



Agenda
Indianapolis Airport Authority
October 16, 2015
8:30 AM

I. Call to Order

II. Approval of Minutes of the Pre-Board and Regular Meeting of September 18, 2015

III. Ordinances, Resolutions and Public Hearings

- a) Consider for approval **Resolution No. 14-2015**, amending and replacing the existing Investment Policy, effective October 16, 2015.
- b) Public Hearing on **BP2015-10-1**, concerning the sale of 11.659 acres via a Real Estate Auction to be performed by Schrader Auction Company on October 24, 2015, at The Palms facility located in Plainfield, IN.
- c) Consider, for approval, adoption of **BP2015-10-1**, concerning the sale of 11.659 acres via a Real Estate Auction to be performed by Schrader Auction Company on October 24, 2015, at The Palms facility located in Plainfield, IN.

IV. Board Reports

President's Report

V. Official Actions

Consider, for approval, the individual items listed on the IAA General Agenda, dated October 16, 2015.

VI. Staff Reports

Executive Director Report

VII. Other Reports/Update

VIII. Board Communications

Next Meeting: Friday, November 20 @ 8:30 a.m.

IX. Adjourn

MINUTES
Board of Directors Meeting
Indianapolis Airport Authority

The Regular Meeting of the Indianapolis Airport Authority Board was called to order at 8:30 a.m., September 18, 2015, in the Airport's Board Room at the Indianapolis International Airport.

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

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

Rex M. Joseph, Jr., IAA Board Counsel

IAA executive staff attending:

Mario Rodriguez, Executive Director
Mike Medvescek, Sr. Director of Operations
Marsha Stone, Sr. Director of Commercial Enterprise
Joseph Heerens, General Counsel
Shannetta Griffin, Sr. Director of Planning & Development
Robert Thomson, Sr. Director of Finance
Jamie Leap, Sr. Executive Assistant/Recording Secretary

APPROVAL OF MINUTES

Upon a motion by Mr. Flynn, seconded by Mr. Dillinger and unanimously passed, approval was given to the Minutes of both the Pre-Board and Regular Meetings of August 21, 2015.

ORDINANCES, RESOLUTIONS AND PUBLIC HEARINGS

President Wells opened the public hearing and described General Ordinance No. 3-2015 (revising and modifying General Ordinance No. 7-2014), which amends the 2015 Rates & Charges Ordinance to provide for an adjustment in the rate for Premium Valet services. President Wells 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. Flynn, seconded by Mr. Voorhies and unanimously passed, approval was given to General Ordinance No. 3-2015.

President Wells next opened the public hearing and described BP2015-09-1, concerning a Real Estate Auction to be performed by Schrader Auction Company for the sale of approximately 329 acres of land owned by the IAA on October 24, 2015, which will occur at The Palms facility located in Plainfield, Indiana. President Wells asked if there were any comments or testimony. Several members of the public offered their comments and asked questions about the auction process and certain parcels of land. President Wells, along with members of the IAA Executive Team, answered their questions. President Wells then asked if there were any further comments or testimony. There being none, he closed the hearing and asked for a motion. Upon a motion by Mr. Dillinger, seconded by Mr. Voorhies and unanimously passed, approval was given to BP2015-09-1.

BOARD REPORTS

President's Report

President Wells noted the significant increase in air service at IND over the last year, as well as the ongoing efforts of IAA Staff to secure additional non-stop flights.

OFFICIAL ACTIONS

INTRODUCTION AND APPROVAL OF THE INDIANAPOLIS AIRPORT AUTHORITY'S GENERAL AGENDA, DATED September 18, 2015: President Wells introduced and then verbally described each of the individual items listed on the General Agenda, after which he asked for separate motions of approval, as follows:

BP2015-09-2. Upon a motion by Ms. Wojtowicz, seconded by Mr. Morton and unanimously passed, approval was given to BP2015-09-2.

BP2015-09-3; Action #1. Upon a motion by Mr. Bennett, seconded by Mr. Morton and unanimously passed, approval was given to BP2015-09-3; Action #1.

BP2015-09-3; Action #2. Upon a motion by Ms. Wojtowicz, seconded by Dr. Borst and unanimously passed, approval was given to BP2015-09-3; Action #2.

BP2015-09-4. Upon a motion by Mr. Flynn, seconded by Mr. Bennett and unanimously passed, approval was given to BP2015-09-4.

BP2015-09-5. Upon a motion by Mr. Morton, seconded by Dr. Borst and unanimously passed, approval was given to BP2015-09-5.

BP2015-09-6. Upon a motion by Mr. Morton, seconded by Mr. Bennett and unanimously passed, approval was given to BP2015-09-6.

BP2015-09-7. Upon a motion by Mr. Morton, seconded by Dr. Borst and unanimously passed, approval was given to BP2015-09-7.

BP2015-09-8; Action #1. Upon a motion by Mr. Dillinger, seconded by Dr. Borst and unanimously passed, approval was given to BP2015-09-8; Action #1.

BP2015-09-8; Action #2. Upon a motion by Mr. Bennett, seconded by Mr. Morton and unanimously passed, approval was given to BP2015-09-8; Action #2.

BP2015-09-9. Upon a motion by Mr. Voorhies, seconded by Mr. Morton and unanimously passed, approval was given to BP2015-09-9.

STAFF REPORTS

Executive Director's Report

Mr. Rodriguez provided the following report:

- The FedEx Plane Pull was held on Saturday, August 29, 2015, to raise money for Special Olympics. More than 70 teams participated, raising over \$155,000 for the charity.
- Captain Ryan Lynch (Republic Airways), and Mr. Kameron Vonderwall (ACE Academy Student), expressed their appreciation to the IAA for all its assistance and support of the 2015 ACE Academy, and also shared their thoughts on how the ACE Academy impacts the lives of students in so many positive ways.
- Mr. Brad Haberman (Anna's Celebration of Life), and Ms. J'Lynn Benner (Indiana Children's Wish Fund), were present to accept a check in the amount of \$3,418 which was raised in connection with the IAA's annual charity golf outing held on June 16, 2015.
- Mr. Edward Gorski (APD), Ms. Ruth Hernandez (Parking), and Mr. David Myrick (Terminal Services) of the IAA, were each recognized for receiving a Core Value Award in the 2nd Quarter.

ADJOURNMENT

President Wells announced the next IAA Board meeting is scheduled for October 16, 2015. There being no further business, the meeting was adjourned at 8:58 a.m.

INDIANAPOLIS AIRPORT AUTHORITY *

By: _____
Michael Wells, President

By: _____
Alfred R. Bennett, Secretary

DATED: _____

* Signed under authority of IAA Board Resolution #6-2013



BOARD MEMO - INVESTMENT POLICY

To: IAA Board of Directors

From: Jean Wojtowicz, Chair, Finance and Audit Committee

Date: October 9, 2015

Board Date: October 16, 2015

Subject: IAA Investment Policy - Amendment

Background

On September 18, 2009, the IAA Board adopted Resolution 12-2009, an investment policy that detailed the Authority's permitted investments. These investments are consistent with Indiana Code 5-13-9. On June 18, 2010, the IAA Board adopted Resolution 10-2010, an amended investment policy as a result of an annual review of the policy and the passage of HEA1336 which modified permitted investments under IC 5-13-9. On April 15, 2011, the IAA Board adopted Resolution 8-2011, an amended investment policy as a result of an annual review of the policy. On April 20, 2012, the IAA Board adopted Resolution 1-2012, an amended investment policy as a result of an annual review of the policy and the passage of HEA191 which modified permitted investments under IC 5-13-9. On March 15, 2013, the IAA Board adopted Resolution 5-2013, an amended investment policy as a result of the annual review of the policy. On September 19, 2014, the IAA Board adopted Resolution 10-2014, an amended investment policy as a result of the annual review of the policy.

There have been no amendments to the Indiana Code by either the House or Senate and as part of an ongoing review of the Authority's investment policy there are no changes recommended by the IAA Treasurer.

Current Status

As part of the annual review of the investment policy and at the recommendation of the IAA Treasurer, the Finance and Audit Committee recommends the adoption of Resolution 14-2015, which would result in no changes to the current policy.

Recommendation

The Finance and Audit Committee recommends that the Board adopt Resolution No. 14-2015 amending and replacing the existing Investment Policy, effective October 16, 2015.



BOARD MEMO – REAL ESTATE LAND AUCTION

To: IAA Board of Directors

From: Marsha Stone, Sr. Director of Commercial Enterprise

Date: October 1, 2015

Board Date: October 16, 2015

Subject: Land Use Initiative – Real Estate Divestiture via Auction

Background

This Board Memo will address the forthcoming real estate auction scheduled for October 24th at The Palms in Plainfield, IN. More specifically, the addition of 11.659 acres of IAA land into the auction process. The real estate auction is being coordinated by Colliers International with Schrader Auction Company being the auctioneer.

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 fair market value (FMV) of the property and is the minimum price the IAA may sell land in any transaction, including a real estate auction. Should the highest bid not achieve FMV, the property cannot be sold.

In the case of this 11.659 acres, the IAA Board approved a purchase agreement with Browning Real Estate Properties, LLC (Browning) during the March 20th Board Meeting. With respect to the appraised value of this land and during the “inspection period” Browning identified natural encumbrances (wetland) that they felt made the property less desirable. Therefore, and per terms of the purchase agreement, Browning has backed away from the land transaction and IAA Staff desires to place this land into the Land Auction as mentioned above.

Land Sale Restrictions

The conveying of the land to the particular high bidder 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:

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

- The land will not be used for, or permit thereon, any type of plant, utility, or other type of operation that emits, to any extent, smoke, fumes, vapors, or other similar gases;
- The title to the land will contain a "noise disclosure statement", an "avigation 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 avigation easement.
- This 11.659 acres will have an additional covenant that no residential structures can be placed on the property.

Scope

To authorize the sale of 11.659 acres of land to be included in the Real Estate Auction.

Schedule

September 28, 2015	IAA Staff issued Public Notice of the forthcoming real estate auction (including the 11.659 acres).
October 1, 2015:	IAA Staff issued Public Notice of impending approval by the IAA Board for the sale of 11.659 acres of land via public real estate auction.
October 16, 2015:	Authorization by IAA Board of the sale of land via a real estate auction.
October 24, 2015	Real Estate Auction – The Palms in Plainfield, IN

Revenue and/or Operating Cost Implications

Revenue:

Although sales proceeds from the auction are unknown, a requirement of the auction process is to achieve FMV based upon the averaging of two independent appraisals. Should a particular parcel not achieve a FMV bid, the parcel will not be sold.

Operating Costs:

Operating costs are a function of sales proceeds wherein Colliers / Schrader will receive ten percent (10%) of auctions proceeds.

Supplier Diversity Participation

Not Applicable

Recommendation

IAA staff recommends the Board consider for approval and authorize Staff to sell 11.659 acres of land in the real estate auction on October 24, 2015 at The Palms located in Plainfield, Indiana.

**IAA Board Meeting
General Agenda
October 16, 2015**

General:

- BP2015-10-2** Consider for approval the 2016 – 2020 Airline Use Agreement between the Indianapolis Airport Authority and the signatory airlines
- BP2015-10-3** Consider for approval the proposed Memorandum of Understanding that allows for the IAA to collaborate and work cooperatively with the City of Fishers, Indiana, as to the marketing of excess non-aeronautical airport land at Metropolitan Airport for sale or lease
- BP2015-10-4** Consider for approval the proposed Memorandum of Understanding that formalizes a process for: (i) the transitioning of certain maintenance obligations pertaining to the Conservation Area to the Hendricks County Parks Board (HCPB); and (ii) the eventual sale of a portion(s) of the Conservation Area to the HCPB
- BP2015-10-5** Consider for approval a contract with BKD LLP for the audit of the Indianapolis Airport Authority's financial statements for the year ended December 31, 2015 in an amount not to exceed \$123,500 (MBE 12% Thomas & Reed LLC) WBE 0%
- BP2015-10-6** Consider for approval a Concession Agreement with CC Holdings, Inc. to operate a Nature's Table café in Civic Plaza of the Indianapolis International Airport passenger terminal commencing October 16, 2015 through October 15, 2025

Capital Program:

- BP2015-10-7** Consider for approval Phase 2: Plans and Specifications for CEP – Boiler No. 2 Replacement at Indianapolis International Airport, Project #I-15-053, as prepared by HNTB Corporation, and authorize the public bidding process
- BP2015-10-8** Consider for approval the plans and specifications for Install Concourse Exhaust Ducts at Indianapolis International Airport, Project # I-15-006, as prepared by CSO Architects, and authorize the public bidding process
- BP2015-10-9** Consider for approval an award of contract for upgrading the emergency direct-line telephone and firehouse alerting systems at Indianapolis International Airport, Project # I-15-023, to Ermco, Inc. in an amount not-to-exceed \$59,340.00 plus a 3% construction reserve of \$1,780.00 for a total of \$61,120.00. Ermco, Inc. was the lowest responsive and responsible bidder. Supplier diversity participation on contract is MBE 14.32% (First Electric Supply, LLC), WBE 0.00%, and VBE 0.00%

BP2015-10-10

Consider for approval an award of contract for IMC Hangar 7 – Hangar Door Rehabilitation at Indianapolis International Airport, Project No. I-15-054, to MEGADOOR USA, INC. in an amount not-to-exceed \$325,000.00 plus a 3% construction reserve of \$9,750.00 for a total of \$334,750.00. Supplier diversity participation on this contract is: MBE 10% (Harmon Construction, Inc.), WBE 0.00%, and VBE 0.00%

BP2015-10-11

Consider for approval Change Order No. 8 with Veit & Company, Inc. and execution of the related Settlement Agreement for Demolition of Old Terminal and Associated Structures at Indianapolis International Airport, Project # I-13-026, in an amount not-to-exceed \$130,000.00. As a result, the Supplier Diversity participation cannot be quantified



BOARD MEMO - AIRLINE USE AGREEMENT

To: IAA Board of Directors

From: Robert B. Thomson, Sr. Director of Financial Services

Date: October 1, 2015

Board Date: October 16, 2015

Subject: Airline Use Agreement Approval (2016 – 2020)

Background

The Airport Authority's current use and lease agreement (Agreement) with the airlines for use of the terminal and use of the apron and airfield areas expires on December 31, 2015. This agreement defines the rental structure and operational requirements for signatory carriers (Airlines). The Authority began preparing for a Agreement in 2013, created a comprehensive asset preservation plan, financial modeling and a proposed business plan in 2014 and began monthly negotiation meetings with the Airlines in December 2014.

The Authority and the current signatory airlines came to substantial agreement on business terms during August, 2015 with five of the current Airlines executing letters-of-intent (LOI) to memorialize that understanding. The LOI's most significantly memorialized the understanding of the rate making methodology IAA will use to calculate rates and the actual rates the Authority will begin charging January 1, 2016.

This lease is structured as a five year agreement with an initial three year term and two one year extension periods. The lease will govern the method by which Airline rates & charges are calculated through the term of the lease (2016 – 2018 and then 2019 and 2020 respectively, if either or both extension options are offered by IAA and accepted by the Airlines).

The goals of the Authority in the negotiation:

- Simplify the rate making and setting methodology
- Provision of adequate funding to maintain and preserve the assets of the Authority (both operating and capital)
- Provide competitive user fees (Airfield, Terminal and Apron)
- Maintain operational and capital project decision making and management flexibility
- Fund IAA's capital program with no additional borrowings throughout the term of the agreement

A summary of the significant business terms "current" vs. "new" are shown below:

Current

- 5 Year Term (2011 – 2015)
- Airfield Residual model
- Capital cash flow generation:
 - \$9,955,700 avg/yr
 - No amortization
- No MII vote required for capital projects which do not require the issuance of Revenue Bonds

New

- 5 Year Term (2016 – 2018, with two optional extensions 2019,2020)
- Cost Center Residual model
- Capital cash flow generation:
 - \$17,954,500 avg/yr
 - No amortization
- No MII vote required for capital projects which do not require the issuance of Revenue Bonds

In addition to key business terms, Authority staff / General Counsel have reviewed, updated and addressed all operational, environmental, and legal language within the agreement.

Recommendation

Consider for approval the 2016 – 2020 Airline Use Agreement between the Indianapolis Airport Authority and the signatory airlines.



BOARD MEMO – CITY OF FISHERS

To: IAA Board of Directors

From: Marsha Stone, Sr. Director of Commercial Enterprise

Date: September 30, 2015

Board Date: October 16, 2015

Subject: Memorandum of Understanding (MOU) between Indianapolis Airport Authority (IAA) and the City of Fishers, Indiana (City)

Background

The IAA and the City desire to enter into an MOU in order to collaborate and work cooperatively with each other in the marketing of excess non-aeronautical airport land at Metropolitan Airport so that it is accretive to the community's sense of place and part of a comprehensive strategy designed to, among other things, promote physical revitalization and financial reinvestment while, at the same time, monetizing the currently underutilized excess land, putting it into productive use beneficial to the community, and returning it to the tax rolls.

Scope

Execute this MOU that allows for a three-year term, with one-year options, that will renew automatically thereafter. Either party has the right to terminate the MOU at any time upon ninety (90) days' prior written notice.

Schedule

Effective Date: Upon signature of both parties.

End Date: Three (3) years after the effective date, unless extended.

Revenue and/or Cost Implications

No IAA revenues will be realized until a lease or sale of this land has been negotiated and agreed upon by IAA.

Supplier Diversity Participation

Not applicable.

Recommendation

IAA Staff recommends that the Board consider, for approval, the proposed Memorandum of Understanding that allows for the IAA to collaborate and work cooperatively with the City of Fishers, Indiana, as to the marketing of excess non-aeronautical airport land at Metropolitan Airport for sale or lease.



BOARD MEMO – HENDRICKS COUNTY PARKS BOARD MOU

To: IAA Board of Directors

From: Marsha Stone, Sr. Director of Commercial Enterprise

Date: September 30, 2015

Board Date: October 16, 2015

Subject: Memorandum of Understanding (MOU) between Indianapolis Airport Authority (IAA) and the Hendricks County Parks Board (HCPB)

Background

The IAA and HCPB desire to enter into an MOU in order to formalize a process for: (i) the transitioning of certain maintenance obligations pertaining to the IAA's bat and wetland habitat areas (comprising approximately 2,000 acres of land) located in Hendricks County, Indiana (hereinafter referred to as the "Conservation Area") to the HCPB; and (ii) the eventual sale of a portion(s) of the Conservation Area to HCPB. This MOU will allow for the IAA and HCPB to collaborate and work cooperatively with each other towards finalizing and implementing the foregoing objectives.

Scope

Execute this MOU that allows for an approximate one (1) year term, with one (1) year options thereafter. Each party shall have the right to terminate this MOU at any time by giving thirty (30) days' prior written notice. Effective date will be determined upon HCPB approval, and this MOU shall end on December 31, 2016.

Schedule

Effective Date: Upon signature of both parties.

End Date: December 31, 2016, unless extended.

Revenue and/or Cost Implications

Revenue and costs will remain unchanged until both parties agree to a definitive arrangement for transitioning the maintenance obligations and selling a portion(s) of the Conservation Area to the HCPB.

Supplier Diversity Participation

Not applicable.

Recommendation

IAA Staff recommends that the Board consider, for approval, the proposed Memorandum of Understanding that formalizes a process for: (i) the transitioning of certain maintenance obligations pertaining to the Conservation Area to the HCPB; and (ii) the eventual sale of a portion(s) of the Conservation Area to the HCPB.



BOARD MEMO - 2015 EXTERNAL AUDIT CONTRACT

To: IAA Board of Directors

From: Jean Wojtowicz, Chair, Finance and Audit Committee

Date: September 18, 2015

Board Date: October 26, 2015

Subject: Contract with BKD LLP for the audit of the Indianapolis Airport Authority's financial statements for the year ended December 31, 2015

Background

On November 19, 2010, after a competitive RFP process BKD LLP ("BKD") was awarded a four (4) year contract for the audit of the Indianapolis Airport Authority's financial statements. After the completion of the 2013 audit work, IAA requested BKD provide a fee proposal for the 2014-2017 fiscal year audits. Upon receipt of BKD's proposal, analysis of the proposal was completed by staff and presented to the FAC committee for review and recommendation to the IAA Board for approval on a year-by-year basis. The negotiated fee structure represented a 1.75% compounded annual growth rate over the eight (8) year term.

Scope

Approve a not-to-exceed contract for financial auditing services of the Indianapolis Airport Authority's 2015 financial statements and associated internal control and compliance reports as required under the U.S. Office of Management and Budget (OMB) Circular A-133 (Single Audit) for \$123,500.

The IAA Internal Audit Department will continue to provide at least 200 hours of assistance in areas of the audit.

Schedule

Interim work for the 2015 audit will begin in November 2015, while final field work for the audit is expected to begin early February 2016 and continue through March 2016.

BKD LLP is committed to ensuring staff continuity on the IAA engagement, to providing partner oversight with airport audit experience and expertise, and to providing staff at all levels with governmental auditing experience.

Supplier Diversity Participation

The Diversity Director has approved the following for the 2016 audit:

FIRM	AMOUNT			%		
	DBE	MBE	WBE	DBE	MBE	WBE
Thomas & Reed LLC		\$14,820		0	12%	0

Recommendation

The Finance and Audit Committee recommends the Board consider for approval a contract with BKD LLP for the audit of the Indianapolis Airport Authority's financial statements for the year ended December 31, 2015 in an amount not to exceed \$123,500 (MBE 12% Thomas & Reed LLC) WBE 0%.



BOARD MEMO – PLANS AND SPECIFICATIONS APPROVAL

To: IAA Board of Directors

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

Date: October 6, 2015

Board Date: October 16, 2015

Subject: Approval of Plans and Specifications for CEP – Boiler No. 2 Replacement at Indianapolis International Airport, Project # I-15-053, and Authorize the Public Bidding Process

Background

The Indianapolis Maintenance Center (IMC) was built in 1994. The Central Energy Plant (CEP) located at the IMC provides steam heat for the IMC and the Indianapolis Airport Terminal building.

In January 2014, a project was undertaken to replace the combustion controls on four boilers, install mechanical upgrades, and install two feed-water control valves. During the course of the work, the sub-contractor failed to open the feed water supply during boiler start-up and damaged the boiler. The boiler involved is a 600 horsepower fire-tube boiler being used in rotation with three other boilers to supply steam heat to the IMC and to the Terminal Building.

Subsequent investigation by the contractor's insurance company and review by the IAA's insurance company revealed that the boiler was badly damaged and requires replacement. IAA staff are currently working with the contractor's insurance company to obtain reimbursement for the boiler. Concurrently, due to the operational desire to maintain back-up capabilities, staff is moving forward with the boiler replacement. Due to the long lead time necessary to manufacture the boiler this project is being bid in two phases. Phase 1 was the procurement of the boiler awarded at the September 2015 Board Meeting. This approval is for Phase 2: Approval of Plans and Specifications, and authorization of the bidding process, for the site work package and the boiler installation process.

Scope

The scope includes the preparation of the site inside the IMC to receive the new boiler, all necessary mechanical, electrical and piping work. It also includes the installation, testing and commissioning of the new boiler.

Budget

Total construction package is estimated between \$100,000.00 and \$250,000.00. The range is established per Federal Acquisition Regulation Subpart 36.2.

This project will be 100% Airport cash funded.

This project is being undertaken to repair existing infrastructure that is 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

Advertisement of Opportunity to Bid: October 20, 2015 and October 27, 2015

Pre-Bid Meeting Date: October 27, 2015 Time: 1:30 pm Location: 2640 Hoffman Rd.

Bid Opening Date: November 20, 2015 Time: 2:00 pm Location: 4th Floor Board Rm.

Est. Bid Award (Board Mtg) (December 18, 2015)

Contract award anticipated December 18, 2015 and the substantial completion date is expected to be March 2016.

Supplier Diversity Participation

The Director of Supplier Diversity established the following participation goals:

MBE 15%, and WBE 10%, VBE 3%

Recommendation

The IAA staff recommends the Board consider for approval Phase 2: Plans and Specifications for CEP – Boiler No. 2 Replacement at Indianapolis International Airport, Project #I-15-053, as prepared by HNTB Corporation, and authorize the public bidding process.



BOARD MEMO – PLANS AND SPECIFICATIONS APPROVAL

To: IAA Board of Directors

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

Date: October 6, 2015

Board Date: October 16, 2015

Subject: Approval of Plans and Specifications for “Install Concourse Exhaust Ducts at Indianapolis International Airport,” Project # I-15-006, and Authorize the Public Bidding Process

Background

The existing grease exhaust ducts that serve the kitchens at Granite City Food and Brewery and Champps Americana restaurants in the terminal concourses were intended to be temporary which now require permanent exhaust ducts.

On April 14, 2015, CSO Architects was awarded an On-Call Professional Services Contract in result of a publically advertised Request for Proposals and Qualifications.

On August 11, 2015, CSO Architects was awarded Task Order No. 001 to its Professional Services Contract in the amount of \$32,550.00 for design and construction services related to this project.

Scope

The scope includes the relocation of the grease exhaust ducts from the sides of the concourse structure to the concourse roof. Specific measures will be taken to ensure kitchen exhaust air does not negatively impact fresh air intakes for the terminal as well as the installation of a system to mitigate grease build-up on the exterior of the concourses.

Budget

Total construction package is estimated between \$100,000 and \$250,000. The range is established per Federal Acquisition Regulation Subpart 36.2.

This project will be 100% Airport cash funded.

This project is being undertaken to increase the margin of safety at the terminal. 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

Advertisement of Opportunity to Bid: October 20, 2015 and October 27, 2015

Pre-Bid Meeting Date: October 29, 2015 Time: 2:00 pm Location: 4th Floor Board Rm.
Bid Opening Date: November 19, 2015 Time: 2:00 pm Location: 4th Floor Board Rm.
Est. Bid Award (Board Mtg): December 18, 2015

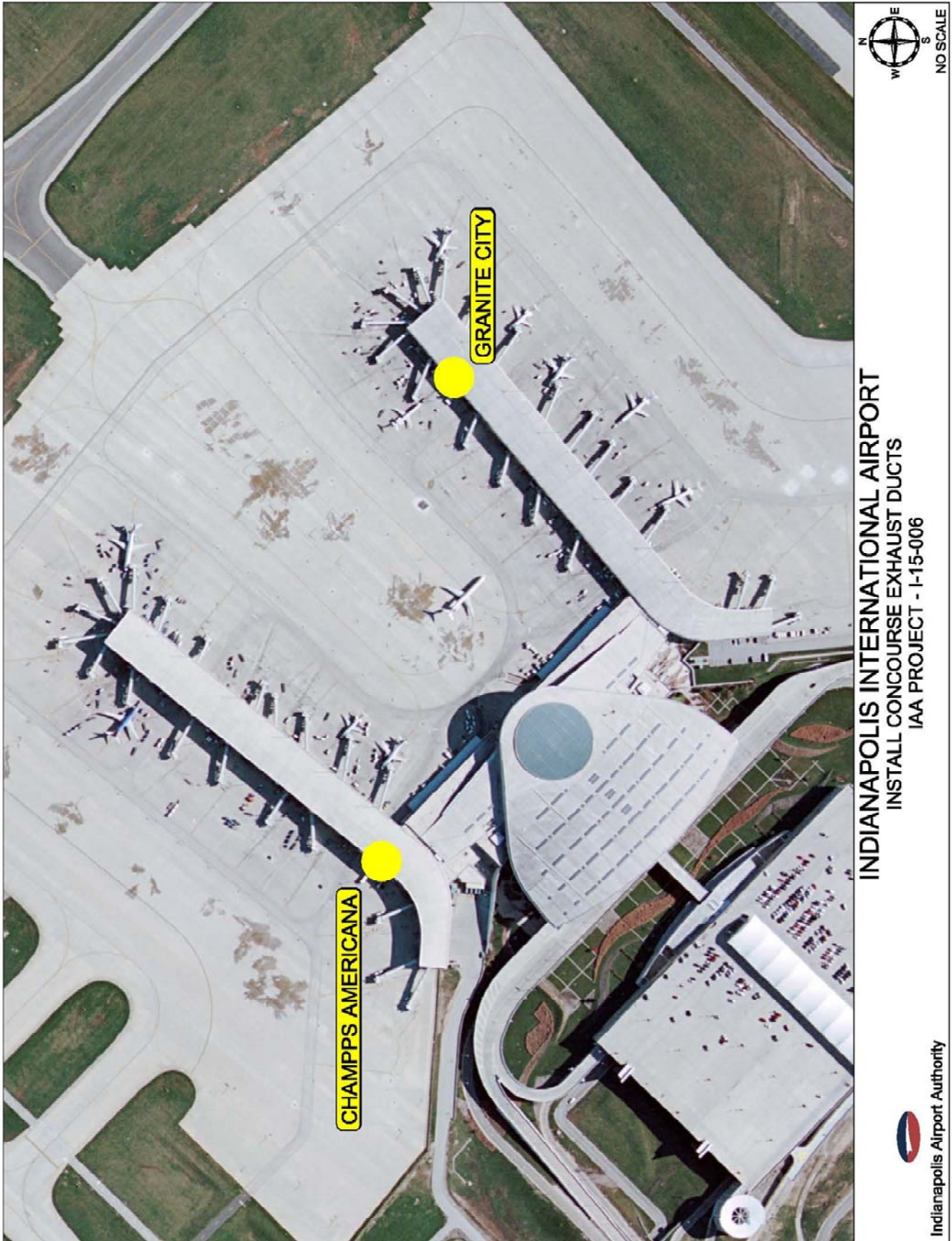
Contract award anticipated December 18, 2015, and the substantial completion date is expected to be March 2016.

Supplier Diversity Participation

The Director of Supplier Diversity established the following participation goals: MBE 15%, WBE 10%, and VBE 3%

Recommendation

The IAA staff recommends that the Board consider for approval the plans and specifications for Install Concourse Exhaust Ducts at Indianapolis International Airport, Project # I-15-006, as prepared by CSO Architects, and authorize the public bidding process.





BOARD MEMO – CONTRACT AWARD

To: IAA Board of Directors

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

Date: October 6, 2015

Board Date: October 16, 2015

Subject: Award of Construction Contract for upgrading the Emergency Direct-Line Telephone and Firehouse Alerting Systems at Indianapolis International Airport, Project # I-15-023 to Ermco, Inc.

Background

The Indianapolis Airport Authority maintains an emergency direct-line telephone between the Air Traffic Control Tower (ATCT) and the Airport Operation Center (AOC) which serves as the primary method of notification used in the event of an aircraft emergency. Audio of this line is also automatically broadcast over a public address system located at both IND Aircraft Rescue and Fire Fighting (ARFF) Stations to allow firefighters to hear live conversation between the ATCT and the AOC. This FAA mandated system (AC 150/5216-7D) allows firefighters to be notified of the emergency in the least amount of time allowing a quicker response to the incident.

The current pathway of the emergency direct-line telephone signal runs from the ATCT to an off-site AT&T switching station, located near the intersection of Washington Street and Lynhurst Drive, then back to the AOC, and finally to the two ARFF Stations. Because of the distance the signal must travel to the off-site AT&T station, the signal is distorted when it reaches the ARFFs.

The current system has been modified and retro fitted over the years and is becoming problematic and less reliable, due to old copper wire and outdated switching technology. Sound audibility has become degenerated to the point that amplifiers and speakers are overtaxed creating noise and distortion.

AT&T has attempted repairs multiple times and has brought in technical experts who informed IAA staff that due to age and technology compatibility issues, nothing more can be done unless the system is replaced.

Limited visual alerting components are in place at high noise areas of ARFF 1 but merely provide a visual indicator of the emergency direct-line telephone activation without any location or other emergency information. There are no visual indicators of an aircraft emergency at ARFF 2.

The goal of this project is to provide clear, loud and reliable communication between the ATCT, the AOC, and the ARFF stations during emergency situations.

This project is to install fiber optic cable and copper cable from the AOC to the ATCT within an existing conduit ductbank. This will significantly cut the distance the signal must travel and provide clear and loud communication.

On September 2, 2015, IAA staff issued a Request for Quote to 5 electrical companies and posted the RFQ on the airport website.

On September 15, 2015, IAA staff received two quotes. The quotes were for \$59,340 and \$87,300. The lowest responsive and responsible quote was from Ermco, Inc. in the amount of \$59,340.00.

In addition to the contract amount, IAA is requesting a construction reserve of 3% of the total contract amount for this project. A construction reserve of 3% has been previously approved by the Board 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. Any change orders exceeding the contract and construction reserve will be submitted to the Board for approval.

In addition to this contract, airport maintenance staff will install conduit and cable within the two ARFF stations for new horn/strobe alerting devices. IAA staff are also pursuing to purchase new alerting equipment including new horn/strobe devices to enhance the audible signal.

Scope

This project includes installation of fiber cable and CAT 3 copper cable from the AOC to the ATCT in existing concrete encased conduit. Fiber and CAT 3 cables will be run from the ATCT base to the equipment room just under the cab into the ATCT in existing conduit. From the equipment room, CAT 5 cable will be run to the cab. It will also add new wiring and firehouse alerting upgrades in the two ARFF Stations

Budget

The Ermco, Inc. contract is \$59,340.00, which is within the approved 2015 Capital Budget for the Emergency Direct-Line Telephone and Firehouse Alerting.

Contract Amount (including 3% reserve)	\$	61,120.00
IAA Maintenance material cost		15,000.00
Alerting equipment		70,000.00
Total Anticipated Project Cost	\$	146,120.00

This project will be 100% Airport cash funded, but the IAA will be seeking FAA grant funding reimbursement in 2016 due to the safety and security needs.

This project is being undertaken to increase the margin of safety and reduce response times to aircraft emergencies. 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 anticipated October 16, 2015 and the substantial completion date is expected to be January 2016.

Supplier Diversity Participation

The Director of Supplier Diversity has approved the following:

Firm	Amount			%		
	MBE	WBE	VBE	MBE	WBE	VBE
First Electric Supply, LLC	\$8,500.00	\$0.00	\$0.00	14.32%	0.00%	0.00%
Totals	\$8,500.00	\$0.00	\$0.00	14.32%	0.00%	0.00%

Contract Total
 \$ 59,340.00

Recommendation

The IAA staff recommends that the Board consider for approval an award of contract for upgrading the emergency direct-line telephone and firehouse alerting systems at Indianapolis International Airport, Project # I-15-023, to Ermco, Inc. in an amount not-to-exceed \$59,340.00 plus a 3% construction reserve of \$1,780.00 for a total of \$61,120.00. Ermco, Inc. was the lowest responsive and responsible bidder. Supplier diversity participation on contract is MBE 14.32% (First Electric Supply, LLC), WBE 0.00%, and VBE 0.00%.



BOARD MEMO – CONTRACT AWARD

To: IAA Board of Directors

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

Date: October 6, 2015

Board Date: October 16, 2015

Subject: Award of Construction Contract for IMC Hangar 7 – Hangar Door Rehabilitation at Indianapolis International Airport, Project No. I-15-054 to MEGADOOR USA, INC.

Background

The Indianapolis Maintenance Center (IMC) was built in 1994 and has twelve aircraft bays. The hangar doors are aging and in need of rehabilitation. This project is the first in a series of planned hangar door renovation projects at the IMC.

The professional service selection for engineering services for this project utilized the Statement of Qualifications received by IAA Planning & Development Department for all professional service areas received in May 2012. The responses from firms providing engineering services were received and follow-up phone calls were made to review qualifications and areas of expertise. Firms are matched with projects based on experience and expertise. Hanson Professional Services, Inc. (Hanson) was selected for this project based on its experience with large hangar doors and the IMC facility.

On April 1, 2015, the Executive Director approved professional services contract with Hanson Professional Services, Inc. for IMC Hangar 7 – Hangar Door Rehabilitation at Indianapolis International Airport, Project No. I-15-054.

On September 8, 2015, the IAA issued a qualifications based Request for Proposals (RFP) for IMC Hangar 7 – Hangar Door Rehabilitation at Indianapolis International Airport, Project No. I-15-054 to select a contractor for this project, with responses due on September 28, 2015.

The IAA staff received 1 proposal. A review committee made up of 3-IAA representatives reviewed the proposals. The review committee recommends that MEGADOOR USA, INC. is awarded a contract for this work.

In addition to the contract amount, IAA is requesting a construction reserve of 3% of the total contract amount for this project. A construction reserve of 3% has been previously approved by the Board 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. Any change orders exceeding the contract and construction reserve will be submitted to the Board for approval.

Scope

The scope of work is to perform repairs to the IMC Hangar 7A and 7B hangar doors, which includes rehabilitating the mechanical drive systems on a total of ten (10) hangar doors. The repairs include, but are not limited to, replacement of various drive motors, gears, rollers, axle shafts, and motor brakes necessary to ensure the safe and effective operation of the doors.

Budget

The MEGADOOR USA, INC. contract is \$325,000.00 which is within the approved 2015 Capital Budget for IMC Hangar 7 – Hangar Door Rehabilitation.

IMC Hangar 7 - Hangar Door Rehabilitation

Contract Amount (including 3% reserve)	\$	334,750.00
Design		24,359.96
Advertisements for Bid		250.00
Total Anticipated Project Cost	\$	359,359.96

This project will be 100% Airport cash funded.

This project is being undertaken to repair existing infrastructure that is 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 anticipated October 16, 2015 with anticipated substantial completion date of December 2015.

Supplier Diversity Participation

The Director of Supplier Diversity has approved the following:

Firm	Amount			%		
	MBE	WBE	VBE	MBE	WBE	VBE
Harmon Construction	\$32,500.00	\$0.00	\$0.00	10.00%	0.00%	0.00%
Totals	\$32,500.00	\$0.00	\$0.00	10.00%	0.00%	0.00%

Recommendation

The IAA staff recommends that the Board consider for approval an award of contract for IMC Hangar 7 – Hangar Door Rehabilitation at Indianapolis International Airport, Project No. I-15-054, to MEGADOOR USA, INC. in an amount not-to-exceed \$325,000.00 plus a 3% construction reserve of \$9,750.00 for a total of \$334,750.00. Supplier diversity participation on this contract is: MBE 10% (Harmon Construction, Inc.), WBE 0.00%, and VBE 0.00%.



BOARD MEMO – CHANGE ORDER

To: IAA Board of Directors

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

Date: October 6, 2016

Board Date: October 16, 2015

Subject: Approval of Change Order No. 8 and execution of the related Settlement Agreement with Veit & Company, Inc. for Demolition of Old Terminal and Associated Structures at Indianapolis International Airport, Project # I-13-026.

Background

The terminal facilities on the east side of the Indianapolis International Airport (“Old Terminal”) have been vacant since the new Midfield Terminal opened in 2008. The Demolition of Old Terminal and Associated Structures project removed the existing terminal, concourses, administration building, and elevated roadways, including all subsurface structures, and performed all required environmental abatement/remediation to ready the site for new development.

On January 18, 2013, the Board approved plans and specifications for CIP/Project # I-13-026, Demolition of Old Terminal and Associated Structures, and authorized the public bidding process. The Terminal Demolition contract was awarded by the Board on March 15, 2013 to Veit & Company, Inc. (Veit) in the amount of \$3,872,008.00 for the combination of Base Bid, Alternate 1 and Alternate 2. The project was substantially completed by the end of 2013.

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 done on that item and the designers are typically charged up to 15% of the cost of that item since the item has to be negotiated with the contractor. Unforeseen circumstances are items that could not have been anticipated by the designer and are not charged against the designer.

This Change Order No. 8 is for unforeseen circumstances resulting in a need for mediation to resolve a dispute between the IAA and Veit. Veit’s claim prior to mediation was \$484,910.51. The amount of the settlement agreement reached is a result of the mediation with Veit is \$130,000.00. This board paper is requesting both approvals of the change order and the execution of the related Settlement Agreement.

A summary of the previously approved change orders is included as an attachment.

Revised Construction Contract Amount

Original Construction Contract Amount	3,872,008.00
Previous Change Orders (6.75% of Contract)	261,308.43
Current Change Order (3.36% of Contract)	<u>130,000.00</u>
New Construction Contract Total	\$ 4,263,316.43

Project Costs

Design & Soft Costs	711,303.12
2012 Phase (Old PARCS Demo & Optimization)	82,042.32
AOA Fence Installation (K&K Fence)	26,480.00
Construction Contract (including CO 1-8)	4,263,316.43
Hydrant Relocation (Denney Excavating)	19,820.48
Water Disposal (ISG)	8,279.07
Hydrant Repair, Temporary Comlux Sewer (EDCO)	21,956.78
Sewer Cleaning, Site Cleanup (CSC and Harmon)	48,505.00
Fence Removal (EDCO)	43,386.00
Install New Comlux Sewer Line (EDCO)	37,500.00
Testing	86,386.00
Construction Manager Services (Harmon)	336,200.00
Engineering Comlux Sewer (DLZ Indiana)	<u>16,180.00</u>
Total Current Contract Costs with this C.O.	\$5,701,355.20

The original project budget was \$11,335,000.00 in the approved 2013 Capital Budget. The 2015 reforecast spend in the 2016 budget is \$909,000.00 with a total project cost of \$6,305,000.00. This change order is within the reforecast expected spend.

Schedule

The project was substantially completed on December 31, 2013 and site clean-up and punch-list items were completed in May 2014.

Supplier Diversity Participation

This change order is the product of a settlement agreement through mediation. As a result, the supplier diversity participation cannot be quantified. Upon the approval of Change Order No. 8, the supplier diversity participation on this project, including the previous change orders, will be as follows:

Firm	Class	Original Amount	Original %	After CO Amount 8	After CO%
Midwest Environmental	MBE	\$ 125,000.00	3.23%	\$ 327,863.17	7.69%
*Rhino Trucking	WBE	\$ 637,776.00	16.47%	\$ -	0.00%
Nelson Oil	WBE	\$ 100,000.00	2.58%	\$ 298,291.10	7.00%
Leader Corporation	WBE	\$ 15,500.00	0.40%	\$ 345.00	0.01%
Argo Consulting Engineers	VBE	\$ 80,350.00	2.08%	\$ 114,141.76	2.68%
GLS, Inc.	MBE	\$ 47,000.00	1.21%	\$ 2,538.05	0.06%
*Ward Trucking	MBE	\$ 113,486.00	2.93%	\$ -	0.00%
**Moffett	MBE	\$ -	0.00%	\$ 780,175.65	18.30%
XBE Totals	MBE	\$ 285,486.00	7.37%	\$ 1,110,576.87	26.05%
	WBE	\$ 753,276.00	19.45%	\$ 298,636.10	7.00%
	VBE	\$ 80,350.00	2.08%	\$ 114,141.76	2.68%

*Original trucking companies included in the bid, did not have the necessary City of Indianapolis demolition license.

**The trucking company replacement, for original bid trucking companies, had the appropriate City of Indianapolis demolition license.

Recommendation

The IAA staff recommends that the Board consider for approval Change Order No. 8 with Veit & Company, Inc. and execution of the related Settlement Agreement for Demolition of Old Terminal and Associated Structures at Indianapolis International Airport, Project # I-13-026, in an amount not-to-exceed \$130,000.00. As a result, the Supplier Diversity participation cannot be quantified.

ATTACHMENT 1
Previously Approved Change Orders
Demolition of Old Terminal and Associated Structures

Change Order No. 1 - \$103,664.30

- **Reestablish Water Service to East Side of Site** - The reestablishment of water service to the east side of the site due to the water cutoff being east instead of west of High School Road when the site was vacated

Change Order No. 2 - \$ 53,559.11

- **Disconnect gas line** - Locate and disconnect an active natural gas line.
- **Activate, test and repair 6" fire loop to provide water for demolition** - Activate, test, and repair the 6" water line that previously supplied water to the fire hydrant loop around the old building to allow demolition to proceed while the 12" main water line was reestablished (Change Order No. 1).
- **Removal of Asbestos Containing Material (ACM) fireproofing in Concourse "A" fan room** - Additional ACM fireproofing removal in the Concourse "A" fan room was required for ACM identified during demolition.
- **Removal of Transite panels containing ACM on upper level drive.** Additional ACM containing Transite panels were identified sandwiched between metal and glass panels on the upper level of Terminal Drive.

Change Order No. 3 - \$ 8,226.50

- **Car wash work** - A debris pocket was uncovered in the subgrade beneath the car wash excavation area. The unforeseen condition was corrected by removing the material.
- **Construct two concrete collars** - In order to replace a section of 33" concrete pipe without benefit of bell and spigot connections, two concrete collars were constructed.
- **Clean out unknown manhole in Area K** - A manhole not shown on the record drawings was uncovered, but full of debris. It was machine excavated and then further cleaned out by hand.
- **Fill holes left behind during 12" water main reconnection** - The contractor was instructed to leave holes formed by "potholing" to investigate utility locations unfilled during the 12" water main reconnection to provide water to the old terminal for dust control during demolition. These holes were re-filled.

Change Order No. 4 - \$17,477.61

- **Remove asbestos covered piping** – Asbestos covered piping was discovered in relation to the 2-50,000 gallon and 1-20,000 gallon underground storage tanks slated for removal by this project. The unforeseen condition was corrected by removing the material.
- **Plug utility lines** – The project documents instructed the Contractor to plug all underground utility lines that were to be abandoned with flow-able fill. During demolition, the City informed the project team that new rules were in effect that required the sewer and non-

pressurized piping lines to be bricked up instead of filled with flow-able fill. The extra cost is to change the method of abandoning thirty-two (32) utility lines.

- **Remove contaminated water** – During the last stages of demolition, an oily sludge began to well up from the subgrade in an unexpected area. IDEM rules required that the Contractor vacuum the material and remove it from the site to be disposed of at a licensed facility. The extra cost was to remove the contaminated water and dispose of it properly.
- **Remove Transite (asbestos) panels on September 6, 2013 and September 9, 2013** – Transite panels were discovered between the glass panels and structural steel beams between the fifth and sixth floors of the terminal building. The extra cost was to remove the panels and dispose of them properly.
- **Remove asbestos covered piping at Concourse “A”** - The Contractor encountered asbestos covered piping extending from the tunnel of Concourse “A” out into the surrounding slab in several areas. The extra cost is to properly remove and dispose of the unexpected material.
- **Remove elbows and fittings at Concourse “B”** – Elbows and fittings covered with asbestos were discovered in an area of Concourse “B” that were not shown on the drawings. The elbows and fittings were hidden by the plaster ceilings in that area and only discovered during demolition.

Change Order No. 5 - \$13,344.34

- **Remobilize in order to complete the work** – Early and severe winter weather prevented the contractor from completing the final punch list items: re-grade the stone backfill and sweep the project site concrete.
- **Balancing of Allowance Quantities for Item #U003 of 12” to 15” Reinforced Concrete Pipe (RCP)** – The bid documents included allowance items to obtain bid prices for potential poor soil conditions or contamination and storm sewer repairs that could not be quantified as they were located under the building to allow them to be addressed as they arose. Seventy-four (74) additional linear feet of 12” to 15” RCP were required and will be paid for at the allowance unit price.

Change Order No. 6 - \$433,471.40

- **Additional Asbestos Removal Concourse B, 6th Floor Administration Building, and Steam Loop and Miscellaneous Fixtures Main Terminal:** Asbestos containing material was discovered during the project in the Concourse B ceiling and fireproofing, 6th Floor ceiling of the Administration Building, on piping in the utility tunnels, a steam loop and miscellaneous fixtures in the Main Terminal. The unforeseen condition was corrected by removing the material.
- **Deduction for Lack of Asbestos Removal in Concourse D:** The demolition plans identified the ceiling in Concourse D to contain asbestos. Testing indicated no asbestos so no asbestos removal was conducted and this is a credit for work that was not performed.

Change Order No. 7 – \$(368,434.83)

- **Deduction for Unused Allowance Items:** The project was bid with allowance item to obtain bid prices for potential repairs to storm sewers and manholes below the terminal building if despite protection during demolition damage was unavoidable and for replacement of unsatisfactory soils below the foundations. Only a portion of the allowance items were needed, the unused amounts are being deducted from the contract.

Subtotal Previous Change Orders \$261,308.43