

Minutes of the Joint Meeting of the MNAA and MPC Operations, Engineering & Strategic Planning Committees



Date: April 13, 2022

Place: Nashville International Airport Board Room

Time: 9:00 a.m.

Committee Members Present:

Bobby Joslin, Chairman; Nancy Sullivan, Vice Chair; and Andrew Byrd, Dr. Glenda Glover

Committee Members Absent:

Others Present:

Bill Freeman; Joycelyn Stevenson; Jimmy Granbery; Doug Kreulen; Neale Bedrock; Lisa Lankford and Ginger Cork

I. Call to Order

Chairman Joslin called the Joint Meeting of the MNAA and MPC Operations, Engineering & Strategic Planning (Operations) Committees to order at 9:00 a.m., pursuant to Public Notice dated April 8, 2022.

II. Approval of Minutes

Commissioner Byrd made a motion to approve the Minutes of the March 9, 2022 Operations Committee meeting and Vice Chair Sullivan seconded the motion. The motion carried by vote of 4 to 0.

III. Chairman's Report

NONE

IV. Items for Approval

Doug Kreulen, President and CEO, introduced Ms. Traci Holton, VP, Chief Engineer and Deputy COO to brief the Committee on the next four items.

A. CGMP 3 of 3 for Satellite Concourse (Final GMP & Budget)

Ms. Holton briefed the Operations Committee on the Satellite Concourse Component Guaranteed Maximum Price "CGMP" 3 of 3 which is the final GMP & Budget. CGMP 3 consists of all building scopes of work, with the exception of structural steel and structural precast. The contractor is Holder Construction Group, LLC and the CGMP 3 amount is \$89.8M with a total GMP amount at \$124,826,110. This is a \$13.1M increase of the 50% ROM estimate that was discussed in November 2021 and a \$46.8M

increase to the overall design and construction. Holder performed a comprehensive analysis of all the bids. A total of 467 potential bidders were contacted which resulted in 196 prequalification packages received, 172 contractors prequalified, but only a total 82 were bids received. Multiple bids were received on every package. With minimal scope increase and less than \$5,000,000 in unbid scope, the cost is reflective of the current market conditions. Ms. Holton added that at the 50% CD they received prices from the trade market and some of the same contractors that priced in November, priced the GMP and bids were that much higher - this is reflective of what the market is right now.

Staff requested the Operations Committee recommend to the Board of Commissioners that it

1. authorize the Chair and President and CEO to execute Amendment 3 for CGMP3 of 3 for the Satellite Concourse for \$89,841,110 and the final GMP for \$124,826,110 to Holder Construction Group; and
2. approve an increase to the project budget for \$42,000,000, for a total project budget of \$134,500,000

Commissioner Byrd made a motion to approve as presented and Vice Chair Sullivan seconded the motion. The motion passed with a vote of 4 to 0.

Following request for approval Commissioner Glover asked Ms. Holton to go back for her to review the schedule and costs. Commissioner Byrd added it was awesome increases. Commissioner Sullivan said that she looked at one yesterday and it had doubled in just a year, and she was pleased for this not being that high. Board Chairman Freeman added that we will look at savings later that will almost offset this increase. President Kreulen added that we will do some adjusting to budgets later and just as the Chairman mentioned, when we broke up the Donelson Pike/TARI project into three phases - \$49M being the first phase and the remaining moved to Finance. In the end we will come back for approval on the final phase of TARI a year and a half from now. We will end up paying but right now we are moving funds around to do this, and we are excited to be able to lockdown the \$42M for the Satellite.

Commissioner Glover inquired as to what the net numbers look like for the Vision. President Kreulen explained the moving of funds, and Commissioner Glover stated it did look reasonable. President Kreulen added that you hear about the market increases and he applauds Ms. Holton and her team for their work, and he felt it was important to show the Commissioners a chart outlining by date, how many times we have brought this to the Commissioners. We've looked at every line item and it is basically across all trades and all skills – everybody is experiencing in this increase. Commissioner Granbery stated this is about \$16.8M a gate and asked how this compares to Concourse D and other projections

that we are looking at. Ms. Holton stated that she did not have that number and she would get this information to the Commissioners. Commissioner Granbery went back to the previous slide where the GMP and steel costs were presented, and asked if it was locked in. Ms. Holton stated yes. Commissioner Granbery asked if there were any caps on material costs that would potentially raise the GMP. Ms. Holton stated there are no clauses in the contracts, but this is final GMP.

B. Construction Contract for Reconstruction of Kilo West

Ms. Holton briefed the Operations Committee on the construction contract for Reconstruction of Taxiway Kilo West from the Alpha/Kilo intersection to Runway 13-31. The Invitation to Bid (ITB) advertised on November 1, 2021, and November 4, 2021, and included three Bid Schedules - Schedule 1 – Concrete Mainline Pavement with Concrete Shoulders – we only received bids on schedule 1; Schedule 2 – Asphalt Mainline Pavement with Asphalt Shoulders, and; Schedule 3 – Concrete Mainline Pavement with Asphalt Shoulders. We received 3 bids from Hi-Way Paving, Superior and one bid that was deemed non-responsive for not meeting DBE goal and lack of providing good faith estimates. The two remaining bids only bid Schedule 1, which is concrete mainline and concrete shoulders. Hi-Way Paving was the lowest responsive and responsible bidder at 4.9% lower than Garver's probable cost and 0.6% lower than high bidder (Superior). The DBE Goal was set at 16.74% and the Hi-Way Paving will meet 16.94% and are utilizing Gibco Construction, Archangel Protective Services, Kimberly, Inc., and Rutherford Contracting.

Traci and Chairman Joslin asked if anyone had any questions, and then Chairman Joslin took a motion for the Operations Committee to recommend to the Board of Commissioners that it

1. authorize the Chair and President and CEO to execute construction contract to Hi-Way Paving for \$12,571,386.

Commissioner Glover made a motion to approve as presented and Commissioner Byrd seconded the motion. The motion passed with a vote of 4 to 0.

C. Construction Contract for B & C Concourse Elevator Upgrade

Ms. Holton briefed the Operations Committee on the Construction Contract for B & C Concourse Elevator Upgrades. This project will replace four (4) service elevators in the B and C Concourse that are at the end of their useful life. These elevators are heavily used for restocking concessions,

trash removal, and cleaning the concourses. The elevators will be replaced with hydraulic elevators and will include an elevator monitoring system. On February 7 and 10, 2022, an Invitation to Bid (ITB) was advertised. On March 10, 2022, 1 bid was received from JE Dunn for \$1,796,000 which included an owner's contingency of \$50,000. It is 12% higher than TMP's probable construction cost of \$1.6M, but under project budget and is race & gender neutral.

Staff requested the Operations Committee recommend to the Board of Commissioners that it

1. authorize the Chair and President and CEO to execute construction contract with JE Dunn Construction for \$1,796,000.

Commissioner Byrd made a motion to approve as presented and Vice Chair Sullivan seconded the motion. The motion passed with a vote of 4 to 0.

Commissioner Byrd inquired as to why there were so few bidders. Ms. Holton responded this is not an attractive project – it is mostly equipment, and it is a small contract value.

D. BNA Vision Program Budget (TARI Update)

Ms. Holton briefed the Operations Committee on the BNA Vision Program Budget Update. As we have discussed for the last three months as an information item on the Terminal Access Roadway Improvements (TARI) Project is trending high and with the 2-year delay with the Colonial Pipeline litigation, we reviewed the sequencing and recommended it be broken into 3 phases. Last month we discussed what the budget would look like and today we are asking to keep \$49M of the \$163.5M budget of TARI and proceed with Phase 1 which includes widen discrete access, erect monument, install redundant water & power, new sewer line. This will reduce the overall budget by \$114.5M which then changes the Vision 1.0 budget from \$1.42B to \$1.31B.

Commissioner Byrd asked why the price dropped. Ms. Holton stated that we were going to break it out into Phase 2 and Phase 3 to be bid at future dates due to the delay from litigation. President Kreulen added that when we started Vision in 2017 we intended to have this roadwork done but we were in litigation for a couple years with Colonial and now we are pulling 2/3 of that program out of Vision 1.0 into Vision 2.0 or beyond, and we need to move it out of the Vision 1.0 budget so we can accurately track that budget. The \$114.5M will move over and Ms. Basrai, and potentially will use \$42M of it for the Satellite. Eventually the last two road phases will come in and we will bid those separately hoping to get better pricing, however there will most likely be an increase given the market. We are not doing

this today; we are just showing you how we propose the shift the money around. Commissioner Granbery stated there are some things in the original \$1.42B that are part of Vision 2.0. President Kreulen stated that we call it enabling work in Vision 1.0 to get us ready for Vision 2.0.

Staff requested the Operations Committee recommend to the Board of Commissioners that it:

1. Authorize a decrease of the Terminal Access Roadway Improvements (TARI) project budget and the BNA Vision program budget in the amount of \$114,500,000

Commissioner Glover made a motion to approve as presented and Commissioner Byrd seconded the motion. The motion passed with a vote of 4 to 0.

President Kreulen introduced Mr. Adam Floyd, AVP, Operations.

E. Shuttle Contract (Satellite & Main Terminal)

Mr. Floyd briefed the Operations Committee on the Shuttle Contract for the Satellite Concourse & Main Terminal. This contract will provide, manage, and operate all shuttle operations and associated passenger assistance services for public surface lots (non-walking), employee lot, and airside/satellite. We received 3 proposals and one was deemed non-responsive. The selection committee determined that ABM Aviation was the most qualified based on their experience and qualifications; their hourly fees and rates; their management and operations plans; their ability to meet the satellite shuttle times and their exceptional level of customer service. Their commitment to the ACDBE Goal was also an outstanding factor.

Commissioner Glover asked where ABM was located. Mr. Floyd stated they are located here in Nashville. President Kreulen added when we decided to build the satellite the good news is we rented all 8 gates but as part of the analysis for the satellite we opted to go with the shuttles because it is a cost and time savings vs. building a bridge and walkway over from Concourse C to the satellite or even tunneling under the ground to get to the Satellite.

Commissioner Glover asked if there was any type of survey done as to what the passenger preference would be because sometimes shuttling is not at the top of the list. President Kreulen added that he understands that and customer experience is one of the focus areas that Mr. Floyd and the rest of the team are working on. The design and how this is integrated into Concourse C, how you get down to shuttle station, and having 9 shuttles show timing will not be an issue. There was not another option to get 8 gates faster and control our cost. Going forward we can survey passengers to make sure we are giving them the best experience possible. It will take 3 minutes from the center of Concourse C to

the Satellite Concourse, and there will be 5 restaurant and 3 retail spaces which will be a nice experience once they get out there.

Commissioner Glover asked if the Satellite Concourse would be a temporary or permanent. President Kreulen said it would permanent as long as the facility lives. On the air service side of the house, the low-cost carriers want this, because they will save about 2.5% on rent which is saving them 2.5% on the bottom line. Commissioner Byrd said we would revisit this at some point in the future – whether it is another terminal or an extension in 15 or 20 years from now. President Kreulen said we would revisit every October at the Board Retreat and as we do Master Plans. We know when we get to 2040 we will need a second terminal. Planning must begin by the early 2030 time period.

Chairman Joslin stated there are several airports in the Country that shuttle to satellite concourses. President Kreulen added that we modeled ours off Seattle and Los Angeles – we went to visit their facilities so we knew we were doing this at a level the passengers would appreciate. Commissioner Glover asked if the passenger physically went outside to get on the shuttle. President Kreulen stated when you walk down Concourse C and you get near Tootsies at Gate 6, you'll take an escalator down to an indoor lobby and the shuttle bus will pick you up, and 3 minutes later you'll get off that shuttle into the new Satellite.

Staff requested the Operations Committee recommend to the Board of Commissioners that it:

1. Accept the proposal by ABM for the Shuttle and Passenger Assistance Services Contract, and
2. Authorize the Chair and President and CEO to execute the proposed contract

Commissioner Byrd made a motion to approve as presented and Vice Chair Sullivan seconded the motion. The motion passed with a vote of 4 to 0.

V. Informational Items

President Kreulen introduced Ms. Traci Holton, VP, Chief Engineer, and Deputy COO. President Kreulen and Ms. Holton briefed the Committee on the following informational items.

1. BNA Vision Update

Ms. Holton provided photos to update the Board of Commissioners on the construction progress of the central lobby, International Arrivals Facility, Garage B and the future hotel location.

This item was presented for informational purposes only, and no action was required.

2. JWN Redevelopment Update

JWN Hangar Construction

Ms. Holton provided an update on the JWN Hangar Construction. Since we last met, we have turned over the remainder of the buildings except for one (building #13) and we expect that to turn over no later than Monday. The plane ports are scheduled for April 23, 2022. President Kreulen added that building #15 on the slide is the hangar that we are trying to assist Metro Police Department. They are getting new helicopters and they would like to lease one of these hangars to store either their new or old helicopters and we might lease one of these 60x60 box hangars until they decide, and we move forward on a future hangar for them.

Ms. Holton added there are two date changes. The completion date for the Laydown Conversion (previously reported as May 31, 2022) is now August 16, 2022. The completion date for the MX/Admin Building (previously reported as December 31, 2022) is now January 20, 2023.

Ms. Holton added that for the Hangar and Plane Port leasing, there 18 available and we have 39 remaining on the waiting list.

North Development Area

Ms. Holton provided an update on the North Development Area. From a design and construction standpoint, there are no changes to the schedule. We originally estimated the design contract with Atkins would be NTE of \$475K but after negotiating and thoroughly reviewing the scope it is actually \$495K. The Notice of Availability was released April 5, 2022 and a pre-proposal meeting is scheduled for April 19, 2022 at the TDOT Hangar. Responses are due on May 16, 2022.

This item was presented for informational purposes only, and no action was required.

President Kreulen added for informational purposes to the Commissioners, we will have the Board meeting here at MNAA next week and in May we have some items on the agenda and that will also take place here at MNAA. When we get to June 2022, we will have our Committee meetings at the State Hangar at Tune. We will send everyone instructions to come to the state Hangar for the normal Committee meetings and at the end of those meetings, we will have a shuttle outside the state hangar to transport everyone to the plane ports for a ribbon cutting ceremony and celebration. For the June Board meeting, we will have the Board meeting at

MNAA Administrative office and have a cake cutting before the Board meeting to celebrate BNA's 85th anniversary. After the Board meeting, we will have a shuttle to take us to the satellite concourse location for the groundbreaking and return to the MNAA administrative building immediately thereafter for everyone to leave.

VI. Adjourn

There being no further business before the Joint Committee of the MNAA and MPC Operations, Engineering and Strategic Planning Committees, Chairman Joslin adjourned the meeting at 9:29 a.m.


Joycelyn Stevenson, Board Secretary