



Agenda
Indianapolis Airport Authority
October 19, 2012
8:30 AM

- I. **Call to Order**
- II. **Approval of Minutes of the Pre-Board and Regular Meeting of September 21, 2012**
- III. **Ordinances, Resolutions and Public Hearings**
 - a) Introduction of **General Ordinance No. 4-2012**, a Supplemental Ordinance of the Indianapolis Airport Authority concerning the Authority's issuance of additional Revenue Bonds designated "INDIANAPOLIS AIRPORT AUTHORITY REFUNDING REVENUE BONDS, SERIES 2012A" to refund all or a portion of the Authority's outstanding 2003A bonds and other matters related thereto.
- IV. **Board Reports**
 - a) President's Report
- V. **Official Actions**
 - a) Consider for approval the individual items listed on the IAA General Agenda dated October 19, 2012.
- VI. **Staff Reports**
 - a) Executive Director Report – ***Bob Duncan***
 - b) Financial Report – ***Marsha Stone***
 - c) Supplier Diversity Report – ***Corey Wilson***
- VII. **Other Reports/Update**
- VIII. **Board Communications**
 - a) *Next Meeting: Friday, November 16, 2012 @ 8:30 a.m.*
- IX. **Adjourn**

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., September 21, 2012, in the Airport's Board Room at the Indianapolis International Airport.

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

Michael W. Wells, President
Kelly J. Flynn, Vice-President
Alfred Bennett, Secretary
Jean Wojtowicz, Member
Alex M. Azar II, Member
Jack Morton, Member
David C. Lewis, Member
Steve C. Dillinger, Member
Lynn Gordon, Advisory Member

Rex Joseph, IAA Board Counsel

IAA executive staff attending:

Robert Duncan, Executive Director
Mike Medvescek, Sr. Director of Operations
Marsha Stone, Sr. Director of Finance
Joseph R. Heerens, General Counsel
Michael Huber, Sr. Director of Commercial Enterprise
Jamie Leap, Sr. Administrative Assistant/Recording Secretary

APPROVAL OF MINUTES

Upon a motion by Ms. Wojtowicz, seconded by Mr. Lewis and unanimously passed, approval was given to the Minutes of both the Pre-Board and Regular Meetings of August 17, 2012.

OFFICIAL ACTIONS

INTRODUCTION AND APPROVAL OF THE INDIANAPOLIS AIRPORT AUTHORITY'S GENERAL AGENDA, DATED September 21, 2012: President Wells introduced and then verbally described each of the individual items listed on the General Agenda, after which he asked for separate motions of approval, as follows:

BP2012-09-1. Upon a motion by Ms. Wojtowicz, seconded by Mr. Flynn and unanimously passed, approval was given to BP2012-09-1.

BP2012-09-2. Upon a motion by Mr. Flynn, seconded by Mr. Bennett and unanimously passed, approval was given to BP2012-09-2.

BP2012-09-8. Upon a motion by Mr. Morton, seconded by Mr. Azar and unanimously passed, approval was given to BP2012-09-8.

BP2012-09-3. Upon a motion by Mr. Flynn, seconded by Mr. Azar and unanimously passed, approval was given to BP2012-09-3.

BP2012-09-4. Upon a motion by Mr. Bennett, seconded by Mr. Flynn and unanimously passed, approval was given to BP2012-09-4.

BP2012-09-5. Upon a motion by Mr. Morton, seconded by Mr. Flynn and unanimously passed, approval was given to BP2012-09-5.

BP2012-09-7. Upon a motion by Mr. Azar, seconded by Mr. Dillinger and unanimously passed, approval was given to BP2012-09-7.

BP2012-09-6. Upon a motion by Mr. Morton, seconded by Mr. Bennett and unanimously passed, approval was given to BP2012-09-6.

STAFF REPORTS

Executive Director Report

Executive Director Bob Duncan asked the following individuals to give updates on various activities occurring at the Indianapolis Airport Authority:

- Ms. Marsha Stone, Sr. Director of Finance, announced that the IAA had won the Airport Service Quality Award for 2011, which Ms. Stone accepted on behalf of the IAA while attending the ACI World Conference in Calgary.
- Mr. Marvin Brethauer, Manager of Environmental and Conservation, gave an update on various activities currently taking place within the environmental and conservation area, including many that involve educating students.
- Ms. Trish Sqrow, Manager of Safety and Risk, spoke briefly about the recent IAA Safety Fair held at IND in which all departments within the IAA were represented, in addition to 7 business partners. Approximately 275 people attended the Safety Fair, and many offered positive comments about it.
- Mr. Mike Medvescek, Sr. Director of Operations, announced the completion of eleven (11) consecutive years of regulatory inspections of IAA airports, with no discrepancies, which is a remarkable achievement.
- Mr. Medvescek introduced Ms. Rose Jones, Airport Police Officer, who presented the IAA and President Wells with a plaque on behalf of the Indiana Chapter of Special Olympics, recognizing the IAA for its outstanding efforts in connection

with the 2012 FedEx Plane Pull. A total of \$131,000 was raised at this year's event.

Financial Report

Ms. Marsha Stone, Sr. Director of Finance, provided a brief financial report.

ADJOURNMENT

President Wells announced that the next IAA board meeting is scheduled for October 19, 2012.

There being no further business, the meeting was adjourned at 8:57 a.m.

INDIANAPOLIS AIRPORT AUTHORITY*

Michael W. Wells, President

Alfred R. Bennett, Secretary

Date: _____

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



BOARD MEMO – AIRPORT REVENUE BONDS

To: IAA Board of Directors

From: Marsha Stone, Sr. Director of Finance

Date: October 12, 2012

Board Date: October 19, 2012

Subject: Introduction of General Ordinance No. 4-2012

The Authority staff is asking the Board to introduce General Ordinance No. 4-2012 (the "Ordinance"), a supplemental ordinance authorizing the Airport Authority to issue Airport Revenue Bonds, Series 2012. The Ordinance is a supplement to the Authority's master ordinance, initially adopted in 2002. The 2012 bonds are a part of the Authority's plan of finance to refund certain outstanding Authority bonds. The Authority has seven (7) outstanding series of bonds under the master ordinance. The Ordinance will permit the Authority to issue refunding bonds to refund all or a portion of the Authority's outstanding 2003A bonds.

The schedule for the 2012 bond issue includes:

Introduction of General Ordinance 4-2012	October 19, 2012
Adoption of General Ordinance 4-2012	November 16, 2012
Indianapolis Bond Bank Approval	November 19, 2012
Bond pricing	Early December 2012
Closing	December 2012

The Authority staff presented a preliminary plan of finance to the Authority's Finance and Audit Committee ("FAC") most recently in September 2012. The Authority staff will present a final plan of finance to the Board at the final hearing for the Ordinance in November.

IAA Board Meeting
General Agenda
October 19, 2012

Consider for approval:

A) Capital Program

BP2012-10-1 Consider for approval the Land and Building Lease Agreement with LGSTX Distribution Services, Inc. commencing December 1, 2012 through November 30, 2014 for the leasing of space associated with a mail sort operation supporting the United States Post Office

BP2012-10-2 Consider for approval an award of contract for CIP Project # I-12-009 – Stormwater and Deicing Controls and Capacity Phase 1A Second Stage to Rieth-Riley Construction Co., Inc. in an amount not-to-exceed \$1,423,000 plus a 3% construction reserve of \$42,690 for a total of \$1,465,690. Rieth-Riley Construction Co., Inc. was the lowest responsive and responsible bidder. DBE 11.19% (CMG Trucking, Inc., Indiana Sign and Barricade, Inc.), MBE 16.22% (CMG Trucking, Inc., Heartland Ready Mix, LLC), and WBE 3.00% (Slusser's Green Thumb, Inc., White Security, Inc., The Hoosier Company, Indiana Sign and Barricade, Inc.)

BP2012-10-3 Consider for approval an award of contract for Project E-12-028, Saw-Cut Grooves Runway 3-21 at Eagle Creek Airpark to Safety Grooving & Grinding, LP in an amount not-to-exceed \$54,000.00. Safety Grooving & Grinding, LP had the lowest responsive and responsible quote. MBE 0% and WBE 0%

BP2012-10-4 Consider for approval the delegation of authority to the Executive Director to approve and execute the Central Energy Plant Service Agreement. The Service Agreement provides for the maintenance and operation of the Authority's Central Energy Plant and distribution lines located at the Indianapolis Maintenance Center, Building #174

BP2012-10-6 Consider for approval the Network Upgrade/Replacement Project in a sole source agreement with an amount not-to-exceed \$628,707.00. MBE 57.1% (RCR Technology Corp) and WBE 0.0%

B) Real Estate

BP2012-10-5 The purchase of Darrell and Gwendolene Clearwater's property as shown on the attached schedule.



Board Memo – Land and Building Lease Agreement

To: IAA Board of Directors

From: Robert A. Duncan, Executive Director

Date: October 1, 2012

Board Date: October 19, 2012

Subject: Land and Building Lease Agreement with LGSTX Distribution Services, Inc.

Background

The twenty (20) year land lease agreement between the IAA and United States Postal Service (USPS) is set to expire November 30, 2012. The USPS facility, constructed in 1992, contains a main warehouse (Building #53) consisting of approximately 230,000 square feet, 31,800 square feet of office space and thirty four (34) dock doors. Additionally, the facility contains 46 acres of aircraft apron space and two (2) ancillary support buildings. In August 2001, the USPS ceased operations of the air mail operation and utilized the facility exclusively as a ground mail transportation hub for mail transported via semi-trucks.

LGSTX Distribution Services, Inc. (LGSTX) is a current service provider to the USPS and has managed the ground mail transportation business within Building #53 since 2004. With the expiration of the land lease agreement approaching, the USPS tasked LGSTX with entering into a new lease arrangement for the mail operation at either a new location or with the IAA, therein remaining in Building #53. It is common practice for the USPS to have their respective service providers enter into direct lease agreements for facility space rather than the USPS being the “lessee”.

Approval of the Land and Building Lease Agreement between the IAA and LGSTX will keep the ground mail operation within Building #53 for two (2) additional years, increasing revenue to the IAA over the previous lease, as well as reducing the (current) occupied warehouse footprint by LGSTX. The reduced footprint will provide the IAA the opportunity to market approximately 71,000 square feet of warehouse space and supporting aircraft apron space to the air cargo market, along with approximately 35,000 square feet of office space and ancillary support building space.

Scope

To execute the Land and Building Lease Agreement with LGSTX, for the leasing of 161,311 square feet of warehouse space, 10,366 square feet of office space, 483,158

square feet of concrete staging area space and 107,293 square feet of employee parking associated with the premises.

The lease consists of a two (2) year term, commencing December 1, 2012 and terminating November 30, 2014. Additionally, the lease provides for option terms consisting of two (2), one (1) year options. The granting of such option terms will be by mutual agreement of both the IAA and LGSTX.

Revenue and/or Operating Cost Implications

Revenue:

LGSTX will pay annual rental of \$654,581.85 during the initial term, with the annual rental increasing to \$702,332.68 during the option terms.

Note: Comparatively, in 2012 the USPS will pay the IAA a total of \$302,848.26 in revenue.

Operating Costs:

LGSTX will be responsible for most operating costs associated with the lease. The IAA will maintain responsibility for landscaping of the property and buildings systems, such as; generator, heating boilers and fire suppression. LGSTX will pay a prorated share of the IAA maintenance expenses for the above mentioned items.

The utility expenses will be paid by the IAA, with LGSTX reimbursing the IAA for their prorated share of costs.

2013 Estimated Operating Expenses and Revenues:

Due to the USPS facility reverting to the IAA on November 30th and timing associated with the USPS providing needed repairs to the facility, as well as IAA planned capital improvements to the site; IAA Staff strategically did not budget any revenue and minimalized the operating expenses for budget year 2013. That being said, the following describes the changes to cash flow for 2013:

Revenue budget (original):	\$0.00
Revenue budget (updated):	\$654,581.85
Expense budget (original):	\$221,438.00
Expense budget (updated/estimate):	\$165,000.00

Note: Lessee estimated prorated reimbursements = \$148,363.46

Total 2013 net revenue: \$489,581.85

Schedule

October 19, 2012: Approval of the Land and Building Lease Agreement with LGSTX, Distribution Services, Inc.

Supplier Diversity Participation

Not applicable.

Recommendation

Recommend for approval the Land and Building Lease Agreement with LGSTX Distribution Services, Inc. commencing December 1, 2012 through November 30, 2014 for the leasing of space associated with a mail sort operation supporting the United States Post Office.



Board Memo – Bid Award

To: IAA Board of Directors
From: Susan Zellers, Director of Planning and Project Management
Date: October 3, 2012
Board Date: October 19, 2012
Subject: Award of Bid Package No. I-12-009 to Rieth-Riley Construction Co., Inc. for Stormwater and Deicing Controls and Capacity Phase 1A, Second Stage

Background

The Indianapolis Airport Authority (IAA) conducted a Stormwater and Deicing System Assessment and Preliminary Engineering Study in 2011. This assessment identified options and alternatives for improvements to the existing stormwater and deicing system needed to accommodate current, short-term and longer-term aviation needs and to meet current and future federal water quality requirements.

An initial project is included within the 2012 Capital Improvement Program (CIP) primarily to meet plans for another cargo apron expansion in the short-term and to begin to address short-term needs associated with old terminal reuse, Postal Hub reuse and ensure compliance with existing water quality requirements.

The Stormwater and Deicing Controls and Capacity Phase 1A is being implemented in at least two (2) stages. The first stage, consisting of improvements to the Lift Station serving Seerley Creek Basins and establishment of a control structure for the Eagle Hub, was approved for bidding on July 20, 2012 and the bid was awarded on September 21, 2012 to Graves Plumbing, Inc.

This project, the second stage consists of redirecting stormwater from near the old terminal to Mars Ditch Basins rather than Seerley Creek Basins. The redirection frees up sufficient storage capacity at Seerley Creek Basins to meet requirements associated with a planned cargo apron expansion.

The initial project was approved for implementation by the Senior Management Team on November 17, 2011. Phase 1A – First Stage was approved for implementation on July 9, 2012, and the Second Stage was approved for implementation on July 23, 2012.

A professional services contract with Wessler Engineering for initial phase design services for the First Stage was executed by the Executive Director on April 12, 2012. An amendment to the contract was executed by the Board on August 17, 2012 to include preliminary and final design services and construction phase services for the First Stage of the project, and all design services through construction for the Second Stage. On

August 17, 2012, the Board approved plans & specifications for the Second Stage of CIP/Project # I-12-009 – Stormwater and Deicing Controls and Capacity Phase 1A and authorized the public bidding process.

On September 20, 2012, the IAA staff received six (6) bids ranging from \$1,423,000.00 to \$1,978,965.97.

Rieth-Riley Construction Co., Inc. was the lowest responsive and responsible bidder in the amount of \$1,423,000.

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 for capital projects 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

The scope of work for the Stormwater and Deicing Controls and Capacity Phase 1A - Second Stage project consists of a new storm sewer line near the old terminal apron to convey stormwater currently directed to Seerley Creek Basins to Mars Ditch Basins. The project will include a new storm sewer line and a structure to provide for control of direction of flow to the two (2) basins. Approximately sixty five (65) acres of pavement will be drained to Mars Ditch Basins rather than Seerley Creek Basins as part of this project. Some portions of the old terminal apron will continue to drain to Seerley Creek Basins to provide for the limited deicing activities as needed on the old terminal apron. The IAA is working with the City of Indianapolis to ensure that these improvements will meet the stormwater requirements for a future planned cargo apron expansion.

Budget

This contract is within the overall project budget of \$8,762,500 for 2012 and 2013 as construction will extend into 2013. The total bid plus 3% construction reserve of \$42,690 is \$1,465,690.

Project Costs

Previously Approved:

Initial Study (CDM)	\$ 237,500
Design & Soft Costs (1 st and 2 nd Stage)	\$ 341,996
First Stage Construction Contract (including 3% reserve)	\$1,050,620
First Stage Unforeseen Conditions (12% of 1 st Stage bid)	\$ 122,402

Current Project:

Second Stage Construction Contract (including 3% reserve)	\$1,465,690
Second Stage Unforeseen Conditions (12% of 2 nd Stage bid)	\$ <u>170,760</u>
Total Project Costs (includes 1 st & 2 nd Stage)	\$3,388,968

**This leaves a remaining budget amount of \$5,373,532 to be used for future stages.

This project is within the approved 2012 Capital Budget. It will be 75% Federal Aviation Administration (FAA) Airport Improvement Program (AIP) grant funded and 25% airport cash. The IAA has received notification of grant funding for this project.

This project is required to continue to meet City of Indianapolis Stormwater and federal water quality permit requirements as the Authority expands development and activity at IND. The project is 75% grant funded. Because this project supports future, as yet unspecified, development, no hurdle rate calculation was conducted. The cash funded portion of the project will be utilized as a cost in determining the IRR of projects that are supported by this improvement as those projects are developed.

Schedule

Contract award anticipated October 2012 with a substantial completion date of September 2013.

Supplier Diversity Participation

The Director of Supplier Diversity has approved the following:

FIRM	AMOUNT			%		
	DBE	MBE	WBE	DBE	MBE	WBE
CMG Trucking, Inc.	\$146,847	\$146,847	\$ 0	10.32	10.32	0
Slusser's Green Thumb, Inc.	\$ 0	\$0	\$ 5,660	0	0	0.40
White Security, Inc.	\$ 0	\$0	\$12,000	0	0	0.84
Heartland Ready Mix, LLC	\$ 0	\$ 84,023	\$ 0	0	5.90	0
The Hoosier Company	\$ 0	\$0	\$12,600	0	0	0.89
Indiana Sign and Barricade, Inc.	\$ 12,424	\$0	\$12,424	0.87	0	0.87
Totals	\$159,271	\$230,870	\$42,684	11.19	16.22	3.00

Recommendation

The IAA staff has reviewed the bids and recommends that the Board consider for approval an award of contract for CIP Project # I-12-009 – Stormwater and Deicing Controls and Capacity Phase 1A Second Stage to Rieth-Riley Construction Co., Inc. in an amount not-to-exceed \$1,423,000 plus a 3% construction reserve of \$42,690 for a total of \$1,465,690. Rieth-Riley Construction Co., Inc. was the lowest responsive and responsible bidder. DBE 11.19% (CMG Trucking, Inc., Indiana Sign and Barricade, Inc.), MBE 16.22% (CMG Trucking, Inc., Heartland Ready Mix, LLC), and WBE 3.00% (Slusser's Green Thumb, Inc., White Security, Inc., The Hoosier Company, Indiana Sign and Barricade, Inc.)



Board Memo – Contract Award

To: IAA Board of Directors

From: Susan J.H. Zellers, P.E., Director of Planning & Project Management

Date: October 10, 2012

Board Date: October 19, 2012

Subject: Award of Contract to Safety Grooving & Grinding, LP for Saw-Cut Grooves Runway 3-21 at Eagle Creek Airpark, Project # E-12-028

Background

Eagle Creek Airpark (EYE) has one (1) runway, Runway 3-21. On June 15, 2012, the Board approved plans and specifications, and the public bidding process for CIP/Project # E-12-028 and E-12-029 – Rehabilitation of Runway 3-21, Tug Road, and Fire Department Access Road at Eagle Creek Airpark. On August 17, 2012, the Board approved the award of contract for that project to Rieth-Riley Construction Co. Inc. for the rehabilitation project, which is 90% grant funding with a Federal Aviation Administration (FAA) Airport Improvement Program (AIP) grant.

While construction of the rehabilitation project was underway, the fixed base operator (FBO) asked if it would be feasible to groove the runway as part of the rehabilitation. Prior to the current project it was not grooved. A grooved runway provides an increased margin of safety. For turbojet aircraft, a grooved runway is classified as “dry” until there is standing water allowing more of the runway length to be included in the calculation of available landing length.

Coordinating with the Federal Aviation Administration (FAA), grooving is an eligible cost for rehabilitating the runway at EYE with the regular operations by business jets at the airport. It can also be ninety percent (90%) FAA grant funded by seeking grant amendment. However, since it was not part of the original bid items, a separate procurement process is required.

This project was approved for implementation by the Senior Management Team on March 21, 2011.

On October 3, 2012, a Request for Quotes for Saw-Cut Grooves Runway 3-21 at Eagle Creek Airport was issued.

On October 10, 2012, the IAA Staff received three (3) quotes ranging from \$54,000.00 to \$150,000.00. The lowest quote was submitted by Safety Grooving & Grinding, LP.

Safety Grooving & Grinding, LP had the lowest responsive and responsible quote in the amount of \$54,000.00.

Scope

The scope of work for the project is grooving asphalt on Runway 3-21 at Eagle Creek Airpark.

Budget

Project Costs

Saw Cut Grooves Contract Amount	\$ 54,000
Project Design & Soft Costs	\$ 200,000
Runway Rehabilitation Contract (including 3% reserve)	\$ 746,192
Runway Rehabilitation Unforeseen Conditions (12%)	<u>\$ 86,935</u>
Total Project Costs**	\$ 1,087,127

**This leaves an unutilized budget amount of \$975,772.

This project is within the approved 2012 Capital Budget and is anticipated to be grant funded by requesting a grant amendment. Grant amendments can be requested for up to fifteen percent (15%) of a construction grant.

As a project being undertaken to increase operating safety that is also ninety percent (90%) funded with federal grants, this project is exempt under the Authority's hurdle rate policy and has not been subjected to an internal rate of return calculation.

Schedule

The work is to be accomplished after the new asphalt pavement on the runway has cured at least 30 days which is anticipated to be middle to late November 2012, weather permitting.

If weather is favorable, this work is to be accomplished in fall 2012; otherwise the grooving will occur in spring 2013.

Supplier Diversity Participation

The Director of Supplier Diversity has determined that due to the nature of scope of work, there will be no minority participation on this contract.

Recommendation

The IAA staff has reviewed the quotes and recommends that the Board consider for approval an award of contract for Project E-12-028, Saw-Cut Grooves Runway 3-21 at Eagle Creek Airpark to Safety Grooving & Grinding, LP in an amount not-to-exceed \$54,000.00. Safety Grooving & Grinding, LP had the lowest responsive and responsible quote. MBE 0% and WBE 0%



Indianapolis Airport Authority

Board Memo – Signature Authority

To: IAA Board of Directors

From: Robert Duncan, Executive Director

Date: October 2, 2012

Board Date: October 19, 2012

Subject: Executive Director Signature Authority / Central Energy Plant Service Agreement

Background

This Board Memo is brought forward to seek approval from the Authority Board for a delegation of authority to the IAA's Executive Director to execute the Central Energy Plant (CEP) Service Agreement on behalf of the Authority Board. The request for this delegation results from the timing to transition the CEP to the new management entity as the current operator's last day of service to IAA will be December 7, 2012. Not bringing forward the new Service Agreement to the Board for approval and execution until the November Board Meeting will not provide enough time to transition the facility to the new operator; therefore, a delegation of authority is being requested.

IAA Staff issued a Request for Proposal (RFP) for the maintenance and operation of the CEP on August 2, 2012. The deadline for responses was September 10, 2012. A total of five (5) responses were received by IAA Staff.

The respondents were:

- BHMM LLC
- CH2M Hill
- CMID, Inc.
- Hamtramck
- Johnson Melloh Solutions

An IAA Staff Review Committee was formed to review and score the responses. The Review Committee consisted of the following IAA Staff members: Doreen Cherry and Courtney Kasper from Finance, Eric Anderson, Joe Bennici and Bob Baraso from Property and Tim Method from Environmental. The following represents the weighted scoring approach the Review Committee applied in evaluating the five (5) responses:

<u>Subject</u>	<u>Points</u>
Transmittal Letter & Proposal Format/Presentation	5
Business Proposal	20
Technical Proposal	20
Price for Requested Services	25
Financial Strength	15
Supplier Diversity Participation	10
<u>References</u>	<u>5</u>
Total	100

Of the five (5) respondents, CH2M Hill, CMID, Inc., and Johnson Melloh Solutions were selected to be interviewed and a re-scoring of these three (3) entities occurred with a recommendation from the committee of entering into contract discussions with Johnson Melloh Solutions (JM) which recommendation was provided to IAA Senior Staff on October 1, 2012.

Johnson Melloh (JM), in business since 1976, specializes in the installation and maintaining of large-scale mechanical equipment including boilers, chillers, pumps, pipes and related electronics and controls for the purpose of campus-wide energy and water management. Previous and current clients include: Butler University, Wellpoint, Chase Tower, Indiana State Fair and IU Health. It became evident through the overall committee evaluation that JM was being the most creative and innovative in its approach to operating the CEP, including cost structure, labor allocation, co-generation of energy and cooperation with the IAA goals and objectives.

Operating Expense Actuals & Estimates

The current operator of the CEP has a 2012 operating budget of \$2,727,469. With regard to actual expenses through August, it is estimated for calendar year 2012, total operating expenses will be \$2,496,917, not including utility consumption at the CEP.

Although IAA Staff is working with JM to solidify a contract arrangement, JM through their response to the RFP estimates their operating expenses for calendar year 2013 to be \$1,354,115. Therefore it is expected the IAA will save an estimated 38% to 43% or \$948,828 to \$1,073,674 in calendar year 2013 as compared to 2012 estimates.

Also expected is a savings on utility consumption at the CEP. 2012 utility expense is estimated at \$1,442,725. Through operating efficiencies and possible co-generation opportunities, the utility expense should decrease, however this figure is currently not known.

Schedule

- Aug 2, 2012: Request for Proposal issued to public.
- Sept 10, 2012: Deadline for Responses to RFP. A total of five (5) responses were received.

- Sept 17, 2012: Preliminary scoring of the five (5) Responses. Top three (3) selected for interviews.
- Sept 26th & 27th: Interviews with top three (3) Respondents over two day period.
- Sept 28, 2012: Committee re-scoring of top three (3) Respondents. JM rated highest.
- Oct 1, 2012: Commence creation of Service Agreement and negotiate with JM.
- Oct 19, 2012: IAA Staff seeking delegation of authority from IAA Board
- Prior to Oct 31st: Full execution of Service Agreement.
- Nov 1, 2012: Transition of CEP commences.
- Dec 7, 2012: Last day of CEP operation by BHMM.

Supplier Diversity Participation

Per the terms of the RFP, the Service Agreement goals are 18% MBE and 5% WBE participation. JM has agreed to meet and exceed the M/WBE goals established by the IAA for this subject. Corey Wilson, Supplier Diversity Director will be engaged throughout the agreement negotiation pertaining to M/WBE participation.

At this time, JM is proposing sub-contractors and/or suppliers to include: Keramida for environmental compliance, Leader Corporation of Indiana for high voltage electrical, BWI Contractors for electrical contracting, Williams Cylinders & Controls for parts and supplies and A.I. King for insurance matters.

Recommendation

Recommend for approval the delegation of authority to the Executive Director to approve and execute the Central Energy Plant Service Agreement. The Service Agreement provides for the maintenance and operation of the Authority's Central Energy Plant and distribution lines located at the Indianapolis Maintenance Center, Building #174.



Board Memo – Project Authorization

To: IAA Board of Directors
From: Joe Miller, Interim Director of IT
Date: September 28, 2012
Board Date: October 19, 2012
Subject: Network Upgrade/Replacement Project

Background

The Indianapolis Airport Authority (IAA) has two separate networks, one for general networking, for all of the airport systems (email, internet access, etc.), and one for security, for the access control and CCTV systems. Between the two networks the IAA has 8 core switches and 116 edge switches. These networks are currently on separate hardware, which causes heavy duplication of resources, extra consumption of infrastructure and inefficient use of assets. The two networks were created to ensure that the Security network would not have interaction from the outside world. Until recently, technology that would allow the Authority to maintain both networks on the same hardware, but with a virtual, logical separation was not available or cost effective to pursue.

KSM consultants have reviewed this project and their technology assessment findings support the IAA's plan and request to replace these assets consistent with the above stated refresh cycles.

This project was approved for implementation by the Senior Management Team on October 1, 2012.

Scope

This project is for a sole source hardware procurement to upgrade/replace existing hardware to allow for physical network convergence and significant operational savings.

Budget

This project contains requests for funds for the following breakouts:

Network Upgrade/Replacement Project

4 MLX Core Switches	\$ 417,687
53 Edge Switches	\$ 111,288
5 Top of Rack Switches	\$ 32,100
One time Warranty Costs	\$ 37,694
Contingency	\$ 29,938
Total	\$ 628,707

This project was not included in the 2012 Capital Budget but was included in the five year capital program as a 2016 project. The opportunity to move this project up will save both operating and capital funds in the five year period ending in 2017. In the current year's budget, capacity of approximately \$700,000 has been created due to underspend on other technology projects. This project will be funded out of that budget capacity and will be funded 100% from Authority capital funds.

The project is being undertaken to upgrade the existing infrastructure that is integral to the continued operation of the airport. This project exceeds the IAA hurdle rate with an expected internal rate of return of 19%.

This project is a sole source agreement with Brocade, through their local distributor RCR Technology Corp, which represents a substantial savings to the authority both in terms of the purchase price, which is less than 50% of retail, and the operational savings that will be achieved from its implementation.

Schedule

The term of this project is October 19th through the end of January 2013, with the majority of the activity taking place in November and early December.

Supplier Diversity Participation

The Director of Supplier Diversity has approved the following:

FIRM	AMOUNT		%	
	MBE	WBE	MBE	WBE
RCR Technology Corp	\$359,261	\$0	57.1	0.0
Totals	\$359,261	\$0	57.1	0.0

Recommendation

The IAA staff has reviewed the proposal and recommends that the Board consider for approval the Network Upgrade/Replacement Project in a sole source agreement with an amount not-to-exceed \$628,707.00. MBE 57.1% (RCR Technology Corp) and WBE 0.0%.



Board Memo - Property Acquisition

To: IAA Board of Directors
From: Joseph Heerens, General Counsel
Date: September 27, 2012
Board Date: October 19, 2012
Subject: Property Acquisition – Darrell and Gwendolene Clearwater

Background

The Indianapolis Airport Authority (“IAA”) has had an active land acquisition program since 1973. Between 1973 and 1987, the land program acquired the majority of the land which comprises the current Airport layout and footprint. In 1987, the IAA began its land acquisition program in support of its Part 150 Noise Compatibility Plan (NCP). Phase I of this program ran from 1987-1992, Phase II ran from 1992-1997, and Phase III was initiated in 1998 and also includes holdout property owners that are remaining from Phases I and II. In 1997, an additional program was added to acquire single family residences located within the IAA’s Indiana Bat and Wetland Mitigation Area, and in 1999, land acquisition began for the future third parallel runway.

Scope

The residential property being acquired from Darrell and Gwendolene Clearwater as shown on the attached schedule is included in the IAA’s land acquisition Noise Phase II Program. The Purchase Agreement under consideration is based on an appraised value of One Hundred Eighty Thousand (\$180,000.00).

Schedule

October 19, 2012: Approve the Purchase Agreement with Darrell and Gwendolene Clearwater. The closing will occur as soon as practicable thereafter.

Funding

This acquisition is currently funded from the 2012 Capital Improvement Fund. The property will be eligible for federal grant reimbursement as an element of the IAA’s Noise Compatibility Plan.

Recommendation

The IAA Staff recommends the purchase of Darrell and Gwendolene Clearwater’s property as shown on the attached schedule.

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MONTH/YEAR	OTHER PARTY	TYPE OF DOCUMENT	TERM (YEARS)	REVENUE	INITIALS	COMMENTS
Sep-12	Patriot Engineering, Inc.	Professional Service Contract	11 months	N/A	R. Duncan	For construction materials testing for Hanger 5; cost of \$14,632.50
Sep-12	CMID, Inc.	Professional Service Contract	8 months	N/A	R. Duncan	For parking garage improvements GTC HVAC modifications; cost of \$4,095
Sep-12	Brandt Construction, Inc.	Project Settlement & Closeout Agreement	Perpetual	\$34,000	R. Duncan	For settlement of construction disputes at Belly Cargo Bldg.
Sep-12	Aesthetic Design, LLP	Letter of Agreement	1 day	N/A	R. Duncan	For "Fashion Night Out" display in Civic Plaza
Sep-12	CTL Engineering, Inc.	Contract for Construction Materials Testing Services	10 months	N/A	R. Duncan	For testing services to rehabilitate airport roads at IND; cost of \$10,991
Sep-12	Federal Express Corporation	Phase II Airport Security Agreement	Annual	N/A	R. Duncan	Required agreement due to AOA access by FedEx leasehold
Sep-12	JP Morgan Chase Bank	Settlement Agreement	Perpetual	\$112,693.16	R. Duncan	Global settlement of LIBOR claims by state attorneys general
Sep-12	ADP	Payroll and Benefit Service Agreement	3 years	N/A	R. Duncan	Agreement for payroll services; cost of \$149,963.24
Sep-12	Journey Engineering, LLC	Contract for Construction Services	3 months	N/A	R. Duncan	For inspection services of t-hanger taxi lanes rehab at Metro Airport

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Sep-12	FAA	Grant Agreement	Perpetual		\$926,250	R. Duncan	Grant Agreement for the Master Plan
Sep-12	FAA	Grant Agreement	Perpetual		\$431,250	R. Duncan	Grant Agreement for rehab runway project
Sep-12	FAA	Grant Agreement	Perpetual		\$889,179	R. Duncan	Grant Agreement for rehab runway project
Sep-12	FAA	Grant Agreement	Perpetual		\$356,598	R. Duncan	Grant Agreement for rehab taxi lanes
Sep-12	FAA	Grant Agreement	Perpetual		\$3,500,000.00	R. Duncan	Grant Agreement to upgrade/expand the airport deicing and stormwater systems
Sep-12	FAA	Grant Agreement	Perpetual		\$615,094	R. Duncan	Grant Agreement for rehab tug roads
Sep-12	FAA	Grant Agreement	Perpetual		\$194,412	R. Duncan	Grant Agreement for perimeter fencing project
Sep-12	FAA	Grant Agreement	Perpetual		\$187,352	R. Duncan	Grant Agreement for rehab terminal apron project
Sep-12	Global Parking System of Indiana, Inc.	Addendum to Concession Agreement	Unchanged	N/A		R. Duncan	Terminates curbside valet program
Sep-12	Infrastructure Engineering, Inc.	Contract Amendment No. 1	6 months	N/A		R. Duncan	For deicing control facility improvements at cost of \$41,100
Sep-12	Scott Smith	Cash Farm lease	3 years		\$19,260.00	R. Duncan	For lease of farm acreage at IND
Sep-12	Quantem Aviation	First Amendment to Shared Tenant Services Agreement	1 year		\$4,680.00	R. Duncan	Extends contract for one year
Sep-12	Dassera Indy, Inc.	Amendment to Short Term Use Agreement	1 year		Unchanged	R. Duncan	For new kiosk on Concourse B

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Sep-12	KSM Consulting, LLC	Professional Service Contract	1 year	N/A	R. Duncan	For assistance in developing a plan to implement IT Peer Review Study; cost of \$20,000
Sep-12	AT&T	Centrex Contract	3 years	N/A	R. Duncan	For increase in IND phone lines; cost of \$1,643.43/month
Sep-12	American Messaging Services	Amendment No. 1 to Services Account Agreement	2 years	N/A	R. Duncan	Extends contract for two years
Sep-12	Earth Exploration, Inc.	Contract for Construction	3 months	N/A	R. Duncan	For rehab tug roads, Phase 1; cost of \$65,287.50
Sep-12	Dassera Indy, Inc.	Short Term Use Agreement	1 year	Minimum annual sum of \$1,000	R. Duncan	For new kiosk on Concourse B
Sep-12	Dassera Indy, Inc.	Amendment for STS Agreement	Unchanged	\$50/month	R. Duncan	Adds phone line for this concessionaire
Sep-12	FAA	Grant Agreement	Perpetual	\$693,609	R. Duncan	Grant Agreement for Runway 7 extension
Sep-12	Mohamed Hersi d/b/a Juba International Café	First Amendment to Airport Use Permit	2 years	\$960.00	R. Duncan	Extends use permit for two years
Sep-12	United Parcel Service	Airport Use Agreement	4 months	\$8,167/month	R. Duncan	Permits UPS to use an old parking lot for semi-trailer storage
Sep-12	Frontier Airlines, Inc.	First Amendment to Shared Tenant Services Agreement	1 year	\$4,200.00	R. Duncan	Extends contract for one year
Sep-12	Turner Construction	Construction Contract	2 months	N/A	R. Duncan	For optimization & phasing plan for demolition of Old Terminal; cost of \$58,000