

✈ METROPOLITAN NASHVILLE AIRPORT AUTHORITY ✈

November 14, 2018 – Minutes of the Joint Meeting of the MNAA Board of Commissioners and MPC Board of Directors



Date: November 14, 2018

Place: Nashville International Airport
Nashville, Tennessee

Time: 1 p.m.

Board Members Present:

A Dexter Samuels, Chair; Trey Harwell, Vice Chair; Amanda Farnsworth, Secretary; John Doerge, Bill Freeman, Bobby Joslin Christy Smith, Nancy Sullivan and Mayor's Representative, Matt Wiltshire

Board Members Absent:

Dierks Bentley

Others Present:

Doug Kreulen and Cindy Barnett

I. Call to Order

Chair Samuels called the MNAA Board of Commissioners and MPC Board of Directors meetings to order at 1:00 p.m., pursuant to the Public Notice dated November 9, 2018.

II. Approval of Minutes

Upon motion made by Commissioner Freeman and seconded by Commissioner Doerge, the Board voted to approve the Minutes of the October 17, 2018, joint meeting of the MNAA Board of Commissioners and MPC Board of Directors. The motion carried by a vote of 9 to 0.

Upon motion made by Commissioner Harwell and seconded by Commissioner Doerge, the Board voted to approve the Minutes of the October 23, 2018 MNAA Board Retreat. The motion carried by vote of 9 to 0.

III. Chair's Report

Chair Samuels welcomed Board members and guests. Chair Samuels stated that despite inclement weather, it was a warm and joyous occasion in the halls of the Authority. Chair Samuels read a poem and wished a happy birthday to Doug Kreulen.

IV. President's Report

President Kreulen thanked the Commissioners for their time and dedication to the airport.

President Kreulen reported that Allegiant Airlines expands with year-round service to Sarasota two times per week beginning April 2019. Sun Country Airlines also celebrated inaugural service at BNA with flights to Minneapolis/St. Paul, New Orleans, Fort Myers, Miami, Tampa and Orlando.

President Kreulen stated that MNAA is recruiting new talent and he thanked Ms. Karisse Spray and her team for all the work they do to bring new staff members to MNAA. He presented the new BNA Recruitment Video.

President Kreulen stated that this past Wednesday marked the end of the first quarter since we implemented the new quarterly recognition program. We recognize a quarterly winner from Maintenance, Administration and Public Safety. Each recipient received a Certificate, \$250 and a pair of Predators tickets. He congratulated Ariel Ramos from Maintenance, Chris Saunders from Administration; and Caleb Gearing from DPS.

President Kreulen stated that the BNA 5K on the Runway Walk & Run is scheduled for April 6, 2019. Registration opens Friday, Nov. 16, 2018 at 10 a.m. Proceeds from the event will go to K9's for Warriors. President Kreulen played a short video highlighting the event. He reported that registration has been limited to 2,000 but provisions are being made for 5,000 to accommodate family and pet participation. K9's for Warriors will also be participating.

Concessions Update

President Kreulen stated that Ms. Margaret Martin is working with experts from Fraport and provided an update to the FAP Committee. On October 30, 2018, Fraport released the Food and Beverage RFP, and on November 6, 2018, Fraport released the Retail / Services / News RFP. Two RFP response workshops were held on November 1 and 7, 2018. The Fraport Advisory Board Meeting was held on November 1, 2018.

Mr. Ben Zandi introduced Ms. Vivica Brown who was hired as the new Vice President of Operations for Fraport-Nashville.

President Kreulen reported that the Fraport Transition Plan Review is scheduled for December 2018 and review of the analysis of a 15-year concessions contract is scheduled for January 2019.

Audit and Compliance Committee Update

President Kreulen provided an overview of the Audit and Compliance Committee meeting, which included a review of the FY18 Annual External Financial Audit Report which showed no material weaknesses. There were two significant deficiencies which will be addressed. Commissioner Farnsworth stated that she had requested Mark Nicolas, DHG, to follow-up with the audit team for corrective action status in 3 months.

President Kreulen reported that there were 312 open internal audit findings. There were eight new findings in first quarter and 22 findings closed in first quarter. Of the 312 open items, 86% are related to information technology and we are working with Compliance Point to close those findings before March 2019.

President Kreulen reported that all fraud reports were closed. There were two reports from FY18 and two from FY19. All reports were investigated and there were no findings of fraud.

President Kreulen provided an overview of the Public Safety update for the time period of August through October 2018 with 16,478 officer-initiated and dispatched calls.

Economic Report

President Kreulen reported that on November 12, 2018, we set a new record with 28,550 passengers through checkpoint. The previous checkpoint record was 27,419 passengers on October 1, 2018.

President Kreulen reported that October 2018 was the busiest month in the history of BNA with 1,538,312 total passengers, surpassing the June 2018 record of 1,460,525 total passengers. The past six months of May through October were the six busiest months in the history of BNA. Total passengers were up 17.4% for October and up 15.3% for FY19. Passenger numbers have increased in 97 of the last 99 months.

President Kreulen reported that News & Gift and Food & Beverage Service sales reports for October were not available due to the timing of the Board meeting. President Kreulen stated that News & Gift gross sales for September 2018 were \$2,633,114, up 20.7% over September 2017; FY19 YTD gross sales were \$7,839,975, up 19.3% over FY18 YTD. Food & Beverage gross sales for September were \$ 4,543,283, up 15.1% over September 2017; FY19 YTD gross sales were \$14,039,957, up 13.4% over FY18 YTD. News & Gift and Food & Beverage sales are up 61% over the past five years. (FY15 – FY19).

President Kreulen reported that Rental Car gross sales for October were not available due to the timing of the Board meeting. Rental Car gross sales for September 2018 were \$13,764,756, 9.9% above last September and up 8.5% for FY19. September revenue was up 10.0% at \$1,376,476; FY19 YTD was at \$4,287,699. Rental Car sales were up 39% over the past five years (FY15 – FY19).

Staff Reports

Operations Report:

Mr. Robert Ramsey reported on Gross Parking Revenue. Unadjusted Gross Parking Revenue from all 5 lots was \$4,922,244 for October, up 2.4%; FY19 YTD revenue was at \$18,157,243, up 8.9%. Revenue transactions were 136,092 for October, down 1.5%; FY19 YTD transactions were 536,920, down 2.4%. Mr. Ramsey stated we were at capacity.

For the month of October, air cargo was up 32.1%, with 5,180 total tons of cargo, an increase of 1,258 tons; FY19 YTD was up 19.5% with 19,462 tons of cargo, an increase of 3,175 tons.

BNA October fuel sales for Atlantic Aviation, Signature Flight and private self-fueling hangars were up 0.7%, with 747,501 gallons, an increase of 5,127 gallons; FY19 YTD sales were down 10.8% with 2,598,610 gallons, a decrease of 313,669 gallons. JWN October fuel sales were up 33.5% with 200,643 gallons, an increase of 50,314 gallons; FY19 YTD fuel sales for Contour Flight Support were up 16.1%, with 656,120 gallons, an increase of 90,745 gallons.

Mr. Ramsey provided a summary of the Airport Master Plan Forecast and Runway Analysis that staff provided at the November GAOPE Committee Meeting. The current Master Plan was completed in January 2007. The Airport Layout Plan (ALP) was updated in January 2018 and approved by the FAA November 5. The JWN Forecast, which is part of the BNA Master Plan, was updated in November 2018 and is awaiting approval. Currently there are 155 Based Aircraft and by 2037 the forecast anticipates 212. Current Operations are 83,950 and by 2037 the forecast anticipates 101,739. Staff has placed a moratorium on development for the next 6 months at JWN to complete the following tasks: 1) Hire Manager, Real Estate and Airport Planner; 2) Develop JWN Strategic Land Development Plan and Process; and 3) Update Private Hangar Development Standards for General Aviation Users at John C. Tune.

President Kreulen stated that Commissioner Farnsworth and Freeman's comments were appreciated at the Committee meeting and that he and Mr. Ramsey met with AECOM in reference to their questions about looking at how operations have grown at airports without a tower and after a tower. AECOM will report those findings in the next month or two.

Mr. Ramsey reported that the Economic and Community Development Grant announcements are made in November with award in December.

Mr. Ramsey reported that parking lot name changes will go into effect as of Terminal Garage opening day. Short Term will change to Terminal Garage; Long Term A will change to Terminal – Lot A; Long Term B will change to Economy - Lot B and Economy with change to Economy – Lot C. There will be no changes to Valet and BNA Express Park.

BNA Vision Monthly Program Report:

Mr. Ramsey provided Commissioners with the November 2018 BNA Vision Monthly Program Report for reference, and also provided a brief summary of the Vision Program Budget as of October 31, 2018.

Financial Report:

Ms. Marge Basrai, Chief Financial Officer, reported that October financials were not available due to the November Board meeting being moved up 1 week. October and November financials will be presented at the December Board meeting.

Quarterly Treasury, Retirement and OPEB Report:

Treasury Update

Ms. Basrai reported that \$24,900,000 was transferred to Goldman-Sachs in first quarter for FY19 and that 89.5% of funds were invested as of September 30, 2018 (41% at 12/13/17). Total cash is \$274.3M, of which \$245.5 million is invested in Goldman-Sachs or commercial paper. The total portfolio return for first quarter FY19 was \$1,106,832 (1.62%). FY18-Q1 return was \$490,840 (.57%).

Retirement Plan Update

Ms. Basrai stated that the Retirement Plan gross return for first quarter and YTD was 3.10% (net of fees 3.04%), compared to the composite benchmark of 3.25%. As of June 30, 2018, the retirement plan is 99% funded.

OPEB Update

Ms. Basrai reported that the OPEB gross return first quarter and YTD was 3.08% (net of fees 3.04%), compared to the composite benchmark of 3.29%. As of June 30, 2018, the OPEB plan is 70.1% funded.

Business Diversity Development Report:

Ms. Donzaleigh Powell, Director of Business Diversity Development, briefed the Board on MNAA's SMWBE participation for October 2018. Ms. Powell presented the following data:

	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%	6.97%	\$ 225,360	\$ 3,233,880	8.94%	\$ 1,127,601	\$ 12,606,326
Goods & Services (Includes all office supplies and office equipment and other goods)	6.49%	2.63%	\$ 6,126	\$ 233,212	1.44%	\$ 14,012	\$ 975,460
Construction Non-Federal CIP (All non-federal Construction and professional projects)	10.49%	16.36%	\$ 3,695,177	\$ 22,586,914	13.44%	\$ 10,236,967	\$ 76,140,864
Construction Federal CIP (All Federal Construction and professional projects)	9.28%	7.63%	\$ 90,855	\$ 1,190,763	14.69%	\$ 789,258	\$ 5,371,560

Ms. Powell reported that the Business Leaders Roundtable was hosted by the Nashville Area Hispanic Chamber of Commerce on October 8, 2018. Ms. Davita Taylor, AVP Procurement and Diversity, was a panel member and discussed procurement best practices related to diversity and inclusion and fielded questions on the barriers for small businesses, specifically Latino small business owners.

Ms. Powell reported that we hosted the first Diverse Business Expo on November 6, 2018, to network and promote internal operations and maintenance spend in the areas of professional services and goods and services. The event provided internal staff an opportunity to meet and learn about 21 professional services and goods & services firms. There were at least 53 attendees, 39 staff and 14 contractors or other firms. Attendees were free to come and go to accommodate flexible work schedules. Ms. Powell stated she would be reviewing attendee and vendor survey responses, departmental attendance and diversity spend over the coming months and present those findings at the next Diversity Committee meeting.

Ms. Powell reported that BDD participated in a construction focused event on November 8, 2018, hosted by the organization If I Had a Hammer. The event was held at Cane Ridge High School which has a construction academy for Juniors and Seniors. Students were able to build a small house in a two hour time. Prime contractors included Hensel Phelps, Turner Construction, Skanska and JE Dunn. Other participants included Metro Nashville Public Schools, Tennessee Promise, TN Department of Labor and Workforce Development, The Associated Builders and Contractors of Middle TN, The Associated General Contractors of Middle TN, Nashville Area Chamber of Commerce, Empower the Journey and Go Build Tennessee. Questions and Answer sessions were held during the event to spark interest in the construction industry.

V. Items for Approval:

- A. Short Term Credit Facility Initial Resolution 2018-11 and
- B. Short Term Credit Facility Official Intent Resolution 2018-12

Ms. Basrai briefed the Board on this item. Staff requested that the Board of Commissioners approve MNAA Resolutions No. 2018-11, Initial Resolution; and 2018-12 Official Intent Resolution in connection with the Short Term Credit Facility. Resolution 2018-11 is required by state law and provides notice that the Authority intends to issue debt secured by its revenues. Resolution 2018-11 will be published in accordance with state law following adoption. Resolution 2018-12 is required by federal law and memorializes MNAA's intent to reimburse itself for expenditures of its own funds and/or proceeds of the Short Term Credit Facility by the issuance of revenue bonds in the future, and authorizes the Chief Financial Officer to conduct a public hearing for the revenue bonds. The Notice of Public Hearing will be published in accordance with federal law following adoption of Resolution 2018-12.

Background:

The Short Term Credit Facility Summary of Terms and Conditions was provided to the Board and is summarized below:

Provider of facility Bank of America, N.A. or an affiliate

- Note Purchase Agreement, evidenced by one or more notes
- Aggregate amount not to exceed \$300 million
- Term of each note not to exceed earlier of three (3) years from date of issuance or facility termination date
- Facility termination date earlier of five (5) years from initial closing date or mandatory tender date
- Mandatory tender date each anniversary of initial closing date commencing with 2nd anniversary
- Notes bear variable rates of interest which may be tax-exempt, tax-exempt subject to AMT, and taxable
- Secured by a pledge of net airport revenues subordinate to certain obligations of the Authority, including the Authority's Airport Revenue Bonds

The Authority expects to issue multiple notes under the Short Term Credit Facility prior to the facility termination date. Issuance in excess of \$300 million requires additional Authority approval. The Authority also expects to refinance notes under the Short Term Credit Facility through the issuance of long-term revenue bonds.

Impact/Findings:

MNAA staff is negotiating the terms of the Short Term Credit Facility with Bank of America, N.A., as approved by the MNAA Board of Commissioners at its October 17, 2018 Board meeting. Staff requested this additional Board of Commissioners' approval to proceed with necessary legal requirements to implement the Authority's goals of consummating the Short Term Credit Facility.

Strategic Objectives:

- Invest in MNAA
- Plan for the Future
- Prepare for the Unexpected

Committee Review:

These items were presented to the Finance, Administration and Properties Committee on November 7, 2018 and approved for recommendation to the Board by a vote of 5 to 0.

A motion was made by Commissioner Smith and seconded by Commissioner Freeman to approve MNAA Resolution No. 2018-11, Initial Resolution pertaining to a credit facility to finance a portion of the cost of the Authority's capital improvement program. The motion carried by vote of 9 to 0.

A motion was made by Commissioner Smith and seconded by Commissioner Doerge to approve MNAA Resolution No. 2018-12, Official Intent Resolution to finance a portion of the cost of the Authority's Capital Improvement Program and directing the Authority to publish a notice of public hearing and to conduct such hearing in compliance with the United States Internal Revenue Code. The motion carried by vote of 9 to 0.

B. Approval of Compensation Study Recommendations

Ms. Karisse Spray, AVP of Human Resources, briefed the Board on this item. Staff recommended that the Board of Commissioners approve the request to 1) move forward with the salary adjustments in the amount of \$2,230,123 (including the fringe benefit rate), bringing the total compensation for current employees from \$27,981,276 to \$30,211,399; 2) aging of the salary ranges annually; and 3) conduct a comprehensive salary analysis every three years.

Background:

For optimal effectiveness of an airport organization, a fair and market competitive compensation model is prudent to retain top talent. In 2018, MNAA engaged ADK Consulting and Executive Search to research and review salary information for its employees. ADK utilized six external survey tools as well as conducted their own wage survey to which 14 comparable airports responded. ADK compiled the survey data and prepared a report that compared MNAA's employee's salaries to the survey data in the market.

Impact/Findings

ADK recommended that MNAA update its salary grade tables which set the minimum, midpoint and maximum economic value for each job. ADK also provided data by which MNAA leadership could recommend salary adjustments to bring current employees' base pay in line with the local and airport markets.

- Recommended Changes
 - Each of MNAA's 128 job titles were reclassified to be properly positioned in the redesigned salary grade tables.
 - 36 title changes were made to make them more easily understood in the industry as well as to create consistency within the internal job families.

- Financial Impact

Total cost of proposed salary adjustments before fringe benefit rate	\$1,496,727
Total dollar amount of applying fringe benefit rate (49%)	\$ 733,396
Total cost of proposed salary adjustments with fringe benefit rate	\$2,230,123

- Salary Adjustment Statistics

- There are 302 MNAA employees in this study.
- Salary Adjustments
 - 210 individual salary increases are proposed to bring the impacted employees to a competitive position in the market and to align internal equity. This represents an increase for 70% of the total employee population.
 - 153 male and 57 female
 - 157 Caucasian and 53 minority
 - The other 92 employees (30%) were already being compensated at a competitive salary.
- Salary Band Adjustments
 - 287 salary band increases are proposed to bring the impacted employees to a competitive salary band in the market. This represents an increase for 95% of the total employee population.
 - 209 male and 78 female
 - 218 Caucasian and 69 minority
 - The other 15 employees (5%) were already positioned in a competitive salary band.

- Impact of Salary Adjustments on Minorities and Females

- Of the 302 MNAA employees in this study, salary increases are recommended for:
 - 73% of minorities
 - 65% of females
- Of the 210 employees recommended for a salary increase:
 - 25% of those are minorities – 34 male and 19 female
 - 27% are female – 57
- Of the 302 MNAA employees in this study, salary band increases are recommended for:
 - 96% of minorities

- 89% of females
- Of the 287 employees recommended for a salary band increase:
 - 24% of those are minorities – 45 male and 24 female
 - 27% are female – 78
- Recommendations
 - Approval to move forward with the salary adjustments in the amount of \$2,230,123 (including the fringe benefit rate), bringing the total compensation for current employees from \$27,981,276 to \$30,211,399;
 - Approval to aging of the salary ranges annually, to keep pace with the local cost of living rate; and,
 - Approval to conduct a comprehensive salary analysis every three years, to maintain a competitive market position.

Strategic Priorities

- Invest in MNAA
- Plan for the Future

Options/Alternatives

Do Nothing: The “Do Nothing” option will result in non-competitive positions in the market

Committee Review

This item was presented to the Diversity and Workforce Development Committee on November 7, 2018. The Committee voted 3 to 0 to recommend approval to the Board.

A motion was made by Commissioner Smith and seconded by Mayor’s Representative Wiltshire to approve 1) salary adjustments in the amount of \$2,230,123 (including the fringe benefit rate), bringing the total compensation for current employees from \$27,981,276 to \$30,211,399; 2) aging of the salary ranges annually; and, 3) conduct a comprehensive salary analysis every three years. The motion carried by vote of 9 to 0.

C. Terminal Lobby/IAF Contract Award and CGMP 1 of 6

Ms. Traci Holton, Chief Engineer, briefed the Board on this item. Staff recommended that the Board accept the proposal by Hensel Phelps for the Progressive Design-Build Contract for the Terminal Lobby and International Arrivals Facility (IAF) project at Nashville International Airport (BNA) and authorize the Chair and President & CEO to execute the Component Guaranteed Maximum Price #1, (CGMP#1).

Background:

The Terminal Lobby and International Arrivals Facility (IAF) project will include a new iconic high roof canopy extending from the new parking garage to the new IAF. The canopy will provide coverage over the roadways and curbside access to the Terminal as well as a new pedestrian walkway connecting the parking garage to the Terminal. An open air pedestrian bridge will connect the terminal with the new garage B/C plaza, the administrative building, future development and the future train station to improve accessibility to and from the airport terminal. The terminal will also include a new expanded Security Screening Checkpoint (SSCP). The SSCP is located central to the Terminal providing easy access to departing passengers. The SSCP will include biophilia opportunities through low maintenance vertical garden walls. The terminal renovation will also include new concessions, airline club space and T-gates serving 6 international/domestic swing gates. The new International Arrivals Facility (IAF) provides a new Customs and Border Protection (CBP) Area with primary and secondary processing complete with a pedestrian tunnel moving the passengers from the CBP to the Terminal and Ground Transportation areas. A new central circulation core is added to optimize and facilitate inbound and outbound passenger flow and connect vertically all the levels from the Ground Transportation Center to the new pedestrian bridge. A new open concept central concession area called "Marketplace" is planned on the departure level between the SSCP and the new T Gates to increase the level of service and amenities available to domestic and international passengers.

After the new IAF is constructed, the existing International Arrivals Building (IAB) will be demolished in its entirety. The design of Concourse A will remain in its current condition. The temporary IAB corridor constructed in 2017 will be demolished with patch and repair to the existing Concourse A building as required. All new wall infills, and finishes will match the adjacent existing finishes.

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 \$327,670,629. 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 unless scope increases. Currently it is expected this project will require up to 6 CGMP's prior to reaching the final GMP.

A Request for Proposals was advertised on August 13, 2018 and August 20, 2018.

On September 25, 2018, three (3) proposals were received from AECOM Hunt/Turner Joint Venture, Hensel Phelps and McCarthy Building Company.

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 AECOM Hunt/Turner

On October 16, 2018 the selection committee conducted interviews of these top candidates asking additional questions on SMWBE, workforce development, team experience, project approach, 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	CGMP1	MBE %	WBE%	SBE%
AECOM Hunt/Turner	612	\$57,929,044	7.95%	11.53%	4%
Hensel Phelps	778	\$50,156,781	8.50%	11.53%	5%

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 and international arrivals facilities 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 construct the project. HP has advanced and developed a highly effective structural concept to reduce the number of columns by over 60%, reducing impacts during construction and achieving a more open atrium area significantly more in line with BNA Vision's original intent.
3. Highly detailed understanding of phasing and working within critical operational areas.
4. Understanding local labor market with effective outreach plan.
5. Effective SMWBE and Workforce Development approach to the project.

CGMP #1 includes Preconstruction Phase Services (design), Construction Phase Services (construction management) and contract percentages such as % fee equating to \$50,156,781.

The breakdown of Hensel Phelps subcontracting team as presented for CGMP#1 is as follows:

Proposer	Subcontractor	Discipline/Responsibility	SBE	MWBE	Local Firm	BNA Experience
Hensel Phelps	Fentress Architects	Architect of Record				Yes
	TMP	Associate Architect			Yes	Yes
	Feltus Hawkins	Associate Architect		WBE	Yes	Yes
	IC Thomasson	Mechanical, Electrical, Plumbing & Fire Protection Design			Yes	Yes
	Innovative Engineering Services LLC	Plumbing and Fire Protection Design		MBE	Yes	
	Burns Engineering	Technology Design				Yes
	Arora	Technology Assist		MBE	Yes	Yes
	Barge Design Solutions	Civil			Yes	Yes
	Magnusson Klemencic Associates (MKA)	Structural Design				Yes
	Logan Patri Engineering	Structural Assist		MBE	Yes	Yes
	Jones Worley	Signage and Wayfinding		MBE		Yes
	EJ Odom	Technology Assist		MBE	Yes	Yes
	Langan	Geotechnical Lead				Yes
	Geotek	Geotechnical Assist		MBE	Yes	Yes
	R.C. Mathews	Local General Contractor Liaison			Yes	Yes
	Connico Incorporated	SMWBE Compliance		WBE	Yes	Yes
	TransSolutions	Terminal Planning		MBE		Yes
	Pillars	CM Staffing		MBE		
	Wiss, Janney, Elstner Inc.	Life Safety				Yes
	Aero Bridge Works Inc.	Airside Layout and Design				Yes
Edmonds	Fire Protection and Smoke Evacuation	SBE		Yes	Yes	

MNAA 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:

MNAA SMWBE Participation Level:	7.95% MBE and 11.53% WBE and 4% SBE
Hensel Phelps Participation Level:	8.50% MBE and 11.53% WBE and 5% SBE
Anticipated Contract Start Date:	November 15, 2018
Duration of Contract:	2000 Calendar Days
Contract Completion Date:	May 8, 2024
Component Guaranteed Maximum Price 1	\$50,156,781
Component Guaranteed Maximum Price 2	TBD
Component Guaranteed Maximum Price 3	TBD

Component Guaranteed Maximum Price 4	TBD
Component Guaranteed Maximum Price 5	TBD
Component Guaranteed Maximum Price 6	<u>TBD</u>
Total Guaranteed Maximum Price	\$327,670,629.00 NTE
Funding Source:	100% MNAA

Strategic Objectives:

- Invest in MNAA
- Plan for the Future

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 BNA Vision Committee on November 7, 2018, and approved for recommendation to the Board by vote of 3 to 0.

A motion was made by Commissioner Joslin and seconded by Mayor’s Representative Wiltshire to accept the proposal by Hensel Phelps for the Progressive Design-Build Contract for the Terminal Lobby and International Arrivals Facility (IAF) project at Nashville International Airport (BNA) and authorize the Chair and President & CEO to execute the Component Guaranteed Maximum Price #1, (CGMP#1). The motion carried by vote of 9 to 0.

D. Terminal Garage C - Civil, Elevators, Parking Guidance System, Utilities CGMP 2 of 3

Ms. Holton briefed the Board on this item. Staff recommended that the Board authorize the Chair and President & CEO to execute the proposed Amendment 1 for Component Guaranteed Maximum Price (CGMP) #2 that includes site work, utilities and special systems for the Terminal Garage and Airport Administration Building project at Nashville International Airport Progressive Design-Build contract.

Background:

The Terminal Area Parking will consist of three garage projects. Garage A is currently under construction. Garages B and C will be constructed in the footprint of the existing short-term garage to be demolished. Garage B (approximately 1,800 spaces) and a P3 commercial development are to be constructed at a later date. Garage C (approximately 3,000 spaces) and the Airport Administration Building (approximately 64,000

SF) comprise this project which is Project 2A of the BNA Vision. Also, as a part of this project, MNAA reserves the option to construct Garage B as an extension of the contract or use the design development drawings of Garage B to construct Garage B and the future development as a future separate solicitation.

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 \$144,600,000.

Currently the project is trending upward 5-7% from its initial scope due to design progression and detail refinement, impact of field conditions and constructability considerations. In an ongoing effort to realign the costs with budget, the Design-Build team continues to seek out cost reductions through value engineering, design improvements, improved construction methods and competitive bidding. Project costs are currently being evaluated and will continue to be managed to ensure the overall project budget of \$176,630,000 is not exceeded.

On July 18, 2018, the Board approved the selection of Messer and CGMP #1 for the design, general conditions and concrete frame. This amendment is for CGMP #2 and includes the following items: site utilities, grading, water quality and detention, masonry, precast concrete, elevators, structural and miscellaneous steel, plumbing, mechanical, fire protection, electrical, parking control & guidance equipment.

Staff is requesting the Board to authorize Messer, via an amendment to their contract, to begin entering into subcontract agreements to deliver the scope for CGMP #2. In doing so, Messer will negotiate final scopes of work and final bid prices for each individual package of work and bring that information to Metropolitan Nashville Airport Authority (MNAA) staff for review and approval. The MNAA maintains final approval on all subcontracts for this project.

The Small, Minority, Woman-Owned Business Enterprise (SMWBE) participation level set by MNAA for this project is 8.69% MBE and 12.62% WBE and 4% SBE. Messer has committed to meeting the goal.

Impact/Findings:

MNAA SMWBE Participation Level:	8.69% MBE and 12.62% WBE and 4% SBE
Messer Participation Level:	8.69% MBE and 12.62% WBE and 4% SBE
Contract Start Date:	July 18, 2018
Duration of Contract:	800 Calendar Days Completion
Contract Completion Date:	September 25, 2020

Component Guaranteed Maximum Price 1	\$75,728,628
Component Guaranteed Maximum Price 2	<u>\$52,572,605</u>
Total Contract Price (CGMP 1-2)	\$128,301,233
Component Guaranteed Maximum Price 3	<u>TBD</u>
Guaranteed Maximum Price	\$144,600,000
Funding Source:	100% MNAA

Strategic Objectives:

- Invest in MNAA
- Plan for the Future

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 BNA Vision Committee on November 7, 2018, and approved for recommendation to the Board by vote of 3 to 0.

A motion was made by Commissioner Joslin and seconded by Commissioner Doerge to authorize the Chair and President & CEO to execute the proposed Amendment 1 for Component Guaranteed Maximum Price (CGMP) #2 that includes site work, utilities and special systems for the Terminal Garage and Airport Administration Building project at Nashville International Airport Progressive Design-Build contract. The motion carried by vote of 9 to 0.

VII. Adjourn

There being no further business before the Board, Chair Samuels adjourned the meeting at 1:44 p.m.



Amanda C. Farnsworth
Board Secretary