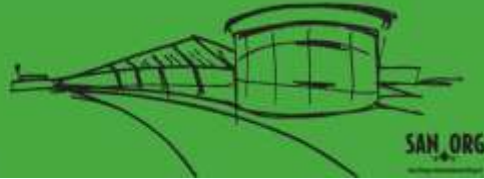
- Preliminary estimates developed by the joint venture partners based on program criteria documents
- Plan of Finance created by Finance

- **July 2009**

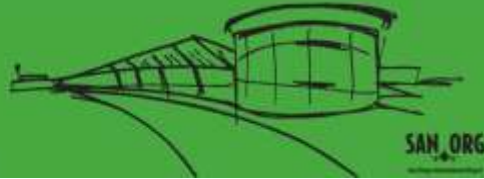
Board approved Green Build budget and schedule

- **November 2010**

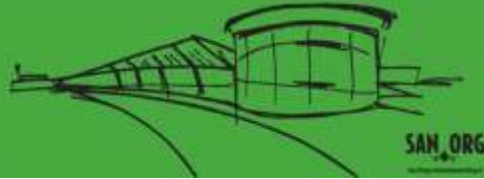
Board reaffirmed the program and contract budgets and schedule



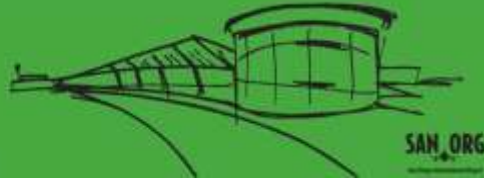
- **The Green Build began as a progressive design-build contracting effort:**
  - Task Authorizations (TAs) for design & management services
  - Work Authorizations (WAs) for construction
- **September 2010**  
Commenced discussions with Contract 1 & 2 JVs aimed at converting to a traditional GMP
- **April 7, 2011**  
Board approved the GMP Amendment



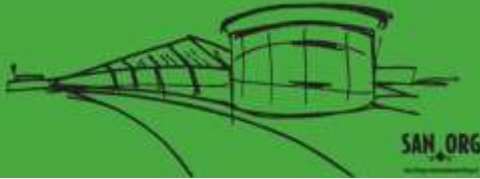
- **With the JV's "buy-in" negotiating teams were mobilized:**
  - The JVs' Teams included:
    - Senior management
    - Field supervision
    - Estimators
  - The Authority's Team included:
    - Authority Program management staff
    - Independent cost estimators from USCost & Faithful+Gould
    - Construction experts from Gilbane Building Company
    - An independent construction audit firm



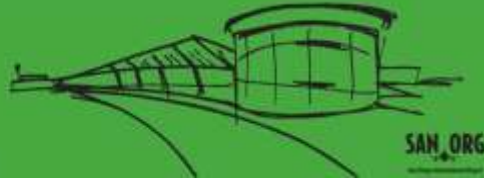
- **GMP negotiation effort:**
  - Airside (Contract 1) - 3-1/2 months
  - Baggage Handling System (Contract 1) - 5 months
  - Terminal (Contract 1) - 7 months
  - Landside (Contract 2) - 7 months
- **The negotiation of the GMPs represented a large, protracted and intense people effort:**
  - Contract 1 - Approximately 35 people contributed
  - Contract 2 - Approximately 25 people were involved



- **The original Green Build budgets were established in mid-2010 at the 15% to 30% schematic design level**
- **The original budgets included the scope that was known and estimated in mid-2010**
- **The final GMPs include previously unknown scope identified during design development:**
  - Rezoning the existing T2W concourse fire alarm system
  - Extending the 12 KV system
  - Central Utility Plant modifications
  - Concession demolition and support

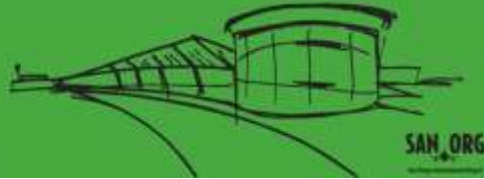


- **GMPs Incorporate:**
  - All previous TAs and WAs
  - Hard bid contracts received to date; e.g. structural steel
  - Negotiated value for all work remaining to be bid
  - Continuation of small and local business efforts
- **The Design-Build GMP Amendment assures an “open book” accounting so any unused funds are recovered by the Authority at the end of the Program**



# A Collaborative People Effort





# GMP Overview

**“We’re All In!”** (\$Millions)



# A Real Team Effort!

