



INFORMATION PAPER FOR THE STRATEGIC PLANNING AND DEVELOPMENT COMMITTEE

REVISED MANAGEMENT STRUCTURE FOR THE AVIATION CAPITAL CONSTRUCTION PROGRAM

SEPTEMBER 2012



PURPOSE

To provide information to the Strategic Planning and Development Committee regarding changes to the structure for managing the Aviation Capital Construction Program (CCP).



BACKGROUND

In the past, the CCP included large-scope projects with complex, integrated schedule and phasing requirements.

The Airports Authority contracted with a program management support services (PMSS) consultant team to supplement its full-time staff.



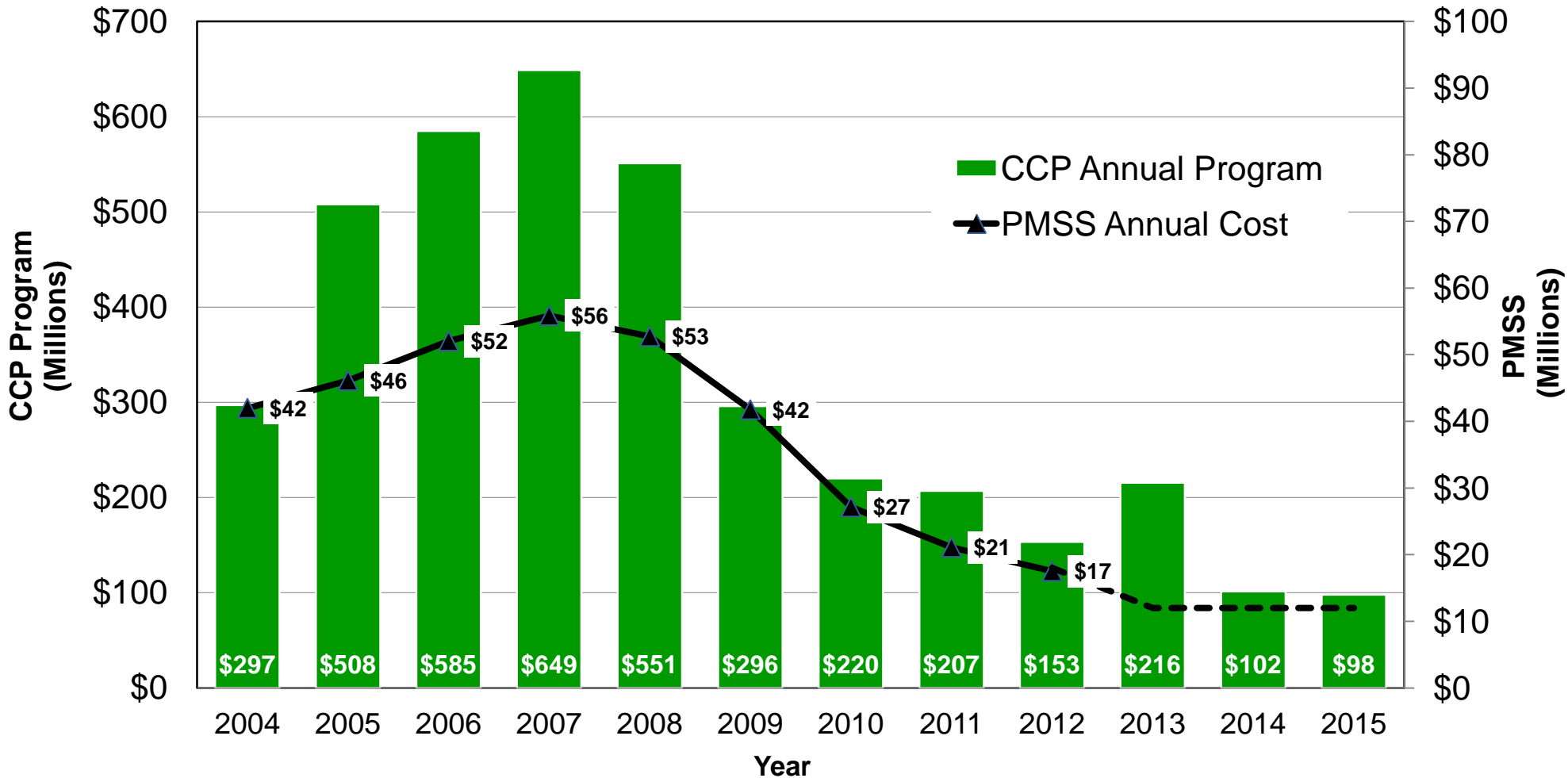
The current management structure was used to successfully manage 650 design and construction projects costing over \$6 billion. The safety record remained well below national averages.

The size and scope of projects in the foreseeable future are anticipated to remain smaller and less complex in scope, requiring fewer consultant support services.

An option year for the PMSS contract with PMC will be extended for one year starting in January 2013.



PROGRAM MANAGEMENT SUPPORT SERVICES COST 2004 - 2015





DISCUSSION

The PMSS contract is task based and allows for changes consistent with program size.

Revised Aviation CCP Management Structure

<u>Activities</u>	<u>Current Support</u>	<u>Future Support</u>
Project Controls	PMSS	Engineering
Safety Oversight	PMSS	Engineering
Quality Assurance	PMSS	Engineering
Planning Support	PMSS	Engineering
Design Support	PMSS	Engineering/PMSS
Construction Management	PMSS	Engineering/PMSS
EOP Support	PMSS	Separate Contract
Public Affairs Support	PMSS	Communications
Procurement Support	PMSS	PMSS
Staff Augmentation	PMSS	Authority Staff



During 2013, the Office of Engineering will recruit and fill five positions previously authorized in the 2011 budget.

When fully implemented, the Airports Authority's full-time staff will directly manage project controls, safety program implementation, and quality assurance functions.

Direct management of these functions will significantly reduce the capital cost of projects regardless of program size.

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STRATEGIC PLANNING AND DEVELOPMENT COMMITTEE**

**REVISED MANAGEMENT STRUCTURE FOR THE
AVIATION CAPITAL CONSTRUCTION PROGRAM**

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PURPOSE

To provide information on plans to implement a revised structure for management of the Aviation Capital Construction Program (CCP).

DISCUSSION

Historically, the Airports Authority's CCP has been characterized by large scope projects with complex integrated schedules and phasing. These projects were located in the aircraft and passenger movement areas and could potentially adversely impact airport operations and safety. To minimize these potential impacts during the planning, design and construction phases of each project, extensive coordination with airports, tenants and contractors was required. To assist the permanent staff in administrating the CCP, a Program Management Support Services (PMSS) consultant was contracted to provide comprehensive management support to the Office of Engineering and other permanent staff.

This management structure was used to successfully implement the Capital Development Program (CDP) and the CCP from 1988 through 2012. These programs included over 650 design and construction projects that were successfully completed, at a cost of over \$6 billion, with no disruptions to airline or airport operations or hazards to passenger safety. Over 50.7 million man-hours of construction were worked with a safety record well below the national average for this type of construction.

As major projects in the CCP were completed, a plan was implemented to reduce PMSS consultant costs to a level that matched the required level of support services. PMSS costs totaled \$41.5 million in 2009 during a peak construction year but were reduced to \$17 million in 2012, when large projects were completed. For the foreseeable future, CCP projects are anticipated to be smaller in scope and cost, less complex and require less integration into other projects; therefore, comprehensive support services similar to past levels will not be required.

Currently, Parsons Management Consultants provides PMSS support. Plans are to exercise a contract option to extend this contract for 12 months starting January 1, 2013. The revised management structure includes reducing the number of tasks in the PMSS consultant’s yearly work plan, eliminating tasks that are no longer required and transferring some tasks to the Office of Engineering’s permanent staff as follows:

<u>Activities</u>	<u>Current Support</u>	<u>Future Support</u>
Project Controls	PMSS	Engineering
Safety Oversight	PMSS	Engineering
Quality Assurance	PMSS	Engineering
Planning Support	PMSS	Engineering
Design Support	PMSS	Engineering/PMSS
Construction Management	PMSS	Engineering/PMSS
EOP Support	PMSS	Separate Contract
Public Affairs Support	PMSS	Communications
Procurement Support	PMSS	PMSS
Staff Augmentation	PMSS	Authority Staff

In summary, the PMSS consultant will be issued tasks to support design and construction activities and CCP procurement activities. To enable the efficient transfer of PMSS tasks

to full-time staff, the Board of Directors authorized five new full-time positions in the Office of Engineering. Plans are to advertise these vacant full-time positions during 2013. When filled, these positions will assume responsibility for core functions currently assigned to the PMSS consultant including project controls, safety program oversight and quality assurance. When fully implemented, the annual cost of PMSS support will range between \$10 million and \$12 million. In the event larger, more complex projects are authorized in the future, the revised management structure will minimize PMSS core requirements while providing for the expansion of design and construction consultant support as needed.

CONCLUSION

The revised structure for management of the CCP meets planned cost reduction goals while providing the flexibility to adjust appropriately in the future to changes to the number and scope of CCP projects.

Prepared by:
Office of Engineering
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