



Indianapolis Airport Authority

Agenda
Indianapolis Airport Authority
November 16, 2018
8:00 AM

- I. **Call to Order**
- II. **Approval of Minutes of the IAA Board’s Regular Meeting of October 19, 2018.**
- III. **Ordinances, Resolutions and Public Hearings**
 - a) **Consider, for approval and adoption, General Ordinance No. 5-2018, of the Indianapolis Airport Authority and execution of Amendment No. 4 to the Amended and Restated Lease Agreement between Federal Express Corporation (the “Lessee”) and the Indianapolis Airport Authority, making findings regarding the character, experience and financial responsibility of the Lessee and authorizing and approving all related documentation, as more particularly described in BP2018-11-01.**
 - b) **Consider, for approval and adoption, Bond Ordinance, General Ordinance No. 06-2018, concerning the Indianapolis Airport Authority's issuance of one or more series of additional revenue bonds designated "Indianapolis Airport Authority Airport Revenue Bonds" to fund various capital projects of the Airport System, to refund all or a portion of the Authority's outstanding subordinate securities, to fund one or more reserve accounts for the bonds and to provide provisions concerning other matters related thereto, as more particularly described in said BP2018-11-02.**
 - c) **Introduction of General Ordinance No. 07-2018 concerning Indianapolis Airport Authority’s 2019 Rates and Charges Ordinance, as more particularly described in said BP2018-11-03.**
 - d) **Public Hearing on BP2018-11-04, regarding a certain Real Estate Sale Agreement with DTI Holdings LLC, for the sale of approximately 1.45 acres of land located at 5900, 5946, 5950, and 5954 West Minnesota Street, Indianapolis, Indiana, for a total sale amount of \$109,090.00, as more particularly described in said BP2018-11-04.**
 - e) **Consider, for approval, BP2018-11-04, regarding a certain Real Estate Sale Agreement with DTI Holdings LLC, for the sale of approximately 1.45 acres of land located at 5900, 5946, 5950, and 5954 West Minnesota Street, Indianapolis, Indiana, for a total sale amount of \$109,090.00 and authorizing IAA Staff to consummate sale transaction.**

- f) **Public Hearing** on [BP2018-11-05](#), regarding a certain Real Estate Sale Agreement with SA Berg Development Company for the sale of approximately 8.712 acres of land located at 8501-8609 West Washington Street, Indianapolis, Indiana, for a total sale amount of \$784,080.00, as more particularly described in said [BP2018-11-05](#).
- g) **Consider, for approval**, [BP2018-11-05](#), regarding a certain Real Estate Sale Agreement with SA Berg Development Company for the sale of approximately 8.712 acres of land located at 8501-8609 West Washington Street, Indianapolis, Indiana, for a total sale amount of \$784,080.00 and authorizing IAA Staff to consummate sale transaction.

IV. **Board Reports**

- a) Board President's Report

V. **Official Actions**

Consider, for approval, the individual items on the IAA General Agenda, dated November 16, 2018.

VI. **Staff Reports**

- a) **Executive Director's Report**

- i. 2018 3rd Quarter IAA Core Value Winners
- ii. 10 Year Terminal Celebration Recap – Bill Stinson
- iii. Community Leadership Development Programs
 - Tracy Guerrero, Operations Asst., accepted in Mayor's AXIS Local Latino Professional Group
 - Orr Fellowship Organization – IAA hosted event October 16

VII. **Other Reports/Update**

VIII. **Board Communications**

- a) *Next Meeting: Friday, December 14, 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 October 19, 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
Jeffrey Gaither, Member
Toby McClamroch, Member
Mamon Powers III, Member
Lynn Gordon, Member
Tamika Catchings, Member
Brian Tuohy, IAA Board Counsel

IAA Executive Staff attending:

Mario Rodriguez, Executive Director
Mike Medvescek, Sr. Director of Operations and Public Safety
Marsha Stone, Sr. Director of Commercial Enterprise
Robert Thomson, Sr. Director of Finance
Jarod Klaas, Sr. Director, Engineering, Planning & Development
Lisa Bierman, Sr. Executive Assistant
Maria Wiley, Sr. Director of Audit, Compliance & Procurement
Rachel Hernandez, Sr. Director of Human Resources
Bill Stinson, Sr. Director of Public Affairs
Jeffery Mallamad, General Counsel

APPROVAL OF MINUTES

Upon a motion by Mr. Powers, seconded by Mr. McClamroch and unanimously passed, approval was given to the Minutes of the Regular Meeting of September 21, 2018.

ORDINANCES, RESOLUTIONS AND PUBLIC HEARING

President Glass introduced Mr. Robert Thomson, Sr. Director of Finance, who discussed Resolution No. 10-2018, concerning amending and replacing Indianapolis Airport Authority's Existing Investment Policy, as more particularly described in BP2018-10-01. Upon a motion by Mr. Gordon and seconded by Mr. Dillinger and unanimously passed, approval was given to Resolution No. 10-2018.

Next, Mr. Robert Thomson, Sr. Director of Finance, discussed Resolution No. 11-2018, concerning the Indianapolis Airport Authority's Internal Controls Policy, as more particularly described in

BP2018-10-02. Upon a motion by Mr. MClamroch and seconded by Mr. Bennett and unanimously passed, approval was given to Resolution No. 11-2018.

Next, Mr. Robert Thomson, Sr. Director of Finance, discussed Resolution No. 12-2018, concerning the revised Charter for Indianapolis Airport Authority's Finance and Audit Committee, as more particularly described in BP2018-10-03. Upon a motion by Mr. MClamroch and seconded by Mr. Dillinger and unanimously passed, approval was given to Resolution No. 12-2018.

President Glass introduced Ms. Marsha Stone, Sr. Director of Commercial Enterprise, who discussed Resolution No. 13-2018, concerning authorizing the sale of Indianapolis Airport Authority and Indianapolis Maintenance Center assets via public auction, as more particularly described in BP2018-10-04. Upon a motion by Mr. Gordon and seconded by Mr. Powers and unanimously passed, approval was given to Resolution No. 13-2018.

Next, Ms. Marsha Stone, Sr. Director of Commercial Enterprise, introduced General Ordinance No. 5-2018, pertaining to Amendment No. 4 to the amended and Restated Lease Agreement between Federal Express Corporation and the Indianapolis Airport Authority, as more particularly described in BP2018-10-05.

President Glass introduced Mr. Eric Anderson, Director of Properties, who gave a brief presentation regarding the Master Project Agreement, by and between the Indianapolis Airport Authority, the Consolidated City of Indianapolis, the Indiana Economic Development Corporation, and Infosys Limited, and a Real Estate Agreement with the Consolidated City of Indianapolis and a Land Contract with the Consolidated City of Indianapolis. Next, President Glass opened a Public Hearing regarding BP2018-10-06. There being no comments or discussion from the public the hearing was closed. Upon a motion by Mr. McClamroch and seconded by Mr. Gaither, approval was given to BP2018-10-06. Mr. Powers recused himself from voting.

President Glass introduced Mr. Robert Thomson, Sr. Director of Finance, who introduced General Ordinance No.6-2018, concerning the Indianapolis Airport Authority's issuance of one or more series of additional revenue bonds to fund various capital projects of the Airport System, as more particularly described in BP2018-10-10.

BOARD REPORTS

President Glass recognized Mr. Mamon Powers for being awarded the For the Future Diamond Award at the 100 Black Men Infinite Impact Gala.

President Glass recognized Mr. Mike Medvescek, Sr. Director of Operations and Public Safety, for his service at the airport. Mr. Medvescek will be retiring in November.

OFFICIAL ACTIONS

INTRODUCTION AND APPROVAL OF THE INDIANAPOLIS AIRPORT AUTHORITY'S GENERAL AGENDA, DATED October 19, 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:

BP2018-10-07. Upon a motion by Mr. Powers, seconded by Mr. McClamroch and unanimously passed, approval was given to BP2018-10-07.

BP2018-10-08. Upon a motion by Mr. Gaither, seconded by Mr. Dillinger and unanimously passed, approval was given to BP2018-10-08.

BP2018-10-09. Upon a motion by Mr. McClamroch, seconded by Mr. Powers and unanimously passed, approval was given to BP2018-10-09.

STAFF REPORTS

Executive Director's Report

Mr. Rodriguez announced that the Indianapolis International Airport has been named the Best Airport in the United States by Conde' Nast.

Next, Mr. Rodriguez announced that the Indianapolis International Airport has been named #2 Medium Hub Airport by JD Power's and Associates.

Next, Mr. Rodriguez introduced Mr. Bill Stinson, Sr. Director of Public Affairs, who then introduced Ms. Megan Carrico, Manager of Communications who gave a brief presentation on the St. Vincent Flyaway 5K event held on airport property.

Next, Mr. Rodriguez recognized FedEx's 30th anniversary at the Indianapolis International Airport.

Other Reports/Updates

Mr. Steve Dillinger, IAA Board Vice President, complimented the IAA staff regarding the partnerships that the airport has built within the community and the surrounding counties.

ADJOURNMENT

President Glass announced that the next IAA Board meeting is scheduled for November 16, 2018. There being no further business, the meeting was adjourned at 8:41 a.m.

INDIANAPOLIS AIRPORT AUTHORITY *

By: _____
Barbara Glass, President

DATED: _____

By: _____
Alfred R. Bennett, Secretary

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



**BOARD MEMO – GENERAL ORDINANCE 5-2018
FEDERAL EXPRESS AMENDMENT NO. 4**

To: IAA Board of Directors

From: Marsha Stone, Sr. Director of Commercial Enterprise

Date: October 31, 2018

Board Date: November 16, 2018

Subject: IAA Board General Ordinance 5-2018 / Term Extension / Amendment No. 4 to the Amended and Restated Lease Agreement with Federal Express Corporation

Background

The purpose of this Board Memo is to advise the Authority Board that Amendment No. 4 to the Federal Express Corporation (“FedEx”) Amended and Restated Lease Agreement (the “Lease”) will exceed the statutory limits currently in place related to the length of the Lease Term under Indiana Code 8-22-3-11(20).

Indiana Code is further described below wherein it states in part the “airport” may enter into a lease term of up to forty (40) years with a ten (10) year option term. The FedEx Lease Term, including defined option terms, is for approximately fifty-five (55) years.

Federal Express Corporation (FedEx) entered into a new Amended and Restated Lease Agreement in 2012, for their distribution and sort facility at Indianapolis International Airport. Staff have been working alongside FedEx in the planning of their next phase of expansion which ultimately is defined in the ability to sort a greater number of packages within their sort operation. The outcome of those discussions is a FedEx capital investment exceeded \$1.5B dollars into the Hub Sort operations.

Amendment No. 4 incorporates changes to the Lease Agreement to accomplish the next phase of the FedEx 2019 Expansion Project including expanding the Leased Premises for additional widebody aircraft positions, expansion of the employee parking lot and ground service equipment areas. Total increase to the Leased Premises for this phase of expansion is in excess of 3.5M square feet.

Indiana Code 8-22-3-11(20)

Indiana Code is in part stated as follows, “.....the airport, including all or part of its land, facilities, or structures, may be leased for any use connected with the operation and convenience of the airport for a term not exceeding forty (40) years and may be extended for a period not to exceed ten (10)

years. If a person whose character, experience, and financial responsibility have been determined satisfactory by the board offers to erect a permanent structure that facilitates is consistent with the operation, use, and purpose of the airport on land belonging to the airport, a lease may be entered into for a period not to exceed ninety-nine (99) years. However, the board must pass an ordinance to enter into such a lease.....”

Scope

An introduction of General Ordinance No. 5-2018 occurred in the October 19th Board Meeting. Next, an opening and closing of a hearing leading to a vote in the November 16th Board Meeting for the General Ordinance approval along with the approval of Amendment No. 4 to the FedEx Amended and Restated Lease Agreement is to occur. Again, the need for the General Ordinance is associated with the new length of Term of the Lease which exceeds the statutory limits of a forty (40) year term with a ten (10) year option term.

Schedule

- October 19, 2018: IAA Board introduction of the General Ordinance No. 5-2018 associated with the new Lease Term of the FedEx Lease.
- November 16, 2018: Opening and closing of Hearing on General Ordinance No. 5-2018 and vote on approval of Amendment No. 4 to the FedEx Lease.

Revenue and/or Operating Cost Implications

Revenue:

Commencing on the earlier, completion of FedEx’s 2019 Expansion Project or October 1, 2021, ground rental for the Leased Premises will increase by \$677,060 annually. Per existing lease terms, the overall rental structure is adjustable every five years by consumer price index calculation. The next adjustment is schedule for July 1, 2022. The Term of Lease will be extended to December 31, 2053 with the opportunity beyond the 2053 date for two ten-year option periods.

Operating Costs:

FedEx has and will continue to be responsible for all operational costs associated with their Leased Premises.

Costs associated with the attributes of Amendment No. 4 include survey work and a Phase 1 Environmental Assessment which together are estimated to be less than \$13K.

Supplier Diversity Participation

Keramida (WBE) costs for the Phase 1 Environmental Assessment was \$5K or 38% and survey work performed by Paul I. Cripe (MBE) was \$8K or 62%.

Recommendation

The IAA staff recommends the IAA Board consider for approval **General Ordinance No. 5-2018** and Amendment No. 4 to the Amended and Restated Lease Agreement between Federal Express Corporation (the “Lessee”) and the Indianapolis Airport Authority.



Board Memo – Adoption of Bond Ordinance

To: IAA Board of Directors

From: Robert B. Thomson, Sr. Director of Finance/Treasurer

Date: October 31, 2018

Board Date: November 16, 2018

Subject: Public hearing and adoption of General Ordinance No. 6-2018

The Indianapolis Airport Authority is hereby presenting General Ordinance No. 6-2018 ("Ordinance").

IAA's Finance and Audit Committee has recommended the Ordinance for approval to provide the authorizations necessary to refund the temporary subordinate direct placement credit facility used to fund the storm water enhancement project with fixed rate airport revenue bonds, and to issue new money debt to fund the projects planned for in the Board approved 2019 capital budget.

General Ordinance No. 6-2018 is a supplement to the IAA's Master Bond Ordinance (5-2014) of the Indianapolis Airport Authority concerning the Authority's issuance of one or more series of additional revenue bonds designated "Indianapolis Airport Authority Airport Revenue Bonds" to fund various capital projects of the Airport System, to refund all or a portion of the Authority's outstanding subordinate securities, to fund one or more reserve accounts for the bonds and to provide provisions concerning other matters related thereto.

General Ordinance No. 6-2018 was introduced at the October 19, 2018 IAA Board meeting. At the November 16, 2018 IAA Board meeting the TEFRA (Tax Equity and Fiscal Responsibility Act) hearing and the final public hearing on the adoption of the above-referenced Ordinance will be conducted as a combined hearing.



Board Memo – 2019 Rates & Charges Ordinance

To: IAA Board of Directors
From: Jeffery Mallamad, General Counsel
Date: November 9, 2018
Board Date: November 16, 2018
Subject: 2019 Rates & Charges Ordinance

Scope

The Board of the Indianapolis Airport Authority (“IAA”) annually adopts an ordinance in order to implement a schedule of rates and charges for the use of the Airport’s facilities and services. All public notices about the introduction and public hearing of this proposed Ordinance have been properly published in the local newspapers, as required by Indiana law.

This proposed Ordinance sets forth rates (*both current and those proposed to be changed*) that, if approved, will go into effect at the beginning of next year (January 1, 2019). The following represents a summary of these changes (shown on the attached copy of the proposed Ordinance):

1. Section I: The following language is added to the definition of Signatory Air Carrier: For purposes of this General Ordinance, Signatory Air Carriers are distinguished as either having agreed to provisional rates established in negotiations between the Authority and the Air Carriers, or as being in “holding over” status per the 2015 form of “agreement and Lease of Premises.”
2. Section III: Consistent with the “Airline Use Agreement” finalized in 2015 with the Signatory Airlines, the following changes have been made:
 - A. The landing fee per 1,000 pounds of Certified Gross Landing Weight has been updated, as per the appropriate calculation: (i) for Signatory Air Carriers that have agreed to provisional rates, the landing fee will decrease from \$1.85 to \$1.67; (ii) for Signatory Air Carriers in “holding over” status, the landing fee will be \$2.16; (iii) for Non-Signatory Air Carriers, as well as operators of large aircraft and Non-Scheduled Air Carrier aircraft, the landing fee will decrease from \$2.78 to \$2.51.
 - B. The annual space rental charge(s) per square foot has been updated, as per the appropriate calculation; (i) for Signatory Air Carriers that have agreed to provisional rates, such rental will decrease from \$92.78 to \$78.67; (ii) for Signatory Air Carriers in “holding over” status, the rental rate will be \$103.37; (iii) for Non-Signatory Air Carriers, such rental will decrease from \$139.17 to \$118.01; (iv) with respect to Aircraft Apron, rental will increase from \$0.53 to \$1.08 for Signatory Air Carriers that have agreed to

provisional rates; (v) such rental will be \$1.62 for Signatory Air Carriers in “holding over” status; and (vi) for Non-Signatory Air Carriers such rental will increase from \$0.80 to \$1.62.

- C. The “per enplaned passenger fee” paid by Non-Signatory Air Carriers having less than 3% of the total enplaned passengers at the Airport will decrease from \$5.97 to \$4.90.
- D. For international arrivals at the Airport Terminal Building, the parking fee of \$200.00 per twenty-four (24) hour period is eliminated, while the service facility fee of \$100 per flight for the use of the Federal Inspection Station remains, along with applicable Gate Use and Aircraft Apron fees.
- E. Parking rates for aircraft in apron areas will be: for Signatory Air Carriers that have agreed to provisional rates, \$84/hour for 0-3 hours, \$125/hour for 3-9 hours, \$250/hour for 9-18 hours and \$500/hour for 18-24 hours; and for Signatory Air Carriers in “holding over” status, \$200/hour.
- F. Gate Use fees for Non-Signatory Air Carriers will no longer be divided into categories based on seat capacity, but will be set as follows with the current fee shown below each fee in red:

<u>Terminal Facility</u>	Hours 0-3	3-9	9-18	18-24
Hold Room/Loading Bridge	\$179	\$268	\$536	\$1071
	\$225	\$315	\$900	\$2100
Aircraft Apron	\$150	\$225	\$450	\$900
		\$210	\$300	\$300
Operations Space	\$98	\$147	\$293	\$585
		\$195	\$285	\$570
Ticket Counter/PA System	\$98	\$147	\$293	\$585
			\$285	\$570

For Signatory Air Carriers who have agreed to provisional rates, the following rates will be set as follows with the current fee shown below each fee in red:

<u>Terminal Facility</u>	Hours 0-3	3-9	9-18	18-24
Hold Room/Loading Bridge	\$118.98	\$178.47	\$356.94	\$713.88
	\$150	\$210	\$600	\$1400.00
Aircraft Apron	\$100	\$150	\$300	\$600
		\$140	\$200	\$200
Operations Space	\$65	\$97.50	\$195	\$390
		\$130	\$190	\$380
Ticket Counter/PA System	\$98	\$147	\$195	\$390
			\$190	\$380

For Signatory Air Carriers in “holding over” status, the following rates will be set:

<u>Terminal Facility</u>	Hours 0-3	3-9	9-18	18-24
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Hold Room/Loading Bridge	\$225	\$315	\$900	\$2100
Aircraft Apron	\$150	\$210	\$300	\$300
Operations Space	\$98	\$195	\$285	\$570
Ticket Counter/PA System	\$98	\$195	\$285	\$570

3. Section IV: With respect to ground transportation, concession and other fees at the Airport, the following changes are proposed:

- A. For Ride-share providers (Uber/Lyft) a per drop-off fee of \$2.50 is added to the current per pick-up fee of \$2.50.
- B. For Valet Parking, the not to exceed daily fee amount is increased from \$25.00 to \$27.00.
- C. For Rental Cars, the Customer Facility Charge is increased from \$4.00 to \$5.00 per rental car contract day.

Schedule

November 16, 2018	Introduction of General Ordinance No. 7-2018
December 14, 2018	Public Hearing/Consideration for Adoption of said Ordinance

Revenue and/or Operating Cost Implications

The annual Rates & Charges Ordinance is the principal document to impose fees and charges for the use of Airport’s facilities and services in support of the 2019 approved Operating and Capital Budgets of the IAA.

Recommendation

Staff recommends approval and adoption of the attached General Ordinance No. 7-2018.



BOARD MEMO – REAL ESTATE SALE AGREEMENT

To: IAA Board of Directors

From: Marsha Stone, Sr. Director of Commercial Enterprise

Date: October 26, 2018

Board Date: November 16, 2018

Subject: IAA Land Use Initiative – Real Estate Sale Agreement with DTI Holdings LLC

Background

As a direct attribute of the IAA Land Use Initiative, IAA Staff have been diligently pursuing the sale of certain IAA lands located at 5900, 5946, 5950, and 5954 West Minnesota Street, Indianapolis, Indiana. The land to be sold totals 1.45 acres and is shown on the attached aerial.

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

Land Sale Restrictions

The conveying of the land to DTI Holdings LLC 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:

- Indianapolis Airport Authority will retain a perpetual easement and right-of-way (“Airspace Easement”) for the free and unobstructed passage of aircraft in, through and across the airspace which lies above the surface of the property. Purchaser will not construct any structure or other obstructions which exceeds the height restrictions designated or established by federal or state laws, rules or regulations, or ordinances, including, but not limited to, 14 CFR Part 77 and the Marion County Airspace Ordinance.
- Purchaser agrees to file a notice consistent with requirements of 14 CFR FAR Part 77 (FAA Form 7460-1) prior to constructing any facility, structure, or other item on the herein described real property.
- Purchaser agrees it will not use, nor permit, the property to be used in such a manner as to create a potential for attracting birds and other wildlife which may pose a hazard to aircraft.

Memo Re: Purchase Agreement with DTI Holdings LLC

- Purchaser agrees the property will not be used for paid public parking for any types of vehicles, or as a taxi staging area or other “for hire” transportation of the traveling public.
- Purchaser agrees the property will not be used for any type of utility operation, asphalt plant, or other business or facility that emits, to any extent, smoke, fumes, vapors, or other gases that constitute a hazard to aircraft as determined by the Federal Aviation Administration.

FAA Land Release Approval

As this land does not fall within the “aeronautical uses” of the Airport Layout Plan (ALP), Staff is not required to submit information to the FAA to receive a land release.

Scope

To execute a Real Estate Sale Agreement with DTI Holdings LLC for the sale of 1.45 acres of land all located at 5900, 5946, 5950, and 5954 West Minnesota Street, Indianapolis, Indiana.

Schedule

November 16, 2018	Upon approval, IAA Board execution of the Real Estate Sale Agreement with DTI Holdings LLC.
November 23, 2018	Within five (5) days of the execution of the Sale Agreement the Buyer is to deliver earnest money check in the amount of 10% of the sale price as designated within the Sale Agreement. Buyer has five (5) days from the execution of the Sale Agreement as an Inspection Period. Closing of the land sale is to occur within thirty (30) days after Inspection Period.

Revenue and/or Operating Cost Implications

Revenue:

\$109,090 or \$75,234.48 per acre.

Operating Costs:

Operating costs for this transaction will not exceed \$12,500 and are generally made up of survey and environmental fees, recording fees, title work, broker fees and closing costs.

Supplier Diversity Participation

Estimated WBE spend is \$1,500 or 12% (First American Title) of the total estimated dollar amount noted above.

Recommendation

IAA staff recommends IAA Board consider for approval a Real Estate Sale Agreement with DTI Holdings LLC for the sale of 1.45 acres of land located at 5900, 5946, 5950, and 5954 West Minnesota Street, Indianapolis, Indiana, for a total sale amount of \$109,090.





BOARD MEMO – REAL ESTATE SALE AGREEMENT

To: IAA Board of Directors

From: Marsha Stone, Sr. Director of Commercial Enterprise

Date: October 29, 2018

Board Date: November 16, 2018

Subject: IAA Land Use Initiative – Real Estate Sale Agreement with SA Berg Development Company

Background

As a direct attribute of the IAA Land Use Initiative, IAA Staff have been diligently pursuing the sale of certain IAA land located at 8501-8609 West Washington Street, Indianapolis, Indiana. The land to be sold totals 8.712 acres and is as shown on the attached aerial.

Governed by law of the State of Indiana on such land transactions, the IAA procured two separate appraisals for the acreage to be sold to SA Berg Development Company. These appraisals are then averaged and that dollar amount becomes the minimum price the IAA may sell land in any transaction. The sale price for this transaction meets and exceeds the average of the two appraisal amounts and represents a Fair Market Value (FMV) transaction as required by the FAA and State of Indiana.

Land Sale Restrictions

The conveying of the land to SA Berg Development Company will also include and contain the following perpetual land use restrictions (including noise disclosures and waivers, and avigation easement), which will run with the land at all times:

- Indianapolis Airport Authority will retain a perpetual easement and right-of-way (“Airspace Easement”) for the free and unobstructed passage of aircraft in, through and across the airspace which lies above the surface of the property. Purchaser will not construct any structure or other obstructions which exceeds the height restrictions designated or established by federal or state laws, rules or regulations, or ordinances, including, but not limited to, 14 CFR Part 77 and the Marion County Airspace Ordinance.
- Purchaser agrees to file a notice consistent with requirements of 14 CFR FAR Part 77 (FAA Form 7460-1) prior to constructing any facility, structure, or other item on the herein described real property.
- Purchaser agrees it will not use, nor permit, the property to be used in such a manner as to create a potential for attracting birds and other wildlife which may pose a hazard to aircraft.

- Purchaser agrees the property will not be used for paid public parking for any types of vehicles, or as a taxi staging area or other “for hire” transportation of the traveling public.
- Purchaser agrees the property will not be used for any type of utility operation, asphalt plant, or other business or facility that emits, to any extent, smoke, fumes, vapors, or other gases that constitute a hazard to aircraft as determined by the Federal Aviation Administration.

FAA Land Release Approval

As this land falls within the “aeronautical uses” of the Airport Layout Plan (ALP), Staff is required to submit information to the FAA to receive prior approval from the FAA to release the land from aeronautical uses and approve the land sale transaction.

Scope

To execute a Real Estate Sale Agreement with SA Berg Development Company for the sale of 8.712 acres of land all located at 8501-8609 West Washington Street, Indianapolis, Indiana.

Schedule

November 16, 2018	Upon approval, IAA Board execution of the Real Estate Sale Agreement with SA Berg Development.
November 23, 2018	Within five (5) days of the execution of the Sale Agreement, the Buyer is to deliver earnest money check in the amount of \$50,000.00, as designated within the Real Estate Sale Agreement. Buyer has thirty (30) days from the execution of the Real Estate Sale Agreement as an Inspection Period. Closing of the land sale is to occur after buyer’s Inspection Period and the issuance of a Land Release by the FAA.

Revenue and/or Operating Cost Implications

Revenue:

\$784,080.00 or \$90,000.00 per acre.

Operating Costs:

Total expenses including appraisals and title work fees are estimated to be less than \$7,500.00.

Supplier Diversity Participation

Approximately \$1,500 (or 20%) of the above cost estimation is associated with closing costs. First American Title, a WBE company, will be handling the closing.

Recommendation

Consider for approval a Real Estate Sale Agreement with SA Berg Development Company for the sale of 8.712 acres of land located at 8501-8609 West Washington Street, Indianapolis, Indiana, for a total sale amount of \$784,080.00.



**IAA Board Meeting
General Agenda
November 16, 2018**

General:

- BP2018-11-06** **Consider, for approval,** Piper Warehouse, Inc.'s Foreign Trade Zone Operator Agreement & Grantee Concurrence Letter as approved by the Greater Indianapolis Foreign Trade Zone Board at its October 23, 2018 meeting.
- BP2018-11-07** **Consider, for approval,** MD Logistics, Inc. Foreign Trade Zone Operator Amendment #2 and Grantee Concurrence Letter as approved by the Greater Indianapolis Foreign Trade Zone Board at its October 23, 2018 meeting.
- BP2018-11-08** **Consider, for approval,**
Action 1: The purchase of 31 SCBAs and related equipment from Hoosier Fire Equipment Inc. in the amount of \$257,554.50.

Action 2: The purchase of a breathing air compressor and fill station from Proair Inc. in the amount of \$51,500.00.

Action 3: Authorizes the IAA executive director to execute the purchase.

Capital:

- BP2018-11-09** **Consider, for approval,** an award of contract for Rehabilitate Runway 14-32 and Taxiway M, with LEDs at the Indianapolis International Airport to Milestone Contractors, L.P. in an amount not-to-exceed \$16,719,000.00 plus a 3% construction reserve of \$501,570.00 for a total of \$17,220,570.00. Milestone Contractors, L.P. was the lowest responsive and responsible bidder. Supplier diversity participation is DBE 36.83% (The Hoosier Company, CMG Trucking and CE Hughes), MBE 5.74% (CMG Trucking), and WBE 33.00% (Protection Plus, The Hoosier Company, and CE Hughes Milling, Inc.).
- BP2018-11-10** **Consider, for approval,** an award of contract for CEP – Cooling Tower Replacement, Phase I at Indianapolis International Airport to Custom Mechanical Services Corporation in an amount not-to-exceed \$2,093,375.00 plus a 3% construction reserve of \$62,801.25 for a total of \$2,156,176.25. Custom Mechanical Services Corporation was the lowest responsive and responsible bidder. Supplier diversity participation is MBE 100% (Custom Mechanical).

BP2018-11-11 **Consider, for approval,** Change Order No. 1 (Final & Balancing) with Beaty Construction, Inc. for West Perimeter Road Bridge Repairs at Indianapolis International Airport in an amount not-to-exceed \$34,174.11.

BP2018-11-12 **Consider, for approval,** Amendment No. 1 with Kimley-Horn for Part A – Preliminary Engineering and Programming for Runway 5R-23L and Taxiway D at Indianapolis International Airport (IND) in an amount not-to-exceed \$318,357.00 (fees and expenses) and the Lump Sum amount of \$674,593.00, for a total contract amendment amount of \$996,688.00. Supplier diversity participation in this amendment is DBE, 21.22% (Connico, Journey Engineering, Loftus Engineering and Infrastructure Engineering), MBE 15.50% (CTL Engineering, Inc., and Infrastructure Engineering), WBE 11.17% (Connico, Inc., Journey Engineering, LLC, Protection Plus, Inc., and Loftus Engineering, Inc.), and VBE 7.61% (Guidon Design).

BP2018-11-13 **Consider, for approval,**
Action 1 - The IAA staff recommends the IAA Board consider for approval a professional services contract with BB Engineering & Management in support of the IAA’s Capital Improvement Program and Other Projects and Initiatives in an amount not-to-exceed \$257,500.00.

Action 2 - The IAA staff recommends the IAA Board consider for approval a professional services contract with CORE Planning Strategies, LLC in support of the IAA’s Capital Improvement Program and Other Projects and Initiatives in an amount not-to-exceed \$177,300.00. Supplier diversity participation is WBE 100% (CORE).

Action 3 - The IAA staff recommends the IAA Board consider for approval a professional services contract with MB Consulting for staff augmentation and project management services at IAA in an amount not-to-exceed \$139,950.00 (fees) and \$10,000.00 (expenses).

Action 4 - The IAA staff recommends the IAA Board consider for approval a professional services contract with Michael Baker International for staff augmentation and project management services at IAA in an amount not-to-exceed \$394,220.83 (fees) and \$25,680.00 (expenses).

Action 5 - The IAA staff recommends the IAA Board consider for approval a professional services contract with MZ Corporation for staff augmentation and project management services in an amount not-to-exceed \$480,000.00 (fees) and \$500.00 (expenses). Supplier diversity participation is DBE 100% (MZ Corporation) and WBE 100% (MZ Corporation).



**BOARD MEMO – PIPER WAREHOUSE, INC.
FOREIGN TRADE ZONE
OPERATOR AGREEMENT**

To: IAA Board of Directors

From: Marsha Stone, Sr. Director of Commercial Enterprise

Date: October 30, 2018

Board Date: November 16, 2018

Subject: Piper Warehouse, Inc., Foreign Trade Zone Operator Agreement & Grantee Concurrence Letter

Background

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

Piper Warehouse, Inc., is requesting FTZ designation for two distribution facilities: 2900 Franklin Road, Indianapolis, IN 46219 and 2222 Hillside Ave., Indianapolis, IN 46218.

Piper Warehouse is a third-party logistics provider for foreign and domestic manufacturers producing paper and automotive parts. The company serves 21 U.S. and seven international clients, moving on average, more than 12,000 tons of rolled paper product, 6,000 bundles of corrugated cardboard and 33,000 automotive parts.

With 681,085 square feet between two facilities, Piper Warehouse will realize financial savings and operational efficiencies that can support their business development facet of the company. FTZ designation is expected to support further expansion of both employees and building footprint.

The GIFTZ Board concurred with Piper Warehouse’s request for FTZ designation at the October 23, 2018 GIFTZ Board Meeting.

Scope

The GIFTZ Board supports the IAA Board’s execution of the FTZ Operator Agreement and Grantee Concurrence Letter.

Schedule

October 23, 2018: GIFTZ Board approval concurrence for FTZ designation.
November 16, 2018: Upon IAA approval, execution of the FTZ Operator Agreement and Grantee Concurrence Letter by the IAA Board.
December 3, 2018: Application submitted to FTZ Board-Washington, D.C. for approval.
January 7, 2019: Anticipated approval from the FTZ Board-Washington, D.C.

Revenue and/or Operating Cost Implications

Revenue:

Anticipated revenue impact is \$48,000/annum additional fees to the GIFTZ.

Operating Costs:

The GIFTZ has no additional costs associated with the application and designation process.

Supplier Diversity Participation

Not applicable.

Recommendation

The IAA staff recommends the IAA Board consider for approval Piper Warehouse, Inc.'s Foreign Trade Zone Operator Agreement & Grantee Concurrence Letter as approved by the Greater Indianapolis Foreign Trade Zone Board at its October 23, 2018 meeting.



**BOARD MEMO – MD LOGISTICS, INC.,
FOREIGN TRADE ZONE
OPERATOR AMENDMENT #2**

To: IAA Board of Directors
From: Marsha Stone, Sr. Director of Commercial Enterprise
Date: October 30, 2018
Board Date: November 16, 2018
Subject: MD Logistics, Inc. - Foreign Trade Zone Operator Amendment #2

Background

The Indianapolis Airport Authority (IAA) is the Foreign Trade Zone (FTZ) “Grantee” representing Central Indiana communities. In 1980, IAA created a separate company, the Greater Indianapolis Foreign Trade Zone, Inc. (GIFTZ), a not-for-profit 501C (6), to administer the FTZ program on its behalf.

MD Logistics, Inc. (MDL) is requesting FTZ expansion for its facility located at 2370 Perry Road, Plainfield, IN 46168. The designated area would add an additional 177,000 square feet of FTZ space at their Plainfield facility. This expansion will support the hiring of 25 additional jobs and a more efficient speed-to-market for FDA-approved pharmaceutical products.

MDL’s Operator Agreement was executed on October 15, 2010. MDL provides contract warehousing and inventory management; along with fulfillment, distribution, packaging, transportation and global freight forwarding services.

Scope

The GIFTZ Board concurred with this request on October 23, 2018 and recommends the IAA Board issue concurrence for an FTZ expansion and execution of FTZ Operator Amendment #2.

Schedule

October 23, 2018: GIFTZ Board approval of Grantee concurrence letter.
November 16, 2018: Upon IAA approval, Grantee Concurrence Letter issued for MD Logistics’ FTZ expansion and execution of Amendment #2 to this Foreign Trade Zone Operator Agreement.

Revenue and/or Operating Cost Implications

Revenue:

MDL's annual grantee fee will remain \$48,000/annum.

Operating Costs:

There are no additional costs associated with the execution of the FTZ Operator Amendment #2 and concurrence for an FTZ expansion.

Supplier Diversity Participation

Not applicable.

Recommendation

The IAA Staff recommends the IAA Board consider for approval the MD Logistics, Inc. Foreign Trade Zone Operator Amendment #2 and Grantee Concurrence Letter as approved by the Greater Indianapolis Foreign Trade Zone Board at its October 23, 2018 meeting.



**BOARD MEMO – SELF CONTAINED BREATHING APPARATUS
(SCBA) REPLACEMENT**

To: IAA Board of Directors
From: Keith Berlen, Interim Sr. Director of Operations
Date: October 29, 2018
Board Date: November 16, 2018
Subject: Self-Contained Breathing Apparatus (SCBA) Replacement

Background

This project replaces 31 Self Contained Breathing Apparatus (SCBA) and associated equipment, (spare cylinders, masks, regulators, etc.), that are at the end of their 10-year expected life cycle. This project also replaces a 20-year-old air compressor and fill station for the breathing air tanks.

SCBAs are a lifeline for firefighters to enter hazardous atmospheres, allowing them to breathe, while protecting both their lungs and face. The devices have safety features including detection of no movement of a downed firefighter, and the ability to monitor low air in the tank. They have a feature that helps locate firefighters that may have become disoriented or trapped, and some of the packs have built in Inferred technology to help the firefighter locate victims in dark or smoke-filled areas. These units are heavily regulated by national safety organizations and meet all current requirements. There is an expected new requirement due out next year that has been included in this package for upgrade when it becomes available.

The air compressor/fill station is a standalone unit capable of producing 6000psi of compressed breathing air into storage tanks, allowing for the rapid filling of air cylinders. This system has filters and contamination sensors to assure that the breathable air meets safe levels. These units are also heavily regulated by national safety organizations and meet all current requirements. Quarterly air samples are taken by a third-party testing firm to assure safety requirements are met. There is an existing agreement in effect for those quarterly inspections.

Marion County Fire Departments have been working together to develop Bids, RFP, and RFQs for fire equipment open to all Marion County Fire Departments by adding verbiage to the documents. This allows standardization in equipment and provides better quantity pricing.

The City of Beech Grove just opened bids for SCBAs and awarded the purchase to Hoosier Fire Equipment Inc. Using those prices and changing quantities to replace what we currently have, the price, with trade in, is \$257,554.50 (Exhibit 1)

The City of Indianapolis awarded an RFQ for air compressors and fill stations to Proair, Inc. Using their price and adding an option that increases safety to the operator, and documents required records, the price is \$51,500 (Exhibit 2). This includes shipping, installation, and trade in.

The total cost of this project is \$309,054.50. Both suppliers are current IAA Vendors in good standings.

Scope

This project proposes to replace the current inventory of SCBA and related equipment, the air compressor, and fill station. The existing equipment will be disposed of by trade in and is accounted for in the price.

Budget

This project is included in the approved 2018 Capital Budget #13 in the amount of \$315,000.

Schedule

Board approves: November 16, 2018

Equipment Delivery and install within 90 days.

Supplier Diversity Participation

After consulting with the IAA Director of Supplier and Diversity, no certified manufactures were identified for supplier diversity participation in this purchase.

Recommendation

The IAA staff has reviewed the quotes and recommends the IAA Board consider for approval the following:

- The purchase of 31 SCBAs and related equipment from Hoosier Fire Equipment Inc. in the amount of \$257,554.50,
- The purchase of a breathing air compressor and fill station from Proair Inc. in the amount of \$51,500.00,
- Authorizes the IAA executive director to execute the purchase.



BOARD MEMO – CONTRACT AWARD

To: IAA Board of Directors

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

Date: November 6, 2018

Board Date: November 16, 2018

Subject: Award of Construction Contract with Milestone Contractors, L.P. for Rehabilitate Runway 14-32 and Taxiway M, with LEDs at Indianapolis International Airport (Project No. I-17-071)

Background

Runway 14-32 was rehabilitated in 2002 and currently exhibits high quantities of cracking and weathering. A network level Pavement Management Program (PMP) study completed in 2016 recommended Runway 14-32 and connector Taxiways M and G for rehabilitation. In addition to the rehabilitation, the project will upgrade the existing incandescent taxiway lighting and signage to LEDs.

On May 23, 2018, the IAA Executive Director approved plans and specifications and authorized public bidding process for Rehabilitate Runway 14-32 and Taxiway M, with LEDs at Indianapolis International Airport. Due to funding Taxiway G was not included in the project.

On July 12, 2018 the IAA staff received two bids. The project contained a base bid and the two additive alternate bids for Rehabilitate Runway 14-32 and Taxiway M, with LEDs at the Indianapolis International Airport. The bids received included the base bids and both additive alternate bids and ranged from \$16,719,000.00 to \$19,886,500.00. Milestone Contractors, L.P. was the lowest responsive and responsible bidder in the amount of \$16,719,000.00 for the base bid and both additive alternate bids.

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 previously been 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 the project 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

The Runway 14-32 and Taxiway M, with LEDs construction includes pavement rehabilitations and lighting improvements.

Pavement rehabilitation items include, but are not limited to:

- Partial depth milling and overlay of portions of Runway 14-32
- Full depth pavement removal and replacement of portions of Runway 14-32
- Partial depth milling and overlay of Taxiways A, M, M-1, G, H, M-2, and M-3
- Concrete joint cleaning and resealing on portion of Taxiways M-3, D, and J
- Pavement Removal on Taxiway J and M-2 with restoration

Lighting improvement items include, but are not limited to:

- Replacement of airfield series circuit cabling
- Replacement of all elevated and in-pavement runway and taxiway lighting with new LED technology on Runway 14-32, M, G, N, and associated connectors
- Replacement of all runway and taxiway guidance signs with new LED technology
- Selective removal and installation of new runway and taxiway lighting due to demolished taxiway pavements
- Selective removal and installation of new runway and taxiway guidance signs due to demolished taxiway pavements
- Replacement of constant current regulators
- Installation of new home run duct bank system including junction can plazas
- Replacement of pavement condition sensors

Budget

The Milestone Contractors, L.P. contract is \$16,719,000.00, which is within the approved 2019 Capital Budget for Rehabilitate Runway 14-32 and Taxiway M, with LEDs project.

Project Name

Contract Amount (including 3% reserve)	\$	17,220,570.00
Design (including survey and geotechnical)		897,737.68
Advertisements for Bid		462.01
Inspection/Materials Testing (Estimate)		950,000.00
Safety Risk Assessment		14,955.00
Miscellaneous (Unallocated)		<u>1,266,275.31</u>
Total Anticipated Project Cost	\$	20,350,000.00

The funding for this project is 75% Federal Aviation Administration (FAA) grant funds and 25% Airport cash funded. The FAA AIP grant for the professional services contract was awarded on September 12, 2017 and the FAA AIP grant for construction services and inspection/materials testing was awarded on September 14, 2018.

The project is being undertaken to rehabilitate existing infrastructure integral to the continued safe operation of the airport and is anticipated to be grant funded. As a result of the critical nature of the repairs and the anticipated grant funding, this project is exempt under the Authority's hurdle rate policy and has not been subjected to an internal rate of return calculation.

Schedule

Contract award is anticipated November 16, 2018 and the substantial completion is expected to be November 2019.

Supplier Diversity Participation

The Director of Supplier Diversity has approved the following:

Firm	Amount				%			
	DBE	MBE	WBE	VBE	DBE	MBE	WBE	VBE
Protection Plus	\$ -	\$ -	\$ 320,000.00	\$ -	0.00%	0.00%	1.91%	0.00%
The Hoosier Company	5,033,000.00	-	5,033,000.00	-	30.10%	0.00%	30.10%	0.00%
CMG Trucking	960,000.00	960,000.00	-	-	5.74%	5.74%	0.00%	0.00%
CE Hughes Milling, Inc.	165,000.00	-	165,000.00	-	0.99%	0.00%	0.99%	0.00%
Totals	\$ 6,158,000.00	\$ 960,000.00	\$ 5,518,000.00	\$ -	36.83%	5.74%	33.00%	0.00%

Recommendation

The IAA staff recommends the IAA Board consider for approval an award of contract for Rehabilitate Runway 14-32 and Taxiway M, with LEDs at the Indianapolis International Airport to Milestone Contractors, L.P. in an amount not-to-exceed \$16,719,000.00 plus a 3% construction reserve of \$501,570.00 for a total of \$17,220,570.00. Milestone Contractors, L.P. was the lowest responsive and responsible bidder. Supplier diversity participation is DBE 36.83% (The Hoosier Company, CMG Trucking and CE Hughes), MBE 5.74% (CMG Trucking), and WBE 33.00% (Protection Plus, The Hoosier Company, and CE Hughes Milling, Inc.).



Indianapolis Airport Authority

BOARD MEMO – CONTRACT AWARD

To: IAA Board of Directors

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

Date: November 6, 2018

Board Date: November 16, 2018

Subject: Award of Construction Contract with Custom Mechanical Services for CEP – Cooling Tower Replacement, Phase I at Indianapolis International Airport (Project No. I-18-029)

Background

The Central Energy Plant (CEP) cooling towers located at Hoffman Road on the north side of the Indianapolis International Airport (IND) are critical to maintaining the appropriate cooling capacity for the Indianapolis Maintenance Center (IMC) and the IND Terminal Building. The five existing cooling towers are more than 25 years old and are nearing the end of their useful service life. In addition, some of the supporting structures must be replaced. This project is Phase I of three phases to replace the five aging cooling towers. Phase I will add one cooling tower and replace one cooling tower. Phase II will remove and replace two cooling towers. Phase III will remove and replace one cooling tower. One unused space will remain open at the end of the project.

On March 16, 2018, the IAA Board approved a contract with Applied Engineering to provide mechanical, electrical, structural design, and construction administration services for the three-year phased replacement of the cooling towers and the restoration of the structural supports.

On September 10, 2018, Argo Consulting Engineers was issued Task Order No. 2 as a part of their 2018 On-Call Professional Services Contract to provide a peer review of the bidding documents prepared by Applied Engineering Services.

On September 19, 2018, the Executive Director approved plans and specifications and authorized the public bidding process for CEP – Cooling Tower Replacement, Phase I, Project No. I-18-029 at Indianapolis International Airport.

On October 26, 2018, the IAA staff received one bid. The project contained a base bid only. Custom Mechanical Systems Corporation was the lowest responsive and responsible bidder in the amount of \$2,093,375.00.

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 previously been 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

The scope of Phase I of the project is the addition of one cooling tower and replacement of one cooling tower.

Budget

The Custom Mechanical Systems, Corporation contract is \$2,093,375.00 which is within the approved 2019 Capital Budget for CEP – Cooling Tower Replacement, Phase I.

CEP Cooling Tower Replacement

Contract Amount (including 3% reserve)	\$	2,156,176.25
Design		249,599.00
Advertisements for Bid		327.00
Peer Review		19,710.00
Total Anticipated Project Cost	\$	2,425,812.25

This project is being undertaken to repair existing infrastructure integral to the continued operation of the airport. 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

Contract award is anticipated November 16, 2018 and the substantial completion is expected to be September 2019.

Supplier Diversity Participation

The Director of Supplier Diversity has approved the following:

Firm	Amount			%		
	MBE	WBE	VBE	MBE	WBE	VBE
Custom Mechanical	2,093,375.00	-	-	100.00%	0.00%	0.00%
Totals	\$ 2,093,375.00	\$ -	\$ -	100.00%	0.00%	0.00%

Recommendation

The IAA staff recommends the IAA Board consider for approval an award of contract for CEP – Cooling Tower Replacement, Phase I at Indianapolis International Airport to Custom Mechanical Services Corporation in an amount not-to-exceed \$2,093,375.00 plus a 3% construction reserve of \$62,801.25 for a total of \$2,156,176.25. Custom Mechanical Services Corporation was the lowest responsive and responsible bidder. Supplier diversity participation is MBE 100% (Custom Mechanical).



BOARD MEMO – CHANGE ORDER

To: IAA Board of Directors

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

Date: November 6, 2018

Board Date: November 16, 2018

Subject: Approval of Change Order No. 1 (Final & Balancing) with Beaty Construction, Inc. for West Perimeter Road Bridge Repairs at Indianapolis International Airport (Project No. I-18-017)

Background

The West Perimeter Road Bridge over Col. H. Weir Cook Memorial Drive at the Indianapolis International Airport (IND) is a post-tensioned two-span concrete bridge constructed in 2006. The intent of this project is to address deterioration occurring at both concrete approach slabs.

The IAA Executive Director originally approved Plans and Specifications prepared by Journey Engineering, LLC via the 2017 On-Call contract and authorized the Public Bidding Process for the project on February 22, 2018; however, no bids were received.

On March 27, 2018, the IAA Executive Director approved the rebidding of the project. On April 25, 2018, the IAA staff received four bids. Beaty Construction, Inc. was the lowest responsive and responsible bidder. On May 18, 2018, the IAA Board awarded a construction contract to Beaty Construction, Inc. in the amount of \$385,400.00.

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 numerous items, all falling under Unforeseen Circumstances:

Exploration and Remediation of Existing Pavement Ledges: The original bridge was constructed with concrete ledges to support the concrete approach slabs at the end bents on each end of the

bridge. Upon removal of the existing approach slabs (to be replaced as part of this contract), the existing pavement ledges were found deteriorated beyond reuse. The Contractor was directed, under Force Account to remove the existing pavement ledges to determine the extent of deterioration, and install new pavement ledges in accordance with the remedial design prepared by Journey Engineering, LLC. The cost of this force account was \$20,459.02.

The change order also addresses Over-runs and Under-runs from the list of unit prices, including: excavation, surface sealing of new concrete pavement, modification of existing guardrail posts, subgrade treatment, flowable fill, compacted aggregate, No. 2 stone, hot-mix asphalt (HMA), geotextiles, revetment rip-rap, topsoil, drilling holes in existing concrete, 6" pipe, under-drain aggregate, temporary removable pavement markings, construction signage, and permanent pavement markings. The net result of the balancing of unit cost items, due to the additional scope, was \$13,715.09.

Given the above, the total not-to-exceed amount of this Change Order No. 1 (Final & Balancing) is \$34,174.11.

Budget

Revised Construction Amount

Original Contract Amount		\$	385,400.00
Current Change Order No. 1	(8.87% of contract)		<u>34,174.11</u>
New Construction Contract Total		\$	419,574.11

Project Costs

Design (including survey and geotechnical)		\$	39,656.02
Advertisements for Bid			613.00
Inspection & Materials Testing			55,609.00
Project Management			68,000.00
Construction Contract Amount			385,400.00
Previous Change Orders			-
Current Change Order No. 1 (8.87%)			<u>34,174.11</u>
Revised Total Anticipated Project Cost		\$	583,452.13

Schedule

This amendment does not change the term of the contract. The contract with Beaty Construction, Inc. expired August 31, 2018; the contract work was completed on August 15, 2018, two weeks ahead of schedule.

Supplier Diversity Participation

There is no supplier diversity participation on this Change Order.

Project Summary to Date:

Contract/Change Order/Amendment	Execution	Total Contract Amount	Diversity Participation %		
			MBE	WBE	VBE
American Structurepoint	7/1/2016	68,000.00	0.00%	0.00%	0.00%
Journey Engineering, LLC - Design Contract	10/23/2017	\$ 39,656.02	0.00%	100.00%	9.17%
Journey Engineering, LLC - Inspection Contract	4/13/2018	45,509.60	0.00%	66.01%	0.00%
Beaty Construction	5/18/2018	385,400.00	4.61%	14.22%	20.49%
Journey Engineering LLC	6/20/2018	10,099.80	0.00%	100.00%	0.00%
Beaty Construction - CO #1	11/16/2018	34,174.11	0.00%	0.00%	0.00%
Revised Project Totals		\$ 582,839.53	3.05%	23.09%	13.55%

Recommendation

The IAA staff recommends the IAA Board consider for approval Change Order No. 1 (Final & Balancing) with Beaty Construction, Inc. for West Perimeter Road Bridge Repairs at Indianapolis International Airport in an amount not-to-exceed \$34,174.11.



Indianapolis Airport Authority

BOARD MEMO– CONTRACT AMENDMENT

To: IAA Board of Directors

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

Date: November 6, 2018

Board Date: November 16, 2018

Subject: Approval of Amendment No. 1 with Kimley-Horn for Part A – Preliminary Engineering and Programming for Runway 5R-23L and Taxiway D at Indianapolis International Airport (IND) (Project No. I-18-077)

Background

On September 21, 2018, the Indianapolis Airport Authority (IAA) Board approved a contract with Kimley-Horn for Part A – Preliminary Engineering and Programming for Runway 5R-23L and Taxiway D at IND. Overall, Part A is comprised of four tasks; however, the approved contract only authorized Tasks 1 and 2. Moreover, the contract specified which elements of Tasks 1 and 2 were to be done as Lump Sum (LS) and what elements were to be considered Not-To-Exceed (NTE).

The intent of this differentiation was to allow Kimley-Horn to expedite the field work components of the project, taking advantage of runway and taxiway closures which were previously scheduled for other projects, thereby reducing impacts on operations. This partial approval of the overall scope (contracting for Tasks 1 and 2 of Tasks 1 – 4) also enabled the IAA to continue scope and fee negotiations with Kimley-Horn, while obtaining independent fee estimates (IFEs), without jeopardizing their ability to complete this crucial project on schedule.

It has always been the intent of the IAA to authorize Tasks 3 and 4, and to revise the structure of Tasks 1 and 2, via amendment, once scope and fee negotiations, and IFEs had been completed. Negotiations are now complete, with the IFEs performed having validated the fees.

Scope

The scope of Amendment No. 1 is multi-fold. Firstly, this Amendment authorizes Tasks 3 and 4 of Part A. Secondly, Amendment No. 1 adds additional scope items to Task 2. Lastly, this Amendment revises the amount of LS and NTE work within Task 1 and 2.

Budget

As shown in the Table below, Amendment No. 1 increases the overall contract amount by \$996,688.00 to a total contract amount of \$1,692,304.00, which is within the approved 2019 Capital Budget for Part A- Preliminary Engineering and Programming for Runway 5R-23L and Taxiway D at Indianapolis International Airport (IND). As a result of this Amendment, the overall contract’s LS fees will be \$1,318,473.00, whereas the NTE fees will be \$373,831.00.

The funding for this project is expected to be 75% Federal Aviation Administration (FAA) grant funds and 25% Airport cash funded.

The project is being undertaken to rehabilitate existing infrastructure integral to the continued safe operations of the airport and is anticipated to be grant funded. As a result of the critical nature of the repairs and the anticipated grant funding, this project is exempt under the Authority’s hurdle rate policy and has not been subjected to an internal rate of return calculation.

Schedule

This amendment does not change the term of the contract. The contract with Kimley-Horn expires on June 30, 2019.

Supplier Diversity Participation

The Director of Supplier Diversity has approved the following:

Firm	Amount				%			
	DBE	MBE	WBE	VBE	DBE	MBE	WBE	VBE
CTL Engineering	-	46,812.00	-	-	0.00%	4.70%	0.00%	0.00%
Connico, Inc.	45,286.00	-	45,286.00	-	4.54%	0.00%	4.54%	0.00%
Journey Engineering, LLC	32,160.00	-	32,160.00	-	3.23%	0.00%	3.23%	0.00%
Protection Plus, Inc.	-	-	7,500.00	-	0.00%	0.00%	0.75%	0.00%
Loftus Engineering, Inc.	26,428.00	-	26,428.00	-	2.65%	0.00%	2.65%	0.00%
Guidon Design, Inc.	-	-	-	75,886.00	0.00%	0.00%	0.00%	7.61%
Infrastructure Engineering	107,656.00	107,656.00	-	-	10.80%	10.80%	0.00%	0.00%
Totals	\$ 211,530.00	\$ 154,468.00	\$ 111,374.00	\$ 75,886.00	21.22%	15.50%	11.17%	7.61%

Recommendation

The IAA staff recommends the IAA Board consider for approval Amendment No. 1 with Kimley-Horn for Part A – Preliminary Engineering and Programming for Runway 5R-23L and Taxiway D at Indianapolis International Airport (IND) in an amount not-to-exceed \$318,357.00 (fees and expenses) and the Lump Sum amount of \$674,593.00, for a total contract amendment amount of \$996,688.00. Supplier diversity participation in this amendment is DBE, 21.22% (Connico, Journey Engineering, Loftus Engineering and Infrastructure Engineering), MBE 15.50% (CTL Engineering, Inc., and Infrastructure Engineering), WBE 11.17% (Connico, Inc., Journey Engineering, LLC, Protection Plus, Inc., and Loftus Engineering, Inc.), and VBE 7.61% (Guidon Design).



Indianapolis Airport Authority

BOARD MEMO – CONTRACT AWARD

To: IAA Board of Directors

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

Date: October 23, 2018

Board Date: November 16, 2018

Subject: Approval of Professional Services contract renewals for Staff Augmentation & Project Management Services in Support of IAA’s Capital Improvement Program and Other Projects and Initiatives at the Indianapolis Airport Authority

Background

On October 13, 2017, the IAA issued a Request for Qualifications (RFQ) to assist the IAA with staff Augmentation and project management services with responses due on November 17, 2017. Seventeen (17) Statement of Qualifications (SOQs) were received. IAA representatives reviewed and ranked the qualifications. Five (5) consulting firms were selected for a one (1) year term, with the option of four one (1) year renewals.

At this time, all five consulting firms are providing project management staff support of critical IAA projects. Given the need for these services, the IAA Staff is seeking to renew each Professional Service Contract for a one (1) year term.

Scope

Action 1

The Professional Services Contract with BB Engineering & Management will begin January 1, 2019, with an end date of December 31, 2019. The contract amount is not-to-exceed \$257,500.00. This contract will provide professional services in support of IAA’s Capital Improvement Program and other projects and initiatives for an estimated 2000 hours in 2019.

Action 2

The Professional Services Contract with CORE Planning Strategies, LLC will begin October 8, 2018, with an end date of December 31, 2019. This contract amount is not-to-exceed \$177,300.00. This contract will provide professional services in support of IAA’s Capital Improvement Program and other projects and initiatives for an estimated 1300 hours over the contract term.

Action 3

The Professional Services Contract with MB Consulting will have an effective date of January 1, 2019, with an end date of December 31, 2019. The contract amount is not-to-exceed \$149,950.00 (fees & expenses). This contract will provide professional services in support of IAA’s Capital Improvement Program and other projects and initiatives for an estimated 933 hours in 2019.

Action 4

The Professional Services Contract with Michael Baker International will have an effective date of October 1, 2018, with an end date of December 31, 2019. This contract amount is not-to-exceed \$419,900.83 (Fees & Expenses). This contract will provide professional services in support of IAA’s Capital Improvement Program and other projects and initiatives for an estimated 2000 hours over the contract term.

Action 5

The Professional Services Contract with MZ Corporation dba Zurbuch Development/Construction Consulting will begin January 1, 2019, with an end date of December 31, 2019. The MZ Corporation contract provides access to three staff with varying rates and skills; thereby affording the IAA the opportunity to have the services of one or more staff depending on the needs of the IAA. The contract value is based on the blended rate of \$141.18/hour applied over 3,400 hours, resulting in not-to-exceed total of \$480,500.00 (fees & expenses).

All Actions

The above Staff Augmentation contracts will provide the IAA a combined 10,156 hours Project Manager support. The breakout of the hours, rates, contract totals are provided below.

Budget

The contracts below will be financed through the 2019 Operating Budget and projects approved in the 2019 capital budget.

Staff Augmentation Professional Services				
Consultant	Anticipated Hours	Hourly Rate	Expense	Contract Value
BB Engineering & Management	2000	\$ 128.75	\$ -	\$ 257,500.00
CORE Planning Strategies, LLC	300	\$ 131.00	\$ -	\$ 177,300.00
	1000	\$ 138.00		
MB Consulting	933	\$ 150.00	\$ 10,000.00	\$ 149,950.00
Michael Baker International	523	\$ 157.21	\$ 25,680.00	\$ 419,900.83
	2000	\$ 156.00		
MZ Corporationng - Mary Zurbuch - James Cruz - Richard Butwin	3400	\$ 141.18 (Blended Hourly Rate)	\$ 500.00	\$ 480,500.00
Totals	10,156			\$ 1,485,150.83

Schedule

The term of these contracts is noted in the scopes, but generally are twelve (12) months in duration and all expire December 31, 2019.

Supplier Diversity Participation

For Action 1: 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.

For Action 2: The Director of Supplier Diversity has approved the following for CORE Planning Strategies, LLC:

Firm	Amount			\$		
	MBE	WBE	VBE	MBE	WBE	VBE
CORE	\$0.00	\$177,300.00	\$0.00	0.00%	100.00%	0.00%
Totals	\$0.00	\$177,300.00	\$0.00	0.00%	100.00%	0.00%

For Action 3: MB Consulting 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.

For Action 4: Michael Baker International 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.

For Action 5: The Director of Supplier Diversity has approved the following for MZ Corporation:

Firm	Amount				%			
	DBE	MBE	WBE	VBE	DBE	MBE	WBE	VBE
Zurbuch Consulting	\$480,000.00	\$0.00	\$480,000.00	\$0.00	100.00%	0.00%	100.00%	0.00%
Totals	\$480,000.00	\$0.00	\$480,000.00	\$0.00	100.00%	0.00%	100.00%	0.00%

Recommendation

Action 1 - The IAA staff recommends the IAA Board consider for approval a professional services contract with BB Engineering & Management in support of the IAA’s Capital Improvement Program and Other Projects and Initiatives in an amount not-to-exceed \$257,500.00.

Action 2 - The IAA staff recommends the IAA Board consider for approval a professional services contract with CORE Planning Strategies, LLC in support of the IAA’s Capital Improvement Program and Other Projects and Initiatives in an amount not-to-exceed \$177,300.00. Supplier diversity participation is WBE 100% (CORE).

Action 3 - The IAA staff recommends the IAA Board consider for approval a professional services contract with MB Consulting for staff augmentation and project management services at IAA in an amount not-to-exceed \$139,950.00 (fees) and \$10,000.00 (expenses).

Action 4 - The IAA staff recommends the IAA Board consider for approval a professional services contract with Michael Baker International for staff augmentation and project management services at IAA in an amount not-to-exceed \$394,220.83 (fees) and \$25,680.00 (expenses).

Action 5 - The IAA staff recommends the IAA Board consider for approval a professional services contract with MZ Corporation for staff augmentation and project management services in an amount not-to-exceed \$480,000.00 (fees) and \$500.00 (expenses). Supplier diversity participation is DBE 100% (MZ Corporation) and WBE 100% (MZ Corporation).