



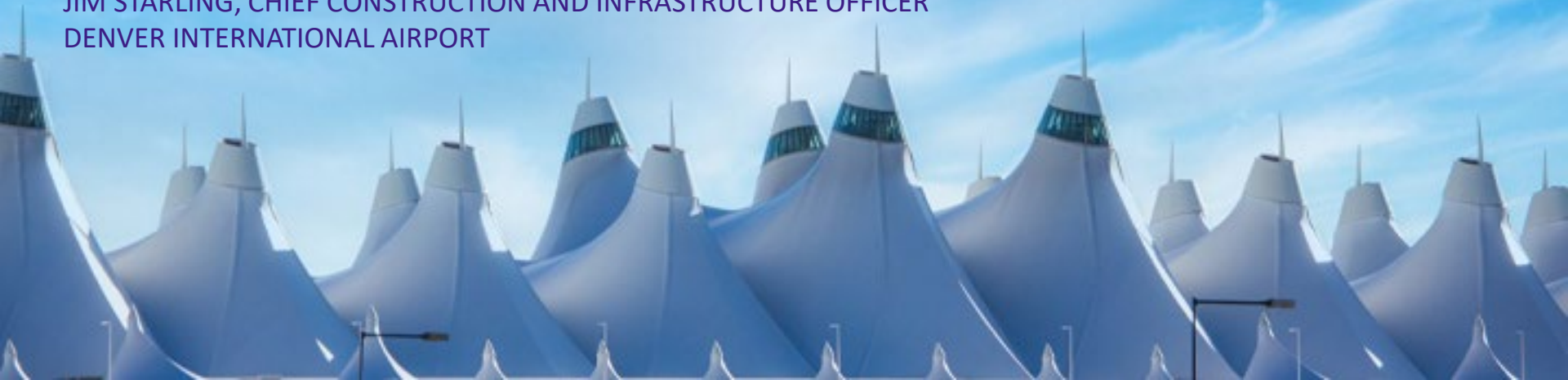
# P3 GREAT HALL PROJECT AFTER-ACTION REVIEW

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- Objective of after-action review
- Lessons learned process
- Findings overview
- Lessons summary
  - Procurement and process
  - Project management
  - Stakeholder engagement
- Conclusion
- Great Hall Project current status
- Next steps

# OBJECTIVE OF AFTER-ACTION REVIEW



- To provide a professional discussion of the Great Hall P3 project
- To identify strengths and opportunities to improve the P3 process for future city infrastructure projects
- To increase confidence of city leadership and citizens that DEN and other city departments can successfully complete future infrastructure projects
- To improve individual and collective task performance by providing feedback about how similar projects can be done better
- To share what we learned with other municipalities and governments around the country

- Lessons learned charter
  - Independent author with proven major project lessons learned experience
  - Access to DEN staff and consultants with independent information gathering
  - Valuable lessons with no special consideration for DEN and no finger pointing among parties
  - Understandable, direct report
- Schedule
  - Three months with goal of releasing report in Summer 2022
- Report will be accessible to everyone on [FlyDenver.com](https://flydenver.com)

The review considered 10 core areas:

- Delivery Assumptions: Why P3
- Construction Approach & Change Management
- Financial/Financing
- Airline Interfaces
- Operations, Terminal & Security
- Project Management
- Processes & Procedures
- Project Schedule
- Government Interfaces
- Public Sector/Traveling Public Impacts

Specific lessons aligned to three general categories:

- Procurement & Process
- Project Management
- Stakeholder Engagement



# FINDINGS - WHY A P3?



- Risk reduction, avoidance, and mitigation
- Substantial cost/financing transfer to the private sector
- Transfer of operations and maintenance for concessions and the concession area to the private sector
- Reduced need for project management staff

- This was the first P3 of this type in the City
- DEN needed broader support from financial, legal and technical advisors during the procurement process
- DEN placed high value on the developer team's experience with similar projects at other airports but did not thoroughly analyze how that experience would translate to DEN
- Developer team dynamics were not fully understood, including specific experience working together and some team members' experience with P3s
- Key individuals who were part of the developer's team in the bid left the company as the P3 began and DEN had little recourse

- Rapid passenger growth and the project location within an operating terminal further compounded challenges to deliver the Great Hall Project under the P3 contract
- DEN did not have an adequate internal processes to make changes and drive design decisions causing delays and lack of clarity among all parties
- The developer team lacked vertical construction experience with P3 delivery in some cases and lacked local experience among individuals who did have P3 delivery experience
- DEN needed to further augment its project management team to implement the Development Agreement and to ensure that management was timely and effective
- The project lacked adequate milestones to drive developer performance and the design was insufficiently mature to identify potential issues

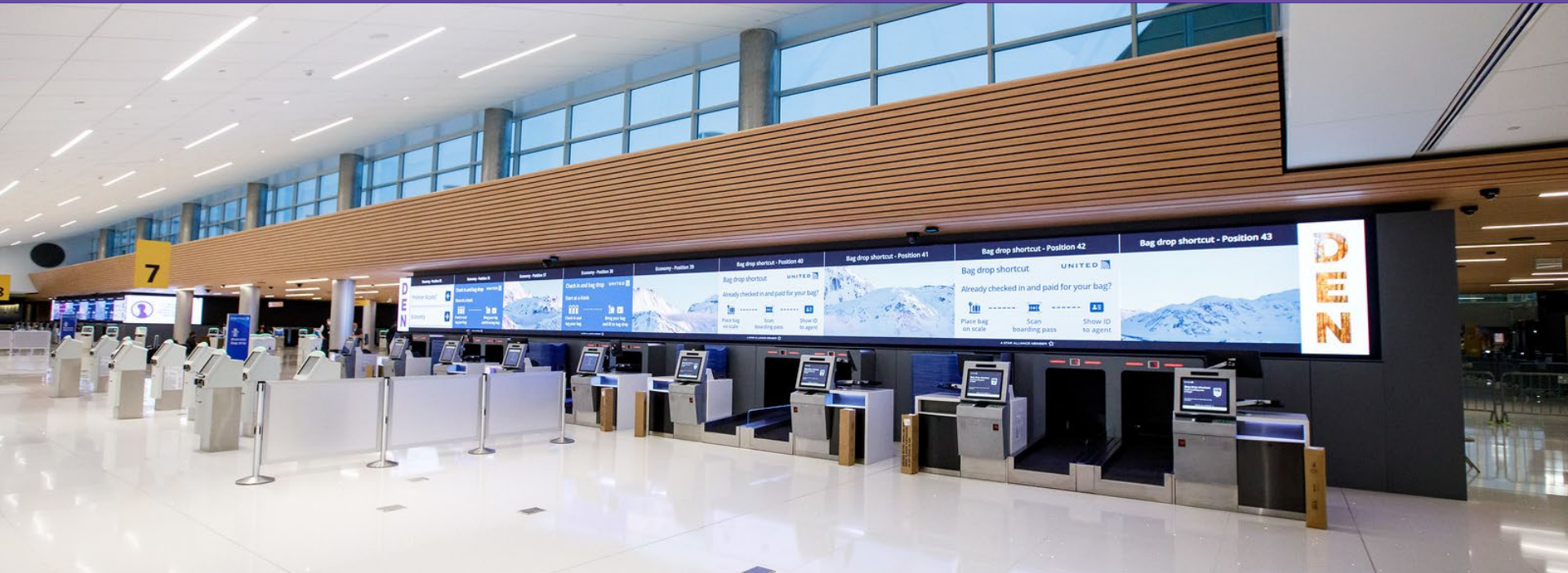


- DEN highly valued the developer team experience from other airports and with airlines at those airports, but that experience did not readily transfer to the unique operations requirements at DEN
- DEN did not have a sufficient mechanism to manage airline input and operational needs
- DEN identified terminal updates to enhance security, expand terminal capacity and improve passenger experience, although those plans were not fully vetted with airlines and other operational stakeholders
- Construction impacts within the terminal were not extraordinary for similar large scale construction impacts but DEN needed greater communication about those impacts to the traveling public

# DEN'S IMPLEMENTATION OF THE LESSONS



- DEN recognized the challenges that surfaced during the P3 and has taken action to improve procurement, project management and stakeholder engagement



- DEN made a definitive decision to terminate the agreement and shift to an owner-led delivery to ensure the critical terminal project moved forward
- DEN competitively selected a Construction Management/General Contractor (CM/GC) delivery method to transition the project from P3 to owner-led which gave DEN more flexibility over decision-making and greater adaptability
- Contractors were carefully vetted for experience with the City and DEN
  - Contractors were empowered to drive MWBE participation and support localized permitting nuances
- Scope, schedule and budget were thoroughly developed among DEN and subject matter experts
- Phase 1 was delivered on schedule and under budget and early Phase 2 forecasts carry similar performance
- Significant focus on team dynamics and maintaining key individuals

## Implemented during P3 contract

- DEN adjusted the project governance and leadership team to address challenges and ensure its decision makers were more readily available
- Engaged experts to assist with the project and dispute resolution process that ultimately helped DEN successfully terminate the P3 and transition the project

## Implemented under current project

- DEN and the contractors have significant experience with the current delivery model and the team has subsequently hit or exceeded all project milestones
- Structured experienced program implementation team to represent DEN's owner interests
- DEN has transparent and significant near- and long-term milestones to track performance

## Implemented under current project

- DEN initiated significant outreach with airlines to better align design and operational needs and considerations
- Airlines have expressly communicated support for project design and related impacts
- DEN regularly collects input and needs from airlines, individually and as a group
- The Great Hall Project team regularly communicates project impacts and progress to all public stakeholders and significantly increased outreach regarding the project

# GREAT HALL PROJECT TODAY



**Phase 1** – Completed on schedule in 2021, \$25M under budget

- Upgraded passenger check-in experience in the center of the terminal for United, Southwest and Frontier

**Phase 2** – Underway and currently on schedule for a Q1 2024 completion

- New security facilities in the northwest section of the terminal

**Completion Phase** – Approved in early 2022 and underway – scheduled for a 2028 completion

- New security facilities in the northeast section of the terminal
- Upgraded passenger check-in experience for all remaining airlines in south end of the terminal
- Center of Equity and Excellence in Aviation
- Refresh baggage claim and curbside areas

- P3s are proven tools to accomplish goals, but require extensive expert evaluation and significant comparison to other delivery tools
- The language of the P3 contract should be carefully considered so it meets the needs of the parties and helps mitigate or resolve disputes
- DEN needed adequate decision-making processes to ensure that decisions were made in a timely way and that decisionmakers were available when needed and as required by the Development Agreement
- Developer partners and team structure needs to be carefully assessed with effective contract language and understood milestones to achieve stated objectives

- The P3 project was further complicated amid rapidly growing passenger traffic during the construction period
- Unique aspects of airports as a 24/7 operation requires extensive and continuous stakeholder engagement
- DEN's decision to terminate the relationship likely avoided compounding challenges and allowed DEN to continue with the necessary improvements
- DEN's transition to an owner-led project that recently delivered Phase 1 ahead of schedule and under budget demonstrates to the industry what a successful post-termination project looks like



- Release of after-action review: August 10, 2022
- Public posting of after-action review on DEN website: August 10, 2022
- Implementation of lessons learned and commencement of communications plan: Ongoing

# QUESTIONS?

