

Staff provided the GAOPE Committee a staff analysis for the Construction Contract for Terminal Apron Stormwater Pipe Repairs (Phase 5 of 8) prior to the meeting.

Ms. Holton reported that this project was an Invitation to Bid (ITB) based on two Bid Schedules. The first being approximately 500 linear feet of cured in place pipeline and the other, Bid Schedule 2, would be approximately 1,000 feet of cured in place pipeline. Ms. Holton presented a drawing of the affected areas of construction. Ms. Holton explained this project includes some manhole repairs and panel replacements to access those areas in the T-4 (Tango 4) area. An ITB was advertised in late March. On April 22, 2019 two bids were received, one from Blakley and the other from Kiewit. Blakley was the low bidder for both schedules. Staff would like to proceed with Schedule 2. Blakely's bid was \$2.19M. The SMWBE goal was 5.39% MBE and 7.83% WBE. Blakley was able to obtain 5.39% MBE and slightly exceed the WBE goal to 7.85% for Bid Schedule 2. Blakley's SMWBE subcontractors include Archangel Protective Services, Jen-Hill Construction Materials, and Jerry B Young. This bid for Bid Schedule 2 was just over 1.5% less than the Engineer of Record, AECOM's, opinion of probable construction cost. The Engineer of Record and MNAA have determined the bid to be responsive and responsible. It is a 105 day contract to begin in May, later this month after approval from the Board, and is scheduled to be finished in September 2019.

Commissioner Doerge asked if this project would disrupt business operations such as closing down the runway. Ms. Holton stated Tango 4 would have to be shut down for a period of time and the project approved by the Board last month to Lima East is located in the same area, so this will minimize disruption to business operations.

Commissioner Sullivan inquired as to how many people downloaded the information on the ITB since there were only two bids. Ms. Holton stated this is very specialized work and BNA has done this same kind of project before on two other areas before, and Blakley was the prime on both of those. Ms. Holton stated she was not sure of the exact number of downloads but it is done through an on-line tendering process so everyone that downloads the information and everyone that attends the pre-bid meetings is tracked. Commissioner Sullivan inquired as to how many people attended the pre-bid meetings. Ms. Holton stated she was not sure but could find out. Commissioner Sullivan asked if the bid was comparable to what Blakley had done before. Ms. Holton stated that it was.

President Kreulen asked that Ms. Holton explain to the members the different colors in the pictures. Ms. Holton stated that orange is the current phase. Red represents areas where the cast in place pipe lining has been completed. The green, purple and blue differentiate the types of areas that need to be completed. Ms. Holton reported there is still a lot of work to be done to complete the storm water infrastructure. President Kreulen stated it would be a good idea to update the members on the different areas accomplished in the future.

Commissioner Doerge inquired as to where the stormwater goes now since the big hole is gone. Ms. Holton showed on the picture where the water collects now and explained that since the water is clean, it flows into a creek.

A motion was made by Vice Chair Doerge and seconded by Commissioner Sullivan for approval to accept the Bid Schedule 2 by Blakley Construction Services, LLC (Blakley) for the Terminal Apron Stormwater Pipe Repairs project at Nashville International Airport (BNA) and authorize the Chair and President & CEO to execute the construction contract. The motion carried by vote of 3 to 0.

B. Approval of Construction Contract to Rehabilitate Taxiways T4, Lima & Juliet (T4 to T5)

Ms. Holton briefed the Committee on this item. Staff requested that the GAOPE Committee recommend to the Board that it accept the bid by Eutaw Construction Company, Inc (Eutaw), for the Rehabilitate Taxiways T4, L, and J (T4 to T5) project at Nashville International Airport (BNA) and authorize the Chair and President & CEO to execute the construction contract.

Staff provided the GAOPE Committee a staff analysis for the Construction Contract to Rehabilitate Taxiways T4, Lima and Juliet (T4 to T5) prior to the meeting.

Ms. Holton presented a picture of the project area. She explained this project consists of mill and overlay. An Invitation to Bid (ITB) was advertised in late March and one bid was received from Eutaw Construction Company on April 24, 2019 for a value of \$1.2M. The SMWBE goal was 8.90% MBE and/or WBE. Eutaw was able to obtain 9.01% MBE participation, slightly exceeding the goal. Eutaw's SMWBE subcontractors include Jerry B. Young Construction and Archangel Protective Services. This is a twenty-one day contract starting in June. This project was bid in conjunction with the Lima East project that was approved last month and the stormwater project so that BNA could minimize and overlap these with the required closure of T-4 for the two projects. Operationally, it makes sense to do this. Eutaw also has the Lima East project. Eutaw already has an access plan to the area. Also, there are only two asphalt providers that can provide the FAA mix. Those providers are Jones Brothers and Vulcan. Jones Brothers is milling for Eutaw and Vulcan is paving for Eutaw. The bid was slightly higher than the

Engineer of Record, CMT's, opinion of probable construction cost. This is such a small tonnage of asphalt and considered a small project so there is no surprise there was only one bidder. It is necessary and needs to be done given the Pavement Condition Index (PCI) levels in this project.

Chair Freeman inquired as to how much higher the bid was than the estimate. Ms. Holton stated it was 12.2% higher.

A motion was made by Vice Chair Doerge and seconded by Commissioner Sullivan for approval to accept the bid by Eutaw Construction Company, Inc (Eutaw), for the Rehabilitate Taxiways T4, L, and J (T4 to T5) project at Nashville International Airport (BNA) and authorize the Chair and President & CEO to execute the construction contract. The motion carried by vote of 3 to 0.

C. Approval of Contract for On Call Field and Laboratory Testing Services

Ms. Holton briefed the Committee on this item. Staff requested that the GAOPE Committee recommend to the Board that it accept the proposals by Terracon Consultants, Inc. (Terracon), TTL Inc. (TTL) and ECS Southeast (ECS) for the On Call Field and Laboratory Testing Services Contract at Nashville International Airport (BNA) and John C. Tune Airport (JWN) and authorize the Chair and President & CEO to execute contracts to Terracon, TTL and ECS.

Staff provided the GAOPE Committee a staff analysis for the Contract for On Call Field and Laboratory Testing Services prior to the meeting.

Ms. Holton stated it is her department's job to oversee quality of work performed by contractors, subcontractors and tenants. In order to ensure contractors are meeting the minimum specification requirements, Design and Engineering (D&E) needs resources for that. Currently, BNA has two contracts expiring in July 2019. Those contracts are with Terracon and Wood PLC (Wood). A request for proposals for on-call field and laboratory testing was advertised and this time D&E chose three firms. With all the work going on at BNA, D&E needs as much flexibility as possible. BNA's Quality Assurance (QA) firm cannot be the same as the contractors' Quality Control (QC) firm. BNA has to maintain flexibility and be able to make sure QA is maintained without a conflict of interest with the contractors. This is a not to exceed \$750K per year contract. It will be a one year contract with four one-year renewals. Each company is allowed the not to exceed \$750K. Each project has funds in the budget for these services. The Board previously approved an increase to the existing contracts to \$750K.

A Request for Proposal (RFP) was advertised in late February. On March 26, 2019 four proposals were received from Terracon, TTL, ECS, and Wood. The technical committee evaluated the

proposals based on the mandatory requirements, experience and qualifications, SMWBE and DBE participation, as well as unit prices. The selection committee determined Terracon, TTL and ECS were the highest rated firms. They all met and/or exceeded the SMWBE and DBE goals. The committee found their proposals to be responsive and responsible and recommend award to all three firms.

Commissioner Doerge asked if this would be considered three contracts, potentially up to \$2.25M. Ms. Holton replied yes. Commissioner Doerge then asked how it compares to the contracts with two companies. Ms. Holton stated the Board approved an increase to \$750K each on the two current contracts back in February. BNA had slightly exceeded the \$500K limit which is why it was brought before the Board for an increase. It is anticipated that each contract could range between \$500K to \$750K per contract.

Chair Freeman inquired as to the renewal options. Each year, if BNA wants to renew with that company, BNA would send them a renewal letter. President Kreulen stated there is no requirement to renew, therefore, if BNA was dissatisfied with a company it could choose to renew with just two of the companies.

Commissioner Sullivan asked if the companies were charging different unit rates. Ms. Holton responded yes but all three companies are comparable. Some companies have different capabilities and certain certifications for certain projects. Having three companies would give BNA great flexibility to meet all requirements. Commissioner Sullivan stated she was familiar with all bidders except ECS, and inquired as to where their offices are located. Ms. Holton stated she believed ECS Southeast is located in Atlanta, Georgia but would have to confirm that. Commissioner Sullivan then asked why Wood's points were low. Ms. Holton stated their proposal was incomplete and their submission overall was not good.

Commissioner Doerge inquired as to how the work would be divided between the companies. Ms. Holton stated some companies had more capabilities than others, and this depends on the contractor's certifications, which company is available, and balancing the workload between the companies. Commissioner Doerge inquired if there had been problems in the past with how the work was distributed between the companies. Ms. Holton stated there had not been a problem in the past and contractually, the work does not have to be evenly split between the companies. Commissioner Sullivan stated she thought it increased the quality of the work because it creates competition.

A motion was made by Vice Chair Doerge and seconded by Commissioner Sullivan for approval to accept the proposals by Terracon, TTL and ECS for the On Call Field and Laboratory Testing Services Contract at Nashville International Airport (BNA) and John C. Tune Airport (JWN) and authorize the Chair and President & CEO to execute contracts to Terracon, TTL and ECS. The motion carried by vote of 3 to 0.

V. Information Items

A. Hangar 14 Development - Long Term

Ms. Margaret Martin, VP and Chief Development Officer, briefed the Committee on this item. Ms. Martin reminded the Committee she had previously presented an update on Hangar 14. While waiting on a long term development solution, a short term Invitation to Bid (ITB) was advertised for a month-to-month agreement, as-is. Presently there is an interim month-to-month agreement with Jet Linx bringing in almost \$30K per month. A Notice of Availability was issued back in November 2018 for Hangar 14 and 15.75 acres. The Notice of Availability issued was for full re-development of the hangar and surrounding parcel. Three proposals were received. Sky Harbour proposed a re-development of the entire space including the 15.75 acres and building 13 premium box hangars. The next proposal was from Million Air, which is a fixed base operator (FBO). The third proposal was from Stevens Aerospace which is a maintenance, repair and overhaul (MRO) facility for general aviation aircraft. They are currently a tenant of Atlantic Aviation.

After evaluation of the proposals by the real estate team, the COO and the CEO, staff has selected Sky Harbour for initial negotiations due to their proposal filling a current need for BNA which is hangar space. Hangar space for rent is the number one request received by the real estate department. Their proposal came in at 15K square feet for aircraft space per hangar and each hangar would have a 3K square foot office space attached to it. Sky Harbour is not an FBO so they will not be selling fuel. Their tenants would purchase fuel from one of the FBOs currently at the airport. Sky Harbour was also the only proposal containing re-development of the entire apron area. Their capital improvement investment far exceeded the capital improvement investment of the other two proposals. Their initial proposal was for approximately \$17M in capital improvements for hangar construction and apron.

Sky Harbour conducted an initial site walk with MNAA staff on April 29, 2019, and are currently conducting due diligence. Their main concern is Metro fire code requirements regarding potential foam in the hangars. They also need to determine the stormwater requirements for this parcel.

MNAA staff is currently analyzing financial terms, and considering ground rent and a percentage of rental revenue from the box hangars. Ms. Martin presented an initial rendering of site plans from Sky Harbour. She stated Sky Harbour is tweaking the rendering because it shows the box hangars having direct access to the taxiways which cannot happen.

Chair Freeman asked Ms. Martin to point out landmarks for perspective on the rendering. Ms. Martin stated Sky Harbour's rendering was done before the site visit, and there are a couple of things that will need to be updated. She stated their proposal is to demolish Hangar 14 and replace it with the box hangars. Staff reported that after the site visit, Sky Harbour was pleasantly surprised by the state of Hangar 14 so they might to decide to renovate Hangar 14 and build other box hangers there. Sky Harbour is in conversation with Stevens Aerospace and Jet Linx as potential tenants of their development. Staff plans to come back to the Committee in August for approval of a lease if negotiations are successful.

Chair Freeman inquired as to who the sub-tenants might be. Ms. Martin stated their typical tenant is a business operator who wants a certain number of square feet for a plane with office space attached to it. Sky Harbour indicated that historically, office space has almost been most popular selling item for their hangars. The connection of the office with the hangar is what sets them apart. They are actively looking for tenants. Jet Linx owns planes and would be interested in a few of those hangars and they would likely become an anchor tenant. If Sky Harbour could find a big enough space for Stevens Aerospace, they would be interested in doing that as well.

Chair Freeman asked if the 3K square feet offices were per hangar. Ms. Martin replied yes. Chair Freeman asked how many planes could be housed in one hangar. Ms. Martin replied that Sky Harbour has allocated 15K square feet per hangar so they have planned on one plane per hangar. President Kreulen stated most of the tenants would be corporate companies that own a large jet. Chair Freeman inquired as to the lease term. Ms. Martin reported that Sky Harbour had asked for a 50 year term but staff has gone back to them with a 30 year lease term with possible extensions.

President Kreulen stated that MNAA would like to do this same type of thing at John C. Tune Airport but everyone wants a 50 year term. FAA questions terms longer than 30 years. This will give MNAA a chance to see what people are willing to do. No one previously wanted to take over the entire 15 acre site, they only wanted the pre-built hangar and let the rest of it go to rubble. Now, there is someone that wants to re-develop the entire area and give BNA 13 more hangars. The risk is on Sky Harbour to lease it out.

Commissioner Granbery inquired as to Million Air's proposal. Ms. Martin stated their proposal was a standard FBO. President Kreulen stated the proposal Million Air submitted had no commitment to take over the entire site nor a guarantee of an initial investment. Ms. Martin reported that Million Air wanted to come in and demolish Hangar 14 and replace it with an FBO terminal, and stated in the proposal they may be interested in adding two hangars at a later date. They did not address the immediate need of additional hangar space nor reconstruction of the apron and ramp space.

Chair Freeman inquired as to the company size of Sky Harbour and if MNAAC had underwritten it. Ms. Martin stated that is part of BNA's due diligence to be done. Chair Freeman asked if Sky Harbour is a public company. Ms. Martin replied no, it is a private company.

Commissioner Joslin asked if there was any reason BNA could not redevelop this space, manage it and keep the money in-house. President Kreulen stated that finances and bandwidth on the staff are a couple of issues preventing that from happening.

Commissioner Granbery asked if this same business model would be used at John C. Tune Airport. President Kreulen replied yes. There are issues with how large of a hangar that can be built without using the fire suppressant foaming system required by Metro codes. Connecting to power and stormwater is another hurdle. It is going to be very expensive to connect to those lines.

Commissioner Granbery inquired as to the size limits on the executive jets that would be using the proposed hangars of 15K square feet. Ms. Martin reported the information received so far is that it would fit a Group One or Group Two aircraft. Architectural renderings received from Sky Harbour were for a Gulfstream 550. Chair Freeman stated there are a lot of unanswered questions and it is very early in the stages of the negotiation, so there is time to get the answers and come back to the Board with more information. President Kreulen stated staff wanted to give an update since proposals had been received and will keep the Board informed with more updates as negotiations continue. President Kreulen stated he hopes to come back to the Board in August with a decision.

Commissioner Doerge asked what BNA's investment would be to accommodate getting the space ready for lease. Ms. Martin stated all work and financial burden would be borne by the potential developer as advertised in the Notice of Availability. President Kreulen stated all that BNA would do is publish a note of closing the area off and approve the fence.

Commissioner Joslin stated something this nice is exciting and way past due. He reported he gets calls all the time for hangar space.

This item was presented for information purposes only with no action required.

VI. Adjourn

There being no further business before the GAOPE Committee, Chair Freeman adjourned the meeting at 9:34 a.m.


Amanda Farnsworth, Secretary