



IAA Board of Directors Meeting Agenda

August 19, 2022

8:00 AM

Location: Board Conference Room – 4th floor and Via Zoom (Hybrid meeting)

- I. Call to Order
- II. Approval of Minutes of the IAA Board’s (Hybrid) Meeting of July 15, 2022.
- III. Ordinances, Resolutions, and Public Hearings
 - a) Approval of 2023 Budget Ordinance, [General Ordinance No. 02-2022](#), concerning Indianapolis Airport Authority’s budget process, as more particularly described in [Board Memo BP2022-08-01](#).
 - b) Public Hearing [General Ordinance No. 03-2022](#), a supplement to the IAA’s Master Bond Ordinance (05-2014) of the Indianapolis Airport Authority concerning the Authority's issuance of one or more series of additional revenue bonds designated "Indianapolis Airport Authority Revenue Bonds" to fund various capital projects in the Authority’s approved capital budget, and to fund one or more reserve accounts for the bonds, as more particularly described in [Board Memo BP2022-08-02](#).
 - c) Approval of [General Ordinance No. 03-2022](#), a supplement to the IAA’s Master Bond Ordinance (05-2014) of the Indianapolis Airport Authority concerning the Authority's issuance of one or more series of additional revenue bonds designated "Indianapolis Airport Authority Revenue Bonds" to fund various capital projects in the Authority’s approved capital budget, and to fund one or more reserve accounts for the bonds, as more particularly described in [Board Memo BP2022-08-02](#).
- IV. Board Reports
 - a) Board President’s Report
- V. Official Actions
 - a) Consider, for approval, the individual items on the [IAA General Agenda, dated August 19, 2022](#).
- VI. Staff Reports
 - a) Executive Director’s Report (Submitted in writing)
 - i. South Runway Reconstruction Event August 10, 2022 Recap
 - ii. Indiana Top 250 Leaders Award Recognition for Mario Rodriguez and Marsha Stone
 - iii. IAA’s All Staff Outing at the Indiana State Fair
 - iv. Chaplains Event
- VII. Other Reports and Updates
 - a) Board Communications: *Next Meeting: Friday, September 16, 2022, at 8:00 AM*

MINUTES
Board of Directors Meeting
Indianapolis Airport Authority

The Regular Meeting of the Indianapolis Airport Authority (IAA) Board called to order at 8:00 am July 15, 2022, in the Airport's Board Conference Room at Indianapolis International Airport. A roll call attendance was taken. Board Members attended in person or via Zoom.

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

Barbara Glass, President
Steve Dillinger, Vice President
Mamon Powers, Secretary (attending virtually)
Kurt Schleiter, Member
Jeffrey Gaither, Member
Matthew Whetstone, Member
Toby McClamroch, Member (not attending)
Kathy Davis, Member
Ryan Goodwin, Member
Brett Voorhies, Member
Tamika Catchings, Member
Brian Tuohy, I.A.A. Board Counsel

Board Members not able to attend: Toby McClamroch

I.A.A. Executive Staff attending:

Mario Rodriguez, Executive Director
Keith Berlen, Sr. Director of Operations and Public Safety
Marsha Stone, Sr. Director of Commercial Enterprise
Lisa Bierman, Sr. Executive Assistant
Maria Wiley, Sr. Director of Audit, Compliance & Procurement
Rachel Stevens, Sr. Director of Human Resources
Holli Harrington, Director of Supplier Diversity and Diversity Officer
Jonathan Weinzapfel, General Counsel
Robert Thomson, Sr. Director of Finance
Jarod Klaas, Sr. Director of Planning and Development
Bill Stinson, Sr. Director of Public Affairs

APPROVAL OF MINUTES

No discussion occurred. Upon a motion by Mr. Voorhies and a second by Mr. Gaither, unanimous approval was given to the Meeting Minutes of the IAA Board Meeting on June 17, 2022.

ORDINANCES, RESOLUTIONS, AND PUBLIC HEARING

President Glass called upon Robert Thomson to present, for discussion and Public Hearing, the 2023 Budget Ordinance, **General Ordinance No. 02-2022**, concerning the Indianapolis Airport Authority's budget process, more particularly described in **Board Memo BP2022-07-01**. Mr.

Thomson included in his presentation a discussion of [General Ordinance No. 03-2022](#), a supplement to the IAA's Master Bond Ordinance (05-2014) of the Indianapolis Airport Authority concerning the Authority's issuance of one or more series of additional revenue bonds designated "Indianapolis Airport Authority Revenue Bonds" to fund various capital projects in the Authority's approved capital budget, and to fund one or more reserve accounts for the bonds, as more particularly described in [Board Memo BP2022-07-02](#).

President Glass then opened the Public Hearing, asking for questions and public comments regarding [General Ordinance No. 02-2022](#). Receiving no questions or public comments, President Glass closed the Public Hearing.

President Glass then called upon Mr. Thomson for the introduction of [General Ordinance No. 03-2022](#).

OFFICIAL ACTIONS

INTRODUCTION AND APPROVAL OF THE INDIANAPOLIS AIRPORT AUTHORITY'S GENERAL AGENDA DATED July 15, 2022: President Glass described each item listed on the General Agenda.

President Glass called upon Jarod Klaas to present [BP2022-07-03](#) for consideration and approval of an award of contract for AOA Fence at Former Clarion Hotel Site at Indianapolis International Airport to Evans Development Company, Inc. in an amount not-to-exceed \$780,273.00 plus a 10% construction reserve of \$78,027.30 for a total of \$858,300.30. Evans Development was the lowest responsive and responsible bidder. Supplier diversity participation is MBE 0.83% (Cripe) and WBE 3.97% (Protection Plus, Kopetski's Tri-Ax, and Indiana Sign & Barricade).

President Glass asked for a motion of approval for [BP2022-07-03](#). A motion for approval was made by Mr. Gaither and seconded by Ms. Davis. Next, President Glass asked if there was any discussion. There being none, President Glass asked Ms. Bierman to take a roll call vote with all members stating, "Aye." With no opposition, unanimous approval was given to [BP2022-07-03](#).

President Glass called upon Mr. Klaas to present [BP2022-07-04](#) for consideration and approval of an award of contract to Burns & McDonnell Engineering Company, Inc. for CEP – Boiler Rebuild at Indianapolis International Airport in an amount not-to-exceed \$779,652.00 (fees and expenses). Supplier diversity participation is MBE 15.91% (CMID) and WBE 30.49% (ReproGraphix and Advanced Engineering Consultants).

President Glass asked for a motion of approval for [BP2022-07-04](#). A motion for approval was made by Ms. Catchings and seconded by Mr. Goodwin. Next, President Glass asked if there was any discussion. There being none, President Glass asked Ms. Bierman to take a roll call vote with all members stating, "Aye." With no opposition, unanimous approval was given to [BP2022-07-04](#).

President Glass called upon Mr. Klaas to present [BP2022-07-05](#) for consideration and approval Change Order No. 1 with 5 Star Company, Inc. for Runway 15 Obstruction Removal at Indianapolis

Metropolitan Airport in an amount not-to-exceed \$38,901.12. Supplier diversity participation is WBE 41.15% (Busch Landscaping, Inc.).

President Glass asked for a motion of approval for **BP2022-07-05**. A motion for approval was made by Mr. Schleter and seconded by Mr. Voorhies. Next, President Glass asked if there was any discussion. There being none, President Glass asked Ms. Bierman to take a roll call vote with all members stating, "Aye." With no opposition, unanimous approval was given to **BP2022-07-05**.

BOARD REPORTS

- I. Board President's Report – No Report

STAFF REPORTS

Executive Director's Report – Mario Rodriguez, E.D, announced that he has submitted a written report regarding the following items

- i. Introduction of Ted Fries, Chief, Indianapolis Airport Police (Director Rodriguez called upon Keith Berlen to introduce Chief Fries to the Board)
- ii. Introduction of Victor Creed, IUPUI Peterson Fellow (introduction made by Director Rodriguez)
- iii. Memorandum of Understanding ("MOU") and Letter of Agreement ("LOA") between the IAA and the Town of Plainfield
- iv. Andretti Motorsports Headquarters / City of Fishers
- v. Indianapolis Airport Authority - Airport Preparedness Exercise (APEX) (Director Rodriguez called upon Keith Berlen to present a recap of the event)

Other Reports/Updates

- a.) Board Communications: Next Meeting: Friday, August 19, 2022, at 8:00 am.

ADJOURNMENT

Meeting adjourned at 8:28 am.

The July 15, 2022, Indianapolis Airport Board of Directors meeting is available to stream via the link:

Meeting Recording:

<https://zoom.us/rec/share/ZO5KIUhqG-VuuBUtPJUUEiBpvKZgEvj230QP7LXwM4t4NNTgFHG24-jpfwUB4DMs.EkQGwTcoqVzsXLMP>

Access Passcode: u59f@1eS

INDIANAPOLIS AIRPORT AUTHORITY *

By: _____

Barbara Glass, President

DATED: August 19, 2022

By: _____

Mamon Powers III, Secretary

* Signed under the Authority of IAA Board Resolution #11-2021

DRAFT



BOARD MEMO – 2023 BUDGET ORDINANCE

To: IAA Board of Directors

From: Robert Thomson, Sr. Director of Finance/Treasurer

Date: August 10, 2022

Board Date: August 19, 2022

Subject: 2023 Budget Ordinance No. 02-2022

Attached is the 2023 Budget Ordinance No. 02-2022 as approved and recommended by the Finance and Audit Committee. This Budget Ordinance, when adopted, will set the maximum appropriation (expenditure) levels for 2023.

The budget process requires an introduction (completed June 17, 2022), a public hearing and presentation (completed July 15, 2022), and a final meeting for adoption of the Budget by August 31, 2022. The Board will be asked to consider for approval the 2023 Budget Ordinance during the August 19, 2022 meeting.

The Indianapolis City-County Council (Council) requires the Board to accept the 2023 Budget Ordinance by August 31, 2022. The 2023 Budget will be presented to the Municipal Corporations Committee of the Council (Committee) on September 22, 2022 and will be reviewed by the Committee on October 5, 2022. The Council will consider the budget for approval on October 17, 2022.



Board Memo – Adoption of Supplemental Bond Ordinance

To: IAA Board of Directors

From: Robert B. Thomson, Sr. Director of Finance/Treasurer

Date: August 4, 2022

Board Date: August 19, 2022

Subject: Adoption of General Ordinance No. 03-2022

The Indianapolis Airport Authority is hereby presenting **General Ordinance No. 03-2022** ("Ordinance").

General Ordinance No. 03-2022 is a supplement to the IAA's Master Bond Ordinance (05-2014) of the Indianapolis Airport Authority concerning the Authority's issuance of one or more series of additional revenue bonds designated "Indianapolis Airport Authority Revenue Bonds" to fund various capital projects in the Authority's approved capital budget, and to fund one or more reserve accounts for the bonds. IAA will use the Indianapolis Local Public Improvement Bond Bank as the conduit issuer.

The TEFRA (Tax Equity and Fiscal Responsibility Act) hearing and the final public hearing on the adoption of the above-referenced Ordinance will be conducted as a combined hearing at the August 19, 2022, IAA Board meeting.



**IAA Board Meeting
General Agenda
August 19, 2022**

General:

- BP2022-08-03** Consider for approval proposed funds from the IAA budget to host the 2028 Airports Council International – North America Annual Conference and Exhibition in Indianapolis.
- BP2022-08-04** Consider for approval the Land and Building Lease Agreement for Buildings #28, #28A, & #102 with JLA IND, LLC for an initial period of five (5) years, commencing July 1, 2022, with one (1) option term for an additional period of five (5) years.
- BP2022-08-05** Consider for approval the execution of the 7th Amendment to Building Lease Agreement with Quantem Aviation Services, LLC., for an extended 3-year term commencing September 1, 2022, through August 31, 2025.
- BP2022-08-06** Consider for approval the Foreign Trade Zone Operator Agreement and the issuance of a Grantee Concurrence Letter regarding Rhenus Warehousing Solutions IND, LLC entering the FTZ program.

Capital:

- BP2022-08-07** Consider for approval an award of contract for IMC - Fire Suppression Water Storage Tanks at Indianapolis International Airport to Custom Mechanical Systems, Corp. in an amount not-to-exceed \$1,224,907.00 plus a 10% construction reserve of \$122,490.70 for a total of \$1,347,397.70. Custom Mechanical Systems, Corp. was the lowest responsive and responsible bidder. Supplier diversity participation is MBE 15% (Custom Mechanical Systems, Corp.).



BOARD MEMO – ACI-NA Annual Conference 2028 Host Support

To: IAA Board of Directors

From: Marsha Stone, Sr. Director of Commercial Enterprise

Date: 7/20/2022

Board Date: August 19, 2022

Subject: Airports Council International – North America 2028 Annual Conference & Exhibition Support

Background

ACI-NA Annual Conference & Exhibition is a 3-day conference that attracts more than 2,000 attendees and exhibitors representing more than 150 airports throughout the United States and Canada. Airport CEOs, senior airport management, commissioners, and other industry officials with decision-making authority attend the Annual Conference and Exhibition for education, insights, and more.

Conference organizers and Visit Indy have estimated the economic impact of the conference to be about \$2.5+ million to the community in today's dollars. The next available opportunity to host this coveted conference is in 2028.

Each year this event is hosted in a different North American city to highlight key cities and airports from which other ACI professionals may be interested to learn. Recent hosts include Minneapolis, Reno - Tahoe, Grand Rapids, Tampa, Nashville, and Fort Worth. ACI is keenly interested in bringing the conference to Indy as continued recognition for achieving the Airports Council International's Airport Service Quality Award for Best Airport in North America ten years in a row.

In the true spirit of Indianapolis, bidding and ultimate hosting this conference will be a team effort. The Visit Indy team will lead the bid submission, and the IAA team will play a vital role in the planning and execution of the conference, should Indy be selected.

In total, the expected out of pocket to IAA to host the ACI – NA Annual Conference is about \$600,000, of which \$400,000 is a host fee, and the remainder is an estimated cost for a welcome host event and booth activation. Incremental costs to help support logistics, signage, welcome / promotional gifts, etc., could be \$100,000 to \$120,000. Some cities seek to offset a portion of these charges through supplier sponsorships, etc.

The IAA is excited about the prospect of bringing airport industry leaders and suppliers to Indianapolis and leveraging anticipated \$600,000 - \$720,000 host dollars to create \$2.5 - \$3.0 million in local economic impact.

Scope

Staff requests approval of funds to support **Visit Indy's** bid to bring the ACI – NA Annual Conference and Exhibition to Indianapolis in 2028.

Financial Impact

The expected host cost to IAA is about \$600,000 - \$720,000, creating an estimated \$2.5 to \$3.0 million local economic impact.

Supplier Diversity Participation

N/A

Recommendation

In collaboration with leadership from Visit Indy, the IAA staff recommends that the IAA Board consider for approval proposed funds from the IAA budget to host the 2028 Airports Council International – North America Annual Conference and Exhibition in Indianapolis.



BOARD MEMO - LAND AND BUILDING LEASE AGREEMENT WITH JLA IND, LLC (D/B/A JET LINX AVIATION)

To: IAA Board of Directors

From: Marsha Stone, Sr. Director of Commercial Enterprise

Date: July 13, 2022

Board Date: August 19, 2022

Subject: Land and Building Lease Agreement with JLA IND, LLC (d/b/a Jet Linx Aviation)

Background

Due to the continued growth of their air charter business, JLA IND, LLC (Jet Linx Aviation) requires the continued use of their existing three hangars located at Indianapolis International Airport ("IND") to serve their customers and maintain/store their aircraft. For this reason, representatives from IAA and Jet Linx have negotiated a new Land and Building Lease Agreement for Buildings #28, #28A, and #102, located at 6549 & 6427 Pierson Drive.

These facilities have been used for decades in the operation of providing air charter services at IND, beginning with Air International, who entered into a lease with the IAA on March 10, 1982. This lease was subsequently assigned to Kokomo Aviation d/b/a Aviation Charter Services on January 7, 1988, under the ownership of Mick Pittard, a long-time key business partner with the IAA. A new lease was negotiated with Aviation Charter Services on November 15, 1996, and it was this lease that was subsequently assigned to JLA IND, LLC on April 18, 2008.

The Land and Building Lease Agreement, which is the subject matter of this Board Memo, will replace the current lease the IAA has with JLA IND, LLC.

Scope

Staff requests the IAA Board execute the Land and Building Lease Agreement with JLA IND, LLC. The primary term of the Agreement is for a period of five (5) years commencing retroactively on July 1, 2022 and terminating June 30, 2027.

JLA IND, LLC will have the option to extend the term of the Agreement for one (1) option period of five (5) years.

As part of the new Agreement, Jet Linx Aviation is required to invest a minimum of \$367,546.00 of which the Authority will grant \$115,000.00 in rental credits equally over the first five years of the lease term. In addition, the Authority, at its sole expense will upgrade street lighting on the

common drive lane leading to the Jet Linx Aviation leasehold, as well as other tenants. The street lighting upgrade is estimated to be approximately \$35,000.00.

Schedule

August 19, 2022: IAA Board approval of Land and Building Lease Agreement with JLA IND, LLC.

Revenue and/or Operating Cost Implications Revenue

Revenue:

During the initial term of five (5) years JLA IND, LLC will pay the following annual rental rates for Buildings #28, #28A, and #102:

- July 1, 2022 through June 30, 2027 - \$260,154.68 (gross); \$237,154.68 (net) annually.
- During the five (5) year option period, the annual rate will be adjusted using a Consumer Price Index (“CPI”) calculation as reflected in the United States Bureau of Labor Statistics.

Operating Cost:

JLA IND, LLC will be responsible for all utilities, maintenance, and operating costs of Buildings #28, #28A, and #102 during the lease term.

Supplier Diversity Participation

N/A

Recommendation

IAA Staff recommends to the IAA Board of Directors to consider for approval the Land and Building Lease Agreement for Buildings #28, #28A, & #102 with JLA IND, LLC for an initial period of five (5) years, commencing July 1, 2022, with one (1) option term for an additional period of five (5) years.



Board Memo – FB America Land & Building Lease Agreement

To: IAA Board of Directors

From: Marsha Stone, Senior Director of Commercial Enterprise

Date: August 2, 2022

Board Date: August 19, 2022

Subject: 7th Amend to Building Lease Agreement with Quantem Aviation Services, LLC.

Background

The IAA previously entered into a Building Lease Agreement with Quantem Aviation Services, LLC (“Quantem”) on September 1, 2010, providing for a portion of space within Building #622 (“Belly Cargo Building”). Quantem occupies Suites G, H, I, & J totaling 16,075 sq. ft.

Their current lease term is scheduled to expire on August 31, 2022. Quantem desires to extend their lease term for an additional 3-year term.

The purpose of bringing this 7th Amendment to the IAA Board for execution is due to the annual revenue achieved in this Agreement exceeds the Executive Director’s delegated authority in the execution of documents.

Scope

IAA staff requests the IAA Board execute the 7th Amendment to Building Lease Agreement with Quantem Aviation Services, LLC., commencing September 1, 2022, through August 31, 2025.

Schedule

August 19, 2022: Submit for approval to the IAA Board the 7th Amendment to Building Lease Agreement with Quantem Aviation Services, LLC.

Revenue and/or Operating Cost Implications

Revenue:

- Annual Rental of \$303,978.25 based upon \$18.91 per square foot for the three (3) year period.
- The Rental Rate is a 3% increase from the current rate of \$18.36 p.s.f.

Memo Re: 7th Amendment to Building Lease Agreement with Quantem Aviation Services, LLC.

Operating Costs:

As the Belly Cargo Building is a multi-tenant facility, the IAA has responsibility for infrastructure maintenance such as building structure, roof, fire suppression system, and maintenance of parking lots. Monies are budgeted accordingly; however, the building has little age; therefore, the IAA has minimal expense to this site.

Entering into this 7th Amendment does not affect Operating Costs.

Supplier Diversity Participation

Not applicable.

Recommendation

IAA Staff asks the IAA Board of Directors to consider for approval the execution of the 7th Amendment to Building Lease Agreement with Quantem Aviation Services, LLC., for an extended 3-year term commencing September 1, 2022, through August 31, 2025.



Board Memo – Rhenus Warehousing Solutions IND, LLC FTZ Operator Agreement & Grantee Concurrence Letter

To: IAA Board of Directors

From: Marsha Stone, Sr. Director of Commercial Enterprises

Date: July 29, 2022

Board Date: August 19, 2022

Subject: Rhenus Warehousing Solutions IND, LLC, FTZ Operator Agreement & Grantee Concurrence Letter

Background

The IAA is the Foreign Trade Zone (FTZ) “grantee” representing Central Indiana communities. In 1980, a separate company, the Greater Indianapolis Foreign Trade Zone, Inc. (GIFTZ), a not-for-profit 501C (6) was created to market and administrate the FTZ program on behalf of IAA.

Rhenus Warehousing Solutions IND, LLC (Rhenus) is a third-party logistics provider focusing on serving customers globally. Rhenus was founded in 1912 and is headquartered in Germany. Annual revenue exceeded 7 billion euros in 2021. Rhenus employs over 37,500 staff, at over 970 sites, in over 40 countries. They will be conducting FTZ warehousing and distribution operations at this site.

Rhenus is seeking Foreign Trade Zone (FTZ) status to assist its current and prospective clients in remaining globally competitive through the expedited, efficient, and cost-saving benefits the federal program provides.

The GIFTZ Board approved to endorse Rhenus’ sponsorship request on July 27, 2022.

Rhenus has requested its site located at 915 Airtech Parkway, Suite 198, Plainfield, IN, be established as an FTZ site under the Alternative Site Framework Program (“ASF”):

- Rhenus currently staffs 20 full-time employees at this location. During 2023, staffing will be increased to 27 full-time employees.
- Rhenus has requested FTZ designation for its 305,600 square foot campus and will be activating 139,820 square feet within the FTZ Program.

Scope

The GIFTZ Board requests the IAA Board execute the FTZ Operator Agreement and issue a Grantee Concurrence Letter to allow Rhenus to utilize FTZ benefits at its site.

Schedule

August 19, 2022: IAA execution of the Rhenus' FTZ Operator Agreement & issuance of a Grantee Concurrence Letter.
October 1, 2022: Tentative activation date of Rhenus' FTZ site, pending application approval from the FTZ Board (Washington, D.C) and local CBP activation approval.

Revenue and/or Operating Cost Implications

Revenue:

The GIFTZ Board publishes public rates, and charges document referred to as a *Zone Schedule*. To that, revenue for 139,820 square feet of active FTZ space will be \$36,000 per annum.

Operating Costs:

The GIFTZ has no initial costs associated with Rhenus' FTZ designation. Once Rhenus activates the use of the FTZ privileges, the GIFTZ will expend approximately \$4,900 per annum in direct support costs.

Diversity Participation

Not Applicable

Recommendation

IAA Staff and the Greater Indianapolis Foreign Trade Zone Board of Directors recommend the IAA Board of Directors consider for approval the Foreign Trade Zone Operator Agreement and the issuance of a Grantee Concurrence Letter regarding Rhenus Warehousing Solutions IND, LLC entering the FTZ program.



Indianapolis Airport Authority

BOARD MEMO – CONTRACT AWARD

To: IAA Board of Directors

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

Date: August 9, 2022

Board Date: August 19, 2022

Subject: Award Construction Contract to Custom Mechanical Systems, Corp. for IMC – Fire Suppression Water Storage Tanks at Indianapolis International Airport (Project No. I-22-053)

Background

The Central Energy Plant (CEP) and the Indianapolis Maintenance Center (IMC), located on the west side of the Indianapolis International Airport, were built in the early 1990s. The CEP provides heating and cooling for the terminal and the IMC facility. These facilities have a fire suppression system supported by two 900,000-gallon water storage tanks which now need repair and refurbishment to ensure continued serviceability. The refurbishment will also include upgrades to meet current code requirements.

On February 18, 2022, the Indianapolis Airport Authority (IAA) Senior Director of Planning & Development approved a task order with DLZ Indiana, LLC through their 2021 On-Call Professional Services Contract for design development and production of Plans and Specifications for bidding the IMC – Fire Suppression Water Storage Tanks project at the Indianapolis International Airport.

On June 23, 2022, the IAA Executive Director approved plans, specifications, and the public bidding process.

On July 25, 2022, the IAA staff received one bid. The project contained a base bid only. Custom Mechanical Systems, Corp. was the lowest responsive and responsible bidder of \$1,224,907.00.

In addition to the contract amount, IAA staff requests a construction reserve of 10% of the total contract amount for this project. A construction reserve has been previously approved by the IAA Board of Directors on other projects and successfully implemented to ensure timely approval of minor changes necessary due to unforeseen conditions and circumstances. There are sufficient dollars within this project's budget to accommodate the funding of a construction reserve.

Change orders exceeding the construction reserve will be submitted to the IAA Board of Directors for approval.

Scope

Structural repairs and refurbishment, which includes upgrading for code compliance and overall preservation of the tanks.

Budget

The Custom Mechanical Systems Corp. contract is \$1,224,907.00, which exceeds the approved 2023 Capital Budget for IMC – Fire Suppression Water Storage Tanks. Funding for this project will be accommodated through savings in other approved projects included in the 2023 Capital Budget.

IMC - Fire Suppression Water Storage Tanks

Contract Amount (including 10% reserve)	\$	1,347,397.70
Design (including survey and geotechnical)		87,690.00
Advertisements for Bid		288.23
Total Anticipated Project Cost	\$	1,435,375.93

This project will be 100% Airport cash funded.

This project is being undertaken to repair existing infrastructure integral to the airport's continued operation. As a result of the critical nature of the repairs, this project is exempt from the Authority's hurdle rate policy and has not been subjected to an internal rate of return calculation.

Supplier Diversity Participation

The following is the supplier diversity participation:

Firm	Amount			%		
	MBE	WBE	VBE	MBE	WBE	VBE
Custom Mechanical Systems	\$ 183,736.00	\$ -	\$ -	15.00%	0.00%	0.00%
Totals	\$ 183,736.00	\$ -	\$ -	15.00%	0.00%	0.00%

Recommendation

The IAA Staff recommends the IAA Board of Directors consider for approval an award of contract for IMC - Fire Suppression Water Storage Tanks at Indianapolis International Airport to Custom Mechanical Systems, Corp. in an amount not-to-exceed \$1,224,907.00 plus a 10% construction reserve of \$122,490.70 for a total of \$1,347,397.70. Custom Mechanical Systems, Corp. was the lowest responsive and responsible bidder. Supplier diversity participation is MBE 15% (Custom Mechanical Systems, Corp.).