



Indianapolis Airport Authority

Agenda Indianapolis Airport Authority June 15, 2018 8:30 AM

I. Call to Order

II. Approval of Minutes of the IAA Board's Regular Meeting of May 18, 2018

III. Ordinances, Resolutions and Public Hearings

- a) Introduction of **General Ordinance No. 03-2018**, concerning the Indianapolis Airport Authority budget for 2019, as more particularly described in **BP2018-06-01**.
- b) Consider, for approval, **Resolution No. 06-2018**, the Building Lease Agreement with Allegiant Air, LLC, as more particularly described in **BP2018-06-02**.

IV. Board Reports

- a) Board President's Report

V. Official Actions

Consider, for approval, the individual items on the **IAA General Agenda, dated June 15, 2018**.

VI. Staff Reports

- a) **Executive Director's Report**
 - i. 2018 Q1 Core Value Winners – Mario Rodriguez
 - ii. ACI/ASQ Best Airport in North America Award – Mario Rodriguez
 - iii. Fed Ex Update – Jarod Klaas
 - iv. Month of May Recap – Bill Stinson / Megan Carrico

VII. Other Reports/Update

VIII. Board Communications

Next Meeting: Friday, July 20, 2018 @ 8:00 a.m.

MINUTES
Board of Directors Meeting
Indianapolis Airport Authority

The Regular Meeting of the Indianapolis Airport Authority (IAA) Board was called to order at 8:02 a.m., on May 18, 2018, in the Airport's Board Room at Indianapolis International Airport.

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

Barbara Glass, President
Steve Dillinger, Vice President
Alfred Bennett, Secretary
Kurt Schleiter, Member
Jeffrey Gaither, Member
Kelly Flynn, Member
Toby McClamroch, Member
Mamon Powers III, Member
Lynn Gordon, Advisory Member
Brian Tuohy, 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
Robert Thomson, Sr. Director of Finance
Jarod Klaas, Sr. Director, Engineering, Planning & Development
Jeff Mallamad, General Counsel
Lisa Bierman, Sr. Executive Assistant
Maria Wiley, Sr. Director of Audit, Compliance & Procurement
Reid Goldsmith, Sr. Director of Information Technology
Rachel Hernandez, Sr. Director of Human Resources
Bill Stinson, Sr. Director of Public Affairs

APPROVAL OF MINUTES

Upon a motion by Mr. Flynn, seconded by Mr. Powers and unanimously passed, approval was given to the Minutes of the Regular Meeting of April 20, 2018.

ORDINANCES, RESOLUTIONS AND PUBLIC HEARING

No Items

BOARD REPORTS

President Glass had no announcements.

OFFICIAL ACTIONS

INTRODUCTION AND APPROVAL OF THE INDIANAPOLIS AIRPORT AUTHORITY'S GENERAL AGENDA, DATED May 18, 2018: President Glass introduced and then verbally described each of the individual items listed on the General Agenda. Following a brief discussion of each listed item, President Glass asked for separate motions of approval. The following actions were then taken by the IAA Board:

BP2018-05-01. Upon a motion by Mr. McClamroch, seconded by Mr. Gaither and unanimously passed, approval was given to BP2018-05-01.

BP2018-05-02. Upon a motion by Mr. Flynn, seconded by Mr. McClamroch and unanimously passed, approval was given to BP2018-05-02.

BP2018-05-03. Upon a motion by Mr. Gaither, seconded by Mr. Powers and unanimously passed, approval was given to BP2018-05-03.

BP2018-05-04. Upon a motion by Mr. Bennett, seconded by Mr. Dillinger and unanimously passed, approval was given to BP2018-05-04.

STAFF REPORTS

Executive Director's Report

Mr. Rodriguez introduced Mr. Bill Stinson, Sr. Director of Public Affairs, to give a brief recap of the Infosys U.S. Education Center which will be developed on airport property with ground breaking planned for 2018.

Next, Mr. Rodriguez introduced Ms. Holli Harrington, Director of Supplier Diversity, to give a brief update on IAA's Supplier Diversity outreach engagements, advocacy and participation.

ADJOURNMENT

President Glass announced that the next IAA Board meeting is scheduled for June 15, 2018. There being no further business, the meeting was adjourned at 8:18 a.m.

INDIANAPOLIS AIRPORT AUTHORITY *

By: _____
Barbara Glass, President

By: _____
Alfred R. Bennett, Secretary

DATED: _____

* Signed under authority of IAA Board Resolution #13-2017



BOARD MEMO – 2019 BUDGET ORDINANCE

To: IAA Board of Directors

From: Robert Thomson, Sr. Director of Finance

Date: May 29, 2018

Board Date: June 15, 2018

Subject: 2019 Budget Ordinance

Attached is the draft template of the 2019 Budget Ordinance No. 3-2018. At this time staff are still working through the final details of the 2019 Budget. This Budget Ordinance when adopted will set the maximum appropriation (expenditure) levels for 2019.

The budget process requires an Introduction, an Initial Hearing and presentation, and the Final Hearing and adoption of the Budget by August 31, 2018. The June 15, 2018 Board meeting will be the verbal Introduction of the Ordinance. The Ordinance is simply verbally introduced and no detail is discussed or presented.

The 2019 Airport System Fund Budget (which includes the Operating Budget) and Capital Improvement Fund Budget assumptions will be reviewed in detail with the Finance and Audit Committee on June 15, 2018. This budget review meeting occurs in advance of the Initial Public Hearing on the Budget, which is scheduled for the July 20, 2018 Board meeting. The Final Hearing on the 2019 Budget will be held on August 17, 2018, at which time the Board will be asked to accept or reject the 2019 Budget Ordinance.

The Indianapolis City-County Council (Council) requires the Board to accept the 2019 Budget Ordinance by August 31, 2018. The Council Municipal Corporations Committee will hold a hearing in September 2018 to review the 2019 Budget and the Council will approve the budget on October 8, 2018.



BOARD MEMO - ALLEGIANT AIR, LLC BUILDING LEASE AGREEMENT

To: IAA Board of Directors

From: Marsha Stone, Sr. Director of Commercial Enterprise

Date: May 29, 2018

Board Date: June 15, 20018

Subject: Building Lease Agreement with Allegiant Air, LLC

Background

Allegiant Air, LLC (Lessee) is an airline passenger carrier operating at the Indianapolis International Airport (IND). This airline recently created a crew base at IND which includes the leasing of gate, terminal, overnight aircraft parking and operations space at the Terminal. Allegiant Air, LLC also has a maintenance crew based at IND as part of this increase in air service.

This Building Lease Agreement adds 738 square feet of storage space within the Indianapolis Maintenance Center (IMC). This area will be utilized to store oversized aircraft parts that will not fit within the confines of their maintenance space located at the Terminal.

Regarding the IMC Bondholder Settlement Agreement, a Board Resolution is a required step in any lease and/or amendments to leases brought forward that pertain to the IMC irrespective of the dollar amount of the agreement.

Scope

Staff requests the IAA Board execute the Building Lease Agreement with Allegiant Air, LLC.

Schedule

June 15, 2018: IAA approval of the Building Lease Agreement with Allegiant Air, LLC.

Revenue and/or Operating Cost Implications

Revenue:

- Rental revenue from the Building Lease Agreement shall be \$5,904.00 during the initial one-year term.
- At the end of the one-year term, the Lessee will relocate to the planned addition to the Belly Cargo Building at a rate of approximately \$18.00 per square foot. Should the Belly Cargo Building addition not be completed during the term, the lease would go on a month to month basis until the building is expanded.

Operating Costs:

- The IAA has no additional costs associated with the Lease Agreement

Supplier Diversity Participation

Not applicable.

Recommendation

IAA staff recommends the IAA Board consider for approval the execution of Building Lease Agreement with Allegiant Air, LLC.

**IAA Board Meeting
General Agenda
June 15, 2018**

General:

BP2018-06-03

Consider, for approval, a one (1) year agreement in the amount of \$1,613,317 with two optional one (1) year renewals for the Baggage Handling System with Siemens Postal, Parcel & Airport Logistics LLC (Siemens) terminating September 30, 2021.

Capital:

BP2018-06-04

Consider, for approval, Amendment No. 1 to the contract with BB Engineering & Management, LLC in support of the IAA's Capital Improvement Program and Other Projects and Initiatives in an additional amount not-to-exceed \$125,000.00.

BP2018-06-05

Consider, for approval, Amendment No. 3 to the contract with Wessler Engineering Inc. for Stormwater & Deicing Capacity Enhancement enabling projects associated with cargo apron expansion at the Indianapolis International Airport in an amount not-to-exceed \$4,914,655.00 (fees and expenses). Supplier diversity participation is DBE 20.38% (Dmytryka Jacobs Engineers; the etica group; Khafra Engineering Consultants; Powers Engineering; Shrewsberry & Associates), MBE 28.51% (CTL Engineering; Dmytryka Jacobs Engineers; Khafra Engineering Consultants; Shrewsberry & Associates), WBE 7.86% (the etica group, Powers Engineering), and VBE 2.14% (Guidon).



BOARD MEMO – CONTRACT

To: IAA Board of Directors

From: Mike Medvescek, Sr. Director of Operations and Public Safety

Date: May 31, 2018

Board Date: June 15, 2018

Subject: Approval of Agreement with Siemens Postal, Parcel & Airport Logistics LLC (Siemens) for Operation and Maintenance of the Baggage Handling System

Background

The Indianapolis Airport Authority (IAA) is currently under contact with Siemens Postal, Parcel & Airport Logistics LLC (Siemens) for the operation and maintenance of the Airport's Baggage Handling System and original installer awarded by the Mid-field team. The original agreement was dated July 18, 2008. The IAA has executed all four (4) available renewal options, and the agreement will expire September 30, 2018. Siemens is the original provider of the Baggage Handling equipment and has been the only operation and maintenance provider since installation in 2008.

The IAA is currently working with the Transportation Security Administration (TSA) to upgrade the current Baggage Handling Explosive Detection Equipment and to install ten (10) new CTX Security Scanners. This project is budgeted in the Capital Improvement Program at approximately \$17 million. This project is scheduled to be completed in late 2019 or early 2020.

IAA recommends a one (1) year agreement with 2 optional one (1) year renewals for the Operations and Maintenance with Siemens to allow time for the upgrade of the Baggage Handling Systems including construction and implementation of the TSA project. This will reduce the risk of potential customer service issues with baggage processing and provide continuous operations, resources and expertise during the construction of the TSA initiative. Indiana state statutes for public purchasing does not mandate competition for services.

To date, Siemens has provided the IAA with extraordinary service in the operation and maintenance of the Airport's baggage handling system by meeting or exceeding performance requirements set forth by the IAA.

Siemens has maintained a professional relationship with the IAA, TSA, and the airlines, and has met all regulatory requirements that TSA has implemented through Federal Security Directives (FSD's).

Scope

Siemens will continue to be responsible for the operation and maintenance of the system, including preventive maintenance, non-scheduled repairs, responding to and rectifying all fault conditions, in its entirety, procurement of tools and equipment required to perform maintenance, employees providing status reports, and cooperating in all aspects with the IAA and its representatives. Preventive maintenance and non-scheduled maintenance procedures shall be coordinated with and scheduled around the requirements of the IAA and airline operations.

The 2019 operation and maintenance contract will be \$1,613,317, a 3% increase over our current 2018 contract with any optional renewals executed will have an additional 3% annual increase.

Supplier Diversity Participation

The Director of Supplier Diversity has determined that, due to the nature of scope of work, there will be no M/W/VBE participation on this agreement.

Recommendation

The IAA staff recommends that the IAA Board consider for approval a one (1) year agreement in the amount of \$1,613,317 with two optional one (1) year renewals for the Baggage Handling System with Siemens Postal, Parcel & Airport Logistics LLC (Siemens) terminating September 30, 2021.



BOARD MEMO – AMENDMENT

To: IAA Board of Directors

From: Jarod Klaas, P.E., Senior Director of Planning & Development

Date: June 5, 2018

Board Date: June 15, 2018

Subject: Approval of Amendment No. 1 with BB Engineering & Management, LLC for Staff Augmentation & Project Management Services in Support of IAA’s Capital Improvement Program and Other Projects and Initiatives with the Indianapolis Airport Authority

Background

On October 13, 2017, the Indianapolis Airport Authority (IAA) issued a Request for Qualifications (RFQ) for the provision of staff augmentation and project management services for the IAA, with responses due on November 17, 2017. IAA representatives reviewed and ranked the seventeen (17) Statement of Qualifications received, and selected BB Engineering & Management, LLC to support the IAA’s Capital Improvement Program and other projects and initiatives.

Scope

This amendment provides professional services in support of IAA’s Capital Improvement Program and other projects and initiatives for an additional 1,000 hours in 2018.

Budget

This amendment is for an additional \$125,000.00. The funding will be financed through the 2018 Operating Budget and projects approved in the 2018 capital budget.

Schedule

The term of this contract will be extended to December 31, 2018.

Supplier Diversity Participation

BB Engineering & Management, LLC is not a diverse business enterprise. Given the nature of this staff augmentation contract, which utilizes a single individual, there is no opportunity for supplier diversity participation.

Recommendation

The IAA staff recommends the IAA Board consider for approval Amendment No. 1 to the contract with BB Engineering & Management, LLC in support of the IAA’s Capital Improvement Program and Other Projects and Initiatives in an additional amount not-to-exceed \$125,000.00.



BOARD MEMO – AMENDMENT

To: IAA Board of Directors

From: Jarod Klaas, P.E., Senior Director of Planning & Development

Date: June 8, 2018

Board Date: June 15, 2018

Subject: Approval of Amendment No. 3 with Wessler Engineering, Inc. for Stormwater & Deicing Capacity Enhancement Enabling Projects Associated with the Cargo Apron Expansion at the Indianapolis International Airport (Project No. I-17-077)

Background

On August 28, 2017, the IAA Board approved a professional services contract with Wessler Engineering, Inc. for enabling projects associated with the cargo apron expansion. The contract is an indefinite delivery contract with the anticipation of multiple amendments to align with project scope and schedule. The initial authorization included scoping, preliminary design, design support service, and permitting assistance. The first amendment included full design services for the various bid packages. The second amendment included cemetery relocation services.

Scope

This action amends the contract to include construction phase services. The services will include construction administration services, resident project representative services, quality assurance services, and post-constructions services.

Budget

The costs associated with this amendment are within the approved 2018 Capital Budget. The contract amendment amount is \$4,914,655.00. The total contract value to date is as follows:

Initial Contract	\$2,000,000.00
Amendment No. 1	\$2,750,000.00
Amendment No. 2	\$2,500,000.00
Amendment No. 3 (This action)	<u>\$4,914,655.00</u>
Total to Date	\$12,164,655.00

Schedule

This amendment does not change initial contract schedule. The initial contract award was August 18, 2017 and substantial completion will occur in phases from 2019 through 2020.

Supplier Diversity Participation

The Director of Supplier Diversity has approved the following for this amendment:

Firm	Amount				%			
	DBE	MBE	WBE	VBE	DBE	MBE	WBE	VBE
CTL Engineering	\$ -	\$ 786,395.00	\$ -	\$ -	0.00%	16.00%	0.00%	0.00%
Dmytryka Jacobs Engineers	\$ 103,000.00	\$ 103,000.00	\$ -	\$ -	2.10%	2.10%	0.00%	0.00%
the etica group	\$ 361,456.00	\$ -	\$ 361,456.00	\$ -	7.35%	0.00%	7.35%	0.00%
Guidon	\$ -	\$ -	\$ -	\$ 105,000.00	0.00%	0.00%	0.00%	2.14%
Khafra Engineering Consultants	\$ 211,080.00	\$ 211,080.00	\$ -	\$ -	4.29%	4.29%	0.00%	0.00%
Powers Engineering	\$ 25,000.00	\$ -	\$ 25,000.00	\$ -	0.51%	0.00%	0.51%	0.00%
Shrewsberry & Associates	\$ 300,904.00	\$ 300,904.00	\$ -	\$ -	6.12%	6.12%	0.00%	0.00%
Totals	\$ 1,001,440.00	\$ 1,401,379.00	\$ 386,456.00	\$ 105,000.00	20.38%	28.51%	7.86%	2.14%

Recommendation

The IAA staff recommends the IAA Board consider for approval Amendment No. 3 to the contract with Wessler Engineering Inc. for Stormwater & Deicing Capacity Enhancement enabling projects associated with cargo apron expansion at the Indianapolis International Airport in an amount not-to-exceed \$4,914,655.00 (fees and expenses). Supplier diversity participation is DBE 20.38% (Dmytryka Jacobs Engineers; the etica group; Khafra Engineering Consultants; Powers Engineering; Shrewsberry & Associates), MBE 28.51% (CTL Engineering; Dmytryka Jacobs Engineers; Khafra Engineering Consultants; Shrewsberry & Associates), WBE 7.86% (the etica group, Powers Engineering), and VBE 2.14% (Guidon).