



Agenda
Indianapolis Airport Authority
August 20, 2010
8:30 a.m.

- I. Call to Order
- II. Approval of Minutes of the Pre-Board and Regular Meeting of July 16, 2010
- III. Ordinances, Resolutions and Public Hearings
 - a) Final Hearing on **General Ordinance No. 1-2010** approving the 2011 Indianapolis Airport Authority Budget.
 - b) Consider for approval the adoption of **General Ordinance No. 1-2010** as approved and recommended by the Finance & Audit Committee.
 - c) Consider for approval adoption of **Resolution 10-2010** concerning the Foreign Trade Zone Subzone Application GEA Bloomington Production Operation, LLC. Bloomington, Indiana (*BP2010-08-1*)
- IV. Board Reports
 - a) President's Report
- V. Official Actions
 - a) Introduction of the IAA Consent Calendar dated August 20, 2010.
 - b) Consider for approval each of the individual items listed on the IAA Consent Calendar Agenda dated August 20, 2010.
- VI. Staff Reports
 - a) CEO Report – *John D. Clark, III*
 - b) Financial Report – *Marsha Stone*
- VII. Other Reports/Update
- VIII. Adjourn

MINUTES OF PRE-BOARD MEETING

The Pre-Board Meeting of the Indianapolis Airport Authority Board took place at 8:01 A.M. on Friday, July 16, 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:

Lacy M. Johnson
Alfred R. Bennett
Andrew D. Miller
Jean L. Wojtowicz
Alex M. Azar, II
Mary Moses Cochran

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

Mark Hedegard submitted a Delegated Authority Schedule with no questions or objections.

Marsha Stone gave a presentation on the 2010-2011 Insurance Renewal results which included submission of a premium summary for all insurance for the next year. She pointed out that for the eighth year in a row, the premiums had been reduced all post-9/11. The policies run from July 15, 2010 through July 15, 2011.

The Board discussed the manor in which the Airport Authority might secure nonstop service between Indianapolis and San Francisco.

The Airport Authority Board concluded its Pre-Board Meeting at 8:25 A.M.

ALL OF WHICH IS STATED THIS ___ DAY OF AUGUST, 2010.

LACY M. JOHNSON, Vice-President

MINUTES
Board of Directors Meeting
Indianapolis Airport Authority

The Regular Meeting of the Indianapolis Airport Authority Board was called to order at 8:30 a.m., July 16, 2010, in the Airport Board Room at Indianapolis International Airport.

Present and comprising a quorum were:

Lacy Johnson, Vice President
Alfred R. Bennett, Secretary
Alex M. Azar II, Member
Andrew Miller, Member
Jean Wojtowicz, Member
Mary Moses Cochran, Member

Advisory Members attending:

Jack Morton
Lynn Gordon
Steve Dillinger

Rex Joseph, IAA Counsel

IAA 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 Trice, Chief Communications Officer
Joseph Heerens, General Counsel
Robert Duncan, Special Advisor to the CEO
Beverly Terlaje, Executive Assistant/Recording Secretary

APPROVAL OF MINUTES

Upon a motion by Ms. Wojtowicz, seconded by Mr. Bennett and unanimously passed, approval was given to the Minutes of the Regular Meeting of June 18, 2010.

ORDINANCES, RESOLUTIONS AND PUBLIC HEARINGS

Vice President Johnson opened the Public Hearing on General Ordinance No. 1-2010 concerning the 2011 Indianapolis Airport Authority Budget. There being no public comments, the hearing was concluded. Final Hearing and consideration for approval is scheduled for August 20, 2010, in the Airport Authority's Board Room at the main terminal of the Indianapolis International Airport.

Marsha Stone, Chief Financial Officer provided a presentation of the Indianapolis Airport Authority's 2011 Budget Appropriation.

BOARD REPORTS

President's Report

Vice President Johnson had no reports.

OFFICIAL ACTIONS

APPROVAL OF THE INDIANAPOLIS AIRPORT AUTHORITY'S CONSENT CALENDAR, DATED July 16, 2010: Upon a motion by Mr. Azar, seconded by Mr. Miller and unanimously passed, approval was given to the Consent Calendar, dated July 16, 2010.

APPROVAL OF INDIVIDUAL ITEMS LISTED ON THE INDIANAPOLIS AIRPORT AUTHORITY'S CONSENT CALENDAR, DATED July 16, 2010: Upon a motion by Mr. Azar, seconded by Mr. Miller and unanimously passed, approval was given to accept each of the individual items listed on the Consent Calendar, dated July 16, 2010.

STAFF REPORTS

CEO REPORT

Mr. Clark had no reports, but briefly shared that the Airport Authority is hopeful that the reauthorization will take place now that it is being discussed, and the significance with regard to that subject is the "passenger facility charge", known as the "PFC". The proposed increase will significantly help the Airport Authority in terms of reducing its debt. Mr. Clark stated that there are positive indications that we will get a reauthorization this year.

CFO REPORT

Financial Report

Ms. Stone provided a brief update on Air Service for June 2010 and year-to-date. Ms. Stone stated that although April and May had an increase in enplanements and this positive trend was encouraging, the month of June was down by 1.3% compared to prior year. In addition, Ms. Stone announced that Branson Air Express will begin non-stop services between Indianapolis and Branson four (4) times each week, with services commencing in September, 2010. Ms. Stone also provided a brief update on the Financial Report for the year.

2010 Supplier Diversity Update

Mr. Corey Wilson, Director of Supplier Diversity & Government Affairs, provided an update on 2010 Supplier Diversity.

Mr. Wilson announced that, due to the completion of the Airport's new terminal and related facilities, this will be the last time that the numbers will be presented for "XBE spends" on the construction side of the new Airport. He also stated that a quarterly update will be provided on the overall operating and capital spend. Vice President Johnson then noted that there appears to be a significant decrease on the capital side when excluding the new Airport; WBE's have declined from 7.3% to 2.5%; and Mr. Johnson asked why and what are we doing to address this? Mr. Wilson responded that the numbers have declined due to the overall nature of where we are relative to the number of projects, and, as the Airport completes its construction, those projects have declined. Mr. Clark commented that, from a senior management perspective, there has been continuous dialogue regarding the numbers, and he also stated that the Airport is making a concerted effort to ensure we are taking appropriate steps to inform the community about Airport Authority projects in order to give fair opportunity to find and support appropriate levels of "XBE participation". Mr. Clark further stated, going forward, we should see the opportunities increase and it is incumbent on the leadership of our organization to make it happen.

Mr. Wilson further stated that we are doing outreach events as well as targeting events to ensure that WBE's and MBE's have opportunities to bid on and obtain construction and other projects.

Other

Vice President Johnson recognized and thanked the HMS Host organization for sponsoring today's refreshments.

ADJOURN

There being no further business, the meeting was adjourned at 9:05 a.m.

INDIANAPOLIS AIRPORT AUTHORITY*

Lacy M. Johnson, President

Alfred R. Bennett, Secretary

Date: _____

*Signed under authority of IAA Board Resolution 10-2009



Indianapolis Airport Authority

Board Memo – 2011 Budget Ordinance 1-2010

To: IAA Board

From: Marsha Stone, Chief Financial Officer

Date: August 2, 2010

Board Date: August 20, 2010

Subject: 2011 Budget Ordinance 1-2010

Attached is the 2011 Budget Ordinance 1-2010 as approved and recommended by the Finance and Audit Committee. The Budget Ordinance when adopted establishes the maximum appropriation (expenditure) levels for 2011.

The budget process requires an Introduction (completed June 18, 2010), an Initial Hearing and presentation (completed July 16, 2010), and the Final Hearing and adoption of the budget before August 31, 2010. The Board will be asked to adopt or reject the 2011 Budget Ordinance during the August 20, 2010 meeting.

The Indianapolis City-County Council (Council) requires the IAA Board to accept the 2011 Budget Ordinance by August 31, 2010. The City-Council Municipal Corporations Committee will hold a hearing on September 27, 2010 to review the 2011 Budget. The Municipal Corporations Committee will review and pass all Municipal Corporation budgets on October 19, 2010 and the full Council will approve budgets on October 25, 2010.

BUDGET SUBMISSION LETTER AND CERTIFICATE

TO THE AUDITOR OF MARION COUNTY, INDIANA:

The undersigned herewith submits two copies of the Budget adopted by the Board of the Indianapolis Airport Authority for the year ending December 31, 2011, for filing and presentation to the County Tax Adjustment Board.

I certify that said copies are true and exact copies of the Budget approved by the Board on August 20, 2010, fixing the appropriations and tax levies for said year.

Dated this 20th day of August, 2010

Lacy M. Johnson
Vice President of the Board
Indianapolis Airport Authority

Attest:

Jeremiah Wise
Treasurer
Indianapolis Airport Authority

STATE OF INDIANA, MARION COUNTY
INDIANAPOLIS AIRPORT AUTHORITY

I, Jeremiah Wise, Treasurer of the Indianapolis Airport Authority, do hereby certify the above and foregoing is a full, true and complete copy of General Ordinance 1-2010, that said Ordinance was passed by the Board of the Indianapolis Airport Authority on the 20th day of August, 2010, and now remains on file and record in the Airport offices.

WITNESS my hand and the Official Seal of
the Indianapolis Airport Authority this 20th
day of August, 2010

Jeremiah Wise
Treasurer
Indianapolis Airport Authority

INDIANAPOLIS AIRPORT AUTHORITY

ORDINANCE NO. 1-2010

An Ordinance appropriating monies for the purpose of defraying the expenses of the Indianapolis Airport Authority, Marion County, Indiana, for the calendar year of 2011, including all outstanding claims and obligations, and fixing a time when the same shall take effect.

Section I - Be it ordained by the Board of the Indianapolis Airport Authority, Marion County, Indiana, that for the calendar year of 2011, the following sums of money are hereby appropriated and ordered set apart out of the funds herein named and for the purpose herein specified, subject to the laws governing the same, and subject also to the conditions provided in this Ordinance. Such sums appropriated shall be held to be made during the year, unless otherwise expressly stipulated and provided by law.

Section II - That for said calendar year there is hereby appropriated out of the Airport System Fund of said Indianapolis Airport Authority the following:

Personal Services	\$ 30,041,841
Supplies & Materials	4,537,365
Other Services and Charges	165,135,500
Capital Outlay	<u>266,000</u>

Total Airport System Fund \$199,980,706

That for said calendar year, there is hereby appropriated out of the Capital Improvement Fund of said Indianapolis Airport Authority the following:

Total Capital Improvement Fund \$ 50,023,000

That for said calendar year, disbursements from the appropriations of the Indianapolis Airport Authority may be transferred by the Board of the Indianapolis Airport Authority from one major budget classification to another, at any regular meeting without prior notice and without approval from the State Board of Tax Commissioners, provided such transfer does not necessitate expenditure of more money than was set out in detail in the published budget.

Section III - Said moneys appropriated shall be derived from the following sources:

Airport System Funds on Hand	\$	180,302,282
Capital Improvement Funds on Hand		63,324,401
Airport Revenues		181,171,468
Federal and State Grants		15,310,000
Transfers		5,000,000
Interest/Federal Payments/Other		7,790,000
Financing		<u>0</u>
	\$	452,898,151

This Ordinance shall be in full force and effect after its passage. Enacted by the Board, August 20, 2010.

INDIANAPOLIS AIRPORT AUTHORITY*

Lacy M. Johnson, Vice President

Alfred R. Bennett, Secretary

*Signed under authority provided in Board Resolution 10-2009.

RESOLUTION NO. 10-2010
GRANTEE RESOLUTION
FOREIGN TRADE ZONE # 72

WHEREAS, the Indianapolis Airport Authority, as Grantee, deems it desirable to make application to the Foreign Trade Zones Board to establish a subzone of Foreign Trade Zone # 72 on behalf of GEA Bloomington Production Operations, LLC, to create new services and economic opportunities for the company;

NOW, THEREFORE, BE IT

RESOLVED, that the Indianapolis Airport Authority does hereby ratify and approve the application to establish a subzone of Foreign Trade Zone # 72 as submitted to this Grantee; and

FURTHER RESOLVED, that the President of the Indianapolis Airport Authority be, and hereby is, authorized and directed on behalf of the Grantee, Indianapolis Airport Authority, to do and perform all acts and to execute and deliver all instruments and documents necessary or convenient for the submission of the subzone application on behalf of GEA Bloomington Production Operations, LLC, to the Executive Secretary of the Foreign Trade Zones Board, Department of Commerce, Washington, D.C. and take such further action as deemed appropriate incident to securing the approval by the Foreign Trade Zones Board with respect to said subzone application.

APPROVED this 20th day of August, 2010, at the regularly convened meeting of the Indianapolis Airport Authority.

INDIANAPOLIS AIRPORT AUTHORITY*

By _____
Lacy M. Johnson, Vice-President

By _____
Alfred R. Bennett, Secretary

*Signed under authority of IAA Board Resolution 10-2009

CERTIFICATE OF AUTHENTICITY

I, Alfred R. Bennett, Secretary of the Indianapolis Airport Authority Board of Directors, hereby certify that the foregoing is a true and correct copy of the Resolution adopted by the Indianapolis Airport Authority Board on the 20th day of August, 2010.

Alfred R. Bennett
Secretary, IAA



Indianapolis Airport Authority

August 20, 2010

Mr. Andrew McGilvray
Executive Secretary
Foreign-Trade Zones Board
United States Department of Commerce
1401 Constitution Avenue, NW, Room 2111
Washington, DC 20230

Re: Foreign-Trade Zone – Subzone Application
GEA Bloomington Production Operations, LLC
Bloomington, Indiana

Dear Mr. McGilvray:

The Indianapolis Airport Authority, Grantee of Foreign-Trade Zone #72, hereby submits for Foreign Trade Zones Board approval an Application for a special purpose subzone of Foreign Trade Zone #72 to benefit GEA Bloomington Production Operations, LLC., in Bloomington, Indiana.

The Indianapolis Airport Authority recognizes the need for subzone status for these facilities to retain and create additional jobs in Indiana. Approximately 615 people are employed by GEA Bloomington Production Operations, LLC. in Bloomington, Indiana, generating an annual payroll of approximately \$52.4 million. Establishment of the subzone for GEA Bloomington Production Operations, LLC. will result in retaining job which is an economic benefits in the area, and thereby serve the public interest.

Thank you for your favorable consideration and expeditious handling of this Subzone Application.

Sincerely,

Lacy M. Johnson
Vice President
Indianapolis Airport Authority

(Corporate Seal)

IAA Board Meeting
Consent Calendar Agenda
August 20, 2010

Consider for approval:

A) General Business

BP2010-08-1 Both IAA staff and the GIFTZ Board recommend that the IAA Board execute a Subzone Agreement with GEA Bloomington Production Operations, LLC.

B) Capital Program

BP2010-08-2 An award of contract for #I-09-039 Building 2 Modifications to Harmon Construction, Inc. in an amount not-to-exceed \$378,000 plus a 3% construction reserve of \$11,340 for a total of \$389,340. Harmon Construction, Inc. was the lowest responsive and responsible bidder. MBE 70.78% (Sexson Mechanical Corporation and Harmon Construction, Inc.) and WBE 4.15% (Cassady Electrical Contractors, Inc. and Slussers Green Thumb, Inc.).

BP2010-08-3 An award of contract #I-09-011 Pavement Repair on Runway 14-32 and #I-10-017 Rehabilitate Existing Foxtrot Lane to Milestone Contractors in an amount not-to-exceed \$614,000 plus a 3% construction reserve of \$18,420 for a total of \$632,420. Milestone Contractors was the lowest responsive and responsible bidder. DBE 9.78% (Indiana Sign & Barricade, Earth Images, and Lynn Trucking), MBE 0.68% (USI Consultants), and WBE 14.83% (Indiana Sign & Barricade, Earth Images, Lynn Trucking, and Protection Plus).

BP2010-08-4 An award of contract for Project # T-43A Site Landscape Improvements to Ski Landscape Corporation in an amount not-to-exceed \$278,781.60 plus a 3% construction reserve of \$8,363.45 for a total of \$287,145.05. Ski Landscape Corporation was the lowest responsive and responsible bidder. MBE 8.56% (AH & H Trucking) and WBE 5.40% (TMT, Inc)



Board Memo – GEA Bloomington Subzone Agreement

To: IAA Board of Directors
From: Marsha Stone, Chief Financial Officer
Date: July 30, 2010
Board Date: August 20, 2010
Subject: GEA Bloomington Production Operations, LLC Subzone Agreement

Background

The Authority is the Foreign Trade Zone (FTZ) “grantee” representing central Indiana communities. In 1981, the Authority created a separate company, the Greater Indianapolis Foreign Trade Zone, Inc. (GIFTZ), a not-for-profit 501C (6), to administer the FTZ program.

GEA Bloomington Productions, LLC (GEA), a subsidiary of General Electric (GE), has been manufacturing consumer refrigerators since 1966. In order to remain a viable competitor in the appliance market, the GE Louisville purchasing division is constantly seeking the highest quality of raw materials and components at the most cost effective price. Consequently, GEA imports approximately 31% of its materials and components. The duty rates applicable to these imported items range from duty free to 5.8%, while the duty rate on a finished refrigerator imported into the United States is free.

GEA requested grantee subzone sponsorship on July 7, 2010, to gain access to FTZ program benefits. The GIFTZ Board approved sponsorship on July 20, 2010.

A subzone is defined as “a single-purpose site for one company when the operations cannot feasibly be moved to, or accommodated in, a General Purpose Zone”. Companies are reviewed to ensure granting access to the program benefits is in the public’s best interest, supports American trade policies, and does not breach any International Trade Agreements in force with the U.S.

GEA has requested the site at 301 North Curry Pike, Bloomington, IN be established as their subzone:

- GEA’s facility includes 890,000 square feet of manufacturing space and 110,000 square feet of warehousing on 79.86 acres.
- GEA will have a combined total 1,000,000 square feet of designated FTZ space.
- GEA Bloomington employs 615 people in Bloomington, IN and has an annual payroll of \$52.4 million.

Scope

The GIFTZ Board requests the IAA Board execute a Subzone Agreement with GEA Bloomington Production Operations, LLC to allow the use of FTZ benefits at this site once approval of their application has been granted in Washington, D.C.

Schedule

August 20, 2010: Execution of Resolution No. 10-2010 and GEA Bloomington Production Operations, LLC Subzone Agreement
December 20, 2010: Tentative activation date, based on Washington's estimated approval timeline of GEA Bloomington's application

Revenue and/or Operating Cost Implications

Revenue:

Revenue for 1,000,000 square feet of active FTZ space is \$48,000 per annum.

Operating Costs:

The GIFTZ has no initial costs associated with the application and designation process. Once GEA activates the use of the FTZ privileges, the GIFTZ will expend approximately \$4,900 per annum to provide established support services.

Supplier Diversity Participation

Not applicable.

Recommendation

Approval of Resolution No. 10-2010 authorizing the Subzone of the Foreign Trade Zone # 72 for GEA Bloomington Production Operations, LLC.

Both IAA staff and the GIFTZ Board recommend the IAA Board execute a Subzone Agreement with GEA Bloomington Production Operations, LLC.



Board Memo – Bid Award

To: IAA Board of Directors

From: Mike Medvescek, Chief Operating Officer

Date: July 21, 2010

Board Date: August 20, 2010

Subject: Award of Bid Package #I-09-039 Building 2 Modifications to Harmon Construction, Inc.

Background

The existing maintenance facility (Building 2) 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.

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.

On December 8, 2009, this project was approved for implementation by the Executive Management Team.

On May 21, 2010, the Board approved plans & specifications for CIP/Project #I-09-039 and authorized the public bidding process.

On June 24, 2010, the IAA staff received eight (8) bids ranging from \$378,000 to \$487,533.

Harmon Construction, Inc. was the lowest responsive and responsible bidder in the amount of \$378,000 which includes the base bid of \$293,000 and Alternate 4, a new boiler for \$85,000.

In addition to the contract amount, IAA will be requesting a construction reserve of 3% of the total contract amount for this project. A construction reserve of 3% has been previously approved by the Board and successfully implemented for the Midfield Terminal project to ensure timely approval of minor changes necessary due to unforeseen conditions and circumstances. Any change orders exceeding the contract and construction reserve will be submitted to the Board for approval.

No federal or state funds are anticipated for this project.

Scope

The package provides for the installation of a new boiler, replacement of plumbing fixtures, replacement of 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, overlay an existing gravel section with asphalt, and construct full depth asphalt repair of a section with pavement failure due to heavy vehicle use outside Building #2. The paving areas are as shown on attached exhibit.

Budget

This contract is within the overall project budget of \$500,000. The total bid plus a 3% construction reserve is \$389,340.

Project Budget

Contract Amount (including 3% reserve)	\$389,340.00
Design and Soft Costs	\$ 50,000.00
Construction Management Fees	\$ 5,700.00
Unforeseen Conditions	<u>\$ 54,960.00</u>
Budget Amount	<u>\$500,000.00</u>

An additional 11% (\$54,960) is identified for unforeseen conditions and a possible upgrade to the fire alarm system. When working on an existing building with several additions and limited as-built records, it is common to encounter unforeseen conditions as mechanical, electrical, and pumping upgrades are undertaken. These conditions are typically found during demolition as they are not able to be identified during design while keeping the building intact and operational.

Schedule

Work is expected to start August 2010 with a substantial completion date of November 2010.

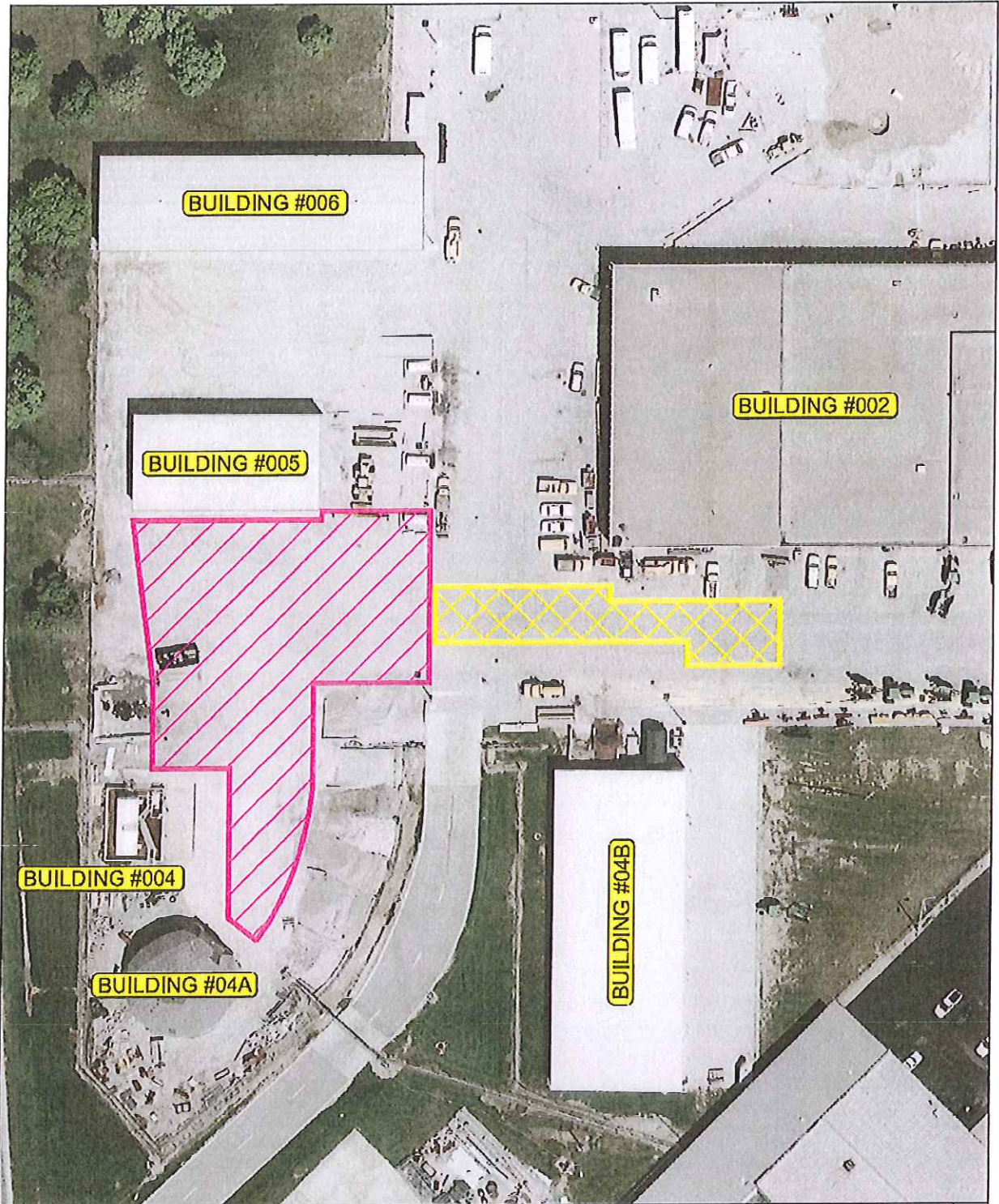
Supplier Diversity Participation

The Director of Supplier Diversity approved the following MBE/WBE participation on July 15, 2010:

FIRM	CLASSIFICATION	AMOUNT	%
Sexson Mechanical Corporation	MBE	\$210,400	55.66
Harmon Construction, Inc.	MBE	\$57,148	15.12
Cassady Electrical Contractors, Inc.	WBE	\$11,630	3.08
Slussers Green Thumb, Inc.	WBE	\$4,046	1.07
Totals	MBE	\$267,548	70.78
	WBE	\$ 15,676	4.15

Recommendation

The IAA staff has reviewed the bids and recommends that the Board consider for approval an award of contract for #I-09-039 Building 2 Modifications to Harmon Construction, Inc. in an amount not-to-exceed \$378,000 plus a 3% construction reserve of \$11,340 for a total of \$389,340. Harmon Construction, Inc. was the lowest responsive and responsible bidder. MBE 70.78% (Sexson Mechanical Corporation and Harmon Construction, Inc.) and WBE 4.15% (Cassady Electrical Contractors, Inc. and Slussers Green Thumb, Inc.)



 **INDIANAPOLIS INTERNATIONAL AIRPORT**
AIRFIELD MAINTENANCE FACILITY (BUILDING #2)
PAVEMENT REHABILITATION

 - ASPHALT OVERLAY SECTION
 - FULL DEPTH PATCHING SECTION


NO SCALE



Board Memo – Bid Award

To: IAA Board of Directors
From: Mike Medvescek, Chief Operating Officer
Date: July 19, 2010
Board Date: August 20, 2010
Subject: Award of Bid Package # I-09-011 Pavement Repair on Runway 14-32 and #I-10-017 Rehabilitate Existing Foxtrot Lane to Milestone Contractors

Background

The background of the Pavement Repair on Runway 14-32 and Rehabilitate Existing Foxtrot Lane covers two years starting from a rejected bid in 2009, through the modification of the project to increase constructability, and concluding in this recommendation of bid award. This memo summarizes the history of the Runway 14-32 Pavement Repair 2009 bid process that also included Taxiway N shoulder repair. It further identifies the steps taken to increase the constructability and attractiveness of the project when rebid in 2010. Finally, it describes the Rehabilitation of Foxtrot Lane which was combined with Pavement Repair on Runway 14-32 to make the overall project more appealing to bidders.

- Rehabilitate 14-32 and Taxiway N Shoulder

Project Description

Runway 14-32 was last reconstructed by milling the existing asphalt surface and repaving with asphalt in 2002; and, as with all pavement projects, periodic maintenance is required to address pavement distresses that might have developed since the reconstruction. This requires the pavement to be visually surveyed for distresses like cracks, spalls and joint failures that have developed since the reconstruction. This work will include repaving of the centerline section, crack filling, and other minor repairs that will help to ensure that life of pavement will reach the expected pavement life of fifteen (15) years. Taxiway N shoulder has deteriorated to a point where some reconstruction is required due to subbase failure and was included in the original project that was bid in the summer of 2009.

2009 Bid Process

On June 19, 2009, the IAA Board approved plans and specifications for Runway 14-32 Pavement Repairs and authorized the public bidding process. On July 28, 2009, only one (1) bid was received for this package from Rieth-Riley Construction Co., Inc. in the amount of \$313,442. The bid significantly exceeded the Engineer's Estimate and the Project Construction Budget.

Six (6) experienced airport contractors had requested and received plan sets for the July 28th bid opening. When asked why five of them did not bid, their most prevalent reasoning was the relatively small size of the project, the relatively high risk of the airfield work on the centerline of the runway, the work-arounds for opening and closing the runway, as well as the amount of "hand work" on the project. Contractors were also concerned that the numerous small patches could lead the airport to be dissatisfied with the end product leading to rework by the Contractor.

Changes to Project Scope to Increase Attractiveness of the Bid Package

The 2009 project consisted of repair of bituminous pavement areas on Runway 14-32 and a section of bituminous shoulder on Taxiway "N". The repairs on Runway 14-32 included bituminous pavement milling and replacement, pavement marking, grooving and incidentals. The repairs on Taxiway "N" included bituminous pavement milling, sub-base repairs as needed, bituminous pavement replacement and incidentals.

This project scope was reviewed for possible changes and approved by the Board for rebid in early 2010. Trying to rebid and complete the project in 2009 would have been at the conclusion of the 2009 construction season. Changes to the bid package included provisions for a one-time closure of the runway vs. multiple closures and openings, revisions to the plans that make it more suitable for construction automation or streamlined equipment usage, incorporating other suggested improvements by the designer and contracting community, and combining this project with similar projects from the 2010 program. This resulted in the addition of the Rehabilitate Foxtrot Lane project to the Runway 14-32 repair project.

- Rehabilitate Foxtrot Lane

Project Description

Foxtrot Lane is the main roadway for Fire Station No. 2 that is used by heavy fire trucks. The pavement has reached the end of its useful life and the roadway requires major rehabilitation which includes milling the pavement and repaving. No major rehabilitation has been done on this roadway system since it was constructed in 1972. Foxtrot Lane currently has significant pavement distress including longitudinal (along the length) and transverse cracking (across the width). Some of these cracks are starting to subside indicating potential damage to the subbase (material below

the surface). There is also an area where the surface layer is spalling (coming loose) creating foreign object debris (FOD) concerns.

- 2010 Bid Process for Combined Projects

On December 8, 2009, this project was approved for implementation by the Executive Management Team.

On April 16, 2010, the Board approved plans & specifications for CIP/Project #I-09-011 Pavement Repair on Runway 14-32 and #I-10-017 Rehabilitate Existing Foxtrot Lane and authorized the public bidding process.

On June 1, 2010, the IAA staff received two (2) bids ranging from \$614,000 to \$774,670.

Milestone Contractors was the lowest responsive and responsible bidder in the amount of \$614,000.

Even though the lowest bid was under the overall project budgets, the various individual project budgets were exceeded and this required the notification to the airlines. Notification was sent out on July 9, 2010 and approval is expected by the end of the 30 days notification period. The request also clarified the request to include Taxiway N portion in the overall project.

In addition to the contract amount, the IAA will be requesting a construction reserve of 3% of the total contract amount for this project. A construction reserve of 3% has been previously approved by the Board and successfully implemented for the Midfield Terminal project to ensure timely approval of minor changes necessary due to unforeseen conditions and circumstances. Any change orders exceeding the contract and construction reserve will be submitted to the Board for approval.

Scope

This package provides for the rehabilitation of Runway 14-32, mill off and repave of a portion of the shoulder of Taxiway N, and mill off and repave of existing Foxtrot Lane.

Budget

This contract is within the overall project budget of \$750,691. The total bid plus a 3% construction reserve is \$632,420.

Project Budget

Contract Amount (including 3% reserve)	\$632,420.00
Design and Soft Costs	\$ 57,988.00
Construction & Project Management	\$ 5,700.00
Testing & Inspection	\$ 24,750.00
Unforeseen Conditions	<u>\$ 29,833.00</u>
Budget Amount	\$750,691.00

An additional 4% (\$29,833) is identified for unforeseen conditions in the event that additional asphalt, stone and/or subbase work is required to provide a pavement system that would last for the 15 year service life. Any unforeseen conditions would likely be associated with subbase issues that require more extensive repair and that will not be able to be identified until the surface is removed by the pavement milling.

The Federal Aviation Administration has awarded a grant from the Airport Improvement Program (AIP) discretionary funding in the amount of \$163,103 for the Foxtrot Lane portion of this project. This grant is 75% of the eligible project costs, the maximum level that may be awarded.

Schedule

Work is expected to start September 2010 with a substantial completion date of December 2010.

Supplier Diversity Participation

The Director of Supplier Diversity approved the following DBE/MBE/WBE participation on July 12, 2010:

FIRM	CLASSIFICATION	AMOUNT	%
Indiana Sign & Barricade	DBE/WBE	\$28,402	4.63
Earth Images	DBE/WBE	\$ 3,561	0.58
Lynn Trucking	DBE/WBE	\$28,084	4.57
USI Consultants	MBE	\$ 4,200	0.68
Protection Plus	WBE	\$31,000	5.05
Totals	DBE	\$60,047	9.78
	MBE	\$ 4,200	0.68
	WBE	\$91,047	14.83

Recommendation

The IAA staff has reviewed the bids and recommends that the Board consider for approval an award of contract #I-09-011 Pavement Repair on Runway 14-32 and #I-10-017 Rehabilitate Existing Foxtrot Lane to Milestone Contractors in an amount not-to-exceed \$614,000 plus a 3% construction reserve of \$18,420 for a total of \$632,420. Milestone Contractors was the lowest responsive and responsible bidder. DBE 9.78% (Indiana Sign & Barricade, Earth Images, and Lynn Trucking), MBE 0.68% (USI Consultants), and WBE 14.83% (Indiana Sign & Barricade, Earth Images, Lynn Trucking, and Protection Plus).



Board Memo – Bid Award

To: IAA Board of Directors

From: Mike Medvescek, Chief Operating Officer

Date: July 20, 2010

Board Date: August 20, 2010

Subject: Award of Bid Package No. T-43A Site Landscape Improvements to Ski Landscape Corporation

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 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 bonding company, Hanover, early in 2010 to resolve the default.

IAA has 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 to the north and south sides of the parking garage;
- completing the plantings in front of the parking 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 deference to focusing on the highest priority locations. This project completes work associated with Midfield Terminal Project T-43 Site Landscaping that was previously approved.

On April 27, 2010, this project was approved for implementation by the Executive Management Team.

On May 21, 2010, the Board approved plans & specifications for Project # T-43A Site Landscape Improvements and authorized the public bidding process.

On June 29, 2010, the IAA staff received six (6) bids ranging from \$278,781.60 to \$550,240.75.

Ski Landscape Corporation was the lowest responsive and responsible bidder in the amount of \$278,781.60.

In addition to the contract amount, IAA will be requesting a construction reserve of 3% of the total contract amount for this project. A construction reserve of 3% has been previously approved by the Board and successfully implemented for the Midfield Terminal project to ensure timely approval of minor changes necessary due to unforeseen conditions and circumstances. Any change orders exceeding the contract and construction reserve will be submitted to the Board for approval.

Scope

This project includes adding soil and seeding to the north and south sides of the parking garage; completing the plantings in front of the parking 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.

Budget

This contract is within the overall project budget of \$401,022.00. The budget is drawn from the two Site Landscaping items listed on the Midfield Program Cash Flow. The total bid plus 3% construction reserve is \$287,145.05.

Project Budget

Contract Amount (including 3% reserve)	\$287,145.05
Design	\$ 18,200.00
Unforeseen Conditions	\$ 28,715.00
Return to Uncommitted Contingency	<u>\$ 66,961.95</u>
Budget Amount	\$401,022.00

An additional 10% is identified for unforeseen conditions in the event that additional soil, stone and/or other materials are needed for the North and South garage areas and the front of the terminal. A total of \$66,961.95 from this project budget can be returned to the Uncommitted Contingency in the Midfield Program at this time.

Schedule

Work is expected to start September 2010 with a substantial completion date of December 2010.

Supplier Diversity Participation

The Director of Supplier Diversity approved the following MBE/WBE participation on July 15, 2010:

FIRM	CLASSIFICATION	AMOUNT	%
TMT, Inc.	WBE	\$15,054	5.40
AH & H Trucking	MBE	\$23,868	8.56
Totals	WBE	\$15,054	5.40
	MBE	\$23,868	8.56

Recommendation

The IAA staff has reviewed the bids and recommends that the Board consider for approval an award of contract for Project # T-43A Site Landscape Improvements to Ski Landscape Corporation in an amount not-to-exceed \$278,781.60 plus a 3% construction reserve of \$8,363.45 for a total of \$287,145.05. Ski Landscape Corporation was the lowest responsive and responsible bidder. MBE 8.56% (AH & H Trucking) and WBE 5.40% (TMT, Inc)