



Indianapolis Airport Authority

## IND Board Memorandum - Contract

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To: IAA Board of Directors  
From: Robert A. Duncan, Airport Director  
Date: July 17, 2008  
Board Date: August 1, 2008  
Subject: Transfer of Airport Use Agreement and Second Amendment to Airport Use Agreement to Bacon Whitney, LLC (Bacon)

### **Recommendation**

Consent to Transfer of Airport Use Agreement and Second Amendment to Airport Use Agreement to Bacon Whitney, LLC. The Transfer of Airport Use Agreement is required due to Bacon's acquisition of All Seasons Service, Inc., and the Amendment provides for a term extension of two (2) years, commencing September 1, 2008 and terminating August 31, 2010. Board Paper 135-08

### **Scope**

All Seasons Service, Inc. (All Seasons) had been providing vending services for various airlines at the Airport since April 2002. Bacon acquired All Seasons assets in August 2007, via an Asset Purchase Agreement; subsequently, Bacon assumed all the obligations and responsibilities of All Seasons' contracts. Bacon will continue to pay the ten percent (10%) of gross monthly sales.

Vending services are currently being provided to US Airways, Continental, and Chautauqua Airlines.

### **Schedule**

August 1, 2008: Transfer of Airport Use Permit and Second Amendment to Airport Use Agreement to Bacon Whitney, LLC

### **Revenue and/or Operating Cost Implications**

#### **Revenue:**

Revenue for the past 12 months was \$650.

#### **Operating Costs:**

There are no operating costs to be paid by the Authority.

### **Diversity Participation**

Not applicable.



Indianapolis Airport Authority

## IND Board Memorandum - Contract

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To: IAA Board of Directors  
From: Robert A. Duncan, Airport Director  
Date: July 17, 2008  
Board Date: August 1, 2008  
Subject: Airport Use Permit - Affiliate Passenger Airline with Comair, Inc. d/b/a Delta Connection (Comair)

### **Recommendation**

Consent to Airport Use Permit Affiliate - Passenger Airline with Comair, Inc. d/b/a Delta Connection. The Airport Use Permit provides for a term of approximately three (3) years, commencing retroactive to July 1, 2008 and terminating June 30, 2011. Board Paper 133-08

### **Scope**

Comair is an affiliate of Delta Air Lines and operates as a Delta Connection Carrier. Comair is a wholly owned subsidiary of Delta Air Lines and is based in Cincinnati, Ohio. Comair has been operating at IND since 1981 under Delta's umbrella, however; it is required they hold their own Use Permit. Comair does provide their own insurance and meet all the reporting requirements.

Comair will pay signatory landing fees as an affiliate of Delta Air Lines. Comair will report and pay the \$0.10 law enforcement screening fee for enplaned passengers, and Delta will report and pay all passenger facility charges. Additionally, Delta Global Services will continue to provide ground handling services for their operation at Indianapolis.

### **Schedule**

August 1, 2008: Execution of the Airport Use Permit – Affiliate Passenger Airline with Comair, Inc. d/b/a Delta Connection

### **Revenue and/or Operating Cost Implications**

#### **Revenue:**

Revenue for the past 12 months was \$47,843.

#### **Operating Costs:**

There are no operating costs to be paid by the Authority.

### **Diversity Participation**

Not applicable.



Indianapolis Airport Authority

## IND Board Memorandum - Contract

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To: IAA Board of Directors  
From: Robert A. Duncan, Airport Director  
Date: July 17, 2008  
Board Date: August 1, 2008  
Subject: Airport Use Permit for Food Delivery Service with Somali House of Coffee (Somali)

### **Recommendation**

Consent to the Airport Use Permit for Food Delivery Service with Somali House of Coffee. The Permit shall commence August 1, 2008 and terminate July 31, 2010, with Somali paying eight percent (8%) of its monthly gross revenues to the Authority. Board Paper 134-08

### **Scope**

Somali is a coffee house that specializes in serving ethnic foods and has obtained all the necessary permits from the Marion County Health Department to operate their business. Somali's Use Permit specifically states they will deliver prepared food and beverages only to the Taxi Cab Staging Area.

Somali has provided the proper amount of liability insurance and also paid a security deposit of \$500.

### **Schedule**

August 1, 2008: Execution of Airport Use Permit for Food Delivery Service with Somali House of Coffee

### **Revenue and/or Operating Cost Implications**

#### **Revenue:**

Somali will pay the Authority a use fee of eight percent (8%) of its gross monthly sales.

#### **Operating Costs:**

There are no operating costs to be paid by the Authority.

### **Diversity Participation**

Not applicable.



Indianapolis Airport Authority

## IND Board Memorandum - Contract

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To: IAA Board of Directors

From: Robert A. Duncan, Airport Director

Date: July 15, 2008

Board Date: August 1, 2008

Subject: Consent to execute four new Greater Indianapolis Foreign Trade Zone (GIFTZ) Land Owner Agreements with B & D Development Co.; P.F. Group I, II, and III, LLC.; Kessler Berwyn Medical, LLC.; and Park 100 Investment Group I and II, LLC.

### **Recommendation**

The GIFTZ Board has approved and is now requesting the Authority approve and execute four (4) GIFTZ Land Owner Agreements between the Authority, acting as the Grantee, and the new owners of the property previously owned by Duke Realty Corporation. Board Paper 136-08

### **Scope**

The Authority entered into a GIFTZ Land Owner Agreement with Duke Realty Corporation November 7, 2003. Duke Realty Corporation subsequently sold some of the properties in Park Fletcher and Park 100. The new land owners were offered the opportunity to continue with the GIFTZ land designation if new Land Owner Agreements were executed. The companies listed below are the four companies that chose to respond and allow continued GIFTZ designation of their privately owned properties.

- B & D Development Co., 0.788 acres located in Park Fletcher
- P.F. Group I, II, and III, LLC, 56.36 acres located in Park Fletcher
- Kessler Berwyn Medical, LLC, 1.394 acres located in Park Fletcher
- Park 100 Investment Group I and II, LLC, 22.587 acres located in Park 100

### **Schedule**

August 1, 2008: Execution of Greater Indianapolis Foreign Trade Zone Land Owner Agreements

## **Revenue and/or Operating Cost Implications**

### **Revenue:**

The Land Owner Agreements have no revenue value due to Duke Realty Corporation satisfying all monetary requirements prior to selling the properties.

### **Operating Costs:**

There are no operating costs associated with these agreements.

### **Diversity Participation**

Not applicable.





Indianapolis Airport Authority

## IND Board Memorandum - Contract

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To: IAA Board of Directors  
From: Robert A. Duncan, Airport Director  
Date: July 22, 2008  
Board Date: August 1, 2008  
Subject: Amendment to Land and Building Lease Agreement with  
ATA Airlines, Inc.

### **Recommendation**

Consent to Amendment to Land and Building Lease Agreement with ATA Airlines, Inc. for the continuance of leasing an office building and associated parking lot space to support their headquarters activities. The Amendment is effective August 1, 2008 and terminates September 30, 2008. Board Paper 137-08

### **Scope**

On September 1, 2005, ATA entered into a Land and Building Lease Agreement with the Authority for three office buildings and associated parking lot space located on W. Washington St. On April 2, 2008, ATA filed for bankruptcy protection and intends to reject the current Lease Agreement on or about July 31, 2008. After rejecting the current Lease Agreement, ATA will return two office buildings/parking lots to the Authority and continue to lease one office building for utilization during their shut down process.

### **Schedule**

August 1, 2008: Execution of the Amendment to Land and Building Lease Agreement with ATA Airlines, Inc.

### **Revenue and/or Operating Cost Implications**

#### **Revenue:**

Monthly revenues are \$27,333.46.

#### **Operating Costs:**

Operating costs are paid by the tenant.

### **Diversity Participation**

Not applicable.



Indianapolis Airport Authority

## IND Board Memorandum – Land Exchange

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To: IAA Board of Directors

From: Robert A. Duncan, Airport Director

Date: July 16, 2008

Board Date: August 1, 2008

Subject: Public Hearing on Land Exchange and Purchase Agreement between the Authority and Jay L. Hayes

### **Recommendation**

Consider for approval Land Exchange and Purchase Agreement between the Authority and Jay L. Hayes with respect to 17.1 acres of Authority real estate on Camby Road and Fairfield Drive, and 36.6 acres of Hayes real estate for the future power line relocation project. Board Paper 132-08

### **Scope**

The 17.1 acres of Authority property will be conveyed to Jay L. Hayes with Hayes conveying the 36.6 acres to the Authority for power line right-of-way shown on Attachment A.

The appraised value of the Authority's 17.1 acres is \$278,000.00 with the Hayes 36.6 acres having an appraised value of \$595,000.00. The Authority will pay Hayes the \$317,000.00 difference in value at closing. The 17.1 acres of Authority property was purchased under the noise program and pursuant to FAA requirements is being sold as surplus real estate and returned to the tax rolls. In addition, the Agreement provides for a farm access easement being granted over .61 acres of Authority property with respect to the Hayes family farm.

### **Schedule**

August 1, 2008 – Conduct Public Hearing  
August 1, 2008 – Approve Land Exchange and Purchase Agreement  
Closing on or before October 31, 2008

**Revenue and/or Operating Cost Implications**

None.

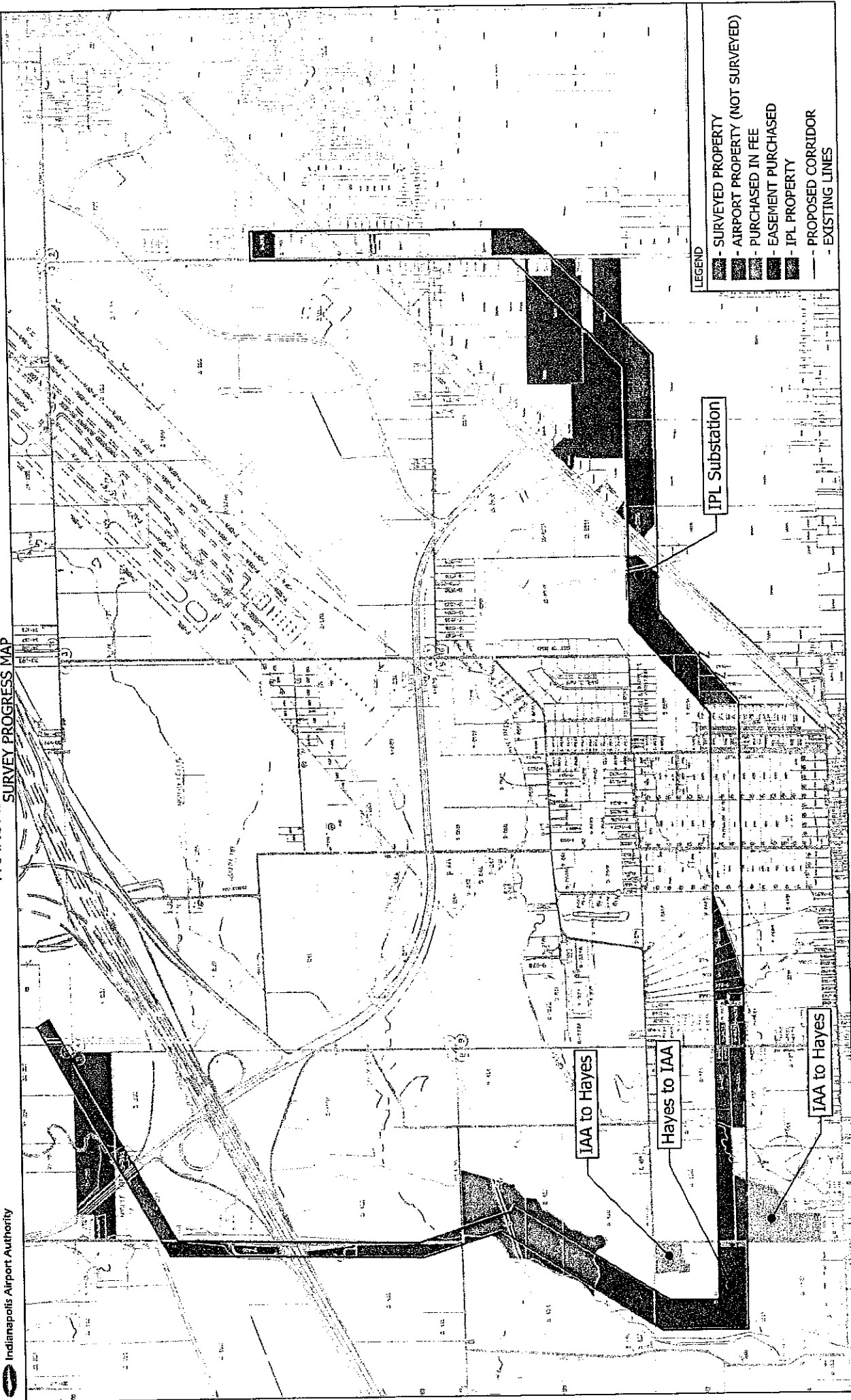
**Diversity Participation**

Not applicable.



TRANSMISSION LINE RELOCATION  
SURVEY PROGRESS MAP

Indianapolis Airport Authority



- LEGEND
- SURVEYED PROPERTY
  - AIRPORT PROPERTY (NOT SURVEYED)
  - PURCHASED IN FEE
  - EASEMENT PURCHASED
  - IPL PROPERTY
  - PROPOSED CORRIDOR
  - EXISTING LINES

ATTACHMENT A



## IND Board Memorandum – Bid Award

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To: IAA Board of Directors  
From: Robert Duncan, Airport Director  
Date: July 15, 2008  
Board Date: August 1, 2008  
Subject: Award of Bid to CJM Contractors, Inc.

### **Background**

The subject property, 7446 South County Road 825 East, is a home that the Airport Authority sold to Randy and Teri Pittman on December 15, 2005.

The reason for the project is to replace a poorly designed leaking deck cover above the lower level kitchen, discovered following the new owners initial occupancy. Some work has been done in unsuccessful attempts to repair the deficiency. A proper repair was designed by Argo Consulting Engineers, and on June 18, 2008, four contractors were given Invitations to Quote the project at a pre-bid meeting on site.

On June 25, 2008, the IAA Engineering Department received 1 quote in the amount of \$9,750.00. Attached is the bid tabulation sheet.

### **Recommendation**

The IND staff has reviewed the bid and recommends that you:

Consider for approval an award of contract for Repair Deck at 7446 South County Road 825 East to CJM Contractors, Inc. in an amount not-to-exceed \$9,750. CJM Contractors is considered to be the lowest responsive and responsible bidder. D/M/WBE 0%. Board Paper 131-08

### **Scope**

This package provides for the removal and replacement of the decking and the leaking elastomeric floor covering beneath it that comprise the walking surface of a second-story deck above a four-season's room.

### **Schedule**

Work is expected to begin August 4, 2008 and conclude on August 22, 2008.

### **Diversity Participation**

The Diversity Director has approved 0% DBE/MBE/WBE participation.



The following Bids were received for **Re-Bid Deck Repair at 7446 South County Road 825 East, PA-08-022-0139-C**, at Indianapolis International Airport, Indianapolis, Indiana In the Real estate Services Office, until **11:00 A.M.**, local time, **June 25, 2008**.

Bidder	Bid (5%)	Financial Bond (Form 96A)	Non-collusion Statement (Form 96)	Bid Amount
Kancs Building Company	N/A	N/A	N/A	No Bid
CJM Contractors, Inc.	N/A	N/A	N/A	\$9,750.00
Roberts Construction	N/A	N/A	N/A	No Bid
Continental Contractors	N/A	N/A	N/A	No Bid
MCFS, Inc.	N/A	N/A	N/A	No Bid

Engineer: **Argo Consulting Engineers**

Engineer's Estimate: **\$9,133.75**



## IND Board Memorandum – Bid Award

To: IAA Board of Directors

From: John J. Kish, Executive Director

Date: July 9, 2008

Board Date: August 1, 2008

Subject: Award of Contract to Kodiak Northwest, Inc. for Bid Package C-08-001-2166, Replace Snow Blower #680 – Mt. Comfort

### **Background**

The 2008 Capital Improvement Program includes replacement of aged snow removal equipment. The Replace Snow Blower #680 – Mt. Comfort, Project C-08-001-2166, replaces one (1) airfield snow blower.

On March 21, 2008, the Board approved plans & specs for bid package C-08-001-2166, Replace Snow Blower #680 – Mt. Comfort, and authorized the public bidding process.

On April 21, 2008, we received four (4) bids ranging from \$502,000 to \$609,800 for Option Three, one (1) snow blower.

### **Recommendation**

The IND staff has reviewed the bids and recommends that you:

Consider for approval an award of contract to Kodiak Northwest, Inc. for bid package C-08-001-2166, Replace Snow Blower #680 – Mt. Comfort, in an amount not-to-exceed \$502,000. Kodiak Northwest, Inc. was the lowest responsive and responsible bidder. D/M/WBE 0%. Board Paper 139-08

Consider for approval increasing the 2008 project budget from \$300,000 to \$502,000.

### **Scope**

This package provides for the manufacture and delivery of one (1) snow blower.

### **Schedule**

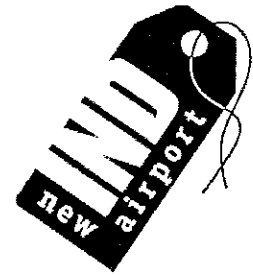
An order on **August 1, 2008** should result in an equipment delivery no later than **April 28, 2009**.

### **Diversity Participation**

The Diversity Director has approved 0% D/M/WBE participation.



# Board Memo – Amendment



To: IAA Board of Directors  
From: John J. Kish, Midfield Project Director  
Date: July 23, 2008  
Board Date: August 1, 2008  
Subject: Approval of Amendment with Woolpert, Inc. for Engineering Services

## **Background**

As we near the end of New Indianapolis Airport Project, several activities are needed to finalize the site. These include design and grade and foundations for the Entryway Art, stormwater drainage west of the garage, AVI power to antenna's to monitor and track revenue from taxis and limos, and additional construction administration services for two of the last packages to complete; T33 – Terminal Support Areas, and T44 – Finish Sitework. The Project Staff recommends that all these items be covered by one final amendment to Woolpert, LLC.

## **Recommendation**

The program staff has reviewed the proposal and recommends that you:

Consider for approval an amendment to the contract with Woolpert, Inc. for Engineering Services for Final Site Grading and Drainage in an amount not-to-exceed \$156,000 plus incidental expenses. DBE 21.1% (CadVantage Inc., Douglas CTL, Durham Engineering & Surveying, and Frontline Construction,), MBE 14.5% (CadVantage Inc., Douglas CTL, and Durham Engineering & Surveying,), and WBE 7.1% (Frontline Construction and Reprographics).

## **Scope**

This amendment includes the scope of several different items as listed below:

- Design and construction administration of Art Mound at the Entryway Site
- Design and construction administration of Stormwater Drainage West of the Parking Garage
- Design and construction administration for electrical power to AVI antenna at three locations on the Terminals Arrival and Departures Roadways.
- Additional Construction Administration for Bid Package T33 – Terminal Support Areas
- Additional Construction Administration for Bid Package T44 - Finish Sitework

**Schedule**

The term of this Amendment #25 shall extend from **August 1, 2008** through **June 1, 2009**.

**Diversity Participation**

The Assistant Project Director for Administration has approved the following DBE/MBE/WBE participation:

<b>FIRM</b>	<b>CLASSIFICATION</b>	<b>AMOUNT</b>	<b>%</b>
CadVantage Inc.	DBE/MBE	\$10,260	6.6%
Douglas/CTL	DBE/MBE	\$2,000	1.3%
Durham Engineering	DBE/MBE	\$10,200	6.6%
Frontline Construction	DBE/WBE	\$10,200	6.6%
Reprographics	WBE	\$750	0.5%
<b>Totals</b>	<b>DBE</b>	\$32,660	21.1%
	<b>MBE</b>	\$22,460	14.5%
	<b>WBE</b>	\$10,950	7.1%

**Contract Summary to Date**

Date	Service	Amount	Minority Participation %		
			DBE	MBE	WBE
Original October 23, 2002	Site Design Services	\$141,420	0%	0%	0%
Amendment 1 January 17, 2003	Site Design Studies and Reports	\$245,000	0%	10%	2%
Amendment 2 February 19, 2003	Initial Drawing, Mapping and Plans Coordination Services	\$ 35,000	0%	5%	0%
Amendment 3 August 15, 2003	Drawing, Mapping and Plans Coordination through December 2003	\$ 85,000	0%	18%	0%
Amendment 4 August 15, 2003	Final Design Services for Airfield Grading – Phase I	\$249,751	0%	13%	2%
Amendment 5 October 17, 2003	Construction Administration for Apron Grading – Phase I	\$126,390	11.8%	8.5%	5.5%
Amendment 6 December 12, 2003	Drawing, Mapping and Plans Coordination through December 2004	\$100,000	0%	54.4%	0%
Amendment 7 January 23, 2004	Final Design Documents and Construction Administration – Airside Storm Drainage	\$300,000	11%	2%	7.4%
Amendment 8 July 7, 2004	Additional Services for Revisions to the Terminal and Apron Grades and Revisions to the Design Plans and Specifications for the Airside Storm Sewer Mains	\$ 46,490	17.3%	17.3%	0%
Amendment 9 October 1, 2004	Midfield Mapping/Website Maintenance through 12/31/05	\$150,000	53%	53%	0%
Amendment 10 October 15, 2004	Additional Services for Revisions to Airside Drainage through 06/30/05	\$ 35,700	11%	11%	0%
Amendment 11 December 17, 2004	I-70 Right-of-Way Survey and Terminal Site/Civil Design	\$ 65,000	11%	11%	0%
Amendment 12 May 20, 2005	Design, Bid and Construction Administration for North Beachfront, Terminal Foundations, Terminal Utilities, Terminal Dock and Security, and Site Design around Garage/Storm Detention/Garden Areas	\$373,790	8%	8%	1%
Amendment 13 November 4, 2005	Provide site as-built services and quality control services	\$196,597	13.4%	13.4%	8.7%
Amendment 14 March 3, 2006	Mapping Updates and Website Maintenance Services	\$120,080	38%	38%	0%

Memo Re: Woolpert, Inc.

Date	Service	Amount	Minority Participation %		
			DBE	MBE	WBE
Amendment 15 October 2, 2006	Design, bid and construction administration for terminal dock and security parking and garage site. Time extension and fee reallocation of Amendment #12	\$0	8%	8%	1%
Amendment 16 December 21, 2006	I-70 Right-of-Way Survey	\$0	11%	11%	0%
Amendment 17 November 3, 2006	North-South Terminal Area Planning	\$85,000	25.8%	19.3%	25.8%
Amendment 18 January 17, 2007	Airside Drainage As-Built completion, Time Only Extension of Amendment 14 through 12/31/08	\$0	11%	11%	0%
Amendment 19 March 9, 2007	Mapping Updates and Website Maintenance Services – Time Extension Only of Amendment 14 through 12/31/08	\$0	38%	38%	0%
Amendment 20 March 2, 2007	Mapping Updates and Website Maintenance Services	\$225,000	22%	22%	0%
Amendment 21 March 2, 2007	North Terminal Support Facilities	\$359,760	22.2%	13.7%	8.4%
Amendment 22 June 1, 2007	Final Site Grading and Drainage design and construction administration (Bid Package T44)	\$196,000	33%	9%	24%
Amendment 23 July 6, 2007	Consulting Services on Terminal Structure for Temporary Shoring Towers Shifting	\$25,000	0%	0%	0%
Amendment 24	Site As-built and Survey	\$50,272	15%	10%	5%
This Amendment	Design of Art Mound at Entry Site, Final Construction Administration for Bid Packages T33 and T44, and design of Stormwater Drainage West of Garage.	\$156,000	21.1%	14.5%	7.1%
	<b>Revised Contract NTE</b>	<b>\$3,367,250</b>			

# Board Contract – Lease Agreement



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To: IAA Board of Directors  
From: John J. Kish, Executive Director  
Date: July 21, 2008  
Board Date: August 1, 2008  
Subject: Award of Contract to Hawker Beechcraft Services for the Operation of the Ground Service Equipment Fueling Facilities

## **Background**

On June 5, 2008, the Indianapolis Airport Authority (IAA) issued an RFP seeking the services of a qualified operator for the Ground Service Equipment Fueling Facilities. The operator will also be furnishing the storage tanks and dispensing equipment for these facilities which will be located at both the north and south sides of the Midfield Terminal.

On July 7, 2008, two (2) proposals were received from Hawker Beechcraft Services and Aircraft Service International Group (ASIG). The proposals were reviewed and letters of clarification issued to each respondent. Responses were received from each firm on July 21, 2008. Both firms are experienced and qualified to operate such a facility. Hawker Beechcraft Services submitted the commercially best offer of a price of \$0.88 above the fuel price index (daily Indianapolis Opis) and ASIG's proposal was \$1.15 above this index. Included with these rates is a \$0.06/gallon fee to IAA. The anticipated term of the lease agreement is 5 years.

Hawker Beechcraft-IND Line Service Division is in the process of being sold to BAA/Signature Flight Services with the closing of this in progress. After this closing, the requested documents (Signature of Authorization, Company Financials, Registration to do Business, Authorizing Document and the Business Diversity Plan) will be supplied.

## **Recommendation**

The program staff has reviewed the proposals and recommends that you:

Consider for approval the award of contract to Hawker Beechcraft Services for a 5 year term to operate the GSE Fueling Facilities. Hawker Beechcraft Services submitted the lowest responsive and responsible proposal. D/M/WBE 0%.

Memo Re: **Hawker Beechcraft Services –  
Lease Agreement**

**Scope**

This approval includes providing the storage tanks and dispensing equipment for the GSE Fueling Facilities as well as the 5 year operation of these facilities for the New Indianapolis Airport.

**Schedule**

The term of this contract is expected to begin **on the date of execution** and **conclude 5 years later**.

**Diversity Participation**

Hawker Beechcraft-IND Line Service Division is in the process of being sold to BAA/Signature Flight Services with the closing of this in progress. After this closing, the Business Diversity Plan will be supplied. It is Hawker Beechcraft Services' intention to make every effort to reach the D/M/WBE goals of 14%, 9%, 5% respectively.

<b>FIRM</b>	<b>CLASSIFICATION</b>	<b>AMOUNT</b>	<b>%</b>
	DBE/WBE		0
	DBE/MBE		0
	DBE/WBE		0
<b>Totals</b>	<b>DBE</b>		0
	<b>MBE</b>		0
	<b>WBE</b>		0

# Board Memo- Contract Award



To: IAA Board of Directors  
From: John J. Kish, Executive Director  
Date: July 15, 2008  
Board Date: August 1, 2008  
Subject: Approval of Contract for Moving Services to Hogan Transfer & Storage Corp.

## **Background**

The physical move to the New Indianapolis Airport will occur in three phases: a pre-opening move, an overnight move, and a post-opening move. Hogan Transfer & Storage Corp, as the Moving Services Contractor, will provide services, equipment and support to facilitate these activities.

Two (2) proposals were received June 17, 2008. Both firms were invited for interviews between June 26 – 30, 2008. The interview committee consisted of Gary Gibson of the IAA, Jay D. McQueen of BSA LifeStructures, Bruce Baun of Shrewsberry, Ann Thorvik of Chrysalis Consulting and Angie Cotter of TC&M.

On July 8, 2008 two (2) Best and Final Proposals were received. They ranged from \$89,460.00 to \$97,662.75.

## **Recommendation**

The program staff has reviewed the proposals and recommends that you:

Consider for approval award of contract with Hogan Transfer & Storage Corporation for Moving Services in an amount not-to-exceed \$97,662.75. D/WBE 0% and MBE 10% (Stuart's Moving & Storage)

## **Scope**

This contract includes pre-opening, overnight, and post-opening physical move activities required to transfer appropriate files, furniture, and equipment from the existing terminal, GTC, PARCS building, and parking garage to the new facilities.

## **Schedule**

The commencement time for contract work is three calendar days from the Notice to Proceed. Pre- and Post-Opening moves will be scheduled as planning progresses. The overnight move, based upon an October 28, 2008 opening date, will occur on the evening of October 27, 2008, with completion before start of business on October 28, 2008.

Estimated Bid Award (Board Meeting)	August 1, 2008
Anticipated Notice To Proceed	August 4, 2008

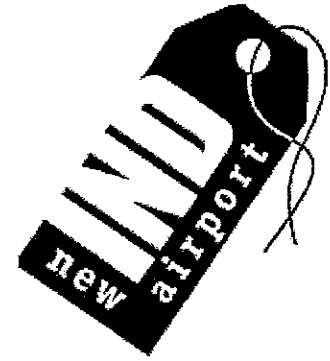
**Memo Re: Moving Services Contractor**

The duration of this contract is 149 calendar days from Notice to Proceed (tentatively August 4th – December 31st).

**Diversity Participation**

Hogan Transfer & Storage Corp. has pledged 10% MBE (Stuart's Moving & Storage) participation and is seeking opportunities with other local businesses in an attempt to meet the diversity plan goals. Until such goals can be met, Hogan Transfer & Storage Corp. has requested a waiver from the Director of Diversity for the balance of the goals.

# Board Memo



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To: IAA Board of Directors

From: John J. Kish, Executive Director

Date: July 25, 2008

Board Date: August 1, 2008

Subject: Award of Special Procurement for Jet Fuel Related to the Start-up of the Fuel Storage and Transmission System

## Background

On June 20, 2008, the Board approved the special procurement of fuel for the start-up and filling of the lines for the fuel storage and transmission system. On June 25, 2008, the RFQ was released and on July 11, 2008 only one (1) proposal was received from World Fuel Services. This proposal did not submit a unit price per gallon of fuel nor the cost for providing a total of 600,000 gals. of fuel. This proposal submitted a cost plus pricing based upon the weekly U.S. Gulf Coast Pipeline Mid which is an industry standard index for jet fuel pricing based upon the arithmetic mean of the Platts Oilgram U.S. Gulf Coast 54 Grade Pipeline Jet Fuel for the proceeding week period. Based on the pricing submitted this proposal was deemed not responsible.

After receipt of the above proposal, the Airlines Fueling Consortium (Indianapolis Fuel Facilities LLC) proposed providing the fuel directly to the Airport Authority. The jet fuel will be acquired by one (1) of the member airlines of the Indianapolis Fuel Committee, which is anticipated to be either Northwest Airlines or Southwest Airlines. After delivery of the fuel and upon presentation to the Airport Authority of invoices for the cost of providing the fuel, the Airport Authority will reimburse the appropriate Indianapolis Fuel Committee member airline. As provided for in the Fuel System Lease, pay back for this cost of fuel will be calculated into the Supplemental Rent amount.

On June 20, 2008, the Board approved the delegation of authority to the Board President to finalize and execute the agreement with the Indianapolis Fuel Farm Facilities, LLC to operate and maintain the jet fuel storage and distribution system for the new Indianapolis Airport. This lease was signed on July 18, 2008 and will be amended to reflect that the Airlines will be providing the initial fuel to fill the system lines and will be reimbursed as described above.

Memo Re: Procurement of Jet Fuel for Fuel  
Storage and Transmission System

**Recommendation**

The program staff recommends that you:

1. Consider for approval the cancellation of the RFQ for the special procurement of jet fuel due to no responsible bidder.
2. In addition, consider for approval the delegation of authority to the President to finalize and execute any amendments to the Lease Agreement with the Indianapolis Fuel Farm Facilities, LLC to operate and maintain the jet fuel storage and distribution system for the new Indianapolis Airport.

**Scope**

This approval provides for the procurement, delivery and offloading of jet fuel for the initial start-up operation of the aircraft fuel storage and transmission system for the New Indianapolis Airport.

**Schedule**

The delivery of fuel is anticipated to begin on or after August 18, 2008 and complete within two weeks after this date.

**Diversity Participation**

No DBE/MBE/WBE participation is included in these actions.