



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

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

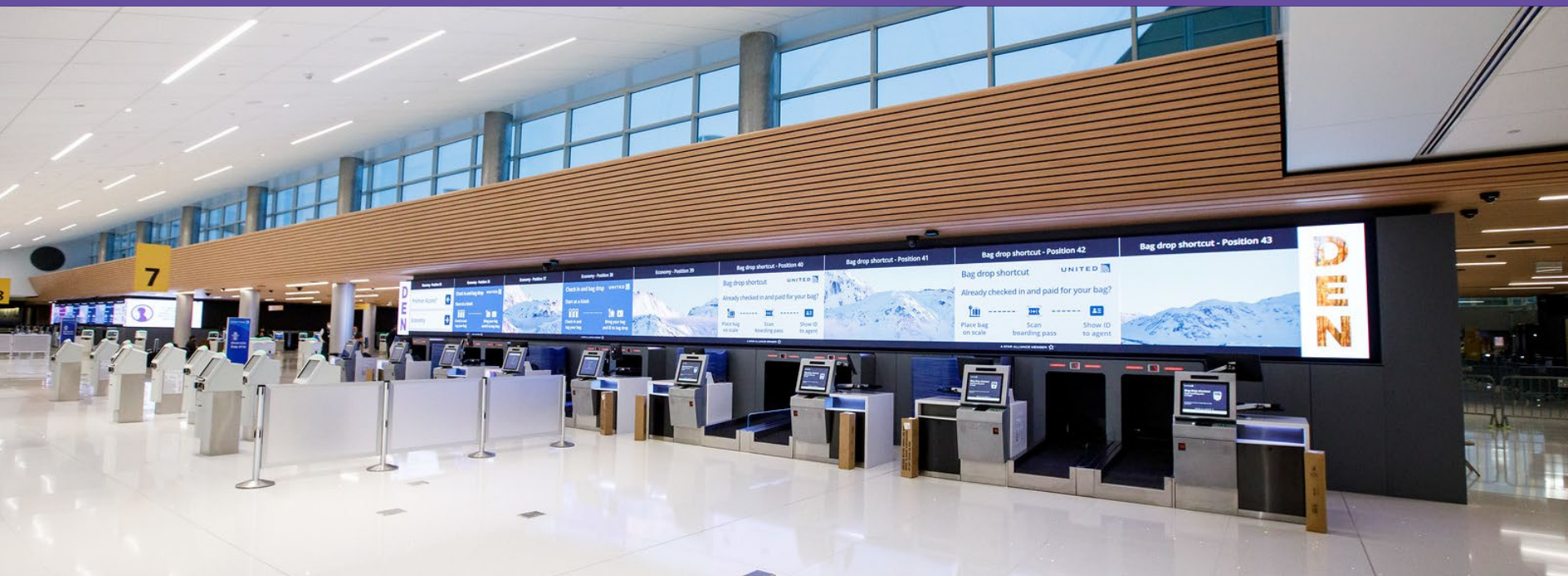
- Rapid passenger growth and the project location within an operating terminal further compounded challenges to deliver the Great Hall Project under the P3 contract
- DEN did not have an adequate internal processes to make changes and drive design decisions causing delays and lack of clarity among all 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

NEXT STEPS



- 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?

