

✈ METROPOLITAN NASHVILLE AIRPORT AUTHORITY ✈

January 17, 2018– Minutes of the Joint Meeting of the MNA Board of Commissioners and MPC Board of Directors



Date: January 17, 2018

Place: Nashville International Airport
Nashville, Tennessee

Time: 1 p.m.

Board Members Present:

Bobby Joslin, Chair; A. Dexter Samuels, Vice Chair; John Doerge, Amanda Farnsworth, Bill Freeman, Kabir Sandhu, Christy Smith and Mayor's Representative, Matt Wiltshire

Board Members Absent:

Trey Harwell, Secretary and Dierks Bentley,

Others Present:

Doug Kreulen and Cindy Barnett

I. Call to Order

Chair Joslin called the MNA Board of Commissioners and MPC Board of Directors meetings to order at 1:05 p.m., pursuant to the Public Notice dated January 12, 2018.

II. Approval of Minutes

Upon motion made by Commissioner Freeman and seconded by Commissioner Smith, the Board voted to approve the minutes of the December 13, 2017, joint meeting of the MNA Board of Commissioners and MPC Board of Directors. The motion carried by a vote of 7 to 0 with Mayor's Representative Wiltshire arriving after the vote.

III. Chair's Report

Chair Joslin welcomed Commissioners, staff, and guests. Chair Joslin welcomed new management staff members, Doug Sloan, Chief Legal Officer and Marge Basrai, Chief Financial Officer.

IV. President's Report

President Kreulen introduced new management staff members, Marge Basrai, Chief Financial Officer, who is a highly accomplished senior accounting and financial management executive with 17 years of experience in the aviation industry. She previously served as vice president and Controller for Wayne County Airport Authority, which operates Detroit Metropolitan Airport, Willow Run Airport and its airport hotel. Marge is a Michigan State University graduate, Certified Public Accountant (CPA), Chartered Global Management Accountant (CGMA) and a Certified Member (CM) of the American Association of Airport Executives; and Doug Sloan, Chief Legal Officer, who brings experience in public policy and has been a legal professional with more than 20 years of experience in the public sector. Mr. Sloan previously served as executive director of the Metropolitan Government of Nashville and Davidson County Planning Department. He is a graduate of Nashville School of Law and Middle Tennessee State University.

President Kreulen reported that Vacation Express has added Cozumel as a new destination out of BNA with four-night rotations departing various days of the week from May 29 thru June 28 and nonstop flights with all-inclusive vacation packages. Vacation Express is also bringing back service to Cancun, Grand Bahama Island, Montego Bay and Punta Cana.

Commissioner Farnsworth reported that she had to fly the previous day from BNA because JWN was closed due to weather. She stated that MNAA Operations staff could not be doing anything any better. The deicing was working both for the airlines and the general aviation side. Runways were operating and were clear as well as taxiways. Commissioner Farnsworth commended Robert Ramsey, COO, and his team for their efforts in terrible conditions.

President Kreulen presented the 2017 Year-end video highlighting events at BNA.

Economic Report

President Kreulen reported that the best calendar year for passengers in BNA History was CY 2016 with 12,980,103. A new record was set in calendar year 2017 with 14,134,448 total passengers. Setting a new all-time passenger record for the fifth consecutive calendar year with 1.15 million more total passengers than the previous record and 8.9% growth for the year.

President Kreulen reported that this was the busiest December in the history of the airport with 1,169,441 total passengers. BNA's total passengers for December were up 10.9% and up 8.3% for FY2018. Passenger numbers have increased in 87 of the last 89 months.

Staff Reports

Operations Report:

Mr. Robert Ramsey, COO, reported due to the timing of the meeting December sales numbers for New and Gifts and Food & Beverage were not available. He further reported that News & Gift gross sales for November were up 19.9% and 14.4% for FY2018 and Food & Beverage gross sales for November were up 17.4% and 6.9% FY2018. Rental Car gross sales for November were up 13.7%. and up 6.95% for FY2018. Mr. Ramsey reported that system errors in the initial set-up of the Scheidt & Bachman PRCS caused a percentage of Short Term parking transactions to be billed and reported at the Long-Term A rate. This system skewed the year-to-year numbers. He also noted that these numbers did not include any adjustments after the issue was discovered. Unadjusted gross parking revenue from all five lots for December was up 19.8% and 12.8% for FY2018.

For the month of December, air cargo was down -3.5%, with 4,538 total tons of cargo, a decrease of 167 tons, and up 3.5% for FY2018.

BNA December fuel sales for Atlantic Aviation, Signature Flight, and private self-fueling hangars were up 3.1%, or 17,889 gallons more and for FY2018 YTD a 16.6% increase equates to 602,693 gallons more. JWN December fuel sales for Corporate Flight Management were up 18.5% or 19,034 gallons more and for FY2018 a 20.2% increase equates to 137,182 gallons more.

Financial Report:

President Kreulen presented the December financial results and noted that BNA operating revenues were \$73.3 million or \$1.8 million above budget projections and \$7.3 million more than the prior year. Drivers of the increase in operating revenue year over year include migration of non-signatory airlines to signatory status and reduction in the revenue sharing credit (as per the airline agreement), driving up signatory airline revenue by \$5.8M in the same period year over year. Parking also saw an increase year over year of \$2.8M driven by the parking rate increase and traffic growth. Operating expenses were \$38.3 million, \$7.9 million below budget projections and \$2 million more than last year. Operating income before depreciation was \$35 million, \$9.7 million above budget projections and \$5.1 million more than the prior year.

For JWN, operating revenues were \$445,000 which was \$26,000 above budget projections and \$28,000 more than the prior year. Operating expenses for JWN were \$351,000 which was \$18,000 below budget projections and \$94,000 less than the prior year. Operating income before depreciation was \$94,000 which is \$44,000 above budget projections and \$123,000 above the prior year.

For MPC, year to date operating revenues were \$1.6 million, \$14,000 below budget projections and \$111,000 more than last year. Operating expenses were \$664,000, \$495,000 below budget projections and \$121,000 less than the prior year. Operating income before depreciation was \$900,000, \$481,000 above budget projections, and \$233,000 more than the prior year.

Business Diversity Development Report:

Ms. Donzaleigh Powell, Director of Business Diversity Development, briefed the Board on MNA's SMWBE program for December 2017, by presenting the following information:

	Aspirational Participation %	Percentage	MWBE Expenditures	Total Expenditures	YTD Percentage	YTD MWBE Expenditures	YTD Total Expenditures
Professional Services (includes all contract services, legal expenses external printing, and marketing)	12.44%	11.35%	\$ 182,722	\$ 1,609,491	12.51%	\$ 1,859,617	\$ 14,869,663
Goods & Services (Includes all office supplies and office equipment and other goods)	6.46%	2.66%	\$ 5,438	\$ 204,445	1.75%	\$ 23,862	\$ 1,351,487
Construction Non-Federal CIP (All non-federal Construction and professional projects)	10.49%	31.87%	\$ 2,619,515	\$ 8,220,058	12.71%	\$ 7,452,461	\$ 58,615,947
Construction Federal CIP (All Federal Construction and professional projects)	9.28%	0.98%	\$ -	\$ 22,000	0.00%	\$ -	\$ 39,032

V. Items for Approval:

A. BNA Master Plan Update – CIP 1820

Ms. Christine Vitt, AVP of Strategic Planning and Sustainability, briefed the Board on this item. Staff requested that the Board authorize the Chair and President & CEO to execute a contract for professional services with AECOM to perform the BNA Master Plan Update work.

Background:

An airport master plan is a comprehensive study of the entire airport to determine long-term development plans over a 20-year horizon. The goal of a master plan is to provide guidelines for future airport development which will satisfy aviation demand in a financially feasible manner. Master plans are typically updated when demand is exceeding capacity, new aircraft types are introduced and/or when an airport's strategic vision will

significantly change the status quo – all of which are pertinent and relevant to MNAA at this time.

The Federal Aviation Administration strongly recommends that airports maintain an updated master planning document. MNAA's most recent Master Plan Update (MPU) was published in December 2013. The data collected to support the MPU was from 2010 and 2011. Since this time, enplanements have grown more than 50 percent, aircraft upgauging has occurred, new group V aircraft are anticipated, and the BNA Vision has been launched. Over the next few years, the BNA Vision will continue to be implemented, and Donelson Pike will be realigned as will the airport loop roadway system. These significant changes will produce an entirely new landside and terminal experience for our community. The MPU will build from recent planning and analysis and expand to other areas of the airport including general aviation, future east side development, airfield, and cargo. The planning will also analyze commercial development opportunities, future light rail and bus transit, parking requirements, environmental mitigation, noise, winter operational needs and the collection of Airports Geographic Information System (AGIS) aeronautical data. The result will be a comprehensive airport wide plan, including timeline and recommended capital investments, for MNAA to reasonably work towards the desired future state.

On July 26, 2017, MNAA published a Request for Qualifications (RFQ) for the BNA Master Plan Update project. On August 31, 2017, four Statements of Qualifications were received from AECOM; Kimley Horn; Landrum & Brown; and Ricondo & Associates. The selection committee evaluated the Statements of Qualifications (SOQ) based on criteria including capability to perform the project, recent experience, key personnel's qualifications, knowledge of FAA regulations, qualifications of subconsultants, identified project potential challenges, quality of previous projects, and Disadvantaged Business Enterprise (DBE) response.

The selection committee determined AECOM, Kimley Horn, and Landrum & Brown to be the best qualified. On September 20, 2017, the selection committee conducted interviews with these three firms. Additional questions were asked regarding the noise assessment, AGIS acceptance by the FAA, approach for ensuring a sustainable master plan end-product, communication with MNAA staff, approach to developing a plan for future east side development, and DBE participation. The scores and DBE goals from the solicitation process are listed below.

Firm	SOQ Score	Interview Score	Total Score	Committed DBE Goal
AECOM	217	139	356	20.0%
Kimley Horn	214	112	326	9.9%
Landrum & Brown	245	80	325	10%
Ricondo & Associates Inc.	195	Not interviewed		

All firms were well qualified; however, AECOM demonstrated a solid understanding of the unique needs of this project as well as experience with projects of similar scope. The DBE goal set by MNAA for this project was 9.64%. AECOM committed to a minimum of 20% within the RFQ process and during the scope and fee development was able to obtain 27.0%. AECOM's DBE partners include Connico, Inc., duGard Communications, FRASCA & Associates, Harris, Miller, Miller & Hanson, Inc., L.I Smith & Associates, TransSolutions, LLC., and Wilmot, Inc.

Impact/Findings:

MNAA DBE Goal:	9.64% DBE
AECOM's DBE Commitment:	27.0% DBE
Anticipated Start Date:	January 2018
Anticipated Duration of Contract:	680 days
Contract Completion Date:	December 2019
Budget:	\$4,000,000.00
Contract Cost:	\$3,914,460.00
Funding Source:	75% Federal, 25% MNAA

Strategic Goals and Objectives/Critical Success Factors:

- Safe and Secure MNAA Operations
- Economically Sustained Services and Facilities
- Deliver world-class customer service

Options/Alternatives:

Do Nothing: The "Do Nothing" option does not allow the necessary analysis and future planning to be performed to ensure our airport will meet regional growth demands and continue to provide and maintain premier airport facilities.

Committee Review:

This item was presented to the General Aviation, Operations, Planning and Engineering Committee on January 10, 2018. The GAOPE Committee voted 4 to 0 to recommend approval to the Board.

A motion was made by Commissioner Freeman and seconded by Mayor's Representative Wiltshire to authorize the Chair and President & CEO to execute a contract for professional services with AECOM to perform the BNA Master Plan Update work. The motion carried by vote of 8 to 0.

B. Construction Contract for JWN Hangar Development – Building Project No. 1790B

Ms. Traci Holton, AVP of Development and Engineering, briefed the Board on this item. Staff requested that the Board accept the bid by Baron Construction, LLC (Baron) for the Construction Contract for the JWN Hangar Development project at JWN and authorize the Chair and President & CEO to execute the construction contract.

Background:

In December 2017 the Board approved the construction contract for the site development portion of this project. The scope of this project will construct a new 20,000 sf aircraft hangar with attached administration office and shop space at JWN.

This project was originally bid in August 2017 as a comprehensive scope that included all site work, hangar, and offices in a single package. Only one (1) bid was received. The bid was not responsive or responsible and the solicitation was cancelled. Based on feedback from potential bidders and to encourage more bidder participation, the single project was divided into a site-only project and a building-only project.

An Invitation to Bid was advertised on October 30, 2017 and November 2, 2017.

On December 5, 2017, five (5) bids were received. However, one (1) bid was deemed non-responsive due to failure to meet the SMWBE participation level or provide acceptable good faith efforts. Below is a tabulation of the bids. MBE / WBE percentages listed are commitments made by the Contractors:

<u>Contractor</u>	<u>Base Bid</u>	<u>MBE and/or WBE %</u>
Baron	\$4,586,104.00	9.29%
TW Frierson	\$4,927,871.00	21.20%
Wellspring	\$4,980,400.00	10.57%
K-Barr	\$5,310,692.00	50.87%

Baron's bid was 2.64% less than the Engineer of Record's, Michael Baker International, opinion of probable construction cost of \$4,710,449, 6.9% lower than the next lowest bid and 13.64% lower than the highest bid.

The SMWBE participation level established for this project was 9.25% MBE and/or WBE. Baron committed to 9.29% MBE by utilizing Castle Black Construction and Panther Construction.

The bid amount from the cancelled August solicitation for the comprehensive project was \$7,792,435.16. Dividing the project into a site development package and building package resulted in a total construction cost of \$8,324,240.56, which is an increase in project cost of \$531,805.40 or 6.4%.

MNAA and Michael Baker International have evaluated the bids and determined the bid from Baron to be responsive and responsible and recommend award to Baron Construction, LLC.

Impact/Findings:

MNAA SMWBE Participation Level:	9.25% MBE and/or WBE
Baron Construction SMWBE Participation Level:	9.29% MBE
Anticipated Contract Start Date:	February 2018
Duration of Contract:	240 Calendar Days
Contract Completion Date:	October 2018
Contract Cost:	\$4,586,104.00
Funding Source:	100% Bonds

Strategic Goals and Objectives/Critical Success Factors:

- Safe and Secure MNAA Operations
- Economically Sustained Services and Facilities

Options/Alternatives:

Do Nothing: The 'Do Nothing' option will result in continuing use of the existing hangar at BNA by TDOT Aeronautics, which is not sufficient in hangar or office space to accommodate TDOT equipment and personnel.

Committee Review:

This item was presented to the General Aviation/Operations/Planning & Engineering Committee on January 10, 2018. The GAOPE Committee voted 4 to 0 to recommend approval to the Board.

A motion was made by Commissioner Freeman and seconded by Commissioner Doerge to accept the bid by Baron for the Construction Contract for the JWN Hangar Development project at JWN and authorize the Chair and President & CEO to execute the construction contract. The motion carried by vote of 8 to 0.

- C. Construction Contract for Reconstruct Taxiway November and Reconstruct Taxiway Alpha North at 13/31, CIP 1601

Ms. Holton briefed the Board on this item. Staff requested that the Board accept the bid by Jones Bros. Contractors, LLC (Jones Bros.) for the Construction Contract for the Reconstruct Taxiway November project at BNA and authorize the Chair and President & CEO to execute the construction contract.

Background:

The project consists of the full depth, full width reconstruction of Taxiway November, including the Taxiway November/T4 Intersection. The project also includes reconstruction of Taxiway Alpha North within the Runway 13/31 Runway Safety Area, including the addition of 30-foot asphalt shoulders and electrical infrastructure updates.

Taxiway November serves as the single point of connection for several of BNA's east side tenants, the Tennessee Army National Guard, and two leaseholds for future development. The current Pavement Condition Index (PCI) ranges between 62 and 70 and is considered in Fair condition and below BNA's acceptable serviceability threshold of 70. The project scope includes a deep mill and overlay of the asphalt taxiway, as well as elimination of existing pavements no longer in use and in excessive disrepair.

Taxiway Alpha North is a parallel taxiway to Runway 2L/20R serving as an Aircraft Design Group (ADG) V route for cargo aircraft to the north cargo ramp at BNA. The current PCI is 71 and is considered in Good/Fair condition, indicating a need for maintenance-type repairs and rehabilitation. The area was included in a design contract for the reconstruction of Taxiway Lima West, including the Lima/Alpha Intersection (CIP 1702). Topographic survey of the intersection obtained in 2016 in preparation for CIP 1702 revealed longitudinal grades on Taxiway Lima were out-of-standard with FAA Advisory Circular 150/5300-13A, Airport Design, caused by Taxiway Alpha North's shallow falling slope from the runway edge. In order to correct the longitudinal profile on Taxiway Lima, grades on Alpha North between Runway 13/31 and Taxiway Lima must be lowered a total of 10 inches, therefore, maintenance-type pavement rehabilitation is not feasible and full-depth reconstruction is required. In preparation for British Airways' inaugural flight on May 4, 2018, MNAA repackaged the scope of work on Alpha North within the Runway 13/31 Runway Safety Area to be completed with Project Number 1601 to prevent impact to British Airways' operations.

An Invitation to Bid on the project was advertised on November 6, 2017, and November 9, 2017, and included one Base Bid Schedule.

On December 15, 2017, bids were received from Jones Bros. and Vulcan Construction Materials, LLC (Vulcan). Below is a tabulation of those bids.

<u>Contractor</u>	<u>Base Bid</u>	<u>Small, Minority, Woman-owned Business Enterprise (SMWBE) %</u>
Jones Bros.	\$4,694,046.45	6.56% MBE and 8.80% WBE
Vulcan	\$4,842,791.65	6.00% MBE and 8.71% WBE

Below is a tabulation of the prices for asphalt received:

<u>Contractor</u>	<u>Bituminous Surface Course Price</u>
Jones Bros.	\$105/TON
Vulcan	\$130/TON

Jones Bros.' Base Bid was within MNAA's construction budget of \$5,000,000 and meets the 6.0% MBE and 8.71% WBE participation level established for this project. Jones Bros.' SMWBE contractors include McFall Sod & Seed, Gibco Construction, Archangel Protective Services, and Geotek Engineering.

Jones Bros.' Bid was 4.1% lower than the Engineer of Record, Garver's, opinion of probable construction cost of \$4,885,446.00 and 3.17% below the high bidder, Vulcan.

MNAA and Garver have evaluated the bids and determined the bid from Jones Bros. to be responsive and responsible and recommend award to Jones Bros Contractors, LLC.

Impact/Findings:

MNAA SMWBE Participation Level:	6.00% MBE and 8.71% WBE
Jones Bros.' SMWBE Participation Level:	6.56% MBE and 8.80% WBE
Anticipated Contract Start Date:	March 2018
Duration of Contract:	155 Calendar Days
Contract Completion Date:	August 2018
Contract Cost:	\$4,694,046.45
Funding Source:	27.9% Airline Investment, 57.2% State, 14.84% PFC

Strategic Objectives:

- Economically Sustained Services and Facilities
- Safe and Secure MNAA Operations

Options/Alternatives:

Do Nothing: The "Do Nothing" option will result in continued deterioration of the asphalt pavement on Taxiway November and Alpha North, which will negatively affect airfield operations. Delaying reconstruction on Taxiway Alpha North would require a closure of Runway 13/31 after May 4, 2018, which would impact operations from British Airways.

Committee Review:

This item was presented to the General Aviation/Operations/Planning & Engineering Committee on January 10, 2018. The GAOPE Committee voted 4 to 0 to recommend approval to the Board.

A motion was made by Commissioner Freeman and seconded by Commissioner Sandhu to accept the bid by Jones Bros. for the Construction Contract for the Reconstruct Taxiway November project at BNA and authorize the Chair and President & CEO to execute the construction contract. The motion carried by vote of 8 to 0.

D. Construction Contract for Rehabilitate Taxiways T1 & T2 CIP 1812C

Ms. Holton briefed the Board on this item. Staff requested that the Board accept the bid by Jones Bros. for the Construction Contract for the Rehabilitate Taxiways T1 & T2 project at BNA and authorize the Chair and President & CEO to execute the construction contract.

Background:

The project consists of the mill and overlay of Taxiways T1 and T2, from the terminal apron to the existing joint lines immediately east of Taxiway Bravo. Both taxiways are part of the designated route for the traffic of B-787-800 and B-787-900 aircraft for British Airways' inaugural flight on May 4, 2018. Once the Taxiway Connector is closed for Project Number 1804, Terminal Apron and Taxiway Expansion, Taxiways T1 and T2 will provide the only connection between the north terminal apron and the airfield. The current PCI values for these pavement sections range between 59 and 70 and are considered in Fair condition and below BNA's acceptable serviceability threshold of 70, indicating the need for rehabilitation or reconstruction. The structural capacities of these pavement sections, in their current condition, are expected to deteriorate rapidly when exposed to frequent operations from heavy aircraft.

Atkins North America (Atkins) evaluated and prepared a Technical Memorandum proposing a mill and overlay of 5-inches to remove existing cracking and surface distresses present on Taxiways T1 and T2. The pavement surface will be replaced with a 5-inch layer of Federal Aviation Administration P-401 Hot Mix Asphalt using a polymer-modified asphalt with a high performance grade to provide enhanced pavement strength. The Metropolitan Nashville Airport Authority (MNAA) utilized in-house engineering staff to finalize the design and prepare issued-for-bid documents for this project.

An Invitation to Bid on the project was advertised on November 6, 2017 and November 9, 2017 and included one Base Bid Schedule.

On December 13, 2017 bids were received from Jones Bros. and Vulcan Construction Materials, LLC (Vulcan). Below is a tabulation of those bids:

<u>Contractor</u>	<u>Schedule 1</u>	<u>Small, Minority Woman-owned Business Enterprise (SMWBE) %</u>
Jones Bros.	\$747,310.28	3.84% MBE and 6.21% WBE
Vulcan	\$794,275.57	3.83% MBE and 5.56% WBE

Below is a tabulation of the prices for asphalt received:

<u>Contractor</u>	<u>Bituminous Surface Course Price</u>
Jones Bros.	\$105/TON
Vulcan	\$125/TON

Jones Bros.' Base Bid was within MNAA's construction budget of \$1,000,000 and exceeds the 3.83% MBE and 5.56% WBE participation level established for this project. Jones Bros.' SMWBE contractors include K.S Ware and Associates, Archangel Protective Services, and Gibco Construction Company.

Jones Bros.' Bid was 5.91% higher than the Engineer of Record's, MNAA, opinion of probable construction cost of \$705,635.83 and 6.28% below the high bidder, Vulcan.

MNAA has evaluated the bids and determined the bid from Jones Bros. to be responsive and responsible and recommend award to Jones Bros Contractors, LLC.

Impact/Findings:

MNAA SMWBE Participation Level:	3.83% MBE and 5.56% WBE
Jones Bros.' SMWBE Participation Level:	3.84% MBE and 6.21% WBE
Anticipated Contract Start Date:	March 2018
Duration of Contract:	28 Calendar Days
Contract Completion Date:	March 2018
Contract Cost:	\$747,310.28
Funding Source:	100% Airline Investment Fund

Strategic Objectives:

- Economically Sustained Services and Facilities
- Safe and Secure MNAA Operations

Options/Alternatives:

Do Nothing: The "Do Nothing" option will result in continued deterioration of the asphalt pavement on Taxiways T1 and T2, which will negatively affect airfield operations, including British Airways.

Committee Review:

This item was presented to the General Aviation/Operations/Planning & Engineering Committee on January 10, 2018. The GAOPE Committee voted 4 to 0 to recommend approval to the Board.

A motion was made by Commissioner Freeman and seconded by Commissioner Farnsworth to accept the bid by Jones Bros. for the Construction Contract for the Rehabilitate Taxiways T1 & T2 project at BNA and authorize the Chair and President & CEO to execute the construction contract. The motion carried by vote of 8 to 0.

E. Construction Contract for Terminal Apron & Taxiway Expansion CIP 1804

Ms. Holton briefed the Board on this item. Staff requested that the Board accept the proposal by Eutaw Construction Company, Inc. (Eutaw) for the Construction Contract for the Terminal Apron & Taxiway Expansion project at BNA and authorize the Chair and President & CEO to execute the construction contract.

Background:

As a result of the progression of the BNA Vision program and relocation of the International Arrivals Facility (IAF) to a more centralized location, it was determined that filling in the large land depression between the terminal aircraft apron and taxiway connector would be a necessary enabling project. The depression will require approximately 450,000 cubic yards of structural fill. Approximately 150,000 cubic yards of additional undercut of unsuitable material must be removed and replaced before filling operations can begin. The area would first serve as a lay down area for the construction of the IAF (Vision Project 3). Ultimately the area will become aircraft apron necessary for the movement of aircraft to access the international arrival gates.

A Request for Proposals was initially advertised on August 7, 2017 and August 10, 2017. On September 28, 2017, three (3) proposals were received from Civil Constructors, LLC (Civil), Eutaw, and Jones Bros. Proposal amounts greatly varied. One proposer was deemed non-responsive due to failure to meet SMWBE participation levels or provide acceptable good faith efforts. The solicitation was cancelled.

A Request for Proposals was re-issued on November 6, 2017 and November 9, 2017.

On December 1, 2017 proposals were received from Civil, Eutaw, and Superior Construction Company Inc. (Superior).

The proposals were evaluated on the following criteria:

- A. Mandatory Requirements
- B. Experience and Project Approach
- C. Schedule
- D. Pricing
- E. Disadvantaged Business Enterprise (DBE) Participation

The selection committee determined Eutaw to be best qualified firm. The total score from their Statement of Qualifications scores are listed below:

<u>Contractor</u>	<u>Proposal Score</u>	<u>Price</u>	<u>DBE %</u>
Eutaw	401	\$23,247,795.64	7.00% DBE
Superior	239	\$30,512,337.69	6.80% DBE
Civil	202	\$30,842,406.95	6.82% DBE

Eutaw's proposal amount was 14.4% below the Engineer's, Garver, opinion of probable cost of \$27,161,655.90 and 23.8% below the next highest proposal.

The difference in proposal prices were primarily associated with the unit prices for shot rock fill. The Proposer had flexibility for fill material from onsite and offsite. A table of the differences in unit prices is provided below:

<u>Shot Rock Fill</u>	<u>Eutaw</u>	<u>Superior</u>	<u>Civil</u>
Owner Provided- MRO Stockpile Site	\$4.50 / \$562,500.00	\$10.50 / \$1,312,500.00	\$10.05 / \$1,256,250.00
Owner Provided- MRO South Site	\$14.00 / \$2,252,000.00	\$0.00 / \$0.00	\$0.00 / \$0.00
Owner Provided- Connector West	\$3.50 / \$500,500.00	\$6.25 / \$893,750.00	\$8.00 / \$1,144,000.00
Contractor Provided	\$20.00 / \$2,278,660.00	\$26.33 / \$7,739,255.89	\$30.80 / \$9,053,136.40

The DBE goal set by the MNAA for this project was 6.80% DBE. Eutaw committed to 7.00% DBE. Eutaw's DBE contractors are Archangel Protective Services, Gibco Construction, Reed Landscaping, and Jerry B. Young Construction.

MNAA has evaluated the bids and determined the proposal from Eutaw to be responsive and responsible and recommend award to Eutaw Construction Company, Inc.

Impact/Findings:

MNAA DBE Participation Level:	6.80% DBE
Eutaw DBE Participation Level:	7.00% DBE
Anticipated Contract Start Date:	February 2018
Duration of Contract:	400 days

Contract Completion Date: March 2019
Contract Amount: \$23,247,795.64
Funding Source: 30% STCF and 70% Federal

Strategic Goals & Objectives/Critical Success Factors:

- Safe and Secure MNAA Operations
- Maintaining the *Nashville Airports Experience* (NAE) by meeting customer demands through new and expanded infrastructure
- Economically Sustained Services and Facilities

Options/Alternatives:

Do Nothing: The "Do Nothing" option will result in not being able to construct the IAF. Without filling in the land depression MNAA would not be able to meet the expectations of the BNA Vision Plan.

Committee Review:

This item was presented to the General Aviation/Operations/Planning & Engineering Committee on January 10, 2018. The GAOPE Committee voted 4 to 0 to recommend approval to the Board.

A motion was made by Commissioner Freeman and seconded by Commissioner Doerge to accept the proposal by Eutaw for the Construction Contract for the Terminal Apron & Taxiway Expansion project at BNA and authorize the Chair and President & CEO to execute the construction contract. The motion carried by vote of 8 to 0.

F. Terminal Area Parking Garage – Amendment #3 for Roadway Package CIP 1614

Ms. Holton briefed the Board on this item. Staff requested that the Board authorize the Chair and President & CEO to execute the proposed Terminal Area Parking Garage – Amendment #3 for the Roadway package related to the construction of the Terminal Area Parking Garage project at BNA construction manager-at-risk contract.

Background:

The existing terminal area parking facilities (Short Term Parking Garage and Long-Term A) at BNA are popular for airport users and operate at full capacity on a regular basis. The 2011 Master Plan Update projected that on-airport parking demand would exceed supply in the near future. These projections indicated that short term and premium long-term parkers will continue to be a large component of the airport's parking user group and given that parking is a significant percentage of the Airport's overall revenue, it is important to meet the

customer's expectation to have available parking and maximize this revenue opportunity. Retaining the 1125 long-term parking spaces reduces projected revenue loss by approximately \$4 million.

On May 25, 2016, the Board approved J.E. Dunn as the construction manager at risk/general contractor (CMR) to work with the design team and MNAA to finalize plans as part of the preconstruction activities and prepare a Guaranteed Maximum Price (GMP) for construction. On December 14, 2016, the Board approved the 1st Component Guaranteed Maximum Price (CGMP) for the Garage Package (CGMP #1). This component was for the garage package. On November 15, 2017, the Board approved the 2nd Component Guaranteed Maximum Price (CGMP) for a portion of the roadway package (CGMP #2). This component was for enabling projects associated with the roadway package and was critical to ensure a timely completion schedule. CGMP # 3 will complete the roadway package. The only remaining item on this project will be the demolition of the existing short-term parking garage, which will be CGMP #4.

At this time, airport staff is asking the Board to approve this planned CGMP #3, in the amount of \$16,291,578.00. The roadway package will consist of: a new entry roadway to the terminal area parking garage, new CONRAC exit ramps, parking management office, new toll plazas for Garage A and Long Term A and phasing to allow the Short-Term Garage and a portion of Long Term A to remain open throughout the duration of construction. The Board is requested to authorize J.E. Dunn, via an amendment to their contract, to begin entering into subcontract agreements to deliver the project. In doing so, J.E. Dunn will negotiate final scopes of work and final bid prices for each individual package of work and bring that information to MNAA staff for review and approval. MNAA maintains final approval on all subcontracts for this project.

The SMWBE participation level set by MNAA for this project is 8.33% MBE and 3.83% WBE. J.E. Dunn has committed to meeting the goal.

Impact/Findings:

MNAA SMWBE Participation Level for construction:	8.33% MBE and 3.83% WBE
J.E. Dunn's SMWBE Participation Level for construction:	8.33% MBE and 3.83% WBE
Contract Start Date:	December 2016
Duration of Contract:	2 Years
Contract Completion Date:	December 2018
Initial Contract Cost (May 2016 – Preconstruction Services):	\$ 88,110.00
Component Guaranteed Maximum Price for Amendment #1:	\$ 83,932,600.00
Component Guaranteed Maximum Price for Amendment #2:	\$ 2,297,540.30
Component Guaranteed Maximum Price for Amendment #3:	\$ 16,291,578.00
Component Guaranteed Maximum Price for Amendment #4:	<u>\$ TBD</u>

Total Contract Cost: \$102,609,828.00
Funding Source: 12.3% State and 87.7% MNAA Bonds
Strategic Objectives:

- Economically Sustained Services and Facilities
- Outstanding Customer Satisfaction

Options/Alternatives:

Do Nothing: Doing nothing will result in the inability to access the new parking and transportation center.

Committee Review:

This item was presented to the General Aviation/Operations/Planning & Engineering Committee on January 10, 2018. The GAOPE Committee voted 4 to 0 to recommend approval to the Board.

A motion was made by Commissioner Freeman and seconded by Commissioner Sandhu to authorize the Chair and President & CEO to execute the proposed Terminal Area Parking Garage – Amendment #3 for the Roadway package related to the construction of the Terminal Area Parking Garage project at Nashville International Airport (BNA) construction manager-at-risk contract. The motion carried by vote of 8 to 0.

G. Component Guaranteed Maximum Price #1 for the Progressive Design-Build Contract for Concourse D & Terminal Wings CIP 1803

Ms. Holton briefed the Board on this item. Staff requested that the Board accept the proposal by Hensel Phelps for the Progressive Design-Build Contract for the Concourse D & Terminal Wings project at BNA and authorize the Chair and President & CEO to execute the Component Guaranteed Maximum Price #1, CGMP1).

Background:

As Project 1 of the BNA Vision, this project consists of a 6-gate expansion of Concourse D as well as expansion of existing ticketing and baggage claim areas of the Terminal. This project is being prioritized in order to accommodate movement of the existing Transportation and Security Administration (TSA) checkpoint and central airline ticket counters to the new expanded ticketing areas (wings) so that an expanded central terminal area can be constructed in the future. Additionally, the Concourse D added gates will provide for an 'empty chair' for future construction of the International Arrivals Facility.

Concourse D: The expansion of Concourse D will add six (6) departure gates to the Airport. This project provides additional gates with passenger boarding bridges and supporting ramp space including demolition of existing Concourse D structure; a central utility plant for the terminal, including a geothermal component,

to support the expanded facilities and future expansion; relocation of TSA's administrative offices; new concession areas, and a stage for a variety of performances.

Terminal Wings: The Terminal wings will be expanded to the north and south at the ticketing and baggage claim levels. Each expanded ticketing wing will include but not be limited to: temporary security screening; airline ticketing counters; airline ticketing offices; concessions; baggage claim devices; baggage service offices, restrooms, new curbside entries, and new curbside canopies.

The Progressive Design-Build contract establishes a Guaranteed Maximum Price (GMP) based on the 60% design drawings. For scheduling purposes, to fast-track the project, "component" GMPs, (CGMP's) are utilized to provide for early start of critical path items. To manage the final GMP, a specified Design-to-Budget requirement is utilized to ensure that the total budget remains on target through the progression of ongoing design and construction work. The design-to-budget established for this project was \$214,000,000. However, Hensel Phelps believes this work can be completed for \$203,000,000. Therefore, the project will be managed to achieve this Design-to-Budget amount whereby the projected cost of the aggregate CGMP's are not allowed to exceed the Design-to-Budget amount at any time. Currently it is expected this project will require up to 4 CGMP's prior to reaching the final GMP. These CGMP's will evolve as we get the Design-Builder on board but may be composed as follows: CGMP1-Design & General Conditions; CGMP2-Enabling, Design Assist, General Requirements; CGMP3-Demolition, long lead procurements; CGMP4-Foundations, Shell construction; Final GMP- Finish out construction.

A Request for Proposals was advertised on October 6, 2017, and October 12, 2017. On November 16, 2017, five (5) proposals were received from Hensel Phelps, Turner Hunt, Austin Messer, Bell-Clark, and Holder Hardaway.

The proposals were evaluated on the following criteria:

- A. Mandatory Requirements
- B. Team/Individual Qualifications, Experience
- C. Technical Approach
- D. SMWBE Participation and Workforce Development Program
- E. Pricing

The selection committee determined the following firms to be highest qualified: Hensel Phelps and Turner Hunt.

On December 12, 2017, the selection committee conducted interviews of these top candidates asking additional questions on SMWBE, workforce development, team experience, labor market, design to budget, and meeting schedule.

The total score from their Statement of Qualifications and interview scores are listed below:

Contractor	Proposal and Interview Score		MBE %	WBE%	SBE%
		CGMP1			
Hensel Phelps	668	\$31,348,670.00	6.29%	9.13%	4%
Turner Hunt	573	\$30,181,178.00	6.29%	9.13%	4%

The breakdown of Hensel Phelps subcontracting team as presented is as follows:

Proposer	Subcontractor	Discipline/Responsibility	SBE	MWBE	Local Firm	BNA Experience
Hensel Phelps	Fentress Architects	Architect	SBE			Yes
	Burns Group	Technology, Acoustical & Paging				
	Teresa Pineda Davidson	Architect-Interior Design Support				
	Collaborative Studio	Architect-Interior Design Support				
	S&ME	Civil				
	ICT	MEP Engineering				
	DF+H	Electrical Design Assist				
	KS Ware	Geotechnical & Material Testing				
	RC Mathews	GC Liaison				
	EJO Ventures	IT Integration				
	Jones Worely	Signage & Graphics				
	ASG	SMWBE Compliance Officer				
	MKA	Structural				
	Logan Patri	Structural Support				
WIN Engineering	Electrical Support					

The selection committee determined Hensel Phelps to be the most qualified for the project, based on the following:

1. The company, Project Manager and Project Team have extensive and recent experience on airport terminal projects of equivalent size and complexity. This team has extensive experience in the Design-Build Delivery Method.
2. Superior understanding and approach to design and build the project.
3. Thoughtful understanding of phasing and understanding we cannot interrupt passenger operations. Goal of "zero unexpected interruptions".
4. Effective SMWBE and Workforce Development approach to the project.
5. Price.

MNA has evaluated the proposals and determined the proposal from Hensel Phelps to be responsive and responsible and recommend award of the Progressive Design-Build Contract to Hensel Phelps.

Impact/Findings:

MNA SMWBE Participation Level: 6.29% MBE and 9.13% WBE and 4% SMBE
 Hensel Phelps Participation Level: 6.29% MBE and 9.13% WBE and 4% SMBE
 Anticipated Contract Start Date: January 17, 2018
 Duration of Contract: 900 Calendar Days Completion
 Contract Completion Date: July 5, 2020

Component Guaranteed Maximum Price 1	\$31,348,670.00
Component Guaranteed Maximum Price 2	TBD
Component Guaranteed Maximum Price 3	TBD
Component Guaranteed Maximum Price 4	TBD
Component Guaranteed Maximum Price 5	<u>TBD</u>
Total Guaranteed Maximum Price	\$203,000,000.00 NTE
Funding Source:	100% MNAA

Strategic Objectives:

- **Maintaining the *Nashville Airports Experience* by meeting customer demands through new and expanded infrastructure**
- **Economically Sustained Services and Facilities**

Options/Alternatives:

Do Nothing: The "Do Nothing" option will result in the inability to complete the BNA Vision or meet passenger growth projections.

Committee Review:

This item was presented to the General Aviation/Operations/Planning & Engineering Committee on January 10, 2018. The GAOPE Committee voted 3 to 0 to recommend approval to the Board with Commissioner Sandhu recusing himself.

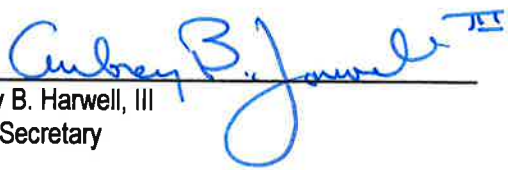
A motion was made by Commissioner Freeman and seconded by Commissioner Smith to accept the proposal by Hensel Phelps for the Progressive Design-Build Contract for the Concourse D & Terminal Wings project at BNA and authorize the Chair and President & CEO to execute the CGMP1. The motion carried by vote of 7 to 0 with Commissioner Sandhu recusing himself.

H. CEO Employment Agreement

Chair Joslin stated that last week's Management Committee meeting was cancelled due to the weather, so the CEO Employment Agreement was being presented directly to the Board of Commissioners for consideration. Chair Joslin then called on Commissioner Samuels to update the Board on this matter. Commissioner Samuels stated that on December 13, 2017, the Board approved hiring the new President and CEO, Doug Kreulen, and the Board approved the terms of President Kreulen's employment. Commissioner Samuels further stated that the CEO Employment Agreement before the Board was prepared by MNAA's outside employment counsel and was previously circulated by counsel to each member of the Management Committee for review and comment. Commissioner Samuels noted that the CEO Employment Agreement had also been sent to the Board for their information and review. A motion was made by Commissioner Samuels and seconded by Commissioner Doerge to approve the CEO Employment Agreement between MNAA and President Kreulen as presented. The motion carried by vote of 8 to 0.

VIII. Adjourn

There being no further business before the Board, Chair Joslin adjourned the meeting at 1:42 p.m.


Aubrey B. Harwell, III
Board Secretary