



# Indianapolis Airport Authority

**Agenda**  
**Indianapolis Airport Authority**  
**September 15, 2017**  
**8:00 AM**

I. **Call to Order**

II. **Approval of Minutes of the IAA Board's Regular Meeting of August 18, 2017**

III. **Ordinances, Resolutions and Public Hearings**

- a) Public Hearing on the Real Estate Sale Agreement and related documents with the Town of Plainfield for the sale of approximately 1,866.477 acres of land located in the IAA's Conservation Area within Hendricks County, Indiana, all as more particularly described in **BP2017-09-01**.
- b) Consider, for approval, **BP2017-09-01**, a delegation of authority to the Executive Director to execute the Real Estate Sale Agreement and related documents with the Town of Plainfield for the sale of approximately 1,866.477 acres of land located in the IAA's Conservation Area within Hendricks County, Indiana.
- c) Consider for approval, **Resolution No. 12-2017**, the execution of the Federal Aviation Administration's Deed of Release associated with the Real Estate Sale Agreement transaction with SCP Acquisitions, LLC., as more particularly described in said **BP2017-09-02**.
- d) Consider for approval, **Resolution No. 13-2017**, the Delegation of Authority to the IAA Executive Director to approve and execute quote projects of less than \$100,000, as more particularly described in said **BP2017-09-03**.

IV. **Board Reports**

President's Report -

- a) Delta Non-Stop Flight to Europe (Paris), May 24, 2018 (year-round service)

V. **Official Actions**

- a) Consider, for approval, the individual items on the **IAA General Agenda, dated September 15, 2017**.

VI. **Staff Reports**

Executive Director's Report -

- a) IAA Operations' Employees – ACE Program Certification (Mike Medvescek)
- b) Special Olympics – Fed Ex 2107 Plane Pull (Mike Medvescek)

VII. **Board Communications**

*Next Meeting: Friday, October 20, 2017 @ 8:00 a.m.*

**MINUTES**  
**Board of Directors Meeting**  
**Indianapolis Airport Authority**

The Regular Meeting of the Indianapolis Airport Authority (IAA) Board was called to order at 8:00 a.m., on August 18, 2017, in the Airport's Board Room at Indianapolis International Airport.

**Present at commencement of the meeting and comprising a quorum were:**

Barbara Glass, President  
Steve Dillinger, Vice President  
Alfred Bennett, Secretary  
Mike Wells, Member  
Kelly Flynn, Member  
Toby McClamroch, Member  
Mamon Powers III, Member  
Jack Morton, Jr., Member  
Brett Voorhies, Member  
Lynn Gordon, Advisory Member  
Brian Tuohy, Board Counsel

**IAA Executive Staff attending:**

Mario Rodriguez, Executive Director  
Mike Medvescek, Sr. Director of Operations & Public Safety  
Marsha Stone, Sr. Director of Commercial Enterprise  
Robert Thomson, Sr. Director of Finance  
Jeffery Mallamad, General Counsel  
Jarod Klaas, Interim Director, Engineering, Planning & Development  
Lisa Bierman, Sr. Executive Assistant  
Maria Wiley, Sr. Director of Audit, Compliance & Procurement  
Reid Goldsmith, Sr. Director of Information Technology  
Rachel Hernandez, Sr. Director of Human Resources  
Bill Stinson, Sr. Director of Public Affairs

**APPROVAL OF MINUTES**

Upon a motion by Mr. Bennett, seconded by Mr. Gordon and unanimously passed, approval was given to the Minutes of the Regular Meeting of July 21, 2017.

**ORDINANCES, RESOLUTIONS AND PUBLIC HEARING**

President Glass introduced Mr. Robert Thomson, Sr. Director of Finance, who described Ordinance No. 1-2017 concerning the Indianapolis Airport Authority budget for 2018, as more particularly described in BP2017-08-01. Upon a motion by Mr. Flynn and seconded by Mr. Wells, Ordinance No. 1-2017 was unanimously passed. Board Members Mr. McClamroch, Mr. Gordon and Mr. Dillinger had a brief discussion concerning the section of the 2018 budget

relating to employee salary expense and the role of the Human Resources Committee (HRC) and the Executive Director in hiring and setting salary ranges for certain personnel. The three board members also discussed that the HRC charter should be reviewed and consideration given to amending the HRC charter.

Next, Mr. Thomson described Resolution No. 10-2017, concerning dedication of revenues collected from Passenger Facility Charges (“PFC”) and Customer Facility Charges (“CFC”) to pay debt service for the Authority’s outstanding revenue bonds for 2017, as more particularly described in said BP2017-08-02. Upon a motion by Mr. Flynn and seconded by Mr. Powers, Resolution No. 10-2017 was unanimously passed.

## **BOARD REPORTS**

### **President’s Report - None**

## **OFFICIAL ACTIONS**

INTRODUCTION AND APPROVAL OF THE INDIANAPOLIS AIRPORT AUTHORITY’S GENERAL AGENDA, DATED August 18, 2017: President Glass introduced and then verbally described each of the individual items listed on the General Agenda. Following a brief discussion of each listed item, President Glass asked for separate motions of approval. The following actions were then taken by the IAA Board:

**BP2017-08-03.** Upon a motion by Mr. Flynn, seconded by Mr. Bennett and unanimously passed, approval was given to BP2017-08-03.

**BP2017-08-05.** Upon a motion by Mr. Flynn, seconded by Mr. Morton and unanimously passed, approval was given to BP2017-08-05.

**BP2017-08-06.** Upon a motion by Mr. Toby McClamroch, seconded by Mr. Voorhies and unanimously passed, approval was given to BP2017-08-06.

**BP2017-08-07.** Upon a motion by Mr. McClamroch, seconded by Mr. Bennett and unanimously passed, approval was given to BP2017-08-07.

## **STAFF REPORTS**

### **Executive Director’s Report**

Mario Rodriguez, Executive Director of IAA, announced the Indianapolis Airport Authority Second Quarter 2017 Core Value Winners. Next, Mr. Rodriguez introduced Bill Stinson, Sr. Director of Public Affairs, to give a brief presentation on IND Airport Charity Golf Outing. Next, Mr. Rodriguez introduced Ryan Lynch, Director of Indy ACE Academy to give an update on the recent ACE Academy hosted at IND by IAA Staff.

**ADJOURNMENT**

President Glass announced that the next IAA Board meeting is scheduled for September 15, 2017. There being no further business, the meeting was adjourned at 8:27 a.m.

**INDIANAPOLIS AIRPORT AUTHORITY \***

By: \_\_\_\_\_  
Barbara Glass, President

DATED: \_\_\_\_\_

By: \_\_\_\_\_  
Alfred R. Bennett, Secretary

\* Signed under authority of IAA Board Resolution #7-2017

DRAFT



## BOARD MEMO – REAL ESTATE SALE AGREEMENT

To: IAA Board of Directors

From: Marsha Stone, Sr. Director of Commercial Enterprise

Date: August 31, 2017

Board Date: September 15, 2017

Subject: IAA Land Use Initiative - Sale of Land via Real Estate Sale Agreement with the Town of Plainfield

### **Background**

As a direct attribute of the IAA Land Use Initiative, IAA Staff has been diligently pursuing the sale of certain IAA lands including numerous parcels located in the IAA's Conservation Area. This particular transaction is located all within Hendricks County with the buyer being the Town of Plainfield. The land to be sold totals 1,866.477 acres made up of 1,724.477 acres of restricted land and 142 acres of non-restricted land.

Governed by law of the State of Indiana on such land transactions, the IAA has to procure two separate appraisals for each section of land to be sold. These appraisals are then averaged and that dollar amount becomes the minimum price the IAA may sell land in any transaction. The sale price meets the average of two appraisal amounts and represents Fair Market Value (FMV) as guided by the FAA.

Historically, the Conservation Area has served as an area of mitigation for the IAA in the furtherance of development of Indianapolis International Airport (the "Airport"). Those critical areas of the Airport which had acreage needing to be mitigated include, but are not limited to, the Indianapolis Maintenance Center, the former USPS Eagle Hub and the IAA's Passenger Terminal Complex. The Conservation Area serves a dual purpose: Mitigation of regulated wetland areas and secondly, relocation of habitat area for the Indiana Brown Bat. Staff, for decades, have managed the Conservation Area and all regulatory matters from the United States Fish & Wildlife Service (the "USFWS"), Corp of Engineers and the Federal Aviation Administration.

The IAA is currently under a Habitat Conservation Plan (the "HCP") regulated by the USFWS. This Plan and its associated Permit will expire at the end of 2017. A final piece to the HCP was for the IAA to accept permanent covenants from the USFWS on the restricted land. This has occurred on May 31, 2017 with the recordation of the covenants to the restricted Deeds.

Therefore, the only “transferring item” associated with the federal entities pertaining to environmentally restricted lands will be the covenants on the Deeds. Any further mitigation efforts will be the sole responsibility of the Town of Plainfield or their designee and will not be associated in any way with the IAA. As well, Staff will also have our standard covenant language associated with aeronautical issues and non-compete clauses as is found in all of the IAA’s land sales. By way of example, highlights are noted below:

- The title to the land will contain a "noise disclosure statement", an "avigation easement", as well as a waiver and release of all claims, actions, damages and liabilities, with respect to any and all noise, vibrations, particulates, or any other matters pertaining in any way, directly or indirectly, to the operation of an airport and/or aircraft; and
- No building or other structure shall be constructed or maintained at any time upon the land which exceeds the height restrictions designated or established by federal, state, or local laws, rules or regulations, or by avigation easement.

Staff and the Town of Plainfield, in the completion of all paperwork associated with this transaction have reached agreement on all facets of the transaction and require a few more days beyond each parties Board Meetings to complete all paperwork and exhibits to this transaction. Both parties are confident the execution of the Agreement will be completed the week of September 18th. Therefore, both Staff and Town of Plainfield are seeking a delegation of authority to execute the final Real Estate Sale Agreement. In managing this expectation, the body of the document is complete and agreed upon. Items needing further work are exhibits to the Agreement, namely title work related. Examples include: a right of way agreement for road widening, install INDOT covenants on a small portion of land and right of entry for mitigation efforts.

### **Scope**

To provide a delegation of authority to the Executive Director to execute a Real Estate Sale Agreement with the Town of Plainfield for the sale of approximately 1,866.477 acres of land located in the IAA’s Conservation land within Hendricks County.

### **Schedule**

- September 11, 2017: Town of Plainfield submits signed Real Estate Sale Agreement for IAA Board approval and execution.
- September 15, 2017: IAA approval of a delegation of authority to the Executive Director to execute the Real Estate Sale Agreement and related documents with the Town of Plainfield.

- September 15, 2017: Within five (5) days of the execution of the Real Estate Sale Agreement the Town of Plainfield is to deliver an earnest money check in the amount of Seventy Nine Thousand Four Hundred Sixty Nine and 78/100 Dollars (\$79,469.78) to First American Title Insurance Company.
- September 15, 2017: The Town of Plainfield will have a total of 120 days from the execution of the Real Estate Sale Agreement as an Inspection Period/Due Diligence Period.
- January 19, 2018: Closing for the land sale is to occur within thirty (30) days after Inspection Period/Due Diligence Period.

**Revenue and/or Operating Cost Implications**

**Revenue:**

\$1,589,395.65 in a total sale price as follows:

- 1,724.477 (restricted acres) @ \$450.66 per acre = \$777,152.80
- 142 (unrestricted areas) @ \$5,720.02 per acre = \$812,242.85

**Operating Costs:**

Operating costs for this transaction will not exceed \$190,000 and are generally made up of parcel consolidation costs, survey and environmental fees, recording fees, title work, legal fees and closing costs.

**Supplier Diversity Participation**

Estimated WBE spend is \$51,500 or 27% (First American Title) of overall spend.

**Recommendation**

Consider for approval a delegation of authority to the Executive Director to execute the Real Estate Sale Agreement and related documents with the Town of Plainfield for the sale of approximately 1,866.477 acres of land located in the IAA's Conservation Area within Hendricks County.



## BOARD MEMO – SALE AGREEMENT

To: IAA Board of Directors

From: Marsha Stone, Sr. Director of Commercial Enterprise

Date: August 31, 2017

Board Date: September 15, 2017

Subject: IAA Land Use Initiative – Resolution and execution of Deed of Release  
SCP Developers, LLC

### Background

As a direct attribute of the IAA’s Land Use Initiative, Staff pursued the sale of approximately 22.1 net acres of the land at the northwest corner of Ronald Reagan Parkway and Stafford Road to SCP Acquisitions, LLC, as successor in interest to SCP Developers, LLC from Indianapolis, Indiana.

The IAA procured two separate appraisals and in turn, the appraisals were then averaged and that dollar amount becomes the minimum price the IAA may sell land in any transaction. The sale price of the 22.1 net acres meets the appraisal amount and represents Fair Market Value as guided by the FAA for a total sale amount of \$2,284,410.70. A Land Release from the FAA was required.

### FAA Land Release Approval

As this land fell within the “aeronautical uses” of the Airport Layout Plan (ALP), Staff was required to submit information to the FAA including evidence of a fair market value transaction to receive approval from the FAA to release the land from aeronautical uses and approve the land sale transaction. Staff’s submission to the FAA originated February 17, 2017 and the execution of the Deed of Release is a final step related to the FAA in this transaction.

### Scope

Approval of Resolution 12-2017 and the execution of the FAA’s Deed of Release associated with the land sale to SCP Acquisitions, LLC.

### Schedule

September 15, 2017	IAA approval of Resolution 12-2017 and the execution of the FAA’s Deed of Release associated with the land sale to SCP Acquisitions, LLC.
September 29, 2017	Approximate date of real estate closing.

**Revenue and/or Operating Cost Implications**

There is no monetary value specific to this Resolution.

Sale price of the 22.1 acres of land totals \$2,284,410.70.

**Supplier Diversity Participation**

Not Applicable

**Recommendation**

Consider for approval Resolution No. 12-2017 and the execution of the Federal Aviation Administration's Deed of Release associated with the Real Estate Sale Agreement transaction with SCP Acquisitions, LLC.



## **BOARD MEMO – DELEGATIONS OF AUTHORITY**

To: IAA Board of Directors

From: Jeffery Mallamad, General Counsel

Date: September 7, 2017

Board Date: September 15, 2017

Subject: Revision & Update of Resolution No.7-2017: Delegations of Authority

### **Background**

Pursuant to Indiana Code § 8-22-3, the Board of the Indianapolis Airport Authority (“IAA”) has certain executive and legislative powers, including, without limitation, the power to: (i) adopt rules and procedures; (ii) determine matters of policy regarding internal organization and operations; (iii) supervise internal affairs; and (iv) employ personnel necessary to carry out the duties, functions and powers of the Board.

On April 21, 2017, the IAA Board approved and adopted Resolution No. 7-2017 (the “Current Resolution”), which revised and updated the Resolution No. 3-2016 to address the application of the various delegations of authority, add certain new delegations of authority and to conform with a change in Indiana law eliminating the common construction wage.

Having worked with and applied the various delegations of authority under the Current Resolution since April, 2016, it is recommended that the Current Resolution be revised and updated in one respect. Accordingly, the proposed Resolution No. 13-2017 (the “New Resolution”) is based on the Current Resolution, with the proposed changes being summarized below and also shown on the attached document:

**Section 4:** This change would provide the Executive Director (including his/her designees) with the authority to award and sign contracts and related documents for public work projects up to \$100,000 and to take any and all additional or other actions necessary or appropriate to effectuate the foregoing.

IAA staff is pursuing several quote projects with budgets less than \$100,000. These projects will be funded by the operating budget, have been formulated by requesting quotes from several qualified contractors, and used plans developed by IAA’s on-call professional services providers

as needed. The purpose of this effort is to accomplish a wide variety of necessary projects which would not be funded under the Capital Development Program.

Given the number and variety of projects, IAA staff is requesting the Executive Director be given Delegation of Authority to approve and execute quote projects of less than \$100,000.

### **Scope**

Scopes will vary by project, but include such items as: drainage improvement, storage building construction, pavement repairs, refurbishing conduits in the parking garage, and installation of door operators in the terminal service corridor.

### **Budget**

Total construction packages are limited to less than \$100,000.00. The range is established per Federal Acquisition Regulation Subpart 36.2. *(a) Construction specifications shall conform to the requirements in Part 11 of this regulation. (b) Whenever possible, contracting officers shall ensure that references in specifications are to widely recognized standards or specifications promulgated by governments, industries, or technical societies. (c) When "brand name or equal" descriptions are necessary, specifications must clearly identify and describe the particular physical, functional, or other characteristics of the brand-name items which are considered essential to satisfying the requirement.*

The projects are being undertaken to modify existing infrastructure integral to the continued operation of the airport. As a result of the critical nature of the modification, the projects are exempt under the Authority's hurdle rate policy and have not been subjected to an internal rate of return calculation.

### **Schedule**

To maintain overall project schedule, the contract awards for 2017 quote projects are anticipated by early October.

### **Supplier Diversity Participation**

Participation goals will vary by project.

### **Recommendation**

The IAA Staff recommends the IAA Board consider for approval, the Delegation of Authority to the IAA Executive Director to approve and execute quote projects of less than \$100,000.

**IAA Board Meeting  
General Agenda  
September 15, 2017**

**General:**

**BP2017-09-04**      **Consider, for approval,** the Third Amendment to Dock Master Services Agreement for the second (2nd) renewal term, with expiration of December 31, 2020, based on terms specified in the Agreement. Supplier diversity participation is WBE 100% (Langham Logistics).

**Capital:**

**BP2017-09-05**      **Consider, for approval,** an award of contract for Relocate Garage Dry Standpipes at Indianapolis International Airport to Price Construction Group, LLC in an amount not-to-exceed \$58,796.00 plus a 3% construction reserve of \$1,763.88 for a total of \$60,558,77. Price Construction Group, LLC was the lowest responsive and responsible bidder. Supplier diversity participation is MBE 65.98 % (Price Construction Group, LLC) and WBE (Geyer Fire Protection).

**BP2017-09-06**      **Consider, for approval,** Change Order No. 2 with Milestone Contractors LP for the Rehabilitate IND Roads & Lots project at the Indianapolis International Airport in an amount not-to-exceed \$708,969.07. Supplier diversity participation for Change Order No. 2 is MBE 5.59% (Fox Contractors), and WBE 18.20% (CMG Trucking, Protection Plus), VBE 0.00%.



**BOARD MEMO – LANGHAM AIRPORT LOGISTICS, LLC.**

To: IAA Board of Directors

From: Marsha Stone, Sr. Director of Commercial Enterprise

Date: September 6, 2017

Board Date: September 15, 2017

Subject: Third Amendment to Dock Master Services Agreement

**Background**

Langham Airport Logistics, LLC (“Langham”) has been operating the terminal receiving dock at the Indianapolis International Airport since the new terminal opened in 2008. Providing the role of loading dock management and distribution services, Langham schedules, receives, accounts for and distributes all deliveries to the terminal receiving dock. Langham creates a daily receiving dock schedule report logging all activities of scheduled and unscheduled deliveries. Products and merchandise, intended for post-security tenants, is further inspected per TSA regulations and procedures and delivered to post-security locations.

The current Dock Master Services Agreement is the second (2<sup>nd</sup>) Agreement with Langham Logistics for Dock Master Services. The first (1<sup>st</sup>) Agreement was awarded by the Midfield Terminal construction and opening process and the second (2<sup>nd</sup>) Agreement was awarded in 2011 through a public solicitation / competitive process.

The current Dock Master Services Agreement, awarded in 2011, had an initial term of three (3) years with two (2) three-year (3 year) renewal terms. The Authority exercised the option to renew the first (1<sup>st</sup>) of two (2) renewal terms by executing the First Amendment to Dock Master Services Agreement on July 18, 2014, with expiration of December 31, 2017.

**Scope**

IAA staff seeks to exercise the second (2<sup>nd</sup>) renewal term option through the execution of a Third Amendment to Dock Master Services Agreement, thereby extending the Agreement through December 31, 2020. Langham would continue to provide services as specified in the current Dock Master Services Agreement.

**Budget**

The Dock Master Services fall within the Airport's Commercial Enterprise/Retail Department operating budget.

Anticipated costs for the three (3) years of the second (2<sup>nd</sup>) renewal term are as follows:

- 2018 Annual Fee: \$642,000.00
- 2019 Annual fee: \$661,260.00
- 2020 Annual Fee: \$681,097.80

A re-examination of the terms with Langham Logistics for this third amendment identified opportunities for a total estimated cost savings of \$275,353 to IAA over the remaining 3 years of the agreement, as compared to the original terms in the Agreement. This equates to an estimated savings of \$88,761 in 2018, \$91,424 in 2019 and \$94,167 in 2020, as compared to original estimated costs for these years. Savings are being generated as a result of fully amortized equipment costs and more efficient utilization of staff by Langham Logistics.

**Diversity Participation**

The Director of Supplier Diversity has approved the following:

FIRM	AMOUNT			%		
	MBE	WBE	VBE	MBE	WBE	VBE
2018 Langham Logistics	\$0	\$642,000.00	\$0	0%	100%	0.0%
2019 Langham Logistics	\$0	\$661,260.00	\$0	0%	100%	0.0%
2020 Langham Logistics	\$0	\$681,097.80	\$0	0%	100%	0.0%
Totals	\$0	\$1,984,357.80	\$0	0%	100%	0.0%

**Recommendation**

IAA staff recommends that the IAA Board consider for approval the Third Amendment to Dock Master Services Agreement for the second (2<sup>nd</sup>) renewal term, with expiration of December 31, 2020, based on terms specified in the Agreement. Supplier diversity participation is WBE 100% (Langham Logistics).



## Indianapolis Airport Authority

### **BOARD MEMO – CONTRACT AWARD**

To: IAA Board of Directors

From: Jarod Klaas, P.E., Interim Senior Director of Planning & Development

Date: September 5, 2017

Board Date: September 15, 2017

Subject: Award of Construction Contract with Price Construction Group, LLC for Relocate Garage Dry Standpipes at Indianapolis International Airport (Project No. Q-17-007)

#### **Background**

The fire suppression system for the parking garage at the Indianapolis International Airport (IND) consists of dry standpipes which must be connected via a fire fighting “pumper truck” to the hydrant located at ground level along the right side of the Ground Transportation Center (GTC) drive. Given that the stand pipes are located on the left side of the drive, it would be necessary for the pumper truck to block access to the GTC during a fire. Seeing as the GTC is used by a variety of vehicles including city buses, parking shuttles, and numerous car services; IND staff feels it is necessary to widen the drive that extends between the parking garage and GTC at the approach of the bus entrance to allow a pumper truck to park there and not interfere with the normal flow of traffic. Additionally, it would also be necessary to move the garage dry standpipes from the wall on the left side of the drive to the wall on the right side of the drive.

On August 11, 2017, a Task Order was approved by the Interim Senior Director of Planning and Development for American Structurepoint in the amount of \$11,660.00 to provide professional engineering services and to prepare drawings for the project.

On August 30, 2017, a Request for Quotes was issued to local contractors expressing interest in the project.

On September 6, 2017, the IAA staff received two quotes. The quotes ranged from \$58,796.00 to \$59,835.00.

Price Construction Group, LLC was the lowest responsive and responsible quoter in the amount of \$58,796.00.

In addition to the contract amount, IAA staff is requesting a construction reserve of 3% of the total contract amount for this project. A construction reserve of 3% has been previously

approved by the IAA Board on other projects and successfully implemented to ensure timely approval of minor changes necessary due to unforeseen conditions and circumstances. Change orders exceeding the construction reserve will be submitted to the IAA Board for approval.

**Scope**

Relocate garage dry standpipes and construct a fire lane (widen the GTC drive) for a pumper truck.

**Budget**

The Price Construction Group, LLC contract is \$58,796.00 which is within the approved 2017 Operating Budget.

**Relocate Garage Dry Standpipes**

Contract Amount (including 3% reserve)	\$	60,559.88
Design (including survey and geotechnical)		11,660.00
<b>Total Anticipated Project Cost</b>	<b>\$</b>	<b>72,219.88</b>

This project will be 100% Airport cash funded.

This project will be financed through the operating budget and has been approved by the budget holder. This project is being undertaken primarily as a customer service initiative. As such, this project was not subjected to a hurdle rate calculation.

**Schedule**

Substantial completion is expected in November 2017

**Supplier Diversity Participation**

The Director of Supplier Diversity has approved the following:

Firm	Amount			%		
	MBE	WBE	VBE	MBE	WBE	VBE
Price Construction Group, LLC	\$ 38,796.00	\$ -	\$ -	65.98%	0.00%	0.00%
Geyer Fire Protection		19,000.00				
<b>Totals</b>	<b>\$ 38,796.00</b>	<b>\$ 19,000.00</b>	<b>\$ -</b>	<b>65.98%</b>	<b>32.32%</b>	<b>0.00%</b>

**Recommendation**

The IAA staff recommends the IAA Board consider for approval an award of contract for Relocate Garage Dry Standpipes at Indianapolis International Airport to Price Construction Group, LLC in an amount not-to-exceed \$58,796.00 plus a 3% construction reserve of \$1,763.88 for a total of \$60,558,77. Price Construction Group, LLC was the lowest responsive and responsible bidder. Supplier diversity participation is MBE 65.98 % (Price Construction Group, LLC) and WBE (Geyer Fire Protection).



## **BOARD MEMO - CHANGE ORDER**

To: IAA Board of Directors

From: Jarod Klaas, P.E., Interim Senior Director of Planning & Development

Date: September 5, 2017

Board Date: September 15, 2017

Subject: Approval of Change Order No. 2 with Milestone Contractors LP for Rehabilitate IND Roads & Lots at Indianapolis International Airport (Project No. I-16-016)

### **Background**

The Indianapolis Airport Authority (IAA) owns and maintains approximately 26 miles of land-side roads and 110 acres of paved parking lots on the Indianapolis International Airport (IND) campus. The land-side roads addressed by this project have been in service since before 1990 and the subject surface lots were installed in 2006. Each year, more than five million vehicles drive on IND roads, more than two million vehicles park on IND lots, and IND shuttle buses travel more than 500,000 miles over these facilities.

In May 2016, American Structurepoint, Inc. was retained by IAA to evaluate the condition of IND campus roads and lots, to set priorities for the needed rehabilitation, and to prepare construction documents for the most critical repairs. In October 2016, Milestone Contractors LP was awarded a contract by IAA to perform the identified rehabilitation of roads and lots. The contract includes the installation of full-depth reinforced replacement pavement augmented with under-drains for parking lot lanes designated as bus routes, repair or replacement of numerous portions of campus roadway pavement, and correction of numerous drainage features to protect pavement from water damage.

On July 21, 2017, the IAA Board executed Change Order No. 1 to incorporate parking lot walkway safety enhancements into the project.

As work by the Contractor progressed, several conditions were encountered requiring remedies so that work could be safely executed, safe conditions could be maintained for customers and employees within the active lots, and the desired project results could be achieved.

### **Change Order Summary**

Contract changes fall under one of three categories: Errors/Omissions, Unforeseen Circumstances, or additional Owner-requested scope. Typically, the cost of an error is paid by the designer as the error may require work already completed to be redone. Omissions are items that are corrected before work is performed and for which the designers are typically charged up

to 15% of the cost because the item may have to be negotiated with the contractor. Unforeseen circumstances are items that could not reasonably be anticipated by the designer and therefore are not charged against the designer.

This change order addresses the seven items listed below.

Unforeseen circumstances:

- 1) The need for subgrade stabilization in the Economy Parking Lot due to the existence of soft soils beneath the compacted stone base. Additional subsurface utility potholing was also required to identify utility depth in these areas.
- 2) Bus shelter apron pavement replacements due to rutting and pavement subsidence which developed after design documents were advertised
- 3) Rehabilitation of temporary bus lanes in the Economy Parking Lot
- 4) Field modifications to provide smooth transitions between concrete rehabilitation, new asphalt repairs and existing asphalt areas to provide a smooth surface for pedestrians
- 5) Modifications to roadway patching process to match changing field conditions resulting in longer term service life

Owner added scope:

- 6) Additional traffic control measures and gate control procedures to minimize IAA staff demands and maintain high level of customer experience during the work
- 7) Deduct for use of existing underdrains in pavement sections

**Budget**

This change order with Milestone is within the 2018 Capital budget reforecast for IND Roads & Lots.

This project is 100% Airport cash funded.

**Revised Construction Amount**

Original Construction Contract Amount		\$	2,854,733.00
Previous Change Orders	(14.77% of contract)		421,780.00
Current Change Order No. 2	(39.02% of contract)		708,969.07
New Construction Contract Total		\$	<u>3,985,482.07</u>

**Project Costs**

Design (including survey and geotechnical)		\$	246,688.51
Advertisements for Bid			250.00
Material Testing			49,816.25
Inspection			108,000.00
Sealcoating Contract			42,417.50
Construction Contract Amount			2,854,733.00
Previous Change Orders			421,780.00
Current Change Order No. 2 (37.10%)			708,969.07
Revised Total Anticipated Project Cost		\$	<u>4,432,654.33</u>

**Schedule**

This Change Order adds 41 calendar days to the schedule. The revised substantial completion date will be November 30, 2017 as a result of this Change Order.

**Supplier Diversity Participation**

The Director of Supplier Diversity has approved the following:

COMPANY NAME	XBE Commitment \$	Amount			%		
		MBE	WBE	VBE	MBE	WBE	VBE
Fox Contractors	\$ 39,600.00	\$ 39,600.00	\$ -	\$ -	5.59%	0.00%	0.00%
CMG Trucking	75,000.00	-	75,000.00	-	0.00%	10.58%	0.00%
Protection Plus	54,000.00	-	54,000.00	-	0.00%	7.62%	0.00%
	\$ 168,600.00	\$ 39,600.00	\$ 129,000.00	\$ -	5.59%	18.20%	0.00%

**Recommendation**

The IAA staff recommends the IAA Board consider for approval Change Order No. 2 with Milestone Contractors LP for the Rehabilitate IND Roads & Lots project at the Indianapolis International Airport in an amount not-to-exceed \$708,969.07. Supplier diversity participation for Change Order No. 2 is MBE 5.59% (Fox Contractors), and WBE 18.20% (CMG Trucking, Protection Plus), VBE 0.00%.