



Agenda
Indianapolis Airport Authority
January 21, 2011
8:30 AM

- I. Call to Order
- II. Approval of Minutes of the Pre-Board and Regular Meeting of December 17, 2010
- III. Ordinances, Resolutions and Public Hearings
 - a) Public Hearing on General Ordinance No. 4-2010 approving the 2011 Rates & Charges.
 - b) Consider for approval the adoption of Ordinance No. 4-2010 approving the 2011 Rates & Charges.
- IV. Board Reports
 - a) President's Report
- V. Official Actions
 - a) Nomination of Officers of the IAA Board – *Alex M. Azar II*
 - b) Introduction of the IAA Consent Calendar dated January 21, 2011.
 - c) Consider for approval each of the individual items listed on the IAA Consent Calendar Agenda dated January 21, 2011.
- VI. Staff Reports
 - a) CEO Report – *John D. Clark, III*
 - b) Financial Report – *Marsha Stone*
 - c) Communications & Marketing – *Patzetta Trice*
 - d) Midfield Closeout Report – *Greta Hawvermale*
 - e) Supplier Diversity Report – *Corey Wilson*
- VII. Other Reports/Update
- VIII. Adjourn

MINUTES OF PRE-BOARD MEETING

The Pre-Board Meeting of the Indianapolis Airport Authority Board took place at 7:59 A.M. on Friday, December 17, 2010, in the new Indianapolis Airport Colonel H. Weir Cook Terminal Building, fourth floor. The following members of the Indianapolis Airport Authority Board were present:

Michael B. Stayton
Alex M. Azar, II
Alfred R. Bennett
Mary Moses Cochran
Kelly J. Flynn
Andrew D. Miller
Jean L. Wojtowicz

Also present were Advisory Board members Lynn Gordon and Jack Morton.

A brief internal audit update on the 3rd Quarter Executive Summary Report was presented by Maria Wiley.

An update on the Land Use Program was presented by Landrum & Brown with the Airport Authority Board agreeing to delay decision on the implementation of the plan until no later than March, 2011.

Alfred R. Bennett talked about the all day tour of the reliever airports which took place earlier this month involving Kelly J. Flynn, Jack Morton, Lynn Gordon and himself.

Attached to the Minutes is the Delegated Authority Schedule presented to the Board dated December 9, 2010.

The Airport Authority Board concluded its Pre-Board Meeting at 9:45 A.M.

ALL OF WHICH IS STATED THIS ___ DAY OF JANUARY, 2011.

MICHAEL B. STAYON, President

DELEGATED AUTHORITY SCHEDULE

MONTH/YEAR	OTHER PARTY	TYPE OF DOCUMENT	TERM (YEARS)	REVENUE	INITIALS	COMMENTS
Nov-10	RGR Technology Group Inc.	IT Consulting & Help Desk Services	17 Months	\$ -	J. Clark	Payment not to exceed \$38,000. (\$38.00 per hour) Agreement shall commence July 26, 2010 and expire December 31, 2011
Nov. 2010	A2S04 Architecture, LLC	Amendment to extend Contract term	through February 28, 2011	\$ -	J. Clark	amendment costs not to exceed \$19,000 (total contract cost not to exceed \$58,500.00)
Nov. 2010	Alt&Witzig Engineering, Inc.	Personal Services Contract	upon signing through 12/31/2010	\$ -	J. Clark	Total of contract amount not to exceed \$23,741.00 rehabilitation of runway and foxtrout lane
Nov. 2010	Markey's Video Images, LLC	Contract	17 Months		J. Clark	Renewals may not exceed 4 years. Renewals may be subject to a 3% increase Technical support for operation center
Nov. 2010	the etica group, inc. (the company uses all small letters)	Amendment to add services for engineering services	Through January 31, 2011	\$ -	J. Clark	Maximum of \$2583 in additional services. Amendment to add services for engineering services related to refurbishment of Firehouse 2
Nov. 2010	Ultra Electronics Airport Systems, Inc.	Personal Services Contract	3 years	\$ -	J. Clark	Annual charge of \$83,100 per year in monthly installments for electronic gate info
Nov. 2010	AST Corporation	Contract	1 month and 9 days through December 31, 2010	\$ -	J. Clark	\$150 per hour up to 80 hours for a total not to exceed \$14,600 oracle accounting system
Nov. 2010	John Colosimo	Contract		\$ -	J. Clark	Contract for preparation of FAA Sponsor Certification Forms
Nov. 2010	Cyotech De-icing	QPA	5 months	\$ -	J. Clark	\$4.11 per gallon, \$1637.20 per truckload or \$1711.47 per kg bag runway de-icing
Nov. 2010	Old World Industries	QPA	5 months	\$ -	J. Clark	\$4.03 per gallon de-icing chemicals
Nov. 2010	RW Armstrong, Inc.	Settlement Document for Errors and Omissions Claims	perpetual	\$37,500.00	J. Clark	\$37,500 for specific issues related to the new terminal building

MINUTES
Board of Directors Meeting
Indianapolis Airport Authority

The Regular Meeting of the Indianapolis Airport Authority Board was called to order at 10:01 a.m., December 17, 2010, in the Airport Board Room at the Indianapolis International Airport.

Present and comprising a quorum were:

Michael Stayton, President
Alfred R. Bennett, Secretary
Alex M. Azar II, Member
Kelly Flynn, Member
Andrew Miller, Member
Mary Moses Cochran, Member

Advisory Members attending:

Jack Morton, Jr.
Lynn Gordon

Rex Joseph, IAA Counsel

IAA executive staff attending:

John D. Clark III, Executive Director/CEO
Marsha Stone, Chief Financial Officer
Mike Medvescek, Chief Operations Officer
Al Stanley, Chief Information Officer
Patzetta, Chief Communications Officer
Joseph Heerens, General Counsel
Beverly Terlaje, Executive Assistant/Recording Secretary

APPROVAL OF MINUTES

Upon a motion by Mr. Flynn, seconded by Ms. Cochran and unanimously passed, approval was given to the Minutes of the Regular Meeting of November 19, 2010.

ORDINANCES, RESOLUTIONS AND PUBLIC HEARINGS

President Michael Stayton introduced General Ordinance No. 4-2010 concerning the Authority's 2011 Rates and Charges. A public hearing on General Ordinance No. 4-2010 is scheduled to occur on January 21, 2011.

For the next item, President Stayton asked for a motion to consider, for approval, the adoption of Resolution No. 18-2010, authorizing the transfer of amounts between budget line item classifications from the 2010 appropriations of the Indianapolis Airport Authority System Fund, as outlined in Appendix A.

Ms. Stone provided a brief explanation of the transfers within the 2010 budget of the Authority.

Upon a motion by Mr. Bennett, seconded by Ms. Cochran and unanimously passed, approval was given to adopt Resolution No. 18-2010.

BOARD REPORTS

President's Report

President Stayton had no reports, but shared that the Board met for two hours in its Pre-Board Meeting today to discuss the Authority's Land Use Study and stated it was an excellent meeting. He also indicated that Mr. Clark will provide a report on the Land Use Study in his CEO Report later in this meeting.

For the next item, President Stayton, the IAA Board and IAA staff recognized and congratulated CFO Marsha Stone on recently receiving the Indianapolis Business Journal's award for "2010 CFO of The Year" in the government category. President Stayton stated that the award is well deserved and Ms. Stone's leadership, strategic vision, commitment to excellence and more than 15 years of service to the Authority were among the factors that led to a well-deserved award. Ms. Stone recognized her entire team for their contribution in connection with this award.

OFFICIAL ACTIONS

APPROVAL OF THE INDIANAPOLIS AIRPORT AUTHORITY'S CONSENT CALENDAR, DATED December 17, 2010: Upon a motion by Mr. Flynn, seconded by Ms. Cochran and unanimously passed, approval was given to the Consent Calendar, dated December 17, 2010.

APPROVAL OF INDIVIDUAL ITEMS LISTED ON THE INDIANAPOLIS AIRPORT AUTHORITY'S CONSENT CALENDAR, DATED December 17, 2010: Upon a motion by Mr. Bennett, seconded by Mr. Azar and unanimously passed, approval was given to accept each of the individual items listed on the Consent Calendar, dated December 17, 2010.

STAFF REPORTS

CEO Report

Mr. Clark reported that the Land Use Study, and discussions in connection with it, are nearly complete but some additional work is necessary. Mr. Clark stated that the IAA believes it has a very good concept for our Airport System, but there are additional modeling verifications the IAA would like to complete which could take an additional 30-60 days. Mr. Clark indicated a desire to return during the first calendar quarter of 2011 to present the final document to the Board. President Stayton indicated that the Board is pleased with the project's progress and agreed that additional time is appropriate to properly complete it. President Stayton set a deadline of March 2011 in which to finalize the Land Use Study.

CFO Report

Ms. Stone provided a brief report on Air Service for the month of November 2010 as well as year-to-date; she reported that November 2010 enplanements were up 4% vs. the same period in 2009, which puts the enplanements up by 0.7% year-to-date. She indicated the Indianapolis International Airport has now seen positive growth in its passengers for three (3) consecutive months, which indicates a positive trend going into 2011. Ms. Stone also gave a brief financial update and discussed the Authority's ongoing debt refinancing efforts.

President Stayton announced that the Communications & Marketing Department will provide a report at the next Board meeting scheduled for January 21, 2011.

Other Reports/Update

President Stayton asked if there were any questions about the November 2010 Delegated Authority Schedule provided to Board members in their Board Packets for this meeting. There were no questions or comments.

President Stayton announced that today's refreshments for the Board meeting were provided by the Authority.

ADJOURN

There being no further business, the meeting was adjourned at 10:20 a.m.

INDIANAPOLIS AIRPORT AUTHORITY*

Lacy M. Johnson, Vice President

Joseph R. Heerens, Assistant Secretary

Date: _____

*Signed under authority of IAA Board Resolution 10-2009



Board Memo – 2011 Rates and Charges

To: IAA Board of Directors
From: John D. Clark, III, Executive Director/CEO
Date: December 29, 2010
Board Date: January 21, 2011
Subject: 2011 Rates and Charges Ordinance

Scope

The Board annually adopts an ordinance in order to implement a schedule of rates and charges for the use of Airport facilities. This proposed Ordinance was *introduced* at last month's Board meeting on December 17, 2010, and sets forth rates (both current and those proposed to be changed) that will go into effect on February 1, 2011. Public notices have been published in two (2) separate newspapers at least ten (10) days in advance of the Public Hearing (occurring January 21, 2011) of this proposed Ordinance, as required by applicable statute.

The following represents the changes that have been made from the current rates and charges ordinance. In addition, some of the changes are necessary in order to bring the Airport's rates and charges ordinance into accord with the terms of the new 2010-2015 Airline Use Agreement.

1. Changes the annual space rental charge per square foot within the terminal for non-signatory airlines from \$132.64 up to \$142.50, per the terms of the new 2010-2015 Airline Use Agreement. Keeps the rate for signatory airlines the same at \$95 per square foot.
2. Changes the annual space rental charge per square foot for aircraft apron areas for non-signatory airlines from \$2.62 up to \$2.79, per the terms of the new 2010-2015 Airline Use Agreement. For signatory airlines, it lowers the rate from \$2.62 per square foot down to \$1.86.
3. For General Aviation, Military Aircraft, Non-Scheduled Charter, and Non-Signatory Airlines, it changes the landing fee per 1,000 pounds of Certificated Gross Landing Weight for each aircraft for each landing from \$2.96 down to \$2.93, as per the appropriate calculation. For signatory carriers, the landing fee remains at \$1.95 per 1,000 pounds of Certificated Gross Landing Weight.
4. Eliminates the charge of \$0.10 per enplaned passenger security charge, per the terms of the new 2010-2015 Airline Use Agreement.
5. To allow greater flexibility, the ordinance changes the language of:

- a. The operating fee payable by taxicab owners and operators from a fixed fee of \$500 per 6 month period, to a not-to-exceed \$1,000 for every 6 months; and
 - b. The concession fee payable by taxicab owners and operators from a fixed fee of \$1.50 per loading operating of passengers, to a not-to-exceed \$2.50 per loading; and
 - c. The annual registration for ground transportation vehicles from hotels and motels from a fixed fee of \$210 per vehicle, to a not-to-exceed \$1,000 per vehicle; and
 - d. The hotel and motel trip fee charge per vehicle from a fixed fee of \$1.00 per vehicle, to a not-to-exceed \$2.50 per vehicle; and
 - e. The trip fees paid by other Ground Transportation Providers, as follows: (i) limo-sedan, from a per trip fixed fee of \$1.95, to a not-to-exceed \$2.50; (ii) van, from a per trip fixed fee of \$2.20, to a not-to-exceed \$5.00; (iii) mini bus, from a per trip fixed fee of 2.40, to a not-to-exceed \$10.00; and (iv) charter bus, from a per trip fixed fee of \$10.50, to a not-to-exceed \$50.00; and
 - f. The owners and operators who do not have operating agreements with the Authority for ground transportation for special events from a fixed fee of \$33.00 per vehicle, to a not-to-exceed \$50.00 per vehicle; and
 - g. The Ground Transportation Booth Fees from a fixed fee of \$260.00 per month, to a not-to-exceed \$95.00 per square foot of booth space.
6. Adds a new provision pertaining to charges for violations of the new employee parking policy in connection with moving Airport employees from the Employee Lot to the Parking Garage, with a not-to-exceed \$250.00 per violation (as provided in the IAA's new policy).
 7. Establishes various rates and charges for the newly-established Information Technology and related services which are to be provided by the Authority's IT Department at the request of a tenant or licensee (e.g., telecommunications, internet connectivity, networking).

Schedule

December 17, 2010

Introduction of Ordinance 4-2010

January 21, 2011

Public Hearing/Consideration for Adoption of Ordinance

Revenue and/or Operating Cost Implications

The Rates and Charges Ordinance is the principal document to impose fees and charges for the use of airport facilities in support of the 2011 approved operating and capital budgets of the Authority.

Supplier Diversity Participation

Not applicable.

GENERAL ORDINANCE 4-2010

WHEREAS, the Indianapolis Airport Authority Board (the "Authority"), pursuant to Indiana Code §8-22-3-11, is authorized to adopt a schedule of rates and charges, and to collect same from all users of Authority's airport facilities;

WHEREAS, the Authority desires to enact reasonable rates for the use of its airport facilities and services, commencing February 1, 2011;

WHEREAS, the Authority has considered a number of factors in determining reasonable landing fees and space rental rates, including the following: the projected revenues, expenses, and need for capital projects and comparisons with the rates of other airports; and

WHEREAS, representatives of the Authority have held discussions with representatives of many of the airline companies serving the Indianapolis International Airport (the "Airport") regarding such factors, and have received the advice and comments of all airline companies serving the Airport.

NOW, THEREFORE, be it ordained by the Authority's Board:

Section I. The following terms are hereby defined as follows:

A. Air Carrier

A person, company, corporation or other entity operating a commercial air transportation system by aircraft for the purpose of carriage of persons, cargo, mail or other property.

B. Aircraft Remote Parking Areas

A portion of the passenger terminal apron and other remote apron areas at the Airport, designated for the parking of diverted aircraft or overnight aircraft.

C. Airport

The "Airport" means the Indianapolis International Airport.

D. Airport Terminal Building

The Colonel H. Weir Cook terminal building at the Airport.

E. Certificated Air Carrier

A person, company, corporation or other entity operating a commercial air transportation system pursuant to the provisions of Federal Aviation Regulation Part 119, Part 121, or Part 129.

F. Certificated Gross Landing Weight

The maximum certificated gross landing weight in 1,000 pound units as approved by the Federal Aviation Administration ("FAA") for landing of an aircraft.

G. Commuter Air Carrier

A person, company, corporation or other entity operating a commercial air transportation system pursuant to the provisions of Federal Aviation Regulation Part 119 and Part 135 on a regular published schedule of aircraft arrivals and departures utilizing the Airport Terminal Building or the International Arrivals Building located at 7001 Pierson Drive.

H. Contract Day

The term "Contract Day" shall mean each twenty-four (24) hour period, or fraction thereof, for which an RAC rents an automobile to a customer.

I. Customer Facility Charge or CFC

The term "Customer Facility Charge" or "CFC" shall mean the charge to be collected by each RAC and remitted to the Authority pursuant to Section IV(K) hereof.

J. Customer Rental Transaction

The term "Customer Rental Transaction" shall mean a single rental transaction with a customer for a consecutive number of Contract Days.

K. Deplaned Passenger

"Deplaned Passenger" (or "Deplaning Passenger") shall mean a person arriving at the Airport by aircraft as a paying or non-revenue passenger.

L. Enplaned Passenger

"Enplaned Passenger" (or "Enplaning Passenger") shall mean a person departing the Airport by aircraft as a paying or non-revenue passenger, but not including a passenger on an intermediate stop at the Airport.

M. Executive Director/CEO

The person appointed by the Authority as Executive Director & Chief Executive Officer, or the Executive Director/CEO's designee,

responsible for the operation, maintenance, and management of the Authority's various airport facilities.

N. General Aviation Aircraft

All civil aircraft, except that of Scheduled Air Carriers, Non-Scheduled Air Carriers, and Commuter Air Carriers.

O. Ground Transportation Provider

A company, entity or person, other than taxi operators, that provides ground transportation services for hire from the Airport Terminal Building or International Arrivals Building, utilizing a limousine-sedan, van, mini-bus, or charter bus vehicle.

P. International Arrivals Building

The building located at 7001 Pierson Drive at the Airport.

Q. Landing

The term "landing", as used herein, shall mean the termination of flight of an aircraft upon an Airport runway.

R. Military Aircraft

All aircraft operated by any branch of the Armed Forces of the United States.

S. Non-Based Employee

The term "Non-Based Employee" shall mean an employee employed by a tenant of the Authority who resides in the Indianapolis metropolitan area, but whose primary employment base is a city located outside of the State of Indiana.

T. Non-Scheduled Air Carrier

An Air Carrier that does not operate aircraft on a regular, published arrival and departure schedule.

U. Non-Signatory Air Carrier

The term "Non-Signatory Air Carrier" shall mean an Air Carrier providing air transportation of passengers or property by air to and from the Airport which has not executed the Authority's 2010 form of "Agreement and Lease of Premises", for the use of, and for occupancy of, space and/or facilities at the Airport.

V. General Ordinance

The term "General Ordinance" shall mean this General Ordinance 4-2010.

W. RAC

The term "RAC" shall mean any auto rental company which leases office space, counter space, buildings, or real property for the operation of a rental car business at the Airport.

X. Scheduled Air Carrier

An Air Carrier that operates aircraft on a regular, published arrival and departure schedule.

Y. Signatory Air Carrier

The term "Signatory Air Carrier" shall mean an Air Carrier providing air transportation of passengers or property by air to and from the Airport, which has executed Authority's 2010 form of "Agreement

and Lease of Premises”, for the use of, and for occupancy of, space and/or facilities at the Airport.

Section II. The following schedule of rates, fees, and charges is hereby created and established for operators of aircraft using Hendricks County Airport, Eagle Creek Airpark, Metropolitan Airport, Mt. Comfort Airport, and the Downtown Heliport:

- A. General Aviation Aircraft not operating on a regular schedule shall pay a fuel flowage fee of \$0.06 per gallon of fuel delivered into the fuel tanks of such aircraft.
- B. Military Aircraft shall pay a fuel flowage fee of \$0.06 per gallon of fuel delivered into the fuel tanks of such aircraft.
- C. Charges for removal of disabled aircraft by Authority:

If pilots, owners or agents of General Aviation Aircraft request that Authority employees remove disabled aircraft from runways, ramps, taxiways, or other operational or other areas on any of the General Aviation Airport or heliport, the cost of the use of the Authority’s equipment (whether owned or leased) and Authority personnel shall be charged to the owner. As a condition to providing this service, the owner shall fully release and discharge the Authority from any and all liability related to the removal of aircraft.

Section III. The following schedule of rates, fees, and charges is hereby created and established for operators of aircraft using the Airport:

A. General Aviation Aircraft, Military Aircraft, and Non-Scheduled Air Carrier

1. General Aviation Aircraft not operating on a regular schedule shall pay a fuel flowage fee of \$0.07 per gallon of fuel delivered into the fuel tanks of such aircraft.
2. Military Aircraft shall pay a fuel flowage fee of \$0.07 per gallon of fuel delivered into the fuel tanks of such aircraft.
3. Operators of Non-Scheduled Air Carrier aircraft operating under Federal Aviation Regulation Part 119, Part 121, or Part 129 shall pay a landing fee of \$2.93 per 1,000 pounds of Certificated Gross Landing Weight for each aircraft for each landing.
4. Operators of large aircraft, as defined in Federal Aviation Regulation Part 125, shall pay a landing fee of \$2.93 per 1,000 pounds of Certificated Gross Landing Weight for each aircraft for each landing.
5. Aircraft operated by carriers pursuant to Federal Aviation Regulation Part 91, Part 119, or Part 135, on a regular schedule and pursuant to an Airport Use Agreement, shall pay a basic fee of \$150.00 per month per aircraft and a fuel flowage fee of \$0.07 per gallon of fuel delivered into the tanks on such aircraft. In the event that the total Certificated Gross Landing Weight for each aircraft operated by such

carrier shall average 250,000 or more pounds per month, such carrier may petition Authority to pay the rates and charges established by Section III(A)(3) in lieu of the charges established by this subparagraph.

B. Scheduled Certificated Air Carrier and Commuter Air Carrier Space Rentals

1. Annual Space Rental

An annual space rental charge per square foot of area is hereby levied upon all Signatory Scheduled Air Carriers, Signatory Commuter Air Carriers, Non-Signatory Scheduled Air Carriers, and Non-Signatory Commuter Air Carriers, for occupancy of space in and near the Airport Terminal Building, as follows:

	<u>Signatory</u>	<u>Non-Signatory</u>
A. Terminal	\$95.00	\$142.50
B. Office or Club Room	\$95.00	\$142.50
C. Hold Rooms	\$95.00	\$142.50
D. Operations Space	\$95.00	\$142.50
E. Baggage Make-up/Bag Claim	\$95.00	\$142.50
F. Ticket Counter	\$95.00	\$142.50
G. Aircraft Apron	\$ 1.86	\$ 2.79

One-twelfth (1/12) of an annual rental charge shall be due and payable monthly on the first (1st) day of each calendar month, in advance. The Authority or its Executive Director/CEO may assign such space to the airlines, from

time to time and in the exercise of reasonable judgment, and in accordance with their needs.

2. Baggage Claim, Baggage Make-Up, and Inbound Baggage Set-Off

(a) Twenty percent (20%) of total bag space square footage (including baggage claim, baggage make-up, and inbound baggage set-off) shall be allocated equally among the following: Signatory Airlines using the baggage system and non-signatory airlines with two percent (2%) or more of total enplaned passengers. Such charges shall be determined based on the number of airlines meeting the above criteria each December 1 for the following calendar year. Should the number of airlines meeting these criteria increase or decrease after December 1, an adjustment will be made accordingly for the remainder of the year.

(b) Eighty percent (80%) of total bag space square footage (including baggage claim, baggage make-up, and inbound baggage set-off) shall be allocated to each airline (both signatory and non-signatory) using the baggage system. All signatory airlines and non-signatory airlines with two percent (2%) or more of total enplaned passengers shall pay based on their percentage share of total enplaned passengers forecasted at Airport for calendar year for which

rates will be set. Non-signatory airlines with less than 2% of total enplaned passengers shall pay a fee per enplaned passenger of \$6.86.

3. Landing Fees

There are hereby established and levied landing fees upon each Non-Signatory Air Carrier using the Airport, a landing fee of \$2.93 per 1,000 pounds of Certificated Gross Landing Weight of each aircraft for each landing. Signatory Air Carriers shall pay a landing fee of \$1.95 per 1,000 pounds of Certificated Gross Landing Weight of each aircraft for each landing. Each Air Carrier subject to the landing fee provisions of Section III of this General Ordinance shall electronically provide to the Executive Director/CEO, on or before the fifteenth (15th) day of each month, an accurate verified report of landed weight, as prescribed by the Executive Director/CEO, and concurrently with transmittal of said report, tender payment in the amount of landing fees for that Air Carrier's operations at the Airport during the preceding month. Landing fee charges shall be due on the first (1st) of the month and payable no later than the fifteenth (15th) day of each month for the preceding calendar month of operations. The report submitted by Air Carriers shall include, but shall not be limited to: (1) Air

Carrier's total number of landings by type and model of aircraft and Certificated Gross Landing Weight of each type and model of aircraft; (2) the total number of Enplaning Passengers and Deplaning Passengers; and (3) the amount in pounds of freight, mail, and other cargo carried or transported by the Air Carrier for such month. Such reports shall be subject to review and audit by the Authority, and Air Carrier's records with respect to such reports shall be retained for five (5) years after the creation thereof.

4. Passenger Records

Each Air Carrier shall maintain a daily record of the number of passengers departing by its aircraft from the Airport. Within thirty (30) days following the close of each calendar month, each Air Carrier shall submit to the Authority a report of passenger embarkation for the prior month. Such reports shall be subject to the Authority's review and audit, and Air Carrier's records with respect to such reports shall be retained for at least five (5) years after the creation thereof.

5. International Arrivals Building and Ramp located at 7001 Pierson Drive

- (a) International Processing Fee: Users shall pay a minimum service facility fee of \$300.00 per flight, or \$3.00 per person processed, whichever is greater, for

use of the inspection area and reboarding lounge in the International Arrivals Building.

(b) Inspection Area: When used separately to accommodate special events or functions, the user shall pay a fee of \$100.00.

(c) Reboarding Lounge: When used separately to accommodate deplaning or enplaning passengers or for special purpose or function, the user shall pay a fee of \$100.00.

(d) International Arrivals Ramp: A parking fee of \$200.00 per twenty-four (24) hour period (or fraction thereof) shall be paid by aircraft operators who utilize the International Arrivals Ramp for overnight parking or extended aircraft parking.

6. International Arrivals at Airport Terminal Building

(a) A ramp fee of \$200.00 for each turn flight.

(b) A parking fee of \$200.00 per twenty-four (24) hour period (or fraction thereof) shall be paid by aircraft operators who utilize the International Arrivals Ramp for overnight parking or extended aircraft parking.

7. Aircraft Remote Parking Areas

Aircraft operators parking aircraft in the designated overflow apron areas shall pay \$200.00 per twenty-four (24) hour period (or fraction thereof).

8. Gate Use Fee

Air Carriers using aircraft gates and/or associated facilities for passenger handling and/or aircraft operations shall pay the following fees per flight:

	<u>Up to 3 hours</u>	<u>More than 3 hours but less than 9 hours</u>
(a) <u>Terminal Facilities</u>		
<u>NON-SIGNATORY AIR CARRIER</u>		
Hold Room & Loading Bridge	\$300.00	\$600.00
Aircraft Apron	\$100.00	\$200.00
Operations Space	\$ 65.00	\$130.00
Ticket Counter and Public Address System	\$ 65.00	\$130.00
	<u>More than 9 hours but less than 18 hours</u>	<u>18 hours to 24 hours</u>
Hold Room & Loading Bridge	\$1,300.00	\$2,800.00
Aircraft Apron	\$ 200.00	\$ 200.00
Operations Space	\$ 260.00	\$520.00
Ticket Counter and Public Address System	\$ 260.00	\$520.00
(b) <u>Terminal Facilities</u>	<u>Up to 3 hours</u>	<u>More than 3 but less than 9 hours</u>
<u>SIGNATORY AIR CARRIER</u>		

Hold Room & Loading Bridge	\$150.00	\$200.00
Aircraft Apron	\$ 50.00	\$200.00
Operations Space	\$ 65.00	\$130.00
Ticket Counter and Public Address System	\$ 65.00	\$130.00

	<u>More than 9 hours but less than 18 hours</u>	<u>18 hours to 24 hours</u>
Hold Room & Loading Bridge	\$ 600.00	\$1,400.00
Aircraft Apron	\$ 200.00	\$200.00
Operations Space	\$ 190.00	\$380.00
Ticket Counter and Public Address System	\$ 190.00	\$380.00

9. Charges for Removal of Disabled Aircraft by Authority

If pilots, owners or agents of Air Carriers (the "Responsible Party" or "Responsible Parties") request that Authority employees remove disabled aircraft from runways, ramps, taxiways or other operational or other areas on the Airport, the cost of the use of the Authority's equipment (whether owned or leased) and Authority personnel shall be charged to the owner or Air Carrier. As a condition to providing this service, the Responsible Party shall fully release and discharge the Authority from any and all liability related to the removal of aircraft.

Section IV. With respect to ground transportation, concession and other fees at the Airport:

A. Taxicabs/Operating Agreement and Concession Fees

1. Taxicab owners or operators must have an operating agreement with the Authority and pay a fee not to exceed \$1,000.00 (as approved by the Executive Director/CEO), in advance, for each six (6) month period that their operating agreement is in force.
2. Taxicab owners or operators shall pay a concession fee not to exceed \$2.50 (as approved by the Executive Director/CEO), per loading operation of passengers at the Airport. Taxicab owners or operators may assess a maximum pickup charge to Airport passengers of \$0.50 per loading operation at the Airport.
3. The minimum taxi fare for trips originating at the Airport shall be \$15.00.

B. Ground Transportation Agreement Fees

1. Fees. Any person, company or other entity operating a business, an integral part of which involves persons or baggage being regularly transported between the Airport and a motel, hotel, parking lot, or auto rental office situated off Airport property, in vehicles owned or operated by the person, company or other entity providing the service (or

subcontractor thereof), shall pay the following fees and charges, and, at the discretion of the Executive Director/CEO, said fees and charges may be prorated to a convenient calendar date:

(a) Hotel and Motel Vehicles

(i) An annual registration fee not to exceed \$1,000.00 (as approved by the Executive Director/CEO), per vehicle.

(ii) A trip fee not to exceed \$2.50 (as approved by the Executive Director/CEO), per vehicle used for transportation of customers from the Airport.

(b) Off-Airport Car Parking Companies

A fee of ten percent (10%) of all sales and fees for the parking of automobiles, courtesy vehicle shuttle transportation, valet parking services, and automobile services, as follows:

- 1) washing and waxing
- 2) detailing or interior cleaning
- 3) oil, lube and filter
- 4) bulb repair or replacement

for its customers arriving, departing or using Airport.

(c) Off-Airport Auto Rental Companies

A fee of ten percent (10%) of all sales and fees for the rental of automobiles and services, as follows:

- 1) time and mileage
- 2) unused voucher revenue
- 3) CDW allocated inclusive
- 4) loss damage waiver
- 5) personal accident insurance
- 6) extended liability protection
- 7) personal effects coverage
- 8) protection plus
- 9) fuel service option
- 10) fuel recharge
- 11) intercity fees
- 12) coupons
- 13) baby seat revenue
- 14) navigational systems
- 15) additional driver
- 16) under age driver
- 17) ski racks
- 18) cellular phone commission
- 19) change of equipment
- 20) miscellaneous vehicle revenue
- 21) airport fees

for its customers arriving, departing or using Airport.

2. Audit. Any person, company or other entity, by acceptance and use of a Ground Transportation Agreement issued by the Authority, agrees that the Authority shall have the right to inspect and audit such person's, company's, or entity's books of account and other records pertaining to its business operations in connection with the Airport, which books of account and other records shall be retained by such person, company or entity for a period of not less than five (5) years.
3. Termination of Ground Transportation Agreement. The Executive Director/CEO may terminate a Ground Transportation Agreement for failure to allow an audit as

provided in Section IV(B)(2) above, or for violation of any rule, regulation, or ordinance of the Authority or of any federal, state or local law or ordinance, upon the failure of the person, company or other entity to comply with or correct said violation, within seven (7) days after receipt of written notice from the Executive Director/CEO or his designee.

C. Scheduled Bus Service

Scheduled bus owners or operators shall pay a negotiated fee per month on inter-city routes.

D. Other Ground Transportation Providers

1. Ground Transportation Providers shall pay a trip fee for transportation from the Airport (as approved by the Executive Director/CEO), not to exceed the fees specified in the following table:

Vehicle Type	Per trip not to exceed fees
Limo-Sedan	\$2.50
Van	\$5.00
Mini Bus	\$10.00
Charter Bus	\$50.00

2. Limousine owners and operators must have an operating agreement with the Authority and pay an annual fee (as approved by the Executive Director/CEO), not to exceed \$1,000.00.

E. Special Events

Any operator or owner who does not have an operating agreement with the Authority that is providing ground transportation for a special event or convention shall pay a fee, as approved by the Executive Director/CEO, not to exceed \$50.00 per vehicle per trip at the Airport.

F. Ground Transportation Booth Fees

A monthly fee, as approved by the Executive Director/CEO, not to exceed \$95.00 per square foot for use of booths in the Ground Transportation Center located adjacent to Airport's parking garage.

G. Automatic Vehicle Identification

Any operator or owner operating commercial motor vehicles at the Airport and subject to the fees of this Section IV shall, prior to operating at the Airport, equip such motor vehicles with Automatic Vehicle Identification Transponders (the "Transponder") provided by the Authority and pay a \$50.00 deposit therefor, which deposit shall be refunded upon the return of such Transponder in good condition. Any operator or owner of commercial motor vehicles required to be equipped with a Transponder shall be subject to a penalty of \$1,000.00 per day for each violation for failure to install

on and operate a commercial motor vehicle with the Transponder provided by the Authority.

H. Conference and Meeting Rooms

The Executive Director/CEO shall have the authority to set fees for the use of the Airport's conference rooms.

I. General Concession & Service Fees

Any person, firm, partnership, corporation, limited liability company, or any other business entity providing services or concessions on the Airport shall be required to obtain a Use Permit or other written agreement from the Authority and to pay the appropriate fees specified in said Use Permit or Agreement for the service or concession to be provided.

J. Public and Employee Parking

1. The Executive Director/CEO shall have the authority to set fees for the use of the Airport's parking garage and parking lots, in a daily amount to not exceed \$22.00.

2. The Executive Director/CEO shall have the discretion to develop and implement discounts, incentives, and other special programs for the Airport's parking garage or lots that may have the effect of reducing the daily rates set forth under Section IV(J)(1).

3. The Executive Director/CEO shall have the authority to set fines for violations of the Authority's parking policies, in an amount not to exceed \$250.00 per violation.

K. Customer Facility Charge

1. Each RAC shall pay a fee for each Customer Rental Transaction, and the Executive Director/CEO shall have the authority to set the fee in an amount not to exceed \$4.00 per rental car Contract Day, for a maximum of fourteen (14) Contract Days.

2. The Customer Facility Charge shall be shown as a separately itemized charge on each customer contract for such RAC and described as "Customer Facility Charge" or "CFC", with a footnote approved by the Authority explaining the abbreviation.

3. Each RAC must hold the CFC revenues collected by it, in trust, in a fiduciary capacity for the Authority. All of the CFC revenues collected and held will be considered the Authority's property and will not be considered gross revenues of the RAC. Each RAC shall hold CFC revenue collections in a custodial capacity, in which the RAC has no interest other than that of custodian, and shall not hold or have either an ownership or equitable interest in said CFC revenues collected.

4. Each CFC shall be collected from all customers of the RAC, including customers receiving complimentary or discounted auto rentals from the RAC and without regard to whether that customer is using the Airport's facilities.

5. Each RAC shall maintain records and controls that are sufficient to demonstrate the accuracy of the CFC revenues collected and the amount of CFC revenue collections remitted. These accounting records must be made available for inspection and examination at all reasonable times by the Authority or its duly authorized representative(s). Should travel to an RAC's out-of-state offices be required in order to conduct such an examination or inspection, all reasonable costs incurred by the Authority or its duly authorized representative(s), including, but not limited to, airfare, meals, lodging and local transportation, shall be paid by such RAC.
6. Each RAC shall provide to the Executive Director/CEO, no later than October 1st of each calendar year, a statement showing such RAC's projected Contract Days for the forthcoming year.
7. The Authority reserves the right to adjust the amount of the CFC, at such times as it deems necessary or appropriate, upon at least sixty (60) days prior written notice to each RAC.
8. No RAC shall be entitled to any rights of offset or other reduction in the requirements herein, and shall remit all CFC revenues collected to the Authority regardless of any amounts that may be owed or due to such RAC by the Authority.
9. It is understood and agreed that all CFC revenues required to be collected by an RAC may be pledged for, or dedicated to, the payment of airport bonds or other obligations pursuant to the

applicable bond documents, and such other costs as agreed to by the Authority.

10. Each RAC shall remit the CFC revenues collected to the Authority at the address provided in the current RAC Agreement, and shall pay such revenues in U.S. dollars without exchange for foreign currency. Each RAC shall timely remit its CFC revenue collections to the Authority.

11. Within ninety (90) days after the end of each calendar year, RAC shall employ a certified public accountant (the "CPA"), who shall provide an unqualified written statement to the Authority stating whether, in the CPA's opinion, the CFC revenues collected by the RAC, and the number of Customer Rental Transactions and Contract Days during the preceding year pursuant to this Agreement, were remitted and provided to the Authority in accordance with the terms of this Ordinance. Such statement shall contain a list, by month, of the CFC revenues collected, the number of automobile rental days, and number of Contract Days as shown on the books and records of the RAC that were used to determine the payments made to the Authority during the period covered by the statement. An electronic copy of the annual CFC report shall be submitted to the Authority with the annual CFC statement. Each RAC shall make payment of any additional

amount due as reflected in the CPA statement to the Authority at the time the CPA statement is provided to the Authority.

12. Each RAC shall furnish to the Authority, on or before the fifteenth (15th) day following each complete calendar month, a statement certified by such RAC and prepared in a manner satisfactory to the Authority, of the CFC revenues collected, and the number of Customer Rental Transactions and Contract Days that occurred during the previous calendar month. The CFC revenues collected shall be remitted by the RAC to the Authority by the 15th day of each month for the preceding calendar month of operations during the year.

Section V. With respect to public safety fees:

A. Fingerprinting and Criminal Records Check

A fee of \$50.00 shall be paid by each person requesting issuance of an Airport identification badge that requires fingerprinting the person and conducting a criminal record background check of such person.

B. Alarm System Monitoring and False Alarm Fees

1. A fee of \$35.00 per month may be charged to each person who occupies a building on Airport property that is monitored by the Airport Operations Center.
2. The following fees may be charged for more than one (1) false alarm in a calendar year:

(a) For a first false alarm in a calendar year, a written warning shall be issued from the Airport Police Department or Airport Fire Department.

(b) For a second false alarm received in the same calendar year subsequent to the issuance of the written warning, a fee of \$25.00 will be charged.

(c) For a third or fourth false alarm received in the same calendar year subsequent to the issuance of the written warning, a fee of \$75.00 will be charged.

C. Badge Replacement Fees

The following fees may be charged for the replacement of badges issued by the Airport's Badging Office:

1. For damaged badges -- \$10.00
2. For lost or misplaced badges -- \$75.00

Section VI. With respect to copying fees:

- A. As permitted under Indiana Code §5-14-3-8, the Authority may charge \$0.10 per page for photocopies.
- B. As permitted under Indiana Code §9-29-11-1, the Airport Police Department may collect a fee of \$5.00 per report for copies of motor vehicle accident reports. The fees collected for motor vehicle accident reports shall be deposited into a training fund for police officers.

Section VII. With respect to telecommunications, internet, networking, and related IT services:

The following fees may be charged for the services indicated below performed by the Authority's Information Technology Department at the request of any tenant or licensee of Authority:

A. TELECOMMUNICATIONS	<i>Tenant Rate</i>
Digital handset with dial tone	\$25/mo. per phone
Analog circuit for fax lines	\$25/mo. per line
Data jack/cabling (new service activations only)	\$250 (per jack; 1x fee)
Long distance service	\$.05/minute
Directory Assistance and collect calls will be charged back to tenant	At cost

B. INTERNET CONNECTIVITY & BANDWIDTH	<i>Tenant Rate</i>
Data jack/cabling (new service activations only)	\$250 (per jack; 1x fee)
Network configuration for wired/wireless Internet access setup	\$95 (per port; 1x fee)
Wired/wireless Internet connectivity:	
1.5 Mbs bandwidth	\$50/month
3 Mbs bandwidth	\$100/month
5 Mbs bandwidth	\$167/month
5+ Mbs bandwidth	Call for quote
Router/Firewall	\$10/month

C. NETWORKING	<i>Tenant Rate</i>
Virtual Local Area Network (VLAN); up to five static IP addresses	\$95 per VLAN (1x fee)
Switched port access; patching/adding VLAN port(s)	\$7/month (per port)
Equipment cabinet in tenant communication room	\$10/month (per unit)
Additional inter-building fiber pairs (between buildings)	\$500/pair (per month) \$300/ea. add'l. pair (per month)
Additional intra-building fiber pairs to link terminal, concourse, Ground Transportation Center (GTC), or Garage Communication	\$65/pair per month

Room (GCR)	
Additional Cat 6 cables beyond base terminal build-out (cables from Comm. Room to tenant space)	\$19.95/cable per month

D. MISCELLANEOUS	<i>Tenant Rate</i>
Configure, move, add or change hardware/software	\$75/hour (1 hour minimum)
IT project consultation, management, design coordination	\$100/hour (1 hour minimum)
Coax cable for cable TV	\$19.95/month per port

Section VIII.

Nothing contained herein shall prevent or restrict the Authority from entering into a use agreement with any airline company that provides for a credit or assessment in the event that actual income or expenses fall short of projected levels.

Section IX.

As a condition precedent to the right of any aircraft operator to use the Airport, it shall comply with all the reporting and payment requirements hereinabove set forth. Any such aircraft operator failing to comply with said requirements shall be barred from the use of any of the Authority's airport facilities.

Section X.

For all payments due to the Authority pursuant to the provisions of this Ordinance, other agreements with Authority, or any funds payable to the Authority, there shall be added interest computed at the rate of 1½% per month from the due date of such payment, same to be assessed whenever

any payment shall become thirty (30) days overdue and provided that the aggregate monthly interest for such overdue account exceeds Ten Dollars (\$10.00).

Section XI.

The rates, fees, and charges herein established are subject to review and modification by the Authority from time to time, to properly reflect the costs of the construction, operation, maintenance and expansion of the Authority's airport facilities.

Section XII.

The provisions of this Ordinance shall be severable, and, if any of the provisions hereof shall be held to be unconstitutional, invalid or illegal by a court of competent jurisdiction, such decision shall not affect the validity of any of the remaining provisions of this Ordinance.

Section XIII.

Any ordinances, or parts thereof, of the Authority that are inconsistent with the terms of this General Ordinance, are hereby superseded.

Section XIV.

This General Ordinance shall be in full force and effect as of February 1, 2011.

ENACTED on this _____ day of _____, 2011.

INDIANAPOLIS AIRPORT AUTHORITY*

By _____
Lacy M. Johnson, Vice President

By _____
Joseph R. Heerens, Assistant Secretary

*Signed under authority of IAA Board Resolution #10-2009.

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

I, Joseph R. Heerens, the duly elected and qualified Assistant Secretary of the Indianapolis Airport Authority, Indianapolis, Indiana, do hereby certify that the foregoing is a full, true and complete copy of an Ordinance adopted by the Board of the Indianapolis Airport Authority at a regular/special meeting of said Board held at its offices at the Indianapolis International Airport on January ____, 2011, and that said Ordinance has not been amended, rescinded or revoked.

WITNESS MY HAND AND THE OFFICIAL SEAL OF THE INDIANAPOLIS AIRPORT AUTHORITY on this _____ day of _____, 2011.

Joseph R. Heerens, Assistant Secretary

IAA Board Meeting
Consent Calendar Agenda
January 21, 2011

Consider for approval:

A) General Business

BP2011-01-1 Amendment No.4 to Amendment and Restated Land Lease Agreement (1993 Lease) with Federal Express Corporation. The Amendment provides for the expansion of the FedEx leasehold in conjunction with the IAA's Phase IV Development.

BP2011-01-2 A contract with Dave Fleet Consulting LLC for FAA Part 139 Safety Management System Implementation Study in amount not-to-exceed \$189,550 plus incidental expenses of \$17,500. DBE 36.66% (Landry Consultants LLC), MBE 8.45% (Professional Data Dimensions and ROI Marketing, Inc.), and WBE* 36.66% (Landry Consultants LLC, *Indiana certification pending)

B) Capital Program

BP2011-01-3 Plans and Specifications for CIP/Project # I-11-014 – Cargo Apron Expansion Phase IV, as prepared by Shrewsberry & Associates, LLC, and authorize the public bidding process.

BP2011-01-4 Plans and Specifications for Midfield Terminal Water Main Extension (Double Check Valves), as prepared by Ross & Barruzini, and authorize the public bidding process.

BP2011-01-5 Plans and Specifications for the Bid Packages in RFQ 10-06: IMC Air Cargo Modifications, Phase I – Restroom, as prepared by A2SO4 Architecture, and IMC Air Cargo Modifications, Phase II - Fencing and IMC Air Cargo Modifications, Phase III – Overhead and Man Doors, as prepared by the etica group, and authorize the process to obtain quotes for each part of the project.

BP2011-01-6 Consider for approval Plans and Specifications for the Remodel Heliport Restrooms project; and Consider for approval an award of contract for RFQ-07 - Remodel Heliport Restrooms to Wurster Construction Company in an amount not-to-exceed \$56,137.00 plus a 5% construction reserve of \$2,807.00. Wurster Construction Company had the lowest responsive and responsible quote. MBE 3.56% (B C Countertops) and WBE 20.66% (Marburger Flooring)

IAA Board Meeting
Consent Calendar Agenda
January 21, 2011

- BP2011-01-7 A Change Order with Evans Development Company, Inc. for Project # H-09-045-2148 in an amount not-to-exceed \$3,114.45.
- BP2011-01-8 A Change Order with Gibraltar Construction Corporation for Project # I-62 – Parking Garage Storage Room Improvements in an amount not-to-exceed \$1,805.00 and a 7 calendar day contract extension.
- BP2011-01-9 A Change Order with Brandt Construction, Inc. for Project # I-09-033-B-3048 in an amount not-to-exceed \$54,230.00.
- BP2011-01-10 A Change Order with Brandt Construction, Inc. for Project # I-09-033-B-3048 in an amount not-to-exceed \$105,000.



Indianapolis Airport Authority

Board Memo FedEx Amendment No.4 to Amended and Restated Land Lease Agreement

To: IAA Board of Directors

From: Marsha Stone, Chief Financial Officer

Date: December 27, 2010

Board Date: January 21, 2011

Subject: Amendment No. 4 to FedEx 1993 Lease / Phase IV Development / Aircraft Apron Expansion

Background

Amendment No. 4 provides for FedEx to exercise its lease option to Parcel 5 as well as agreeing to lease additional land identified as Parcel 6. These two areas are needed to construct a new aircraft apron (Phase IV Aircraft Apron Expansion) capable of handling four wide-body aircraft.

Phase IV design and construction will be handled in the same fashion as the previous three Phases in that IAA will design / construct and in turn, FedEx will pay back the IAA via the rental structure through their lease term, December 31, 2028.

In September 2010, the IAA and FedEx executed a Pre-Development Service Agreement (PDSA) providing notice for the IAA to proceed in preparing detailed construction plans and cost estimates for Phase IV Aircraft Apron Expansion. Final cost estimates will be issued to FedEx in January 2011. The PDSA provides for reimbursement to the IAA for architectural and engineering costs should FedEx not proceed with the plans and specifications / bid stage of the project. With that said, in addition to the recommendation that IAA enter into Amendment No. 4, Phase IV Plans & Specifications will also be on the January IAA Board Meeting Agenda.

Scope

To execute Amendment No.4, therein providing for future growth by FedEx through the IAA's financing of their apron expansion; which will facilitate capacity for increased landed weight, and ultimately increase landing fee revenue and property rentals (non-airline revenue).

Schedule

- January 21, 2011: IAA Board approval of Amendment No. 4 to Amended and Restated Land Lease Agreement
- January 21, 2011: IAA Board approval of Phase IV Plans & Specifications and authorize bidding process
- November 1, 2011: Substantial completion date / turnover aircraft apron to FedEx

Revenue and/or Operating Cost – Capital Cost Implications

Revenue:

Commencing November 1, 2011, annual ground rental through December 31, 2016, will be \$42,897.20. Beginning January 1, 2017 through December 31, 2028, annual ground rental will increase to \$85,794.40. Total ground rental revenue derived through term equals \$1,244,018.80.

Operating Costs / Capital Costs:

There is no Operating Cost to the IAA through term.

Capital Costs at this time are estimated to be \$12,493,600. FedEx will pay a facility rental over the lease term through which the IAA recovers the capital costs, as well as an implied amount of financing costs and a finance charge at a fixed rate of interest. The Phase IV Aircraft Apron Expansion and associated Capital Costs are explained in a separate IAA Board Paper.

Supplier Diversity Participation

Relative to the execution of Amendment No. 4 this section is not applicable; however, as the IAA is currently designing and will construct the Phase IV development, diversity participation will be sought in all bids for services and/or received goods relative to this IAA Capital Project.

Recommendation

Consider for approval Amendment No.4 to Amended and Restated Land Lease Agreement (1993 Lease) with Federal Express Corporation. The Amendment provides for the expansion of the FedEx leasehold in conjunction with the IAA's Phase IV Development.
BP2011-01-1



Board Memo - Contract

To: IAA Board of Directors

From: Mike Medvescek, Chief Operating Officer

Date: December 29, 2010

Board Date: January 21, 2011

Subject: Contract with Dave Fleet Consulting LLC for FAA Part 139 Safety Management System Implementation Study

Background

In May 2010, the Federal Aviation Administration (FAA) selected the Indianapolis International Airport (IND) to receive an Airport Improvement Program (AIP) grant valued at up to \$400,000 to conduct a Federal Aviation Regulations (FAR) Part 139 Safety Management System (SMS) Implementation Study. The project for IND has been scoped below the grant limit to keep the local share cash investment to no more than \$50,000. The intent of the implementation study is to examine how airports implement the elements of safety risk management and safety assurance into daily operations throughout the airfield environment. IND is eligible for this grant because it successfully participated in a previous FAA pilot study of airport safety.

A SMS provides a consistent means of assessing safety risks across airports in movement and non-movement areas. The FAA has established increased safety as a strategic goal and is developing standards and guidance. On August 30, 2010, the FAA published the guidance for its Airports line of business that will go into effect for all their actions at medium hub airports such as IND on June 1, 2011. The FAA has also published a notice of proposed rule making for the application of SMS at all Part 139 certificated airports such as IND.

Results of this study will directly assist the FAA as it grows its safety management program. At IND, SMS will be applicable to areas including: airport operations, modifications to the airport layout plan, airspace determinations, the noise program, the capital improvement program and planning, design and construction standards. Participating in this third phase of the FAA pilot study allows IND to obtain grant funding to assist in compliance with the pending regulations.

Scope

The scope of this project will meet the requirements of the FAA's Part 139 SMS Implementation Participant's Guide and include:

- *Program management:* prepare study plan per FAA requirements, conduct quarterly meetings, and prepare monthly reports for the FAA.
- *Data collection and analysis:* analyze existing IAA safety reports, implement a safety reporting system including assistance in procurement of software, and provide training programs and "train the trainer."
- *Conduct three safety risk assessments/analysis.*
- *Conduct safety assurance evaluation.*
- *Prepare final report and submit to the FAA.*

Budget and Project Funding

Budget

Consulting services and expenses	\$207,050
Software acquisition and support (budgeted)	72,950
Value of IAA staff time (budgeted)	<u>20,000</u>
TOTAL	\$280,000

Project Funding

FAA AIP Grant	\$210,000
Local Share - value of IAA staff time	20,000
Local Share – cash	<u>50,000</u>
TOTAL	\$280,000

The funding for this project is within the approved cash flow for the Operations budget.

Schedule

The term of this contract shall be October 20, 2010 to April 20, 2012. The FAA grant for this project was executed August 9, 2010 and the final report is due 13 months from grant issuance or study start.

Supplier Diversity Participation

The Director of Supplier Diversity has approved the following DBE/MBE/WBE participation:

FIRM	CLASSIFICATION	AMOUNT	%
Landry Consultants LLC	DBE/WBE*	\$75,900	36.66
Professional Data Dimensions	MBE	\$7,500	3.62
ROI Marketing, Inc.	MBE	\$10,000	4.83
Totals	DBE	\$75,900	36.66
	MBE	\$17,500	8.45
	WBE*	\$75,900	36.66

*Landry Consultants LLC is certified as DBE/WBE in Washington. Indiana DBE certification received and WBE certification pending.

Recommendation

The IAA staff has reviewed the proposal and recommends that the Board consider for approval a contract with Dave Fleet Consulting LLC for FAA Part 139 Safety Management System Implementation Study in amount not-to-exceed \$189,550 plus incidental expenses of \$17,500. DBE 36.66% (Landry Consultants LLC), MBE 8.45% (Professional Data Dimensions and ROI Marketing, Inc.), and WBE* 36.66% (Landry Consultants LLC, *Indiana certification pending)



Board Memo Plans & Specifications Approval

To: IAA Board of Directors

From: Mike Medvescek, Chief Operating Officer

Date: December 13, 2010

Board Date: January 21, 2011

Subject: Approval of Plans and Specifications for CIP/Project # I-11-014 – Cargo Apron Expansion Phase IV and Authorize the Public Bidding Process

Background

In recent years, FedEx and the IAA have completed three (3) expansion projects of the FedEx Hub apron, known as Phase I, II and III, which accommodated FedEx's growth at Indianapolis International Airport (IND). Phase IV of the apron development project will include drainage improvements, site preparation, concrete pavement construction, pavement marking, hydrant fueling system expansion, high mast apron lighting, and ground power units and nose tethers at the parking positions for four (4) additional parking positions.

On September 17, 2010 Indianapolis Airport Authority (IAA) Board approved a Pre-Development Service Agreement with FedEx for up to \$1,000,000 in costs related to the design of Phase IV. This agreement allowed Shrewsberry & Associates, LLC to begin a fast track design process so the additional aircraft parking positions/gates for FedEx will be ready for use starting in November 2011. Concurrent with the design process, FedEx has proceeded with their internal approval process for the apron construction.

Although the design phase has been completed, additional contracts for construction management and an amendment to Shrewsberry's contract for construction administration will require Board approval at a future meeting. The lease agreement with Fed Ex will be presented to the Board at the January meeting.

The IAA will fund Cargo Apron Expansion Phase IV (Phase IV) and receive a return on investment through revised lease terms with FedEx. Amendment #4 with FedEx containing revised lease terms will be presented to the IAA Board on January 21, 2011.

This project was approved for implementation by the Executive Management Team on July 29, 2010.

Scope

The scope of this project includes the construction of 374,700 square feet of 18" concrete apron pavement, 21,100 square feet of short-term snow melt pavement, an extension of the fuel hydrant system, and installation of high mast apron lighting, ground power units and nose tethers.

Shrewsberry & Associates, LLC was selected to lead team of designers experienced in the previous phases of the Cargo Apron Expansion and prepare the bid package for the project. They have prepared plans and specification for the Cargo Apron Expansion Phase IV project scheduled for completion by the end of October 2011.

Budget

Construction package is estimated between \$5 million and \$10 million.

The funding for this project is within the approved cash flow for the Capital Improvement Program.

Schedule

Pre-Bid Meeting	February 1, 2011	10:30 am	Program Office Conf. Room 1
Bid Opening	February 22, 2011	11:00 am	Program Office Conf. Room 1

Est. Bid Award (Board Mtg) March 18, 2011

Work is expected to start April 2011 and the substantial completion date is expected to be October 31, 2011.

Supplier Diversity Participation

The Director of Supplier Diversity established the following DBE/MBE/WBE participation goals on December 14, 2010: MBE 18%, and WBE 8%

Recommendation

The IAA staff has reviewed the bid documents and recommends that the Board consider for approval Plans and Specifications for CIP/Project # I-11-014 – Cargo Apron Expansion Phase IV, as prepared by Shrewsberry & Associates, LLC, and authorize the public bidding process.



Board Memo Plans & Specifications Approval

To: IAA Board of Directors

From: Mike Medvescek, Chief Operating Officer

Date: December 13, 2010

Board Date: January 21, 2011

Subject: Approval of Plans and Specifications for Midfield Water Main Extension (Double Check Valves), Project #I-150, and Authorize the Public Bidding Process

Background

The Indianapolis Airport Authority (IAA) works with Indianapolis Water (IW) to ensure that the water infrastructure associated with the Midfield Terminal project meets IW requirements. Since 2008, IAA has worked diligently with IW and their contractor, Veolia Water, to resolve all outstanding issues related to the water main construction, ownership, maintenance and water supply redundancy.

To complete the transfer of ownership of water main lines to the IW and to comply with applicable drinking water regulations, the IAA must install two (2) double check valves (backflow prevention devices) at the water meter point of delivery between the water main lines to be owned by the IAA and the water main lines to be owned by Indianapolis Water (IW). One double check valve needs to be installed at Vault 2 along South Service Road near the Airport Operations Center, and one at Vault 3 near Taxiway B east of the terminal apron (see Vaults No. 2 and 3 on attached Exhibit B). IW has recently approved the location and type of devices to be installed, allowing this work to go forward when construction season commences in the spring.

Scope

This package provides for the procurement and installation of two double check valves to be installed at the water meter point of delivery at the connection between the IAA and IW water mains, one along South Service Road and the other near Taxiway B.

Budget

Construction package is estimated between \$100,000 and \$250,000.

The funding for this project is within the approved cash flow for the Midfield Terminal.

Schedule

Drawings Issued January 25, 2011
Pre-Bid Date: February 1, 2011 1:30 p.m. Program Office, Conf Room 1
Bid Opening Date: February 24, 2011 10:00 a.m. Program Office, Conf Room 1

Est. Bid Award (Board Mtg) (April 15, 2011)

Work is expected to start April 2011 and the substantial completion date is expected to be July 2011.

Supplier Diversity Participation

The Director of Supplier Diversity has established the following MBE/WBE participation goals: MBE 18% and WBE 5%

Recommendation

The IAA staff has reviewed the bid documents and recommends that the Board consider for approval Plans and Specifications for Midfield Terminal Water Main Extension (Double Check Valves), as prepared by Ross & Barruzini, and authorize the public bidding process.

New Indianapolis International Airport

Sitewide Water Mains

EXHIBIT B OWNERSHIP

We indicate water main ownership by color. The color of the water main indicates the ownership of the water main. The color of the water main is as follows: Blue - DOW 20" MAIN (PROPOSED OWNERSHIP) Red - IAA-20" MAIN (PROPOSED OWNERSHIP) Green - DOW 24" CROSSFIELD MAIN

WMI to confirm location of all hydrants and water main located under pavement or in deep basins upon final Project Completion. IAA shall be responsible for maintaining.

- DOW 20" MAIN (PROPOSED OWNERSHIP)
- IAA-20" MAIN (PROPOSED OWNERSHIP)
- DOW 24" CROSSFIELD MAIN



Board Memo Plans & Specifications Approval

To: IAA Board of Directors

From: Mike Medvescek, Chief Operating Officer

Date: December 17, 2010

Board Date: January 21, 2011

Subject: Approval of Plans and Specifications for Quote Package RFQ-06 – IMC Air Cargo Modifications, Phase I, II, and III, and Authorize the Public Quoting Process

Background

This project will provide Supply Building improvements to support Air Cargo service operations. It will include installing new fencing to delineate lease spaces, installing an additional overhead door and a walk door, and building a new restroom for common area use.

Scope

This package will divide lease areas with a series of floor to roof-deck fences and gates to provide optimal flexibility for the existing and future leaseholds, install a new overhead door with opener and a walk door with card access on the east end of the building, and install a new restroom to be accessed from the common area across from the dock doors on the north side of the building.

Budget

Construction package is estimated between \$100,000 and \$250,000.

The funding for this project is within the approved operating budget of the Properties Department.

Schedule

Pre-Quote Meeting:	February 1, 2011	10:00 a.m.	Program Office, Conf Room 3
Quote Opening:	February 24, 2011	11:00 a.m.	Program Office, Conf Room 3

Est. Quote Award (Board Mtg): April 15, 2011

Work is expected to start April 2011 and the substantial completion date is expected to be July 31, 2011.

Supplier Diversity Participation

The Director of Supplier Diversity established the following MBE/WBE participation goals on November 15, 2010: MBE 18%, and WBE 5%

Recommendation

The IAA staff has reviewed the quote documents and recommends that the Board consider for approval the Plans and Specifications for the Bid Packages in RFQ 10-06: IMC Air Cargo Modifications, Phase I – Restroom, as prepared by A2SO4 Architecture, and IMC Air Cargo Modifications, Phase II - Fencing and IMC Air Cargo Modifications, Phase III – Overhead and Man Doors, as prepared by the etica group, and authorize the process to obtain quotes for each part of the project.



Board Memo – Plans & Specifications Approval & Contract Award

To: IAA Board of Directors

From: Mike Medvescek, Chief Operating Officer

Date: December 20, 2010

Board Date: January 21, 2011

Subject: Approval of Plans and Specifications for Quote Package RFQ-07 - Remodel Heliport Restrooms and Approve Award of Contract

Background

The project is to upgrade and modernize six (6) restrooms and one (1) shower used by the Indianapolis Downtown Heliport tenants. The work is part of the Airport Authority's new lease agreement with Clarian Health partners, relating to the additional space that will be occupying.

In order to meet the proposed schedule of the remodel, quotes were taken on December 27, 2010. It is a statutory requirement that plans and specifications for projects be approved by the IAA Board before a contract can be awarded.

Scope

The project includes:

- removal and replacement of: ceiling tile, ceramic tile floors and base, sinks, faucets, mirrors, light fixtures, counter tops, entry doors, window blinds, baseboard trim, toilets, and urinals;
- refurbish the stall partitions; and
- remove the wallpaper, repair the walls and paint them.

Budget

Total package was estimated between \$25,000 and \$100,000.

The funding for this project is within the approved operating budget of the IAA Maintenance Department.

Schedule

On December 27, 2010, the IAA staff received five (5) quotes ranging from \$56,137.00 to \$111,580.00. The low quote was submitted by Wurster Construction Company.

Wurster Construction Company had the lowest responsive and responsible quote in the amount of \$56,137.00.

Work is expected to start in February 2011 and the substantial completion date is expected to be May 2011.

Supplier Diversity Participation

The Director of Supplier Diversity established the following MBE/WBE participation on December 28, 2010.

FIRM	CLASSIFICATION	AMOUNT	%
B C Countertops	MBE	\$2,000	3.56
Marburger Flooring	WBE	\$11,600	20.66
Totals	MBE	\$2,000	3.56
	WBE	\$11,600	20.66

Recommendation

The IAA staff has reviewed the quote documents and recommends that the Board:

- Consider for approval Plans and Specifications for the Remodel Heliport Restrooms project; and
- Consider for approval an award of contract for RFQ-07 - Remodel Heliport Restrooms to Wurster Construction Company in an amount not-to-exceed \$56,137.00 plus a 5% construction reserve of \$2,807.00. Wurster Construction Company had the lowest responsive and responsible quote. MBE 3.56% (B C Countertops) and WBE 20.66% (Marburger Flooring)



Board Memo – Change Order

To: IAA Board of Directors

From: Mike Medvescek, Chief Operating Officer

Date: December 13, 2010

Board Date: January 21, 2011

Subject: Change Order for Project # H-09-045-2148 for Hangar Rehabilitation, Phase III (Elevator) – Heliport with Evans Development Company, Inc.

Background

Replace existing elevator at the Downtown Indianapolis Heliport and modify auxiliary components to comply with existing building codes and ADA Guidelines.

This change order is being presented to the board because the process of establishing a construction reserve of 3% for potential change orders was not in place at the time the original contract was approved on June 18, 2010.

Change Order Summary

Typically, 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 since this requires redo of work that has been completed. Omissions are items that are corrected before work is done on that item and the designers are typically charged up to 15% of the cost of that item since the item has to be negotiated with the contractor. Unforeseen circumstances are items that could not have been anticipated by the designer and are not charged against the designer. The standard of care of errors/omissions items can range from 1 to 2 percent of the total construction cost.

The following items were discovered by the elevator contractor during the project. The work accomplished by this change order was outside of the original scope of the project, but necessary to obtain a permit for the new elevator:

- The existing fire alarm panel was not on a dedicated circuit.
- Two smoke detectors in the elevator lobbies were not functioning.
- The uninterruptible power supply (UPS) was inoperable.

Current building code requires that the fire alarm panel be on a circuit by itself, that there are an operating UPS and functional smoke detectors.

<u>Revised Construction Contract Amount</u>	
Original Construction Contract Amount	\$160,500.00
Previous Change Order Amount	\$ 0 (0.00% of Contract)
Current Change Order #1	<u>\$ 3,114.45</u> (1.94% of Contract)
New Construction Contract Total	\$163,614.45

<u>Project Budget</u>	
Design & Soft Costs	\$ 28,879.00
Construction Contract Amount	\$163,614.00
Unforeseen Conditions	<u>\$ 97,499.00</u>
Estimated Total Project Cost	\$289,992.00

The revised contract with the Change Order included is within the approved project budget of \$289,992.00.

Schedule

The substantial completion date of the project was November 22, 2010.

Supplier Diversity Participation

If the change order is approved by the Board, the XBE participation on this project will be affected in the following way:

FIRM	CLASSIFICATION	ORIGINAL AMOUNT	ORIGINAL %	AFTER CO AMOUNT	AFTER CO %
Electrical Mechanical Services	MBE	\$17,414	10.85%	\$0	0%
Goldman Electrical Contracting, Inc.	WBE	\$0	0%	\$19,447	11.89%
Totals	MBE	\$17,414	10.85%	\$0	0%
	WBE	\$0	0%	\$19,447	11.89%

This information was approved by the Director of Supplier Diversity on December 13, 2010.

Recommendation

The IAA staff has reviewed the Change Order and recommends that the Board consider for approval a Change Order with Evans Development Company, Inc. for Project # H-09-045-2148 in an amount not-to-exceed \$3,114.45.



Board Memo – Change Order

To: IAA Board of Directors
From: Mike Medvescek, Chief Operating Officer
Date: December 01, 2010
Board Date: January 21, 2011
Subject: Change Order for Project # I-62 – Parking Garage Storage Room Improvements for Gibraltar Construction Corporation

Background

A project was undertaken to provide for the installation of various improvements to the storage area. Interior gutters were to catch the water leaking through the pavement joints into the storage area and direct it through the drain pipe to the outside of the area.

The interior gutters are catching the majority of the water that is coming through the joints; however, some water is moving across the concrete ceiling and falling outside of the gutter system and onto the floor of the storage area. The proposed solution to this issue would be to install two pieces of aluminum angle on the ceiling to act as a drip edge directing the water into the gutter.

The original construction contract was approved by the Board on April 16, 2010.

Change Order Summary

Typically, 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 since this requires redo of work that has been completed. Omissions are items that are corrected before work is done on that item and the designers are typically charged up to 15% of the cost of that item since the item has to be negotiated with the contractor. Unforeseen circumstances are items that could not have been anticipated by the designer and are not charged against the designer. The standard of care of errors/omissions items can range from 1 to 2 percent of the total construction cost.

The resulting need for this Change Order is additional Owner requested scope. It was discovered during the final inspection that water was clinging to the underside of the concrete slab, dripping outside of the new gutter system causing some pooling water on the storage room floor. This change order will channel the water into the guttering system thus stopping the water leaks from the ceiling.

Revised Construction Contract Amount

Original Construction Contract Amount	\$38,711.00
Previous Change Orders Amount	\$ 0 (0.00% of Contract)
Current Change Order	<u>\$ 1,805.00</u> (4.66% of Contract)
New Construction Contract Total	\$40,516.00

The revised contract with the Change Order included is within the approved project budget of \$50,000.00.

Schedule

A time extension of 7 days to the contract is required to complete this change order. The work is scheduled to be complete by January 31, 2011.

Supplier Diversity Participation

If the change order is approved by the Board, the XBE participation on this project will be affected in the following way:

FIRM	CLASSIFICATION	ORIGINAL AMOUNT	ORIGINAL %	AFTER CO AMOUNT	AFTER CO %
Eagle Contractors, LLC	MBE	\$1,475	3.81	\$1,475	3.64
Freeman Specialties	WBE	\$690	1.78	\$690	1.70
Area Wide Electrical	WBE	\$10,500	27.13	\$10,500	25.92
Totals	MBE	\$1,475	3.81	\$1,475	3.64
	WBE	\$11,190	28.91	\$11,190	27.62

Recommendation

The IAA staff has reviewed the Change Order and recommends that the Board consider for approval a Change Order with Gibraltar Construction Corporation for Project # I-62 – Parking Garage Storage Room Improvements in an amount not-to-exceed \$1,805.00 and a 7 calendar day contract extension.



Board Memo – Change Order

To: IAA Board of Directors

From: Mike Medvescek, Chief Operating Officer

Date: January 7, 2011

Board Date: January 21, 2011

Subject: Change Order for Project # I-09-033-B-3048 for Belly Cargo/GSE Maintenance Building with Brandt Construction, Inc.

Background

The contract was to construct a 40,000 square foot building for belly cargo storage/sort operations and ground service equipment maintenance.

This contract was approved by the Board on December 18, 2009.

Change Order Summary

Typically, contract changes fall under one of three categories: Errors/Omissions, Unforeseen Circumstances, or additional Owner requested scope. The cost of an error is paid by the designer since this requires redo of work that has been completed. Omissions are items that are corrected before work is done on that item and the designers are typically charged up to 15% of the cost of that item since the item has to be negotiated with the contractor. Unforeseen circumstances are items that could not have been anticipated by the designer and are not charged against the designer. The standard of care of errors/omissions items can range from 1 to 2 percent of the total construction cost.

Of this Change Order (\$54,230), \$45,235 is for Owner requested additional scope to meet IAA's tenants' needs. The remainder of the change order is \$8,995 for changes related to slab reinforcing and changes to security hardware. The changes are the result of potential errors and omissions by the designer; and the designer has been timely notified. The final settlement is pending.

Revised Construction Contract Amount

Original Construction Contract Amount	\$5,261,600
Previous Change Orders Amount	\$ 176,107 (3.35% of Contract)
Current Change Order #9	\$ 54,230 (1.03% of Contract)
New Construction Contract Total	\$5,491,937

<u>Project Budget</u>	
Design & Soft Costs	\$1,321,697
Culy Construction Contract	\$ 271,103
Brandt Construction Contract Amount	\$5,491,937
Contingency	\$ 505,000
Unforeseen conditions	\$ 210,263
Unused allocation	<u>\$ 937,683</u>
Estimated Total Project Cost	\$8,737,683

The revised contract with the Change Order included is within the approved project budget of \$8,737,683. As noted in the board memo for Change Order #8, the contingency amount is for anticipated additional work to be done to meet tenant needs including additional apron for vehicle movements. Please note that the bids received on this project reflect a very aggressive bidding atmosphere thus saving dollars on the project which is reflected in the unused allocation amount of \$937,683.

Schedule

The work was substantially complete on August 31, 2010.

Supplier Diversity Participation

If the change order is approved by the Board, the XBE participation on this project will be affected in the following way:

FIRM	CLASSIFICATION	ORIGINAL AMOUNT	ORIGINAL %	AFTER CO AMOUNT	AFTER CO %
AJ's Tool Rental	WBE	\$18,000	0.34%	\$54,604	1.00%
Distribution One LLC	MBE	\$50,000	0.95%	\$77,658	1.43%
Plumbing Pros, Inc.	WBE	\$134,700	2.56%	\$26,550	0.49%
Cripe Architects + Engineers	MBE	\$13,000	0.25%	\$18,370	0.34%
Essential Architectural Signs, Inc.	WBE	\$6,322	0.12%	\$6,322	0.12%
Pinnacle Equipment Company	MBE	\$27,500	0.52%	\$29,503	0.54%
Master Enterprises	MBE	\$180,800	3.44%	\$156,489	2.88%
Heartland Ready Mix	MBE	\$285,000	5.42%	\$405,940	7.47%
VTI Contracting, Inc.	WBE	\$0	0.00%	\$4,600	0.08%
First Electric Supply, LLC	MBE	\$0	0.00%	\$5,862	0.11%
Communications Products, Inc.	MBE	\$0	0.00%	\$28,303	0.52%
Totals	MBE	\$556,300	10.57%	\$722,125	13.28%
	WBE	\$159,022	3.02%	\$92,076	1.69%

This information was approved by the Director of Supplier Diversity on January 7, 2011.

Recommendation

The IAA staff has reviewed the Change Order and recommends that the Board consider for approval a Change Order with Brandt Construction, Inc. for Project # I-09-033-B-3048 in an amount not-to-exceed \$54,230.00.



Board Memo – Change Order

To: IAA Board of Directors

From: Mike Medvescek, Chief Operating Officer

Date: January 6, 2011

Board Date: January 21, 2011

Subject: Change Order to Brandt Construction, Inc. for Settlement of All Claims Relating to Project # I-09-033-B-3048 for Belly Cargo/GSE Maintenance Building with Brandt Construction, Inc.

Background

The contract was to construct a 40,000 square foot building for belly cargo storage/sort operations and ground service equipment maintenance.

This contract was approved by the Board on December 18, 2009.

Brandt Construction, Inc. (Brandt), the prime contractor for the project, submitted a potential claim in the amount of \$232,853 and later agreed to reduce the claim to \$186,093. Brandt cited delays and extra costs were due to a variety of factors, including unseasonably wet weather, permitting issues, and disputes related to the interpretation of specifications covering the building and dock levelers. Over several months, the IAA engineering and legal staff met with Brandt and its attorneys to work through these issues and reach a settlement. Based on these meetings, the IAA staff recommends approval of a payment to Brandt in the amount of \$105,000 (One Hundred Five Thousand Dollars and No Cents) as total and final compensation for any and all claims Brandt has arising from this Project.

Change Order Summary

This settlement fully resolves any and all claims Brandt may have related to this Project.

The designer has previously been notified of any claims related to errors and omissions concerning issues covered by this settlement, and the IAA is pursuing a separate settlement with the designer.

<u>Revised Construction Contract Amount</u>	
Original Construction Contract Amount	\$5,261,600
Previous Change Orders Amount	\$ 230,337 (4.38% of Contract)
Current Change Order #10	<u>\$ 105,000</u> (2.00% of Contract)
New Construction Contract Total	\$5,596,937

<u>Project Budget</u>	
Design & Soft Costs	\$1,321,697
Culy Construction Contract	\$ 271,103
Brandt Construction Contract Amount	\$5,596,937
Contingency	\$ 505,000
Unforeseen conditions	\$ 105,263
Unused allocation	<u>\$ 937,683</u>
Estimated Total Project Cost	<u>\$8,737,683</u>

The revised contract with the Change Order included is within the approved project budget of \$8,737,683. As noted in the board memo for Change Order #9, the contingency amount is for anticipated additional work to be done to meet tenant needs including additional apron for vehicle movements. Please note that the bids received on this project reflect a very aggressive bidding atmosphere thus saving dollars on the project which is reflected in the unused allocation amount of \$937,683.

Schedule

Brandt's work on the Belly Cargo Building was substantially complete on August 31, 2010; however, Brandt has not completed its punchlist work and an appropriate amount of retainage will be held to cover the cost of the unfinished work.

Supplier Diversity Participation

If the change order is approved by the Board, the XBE participation on this project will be affected in the following way:

FIRM	CLASSIFICATION	ORIGINAL AMOUNT	ORIGINAL %	AFTER CO AMOUNT	AFTER CO %
AJ's Tool Rental	WBE	\$18,000	0.34%	\$54,604	1.00%
Distribution One LLC	MBE	\$50,000	0.95%	\$77,658	1.40%
Plumbing Pros, Inc.	WBE	\$134,700	2.56%	\$26,550	0.49%
Cripe Architects + Engineers	MBE	\$13,000	0.25%	\$18,370	0.30%
Essential Architectural Signs, Inc.	WBE	\$6,322	0.12%	\$6,322	0.10%
Pinnacle Equipment Company	MBE	\$27,500	0.52%	\$29,503	0.50%
Master Enterprises	MBE	\$180,800	3.44%	\$156,489	2.80%
Heartland Ready Mix	MBE	\$285,000	5.42%	\$405,940	7.00%
VTI Contracting, Inc.	WBE	\$0	0.00%	\$4,600	0.08%
First Electric Supply, LLC	MBE	\$0	0.00%	\$5,862	0.11%
Communications Products, Inc.	MBE	\$0	0.00%	\$28,303	0.50%
Totals	MBE	\$556,300	10.57%	\$722,125	12.90%
	WBE	\$159,022	3.02%	\$92,076	1.60%

This information was approved by the Director of Supplier Diversity on January 7, 2011.

Recommendation

The IAA staff has reviewed the Change Order and recommends that the Board consider for approval a Change Order with Brandt Construction, Inc. for Project # I-09-033-B-3048 in an amount not-to-exceed \$105,000.

IND AND MIDFIELD CHANGE ORDER REQUESTS

BOARD DATE:
January 21, 2011

COR/ CO #	PROJECT NO.	CONTRACTOR	TOTAL APPROVED PROJECT BUDGET	WITHIN APPROVED BUDGET	PREVIOUSLY APPROVED CHANGE ORDERS	ORIGINAL CONTRACT AMOUNT	THIS CHANGE ORDER REQUEST		CUM CHANGE PERCENT	NEW CONTRACT AMOUNT	Contract Description
							AMOUNT	PERCENT			
1	H-09-045	Evans Development Co.	\$ 289,992.00	YES	\$ -	\$ 160,500.00	\$ 3,114.45	1.94%	1.94%	\$ 163,614.45	Hangar Rehabilitation, Phase III (Elevator) - Heliport BP2011-01-7
1	I-62	Gibraltair Construction Corporation	\$ 50,000.00	YES	\$ -	\$ 38,711.00	\$ 1,805.00	4.66%	4.66%	\$ 40,516.00	Parking Garage Storage Room Improvements BP2011-01-8
9	I-09-033-B	Brandt Construction, Inc	\$ 8,737,683.00	YES	\$ 176,107.00	\$ 5,261,600.00	\$ 54,230.00	1.03%	4.38%	\$ 5,491,937.00	Belly Cargo/GSE Maintenance Building BP2011-01-9
10	I-09-033-B	Brandt Construction, Inc	\$ 8,737,683.00	YES	\$ 230,337.00	\$ 5,261,600.00	\$ 105,000.00	2.00%	6.37%	\$ 5,596,937.00	Belly Cargo/GSE Maintenance Building BP2011-01-10