

Dallas/Fort Worth International Airport ACI – NA Airport Economics & Finance

Effective Management of Capital Projects
April 30, 2008



Agenda

- Airport Strategic Objectives
- Asset Development Sustainability Initiative
- Airport Councils
 - Process Improvement Council
- Collaborative Relationships
- New Airport / Department Metrics
- Conclusion



Airport Strategic Objectives

- Strategic Plan
 - 12 Months to Develop
 - Senior Level Participation (EVP's, VP's, and AVP's)
- DFW Core Beliefs
 - Own It!
 - Step Up!
 - You're Important!
 - Reach Out!
 - Innovation Wins!
- Prioritization of Airport Deliverables
 - Level 1 – CEO
 - Level 2 – EVP
 - Level 3 – VP



Airport Strategic Objectives (cont)

- Airport Departments
 - (5) Divisions
 - (15) Departments
 - (2) Governmental Agencies
 - Audit
 - Legal
 - (1) Board
 - 13 Members Appointed by the Owner Cities
- Airport Development and Engineering (ADE)
 - 124 Active Projects (Planning, Design, Construction, Closeout)
 - \$524M
 - IT Infrastructure is a requirement in most of the Projects



Asset Development Sustainability Initiative

- Initiatives of Value
- Programming Phase
- Design, Construction, and Commissioning Phase
- Closeout and Feedback Phase

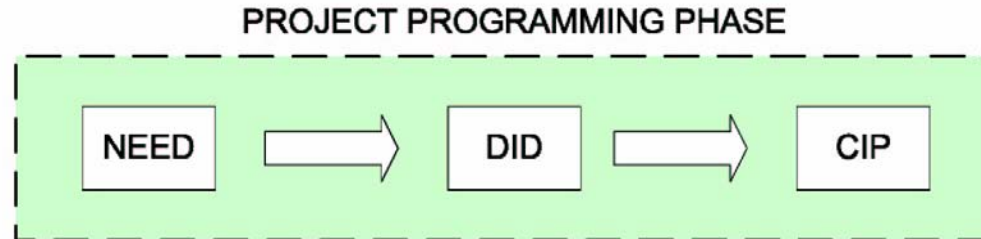


Asset Development Sustainability Initiative (cont)

- Initiatives of Value
 - “Square” Wheel Ideas
 - Contribution to the Organizations Success
 - Typically managed by the Airport’s Planning Department along with the appropriate Stakeholders

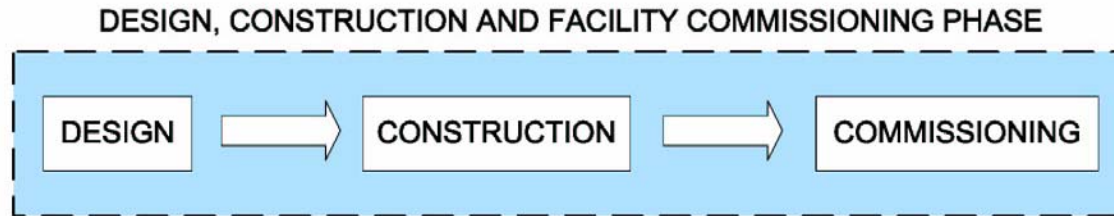


Asset Development Sustainability Initiative (cont)



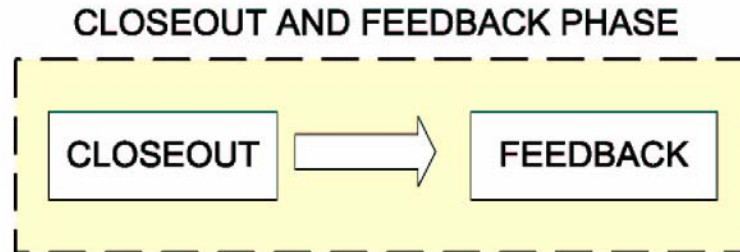
- Project Programming Phase
 - “Need” for the Project is Formalized
 - Asset Management Department (Maintainer) Assumes Responsibility
 - Design Intent Document (DID) is Created and Finalized
 - ITS, Finance, ADE, and other Stakeholders participate in the Document Development
 - Capital Improvement Project (CIP) is Initiated and Approved
 - Representatives from ITS, Finance, ADE sit on the Capital Committee

Asset Development Sustainability Initiative (cont)



- Design, Construction, and Facility Commissioning Phase
 - ADE (Implementer) assumes responsibility for this Phase of the Project
 - ITS, Finance, and Stakeholder representation expected throughout the Process
 - Project Managers Meetings
 - Monthly Project Financials
 - Technical decisions are not made in a Project vacuum
 - Budget and Schedule responsibility stays with ADE
 - Senior Staff Level weekly meetings with ITS, Finance, Asset Management

Asset Development Sustainability Initiative (cont)



- Closeout and Feedback Phase
 - ADE (Implementer) retains responsibility for this Phase of the Project
 - ADE and Finance work collaboratively to aggressively closeout Projects
 - Feedback and “Lessons-Learned” are gathered on specified Projects and integrated into Airport Design Criteria and future DID’s

Airport Councils

- Process Improvement
 - Identify “Lessons – Learned” from past Programs
 - Implement Improvements
 - Position Airport for Sustainable Development
- Customer Service
 - Identify and Implement Customer Enhancements
- Diversity
 - Expand the role Employee Diversity
- SEAMS
 - Sustainable Enterprise Airport Management System
- Leadership and Ownership provided by Airport VP’s



Airport Councils (cont)

- Process Improvement Council
 - Completed Initiatives
 - I-Supplier
 - Invitations to Contractors to bid on upcoming Projects
 - System has been well received by the Contracting Community
 - GIS coverage of Capital Projects
 - Single graphic illustrating on-going initiatives
 - Dialogue Box: Project Management, Issues, Schedule, Cost
 - On-going Initiatives
 - Automation of Accounts Payable
 - Paperless Pay Applications from Contractors
 - Airport Wide On-Line Access by Multiple Departments
 - Change Order Control Board
 - Approves new Scope Change Orders



Airport Councils (cont)

- Future Initiatives
 - Standardization of Project Contract Language
 - Uniform Language and Greater Clarity
 - Scheduled contract Maintenance
 - Asset Development Sustainability Initiative
 - Customer “Buy-In” Upfront During the Programming Phase
 - Consideration for the Life-Cycle Cost of the Capital Asset being built



Collaborative Relationships

- Strategic Objectives – Paradigm Shift in doing Business as an Organization
- Cross-pollination of Senior Resources across key Department Stakeholders
 - Finance and ADE
 - ITS and ADE
 - Asset Management and ADE
- Joint Department Meetings with Key Department Stakeholders
 - Weekly VP Level Meetings with Key Staff
 - Monthly Participation in Program Status Review
 - Schedule, Cost, Issues, Claims

New Airport / Department Metrics

- Definable Metrics will measure the Success of the Organization
- Each Department will establish a series of Metrics reflective of their Organization to ensure Optimal Efficiency
- ADE L2 Metrics include:
 - Department Overhead Expenditures / Total Expenditures
 - Project Soft Costs / Project Construction Costs
 - Project Change Order s / Original Contract Value
 - Project SF / Industry SF
 - Time from Board Approval to Construction Start



Conclusion

- Strategic Plan and Core Beliefs
 - Collaboration, Communication, Coordination
 - Own the Strategic Objective
- Bring ITS, Finance, and Stakeholders in during the Capital Programming Phase
- Provide “a seat at the Table” during the Design, Construction, and Commissioning Phases
- Mutual trust that participating Departments / Stakeholders will respect the Program Budget and Schedule
- Regularly scheduled Senior Level Meetings - Communication, Communication, Communication

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