



Indianapolis Airport Authority

Agenda
Indianapolis Airport Authority
May 21, 2010
8:30 a.m.

- I. Call to Order
- II. Approval of Minutes of the Regular Meeting of April 16, 2010
- III. Board Reports
 - a) President's Report
 - b) HR Committee – *Alex M. Azar II, Committee Chair*
- IV. Official Actions
 - a) Introduction of the IAA Consent Calendar dated May 21, 2010.
 - b) Consider for approval each of the individual items listed on the IAA Consent Calendar Agenda dated May 21, 2010.
- V. Staff Reports
 - a) CEO Report – *John D. Clark, III*
 - b) Financial Report – *Marsha Stone*
 - c) Greater Indianapolis Foreign Trade Zone (GIFTZ) Presentation
- VI. Other
- VII. Adjourn

The Regular Meeting of the Indianapolis Airport Authority Board was called to order at 8:40 a.m. April 16, 2010 in the Airport Board Room at Indianapolis International Airport.

Present and comprising a quorum were:

Michael Stayton, President
Lacy Johnson, Vice President
Alfred R. Bennett, Secretary
Andrew Miller, Member
Jean Wojtowicz, Member
Kelly Flynn, Member
Mary Moses Cochran, Member

Advisory Members attending:

Jack Morton
Lynn Gordon
Steve Dillinger

IAA staff attending:

John D. Clark III, Executive Director/CEO
Marsha Stone, Chief Financial Officer
Mike Medvescek, Chief Operating Officer
Al Stanley, Chief Information Officer
Patzetta Trice, Chief Communications Officer
Beverly Terlaje, Executive Assistant/Recording Secretary

Rex Joseph, IAA Counsel

INTRODUCTION:

President Stayton introduced IAA's newly appointed board member, Mary Moses Cochran and welcomed her to the IAA Board of Directors.

APPROVAL OF MINUTES

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

ORDINANCES, RESOLUTIONS AND PUBLIC HEARINGS

The Board considered for approval, the adoption of Resolution 7-2010 concerning the Transfer of Surplus ARFF (Aircraft Rescue Fire Fighting) Truck to the Board of Aviation Commissioners of the City of Columbus, Indiana.

Upon motion by Mr. Johnson, seconded by Mr. Bennett and unanimously passed, approval was given to adopt Resolution 7-2010.

BOARD REPORTS

President's Report

President Stayton had no specific reports to provide but wanted to talk about the Strategic Plan and provide an update on the process. President Stayton stated that an organizational structure is in place to begin executing the plan and the process of developing a land use development plan is in motion. The Board will consider for approval the contracts necessary to execute the plans with the intention of having a long term land use study for the Authority by the end of this year. President Stayton further stated that we have commenced negotiations with Commercial Air Service and Federal Express, in addition to continuing our focus on reducing debt service. President Stayton asked Mr. Clark to provide a brief discussion on the strategic plan.

Mr. Clark stated the process included a board retreat with discussions about the vision and where we saw the airport over the next five years and outlined four key areas of focus: 1) maximizing the assets of the airport 2) creating an excellence in our operations 3) looking at business development and diversifying our revenue; recognizing that as we grow our air trade side of the business that it becomes very important that we look at other opportunities to grow the business as well, and 4) become a competitive airport environment. Mr. Clark further stated that underlying these key areas, we want to be recognized on a global basis for having excellent satisfaction and excellent customer service within the organization thus took the strategic initiative and themed it "Becoming the Airport System of Choice." The strategic agenda is how we will best position IAA's assets to create greater air opportunity as well as increase the quality of life through economic development opportunities. Mr. Clark asked the Board to consider a motion to adopt the Strategic Plan and begin the execution.

The Board considered for approval the adoption of the 2010-15 IAA Strategic Plan (BP2010-04-1).

Upon motion by Mr. Johnson, seconded by Mr. Bennett and unanimously passed, approval was given to adopt the 2010-15 IAA Strategic Plan.

Finance & Audit Committee

Finance & Audit Committee Chair Jean Wojtowicz stated that the committee met to consider the following items.

Committee Chair Wojtowicz provided a brief background of the delegation of authority to the CEO under resolution 14-2009 and stated that under that current resolution they found going through 2010 additional guidance was needed to allow amendments to those agreements to also be executed by the executive director. Committee Chair Wojtowicz stated that resolution 8-2010 provides two pieces which specifically allows for amendments to those agreements to also be delegated to the executive director/CEO as long as they are less than 50% of the previously delegated authority amount and does not extend the term more than an additional five years. Secondly, the resolution provides for the executive director/CEO to report to the Board on a monthly basis of any actions taken under the delegated authority.

The IAA Finance & Audit Committee recommends that the Board consider for approval the adoption of Resolution 8-2010 delegation of authority to IAA's Executive Director/CEO to approve and sign certain property-related and concession-related amendments.

Upon motion by Mr. Johnson, seconded by Mr. Flynn and unanimously passed, approval was given to adopt Resolution 8-2010.

Committee Chair Wojtowicz stated that our external auditors BKD, LLC completed our external audit report of activities through 2009 and is pleased to report that those audits came back with clean unqualified opinions.

The IAA Finance & Audit Committee recommends that the Board consider for approval the Independent Accountants' Report and Financial Statements of the Indianapolis Airport Authority for the years ending December 31, 2009 and 2008. (BP2010-04-2)

Upon motion by Mr. Miller, seconded by Mr. Flynn and unanimously passed, approval was given to the *Independent Accountants' Report and Financial Statements of the Indianapolis Airport Authority for the years ending December 31, 2009 and 2008. (BP2010-04-2)*

President Stayton asked Ms. Stone if she had any comments. Ms. Stone recognized staff, both internal audit and finance & accounting for a great job and stated that it's a significant amount of work crunched during a busy time of year. Ms. Stone further stated that there is a great relationship with the external auditors and stated that it is a smooth process but very intense. Ms. Stone thanked everyone involved for their efforts in making it happen so smoothly.

President Stayton stated that the important thing is that we received a clean opinion on the audit and that we came through 2009 with a stronger operating cash flow than previous years despite being down 9% on enplaned passengers. The audit proves that our management team executed very well on the plan and we have more than adequate coverage for debt service.

OFFICIAL ACTIONS

APPROVAL OF THE INDIANAPOLIS AIRPORT AUTHORITY CONSENT CALENDAR DATED April 16, 2010: Upon a motion by Mr. Flynn, seconded by Ms. Wojtowicz and passed by a majority vote, approval was given to the Consent Calendar dated April 16, 2010.

APPROVAL OF INDIVIDUAL ITEMS LISTED ON THE INDIANAPOLIS AIRPORT AUTHORITY CONSENT CALENDAR DATED April 16, 2010: Upon a motion by Mr. Johnson seconded by Ms. Wojtowicz and passed by a majority vote, approval was given to accept the individual items listed on the Consent Calendar dated April 16, 2010.

STAFF REPORTS

CEO REPORT

Mr. Clark had no reports but provided comments on the Final Four at the request of President Stayton.

Mr. Clark stated the Airport had a great environment in the Civic Plaza with entertainment and everyone coming in and out of the terminal had a great experience.

CFO REPORT

Financial Report

Ms. Stone provided a brief update on Air Service for March 2010 and year to date. Ms. Stone also provided a brief update on the Financial Report for February 2010.

Diversity Report

Mr. Corey Wilson, Director of Supplier Diversity & Government Affairs provided a brief update on the MBE/WBE first quarter 2010 statistics.

Midfield Project Closeout Report

Ms. Greta Hawvermale, Director of Engineering & Environmental Matters provided a brief report on the closeout of Midfield projects.

OTHER BUSINESS

President Stayton recognized and thanked Brian Crowley, Business Development Manager of Securitas Security Services USA, Inc. for hosting today's refreshments.

ADJOURN

There being no further business, the meeting was adjourned at 9:15 a.m.

INDIANAPOLIS AIRPORT AUTHORITY*

Michael B. Stayton, President

Alfred R. Bennett, Secretary

Date: _____

*Signed under authority of IAA Board Resolution 10-2009

IAA Board Meeting
Consent Calendar Agenda
May 21, 2010

Consider for approval:

A) General Business

BP2010-05-1 The Land and Building Lease Agreement with Hangar, LLC.

B) Capital Program

BP2010-05-2 A special procurement for the Computer Replacement Project, I-10-011 using the State of Indiana's QPA with Dell, Inc. in an amount not to exceed \$277,000. (DBE 0%, WBE 0%, and MBE 90% Netwise Resources).

BP2010-05-3 Plans and Specifications for Bid Package T-43A – Landscape Improvements, as prepared by Browning Day Mullins Dierdorf, and authorize the public bidding process.

BP2010-05-4 An amendment to the contract with Woolpert, Inc. for IAA 2009 Airport Mapping Update in amount not-to-exceed \$20,000. DBE 0%, MBE 20% (CAD-Vantage), and WBE 0%

BP2010-05-5 Plans and Specifications for Bid Package # I-09-039-2227 – Building #2 Modifications, as prepared by A2SO4 Architects LLC, and authorize the public bidding process.

BP2010-05-6 A change order with Innovative Construction Services, Inc. for Project # I-95-14H.9.2 in an amount not-to-exceed \$10,692.06 and a change order with GLS, Inc. for Project # I-95-14H.10 in an amount not-to-exceed \$10,973.

BP2010-05-7 A Change Order with Cives Steel Company for Project # HST-0004 for an amount not-to-exceed \$2,395,691.74.

BP2010-05-8 A change order with Midwest Transit Equipment of Indiana for Project # I-09-030-2007-A in an amount not-to-exceed \$1,180.

B) Real Estate

BP2010-05-9 The purchase of property per the attached schedule.



Board Memo – Land and Building Lease Agreement

To: IAA Board of Directors
From: Marsha Stone, Chief Financial Officer
Date: April 28, 2010
Board Date: May 21, 2010
Subject: Land and Building Lease Agreement with Hangar, LLC

Background

The Land Lease Agreement (Land Lease) with Hangar, LLC will expire on May 31, 2010. Upon expiration of this Land Lease, the hangar facility (see attachment / Building #80) and associated improvements will revert to the IAA. The hangar facility was originally constructed in 1990 by Inland Container and is located in the northwest quadrant of the Airport. In 2003, Inland Container assigned the Land Lease to Hangar, LLC, which is a joint partnership with majority ownership being Duke Aviation and Schwarz Partners.

Hangar, LLC desires to continue leasing the hangar facility and has agreed to new a Lease Agreement (Lease) consisting of a ten (10) year term; commencing June 1, 2010 and expiring May 31, 2020. The new Lease also provides for two (2) option terms of five (5) years each.

As is the case with previous land lease reversions, the IAA works with the particular tenant on necessary improvements to the reverted facility that will be accomplished by the tenant over the new lease term. Hangar, LLC has agreed to invest \$500,000 into the hangar facility over the initial ten (10) year term of the Lease. Improvements will consist of: replacement of the roof, apron/parking lot repairs and other miscellaneous improvements. In recognition of Hangar, LLC's investment, the IAA will provide rental credits at \$.50 cents on the dollar of those improvements over the initial term, totaling \$250,000 or \$25,000 per year.

Scope

This Lease Agreement provides for the leasing of the hangar facility, associated improvements and land located in the northwest quadrant of the Airport to Hangar, LLC.

Schedule

May 21, 2010: Execution of Land and Building Lease Agreement with Hangar, LLC

Revenue and/or Operating Cost Implications

Revenue:

Currently Hangar LLC pays \$26,082 in annual rent for the land lease agreement. Commencing June 1st, gross annual rental through May 31, 2015, will be \$135,000 with net annual rental being \$110,000 after rental credits. Gross annual rental will increase to \$148,000 commencing June 1, 2015 through May 31, 2020, with net annual revenue being \$123,000 after rental credits.

During the two five-year option terms, the Leased Premises will be reappraised and IAA Staff will negotiate the new annual rental structure.

Operating Costs:

There are no operating costs associated with this Lease Agreement.

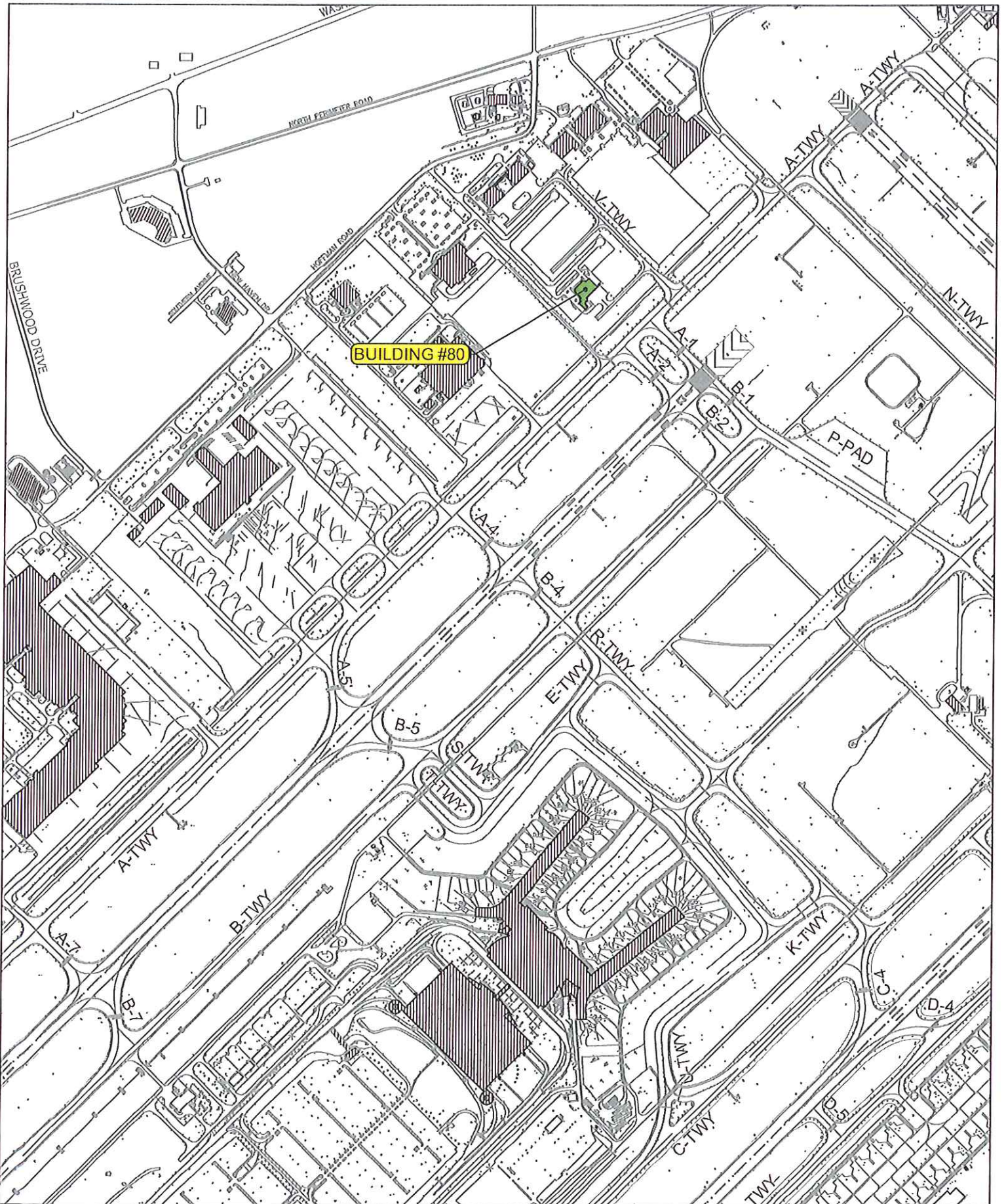
Supplier Diversity Participation

Not applicable.

Recommendation

IAA staff recommends that the Board consider for approval the Land and Building Lease Agreement with Hangar, LLC.

Attachment: Site Location



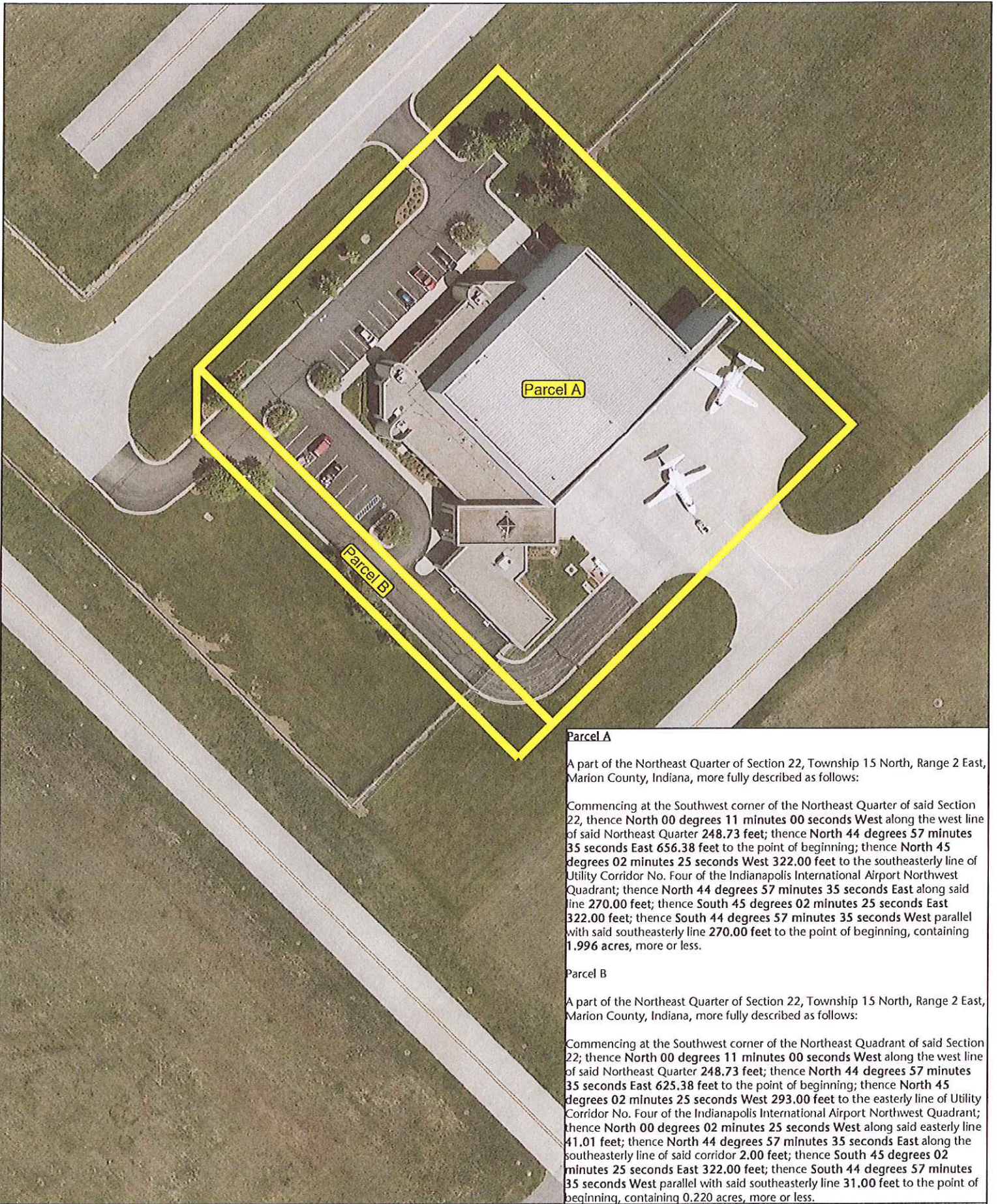
INDIANAPOLIS INTERNATIONAL AIRPORT
PROPERTY MANAGEMENT
BUILDING #80 LOCATION MAP



Indianapolis Airport Authority



NO SCALE



Parcel A

A part of the Northeast Quarter of Section 22, Township 15 North, Range 2 East, Marion County, Indiana, more fully described as follows:

Commencing at the Southwest corner of the Northeast Quarter of said Section 22, thence North 00 degrees 11 minutes 00 seconds West along the west line of said Northeast Quarter 248.73 feet; thence North 44 degrees 57 minutes 35 seconds East 656.38 feet to the point of beginning; thence North 45 degrees 02 minutes 25 seconds West 322.00 feet to the southeasterly line of Utility Corridor No. Four of the Indianapolis International Airport Northwest Quadrant; thence North 44 degrees 57 minutes 35 seconds East along said line 270.00 feet; thence South 45 degrees 02 minutes 25 seconds East 322.00 feet; thence South 44 degrees 57 minutes 35 seconds West parallel with said southeasterly line 270.00 feet to the point of beginning, containing 1.996 acres, more or less.

Parcel B

A part of the Northeast Quarter of Section 22, Township 15 North, Range 2 East, Marion County, Indiana, more fully described as follows:

Commencing at the Southwest corner of the Northeast Quadrant of said Section 22; thence North 00 degrees 11 minutes 00 seconds West along the west line of said Northeast Quarter 248.73 feet; thence North 44 degrees 57 minutes 35 seconds East 625.38 feet to the point of beginning; thence North 45 degrees 02 minutes 25 seconds West 293.00 feet to the easterly line of Utility Corridor No. Four of the Indianapolis International Airport Northwest Quadrant; thence North 00 degrees 02 minutes 25 seconds West along said easterly line 41.01 feet; thence North 44 degrees 57 minutes 35 seconds East along the southeasterly line of said corridor 2.00 feet; thence South 45 degrees 02 minutes 25 seconds East 322.00 feet; thence South 44 degrees 57 minutes 35 seconds West parallel with said southeasterly line 31.00 feet to the point of beginning, containing 0.220 acres, more or less.

**INDIANAPOLIS INTERNATIONAL AIRPORT
BUILDING #80 LEASE EXHIBIT**



**Hangar, LLC
Building #80**

Term and Rental Structure Comparison

Original Agreement	Details	New Agreement	Details	Variance
Term	10 years	Term	10 years	
Rent Commencement Date	6/1/1990	Rent Commencement Date	6/1/2010	
Option Term	10 years	Option Term	10 years	
Square Footage / Land	96,528.96	Square Footage / Building	18,945	
Net Rental Rate P.S.F. / Land	\$0.30	*Gross Rental Rate P.S.F. / Building	\$7.13	
Annual Net Land Value Last Yr. of Term	\$26,082	Annual Gross Value Yr. 1 through 5	\$135,000	
		Annual Gross Value Yr. 6 through 10	\$148,000	
Annual Tenant Improvement Rent Credit	\$0	Annual Tenant Improvement Rent Credit	(\$25,000)	
Annual Net Land Value	\$26,082	Annual Net Value Yr. 1 through 5	\$110,000	\$83,918
		Annual Net Value Yr. 6 through 10	\$123,000	\$123,000
Total Net Primary Term Value (1990-2000)	\$98,938	Total Net Primary Term Value	\$1,165,000	\$1,066,062
Total Net Option Term Value (2001-2010)	\$247,779	*Total Net Option Term Value	TBD	
		*2010 Budget	\$63,370	
Required Investment	0	*Required Investment (Tenant)	\$500,000	\$500,000
Broker Commission	0	Broker Commission	0	

*Rental rate established at 10% of land and building appraised value.

*Option term rental to be established at a % of appraised value.

*2010 budget reflects current land rent and new land/building.

*Required investment to include new roof, apron/parking lot repairs, hangar door repairs and other misc. repairs.



Board Memo – Computer Refresh Replacement Project

To: IAA Board of Directors
From: Al Stanley, Chief Information Officer
Date: April 27, 2010
Board Date: May 21, 2010
Subject: 2010 Computer Replacement Project (CIP #I-10-011)

Background

IAA staff uses over 350 PCs and laptops to conduct day to day business operations. The IAA's standard computer manufacturer is Dell, Inc. Over 61% of IAA's PCs and laptops are over four years old. IAA PCs and laptops (and/or various components of those devices) are failing as a result of their age and/or experiencing performance and productivity issues.

IAA PCs and laptops were not replaced as part of the midfield terminal project, and were not replaced as part of the 2009 IT Systems Refresh Project.

Scope

Indiana Code (IC) 5-22-10-14 allows for the purchase of goods and services off the State of Indiana's Quantity Purchase Agreements (QPAs). By purchasing goods and services using standard terms and conditions/contracts negotiated by the State of Indiana, local units of government like the IAA can reap the benefits of the larger public bodies' purchasing volume and can reduce the length of time associated with public bidding and contract negotiations. All of the equipment, licenses, software, and services in this project will be purchased from the State of Indiana's QPA with Dell.

In addition to procuring replacement PCs from Dell, Inc., staff will procure deployment services to assist with configuring the new PCs with a standard IAA image, asset tag for inventory purposes, physical placement with the end user, and inventory of items to be properly disposed of once the data is wiped from the hard drive. Furthermore, staff will engage Dell, Inc. to provide professional services related to set up and configuration of the Symantec Altiris Deployment Server.

Fiscal Impact

The IAA's 2010 Capital Improvement Budget is \$495,000 for completion of the 2010 computer replacement project. Currently the project costs are estimated to be \$277,000.

Schedule

Board approval of Project	May 21, 2010
Execution of Purchase Order(s) with vendor	June 2010
Order(s) fulfilled by Dell	July 2010 - August 2010
XBE Vendor installs base image and specialty software	August 2010
XBE Vendor conducts final testing and commissioning	September 2010
XBE Vendor deploys new machines to end users	October 2010

Supplier Diversity Participation

Staff will engage Netwise Resources, a local Minority-owned Business Enterprise (MBE) vendor, for this equipment purchase and for the physical deployment of new PCs to end users. The Director of Supplier Diversity and Government Affairs has reviewed and approved the supplier diversity plan.

Recommendation

In accordance with IC 5-22-10-14, staff recommends that the Board consider for approval a special procurement for the Computer Replacement Project, I-10-011 using the State of Indiana's QPA with Dell, Inc. in an amount not to exceed \$277,000. (DBE 0%, WBE 0%, and MBE 90% Netwise Resources).



Board Memo – Plans & Specifications Approval

To: IAA Board of Directors

From: Mike Medvescek, Chief Operating Officer

Date: April 20, 2010

Board Date: May 21, 2010

Subject: Approval of Plans and Specifications for Bid Package T-43A – Landscape Improvements, and Authorize the Public Bidding Process

Background

On December 14, 2007, the Board approved a contract for Tom's Landscaping as a part of the New Indianapolis Airport T-43A site package. The contract called for construction of landscaping features near the terminal, garage and Ground Transportation Center, the parking lots and along the entry roads. Tom's Landscaping completed a portion of this work during 2008 and early in 2009. Prior to completion of their contract work, Tom's Landscaping was determined to be in default of their contract and did not satisfactorily complete their contract work.

IAA reached an agreement with Tom's Landscaping's bond company, Hanover, early in 2010 to resolve the default. The remaining T-43A landscaping funding including the settlement with the bond company is \$401,022 after expenditure of \$32,000 in the fall of 2009 to complete tree planting around the terminal through a contract with Becker Landscaping.

IAA Environmental & Conservation and IAA Maintenance have evaluated the existing landscaping around the terminal and site and reviewed the remaining work under Tom's Landscaping's contract. At this time, the priority work is to address highly visible locations with bare ground or failing plants, specifically:

- adding soil and seeding the north and south sides of the garage;
- completing the plantings in front of the garage (east side); and
- removing failed plantings in the four (4) terminal light wells in front of the terminal and replacing with lower maintenance decorative stone.

A significant amount of originally planned plantings around the parking lots, streetscapes and garage will not be pursued in staying within the remaining budget and address the highest priority locations.

This project completes work associated with Midfield Terminal Project T-43 Site Landscaping that was previously approved.

Scope

Browning Day Mullins Dierdorf was selected to provide design services and prepare the bid package for the project. They have prepared plans and specifications for the Landscape Improvements project scheduled for completion by the end of October 2010.

Budget

Total package is estimated between \$250,000 and \$500,000. The funding for this project is within the approved cash flow for the Midfield Terminal Project.

Schedule

Pre-Bid Meeting: June 8, 2010 Time: 11:00 a.m. Location: PO, Conf Rm 1

Bid Opening: June 24, 2010 Time: 2:00 p.m. Location: PO, Conf Rm 1

Est. Bid Award (Board Mtg) August 20, 2010

Work is expected to start August 2010 and the substantial completion date is expected to be October 31, 2010.

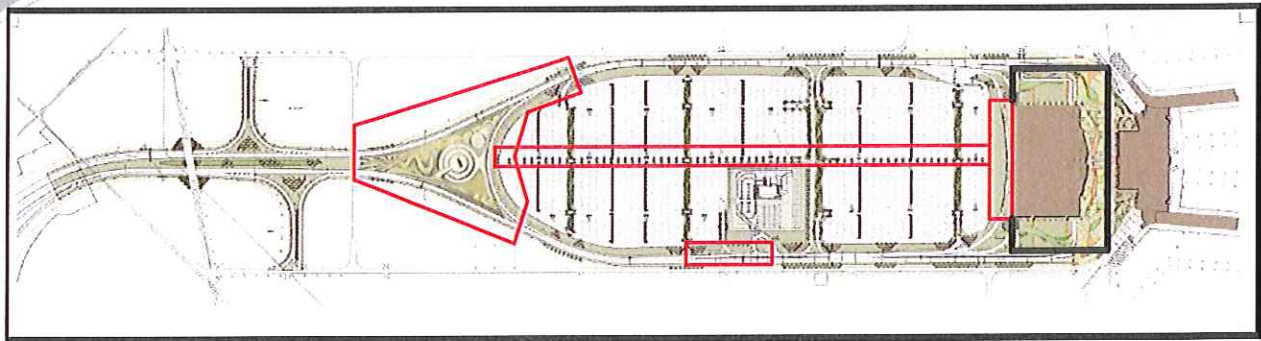
Supplier Diversity Participation


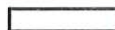
The Supplier Diversity Director has approved the following MBE/WBE participation:
MBE 18% and WBE 5%

Recommendation

The IAA staff has reviewed the bid documents and recommends that the Board consider for approval Plans and Specifications for Bid Package T-43A – Landscape Improvements, as prepared by Browning Day Mullins Dierdorf, and authorize the public bidding process.

2010 Landscape Improvements Completion of Project T-43 A



-  Not included in project
-  Included in project



Board Memo –Amendment

To: IAA Board of Directors

From: Mike Medvescek, Chief Operating Officer

Date: April 20, 2010

Board Date: May 21, 2010

Subject: Approval of Amendment #1 with Woolpert, Inc. for IAA 2009 Airport Mapping Update, Project I-08-044-3040

Background

On March 20th, 2009, the IAA contracted Woolpert, Inc. to provide updates to the 1998 mapping of Indianapolis International Airport (IND) and its contiguous property. The original contract of \$250,000 covered Area A, B, & C as shown on Exhibit A (*attached*) and provided for the delivery of new aerial photos of all areas. This contract was completed in December 2009.

Area "D" was to be completed as part of the original contract. However, funding constraints forced this area into 2010. Also included in the 2010 funding was the final compilation of mapping data. These two items are required in order for the 2009 Airport Mapping Update project to be completed. Originally budgeted at \$100,000, this phase of the project requires less updating than first estimated.

Complete, current mapping for IND and its contiguous property will support several projects on the horizon, the most prominent of which will be the findings of the land use study. Operational needs for the updated mapping include but are not limited to, watershed planning, group VI aircraft planning, airspace/zoning studies, etc.

Scope

The consultant will use the aerial photos collected in the first phase of the project to create mapping for area "D" as shown on Exhibit "A" (*attached*). The resulting mapping data will comply with FAA field data collection standards per AC 150/5300-18b.

Budget

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

Schedule

The term of this amendment is expected to begin on May 21, 2010 and conclude September 30, 2010.

Supplier Diversity Participation

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

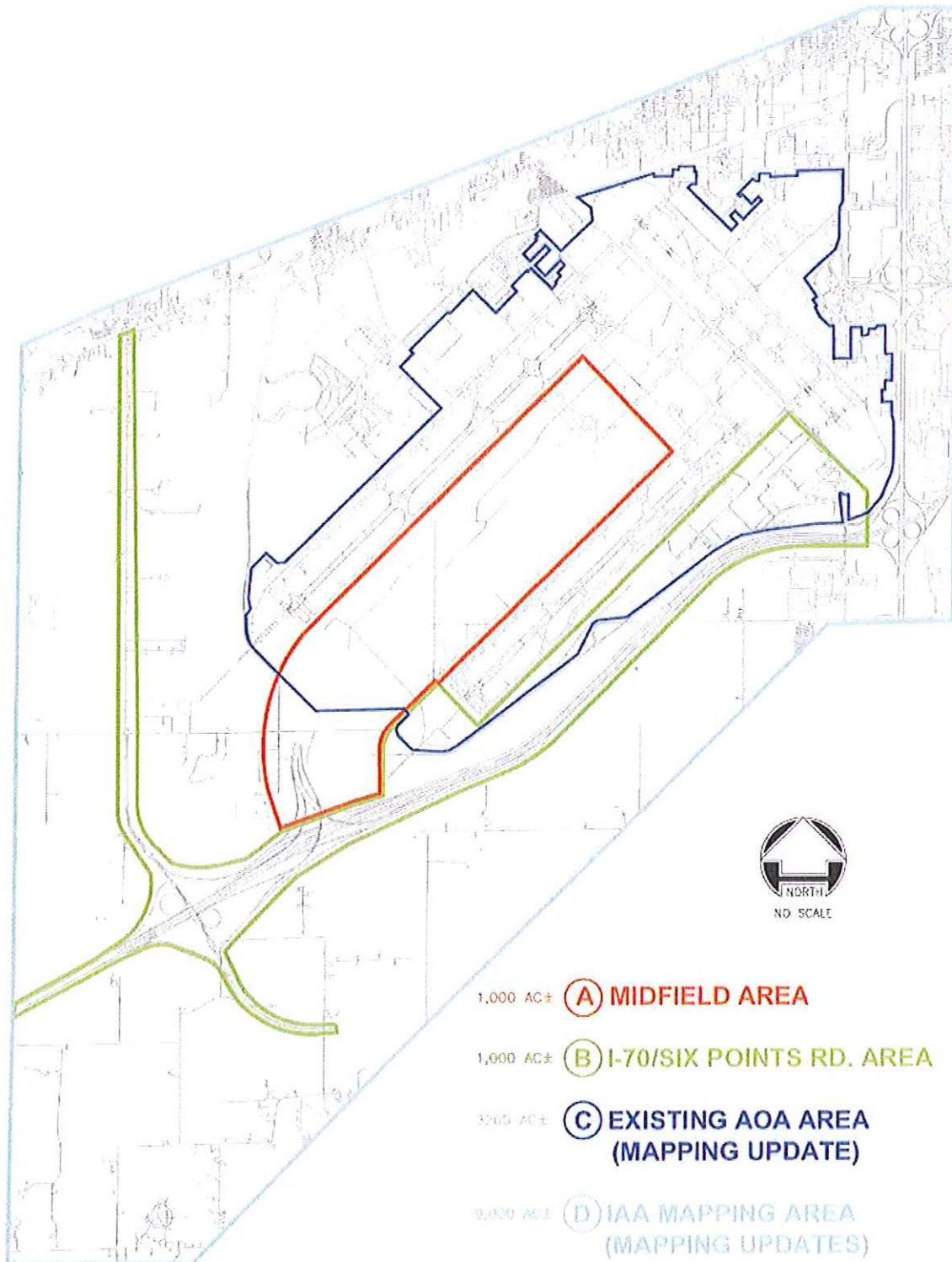
FIRM	CLASSIFICATION	AMOUNT	%
Cad-Vantage	MBE	\$4,000	20
Totals	MBE	\$4,000	20
	WBE	\$0	0

Contract Summary to Date

Contract/Amendment & Execution Date	Service & Term	Amount	Minority Participation %		
			DBE	MBE	WBE
Original Contract April 17, 2009	Professional Services Term: 4/17/09 – 12/31/09	\$250,000	4.32	4.93	5.72
Amendment 1 May 21, 2010	Professional Services Term: 5/21/10 – 9/30/10	\$20,000	0	20.00	0
	Revised Contract NTE	\$270,000			

Recommendation

The IAA staff has reviewed the proposal and recommends that the Board consider for approval an amendment to the contract with Woolpert, Inc. for IAA 2009 Airport Mapping Update in amount not-to-exceed \$20,000. MBE 20% (CAD-Vantage) and WBE 0%



IAA - 2009 MAPPING COVERAGE EXHIBIT

EXHIBIT A



Board Memo – Plans & Specifications Approval

To: IAA Board of Directors

From: Mike Medvescek, Chief Operating Officer

Date: April 20, 2010

Board Date: May 21, 2010

Subject: Approval of Plans and Specifications for Bid Package I-09-039-2227 – Building #2 Modifications, and Authorize the Public Bidding Process

Background

The existing maintenance facility was originally constructed in 1973. Several additions and upgrades have been made over the years, but the facility remains in need of extensive repair or complete replacement. A decision was made to continue repair and maintenance of the existing building and to defer the construction of a new facility, which was estimated at \$13 million.

This facility is where all airport vehicles are maintained by IAA staff and where the Stock Room and the main fueling station for the airport are operated. To better serve the Airport's needs, it was determined that combining the projects for 2009 and 2010 would be more cost effective and less disruptive to the overall operation of this facility than having two smaller projects. There is additional work to be done in 2011.

This portion of the project was approved for implementation by the Executive Management Team on December 8, 2009.

Scope

The proposed project includes the replacement of fixtures and the galvanized water lines with copper due to impairment caused by lime inside of the pipe, replacement of two air compressors due to the amount of usage and age of the equipment, replacement of the aged furniture in the break room, the installation of a carbon monoxide exhaust fan in the Technical Shop, clean and paint the garage walls and to pave the area between building 5 and the salt dome.

No federal or state funds are anticipated for this project.

Budget

Total package is estimated between \$250,000 and \$500,000.

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

Schedule

Pre-Bid Meeting: June 8, 2010 Time: 10:00 a.m. Location: PO, Conf Room 1

Bid Opening: June 24, 2010 Time: 3:00 p.m. Location: PO, Conf Room 1

Est. Bid Award (Board Mtg) August 20, 2010

Work is expected to start August 2010 and substantial completion date is expected to be November 30, 2010.

Supplier Diversity Participation

The Supplier Diversity Director has approved the following MBE/WBE participation:
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 Bid Package # I-09-039-2227 – Building #2 Modifications, as prepared by A2SO4 Architects LLC, and authorize the public bidding process.



Board Memo – Change Order

To: IAA Board of Directors

From: Mike Medvescek, Chief Operating Officer

Date: April 22, 2010

Board Date: May 21, 2010

Subject: Two Change Orders for Projects # I-95-14H.9.2 and H.10 for Residential Sound Insulation Program

Background

The Noise Compatibility Plan (NCP) at Indianapolis International Airport contains various elements including the Guaranteed Purchase Program (GP), Sales Assistance Program (SA), Purchase Assurance Program (PA), and the Residential Sound Insulation Program (RSIP). A majority of the Authority's NCP is eligible for Airport Improvement Program (AIP) reimbursement from the FAA at 80% federal / 20% local share. Since 1987, approximately \$189.9 million in expenditures have been incurred under the Authority's NCP, \$147.1 million of which represent eligible AIP reimbursable noise program expenditures which includes \$16 million on the RSIP.

The RSIP was a new element (eligible for AIP reimbursement) included in the 1998 update of the NCP and is coming to the end at the close of these last two (2) change orders. Under this program, the Airport replaces windows and doors, installs insulation, and replaces HVAC systems for the homes under this program to reduce the sound level within the home.

On July 18, 2008, the Board awarded a contract for \$348,367 to Innovative Construction Services, Inc. for CIP Project I-95-14H.9.2. On June 19, 2009 the Board awarded a contract for \$359,950 to GLS, Inc. for CIP Project I-95-14H.10.

Change Order Summary

When working with older homes that sometimes had a lack of proper maintenance, there were unforeseen issues, hidden damage, and homeowner requests that needed to be addressed and typically these modifications will run 3% to 5%. The changes are broke down into three categories which are Errors, Omissions, and Unforeseen. 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 15% of the cost of that item since the item has to be negotiated with the contractor.

Unforeseen are items that could not have been anticipated by the designer and are not charged against the designer. The standard of care of omission items can range from 1 to 2 percent. For the H9.2 project, the total omissions were \$3,344 which is 0.96% and for the H.10 project, the omission was \$138 which is 0.04% which both are under the standard of care for these contracts and the designer was not held responsible for these omissions.

Each item of the change order is entered into a category of Error, Omission and Unforeseen Circumstances. See the attached appendices A and B for this breakdown.

Project Budget - I-95-14H.9.2

Existing Contract Amount	\$348,367.00
Previous Change Orders Amount	\$ 0
Current Change Order	<u>\$ 10,692.06</u> (3.07% of Contract)
New Contract Total	\$359,059.06

Project Budget - I-95-14H.10

Existing Contract Amount	\$359,950.00
Previous Change Orders Amount	\$ 0
Current Change Order	<u>\$ 10,973.00</u> (3.05% of Contract)
New Contract Total	\$370,923.00

The revised contract budget with the Change Order included is within the approved cash flow for the Capital Improvement Program.

Schedule

These change orders complete these two (2) packages.

Recommendation

The IAA staff has reviewed the change orders and recommends that the Board consider for approval a change order with Innovative Construction Services, Inc. for Project # I-95-14H.9.2 in an amount not-to-exceed \$10,692.06 and a change order with GLS, Inc. for Project # I-95-14H.10 in an amount not-to-exceed \$10,973.

1-95-14H.9.2

Change Order #1 Summary

Appendix A

Item#	Description	Price	Reason	Error Omission	Unforeseen
Doty					
1	Paint interior of East concrete block wall with Dry Lock	606.36	Cracks in wall after drilling		606.36
2	Replace rotted 2 X 4 framing at door C & D	201.25	Hidden Damage		201.25
3	Purchase, finish & install stools & aprons for 5 windows	216.78	New profile is different from old		216.78
					1,024.39
Partin					
1	Relocate light fixture, repair & paint ceiling	152.38	Fixture is in the way of new duct work	152.38	
2	Eliminate 2 electrical sub panels, patch & paint wall	69.00	Thought wire was too short for new panel, it was not		69.00
3	Cut 2 holes through 8" concrete block wall	299.00	Needed for new duct runs		299.00
4	Remove original heater wiring from service panel	N/C	Homeowner changed his mind		NC
5	Purchase, paint & install new exterior cedar trim	425.50	to cover imperfections in the siding		425.50
6	Insulate all metal return ductwork being installed	887.50	Incorrect Specifications	887.50	
7	Eliminate addition of attic access panel H	-80.00	Panel is no longer needed		-80.00
8	Remove wiring for 6 baseboard heaters	N/C	Incorrect Specifications	N/C	
9	Delete existing 4th Service Panel & Heater Wiring	930.65	Incorrect Specifications	930.65	
				1,818.15	865.88
Lowe					
1	Purchase, finish & install 1 additional prime and storm window	1,525.59	Missed in the Specifications	1,525.59	
2	Infill old weight pockets with new framing for 6 windows	276.00	Needed to secure the windows properly	276.00	
3	Replace supply duct and add 4 booster fans	3,283.25	Homeowner never told Argo that Great room was very uncomfortable		3,283.25
4	Liquidated Damages	-300.00	Contractor did not finish on time		-300.00
				1,525.59	3,259.25
Nelis					
1	Purchase, finish & install grills on 1 door & 10 windows	1,899.80	Homeowner had broken or removed some of the grills prior to assessment		1,899.80
2	Install break metal surrounds on the exterior of 10 windows	299.00	New profile is different from old		299.00
					2,198.80
				Total	7,348.32

Change Order #1 Summary

Appendix B

Item#	Description	Price	Reason	Error	Omission	Unforeseen
First						
1	Remove Orig. boiler, cap off gas, water, electrical and flue Pipe at the ceiling	530.00	Homeowner Changed his mind			530.00
2	Install gas furnace & condensensing unit instead of Electric	3,219.00	Homeowner Request			3,219.00
3	Install ductwork in crawl space instead of attic	3,235.00	Not enough room in attic			3,235.00
Lambert						
1	Replace rotted subfloor under door F	189.00	Hidden Damage			189.00
2	Repair drywall & paint both sides of 2 windows	189.00	Interior profile is smaller than original			189.00
3	Replace existing skirting under 2 windows, install insulation & paint new trim	368.00	Original skirting did not fit			368.00
Cooper						
1	Eliminate switch replacement of fan & light & add a separate switch for the fan	-35.00	Homeowner Request			-35.00
2	Replace rotted sub floor under door A	288.00	Hidden Damage			288.00
3	Replace damaged drywall & rotted siding & framing under window #5. Prime and Paint	426.00	Hidden Damage			426.00
4	Replace rotted framing at window #1	172.00	Hidden Damage			172.00
5	Replace damaged thermostat wire	225.00	Hidden Damage			225.00
6	Build out all windows by 1 1/2" to cover old caulk line	327.00	Unforeseen			327.00
Germain						
1	Repair drywall, re-texture & paint ceiling around fan	144.00	Unforeseen			144.00
2	Replace existing window seat @ kitchen sink	174.00	Unforeseen			174.00
3	Delete installation of EAP G	-175.00	Unforeseen			-175.00
4	Delete 1020 SF of attic insulation	-580.00	Only part of attic space is accessible			-580.00
5	Delete 100' of ridge vent baffling	-200.00	Ridge vents are not accessible			-200.00
						1,403.00
						-637.00



Board Memo – Change Order

To: IAA Board of Directors

From: Mike Medvescek, Chief Operating Officer

Date: April 27, 2010

Board Date: May 21, 2010

Subject: Change Order for Project # HST-0004 for \$2,395,691.74

Background

On August 19, 2005, Cives Steel was awarded the Terminal Structural Steel contract for the Midfield Program. Work under this contract began August 26, 2005.

On January 24, 2007, a shift of a support structure for the erection of steel occurred allowing terminal trusses to move (steel shift). As a result of the steel shift the Authority stopped payments to Cives until all issues were clarified including the amount the Authority’s Builders Risk Provider, Travelers Insurance, would approve of Cives’ claims. After initial negotiations were unsuccessful, Cives’ filed suit. Mediation was able to resolve the suit based on the specific amounts described below and the release of the retainage on this contract of \$1,642,255.15. The retainage amount is based generally on five percent (5%) of the contract amount that the Authority is required by statute to withhold until a construction contract is completed.

Change Order Summary

The majority of this change order is the settlement of the claim for the steel shift for the amount that Travelers Insurance has approved as a builders risk claim of \$2,353,483.74. Also included is payment for additional scope on the main terminal of \$42,208.00.

Project Budget

Existing Contract Amount	\$31,700,000.00
Previous Change Orders Amount	\$ 1,033,193.94 (3.26% of Contract)
Current Change Order	\$ 2,395,691.74 (7.56 % of Contract)
New Contract Total	\$35,128,885.68

The revised contract budget with the Change Order included is within the approved cash flow for the Midfield Terminal.

Schedule

Schedule is not affected by this change.

Recommendation

The IAA staff has reviewed the Change Order and recommends that the Board consider for approval a Change Order with Cives Steel Company for Project # HST-0004 for an amount not-to-exceed \$2,395,691.74 .



Board Memo – Change Order

To: IAA Board of Directors
 From: Marsha Stone, Chief Financial Officer
 Date: April 28, 2010
 Board Date: May 21, 2010
 Subject: Change Order for Project # I-09-030-2007-A Shuttle Bus Replacement

Background

The Shuttle Bus Replacement Program at the Indianapolis International Airport is an ongoing initiative that supports the replacement of shuttle buses at the end of their useful lives, based on age, mileage, and hours of use. On May 15, 2009, the Board approved the purchase of two shuttle buses from Midwest Transit Equipment of Indiana for \$291,959 each, or \$583,918.

Change Order Summary

In the time between the approval to purchase the shuttle buses on May 15, 2009 and the finalization of the production order on December 15, 2009 certain individual vehicle options were required to be changed due to product availability at the time of production. Specifically, an auxiliary heater for \$3,800 was deleted, a fire suppression system for \$3,500 was added, and an LED lighting package for \$1,480 was added. The net effect of these changes was \$1,180.00, as shown in the table below.

Project Budget - I-09-030-2007-A

Existing Contract Amount	\$583,918.00
Previous Change Orders Amount	\$ 0
Current Change Order	<u>\$ 1,180.00</u> (0.20% of Contract)
New Contract Total	\$585,098.00

The revised contract budget with the Change Order included is within the approved cash flow for the Capital Improvement Program.

Schedule

This change order completes this purchase.

Supplier Diversity Participation

Not Applicable.

Recommendation

The IAA staff has reviewed the change order and recommends that the Board consider for approval a change order with Midwest Transit Equipment of Indiana for Project # I-09-030-2007-A in an amount not-to-exceed \$1,180.



Board Memo – Property Acquisition

To: IAA Board of Directors
From: Robert A. Duncan, Special Advisor to CEO
Date: April 23, 2010
Board Date: May 21, 2010
Subject: Property Acquisition – Power Line Right-of-Way

Background

The future development of a third parallel runway south of Interstate 70 will require the relocation of two major interstate power lines. In 2005, the Airport Authority Board determined that it was appropriate to establish the future power line routing and to acquire the necessary right-of-way over primarily undeveloped properties. Although a decision to develop the third parallel runway is many years in the future, the acquisition of the necessary right-of-way before property is fully developed is in the best interests of the Airport.

Scope

In addition to acquiring right-of-way over undeveloped properties, and consistent with existing Authority practice, single family homes within the proposed right-of-way have also been acquired on a hardship basis as they have been offered to the Authority. The Brackin property as shown on the attached land acquisition schedule for a purchase price of \$77,000 is one such property. Attachment I illustrates the current status of the power line right-of-way project.

Schedule

May 21, 2010 – Approve Jeffrey B. Brackin Purchase Agreement

Funding

The power line relocation project is currently funded from the 2010 Capital Improvement Fund Power Line land acquisition budget utilizing Authority local funding although the project will be eligible for federal grant reimbursement at some point in the future when the third runway development ever becomes an active project.

Supplier Diversity Participation

Not Applicable.

Recommendation

The IAA Staff recommends the purchase of property per the attached schedule.

