



Indianapolis Airport Authority

Agenda Indianapolis Airport Authority December 16, 2016 8:00 AM

- I. **Call to Order**
- II. **Approval of Minutes of the IAA Board's Regular Meeting of November 18, 2016**
- III. **Ordinances, Resolutions and Public Hearings**
 - a) **Consider, for approval, adoption of Resolution No. 17-2016**, approving the transfer of amounts between budget line item classifications from the 2016 appropriations of the Indianapolis Airport Authority System Fund, as outlined in Appendix A (Resolution No. 17-2016).
 - b) **Consider, for approval, adoption of Resolution No. 18-2016**, approving the Land and Building Lease Agreement with Wilcox Environmental Engineering, Inc., for the leasing of Building #176 at the Indianapolis Maintenance Center, for an initial period of three years and Option Terms consisting of two (2) additional terms of three (3) years each. Annual rental will commence at \$83,375.00 for the three-year initial period, and is subsequently adjustable in each option term period.
 - c) **Consider, for approval, adoption of Resolution No. 19-2016**, approving certain changes to the Charter of the Human Resources Committee of the Board of the Indianapolis Airport Authority.
 - d) **Public Hearing on BP2016-12-01**, regarding a certain Real Estate Sale Agreement with Pyramid Design & Construction, for the sale of approximately 1.45 acres of land located at 5900, 5946, 5950, and 5954 West Minnesota Street, Indianapolis, Indiana, all as more particularly described in BP2016-12-01.
 - e) **Consider, for approval, BP2016-12-01**, regarding a certain Real Estate Sale Agreement with Pyramid Design & Construction, for the sale of approximately 1.45 acres of land located at 5900, 5946, 5950, and 5954 West Minnesota Street, Indianapolis, Indiana, and authorizing the IAA Staff to consummate said transaction.
 - f) **Consider, for approval, Brian J. Touhy as IAA Board Counsel for 2017.**
- IV. **Board Reports**
 - a) President's Report
 - b) Board Counsel's Report on Annual Board Officer Election Process

- c) Foreign-Trade Zones (FTZ) / IN Zone (Greater Indianapolis Foreign Trade Zone); Alfred Bennett, IAA Board Member, Kent Ebbing, General Mgr.

V. **Official Actions**

Consider, for approval, the individual items on the IAA General Agenda, dated December 16, 2016.

VI. **Staff Reports**

Executive Director's Report

VII. **Other Reports/Update**

VIII. **Board Communications**

Next Meeting: Friday, January 20, 2017 @ 8:00 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 8:39 a.m., on November 18, 2016, in the Airport's Board Room at Indianapolis International Airport.

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

Kelly Flynn, President
Jean Wojtowicz, Vice President
Alfred Bennett, Secretary
Dr. Philip Borst, Member
Steve Dillinger, Member
Barbara Glass, Member
Jack Morton, Member
Brett Voorhies, Member
Mike Wells, Member
Lynn Gordon, Advisory Member

Rex M. Joseph, Jr., IAA Board Counsel

IAA executive staff attending:

Mario Rodriguez, Executive Director
Mike Medvescek, Sr. Director of Operations & Public Safety
Marsha Stone, Sr. Director of Commercial Enterprise
Joseph Heerens, General Counsel
Shannetta Griffin, Sr. Director of Planning & Development
Reid Goldsmith, Sr. Director of IT
Rachel Hernandez, Interim Director of Human Resources
Lisa Bierman, Sr. Executive Assistant/Recording Secretary

APPROVAL OF MINUTES

Upon a motion by Mr. Wells, seconded by Dr. Borst and unanimously passed, approval was given to the Minutes of the Regular Meeting of October 21, 2016.

ORDINANCES, RESOLUTIONS AND PUBLIC HEARINGS

President Flynn next opened the public hearing and described General Ordinance No. 3-2016 as pertaining to the 2017 Rates & Charges for the IAA's airport system. President Flynn asked if there were any comments or testimony. There being none, he closed the hearing and asked for a motion. Upon a motion by Mr. Wells, seconded by Mr. Bennett and unanimously passed, approval was given to General Ordinance No. 3-2016.

President Flynn next described Resolution No. 16-2016 concerning the adoption of Amendment No. 3 to a Lease Agreement with Accredo Health Group, Inc. d/b/a/ Express Scripts, whereby the term of the Lease Agreement will be extended for an additional three years (through June 30, 2020), in accordance with the rental structure as proposed in Amendment No. 3. Upon a motion by Vice President Wojtowicz, seconded by Mr. Voorhies and unanimously passed, approval was given to Resolution No. 16-2016.

BOARD REPORTS

President's Report

President Flynn expressed his appreciation to Go Express Travel for providing the refreshments for today's IAA Board meeting.

OFFICIAL ACTIONS

INTRODUCTION AND APPROVAL OF THE INDIANAPOLIS AIRPORT AUTHORITY'S GENERAL AGENDA, DATED November 18, 2016: President Flynn 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:

BP2016-11-01. Upon a motion by Dr. Borst, seconded by Mr. Voorhies and unanimously passed, approval was given to BP2016-11-01.

BP2016-11-02. Upon a motion by Vice President Wojtowicz, seconded by Mr. Bennett and unanimously passed, approval was given to BP2016-11-02.

BP2016-11-03. Upon a motion by Mr. Dillinger, seconded by Vice President Wojtowicz and unanimously passed, approval was given to BP2016-11-03.

BP2016-11-04. Upon a motion by Mr. Voorhies, seconded by Dr. Borst and unanimously passed, approval was given to BP2016-11-04.

BP2016-11-05. Upon a motion by Vice President Wojtowicz, seconded by Mr. Dillinger and unanimously passed, approval was given to BP2016-11-05.

BP2016-11-06, ACTION #1. Upon a motion by Vice President Wojtowicz, seconded by Mr. Voorhies and unanimously passed, approval was given to BP2016-11-06, ACTION #1.

BP2016-11-06, ACTION #2. Upon a motion by Vice President Wojtowicz, seconded by Dr. Borst and unanimously passed, approval was given to BP2016-11-06, ACTION #2.

BP2016-11-07. Upon a motion by Mr. Dillinger, seconded by Mr. Bennett and unanimously passed, approval was given to BP2016-11-07.

BP2016-11-08. Upon a motion by Mr. Wells, seconded by Mr. Voorhies and unanimously passed, approval was given to BP2016-11-08.

BP2016-11-09. Upon a motion by Mr. Dillinger, seconded by Dr. Borst and unanimously passed, approval was given to BP2016-11-09.

BP2016-11-10. Upon a motion by Mr. Wells, seconded by Mr. Bennett and unanimously passed, approval was given to BP2016-11-10.

STAFF REPORTS

Executive Director's Report

Mr. Rodriguez introduced Ms. Marsha Stone, Sr. Director of Commercial Enterprise, who gave a report about the status and progress of Air Service at the Indianapolis International Airport.

Mr. Rodriguez next introduced Ms. Megan Gish Carrico, Sr. Marketing Specialist, who gave a report about a recent event held for the first time at Indianapolis International Airport called "Soaring for Autism". TSA and Delta Air Lines also participated. Several representatives of the Autism Society of Indiana gave a report about their organization and its mission, after which they expressed their appreciation to the Indianapolis Airport Authority for hosting the event. Due to a previously scheduled commitment, Mr. Voorhies had to leave the IAA Board meeting while this report was being given.

Mr. Rodriguez next recognized the 3rd Quarter RITE award winners, who are: Donita Johnson, Parking Department (Core Value of Excellence); Denise Davis, Guest Services (Customer Service Excellence); Ryan Mastain, Fire Department (Unsung Hero); Angela Lee, Police Department (Leadership Excellence); Matthew Lewis, Operations (Leadership Excellence); and Todd Walker, Terminal Service (Leadership Excellence).

ADJOURNMENT

President Flynn announced that the next IAA Board meeting is scheduled for December 16, 2016. There being no further business, the meeting was adjourned at 9:19 a.m.

INDIANAPOLIS AIRPORT AUTHORITY *

By: _____
Kelly Flynn, President

By: _____
Alfred R. Bennett, Secretary

DATED: _____

* Signed under authority of IAA Board Resolution #3-2016



BOARD MEMO – BUDGET APPROPRIATION

To: IAA Board of Directors

From: Robert Thomson, Sr. Director of Finance

Date: November 30, 2016

Board Date: December 16, 2016

Subject: 2016 Budget Appropriation Transfer – Resolution No. 17-2016

Scope

The Indianapolis Airport Authority has an approved 2016 budget appropriation for the Airport System Fund of \$199,627,000. This resolution is required by Indiana Code section 6-1.1-18-6. This statute requires the Board to officially authorize a transfer between the major budget line item classifications included in the Authority's annual budget ordinance if a particular classification is expected to exceed the budgeted amount.

As savings are anticipated from the Other Services & Charges budget line due to lower interest expense, budget classification transfers are being requested for the preservation of airport assets in the amount of \$500,000 to the Supplies & Materials budget line and \$500,000 to the Capital Outlay budget line classification.

The Authority is not required to seek approval for this transfer from either the City-County Council or the Department of Local Government Finance, as this transfer does not result in expenditures in total greater than the budget appropriation amount originally published and approved, and has no tax levy impact.

The Airport Authority has cash balances available to cover all approved Airport System Fund expenditures within the 2016 appropriation level. There are no business risks, revenue and/or additional operating cost implications with the transfer of funds between budget line items. Supplier Diversity Participation is not applicable to this request.

Recommendation

Consider for approval the transfer of amounts between budget line item classifications from the 2016 appropriations of the Indianapolis Airport Authority System Fund, as outlined in Appendix A, Resolution 17-2016.



BOARD MEMO- LAND AND BUILDING LEASE AGREEMENT

To: IAA Board of Directors

From: Marsha Stone, Sr. Director of Commercial Enterprise

Date: November 29, 2016

Board Date: December 16, 2016

Subject: Land and Building Lease Agreement with Wilcox Environmental Engineering, Inc.

Background

Wilcox Environmental Engineering (Wilcox) is set to lease Building #176 at the IMC for the operation of their smoke stack testing company. The use of the building is for office space along with testing equipment and vehicle inventory. All testing of smoke stacks takes place at the particular site rather than at the IMC. This building, which has remained vacant for several years, has been difficult to lease due to its physical design. The original use by United Airlines was to store virgin material such as oils, hydraulic fluids, etc. in the operation of the United Maintenance Base. Examples of this building design include:

- Retention reservoirs that are built into the concrete floor making for an uneven surface.
- No floor drains.
- No fire suppression.

Wilcox will invest funds in building and land improvements which will include leveling of the concrete floor, remodeling of existing office space, the addition of an asphalt parking lot in the rear of the building as well as the addition of an access drive lane to the newly constructed rear parking lot.

Scope

IAA Staff requests the IAA Board execute the Land and Building Lease Agreement with Wilcox Environmental Engineering, Inc. (Wilcox). This Agreement is effective upon execution for three (3) years. Wilcox will have the option to extend the Term of this Agreement for two (2) option periods of three (3) years each by providing six (6) months advance written notice to the IAA.

Schedule

December 16, 2016: IAA Board approval of Land and Building Lease Agreement and associated Resolution with Wilcox Environmental Engineering, Inc.

Revenue and/or Operating Cost Implications Revenue:

During the initial term of three (3) years Wilcox Environmental Engineering will pay \$83,375.00

annually. In consideration, for the above listed improvements to be accomplished by Wilcox to Building #176, Staff negotiated/agreed to participate in a portion of this cost by issuing rental credits in a maximum amount of \$35,000.00 to be applied towards the first year's annual rent of \$83,375.00. Years two (2) and three (3) annual rate would be at the full rate of \$83,375.00.

During the two (2) renewal periods, revenue will be adjusted at the start of each term by the percentage Consumer Price Index (CPI) has changed as reflected in the "United States Bureau of Labor Statistics, CPI, All Urban". In no case shall the rental adjustment result in a rental decrease.

Operating Costs:

The IAA has responsibility for the utility costs of this building as they cannot be separately metered from the IMC Water Treatment Plant without substantial cost. Utility costs are built into the annual rental rate. The IAA is also responsible for the structural maintenance of the building (roof, walls, etc.). Tenant is responsible for all other maintenance and operating expenses.

Supplier Diversity Participation

Not applicable.

Recommendation

Consider for approval the Land and Building Lease Agreement and associated **Board Resolution No. 18-2016** with Wilcox Environmental Engineering, Inc. for the leasing of Building #176 at the Indianapolis Maintenance Center for an initial period of three (3) years and an Option Term of two (2) additional terms of three (3) years each. Annual rental will commence at \$83,375.00 for the three-year initial term and is subsequently adjustable in each option term period.



Indianapolis Airport Authority

BOARD MEMO – HRC CHARTER

To: IAA Board of Directors

From: Lynn Gordon, Chair of Human Resources Committee

Date: December 5, 2016

Board Date: December 16, 2016

Subject: Revised Charter of the Human Resources Committee

Background

As provided in the existing Charter for the Human Resources Committee of the Board of the Indianapolis Airport Authority (“HRC”), the HRC has a duty to review the Charter from time to time and will recommend any amendments or modifications to the Board for its review, approval and adoption. The HRC reviewed the Charter at its meeting on Friday, November 18, 2016, and now recommends certain changes to be made to the Charter in the interest of good governance. These proposed changes are shown by highlighting in the marked-up copy of the HRC Charter attached to this Board Memo.

Recommendation

The HRC hereby recommends that the Board approve and adopt Resolution No. 19-2016.



BOARD MEMO – REAL ESTATE SALE AGREEMENT

To: IAA Board of Directors

From: Marsha Stone, Sr. Director of Commercial Enterprise

Date: November 28, 2016

Board Date: December 16, 2016

Subject: IAA Land Use Initiative - Sale of Land via Real Estate Sale Agreement with Pyramid Design & Construction

Background

As a direct attribute of the IAA Land Use Initiative, IAA Staff has been diligently pursuing the sale of certain IAA lands, to include a parcel of land located at approximately 5900, 5946, 5950, and 5954 West Minnesota Street, Indianapolis, IN. The land to be sold totals 1.45 acres and is located east of I-465 on the north side of Minnesota Street. Previously, the land was occupied by private dwellings that were demolished to comply with federal noise mitigation standards.

Governed by law of the State of Indiana on such land transactions, the IAA has to procure two separate appraisals for each section of land to be sold. These appraisals are then averaged and that dollar amount becomes the minimum price the IAA may sell land in any transaction. The sale price meets and exceeds the average of two appraisal amounts and represents Fair Market Value (FMV) as guided by the FAA.

Land Sale Restrictions

The conveying of the land to Pyramid Design & Construction will also include and contain the following perpetual land use restrictions (including noise disclosures and waivers, and aviation easement), which will run with the land at all times:

- The title to the land will contain a "noise disclosure statement", an "aviation easement", as well as a waiver and release of all claims, actions, damages and liabilities, with respect to any and all noise, vibrations, particulates, or any other matters pertaining in any way, directly or indirectly, to the operation of an airport and/or aircraft; and
- No building or other structure shall be constructed or maintained at any time upon the land which exceeds the height restrictions designated or established by federal, state, or local laws, rules or regulations, or by aviation easement; and

- The Property shall not be used for, or permit thereon, any type of paid parking for any types of vehicles, or as a taxi staging area

Scope

To execute a Real Estate Sale Agreement with Pyramid Design & Construction for the sale of approximately 1.45 acres of land located at 5900, 5946, 5950, and 5954 West Minnesota Street, Indianapolis, IN.

Schedule

December 16, 2016:	Pyramid Design & Construction submits signed Real Estate Sale Agreement for IAA Board approval and execution.
December 21, 2016	Within five (5) days of the execution of the Real Estate Sale Agreement the Buyer is to deliver earnest money check in the amount of five thousand and No/100 Dollars (\$5,000.00) to an escrow agent as designated by IAA.
February 14, 2017	Buyer has 60 days from the execution of the Real Estate Sale Agreement as an Inspection Period.
March 16, 2017	Closing of the land sale is to occur within thirty (30) days after Inspection Period.

Revenue and/or Operating Cost Implications

Revenue:

\$90,000.00 (\$62,069/acre)

Operating Costs:

N/A

Supplier Diversity Participation

Not Applicable

Recommendation

Consider for approval a Real Estate Sale Agreement with Pyramid Design & Construction for the sale of approximately 1.45 acres of land located at 5900, 5946, 5950, and 5954 West Minnesota Street, Indianapolis, Indiana, and authorizing the IAA Staff to consummate said transaction.

**IAA Board Meeting
General Agenda
December 16, 2016**

General:

BP2016-12-02 **Action 1: Consider, for approval,** the Land and Building Lease Agreement for Building #146 with Metro Air Service, Inc. for an initial period of four (4) years and ten (10) months with the option to extend the Term of this Agreement for two (2) option periods of one (1) year each.

Action 2: Consider, for approval, an Airport Use Permit with Metro Air Service, Inc. for an initial period of four (4) years and ten (10) months with the option to extend the Term of this Permit for two (2) option periods of one (1) year each.

BP2016-12-03 **Consider, for approval,** the Land Lease Agreement with Hangar One, LLC for the construction of a new aircraft maintenance facility at Indianapolis Regional Airport. The term is for a period of forty (40) years commencing upon occupancy or August 1, 2017, whichever comes first. Annual land rent will commence at \$10,016.62 and is adjustable every five years using a CPI index calculation.

BP2016-12-04 **Consider, for approval,** the reappointment of Mr. Steve Dutton, to the GIFTZ Board of Directors, for a term of three (3) years commencing January 1, 2017 through December 31, 2019.

BP2016-12-05 **Consider, for approval,** the Fourth Amendment to Office Lease Agreement with Shuttle America Corporation for crew lounge and administrative office space.

BP2016-12-06 **Consider, for approval,** a Consultant Services Agreement with Ricondo & Associates, Inc. for Rental Car Consulting services at the Indianapolis International Airport, in an amount not-to-exceed \$200,000 over a thirty (30) month Service Agreement term.

Capital:

BP2016-12-07 **Consider, for approval,** Amendment No. 1 to the contract with Synthesis Inc. for IND Terminal and Campus Optimization at Indianapolis International Airport in an amount not-to-exceed \$40,000.00 (fees), and reallocation of contract funds in the amount of \$43,165.00 from expenses to fees. Supplier diversity participation is WBE 75.75% (Synthesis Inc.).

- BP2016-12-08** **Consider, for approval,** Amendment No. 1 (a single contract with multiple projects) with Durham Engineering, Inc. for reallocating \$31,226.36 (fees) from Project No. C-16-061 to Project No. C-16-044. Supplier diversity participation is DBE 51.02% (Durham Engineering, Inc. and Eilts Consulting Services), MBE 53.37% (Durham Engineering, Inc. and CTL Engineering, Inc.), WBE 2.86%(Eilts Consulting Services and Reprographix, Inc.).
- BP2016-12-09** **Consider, for approval,** Change Order No. 1 with Evans Development Company, Inc. for Apron Stormwater Inlet Repairs, Phase III at Indianapolis International Airport in an amount not-to-exceed \$296,221.67. Supplier diversity participation for Change Order No. 1 is MBE 1.55% (Harmon Steel, Protection Plus), and WBE 1.02% (Kopetsky Tri-Ax).
- BP2016-12-10** **Consider, for approval,** Change Order No. 1 (Final) with Harmon Construction, Inc. for Relocate Record Storage and Create Temperature Controlled Space for Air Cargo at Indianapolis International Airport in the amount of \$16,138.00. Supplier diversity participation for Change Order No. 1 (Final) is MBE 73.41% (Harmon Construction & Sexton Mechanical).
- BP2016-12-11** **Consider, for approval,** Change Order No. 4 (Final) with Nu-Tec Roofing Contractors, LLC for IMC Commons Building Roof Replacement at Indianapolis International Airport in an amount not-to-exceed \$50,468.71. Supplier diversity participation for Change Order No. 4 is MBE 0.78% (Pinnacle Equipment Company, Inc.), and WBE 4.27% (M.J. Schuetz Insurance).
- BP2016-12-12** **Consider, for approval,** Amendment No. 1 to the to the Staff Augmentation contract with MZ Corporation, dba Zurbuch Development/Construction Consulting, for the IAA's Capital Improvement Program, and other projects and Initiatives, in an amount not-to-exceed \$258,000.00 (fees and expenses). Supplier diversity participation is DBE 100% and WBE 100%.
- BP2016-12-13** **Consider, for approval,** Change Order No. 2 (Final & Balancing) with JBM Contractors Corp. for Garage Atrium Canopy Replacement & Addition of a Glass Enclosure Wall at Indianapolis International Airport in the amount of \$13,918.00. Supplier diversity participation is MBE 6.47% (Harmon Construction), and WBE 1.98% (DECO Coatings).
- BP2016-12-14** **Consider, for approval,** an award of contract for CEP – Replacement of Stack Economizers at the Indianapolis International Airport to Johnson-Melloh Solutions in an amount not-to-exceed \$555,000.00 plus a 3% construction reserve of \$16,650.00 for a total of \$571,650.00. Johnson Melloh, Inc. was the lowest responsive and responsible bidder. Supplier diversity participation is MBE 64.72% (Integrity Construction Services and Pinnacle Equipment Company, Inc.), WBE 0.85% (Service Pipe Supply).

BP2016-12-15

Consider, for approval, the recommendation of the Selection Committee to allow the Advisory Team to move forward with negotiations with Inland Technologies Inc. and CDM Smith, and addendums to continue the arrangements with the transaction advisor and counsel, with Second Addendum to the Engagement Letter with Baker & McKenzie not-to-exceed \$150,000.



BOARD MEMO- LAND AND BUILDING LEASE AGREEMENT

To: IAA Board of Directors

From: Marsha Stone, Sr. Director of Commercial Enterprise

Date: November 29, 2016

Board Date: December 16, 2016

Subject: Land and Building Lease Agreement and Airport Use Permit with Metro Air Service, Inc.

Background

Metro Air Service, Inc. has leased Building #146 for their business of processing and handling of mail for the United States Postal Service (USPS) and transitioning of said mail between their Leased Premises and the FedEx Hub operation since September 1, 2012. Metro Air has been awarded an extension to the contract through a bidding process with the USPS.

Scope

Staff requests the IAA Board execute the Land and Building Lease Agreement and separately, an Airport Use Permit with Metro Air Service, Inc. This term of both Agreements is for a period of four (4) years and ten (10) months commencing January 1, 2017 and terminating October 31, 2021.

Metro Air Service, Inc. will have the option to extend the term of the Agreements for two (2) option periods of one (1) year each with three (3) months advance written notice to the IAA.

Schedule

December 16, 2016: IAA Board approval of Land and Building Lease Agreement and Airport Use Permit with Metro Air Service, Inc.

Revenue and/or Operating Cost Implications Revenue:

During the initial term of four (4) years and ten (10) months Metro Air Service, Inc. will pay the following annual rental rates for Building #146:

- January 1, 2017 through October 31, 2017 - \$188,364.00 annually
- November 1, 2017 through October 31, 2018 - \$190,364.00 annually
- November 1, 2018 through October 31, 2019 - \$192,364.00 annually
- November 1, 2019 through October 31, 2020 - \$194,364.00 annually
- November 1, 2020 through October 31, 2021 - \$196,364.00 annually

During the renewal terms Metro Air Service, Inc. will pay the following annual rental rates for Building #146:

- November 1, 2021 through October 31, 2022 - \$198,365.00 annually
- November 1, 2022 through October 31, 2023 - \$200,364.00 annually

In addition, Metro Air Service, through the Airport Use Permit, will pay the IAA ten percent (10%) of gross monthly sales for this USPS contract.

- By way of example of expected gross receipts, Metro Air paid the IAA the following:
 - 2015 - \$137,069
 - 2016 (YTD) - \$114,023.20

Operating Cost:

The IAA has no current or future ongoing operating expense for Building #146. Responsibility for the utilities, maintenance and operating costs of Building #146 is of Metro Air.

Due to the USPS bid process and the possibility that Metro Air would relocate off airport if awarded the contract, Staff negotiated specific improvements (estimated to be less than \$70K) to be accomplished by the IAA to Building #146. Those improvements include:

- patch damaged/deteriorated concrete and pavement in the ramp area
- repair six (6) of the warehouse overhead heating units
- repair a second floor roof leak
- re-secure the existing fire escape

Supplier Diversity Participation

Not applicable. _____

Recommendation

Action 1: Consider for approval the Land and Building Lease Agreement for Building #146 with Metro Air Service, Inc. for an initial period of four (4) years and ten (10) months with the option to extend the Term of this Agreement for two (2) option periods of one (1) year each.

Action 2: Consider for approval an Airport Use Permit with Metro Air Service, Inc. for an initial period of four (4) years and ten (10) months with the option to extend the Term of this Permit for two (2) option periods of one (1) year each.



BOARD MEMO- LAND LEASE AGREEMENT WITH CONDITIONS

To: IAA Board of Directors

From: Marsha Stone, Sr. Director of Commercial Enterprise

Date: November 29, 2016

Board Date: December 16, 2016

Subject: Land Lease Agreement with Hangar One, LLC

Background

Hangar One, LLC, a newly formed company which includes one owner of Indy Jet Holdings (Indy Jet), the Fixed Base Operator (FBO) at Indianapolis Regional Airport (Indy Regional), will construct a 24,243 square foot maintenance hangar on 1.533 acres at Indy Regional (see attached aerial / site plan). This construction will also include the extension/installation of all necessary utilities, construction of an access road, dedicated twenty-one space parking lot and related apron area at an investment of approximately \$1.2 million dollars.

Hangar One, LLC will provide aircraft maintenance and avionics to Indy Jet as well as have the right to perform these functions to other aircraft owners. The aspect of providing aircraft maintenance is one of the IAA requirements to all of the Reliever Airport FBO's. Other required aspects include subjects such as fueling, pilot instruction, etc. As such, Staff met with Indy Jet to discuss the aspect of a separate company providing aircraft maintenance at Indy Regional; a function of an FBO. Why this is important to discuss with the FBO is related to "cherry picking" by another entity of a function the IAA requires of an FBO.

Indy Jet views Hangar One providing aircraft maintenance and avionics as a business partnership rather than an entity "cherry picking" a portion of the FBO's business. With that, the IAA did require the Indy Jet to place in writing its consent to Hangar One having the right to perform these functions.

Scope

Staff requests the IAA Board execute the Land Lease Agreement with Hangar One, LLC to construct their new maintenance hangar. This Agreement is effective upon occupancy of the new maintenance hangar or August 1, 2017, whichever comes first, for a term of approximately forty (40) years, terminating July 31, 2057.

There is no renewal term under this Agreement.

Schedule

December 16, 2016: IAA Board approval of Land Lease Agreement with Hangar One, LLC

Revenue and/or Operating Cost Implications Revenue:

The Land Rental Rate will commence at \$10,016.62 annually. Beginning in year six (6) and every five (5) years thereafter, the Land Rental Rate will be adjusted to reflect the percentage the Consumer Price Index (CPI) has increased.

Hangar One, LLC will also pay an additional fee of one percent (1%), which is subject to change at the Authority's discretion, of its gross monthly sales for all aircraft maintenance, avionics and incidental services provided.

Operating Costs:

The IAA has no responsibility for construction, operating or utility costs of the Hangar One, LLC maintenance hangar.

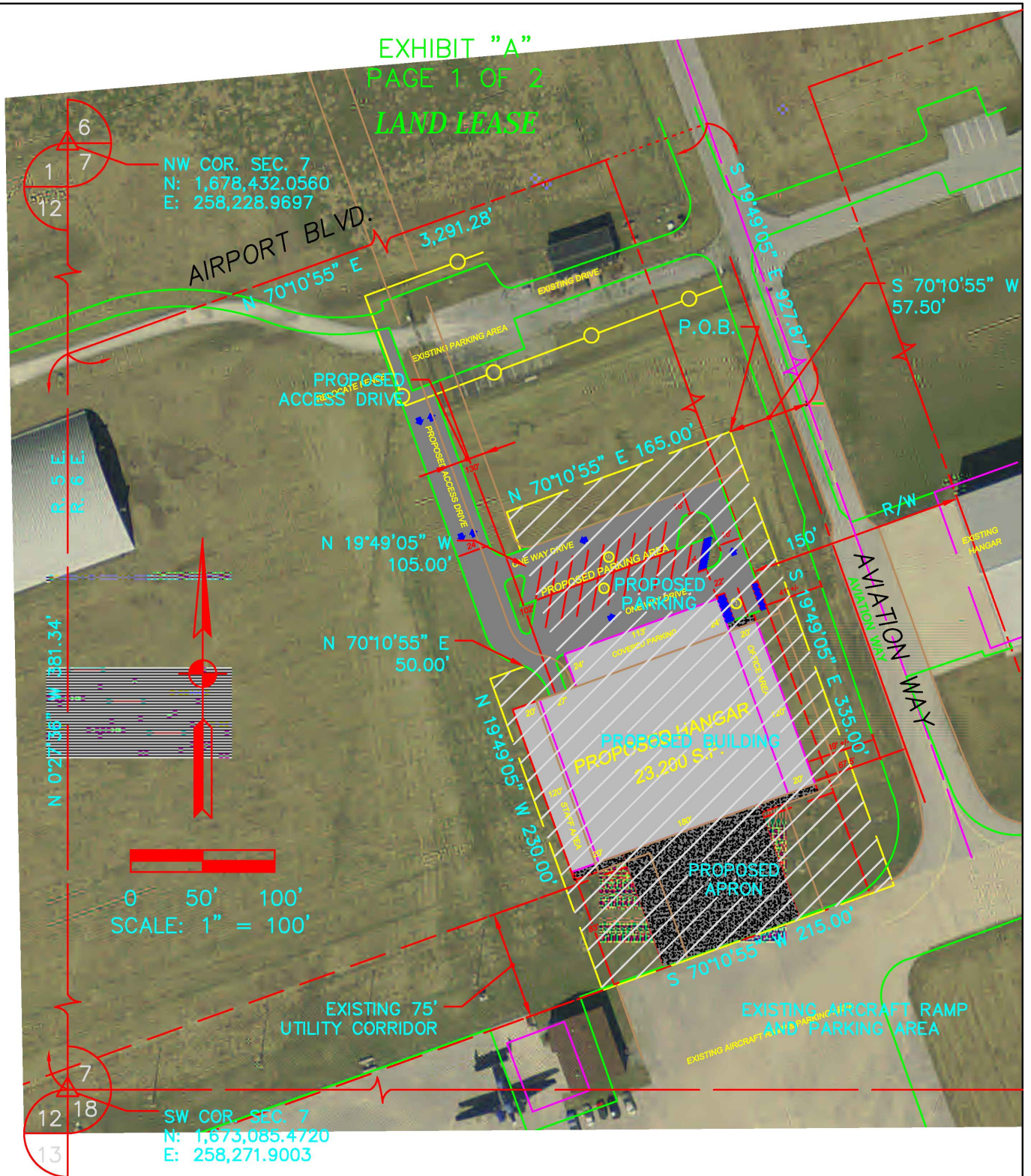
Supplier Diversity Participation

Not applicable.

Recommendation

Consider for approval the Land Lease Agreement with Hangar One, LLC for the construction of a new aircraft maintenance facility at Indianapolis Regional Airport. The term is for a period of forty (40) years commencing upon occupancy or August 1, 2017, whichever comes first. Annual land rent will commence at \$10,016.62 and is adjustable every five years using a CPI index calculation.

EXHIBIT "A"
PAGE 1 OF 2
LAND LEASE



NOTE:
THIS DRAWING IS NOT INTENDED TO BE REPRESENTED AS A RETRACEMENT OR ORIGINAL BOUNDARY SURVEY, A ROUTE SURVEY, OR A SURVEYOR LOCATION REPORT.

 LEASE AREA (1.533 Ac.)

LEGEND

	RIGHT-OF-WAY LINE
	ROAD CENTER LINE
	LEASE LINE
	EXIST. EASEMENT LINE

INDIANAPOLIS AIRPORT AUTHORITY 3867 AVIATION WAY MCCORDSVILLE, IN 46055	Scale: 1"=100'
	VS Proj. No.: 15-3290
DEED RECORD 141, PAGE 331 PART OF S 1/2, SECTION 7, TOWNSHIP 16 NORTH, RANGE 6 EAST BUCK CREEK TOWNSHIP, HANCOCK COUNTY, INDIANA STATE PARCEL No. 30-06-07-700-007.000-006	Drawn By: GLS
	Checked By: CAP
	Date: 08/22/2016

THIS EXHIBIT WAS PREPARED FOR THE INDIANAPOLIS AIRPORT AUTHORITY BY:



VS ENGINEERING, INC.

4275 N. HIGH SCHOOL RD. INDIANAPOLIS, INDIANA 46254
TEL. (317) 293-3542 FAX: (317) 293-4737



BOARD MEMO – GIFTZ BOARD MEMBER

To: IAA Board of Directors
From: Alfred R. Bennett, GIFTZ Chairman
Date: November 28, 2016
Board Date: December 16, 2016
Subject: GIFTZ Board Member

Background

The Indianapolis Airport Authority (IAA) operates as the Foreign Trade Zone (FTZ) “grantee” representing central Indiana communities. In 1980, the IAA created a separate company, the Greater Indianapolis Foreign Trade Zone, Inc. (GIFTZ), a not-for-profit 501C (6), to administer the FTZ program. Members seated on the GIFTZ Board are either appointed or elected by the IAA Board of Directors.

The GIFTZ By-laws allow 5-15 members to be seated on the GIFTZ Board. Currently the GIFTZ has eight (8) members, including the Operating Director and one IAA Board Member position who are appointed to the GIFTZ Board and have no assigned term. All other GIFTZ Board Members are elected by the IAA Board and serve a three (3) year term.

The GIFTZ Board is comprised of individuals from various industry backgrounds that volunteer their time and expertise including supporting the marketing and business networking efforts outreach to businesses located in the 41 central Indiana counties served by the local FTZ program. GIFTZ Board Members actively promote the use of the FTZ program; which in turn assists Indiana companies to expand, grow and retain jobs, and promote a balanced approach to global trade.

Scope

It is recommended the IAA consider for approval the reappointment of the following individual to the GIFTZ Board of Directors:

- Mr. Steve Dutton, Attorney at Law, Barnes & Thornburg

Schedule

December 16, 2016: IAA reappointment of one (1) GIFTZ Board Member.

Revenue and/or Operating Cost Implications

Revenue:

Not applicable.

Operating Costs:

Not applicable.

Supplier Diversity Participation

Not applicable.

Recommendation

The GIFTZ Chairman recommends the IAA Board consider for approval the reappointment of Mr. Steve Dutton, to the GIFTZ Board of Directors, for a term of three (3) years commencing January 1, 2017 through December 31, 2019.



BOARD MEMO – FOURTH AMENDMENT TO OFFICE LEASE AGREEMENT WITH SHUTTLE AMERICA CORPORATION

To: IAA Board of Directors

From: Marsha Stone, Sr. Director of Commercial Enterprise

Date: October 31, 2016

Board Date: December 16, 2016

Subject: Fourth Amendment to Office Lease Agreement with Shuttle America Corporation

Background

Shuttle America Corporation (Shuttle) partners with American, Delta and United to provide scheduled daily flights to serve these signatory carriers. Shuttle is based out of Indianapolis and is a wholly owned subsidiary of Republic Airways Holdings.

As a local based airline, Shuttle has leased space at the Airport since 2001, in order to provide a crew lounge/break room, administrative space for local staff and crew members.

Scope

The Fourth Amendment is effective January 1, 2017, and will terminate December 31, 2018.

Schedule

December 16, 2016: Execution of Fourth Amendment to Office Lease Agreement with Shuttle America Corporation

Revenue and/or Operating Cost Implications

Revenue:

Effective January 1, 2017, annual revenue is \$267,158.40.

Operating Costs:

Utility fees and facility infrastructure are the responsibility of the IAA and are taken into account in the tenant rental rate structure.

Supplier Diversity Participation

Not Applicable.

Recommendation

Consider for approval the Fourth Amendment to Office Lease Agreement with Shuttle America Corporation for crew lounge and administrative office space.



BOARD MEMO – APPROVAL OF CONSULTANT SERVICES AGREEMENT

To: IAA Board of Directors

From: Marsh Stone, Sr. Director, Commercial Enterprise

Date: November 23, 2016

Board Date: December 16, 2016

Subject: Approval of Consultant Services Agreement for Rental Car Consulting Services with Ricondo & Associates, Inc.

Background

Indianapolis International Airport's (IND) Rental Car Program generated over \$88 million in total gross sales in 2015 and is experiencing a growth of 6.3% through October in 2016. The Rental Car Program consists of eight (8) on-site car rental brands. Counter space and offices are leased in the Ground Transportation Center (GTC). The first (1st) floor of the Airport Parking Garage is leased for the Rental Car's Ready/Return operation which consists of approximately 1,300 parking spaces. Six (6) support buildings, identified as the "Quick-Turn-Around" ("QTA") are leased for car detailing and car washing operations. The current Concessions Agreement with the Rental Car companies will expire December 31, 2018.

Staff issued a Request For Information (RFI) in August 2016 with responses due September 28, 2016, to solicit submittals from qualified firms interested in providing the Authority with services as a consultant for rental car development planning and concessions negotiations.

A total of four (4) responses were received and reviewed by a committee of IAA staff. Three (3) of the firms were brought in for formal interviews on October 19, 2016. Based on internal review and interview evaluation, Ricondo & Associates, Inc. was ranked highest to provide Rental Car Consulting Services.

Scope

Ricondo & Associates, Inc. will lead and support the IAA with future Rental Car planning as it relates to space optimization, infrastructure needs, industry sensitivities and negotiation of a new agreement or an amendment of the existing Rental Car Concession Agreement.

The scope of work includes three (3) category services; (1) Financial and Statistical Projections and Analysis, (2) Planning and Development Strategy, and (3) Negotiation of Rental Car Concession.

Financial and Statistical Projection and Analysis

- Ten (10) year position on rental car transactional and revenue trend projections with a sensitivity analysis examining future passenger counts, TNCs impact on the industry, shortfall of CFC revenue and local Indianapolis economic outlook.
- Develop comprehensive historical statistical analysis of IND rental car market, to include, but not limited to sales, revenue, peak business times, transaction numbers, operational & maintenance costs.
- Develop financial consideration charts/timelines to develop IND's future rental car facilities, support space and infrastructure requirements, in conjunction with the IAA's Parking Master Plan development.
- Examine past CFC collections and create a future CFC financial plan based on growth projections of the rental car industry.
- Evaluation of existing brands and feasibility of new rental car entrants, along with potential impacts from competing products and services.
- Make recommendations to enhance customer service with emerging trends associated with the rental car industry.

Planning and Development Strategy

- Develop a project timeline highlighting short and long term plans relating to operational and business planning, construction phasing and infrastructure needs of rental car program, taking into consideration IAA's Parking Master Plan and potential impacts from competing products and services.
- Survey and study on existing rental car operational facilities and future study on space growth and facility expansion.
- Conduct meetings with IAA management and rental car stakeholders to seek input on expansion, relocation and operational planning.
- Implement a strategy and needs for future rental car offerings.
- Propose a strategy to promote ACDBE partnership with Rental Car brands

Strategy, Structure and Negotiation of Rental Car Concession Agreement

- Establish a proposed timeline for the negotiation process.
- Review current Agreement and recommend strategy to amend existing Agreements or direct through a solicitation process.
- Lead administrative efforts and solicitation RFP process (if any).
- Lead business planning related to rental fees/revenue and CFC collection. Negotiate greater flexibility of CFC funds through new Agreement.
- Recommend compliance provisions, operating terms and quality assurance that will enhance customer service and business decisions of the rental car program.

Budget

The Consultant Services Agreement with Ricondo & Associates, Inc., will have a term of thirty (30) months and a not to exceed amount of \$200,000.

Supplier Diversity Participation

Ricondo & Associates is a minority owned firm that was previously certified as a Disadvantaged Business Enterprise (DBE). Ricondo & Associates graduated from the program but is currently in the process of obtaining their MBE certification. Ricondo & Associates will be partnering with sub-consultants on this project; Demattei Wong Architecture is an MBE firm and Connico Incorporated is a WBE partnership with both of the sub-consultant firms would enable Supplier Diversity goals of 15% MBE and 10% WBE to be met or exceeded for this project.

Recommendation

~~Consider for approval~~ a Consultant Services Agreement with Ricondo & Associates, Inc. for Rental Car Consulting services at the Indianapolis International Airport, in an amount not-to-exceed \$200,000 over a thirty (30) month Service Agreement term.



BOARD MEMO – AMENDMENT

To: IAA Board of Directors

From: Shannetta Griffin, P.E., Senior Director of Planning & Development

Date: December 6, 2016

Board Date: December 16, 2016

Subject: Approval of Amendment No. 1 with Synthesis Inc. for IND Terminal and Campus Optimization at Indianapolis International Airport (Project No. I-16-010)

Background

The Midfield Terminal building at Indianapolis International Airport has been in operation since 2008, with millions of passengers and guests having passed through the facility. This project is being completed in advance of the renewal in 2018 of the original concessions and retail leases entered into in 2008 as part of the opening of the terminal. Although concession and retail entities are required to refurbish their areas of occupancy separately from this project, design initiatives derived from the IND Terminal and Campus Optimization effort will be incorporated into their 2018 leases. Maintaining a cohesive design throughout the refurbishment and/or updating of the terminal building is essential in order for the IND Terminal to sustain a high level of customer satisfaction, as well as increased revenues.

Synthesis Inc. was selected to lead the project through a Request for Qualifications process. Phase I of the project includes research and development of a customer profile, and research and development of concepts for design initiatives to implement throughout the IND campus.

IAA staff requested an increase to the scope of services for Synthesis to provide in-depth investigations for planning optimization projects in the terminal.

Scope

An additional budget increase in the overall contract amount to cover additional scope items. Additional scope items requested by the IAA include the following studies: use of vacant Gate B-11, the ‘knuckle’ area between TSA and the concourses, research of children’s play areas, budgeting for furniture and carpet replacement, and review of Service Animal Relief Areas.

Budget

This Amendment No. 1 is for the IAA requested scope changes in the amount of \$40,000.00. The new professional services contract of \$885,300.00 is within the approved 2017 Capital budget for IND Terminal and Campus Optimization.

Schedule

This amendment does not change the term of the contract.

Supplier Diversity Participation

The Director of Supplier Diversity has approved the following:

Firm	Amount	Amount			%		
		MBE	WBE	VBE	MBE	WBE	VBE
Synthesis Inc. (new Fee)	\$ 40,000.00	\$ -	\$ 30,300.00	\$ -	0.00%	75.75%	0.00%
Totals	\$ 40,000.00	\$ -	\$ 30,300.00	\$ -	0.00%	75.75%	0.00%

Contract Summary to Date

Contract/Amendment & Execution Date	Service & Term	Amount	Diversity Participation %		
			MBE	WBE	VBE
Original Contract	Professional Services Term: 12/18/2015 - 3/31/2017	\$ 845,300.00	2.34%	36.07%	2.51%
Amendment No. 1 December 16, 2016	N/A	40,000.00	0.00%	75.75%	0.00%
Revised Contract NTE		\$ 885,300.00	2.12%	40.44%	2.28%

Recommendation

The IAA staff recommends the IAA Board consider for approval Amendment No. 1 to the contract with Synthesis Inc. for IND Terminal and Campus Optimization at Indianapolis International Airport in an amount not-to-exceed \$40,000.00 (fees), and reallocation of contract funds in the amount of \$43,165.00 from expenses to fees. Supplier diversity participation is WBE 75.75% (Synthesis Inc.).



BOARD MEMO – AMENDMENT

To: IAA Board of Directors

From: Shannetta Griffin, P.E., Senior Director of Planning & Development

Date: December 6, 2016

Board Date: December 16, 2016

Subject: Approval of Amendment No. 1 with Durham for Joint Replacement & Repairs Runway 16-34 (Project No. C-16-044), Runway 16-34 Electrical Upgrades (Project No. C-16-061), and Rehabilitate East & West Aprons (Project No. C-16-057) at Indianapolis Regional Airport and Rehabilitate Apron Pavement (Project No. M-16-047) at Metropolitan Airport.

Background

On April 1, 2016, the IAA staff issued a qualifications based Request for Proposals (RFP) per Federal Aviation Administration (FAA) requirements to select an engineer for: Joint Replacement & Repairs Runway 16-34 (Project No. C-16-044), Runway 16-34 Electrical Upgrades (Project No. C-16-061), and Rehabilitate East & West Aprons (Project No. C-16-057) at Indianapolis Regional Airport and Rehabilitate Apron Pavement (Project No. M-16-047) at Metropolitan Airport. One proposal was received from Durham Engineering, Inc. The review committee determined Durham Engineering's proposal satisfied the RFQ requirements for multiple projects.

The IAA staff is seeking a reallocation of funds within the existing contract.

Scope

This contract amendment reallocates funds within the engineer's contract to account for changes in scope. The scope changes include: Increasing the scope associated with Joint Replacement & Repairs Runway 16-34 (C-16-044) and reducing the scope associated with Runway 16-34 Electrical Upgrades (C-16-061) to preliminary design services only.

Budget

There is no change in compensation of this Contract, only reallocation of dollars within projects C-16-044 and C-16-061.

Schedule

This amendment does not change the term of the contract. The contract with Durham Engineering, Inc. expires on December 31, 2017 to allow for completion of as-builts and project closeout.

Supplier Diversity Participation

The supplier diversity participation on the overall contract is as follows:

Contract Summary to Date

Firm	Amount				%			
	DBE	MBE	WBE	VBE	DBE	MBE	WBE	VBE
Durham Engineereing, Inc.	\$ 96,363.22	\$ 96,363.22	\$ -	\$ -	49.14%	49.14%	0.00%	0.00%
Eilts Consulting Services	3,695.00	-	3,695.00	-	1.88%	0.00%	1.88%	0.00%
CTL Engineering, Inc		8,300.41	-	-	0.00%	4.23%	0.00%	0.00%
Reprographix, Inc.	-	-	1,914.00	-	0.00%	0.00%	0.98%	0.00%
Totals	\$ 100,058.22	\$ 104,663.63	\$ 5,609.00	\$ -	51.02%	53.37%	2.86%	0.00%

Recommendation

The IAA staff recommends the IAA Board consider for approval Amendment No. 1 (a single contract with multiple projects) with Durham Engineering, Inc. for reallocating \$31,226.36 (fees) from Project No. C-16-061 to Project No. C-16-044. Supplier diversity participation is DBE 51.02% (Durham Engineering, Inc. and Eilts Consulting Services), MBE 53.37% (Durham Engineering, Inc. and CTL Engineering, Inc.), WBE 2.86%(Eilts Consulting Services and Reprographix, Inc.).



Indianapolis Airport Authority

BOARD MEMO – CHANGE ORDER

To: IAA Board of Directors

From: Shannetta Griffin, P.E., Senior Director of Planning & Development

Date: December 6, 2016

Board Date: December 16, 2016

Subject: Approval of Change Order No. 1 with Evans Development Company, Inc. for Apron Stormwater Inlet Repairs, Phase III at Indianapolis International Airport (Project No. I-14-004)

Background

In 2013, an Indianapolis Airport Authority (IAA) maintenance employee noticed one of the 124 apron drainage inlets was broken. The inlet was repaired and an extensive assessment of the remaining 123 apron drainage inlets was performed. The assessment identified seven critical inlets that required immediate corrective action and placed 11 inlets on a watch list.

Phase I repaired the seven critical inlets. The repairs involved full replacement of the concrete slab surrounding the drainage inlet and grate. In 2015, Phase II repairs involved the installation of cast iron plates to improve the load transfer from the inlet grate to the surrounding concrete.

In 2016, Phase III replaced the remaining 11 inlets that were identified in the 2014 assessment as well as installed cast iron plates. During the Phase III replacements, an additional 8 concrete panels with inlets were identified that required repairs; 3 were critical in nature.

Change Order Summary

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 as the error may require work already completed to be redone. Omissions are items that are corrected before work is performed and for which the designers are typically charged up to 15% of the cost because the item may have to be negotiated with the contractor. Unforeseen circumstances are items that could not reasonably be anticipated by the designer and therefore are not charged against the designer. The additional full panel replacements are categorized as unforeseen circumstances as the condition of these inlets deteriorated in the time between the initial design in 2014 and the completion of Phase III in 2016.

Budget

The EDCO Change Order No. 1 is \$296,221.67, of which approximately \$55,000.00 falls outside the 2016 Reforecast Capital Budget for this project.

This increase in the project budget will be accommodated through cost savings in other approved Capital Projects.

IND Apron Inlet Repairs

Original Construction Contract Amount	\$ 728,109.00
Current Change Order No. 1 (40.68% of contract)	<u>296,221.67</u>
New Construction Contract Total	\$ 1,024,330.67

Construction

Phase I Total	\$ 586,683.42
Phase II Total	\$ 168,966.91

Phase III

Design	\$ 45,000.00
Inspection	40,000.00
Construction Contract Amount	728,109.00
Current Change Order No. 1 (40.68%)	<u>296,221.67</u>
Phase III Total	<u>1,109,330.67</u>

Revised Total Anticipated Project Cost \$ 1,864,981.00

This project will be 100% Airport cash funded.

This project is being undertaken to repair existing infrastructure integral to the continued safe operation of the airport. As a result of the critical nature of the rehabilitation, 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 contract term will be extended by Change Order No. 1 by 56 calander days to allow for completion of work.

Supplier Diversity Participation

The Director of Supplier Diversity has approved the following:

Firm	Amount			%		
	MBE	WBE	VBE	MBE	WBE	VBE
Kopetsky Tri-Ax, Inc.	\$ -	\$ 3,023.50	\$ -	0.00%	1.02%	0.00%
Harmon Steel	1,440.00	-	-	0.49%	0.00%	0.00%
Protection Plus	3,164.00	-	-	1.07%	0.00%	0.00%
Totals	\$ 4,604.00	\$ 3,023.50	\$ -	1.55%	1.02%	0.00%

Contract Summary to Date

Contract/Amendment & Execution Date	Service & Term	Amount	Diversity Participation %		
			MBE	WBE	VBE
Contract February 19, 2016	180 Calendar Days from NTP	\$ 728,109.00	3.32%	8.97%	0.00%
Change Order No. 1 December 16, 2016	56 Calander Days	296,221.67	1.55%	1.02%	0.00%
Revised Contract NTE		\$ 1,024,330.67	2.36%	6.37%	0.00%

Recommendation

The IAA staff recommends the IAA Board consider for approval Change Order No. 1 with Evans Development Company, Inc. for Apron Stormwater Inlet Repairs, Phase III at Indianapolis International Airport in an amount not-to-exceed \$296,221.67. Supplier diversity participation for Change Order No. 1 is MBE 1.55% (Harmon Steel, Protection Plus), and WBE 1.02% (Kopetsky Tri-Ax).



BOARD MEMO – CHANGE ORDER

To: IAA Board of Directors

From: Shannetta Griffin, P.E., Senior Director of Planning & Development

Date: December 6, 2016

Board Date: December 16, 2016

Subject: Approval of Change Order No. 1 (Final) with Harmon Construction, Inc. for Relocate Record Storage and Create Temperature Controlled Space for Air Cargo at Indianapolis International Airport (Project No. I-16-036)

Background

This project entailed the removal of an existing racked storage system from a warehouse within the Indianapolis Maintenance Center (IMC) and facility refurbishments to create a temperature-controlled storage space suitable for lease for air cargo operations. Another new racking system was built in an unused portion of the IMC to house IAA hard copy records. The original construction contract with Harmon Construction, Inc. was approved by the Indianapolis Airport Authority (IAA) Board on May 20, 2016.

The existing racked storage system was technically obsolete such that it would not be useful to potential leaseholders. Demolition of the existing racking system and relocation of IAA document storage opened up valuable space and refurbishments made the space usable and appealing to potential lease holders.

Work under the contract with Harmon Construction, Inc. is substantially complete. The change order items addressed herein were necessary to complete the work and to render the created space suitable for occupancy.

Change Order Summary

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 as the error may require work already completed to be redone. Omissions are items that are corrected before work is performed and for which the designers are typically charged up to 15% of the cost because the item may have to be negotiated with the contractor. Unforeseen circumstances are items that could not reasonably be anticipated by the designer and therefore are not charged against the designer. This change order addresses two items that include an unforeseen condition and an omission, respectively:

Item 1: The original scope of work included draining and rerouting a portion of the existing fire suppression sprinkler line in the IMC facility; however, a faulty valve was discovered which prevented the Contractor from deactivating and draining the line. The Contractor performed extra work under force account to the replace the faulty valve. The Contractor also sustained costs due to the interruption of scheduled original scope work. Costs for this item totaling \$7,891.00 have been reviewed by the Engineer and IAA staff and are deemed appropriate.

Item 2: The original scope of work included installation of new HVAC ducts extending into the created storage space; however, the original specification did not include painting the new ducts. In the opinion of the IMC facility manager, the unpainted ducts were unsightly and would detract from IAA's ability to garner favorable lease fees from the created space. The Contractor painted the new ductwork under force account. The cost for this item of \$8,247.00 has been reviewed by the Engineer and IAA staff and is deemed appropriate

Budget

The Harmon Construction, Inc. Change Order No. 1 (Final) is \$16,138.00 and is within the approved 2016 Reforecast Capital Budget for Relocate Record Storage and Create Temperature Controlled Space for Air Cargo at Indianapolis International Airport.

Revised Construction Amount

Original Construction Contract Amount	\$	480,000.00
Current Change Order No.1 (Final)		<u>16,138.00</u>
New Construction Contract Total	\$	496,138.00

Project Costs

Design (including survey and geotechnical)	\$	91,597.91
Construction Contract Amount		480,000.00
Current Change Order No. 1 (3.36%)		<u>16,138.00</u>
Revised Total Anticipated Project Cost	\$	587,735.91

This project will be 100% Airport cash funded and is being undertaken to preserve an asset that will be leased in the future to a third-party tenant; without these improvements, the facility would be unsuitable for lease.

The internal rate of return for this project is expected to be 12.5%. Costs to operate the relocated records storage facility could be as high as \$32,000 annually while still meeting the 12.5% required hurdle rate. Incremental revenue of \$99,000 annually produces a >12.5% hurdle rate.

Changes to the anticipated rate of return due to the execution of this change order are insignificant.

Schedule

This change order does not change the term of the original contract

Supplier Diversity Participation

The Director of Supplier Diversity has approved the following:

Firm	Amount			%		
	MBE	WBE	VBE	MBE	WBE	VBE
Harmon Construction	\$ 3,993.00	\$ -	\$ -	24.74%	0.00%	0.00%
Sexson Mechanical	7,854.00	-	-	48.67%	0.00%	0.00%
Totals	\$ 11,847.00	\$ -	\$ -	73.41%	0.00%	0.00%

Contract Summary to Date

Contract/Amendment & Execution Date	Service & Term	Amount	Diversity Participation %		
			MBE	WBE	VBE
Original Contract 5/20/2016	Construction Services: 5/20/16 - 11/4/2016	\$ 480,000.00	40.07%	15.96%	0.00%
Change Order No. 1 12/16/2016	Construction Services Scope Modificaton: 5/20/16 - 11/4/2016	16,138.00	73.41%	0.00%	0.00%
Revised Contract NTE		\$ 496,136.00	41.15%	15.44%	0.00%

Recommendation

The IAA staff recommends the IAA Board consider for approval Change Order No. 1 (Final) with Harmon Construction, Inc. for Relocate Record Storage and Create Temperature Controlled Space for Air Cargo at Indianapolis International Airport in the amount of \$16,138.00. Supplier diversity participation for Change Order No. 1 (Final) is MBE 73.41% (Harmon Construction & Sexton Mechanical).



BOARD MEMO – CHANGE ORDER

To: IAA Board of Directors

From: Shannetta Griffin, P.E., Senior Director of Planning & Development

Date: December 6, 2016

Board Date: December 16, 2016

Subject: Approval of Change Order No. 4 (Final) with Nu-Tec Roofing for IMC Commons Building Roof Replacement at Indianapolis International Airport (Project No. I-15-033)

Background

The roof of the IMC Commons Building installed in 2008 experienced degradation resulting in failure of the roof membrane for which the IAA legal department is evaluating whether there may be a legal remedy. On April 17, 2015, the Board approved the use of emergency protocols for the procurement of this work and authorized the Executive Director to execute contracts for the roof replacement work. On June 12, 2015, the Executive Director executed a construction contract with Nu-Tec Roofing Contractors, LLC in the amount of \$569,800.00.

On November 13, 2015, Change Order No. 1 was executed in the amount of \$13,200.00 for a new contract value of \$583,000.00.

On December 1, 2015, Change Order No. 2 for time-only extension was executed.

On June 2, 2016, Change Order No. 3 was executed in the amount of \$8,000.00 for a new contract value of \$591,000.00.

Change Order Summary

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 as the error may require work already completed to be redone. Omissions are items that are corrected before work is performed and for which the designers are typically charged up to 15% of the cost because the item may have to be negotiated with the contractor. Unforeseen circumstances are items that could not reasonably be anticipated by the designer and therefore are not charged against the designer. This change order addresses four (4) Unforeseen Circumstance items that total \$50,468.71 and are further described below.

- Skylight Troughs and Air Gap: This change corrects issues with condensate drainage and sealing and insulating of the skylights to the roof curb.
- Additional Layer of Clear Glaze: This change provides an extra layer of clear glaze over the skylights required due to excessive oxidation and adhesion issues to the existing aluminum skylight framing.
- New Skylight Saddle: This change increases the slope at the curved skylight.
- Tapered Trough: This change provides a trough to relieve ponding at a low point in the roof.

A summary of the previously approved change orders is included.

Budget

The construction contract is \$633,468.71, which is within the reforecast 2016 spend as reviewed in the approved 2016 Reforecast Capital Budget for IMC Commons Building Roof Replacement.

Revised Construction Amount

Original Construction Contract Amount		\$	569,800.00
Previous Change Orders	(3.72% of contract)		21,200.00
Current Change Order No. 4	(8.86% of contract)		50,468.71
New Construction Contract Total		\$	641,468.71

Project Costs

Design		\$	71,011.00
Resident Engineer			4,600.00
Inspection			11,360.00
Construction Contract Amount			569,800.00
Previous Change Orders			21,200.00
Current Change Order No. 4 (8.86% of contract)			50,468.71
Revised Total Anticipated Project Cost		\$	728,439.71

This project will be 100% Airport cash funded.

This project is being undertaken to repair an asset currently leased to a third-party tenant. Without these improvements, the facility will be unsuitable for its current use. As a result of the critical nature of the repairs, 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 project was substantially completed on August 3, 2016.

Supplier Diversity Participation

The Director of Supplier Diversity has approved the following:

Firm	Amount			%		
	MBE	WBE	VBE	MBE	WBE	VBE
Pinnacle Equipment Co., Inc.	\$ 395.33	\$ -	\$ -	0.78%	0.00%	0.00%
M.J. Schuetz Agency	-	\$ 2,156.97	-	0.00%	4.27%	0.00%
Totals	\$ 395.33	\$ 2,156.97	\$ -	0.78%	4.27%	0.00%

Contract Summary to Date

If Change Orders No. 4 is approved by the IAA Board, the supplier diversity participation on this project, including the previous change orders will be:

Contract/Amendment & Execution Date	Service & Term	Amount	Diversity Participation %		
			MBE	WBE	VBE
Original Contract June 12, 2015	Construction Services Term: 6/12/15 - 9/9/15	\$ 569,800.00	5.48%	4.54%	0.00%
Change Order No. 1 November 13, 2015	Construction Services Term Extended: 11/23/2015	13,200.00	0.00%	0.00%	0.00%
Change Order No. 2 December 1, 2015	Construction Services Term Extended: 12/23/2015	Time Only			
Change Order No. 3 June 2, 2016	Construction Services Time Extended: 7/16/2016	8,000.00	0.00%	0.00%	0.00%
Change Order No. 4 December 16, 2016	Construction Services Term Extended: 8/2/2016	50,468.71	0.78%	4.27%	0.00%
Revised Contract NTE		\$ 641,468.71	4.93%	4.37%	0.00%

Recommendation

The IAA staff recommends the IAA Board consider for approval Change Order No. 4 (Final) with Nu-Tec Roofing Contractors, LLC for IMC Commons Building Roof Replacement at Indianapolis International Airport in an amount not-to-exceed \$50,468.71. Supplier diversity participation for Change Order No. 4 is MBE 0.78% (Pinnacle Equipment Company, Inc.), and WBE 4.27% (M.J. Schuetz Insurance).

ATTACHMENT 1
Previously Approved Change Orders
IMC Commons Building Roof Replacement

Change Order No. 1 - \$13,200.00

Tapered Insulation – Additional tapered insulation increased the slope to direct water to roof drains.

Air Filters – The IAA staff requested the contractor supply and install filters on the mechanical room outside air intakes to control odor from the roofing installation from entering the building.

Change Order No. 2 - TOE

Time only Extension – Lengthened contract duration due to adjustment of the working hours, weather and material delivery delays.

Change Order No. 3 - \$8,000.00

Lightning Protection – Additional lightning protection components were required to conform to current standards and the newly installed system was certified to meet the standards.



BOARD MEMO – AMENDMENT

To: IAA Board of Directors

From: Shannetta Griffin, P.E., Senior Director of Planning & Development

Date: December 6, 2016

Board Date: December 16, 2016

Subject: Approval of Amendment No. 1 with MZ Corporation, dba Zurbuch Development/Construction Consulting, for Professional Services for Staff Augmentation & Project Management Services of Indianapolis Airport Authority Projects

Background

On September 18, 2015, the IAA issued a Request for Qualifications (RFQ) to select consultants to assist the IAA with staff augmentation and project management services with responses due on October 28, 2015. Nine (9) proposals were received. A review committee made up of three (3) IAA representatives reviewed and ranked the proposals. MZ Corporation, dba Zurbuch Development/Construction Consulting (Zurbuch Consulting), was selected based on its proposal and demonstrated history of providing the requested services to the IAA.

The Amendment seeks to renew the contract for a one-year extension, as stated in the RFQ.

Scope

This contract provides professional services in support of IAA's 2017 Capital Improvement Program and other projects and initiatives.

Budget

The Zurbuch Consulting contract is \$258,000.00 (fee and expenses). The funding for this contract is derived from the 2017 Engineering Operating Budget as well as projects in the approved 2017 Capital Budget that will be assigned to Zurbuch Consulting staff.

Schedule

The term of this contract is expected to begin **January 1, 2017** and conclude **December 31, 2017**.

Supplier Diversity Participation

The Director of Supplier diversity has approved the following:

Firm	Amount				%			
	DBE	MBE	WBE	VBE	DBE	MBE	WBE	VBE
Zurbuch Consulting	\$ 258,000.00	\$ -	\$ 258,000.00	\$ -	100.00%	0.00%	100.00%	0.00%
Totals	\$ 258,000.00	\$ -	\$ 258,000.00	\$ -	100.00%	0.00%	100.00%	0.00%

Contract Summary to Date

Contract/Amendment & Execution Date	Service & Term	Amount	Diversity Participation %			
			DBE	MBE	WBE	VBE
Original Contract	Professional Services Term: 1/1/16 - 12/31/2016	\$ 250,500.00	100.00%	0.00%	100.00%	0.00%
Amendment No. 1 December 16, 2016	Professional Services Term Extended: 1/31/2017 - 12/31/2017	258,000.00	100.00%	0.00%	100.00%	0.00%
Revised Contract NTE		\$ 508,500.00	100.00%	0.00%	100.00%	0.00%

Recommendation

The IAA staff recommends the IAA Board consider for approval Amendment No. 1 to the to the Staff Augmentation contract with MZ Corporation, dba Zurbuch Development/Construction Consulting, for the IAA’s Capital Improvement Program, and other projects and Initiatives, in an amount not-to-exceed \$258,000.00 (fees and expenses). Supplier diversity participation is DBE 100% and WBE 100%.



Indianapolis Airport Authority

BOARD MEMO – CHANGE ORDER

To: IAA Board of Directors

From: Shannetta Griffin, P.E., Sr. Director of Planning & Development

Date: December 16, 2016

Board Date: December 16, 2016

Subject: Approval of Change Order No. 2 (Final & Balancing) with JBM Contractors Corp. for Garage Atrium Canopy Replacement & Addition of a Glass Enclosure Wall at Indianapolis International Airport (Project No. I-15-010)

Background

The IAA has undertaken a project to rehabilitate the parking garage atrium canopy and add a glass enclosure wall at the edge of the atrium opening on the 5th level of the garage to reduce water infiltration on the lower floors of the atrium. This project included modifications to the existing canopy steel framing, the removal and replacement of the existing tensile fabric canopy, the construction of the new glass enclosure wall, associated changes to the railing and walkway at the new wall, and temporary barriers and signage needed for the construction activities.

On January 26, 2016, IAA staff received five bids for Bid Package No.2 – General Trades – which contained a Base Bid and Bid Alternate No. 1. JBM Contractors Corp. was the lowest responsive and responsible bidder in the amount of \$1,009,000.00 for the Base Bid and Bid Alternate No. 1.

On August 26, 2016, the IAA Board Approved Change Order No. 1 with JBM Contractors Corp. in an amount not-to-exceed \$94,945.00.

Change Order Summary

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 performed and the designers are typically charged up to 15% of the cost since the item must 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.

Change Order No. 2 (Final & Balancing) addresses the following unforeseen and owner requested scope items:

- Removal & Restriping of Temporary ADA Parking Stalls – owner increase in scope
- Floor Water Vacuum Rental (1-month rental) – owner increase in scope

- Increase in Cast-in-Place Wall Expansion Material 3” to 5” – unforeseen
- Additional Expansion Covers on Maintenance Walkway Soffit & Tread Plates – unforeseen
- Unutilized Concrete Testing Allowance - owner decrease in scope

Budget

JBM Contractors Corp. Revised Construction Amount

Bid Pk. 2 - General Trades Contract Amount	\$ 1,009,000.00
Change Order No. 1 (9.14% of Contract)	94,945.00
Current Proposed Change Order No. 2 (2.77% of Contract)	<u>13,918.00</u>
New Construction Contract Total	\$ 1,117,863.00

Total Project Commitments

Design & Soft Costs	\$ 367,610.00
Professional Services	723,066.00
Bid Pk. 1 - Atrium Canopy Replacement Contract Amount	5,655,000.00
Bid Pk. 1 - Change Order No. 1 (2.99% of Contract)	169,317.00
Bid Pk. 2 - General Trades Contract Amount	1,009,000.00
Bid Pk. 2 - Change Order No. 1 (9.41% of Contract)	94,945.00
Bid Pk. 3 - Glass Enclosure Wall Contract Amount	1,375,354.00
Bid Pk. 3 - Change Order No. 1 (1.51% of Contract)	20,792.00
ADA Temp Pavement Markings	1,996.00
Misc. Storm Sewer Cleaning	3,328.00
Construction Reserve	<u>\$ 73,694.00</u>
Total Project Commitment	<u>\$ 9,494,102.00</u>

The JBM Contractors Corp. change order is \$13,918.00 which is within the approved 2016 Reforecast Capital Budget.

This project will be 100% Airport cash funded.

This project is being undertaken to repair existing infrastructure integral to the continued safe operation of the airport. As a result of the critical nature of the rehabilitation, 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 contract term is increased by 14 calendar days with this Change Order No. 2. The contract completion date was December 2, 2016.

Supplier Diversity Participation

The Director of Supplier Diversity has approved the following:

COMPANY NAME	Amount			%		
	MBE	WBE	VBE	MBE	WBE	VBE
Harmon Construction	\$ 900.00	\$ -	\$ -	6.47%	0.00%	0.00%
DECO Coatings	-	276.00	-	0.00%	1.98%	0.00%
Totals	\$ 900.00	\$ 276.00	\$ -	6.47%	1.98%	0.00%

Recommendation

The IAA staff recommends the IAA Board consider for approval Change Order No. 2 (Final & Balancing) with JBM Contractors Corp. for Garage Atrium Canopy Replacement & Addition of a Glass Enclosure Wall at Indianapolis International Airport in the amount of \$13,918.00. Supplier diversity participation is MBE 6.47% (Harmon Construction), and WBE 1.98% (DECO Coatings).



Indianapolis Airport Authority

BOARD MEMO – BID AWARD

To: IAA Board of Directors

From: Shannetta Griffin, P.E., Senior Director of Planning & Development

Date: December 6, 2016

Board Date: December 16, 2016

Subject: Award of Construction Contract with Johnson Melloh for CEP – Replacement of Stack Economizers at the Indianapolis International Airport (Project No. I-16-62)

Background

The Nebraska boilers with stack economizers, located at the Central Energy Plant (CEP) at the Indianapolis Maintenance Center (IMC), provide heat to the IMC and the Main Terminal Building. Over the last several years, the two large Nebraska economizers have been experiencing leaks resulting from age and wear. The economizers are at the end of their useful life and must be replaced.

On October 21, 2016, The IAA Board approved plans and specifications and authorized the public bidding process for CEP – Replacement of Stack Economizers at the Indianapolis International Airport.

On November 22, 2016, the IAA staff received one bid. The project contained a base bid only. Johnson Melloh was the lowest responsive and responsible bidder in the amount of \$555,000.00.

In addition to the contract amount, IAA staff 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 IAA Board on other projects 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 budget to accommodate the funding of the 3% contingency for construction reserve. Change orders exceeding the construction reserve will be submitted to the IAA Board for approval.

Scope

This scope of this project includes the demolition and complete replacement of the Stack Economizers located at the CEP at the Indianapolis International Airport.

Budget

The Johnson Melloh, Inc. contract is \$555,000.00, which exceeds the project budget in the 2016 Reforecast Capital Budget. The additional cost will be accommodated through savings in other approved 2016 capital projects.

CEP – Replacement of Stack Economizers

Contract Amount (including 3% reserve)	\$	571,650.00
Design (including survey and geotechnical)		31,110.00
Advertisements for Bid		250.00
Total Anticipated Project Cost	\$	603,010.00

This project will be 100% Airport cash funded.

This project is being undertaken to preserve an asset. Without these improvements, the heating system for the Airport will continue to deteriorate, be underutilized, and cost more to operate than designed. As a result of the necessity to maintain the asset in working order, this project is exempt under the Authority's hurdle rate policy and has not been subjected to an internal rate of return calculation.

Supplier Diversity Participation

The Director of Supplier Diversity has approved the following:

Firm	Amount			%		
	MBE	WBE	VBE	MBE	WBE	VBE
Integrity Construction Services, LLC	\$ 37,322.00	\$ -	\$ -	6.72%	0.00%	0.00%
Service Pipe Supply	-	4,743.00	-	0.00%	0.85%	0.00%
Pinnacle Equipment Company, Inc.	321,900.00	-	-	58.00%	0.00%	0.00%
Totals	\$ 359,222.00	\$ 4,743.00	\$ -	64.72%	0.85%	0.00%

Recommendation

The IAA staff recommends the IAA Board consider for approval an award of contract for CEP – Replacement of Stack Economizers at the Indianapolis International Airport to Johnson-Melloh Solutions in an amount not-to-exceed \$555,000.00 plus a 3% construction reserve of \$16,650.00 for a total of \$571,650.00. Johnson Melloh, Inc. was the lowest responsive and responsible bidder. Supplier diversity participation is MBE 64.72% (Integrity Construction Services and Pinnacle Equipment Company, Inc.), WBE 0.85% (Service Pipe Supply).



BOARD MEMO – Project Recommendation

To: IAA Board of Directors

From: Mike Wells, Stormwater/Wastewater selection committee member

Date: November 30, 2016

Board Date: December 16, 2016

Subject: Stormwater/Wastewater Project

Background

The Indianapolis Airport Authority (the "IAA" or "Authority") issued a Request for Proposals ("RFP") in 2015. As stated in the RFP, the purpose of the RFP was to identify whether a third party with whom the IAA could contract could improve the stormwater and wastewater operations at the Indianapolis Airport (the "Airport"). Two qualified proposers, Integrated Airport Solutions Group ("IASG") and Inland Technologies International and CDM Smith ("Inland" and collectively with IASG, the "Qualified Proposers"), submitted proposals (the "Final Proposals") in response to the RFP. In accordance with the RFP, the IAA formed a selection committee (the "Selection Committee") to review the Final Proposals and to recommend to the IAA a winning proposer ("Successful Proposer") with whom the IAA would enter into final negotiations for a contract with the IAA.

In accordance with the RFP, the Selection Committee asked its advisory team (the "Advisory Group") to review the Final Proposals and summarize their recommendations for the Selection Committee. The Advisory Group has presented its recommendations to the Selection Committee. These recommendations are based on the Advisory Group's review, evaluation and analysis of the Final Proposals submitted by the Qualified Proposers.

Pursuant to the RFP, the Selection Committee has evaluated the Final Proposals and must conduct its own scoring of the proposals. This memo is intended to summarize the Advisory Group's recommendations that were made to the Selection Committee and assist the Selection Committee in formally approving a Successful Proposer.

- **Restatement of Goals**: The IAA's main objective was to minimize its long-term operating costs while expanding its existing capacity of the stormwater and wastewater systems in order to promote economic development and improve the quality of services for IAA customers by seeking the following:

- To reduce operating costs and better position the Airport to be less vulnerable to future increases in treatment costs associated with glycol;
 - To create a more sustainable and flexible approach consistent with the Airport's goal of becoming one of the country's most environmentally sensitive facilities; and
 - To improve the existing Airport wastewater, stormwater and deicing management systems and infrastructure.
- **Overview of Proposals**
 - Inland
 - To collect and recycle glycol from aircraft deicing fluid, which will reduce the amount of stormwater that needs to be treated by 20%.
 - To recycle 40% of the glycol used in deicing activities. This approach begins with recycling of 40% of the glycol which reduces the capital investment and gives to IAA the option of increasing capital and increasing the percentage recycled at any time.
 - Inland's innovative recycling technology would allow for the reduction of the glycol load (*i.e.*, the effort needed to treat the glycol) by 45%.
 - Citizens Energy has indicated its willingness to reduce projected treatment fees of the residual flow under the Inland proposal.
 - IASG
 - To build a new treatment plant and convert glycol-impacted stormwater to BioGas.
 - This approach would result in completely moving all glycol-impacted wastewater from treatment at an off-site facility to a facility at the Airport.
 - This proposed new treatment plant will treat 100% of the glycol material and will not reduce the total amount of glycol-impacted stormwater that needs to be treated.

Advisory Group's Recommendations

- Both proposals provided solutions that address the cost of glycol treatment at the Airport. However, the Advisory Group recommends the selection of Inland as the winning bidder because its proposal is superior in all three selection categories - price, flexibility and sustainability.
 - *Price:* Inland's proposal provides in excess of \$20M more in savings than IASG.
 - *Flexibility:* IASG begins with a substantial upfront capital cost which reduces early flexibility. By building a plant on site it does provide more certainty in fifteen years if loads substantially increase. This advantage in

capacity is offset by the risk of IASG's approach because IASG requires a larger capital investment and a longer window of losses before savings are likely to be realized. In contrast, Inland's proposal requires a lower capital investment and realizes savings much earlier.

- *Sustainability:* Both proposals leave open the opportunity for future additional savings in stormwater mitigation fees and terminal wastewater treatment. Inland's proposal, however, has environmental advantages in that it reduces the level of glycol concentration in the water that needs to be treated and recycles the use of glycol. The environmental sustainability improvements of the IASG's approach are more speculative.

The Advisory Group recommends Inland as the preferred bidder with whom to begin negotiations.

Under Inland's proposal, the IAA would continue its path towards environmental excellence, save a net present value of in excess of \$30 million and continue towards a collaborative partnership with Citizens Energy which will benefit the Airport and the City.

Transaction Advisor and Counsel

The law firm of Baker & McKenzie, LLP, was engaged to provide legal counsel and assistance in the preparation of a Request for Proposals ("RFP") to be issued by IAA for this project, with local counsel services being provided by Krieg DeVault LLP, and transaction advisor being Rain Street Advisors, LLC, with those arrangements recommended to be continued, with Baker & McKenzie continuing to assist in all aspects of the RFP process, serving as transaction counsel (and Krieg DeVault as local counsel) to provide legal assistance to the IAA in connection with this project. The law firms have been providing the following services in connection with this project:

1. Provide general legal advice, counsel, guidance and assistance to the IAA in connection with all aspects of a potential transaction;
2. Assist IAA in the development of a Request for Proposal ("RFP"), letters of correspondence, summaries, memoranda, and other communications;
3. Assist IAA in analyzing and evaluating proposals, bids, quotes, or other materials in connection with a potential transaction;
4. Assist IAA in negotiations pertaining to a potential transaction or any definitive agreement related thereto; and
5. Attend any necessary meetings to finalize a potential transaction.

Budget

Second Addendum to the Engagement Letter with Baker & McKenzie not-to-exceed \$150,000, with no change in budget for Krieg DeVault. All of the foregoing consulting and legal services are 100% Airport cash funded.

Anticipated Schedule

December 16, 2016:	IAA approval for the Advisory Team to move forward with negotiations and develop a term sheet with the selected firm and IAA Board approval of Second Addendum to the Engagement Letter (Baker & McKenzie);
January 20, 2017:	Approval of Final Term Sheet Receive final proposals
February 17, 2017	Approval of final contract with the negotiated firm
May 2017	Execution of Transaction Agreement (as required)

Remaining schedule to be developed, contingent upon FAA recommendations.

Supplier Diversity Participation

With respect to the proposed Second Addendum to the Engagement Letter, there will be no diversity participation requirements at this time; however, and yet to be determined, through the RFP process, securing M/W/VBE participation will be a goal of any final transaction.

Recommendation

The Stormwater/Wastewater Selection Committee recommends that the Board consider, for approval, the recommendation of the Selection Committee to allow the Advisory Team to move forward with negotiations with Inland Technologies Inc. and CDM Smith, and addendums to continue the arrangements with the transaction advisor and counsel, with Second Addendum to the Engagement Letter with Baker & McKenzie not-to-exceed \$150,000.