



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

- I. Call to Order
- II. Approval of Minutes of the Pre-Board and Regular Meeting of September 16, 2011
- III. Board Reports
 - a) President's Report
- IV. Official Actions
 - a) Introduction of the IAA Consent Calendar dated October 21, 2011.
 - b) Consider for approval each of the individual items listed on the IAA Consent Calendar Agenda dated October 21, 2011.
- V. Staff Reports
 - a) CEO Report – *John D. Clark, III*
 - b) Financial Report – *Marsha Stone*
 - c) Communications & Marketing Report – *Patzetta Trice*
 - d) Supplier Diversity Report – *Corey Wilson*
- VI. Other Reports/Update
- VII. Adjourn

DELEGATED AUTHORITY SCHEDULE

| MONTH/YEAR | OTHER PARTY | TYPE OF DOCUMENT | TERM (YEARS) | REVENUE | INITIALS | COMMENTS |
|------------|--|---|--|----------------------------------|----------|---|
| Aug-11 | Bank of America | Amendment to Letter of Credit | n/a | n/a | J. Clark | |
| Aug-11 | Valtec, LLC | Consent to Assignment of Land Sublease Agreement | n/a | n/a | J. Clark | |
| Aug-11 | Span Systems, Inc. | Letter of Intent | 1 month | n/a | J. Clark | This is regarding the fabric to repair the canopy. |
| Aug-11 | Global Baggage Protection | Amendment to Agreement | Same as provided in original agreement | n/a | J. Clark | The insurance requirements are being adjusted in this amendment |
| Aug-11 | Lowell W. Meece | Land and Building Lease Agreement | 4 years | \$960.00 | J. Clark | This is for a lease of a small shed on land west of the airport-Lowell Meece has been leasing since 1991. |
| Aug-11 | Aircraft Service International, Inc. | Shared Tenant Services Agreement | 2 years | \$4,498.80 | J. Clark | This is for IT services. |
| Aug-11 | Marsh USA, Inc. | Contract for Property and Casualty Insurance Brokerage and Related Services | 1 year | n/a | J. Clark | This is the contract for Marsh to provide services to IAA in connection with its insurance program |
| Aug-11 | Marsh USA, Inc. | Letter addressed to Mark Aldous regarding Contract | n/a | n/a | J. Clark | This is a letter addressed to Mark Aldous regarding the contract |
| Aug-11 | Durham Engineering, Inc. | Contract for Design Services | 5 months | n/a | J. Clark | This is for improvements to high school road corridor in the amount of \$1,450,000 |
| Aug-11 | United Airlines | Office Lease Agreement | Month to Month basis | \$5,628.75 paid per month to IAA | J. Clark | |
| Aug-11 | Indianapolis Airport Authority | IRS Power of Attorney and Declaration of Representative Form | Perpetual, until revoked | n/a | J. Clark | This form is in connection with the letter that the IAA and FedEx are submitting to the IRS in an effort to resolve a tax issue involving the bonds on the FedEx facility |
| Aug-11 | Simply Eyebrows | Short Term Use Agreement | 5 months | 10% of gross receipts | J. Clark | This is for eyebrow service and the sale of eye cosmetics |
| Aug-11 | CNN Airport Network | Distribution Agreement | 3 years | n/a | J. Clark | Service cost is \$2500.00 per quarter for \$10,000.00 per year |
| Aug-11 | John Force Racing, Inc. | Short Term Display Agreement | 1 week | \$3,500.00 | J. Clark | The Retail space is being used for the display of 2 dragster funny cars |
| Aug-11 | Department of Transportation Federal Aviation Administration | Non-Federal Preliminary Design Reimbursable Agreement | 18 months | n/a | J. Clark | This Agreement provides funding for FAA services |

DELEGATED AUTHORITY SCHEDULE

| | | | | | | | |
|--------|--|--------------------------------------|----------------------|-------------------------------------|--|----------|--|
| Aug-11 | Camp Dresser & Mckee Commercial Sewer Cleaning Co., Inc. | Contract Amendment | 2 months | No change from original | Same as provided in original Agreement | J. Clark | This is a "time only" extension |
| Aug-11 | American Road Operations, LLC d/b/a Harley Davidson | Amendment No. 2 | contract | No change from original contract | n/a | J. Clark | This is for cleaning services This is for additional office and hanger space for a 2nd lifeline medical helicopter |
| Aug-11 | Indiana University Health | Letter of Agreement | n/a | n/a | n/a | J. Clark | The MAC is being adjusted to \$60,000.00 per year |
| Aug-11 | TEM Enterprises d/b/a Xtra Airways or Casino Express | Airport Use Permit | 2 years and 4 months | n/a | n/a | J. Clark | TEM will pay non-signatory landing fees and per enplaned passenger fee, both fees are based on ordinance rates |
| Aug-11 | Compass Airlines, LLC | Affiliate Airport Use Permit | 3 years and 5 months | 3 years and 5 months | \$152,749.00 | J. Clark | As an affiliate carrier, Compass is required to execute an airport use permit for air service at Indianapolis |
| Aug-11 | Mesaba Aviation, Inc. d/b/a Mesaba Airlines | Affiliate Airport Use Permit | 3 years and 5 months | 3 years and 5 months | \$347,628.00 | J. Clark | Mesaba is required to execute an airport use permit for air service at Indianapolis |
| Aug-11 | Indianapolis Colts, Inc. | Land and Building Lease Agreement | 5 years | | \$832,646.42 | J. Clark | The Colts lease the hangar for 5 years with a 2 year option term. The Colts intend to make several upgrades to the facility such as remodeling of the office space and repainting the hangar floor |
| Aug-11 | Skytanking USA, Inc. | Airport Use Permit | 2 years | | \$94,885.88 | J. Clark | Skytanking provides fueling services for Delta, Continental and United if requested. With this permit, Skytanking will pay 8% of their gross revenues to the IAA |
| Aug-11 | Integrated Deicing Services | Airport Use Permit | 2 years | | \$99,000.00 | J. Clark | Integrated provides deicing services to Delta Air Lines if requested. With this permit, integrated will pay 8% of their gross revenues |
| Aug-11 | Global Baggage Protection Systems | Office Lease Agreement | 1 year | | \$4,298.81 | J. Clark | Secure Wrap provides luggage wrapping for passengers at the airport and requires office space in the terminal for their support staff |

DELEGATED AUTHORITY SCHEDULE

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|--------|--|-------------------------------------|---------|-------------|----------|--|
| Aug-11 | Prospect Airport Services | Airport Use Permit | 4 years | \$43,200.00 | J. Clark | Prospect provides office and aircraft cleaning services for Million Air. With this permit, Prospect will pay 8% of their gross revenues for the IAA |
| Aug-11 | P.O.U. Partners Department of Minority & Women Business Development City of Indianapolis | Quantity Purchase Agreement | 2 years | n/a | J. Clark | This renewal is for the bottle-less water system in the amount of \$54.50 per month |
| Aug-11 | Development City of Indianapolis | Memorandum of Understanding | 2 years | n/a | J. Clark | IAA will pay DMWBD for certain services in 12 payments of \$1,666.66 each. |
| Aug-11 | Keramida, Inc. | Contract for Consultant Services | 2 years | n/a | J. Clark | This contract is for services for environmental remediation old airport hydrant system and peer review at international. Authority agrees to pay consultant in an amount not to exceed \$29,590.00 |
| Aug-11 | INDOT | Grant Amendment No. 1 | n/a | n/a | M. Stone | |
| Aug-11 | AirTran Airways | Addendum | 5 years | \$3,900.65 | J. Clark | |

MINUTES
Board of Directors Meeting
Indianapolis Airport Authority

The Regular Meeting of the Indianapolis Airport Authority Board was called to order at 8:50 a.m., September 16, 2011, in the Airport's Board Room at the Indianapolis International Airport.

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

Kelly Flynn, Vice-President
Al Bennett, Secretary
Alex M. Azar II, Member
Jean Wojtowicz, 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 Operating Officer
Al Stanley, Chief Information Officer
Patzetta Trice, Chief Communications and Marketing Officer
Joseph Heerens, Chief Legal Officer
Beverly Terlaje, Executive Assistant/Recording Secretary

APPROVAL OF MINUTES

Upon a motion by Ms. Wojtowicz, seconded by Mr. Azar and unanimously passed, approval was given to the Minutes of both the Pre-Board and Regular Meetings of August 19, 2011.

BOARD REPORTS

In the absence of Board President Michael Stayton, Vice President Kelly Flynn chaired the meeting and announced that he had no reports, but he noted the recent passing of IAA Police Sergeant Jerry Webb due to an illness, that the IAA appreciated his service and dedication, and that he will be missed; and Mr. Flynn also shared that Sergeant Webb's K-9 partner, "Blue", will be retired to his family.

Mr. Flynn also noted the September 11th tribute which was held in Civic Plaza, and recognized IAA Police Chief Bill Reardon, the IAA Police Department, IAA Fire Chief Rick Gentry, the IAA Fire Department, TSA, and the Indianapolis Fire Department's bagpipe band, who together staged a dignified and stirring ceremony. Also present at the ceremony was a New York City police officer who served and was present when the "9-11" events occurred ten (10) years ago.

Mr. Flynn also recognized and congratulated Mr. Clark for being named ARN's Director of the Year for smaller airports.

OFFICIAL ACTIONS

APPROVAL OF THE INDIANAPOLIS AIRPORT AUTHORITY'S CONSENT CALENDAR DATED September 16, 2011: Upon a motion by Mr. Bennett, seconded by Mr. Azar and unanimously passed, approval was given to the IAA's Consent Calendar, dated September 16, 2011.

APPROVAL OF INDIVIDUAL ITEMS LISTED ON THE INDIANAPOLIS AIRPORT AUTHORITY'S CONSENT CALENDAR DATED September 16, 2011: Upon a motion by Ms. Moses-Cochran, seconded by Mr. Bennett and unanimously passed, approval was given to accept each of the individual items listed on the IAA's Consent Calendar, dated September 16, 2011.

STAFF REPORTS

CEO Report

Mr. Clark stated that he had no reports, but is looking forward to the board's annual retreat scheduled to occur in late October, 2011.

CFO Report

Ms. Marsha Stone, IAA's Chief Financial Officer, reported positive enplanements for August 2011 which were up 1.25% and 1.41% year to date, even though seat capacity was down 3.3% against prior year. She also indicated the gap may continue to grow as capacity is reduced by the carriers. Ms. Stone also shared that, at a recent Global Investors meeting, it was stated that almost every airline in the United States was predicting that capacity will continue to be flat going into 2012.

Ms. Stone also gave a brief financial update.

CCO Report

Ms. Patzetta Trice, IAA's Chief Communications Officer, provided a brief overview of the "earned media" for the third (3rd) calendar quarter.

Ms. Trice also recognized Ms. Karen Noble (who is an IAA parking customer service rep), Mr. Dennis Douglas (who is an IAA public safety officer), and Ms. Janice Richardson (who is an IAA guest services assistant), for providing outstanding customer service in the performance of their jobs.

ADJOURNMENT

There being no further business, the meeting was adjourned at 9:10 a.m.

INDIANAPOLIS AIRPORT AUTHORITY*

Kelly J. Flynn, Vice President

Alfred R. Bennett, Secretary

Date: _____

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

IAA Board Meeting
Consent Calendar Agenda
October 21, 2011

Consider for approval:

A) Capital

BP2011-10-1
A contract with Shrewsberry & Associates, LLC for Metropolitan Airport (UMP) Airport Layout Plan (ALP) Update in an amount not-to-exceed \$175,121.21 (hourly fee) and \$5,165.60 (expenses) for a total not-to-exceed amount of \$180,286.81. DBE 46.72% (Shrewsberry Associates, LLC; Hybrid-3, Inc.), MBE 41.64% (Shrewsberry Associates, LLC) and WBE 5.08% (Hybrid-3, Inc.)

BP2011-10-2
An award of contract for Project # I-12-026 – High School Road Corridor Improvements to K & K Fence Co., Inc. in an amount not-to-exceed \$127,915.25 (Base Bid plus Alternate 1) plus a 3% construction reserve of \$3,837.75 for a total of \$131,753.00. K & K Fence Co., Inc. was the lowest responsive and responsible bidder. MBE 1.4% (Major Engineering & Land Surveying, Inc.) and WBE 3.1% (Earth Images, Inc.)

BP2011-10-3
A change order with Stanley Convergent Security Solutions, Inc. for Project #I-11-004, Access Control System Consolidation, in an amount not-to-exceed \$71,736.

BP2011-10-4
A final and balancing change order with ECO Parking Lights for Project #1-11-005 in an amount not-to-exceed \$22,964.76.

BP2011-10-5
A change order with Fitzgerald and Fitzgerald Company, Inc. for Project #I-150, Water Main Improvements, in an amount not-to-exceed \$18,596.



Board Memo - Contract

To: IAA Board of Directors

From: Mike Medvescek, Chief Operating Officer

Date: September 16, 2011

Board Date: October 21, 2011

Subject: Contract with Shrewsberry & Associates, LLC for Metropolitan Airport (UMP) Airport Layout Plan (ALP) Update, Project # M-11-097

Background

The Airport Layout Plan (ALP) provides a graphic representation of the long-term development plan for an airport. Keeping the ALP current is a requirement for the Federal Aviation Administration (FAA) grant assurances. The existing ALP for Metropolitan Airport (UMP) was approved in 1985. Due to the age of this document, an update to the ALP is required to depict current FAA design standards and future aviation needs. The future aviation needs must be documented before the FAA will consider a land release for non-aviation development as recommended in the Land Use Study. Updating the ALP is consistent with the strategic plan to develop a master plan for aviation and non-aviation land use and future development.

This project was approved for implementation by the Executive Management Team on April 25, 2011.

Scope

The scope of this project is to prepare an ALP for UMP. The most recent ALP approval for UMP is 1985. The ALP update will support implementation of Land Use Study recommendations. The ALP update is to include an inventory of existing facilities and conditions, compilation of basic aeronautical forecasts to be drawn of existing resources, an assessment of facility needs, and preparation of updated ALP drawing set. Survey data will meet FAA standards for inclusion in the FAA's national GIS database and will be used in the development of an Indianapolis Airport Authority (IAA) GIS system. An ALP update rather than a full master plan is recommended as per the 2009 reliever study. This project is based on Metropolitan Airport continuing to serve the same role within the aviation system in the future.

Budget

This contract is within the overall project budget of \$180,550 and is a not-to-exceed hourly fee and expenses.

| | |
|--------------|---------------------|
| Hourly Fee | \$175,121.21 |
| Expenses | \$ 5,165.60 |
| Total | \$180,286.81 |

This project is budgeted for Airport cash funding of \$180,550 in the 2011 reforecast; however, airlines notification is required since this was moved from 2016 to 2011.

The schedule for this project has been accelerated to support implementation of the Land Use Study. The UMP ALP was originally scheduled for 2016 and programmed for Airport Improvement Program grant funding. By accelerating the implementation schedule, IAA will initially fund the work with Airport cash and seek future grant funding reimbursement from the FAA.

A current ALP is an FAA requirement. As a project that is required by regulation by an outside regulatory agency, this project is exempt under the Authority's hurdle rate policy and has not been subject to an internal rate of return calculation.

Schedule

The term of this contract is expected to begin October 21, 2011 and conclude April 30, 2013 to allow time for FAA review and approval of the ALP. The length of the contract is determined based on 9 months to prepare the ALP for initial submittal to FAA and 9 months for the initial and final FAA review process and any required revisions.

Supplier Diversity Participation

The Director of Supplier Diversity has approved the following:

| FIRM | AMOUNT | | | | % | | |
|-----------------------------|-----------------|-----------------|----------------|---------------|---------------|--------------|--|
| | DBE | MBE | WBE | DBE | MBE | WBE | |
| Shrewsberry Associates, LLC | \$72,918 | \$72,918 | \$0 | 41.64% | 41.64% | 0% | |
| Hybrid-3, Inc. | \$ 8,900 | \$0 | \$8,900 | 5.08% | 0% | 5.08% | |
| Totals | \$81,818 | \$72,918 | \$8,900 | 46.72% | 41.64% | 5.08% | |

Recommendation

The IAA staff has reviewed the proposal and recommends that the Board consider for approval a contract with Shrewsberry & Associates, LLC for Metropolitan Airport (UMP) Airport Layout Plan (ALP) Update in an amount not-to-exceed \$175,121.21 (hourly fee) and \$5,165.60 (expenses) for a total not-to-exceed amount of \$180,286.81. DBE 46.72% (Shrewsberry Associates, LLC, Hybrid-3, Inc.), MBE 41.64% (Shrewsberry Associates, LLC) and WBE 5.08% (Hybrid-3, Inc.)



Board Memo – Bid Award

To: IAA Board of Directors

From: Mike Medvescek, Chief Operating Officer

Date: October 11, 2011

Board Date: October 21, 2011

Subject: Award of Bid Package No. I-12-026 to K and K Fence Co., Inc. for High School Road Corridor Improvements

Background

At the request of the Indianapolis Airport Authority (IAA) Board, the IAA staff explored actions to enhance the appearance of the area along High School Road that was used to support the old terminal area operations. The High School Road Corridor Improvements project was formulated to address this area. Several initiatives were identified for the project including the installation of fencing with screening, lighting, focal point landscaping, and clearing debris from the old parking lots.

On June 20, 2011, this project was approved for implementation by the Executive Management Team.

On September 16, 2011, the Board approved plans & specifications for CIP/Project #I-12-026 – High School Road Corridor Improvements and authorized the public bidding process.

On October 10, 2011, the IAA staff received four (4) bids. The project contained a base bid and one (1) alternate bid item. Favorable bids were received such that the base bid with alternate could be accepted within the project budget. The bids received for this combination ranged from \$127,915.25 to \$268,733.00.

K & K Fence Co., Inc. was the lowest responsive and responsible bidder in the amount of \$127,915.25 for the base bid item plus Alternate 1.

In addition to the contract amount, IAA is requesting a construction reserve of 3% of the total contract amount for this project. A construction reserve of 3% has been previously approved by the Board and successfully implemented to ensure timely approval of minor changes necessary due to unforeseen conditions and circumstances. There are sufficient dollars within this project's allocation to accommodate the funding of the 3% contingency for construction reserve. Any change orders exceeding the contract and construction reserve will be submitted to the Board for approval.

Scope

This package provides for the installation of a screen fence along the east side of High School Road along the old long term parking lots and along the west side of High School Road in front of the old terminal building. The installation of the fence in front of the old terminal building will allow the IAA to remove the airside fence around the old terminal. This will open up the old terminal apron for additional aircraft parking.

The landscaping element of this project will be installed with IAA purchased and relocated materials. With favorable bids for the fencing portion of the project, quotes will be obtained for demolition of the large parking structures.

Budget

This contract is within the overall project budget of \$300,000. The total bid (including the base bid and Alternate 1) plus 3% construction reserve is \$131,753.

| <u>Project Budget</u> | |
|--|------------------|
| Contract Amount (including 3% reserve) | \$ 131,753 |
| Design & Soft Costs | \$ 19,000 |
| Landscaping Materials | \$ 20,000 |
| Lighting | \$ 75,000 |
| Demolition of Parking Structures | \$ 41,500 |
| Unforeseen Conditions | \$ <u>12,747</u> |
| Budget Amount | \$ 300,000 |

Funding for this project is anticipated to be 100% Airport cash funding.

The project is within its budget for 2011.

Although there is no exemption for this project under the Authority's hurdle rate policy, it has not been subjected to an internal rate of return calculation due to the need to maintain all of the IAA property to present an appropriate appearance to the surrounding community and to attract future investment.

Schedule

Work is expected to start October 2011 with a substantial completion date of December 2011.

Supplier Diversity Participation

The Director of Supplier Diversity has approved the following:

| FIRM | AMOUNT | | % | |
|--|--------|----------|------|------|
| | MBE | WBE | MBE | WBE |
| Major Engineering & Land Surveying, Inc. | 1,800 | | 1.4% | |
| Earth Images, Inc. | | 3,992.36 | | 3.1% |
| Totals | 1,800 | 3,992.36 | 1.4% | 3.1% |

Recommendation

The IAA staff has reviewed the bids and recommends that the Board consider for approval an award of contract for Project # 1-12-026 – High School Road Corridor Improvements to K & K Fence Co., Inc. in an amount not-to-exceed \$127,915.25 (Base Bid plus Alternate 1) plus a 3% construction reserve of \$3,837.75 for a total of \$131,753.00. K & K Fence Co., Inc. was the lowest responsive and responsible bidder. MBE 1.4% (Major Engineering & Land Surveying, Inc.) and WBE 3.1% (Earth Images, Inc.)



Board Memo – Change Order

To: IAA Board of Directors

From: Mike Medvescek, Chief Operating Officer

Date: September 26, 2011

Board Date: October 21, 2011

Subject: Change Order for Project # I-11-004, Access Control System Consolidation, to Stanley Convergent Security Solutions, Inc.

Background

The Access Control System (ACS) Consolidation project will migrate the Indianapolis Airport Authority's (IAA) multiple access control systems to one system. Currently, the IAA is operating multiple access control systems at the Indianapolis International Airport to secure airport buildings, doors, perimeter gates and security cameras. The systems installed on the east side of the Indianapolis International Airport (IND) airfield will be upgraded and migrated to the system installed as part of the midfield terminal program so that the IAA can utilize a single identification media/badge. Management of one (1) consolidated system will be easier and more efficient to operate with less work stations and parts to maintain. The contract approved by the Board on September 16, 2011 provided for the migration of all but the old system at Signature Flight Support (Signature).

On September 21, 2011, the Federal Aviation Administration (FAA) notified the IAA that additional grant funds became available for IND in 2011. A portion of these grant funds are programmed to be used to provide grant funding to add the bid Alternate 1 for the access control improvements at Signature to the contract approved by the Board on September 16, 2011. The completion of the improvements at Signature will complete the migration from the old security system to the new security system allowing the IAA to discontinue manpower and equipment support of the old system.

The Access Control System Consolidation project was approved for implementation by the Executive Management Team on March 21, 2011. The project was re-reviewed and a budget increase of \$118,655 was approved on August 29, 2011. The budget increase on August 29, 2011 did not include the Signature work as it was deferred to a future project when Airport Improvement Program (AIP) grant funds could be available to cover 75% of the cost. The additional 2011 grant funds allow the Signature work to occur as part of the 2011 project with grant funding. Executive Management Team

support for inclusion of Signature with grant funding was confirmed on September 26, 2011.

Change Order Summary

Typically, contract changes fall under one of three categories: Errors/Omissions, Unforeseen Circumstances, or additional Owner requested scope. This change order is due to additional Owner requested scope, due to availability of additional grant funds in 2011. The cost of which is known as it was bid as an alternate.

Revised Project Budget

| | |
|---------------------------------------|------------------|
| Approved Budget in 2011 | \$534,345 |
| Approved Budget Increase | <u>\$118,655</u> |
| Aug. 29, 2011 Approved Project Budget | \$653,000 |
| Increase for Alternate 1 Change Order | <u>\$ 71,736</u> |
| New Total Budget | \$724,736 |

Revised Construction Contract Amount

| | |
|--|------------------|
| Contract Amount (including 3% reserve) | \$476,132 |
| Design & Soft Costs | \$104,500 |
| Budgeted Customs Change Order | \$ 40,000 |
| Alternate 1 Change Order | \$ 71,736 |
| Unforeseen Conditions | <u>\$ 32,368</u> |
| Total | \$724,736 |

The revised contract with the Change Order requires an increase in the project budget to cover the additional work. The cost of the increase and original construction is anticipated to be 75% Airport Improvement Program (AIP) grant funding and 25% Airport cash funding. The AIP grants for the initial and additional funds for this project have been executed.

This project is being undertaken to improve safety, security, and create operational efficiencies and is anticipated to be seventy-five (75%) funded with federal grants. As a result of the anticipated grant funding, this project is exempt under the Authority's hurdle rate policy and has not been subjected to an internal rate of return calculation.

Schedule

There is no change in the schedule for the completion of the work. Work is expected to start October 2011 with a substantial completion date of March 2012.

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 % |
|------------------|----------------|-----------------|--------------|-----------------|--------------|
| First Electrical | MBE | \$6,150 | 1.33% | \$7,070 | 1.32% |
| Protection Plus | WBE | \$10,000 | 2.16% | \$11,000 | 2.06% |
| | | | | | |
| Totals | MBE | \$6,150 | 1.33% | \$7,070 | 1.32% |
| | WBE | \$10,000 | 2.16% | \$11,000 | 2.06% |

Recommendation

The IAA staff has reviewed the Change Order and recommends that the Board consider for approval a Change Order with Stanley Convergent Security Solutions, Inc. for Project #1-11-004, Access Control System Consolidation, in an amount not-to-exceed \$71,736.



Board Memo – Change Order

To: IAA Board of Directors

From: Mike Medvescek, Chief Operating Officer

Date: September 16, 2011

Board Date: October 21, 2011

Subject: Final and Balancing Change Order for Project # 1-11-005 for Parking Garage Relighting with ECO Parking Lights

Background

The project provides for relighting of the floors 2-4 of the Parking Garage with a more energy efficient induction light system. The contract includes a 10-year warranty on parts and labor and guarantees the energy savings of more than 40%.

This contract was approved by the Board on May 20, 2011.

Change Order Summary

This Final and Balancing Change Order adjusts the cost for each of 1,638 light retrofit kits for Floors 2-4 in the original contract from \$298.84 to \$312.86. The total adjustment is \$22,964.76. The original contract amount did not include the required prevailing wage costs associated with installation of the retrofit kits. This oversight was a process issue in communication between departments in contract drafting and has been corrected.

The May 20, 2011 Board Memorandum referenced the correct total cost based on the correct \$312.86/fixture, a 3% project contingency and addition of the first floor lights. The first floor lights were ultimately excluded because the rental car companies on the first floor opted not to participate. The originally estimated payback period for the project remains at 5.3 years with this change order.

| <u>Revised Construction Contract Amount</u> | |
|---|--|
| Original Construction Contract Amount | \$503,668.00 |
| Previous Change Orders Amount | \$ 0 (0% of Contract) |
| Current Change Order (Final & Balancing) | \$ <u>22,964.76</u> (4.6% of Contract) |
| New Construction Contract Total | \$526,632.76 |

Memo Re: ECO Parking Lights – Change Order

Project Budget

| | |
|------------------------------|---------------------|
| Design & Soft Costs | \$ 53,300.00 |
| Construction Contract Amount | <u>\$526,632.76</u> |
| Estimated Total Project Cost | \$579,932.76 |
| Unspent Budget | \$412,067.24 |

The revised contract with the Change Order included is within the approved project budget of \$992,000.00.

Schedule

Work is on schedule and the work is substantially complete. The project is projected to be closed by December 31, 2011.

Supplier Diversity Participation

If the change order is approved by the Board, the XBE participation on this project will not change.

| FIRM | CLASSIFICATION | ORIGINAL AMOUNT | % |
|----------------------------|----------------|-----------------|--------|
| Pinnacle Equipment Company | MBE | \$302,200 | 57.38% |
| | MBE | \$302,200 | 57.38% |
| | WBE | 0 | 0 |
| Totals | | | |

This information was approved by the Director of Supplier Diversity.

Recommendation

The IAA staff has reviewed the Final and Balancing Change Order and recommends that the Board consider for approval a Final and Balancing Change Order with ECO Parking Lights for Project #1-11-005 in an amount not-to-exceed \$22,964.76.



Board Memo – Change Order

To: IAA Board of Directors

From: Mike Medvescek, Chief Operating Officer

Date: October 6, 2011

Board Date: October 21, 2011

Subject: Change Order for Project # I-150 for Water Main Improvements (Double Check Valves) with Fitzgerald and Fitzgerald Company, Inc.

Background

To complete the transfer of ownership of water main lines from the Midfield Project to the Indianapolis Water Company (IWC) 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 owned by the IAA and the water main lines to be owned by IWC.

On April 15, 2011, the Board approved a contract for Midfield Project #I-150, Water Main Improvements (Double-Check Valves) with the lowest responsive and responsible bidder, Fitzgerald and Fitzgerald Company, Inc.

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.

This change order is due to an unforeseen condition. Although shown on the as-built drawings, the valves in the economy parking lot required to shut off the water for this project were discovered to be buried 6' below the economy parking lot. It was necessary to excavate a section of parking lot in order to locate the valves and raise to grade the water main butterfly valve riser and casting.

Revised Construction Contract Amount

| | |
|---------------------------------------|-------------------------------|
| Original Construction Contract Amount | \$264,340 |
| Previous Change Orders Amount | \$ 3,860 (1.46% of Contract) |
| Current Change Order | \$ 18,596 (7.03% of Contract) |
| New Construction Contract Total | \$286,796 |

Project Budget

| | |
|------------------------------|-----------|
| Design & Soft Costs | \$ 56,178 |
| Construction Contract Amount | \$286,796 |
| Contingency | \$ 0 |
| Unused Allocation | \$ 0 |
| Estimated Total Project Cost | \$342,974 |

The revised contract with the Change Order included is within the approved project budget of \$2,062,487.

Schedule

There is no change in the schedule for completion of contract 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 % |
|-----------------------|----------------|-----------------|------------|-----------------|------------|
| Distribution One, LLC | MBE | \$54,000 | 20.43% | \$54,000 | 15.74% |
| CMG Trucking, Inc. | WBE | \$13,500 | 5.11% | \$13,500 | 3.94% |
| | | | | | |
| Totals | MBE | \$54,000 | 20.43% | \$54,000 | 15.74% |
| | WBE | \$13,500 | 5.11% | \$13,500 | 3.94% |

This information was approved by the Director of Supplier Diversity.

Recommendation

The IAA staff has reviewed the Change Order and recommends that the Board consider for approval a Change Order with Fitzgerald and Fitzgerald Company, Inc. for Project #1-150, Water Main Improvements, in an amount not-to-exceed \$18,596.