

**Agenda of the Joint Meeting of the
MNAA Board of Commissioners
and MPC Board of Directors**



Date/Time: Wednesday, June 21, 2023, at 1:00 p.m.
Place: Nashville International Airport – Tennessee Board Room
Board Members: Joycelyn Stevenson, Esq., Chair
Jimmy Granbery, Vice Chair
Andrew Byrd, Secretary
Bobby Joslin
Bill Freeman
Nancy Sullivan, P.E.
Dr. Glenda Glover

I. CALL TO ORDER

II. APPROVAL OF MINUTES

[May 10, 2023 Minutes of the Joint Meeting of the MNAA and MPC Operations, Engineering & Strategic Planning Committees](#)

[May 10, 2023 Minutes of the Joint Meeting of the MNAA and MPC Finance, Diversity & Workforce Development Committees](#)

[May 10, 2023 Minutes of the MNAA Management, Audit & Compliance Committee](#)

[May 17, 2023 Minutes of the Joint Meeting of the MNAA Board of Commissioners & MPC Board of Directors](#)

III. CHAIR'S REPORT

IV. PRESIDENT'S REPORT

V. ITEMS FOR APPROVAL

1. [MB Companies Multi-Purpose Tasking Airfield Snow Removal Sweepers \(2\)](#)
2. [Design Build Contract for Concourse D Extension CGMP 3 of 4](#)
3. [FY24 Commercial Insurance Policies Renewal](#)
4. [Funding Policy of the Retirement Plan for MNAA Employees, Resolution 2023-10](#)
5. [Non-Signatory Airline Operating Agreement, Resolution 2023-08](#)
6. [Amendment 8 to Fraport Lease and Concession Agreement](#)
7. [Amendment 1 to Fraport Sublease Agreement for Consolidated Receiving and Distribution Center \(CRDC\)](#)

VI. INFORMATION ITEMS

1. BNA Development Update
2. JWN Development Update
3. BNA Concessions Program Update
4. Procurement Policy Annual Review
5. FY23 Strategic Goals Accomplishments
6. 2023 Affirmative Action Program (AAP) Update

VII. ADJOURN

DRAFT

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



Date: May 10, 2023

Location: Metropolitan Nashville Airport Authority
Tennessee Boardroom

Time: 9:00 a.m.

Committee Members Present:

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

Committee Members Absent:

None

Others Present:

Bill Freeman, Jimmy Granbery, Andrew Byrd,
Doug Kreulen, Neale Bedrock, Lisa Lankford,
Rachel Moore and Trish Saxman

I. CALL TO ORDER

Chair Joslin called the Joint Meeting of the MNAA and MPC Operations, Engineering & Strategic Planning (Operations) Committee to order at 9:00 A.M. pursuant to Public Notice dated May 5, 2023.

II. APPROVAL OF MINUTES

Chair Joslin asked for a motion to approve the minutes from the April 12, 2023 Operations Committee meeting. Vice Chair Sullivan made a motion and Commissioner Glover seconded the motion. The motion carried by vote of 3 to 0.

III. CHAIR'S REPORT

Chair Joslin welcomed everyone and thanked all for attending. Commissioner Freeman mentioned Secretary Byrd's trip to Washington DC and congratulated him on meeting President Biden and representing us at the meeting stating he did a great job for the City of Nashville and the State of Tennessee. Commissioner Freeman asked Secretary Byrd if he had a picture of the event, Secretary Byrd stated he will get one.

IV. ITEMS FOR APPROVAL

1. Change Order 2 Increasing Terminal Lobby/IAF GMP by Replenishing Owner's Contingency

President Kreulen introduced Traci Holton, VP, Deputy COO & Chief Engineer, to brief the Committee on the Change Order 2 Increasing Terminal Lobby and International Arrivals Facility ("IAF") GMP by

replenishing Owner's Contingency with Hensel Phelps. This project is for the construction of Terminal Lobby and IAF. Ms. Holton stated that the project had been underway for over 4 years and has another 6 months remaining, and renovating a 30-year old building results in lots of unforeseen conditions. The change order in the amount of \$5M is to replenish owner's contingency. This does not change the overall project budget or the program, and it is drawing down our current budget reserve from \$6.5M to \$1.5M and the overall sum for the budget reserve goes down by \$5M. Ms. Holton presented a table showing the current budget, estimate at completion and budget reserve.

Secretary Byrd asked what it is for. Ms. Holton explained this is for Hensel Phelps' contract for the terminal lobby and IAF project. President Kreulen stated MNAA spent the owner's contingency and still has the \$6.5M and plans to replenish it with \$5M, and we have several months to finish project. MNAA does not have a specific need to spend all of the \$5M at this point, but it gives us the ability that if something does come up, we would be able to pay for it. Vice Chair Sullivan asked what some of the projects are. Ms. Holton replied there are a few things like a couple of owner changes in the market place, the content development for the lobby screens, and things a tie-in to the main fire line needed to be replaced.

Commissioner Granbery asked if MNAA already spent all of the \$29M program contingency, and if only \$9M was left. Ms. Holton replied, no, and explained the budget reserve column stands alone, and the program contingency has not changed. MNAA has always had this much in the budget reserve balance in the project itself, and every time we have spent program contingency, we have notified the Board. The number will actually go up once we close out the garage and that amount will move into there. President Kreulen stated overall, the IAF project budget remains at \$480M. Commissioner Granbery asked what MNAA has left in both the program contingency and the project contingency. Ms. Holton replied the program contingency remains at \$29M out of the \$1.3B, and the project contingency for this project has \$1.5M outside of contracts.

Ms. Holton requested the Operations Committee recommend to the Board of Commissioners that it authorize the Chair and President and CEO to deduct \$4M from existing project reserve to replenish owner's contingency for the Terminal Lobby/IAF contract with HP, thereby increasing the GMP to

\$445,020,331. Chair Joslin asked for a motion to approve as presented. Vice Chair Sullivan made a motion and Commissioner Glover seconded the motion. The motion passed with a vote of 3 to 0.

Chair Joslin asked if the new garage's 1,800 parking spaces are full. Ms. Holton stated it was not full, but it has been busy, and people were parking immediately upon opening. Commissioner Glover asked what the total reserve is and if it has changed before. Ms. Holton stated there was a time two years ago where MNAA came back and asked for more money that we moved from program contingency into the terminal lobby and IAF project for the mezzanines and the marketplace, and those numbers have not changed in quite some time. Commissioner Glover asked if we will need to replenish. Ms. Holton replied no, we are still estimating we will complete project within the budget. Chair Joslin asked how the mezzanine project is coming along. President Kreulen stated very good, it is up there and will basically be a show space that we will use in the future. Commissioner Granbery went through the budget reserve values, and stated you burned through the parking and transportation center \$5M, burned through Concourse D \$33M, burned through Garage C \$20M, still have \$2.7M in Garage B, still have \$1.5M left in Terminal Lobby, and burned through \$4.3M in Terminal Access Roadway Improvements. Ms. Holton replied she would not say we burned through all that necessarily, because we had remaining dollars left, and explained how the money is moved in the table. Commissioner Byrd asked how much of this has been drawn and paid. Ms. Holton stated about 70% has been paid on terminal lobby and IAF. President Kreulen stated they have drawn 70%, but they are probably 80% along on the project.

2. Design Build Contract for Genesco Building Demolition

Ms. Holton briefed the Committee on the Design Build Contract for the demolition of the Genesco Building. The Genesco Building is a 315,000 sq ft, six-story concrete structure, built in the 1960's, and has exceeded usable life and functionality. MNAA advertised the Request for Proposal ("RFP") on February 27, 2023, and in late March we received three RFPs, from Messer, Remedial Construction Services and Renascent, Inc. The Selection Committee evaluated the proposals based on mandatory requirements, experience and project approach, schedule, price and SMWBE participation. The Selection Committee shortlisted Messer and Renascent and chose to interview them and asked them to outline demolition and abatement experience, including key proposed personnel experience, and highest risk within project as well as explain design and permitting approach, including abatement,

grading and demolition permitting. Renascent was the highest proposer. The SMWBE goal for this project was 9.85% MBE and 4.28%WBE, and Renascent exceeded that with 9.95% MBE and 4.47% WBE. This is a 492 calendar day-project at \$4.875M. Ms. Holton stated the project scope will leave the parking lot, and presented a graphic of areas that will be demolished. A perimeter fence will be added at completion of the project.

Ms. Holton requested that the Operations Committee recommend to the Board of Commissioners that it authorize the Chair and President and CEO to execute the proposed Design-Build Contract with Renascent for the Guaranteed Maximum Price (GMP) of \$4,875,000.

Commissioner Glover asked if MNAA could find a black firm that could demolish a building. Ms. Holton stated none proposed. Chair Joslin asked for the location of Renascent. Ms. Holton stated they completed demo of the main building of the central lobby for Hensel Phelps and she will get the location. Chair Joslin asked if Demo Plus bid. Ms. Holton replied no, they did not bid. Vice Chair Sullivan asked how many people were at the pre-bid. Ms. Holton stated it was really good turnout and Later in the meeting, President Kreulen updated the Committee that there were 11 attendees, and the headquarters are in Indiana. Commissioner Byrd asked if MNAA should reach out to African American companies. Ms. Davita Taylor, VP, Procurement and Business Diversity, replied all of our solicitations are sent out to anybody that is listed in those particular categories, so all of our small business get notified of any solicitation that we put out, so there is active outreach. We only have about four that can even do this type of demolition, and a couple of them partner with bigger companies. President Kreulen stated this outreach goes on all the time when we put out a solicitation, and the biggest challenge is that Nashville is still growing and a company may come to a pre-bid meeting but when they see the schedule, they cannot commit to another job for that time period. Commissioner Granbery asked if MNAA restricted implosion. Ms. Holton replied no, but nobody proposed implosion, and there will be a bunch of abatement including asbestos. President Kreulen stated we have updated our Metro leases and we have given them 5 year extensions with a 2 year notice of when we think we will need that property.

Chair Joslin asked for a motion to approve as presented. Vice Chair Sullivan made a motion and Commissioner Glover seconded the motion. The motion passed with a vote of 3 to 0.

3. Design Build Contract for TARI Phase 1 – CGMP 3 of 3

Ms. Holton briefed the Committee on the Design Build Contract for TARI Phase 1, CGMP 3 of 3, to widen the inbound side of Discrete Access from TDO I-40 right-of-way to the terminal ramps, and the construction of a water pump and water main line to provide redundancy to the terminal and its support buildings. On May 20, 2020 the Board approved selection of Superior and CGMP 1. MNAA is getting towards the end of Superior's scope, and still need to bid the water main. MNAA has estimates in place and the current contract does not have enough funds so we are asking for \$16.5M not to exceed to complete the scope of the TARI Phase 1 project. Metro has requested an upsize of its water main. MNAA planned to put in a 16" and Metro would like a 24" water line and will pay that difference. Commissioner Byrd asked if this is running along the Interstate. Ms. Holton explained it comes right up the middle of the road, and across terminal drive. President Kreulen stated it will have challenges, with the first being that we want to tear up the road in front of the hotel before the hotel opens. Ms. Holton stated we are getting bids for that now. President Kreulen stated the second challenge will be 216A that road gets widened all the way to the front to two lanes. President Kreulen said MNAA shows that between now and Christmas we are going to widen the road coming off of I-40 and this water line will run through and we have to prepare a connection on ground level before the hotel opens. Commissioner Granbery asked what the total original budget was for Vision I. Ms. Holton replied the total original budget for TARI was \$165.5M and we reduced it to \$49M for Vision, and now we are asking for \$16.5M additional. TARI Phase 2 and 3 are now in New Horizon. Commissioner Glover asked if we have used Superior before. Ms. Holton replied not before this contract, and Superior also won the low bid on the paving of the Terminal Apron Taxi Lane Expansion project. President Kreulen stated out of that \$55,418,494, a significant amount will be reimbursed by Metro. Vice Chair Sullivan asked if we have a contract for the schedule. Ms. Holton replied it all becomes part of the negotiation for this work, which will be a long process, and peak times are all the time now, so nighttime work will be done. President Kreulen replied that is why we are working with TDOT on new signs on the I-40 to encourage arrivals to use Exit B and departures use Exit A. Commissioner Byrd stated he appreciates how complicated President Kreulen's job is. President Kreulen replied thank you.

Ms. Holton requested the Operations Committee recommend to the Board of Commissioners that it authorize the Chair and President and CEO to execute an amendment to contract with Superior in the amount not to exceed \$16,500,000.

Commissioner Glover clarified the motion should be not to exceed \$16.5 for CGMP3 and GMP of \$15,418,494 NTE. Chair Joslin asked for a motion to approve as presented and Vice Chair Sullivan seconded the motion. The motion passed with a vote of 3 to 0.

Commissioner Byrd asked if the cell phone parking lot is working. President Kreulen stated yes, a few are using it, if you are following social media there are issues. First of all, cell phone lots are free, MNAA gives them flight information, security and more than 2.5 times the space, but people are always going to do what is easy for them and the go on the other side of I-40 and park by the old K-Mart building and then drive across. Commissioner Byrd asked if President Kreulen believes this is a satisfactory solution. President Kreulen stated yes, there is no place closer to put it and we are still advertising the new location. President Kreulen stated the cell phone lot was moved because MNAA is ready to expand and as the TDOT moves Donelson Pike we are going to demo everything that used to be Donelson Pike and right in the middle of that was a small cell phone lot and that had to close. We built a new free cell phone lot on Murfreesboro. But some people choose to go across to the Panera and buy coffee and have a bathroom. Commissioner Granbery agreed it is a great location and asked if there is any way in addition to what MNAA is doing on social media now to incentivize to get them to use it. President Kreulen stated we can look at options, however nothing is free and the cell phone lot will never be back at the prior location. Our focus is on generating revenue to pay for all that is out there and cell phone lots do not generate revenue. Commissioner Byrd asked if we let people know to drive down to Murfreesboro Road. President Kreulen stated yes, we do. Ms. Holton stated TDOT message signs have been posting the cell phone lot location on Murfreesboro Road.

4. Amendment 3 to On Call Planning Contract – Garage Study

Ms. Holton briefed the Committee on Amendment 3 to On Call Planning Contract. An RFQ was issued in 2021 for on call planning services. Ricondo and Associates was awarded the contract in January 2022, with a term of one year with four one-year renewal options. This contract is for any planned tasks or unplanned tasks. Some items we have utilized the on call contract to complete up to this point are Concourse D Supplemental EA, BNA Line of Sight Study, 2021 Board Retreat, and parking and curbside studies. MNAA is asking for an amendment to provide additional tasks such as master planning inside the future TARI ring road, preparing bridging documents for the future parking garage, supporting the FAA required Safety Management System (SMS), rental car analysis, implementation of BNA/JWN Overlay Zones and assistance implementing parking, curbside and roadway improvements resulting

from on-going studies. This contract is for Ricondo & Associates, with the original contract at \$450K per year, Amendment 1 raised the contract \$550K per year and was approved by Board, and Amendment 2 was at \$475K per year. The total per year will be \$2.975M. . This does not change their SMWBE participation, which is above the original goal of 8.8%. Staff will bring Option Year 2 to the Commissioners for approval following the October 2023 Retreat.

Vice Chair Sullivan asked if this is the only firm to assist with planning, and if it would be good to have multiple contractors. Ms. Holton stated yes. For planning services this is the only one, and we have some ideas for future engineering services. She explained it gets tricky when you have more than one in divvying up the work. Vice Chair Sullivan asked if Ricondo has the best expertise. Ms. Holton stated Ricondo is a nationwide firm with a lot of expertise, and this is up to a five year contract. President Kreulen stated we had some new mandates like the SMS and not even shown on this is the new requirement for aviation employee screening. Ricondo is doing a great job. As we are looking at the organization chart and looking at how to go from Vision to New Horizon to the new Terminal, we are going to have to be a bigger organization. We are continually growing and some of the top 30 airports in the US need planning on call services, architecture team and we are now starting to feel the growing pains and a lot of this will be discussed at the October Board Retreat.

Ms. Holton requested the Operations Committee recommend to the Board of Commissioners that it authorize the Chair and President and CEO to execute Amendment 3 to the On Call Planning Professional Services Contract with Ricondo for an additional \$1,500,000 for Option Year 1 (2023).

Chair Joslin asked for a motion to approve as presented. Commissioner Glover made a motion and Vice Chair Sullivan seconded the motion. The motion passed with a vote of 3 to 0.

V. INFORMATION ITEMS

1. BNA Development Update

Ms. Holton reported that the Terminal Garage B opened April 27, 2023. It was not a full opening because there was still some impact to spaces related the hotel. There are approximately 1,351 spaces open today, getting to 1,606 spaces, not including spaces that are added to Garage C. Commissioner Granbery asked if it is 1,800 total spaces. Ms. Holton replied it will be close to 1,800 when you add back in the spaces.

Ms. Holton reported the terminal lobby and IAF has a lot of work being done, and that there has been really good progress on the IAF. President Kreulen stated this area is behind the construction wall and it opens September 25, 2023. It adds six international gates and this is all new building that did not exist before. Commissioner Byrd asked if the business community would be invited out for breakfast. President Kreulen stated we are discussing how to plan a celebration for this facility that opens September 25, 2023 and also a celebration for the new satellite that opens October 19, 2023, and will invite business and government leaders

Ms. Holton state the BNA Vision Hotel has three of their five phases of the precast installed, will have permanent power in mid-May and will be starting dry wall on level 1..

2. JWN Development Update

Ms. Holton stated that they finished the blasting for the roadway, and they are about to start blasting in the tenant areas. There is lots of equipment, lots of activity and lots of earth to be moved and progress is going well, and they installed a storm drainage as well.

On May 2, 2023, Robert Ramsey, EVP, Chief Operating Officer, attended the AAAE Southeast Chapter to accept the Project of the Year in the General Aviation Architectural category for the JWN Redevelopment Project.

On May 22, 2023 MNAA hired a new JWN Airport Manager, Chris Davidson, who comes from Salisbury Regional Airport, MD. President Kreulen stated Chris Davidson is a retired marine office and will attend the June Board meeting. A JWN Tenant Meeting will be held on May 23, 2023 at 5:30 PM at the TDOT Hangar to introduce the new JWN Airport Manager, and provide updates on Class C Airspace, the status of construction, and JWN ATCT annual RSAT meeting.

VI. ADJOURN

There being no further business brought before the Operations Committee, Chair Joslin adjourned the meeting at 9:50 A.M.

Andrew W. Byrd, Board Secretary

Minutes of the Joint Meeting of the MNAA and MPC Finance, Diversity & Workforce Development Committees



Date: May 10, 2023

Location: Metropolitan Nashville Airport Authority
Tennessee Boardroom

Time: 9:51 AM

Committee Members Present:

Andrew Byrd, Chair, Dr. Glenda Glover, Vice Chair, and Jimmy Granbery

Committee Members Absent:

None

Others Present:

Bill Freeman, Bobby Joslin, Nancy Sullivan, Doug Kreulen, Neale Bedrock, Lisa Lankford, Rachel Moore, and Trish Saxman

I. CALL TO ORDER

Chair Byrd called the Joint Meeting of the MNAA and MPC Finance, Diversity & Workforce Development (Finance) Committees to order at 9:51 AM pursuant to Public Notice dated May 5, 2023.

II. APPROVAL OF MINUTES

Chair Byrd asked for a motion to approve the minutes of the May 10, 2023 Finance Committee Meeting. Commissioner Granbery made a motion and Vice Chair Glover seconded the motion. The motion carried by vote of 3 to 0.

III. CHAIR'S REPORT

Chair Byrd thanked everyone for attending and congratulated BNA for the all-time high of almost 40,000 passengers.

IV. ITEMS FOR APPROVAL

There were no items scheduled for approval.

V. INFORMATION ITEMS

1. BNA Concessions Program Update

President Kreulen introduced Colleen Von Hoene, Associate Principal, Paslay Group, to brief the Committee on concessions activity. Ms. Von Hoene stated there are 15 locations scheduled to open in September 2023, and all have been approved to Code and some have pulled permits. The space turnover is scheduled for May 29, 2023. The Satellite Concourse has 7 locations scheduled to open by Paradies in October 2023 and all have been approved to code. The space turnover is scheduled for June 21, 2023. Commissioner Granbery asked how the supply chain working. Ms. Von Hoene replied she was not aware of any issues but will ask specifically and return with an answer. Commissioner Granbery requested the staff continue to report concessions sales.

2. Quarterly Retirement/OPEB/Treasury Investment Reports

President Kreulen introduced Kristen Deuben, VP, Finance & Deputy CFO, to brief the Committee on the Quarterly Retirement/OPEB/Treasury Investment Reports. Ms. Deuben reported for the 3Q of FY2023 the Retirement Plan market value was \$77.3M which is an increase of \$2.6M over the prior period. The OPEB market value was \$38.3M, which is an increase of \$1.6M over the prior period. The Retirement Plan outperformed the benchmark while the OPEB Plan slightly underperformed the benchmark for the period, but overall, both Plans are outperforming their benchmarks for the fiscal year. During the 3Q FY2023 MNAA had total available funds of \$1.226B with 99.4% of those funds invested. This leaves about \$7M in Demand Deposit Accounts (DDA).. Having 0.6% of total funds in DDA accounts exceeds our internal goal to keep cash in bank accounts below 8% of total available funds. The 3Q 2023 earnings were \$8.2M. The earnings were greater than 3Q 2022 due to increasing rates and yields in the fixed income markets and having \$430M more funds available. Commissioner Granbery stated that 10 times is a good increase. Ms. Deuben agreed, stating we have very conservative funds. Chair Byrd asked if a lot of this is driven by short term yields on US Treasury. Ms. Deuben responded yes. Commissioner Granbery asked if the Board could get a summary on the money moved around for construction. President Kreulen replied yes, we can go back and gather the information.

VI. ADJOURN

There being no further business brought before the Finance Committee, Chair Byrd adjourned the meeting at 9:58 AM.

Andrew W. Byrd, Board Secretary

Minutes of the MNAA Management, Audit & Compliance Committee



Date: May 10, 2023

Location: Metropolitan Nashville Airport Authority
Tennessee Boardroom

Time: 9:58 AM

Committee Members Present:

Jimmy Granbery, Vice Chair, Bill Freeman

Committee Members Absent:

Joycelyn Stevenson, Chair

Others Present:

Bobby Joslin, Andrew Byrd, Nancy Sullivan, Dr. Glenda Glover, Doug Kreulen, Lisa Lankford, Neale Bedrock, Rachel Moore and Trish Saxman

I. CALL TO ORDER

Vice Chair Granbery called the meeting of the MNAA Management Committee to order at 9:58 AM pursuant to Public Notice dated May 5, 2023.

II. APPROVAL OF MINUTES

Vice Chair Granbery asked for a motion to approve the minutes of the April 12, 2023 MNAA Management Committee. Commissioner Freeman made a motion and Vice Chair Granbery seconded the motion. The motion carried by vote of 2 to 0.

III. CHAIR'S REPORT

Vice Chair Granbery stated that he did not have a Chair's Report.

IV. ITEMS FOR APPROVAL

There were no items scheduled for approval.

V. INFORMATION ITEMS

There were no information items scheduled for review.

VI. ADJOURN

There being no further business brought before the Management Committee, Vice Chair Granbery adjourned the meeting at 9:58 AM.

Andrew W. Byrd, Board Secretary

Minutes of the Special Joint Meeting of the MNAA Board of Commissioners and MPC Board of Directors



Date: May 17, 2023

Location: Metropolitan Nashville Airport Authority
Tennessee Boardroom

Time: 1:00 PM

Board Members Present:

Joycelyn Stevenson, Esq, Chair; Jimmy Granbery, Vice Chair;
Andrew Byrd, Secretary; Bobby Joslin; and Dr. Glenda
Glover

Board Members Absent:

Bill Freeman; Nancy Sullivan

Others Present:

Doug Kreulen, Neale Bedrock, Lisa Lankford, Trish Saxman
and Rachel Moore

I. CALL TO ORDER

In accordance with the 3rd Amended and Restated Bylaws of the MNAA Board of Commissioners, Section 2.3, Vice Chair Stevenson called the MNAA Board of Commissioners and MPC Board of Directors Meeting to order at 1:00 PM, pursuant to Public Notice dated May 12, 2023.

II. APPROVAL OF MINUTES

Vice Chair Stevenson called for a motion to approve the Minutes and seconded by Vice Chair Granbery. The motion carried by vote of 5 to 0.

III. CHAIRMAN'S REPORT

Chair Stevenson thanked everyone for attending and stated she is excited to attend the upcoming BNA 5K on the Runway with Vice Chair Granbery and Commissioner Sullivan.

IV. PRESIDENT'S REPORT

President Kreulen stated MNAA has a lot of great information for the Board. On April 20, 2023, BNA celebrated an Honor Flight to Washington, D.C. with 31 Middle Tennessee veterans including several from WWII, Korean, and Vietnam. It is a great event and is always interesting to interact with the veterans. Southwest sponsors the Honor Flight and Tennessee One was here at BNA that day. President Kreulen

spoke with several veterans, one from the Korean War and another from WWII who was in North Africa, Italy. Thanks to the staff for supporting this great event.

President Kreulen stated Avelo Airlines announced new air service beginning June 22, 2023 to Wilmington, DE, 30 miles Southwest of Philadelphia. Avelo will be the only airline flying between Tennessee and Delaware to Wilmington which is conveniently located a short drive south of Philadelphia and adjacent to multiple major highways. This is Avelo's second nonstop serving Connecticut now.

President Kreulen stated the Nashville Post "In Charge 2023" recognized four of our Commissioners as most influential people who "push the city toward a brighter future" - Chair Stevenson, Legal Sector, Vice Chair Granbery, Real Estate, Commissioner Freeman, Real Estate, Commissioner Glover, Education. President Kreulen congratulated and thanked them for all they do.

President Kreulen stated on April 29, 2023, several MNAA Officers, Sgt. Page and Lt. DiPietro, participated in the 2023 Women in Law Enforcement Conference. Coming out of Covid, the staff supports training and traveling again and supports opportunity to enhance skills.

President Kreulen stated BNA had a surprise visit with Blake Shelton arriving on April 29, 2023 and stopped and performed at Ole Red. Ole Red was packed, and it was a great surprise for the passengers. On the outside of the restaurant and around Concourse C, a lot of passengers were assembled trying to get pictures. It was really exciting for everyone. It would be great if we could get more artists to stop by BNA. He thanked Fraport for supporting the event.

President Kreulen stated Robert Ramsey, COO, accepted the AAAE Southeast Chapter Project of the Year award at the annual Southeast Chapter Conference. The John C. Tune ("JWN") Redevelopment was selected as the Project of the Year in the General Aviation Architectural Category for Airport Recovery and development. When the attendees saw the damage of JWN, everyone was gasping and what we lived through on March 3, 2020 has been recognized. President Kreulen congratulated and thanked the Operations and all BNA teams for 100 new leases, \$40M in construction and now we are over on the North side of JWN. Vice Chair Granbery challenged the staff to do a photo album of the day before the tornado, the day of the tornado, the day after the tornado and up to completion so everyone could see how quickly it was cleaned up and the process.

President Kreulen reported on May 6, 2023 Tennessee State University had their graduation and Oprah Winfrey returned to her alma mater to deliver the commencement address to the Class of 2023. This speech marked the first time Oprah returned to TSU since 1987. It looked like a beautiful commencement and great pictures.

President Kreulen stated JSX Airlines will offer semi-private jet service starting June 22, 2023 with 2 flights daily to Dallas, TX and Westchester County, NY, and seasonal service through September 4, 2023 to Destin, FL, 5 days a week. Today JSX serves Orlando, Miami, Houston, Austin, Reno, Oakland, Monterey, and several others. Flights start at \$300 each, and staff will confirm if that is roundtrip.

President Kreulen reported Silver Airways announced new nonstop service to Greensboro, NC beginning Summer 2023. This is our first introduction to them, and they are now trying to get into some of the larger hubs.

President Kreulen stated on May 15, 2023 we celebrated National Peace Officers Memorial Day started by President Kennedy in 1962. It is also Police Week and BNA has an annual ceremony. On April 29, 1999, 24 years ago one of our canine officers was killed in a car accident on way home and May 15th is his birthday, so for the last 24 years we have been recognizing him. We lay a wreath and invite back all of our retired police officers. Chief Griswold and his team does an excellent job of honoring Officer Richardson. To understand the challenges for our police officers, we lost 120 police officers last year in the US, and in 2023 we have lost 39 officers, 2 from the State of Tennessee. We are always trying to do what is best to protect our officers.

President Kreulen reported that the FY23 BNA Enplanements report averages 33,289 passengers every day in May, and if it the trend continues, May will have higher enplanements than our highest month, October, and if we keep up the trend, we will be 21.7M passengers. Last year we were at 18.4M, if June goes up a little, we will get to 22M passengers; that is 3.6M more passengers in a given year, 19% over previous year and 9,800 more people flying every day of the year. It is remarkable how much Nashville and Tennessee are continuing to demand how BNA grows. Commissioner Glover asked what 2024 looks like. President Kreulen replied when we presented the budget, MNA anticipated 22M passengers and this coming December we will do another budget adjustment. We have been averaging 7% for the last 10 years, but FY24 could be 24M - 25M passengers. Commissioner Glover asked if you can figure out how entertainers like Taylor Swift contributes to passengers? President Kreulen replied we saw records for

Thursday, Friday and Sunday. We set a new record of 39,745 on Sunday and Monday was another large day. There were several big events going on that weekend. Chair Stevenson thanked BNA for social media updates with what is going on in Nashville and also what to expect at BNA. President Kreulen stated through social media we give passengers updates on traffic, parking, new garage, and cell phone lots.

President Kreulen reported for the 30-day Outlook there will not be a Committee Meeting due to two conferences happening -- 2023 AAAE Conference in Denver, CO and the 2023 AMAC Business Diversity Conference in San Antonio, Texas. President Kreulen will be participating in both and Chair Steven will also attend the 2023 AMAC conference in San Antonio, TX. MNAA will be hosting both of those conferences in 2024 here in Nashville. MNAA will have a couple of approvals in Operations and several approvals in Finance and the Board meeting may run a little longer than normal. Ms. Trish Saxman., Executive Assistant to the President & CEO and Board Staff Secretary, will finalize and provide more details.

President Kreulen stated for the 60-day Outlook there will be several approvals forth both Operations and Finance and the most important one will be FY24 Strategic Goals to make sure the staff is in alignment with the Board's expectations.

President Kreulen stated the Board Appointment Legislation signed by the Senate and House was transmitted to Governor Lee on May 9, 2023 and there is a 10-day clock to either approve or veto legislation. When an action comes out of the Governor's office, MNAA will report back to the Board.

President Kreulen presented the upcoming events. He reported that the WestJet Inaugural Flight to Vancouver may be a TBD, as WestJet and Swoop Airlines pilot unions in Canada voted yesterday and provided notice to airlines that they may strike. In Canada they must give 72 hour notice, and we received communications from the airlines that they will let us know as soon as they know if traffic to Canada will be disrupted. There are several speaking engagements and presentations, as well as the AAAE and AMAC conferences. The FAA Part 139 Annual Inspection comes up on June 12-16. FAA will bring inspectors out of Atlanta and will be here for four days inspecting all of our records, runways, paint, markings, and firefighting capabilities. MNAA has been working hard to prepare for inspection. June 19th is a holiday for BNA, and we will have several communications for the public recognizing the day.

President Kreulen announced that Randy Dorsten, AVP Human Resources joined our team on May 8, 2023. Chris Davidson will start next Monday as our AVP, JWN Airport Manager and comes from Salisbury

Regional Airport, MD. Also joining us is Jeff Wooden, Director, Emergency Management in June, who previously served as Sr. Manager in Aviation Security in Wilmington Ohio. All three are highly qualified individuals and MNAA looks forward to having them and making BNA airport better.

V. ITEMS FOR APPROVAL

1. Design Build Contract for Genesco Building Demolition (Operations)

President Kreulen introduced Traci Holton, VP, Deputy COO & Chief Engineer, to brief the Board on the Design Build Contract for the Genesco Building Demolition. The Genesco Building is a 315,000 sq ft, six-story concrete structure, built in the 1960's, and has exceeded usable life and functionality. MNAA secured this contract through a Request for Proposal ("RFP") with Renascent being the highest proposer. The SMWBE goal for this project was 9.85% MBE and 4.28%WBE, and Renascent exceed that with 9.95% MBE and 4.47% WBE. This is a 492 calendar day-project at \$4.875M. This was presented to the Operations Committee on May 10, 2023, who voted 3 to 0 to recommend approval. Ms. Holton requested the Board of Commissioners authorize the Chair and President and CEO to execute the proposed Design-Build Contract with Renascent for the Guaranteed Maximum Price (GMP) of \$4,875,000.

Commissioner Joslin made a motion to approve as presented and Vice Chair Granbery seconded the motion. The motion passed with a vote of 5 to 0.

Following approval, Ms. Holton presented a map showing the areas to be demolished and the areas to remain.

2. Amendment 3 to On Call Planning Contract (Operations)

Ms. Holton presented the Amendment 3 to On Call Planning Contract with Ricondo and Associates. This contract was awarded in January 2022 with a term of one year with a 4 one-year renewal options. Services provided from January 2021 to date include BNA Line of Sight Study, Supplement EA for Concourse D Extension, Parking and Curbside Studies. Amendment 3 provides an additional \$1.5M per year for on call planning services for 10% concept documents for future parking garage, as well FY23/FY24 Safety Management System (SMS) and others presented. This will be the 3rd Amendment of \$1.5M for a total Option Year 1 of \$2,975,000 per year. This was presented to the Operations Committee on May 10, 2023, who voted 3 to 0 to recommend approval. Ms. Holton requested the Board of Commissioners authorize the Chair and President

and CEO to execute Amendment 3 to the On Call Planning Professional Services Contract with Ricondo for an additional \$1.5M for Option Year 1 (2023).

Commissioner Joslin made a motion to approve as presented and Commissioner Glover seconded the motion. The motion passed with a vote of 5 to 0.

3. Change Order 2 Increasing Terminal Lobby/IAF GMP by Replenishing Owner Contingency (Operations)

Ms. Holton presented the Change Order 2 Increasing Terminal Lobby/IAF GMP by replenishing Owner Contingency for construction of the Terminal Lobby and IAF with Hensel Phelps (“HP”) in the amount of \$5M which will increase their GMP to \$445M. This \$5M will go into the Owner’s Contingency to replenish what has been spent so far and address any remaining unforeseen conditions and scope changes to the contract. From a holistic approach to the vision program summary, it will reduce the project reserve for the Terminal Lobby/IAF by \$5M and reducing it down to \$1.5M. This does not change the project budget and it does not change the program or contingency budgets for BNA Vision 1.0. This was presented to the Operations Committee on May 10, 2023, who voted 3 to 0 to recommend approval. Ms. Holton requested the Board of Commissioners authorize the Chair and President and CEO to deduct \$5,000,000 from existing project reserve to replenish owner’s contingency for the Terminal Lobby/IAF contract with HP, thereby increasing the GMP to \$445,020,331.

Commissioner Joslin made a motion to approve as presented and Vice Chair Granbery seconded the motion. The motion passed with a vote of 5 to 0.

4. Design Build Contract for TARI Phase 1 CGMP 3 of 3 (Operations)

President Kreulen stated that regarding the Design Build Contract for TARI Phase 1 – CGMP 3 of 3 at the Committee meeting there were several Board members had questions regarding this contract. After each Committee and Board meeting the Staff does an in depth analysis, reviews the questions and if there is something that was not clear. We reviewed the \$16.5M that we need to widen the inbound road off of I-40 and add the new water line and pumping station is an accurate cost estimate and we would like the Board to approve that \$16.5M. MNAA should have gone back in and adjusted that budget for the TARI project up by that \$16.5M, so the Staff spent

some time reviewing multiple years to track the dollar amounts to make sure we have not made an error or mistake and the only mistake was that I missed adjusting that budget. Ms. Holton will present today and instead of asking for one approval for \$16.5M, it will be one approval of \$16.5M plus the adjustment of the budget. President Kreulen sincerely apologized for missing that adjustment.

Ms. Holton stated the original program budget for BNA Vision 1.0 is \$1.4M, after the two year delay for the Colonial Pipeline litigation, MNAA determined and the Board approved to split the TARI project into three phases. TARI Phase 1 will remain in BNA Vision 1.0 and will be for the widening of the utility work as well as the redundant water main, and TARI Phases 2 and 3 will remain moved into New Horizon. MNAA took the original \$163.5M budget, reduced it by \$114.5M down to \$49M and that reduced the BNA project budget from \$1.4M to \$1.3M and was approved by the Board last April. The TARI Budget breakdown is CGMP #1 is \$18.4 for design, pre-construction, contingencies; CGMP #2 is \$20.5 and a lot of soft costs for OSHA, staffing, testing, design, built into the design for \$10.1 which gets us to our \$49M budget. MNAA is asking for \$16.5 NTE for CGMP #3 for the redundant water main, terminal water main, and discrete widening, which brings us to the revised project budget of \$65.5M. The CGMP3 cost summary is redundant water main using the 24" estimate which will be reimbursed by Metro \$7.5M, discrete access widening \$7.1 and terminal water main installation is \$1.8. All of these numbers are estimates because they are being bid right now. President Kreulen stated this expansion was based on feedback we received from Commissioners and the public as well, MNAA was not going to start widening the road until near the valet area, but we decided to back it up to the property line of where I-40 and TDOT maintains that exit. Ms. Holton explained the BNA Vision Program Summary -- increase TARI project budget from \$49M to \$65.5M; decrease program contingency from \$26.5M to \$10M; and no change to the overall Project Budget.

Ms. Holton requested the Board of Commissioners:

- 1) authorize the Chair and President & CEO to execute the proposed Amendment 3 for Component Guaranteed Maximum Price 3 (CGMP) for \$16,500,000 NTE and Guaranteed Maximum Price (GMP) for \$55,418,494 NTE for the Progressive Design-Build contract with Superior Construction, and
- 2) authorize \$65,500,000 for TARI Ph 1 budget, an increase of \$16,500,000, transferred from program contingency.

Commissioner Joslin made a motion to approve as presented and Vice Chair Granbery seconded the motion. The motion passed with a vote of 5 to 0.

Secretary Byrd asked what the budget change of \$114M was, where that money went. Ms. Holton replied Finance put that aside. Secretary Byrd asked why. Ms. Holton replied we were reducing the overall budget for the BNA Vision and that money was to be held so it could be used for future New Horizon put forth for Phase 2 and 3. Secretary Byrd asked if it is moved between one program and another. President Kreulen explained today we have BNA Vision 2017-2023 which Ms. Holton said was reduced to \$1.305 by pulling that \$114M out. In the middle of that first six year program, TDOT hit the jet fuel pipeline and we went into litigation and could not get all of the roadwork done by the end of this year. President Kreulen stated because TDOT is two years behind on moving Donelson Pike, we moved it over and it is now sitting over in the New Horizon Program. Secretary Byrd stated we deferred the expenditure. President Kreulen stated yes, it is ready to be used for the next six year program and we have the assets on hand \$114M plus the Bond that Finance has already acquired. Vice Chair Granbery said not to confuse things, but also discussed taking some things out and asked about the mezzanine. Commissioner Joslin asked how much the mezzanine was. Ms. Holton replied \$10M-\$15M. President Kreulen stated it is \$15M now, but would be a lot more later.

I. INFORMATION ITEMS

1. BNA Development Update

President Kreulen stated the Terminal Garage B opened on April 27, 2023 with up to 1,606 spaces. Commissioner Glover asked if all vehicles have to back in. President Kreulen replied, no it is just easier to get out. Chair Stevenson asked how the cell phone lot is going. President Kreulen replied we have security, cameras and all the digital flight data, and as of now we are still in an education process to let people know it is available. Some people choose to go across I-40 to Panera and then come over and pick up passengers. TDOT is less than 30 days away from new signs on the interstate to try to direct the flow of traffic. It may take through the end of the year for customers to understand the new flow of traffic. President Kreulen stated the biggest struggle is to change habit patterns.

President Kreulen stated the BNA Vision International Arrivals Facility will open September 25, 2023 and will have 6 gates, for 6 narrow body jets or 3 wide body jets, and this is where we believe our

nonstop flights to Amsterdam, Rome, Paris or and British Airways will begin parking here once we open up.

President Kreulen stated the BNA Vision Hotel is finalizing pre-cast installation and the hotel is topped out. We hope to have it all dried in in the very near future.

President Kreulen reported the JWN Construction Progress will have a tenant meeting on May 23, 2023 at the TDOT Hangar. JWN is almost all leased and he presented a picture with the road access and future parking.

2. Concessions Program Update

President Kreulen reported 15 concessions locations are scheduled to open in September 2023 and the Satellite Concourse 7 locations are scheduled to open October 2023 by Paradies with space turnover scheduled for June 21, 2023. Secretary Byrd asked if Fraport controlled Paradies. President Kreulen stated no, that Paradies was selected through a competitive solicitation.

3. Quarterly Retirement/OPEB Investment Report/Quarterly Treasury Investment Report

President Kreulen stated Ms. Deuben did a great job at the Finance Committee reporting on the Quarterly and OPEB Investment Reports. The FY23-Q3 Retirement Plan Market Value is \$77.3M (+\$2.6M) and the OPEB Plan FY23-Q3 Market Value is \$38.3M (+1.6M). The Quarterly Treasury Investment Report FY23-Q3 Earnings are \$8.2M (99.4% invested). Historically, some of the Commissioners mentioned when we made a leadership change in 2017 and none of our funds invested.

VII. ADJOURN

There being no further business brought before the Board, Chair Stevenson thanked the Commissioners for their participation and made a motion to adjourn. Secretary Granbery seconded the motion, which carried by a vote of 5 to 0. Chair Stevenson adjourned the meeting at 1:46 PM.

Andrew W. Byrd, Board Secretary

Summary of June 21, 2023 Board Agenda Items Current as of June 13, 2023

Approval of Minutes (4)

- May 10, 2023 Committee Minutes (3) and May 17, 2023 Board Minutes (1)

Items for Approval (7)

1. MB Companies Multi-Purpose Tasking Airfield Snow Removal Sweepers (2) (Daniel)

- Scope: Purchase of 2 MB Companies Mb5C Multi-Tasking Snow Removal Sweepers with front mount plow, 22' snow broom, rear-engine powered ultra-high capacity blower with dual chutes, and Driver Assist System
 - Replaces 1995 Oshkosh H-2718B
 - Currently have 3 other snow sweepers: 1998 Oshkosh H-2718 & 2008 Oshkosh HB-2723 for runway use; 1998 Oshkosh H-2718B for ramp use
- Utilizing national cooperative purchasing agreement for procurement (Minnesota Cooperative Purchasing Venture)
- Race and Gender Neutral
- Anticipated purchase date: July 1, 2023
- Anticipated receipt date: September 2023 (13-15 month average build process)
- Cost: \$1,099,231.12 x 2 = \$2,198,462.24
- Funding Source: 100% Airline Investment Fund; Approved in FY24 CIP

2. Design Build Contract for Concourse D Extension CGMP 3 of 4 (Traci)

- Scope: Civil and foundations, structure, core and shell, passenger boarding bridges for the Concourse D Extension
- Background:
 - Aug 19, 2022: Board approved selection of Hensel Phelps for CGMP #1 of 4
 - Mar 15, 2022: Board approved CGMP #2 of 4 for enabling constructions
- SMWBE: Goal 6.9% MBE + 6.77% WBE (4.28% SBE target); Participation: Same as goal
 - Community Solutions by Design, Innovative Engineering Services LLC, Arora, Civil Infrastructure Associates, Logan Patri Engineering, Connico Inc., Alliance Synergy Group
- Contract Duration: September 2022 – July 2025 (1,048 calendar days)
- Cost:

CGMP 1	\$ 36,950,795	(Design & general conditions)
CGMP 2	\$ 34,280,511	(Enabling construction activities)
CGMP 3	\$ 93,667,360 NTE	(Civil & foundations, structure, core & shell, PBB)
CGMP 4	TBD	
<hr/>		
GMP	\$250,000,000	
- Funding Source: 100% bonds

Summary of June 21, 2023 Board Agenda Items Current as of June 13, 2023

3. FY24 Commercial Insurance Policies Renewal (Kristen)

- Scope: Renewal of FY24 Commercial Insurance Policies, marketed through Marsh USA
- Renewal NTE Cost (within FY24 budgeted amount)
 - FY23 Total Policy Premiums Executed \$3,385,365
 - Projected Annual Premium Increase \$2,137,170 (+63.1%)
 - FY24 Proposed Program Premium Increase \$5,522,535 NTE
- Key Reasons for 63.5% increase over FY23
 - Property Insurance increased to \$3.4M (+60.2%)
 - Value of assets increased from \$2.1B to \$2.5B
 - Coverage increased from \$1.25B to \$1.5B
 - Law Enforcement Professional increased to \$256K (+121%)
 - \$1M in FY22 increased to \$4M in FY23; Coverage increased to \$10M
 - Pollution Legal Liability increased to \$98K (+5.8% for year 1)
 - Contractors Pollution liability increased to \$252K (+9.1%)
- Funding Source: 100% MNAA

4. Funding Policy of the Retirement Plan for MNAA Employees, Resolution 2023-10 (Marge)

- Scope: Update the Sep 16, 2015 Funding Policy of the Retirement Plan for MNAA employees to:
 - Add best practice identified by the State of TN Department of Treasury to include language on amortization of unfunded liabilities (Plan is already using level dollar amortization, however it was not specifically mentioned in the policy)
 - To reflect the goal of maintaining a healthy funded status in the plan (>90%), add requirement for additional contributions above the ADC if funding falls below 90%
 - MNAA's plan has been above 90% since 2016
 - Other minor reformatting and alignment updates

5. Non-Signatory Airline Operating Agreements, Resolution 2023-08 (Josh)

- Scope: Execution of standard Airline Operating Agreements (AOA) for all Non-Signatory Airlines operating at BNA to make the provisions consistent with those of the new Signatory Airline Use and Lease Agreement or Signatory Cargo Use Agreement
- Term: Up to 10 years; All AOA's will be co-terminus to new AULA with 6/30/33 termination
- Financial Impact:
 - Airfield – Non-Signatory Airlines will pay the Non-Signatory landing fee, which is 25% premium to the Signatory landing fee.
 - Ticket Counter, Bag Make-up, Bag Claim, Ramp & Gate – Will pay a usage fee for departing seat of the aircraft, calculated on average as 25% premium to equivalent signatory operation

Summary of June 21, 2023 Board Agenda Items Current as of June 13, 2023

- Security Deposit: Equal to estimated 3 months of all airline rates, fees and charges
- Use: Allows use of terminal building and airfield for purpose of operations of air transportation, as well as activities that directly support these functions such as ticketing, boarding and fueling
- Misc.: Insurance, Indemnification, Compliance, Maintenance, Gate Scheduling, Environmental, and other boilerplate provisions were updated to match the new AULA

6 and 7. Amendment 8 to Fraport Lease & Concession Agreement and Amendment 1 to Fraport Sublease Agreement for Consolidated Receiving & Distribution Center (CRDC) (Colleen – combined approval)

- Scope: Amendment 8 to Fraport Lease and Concession Agreement and Amendment 1 to CRDC sublease
- Background:
 - Fraport failed to achieve the opening performance dates for five 2022 concessions, which constitutes event of default (5 are now open)
 - Fraport has agreed to terms beneficial to the Authority, which are included in these amendments
- Key Terms:
 - Increase Authority's share of sublessee rent from current 60% to 70%, effective May 1, 2023
 - Adds Termination for Convenience clause to the CRDC sublease (already in Fraport lease)
 - Provides development rights to Fraport for concession space in the Concourse D extension, provided Fraport is not in default (concession plan due Dec 31, 2023, requires up to \$500K capital investment)
 - Waives MNAA reimbursement of any capital investment for concession spaces impacted by any future replacement of Concourse A.

Information Items (6) (All presented by Doug, except #6)

1. BNA Development Update
2. JWN Development Update)
3. BNA Concessions Program Update
4. Procurement Policy Annual Review
5. FY23 Strategic Goals Accomplishments
6. 2023 Affirmative Action Program (AAP) Update (Randy)

STAFF ANALYSIS Board of Commissioners

Date: June 21, 2023

Facility: Nashville International Airport

Subject: MB Companies Multi-Purpose Tasking Runway Snow Removal Sweepers (2)

I. Recommendation

Staff requests that the Board of Commissioners:

- 1) Accept the proposal by MB Companies, Inc. for the purchase of two (2) new M-B Company MB5C Multi-Tasking Snow Removal Machines
- 2) Authorize the Chair and President & CEO to execute the purchase with MB Companies, Inc. for \$2,198,462.24

II. Analysis

A. Background

The Maintenance Department is responsible for and facilitates the snow removal of all runways at BNA locations. The Authority currently owns and operates four (4) snow sweepers and four (4) De-icer trucks to facilitate snow and ice removal during winter weather events. The Maintenance Department's snow removal equipment has exceeded its useful life expectancy. Our oldest snow sweeper is 29 years old. During FY 2022, we had seven (7) winter weather events and in FY 2023 we had two (2) winter weather events. During these events, we did not have the use of all of our current fleet of snow equipment due to parts availability and repair times. These downtimes made it extremely difficult to keep two (2) runways open at all times.

The airlines have recommended and approved to use the MNA Airline Investment Fund to cover 100% of the cost of two (2) Multi-Tasking Snow Removal Machines.

Current Snow Sweepers

- MEQ6317: 1995 Oshkosh HB-2718B with Sweepers broom head (Runway Use)
- MEQ6363: 1998 Oshkosh H-2718 with Sweepster broom head (Runway Use)
- MEQ6484: 2008 Oshkosh HB-2723 with Sweepster broom head (Runway Use)
- MEQ6514: 1998 Oshkosh H-2718B with Sweepster broom head (Ramp Use)

This purchase is for two (2) M-B Company MB5C Multi-Tasking Snow Removal Machines with Cradling Broom Cab Forward Heavy Duty 4X4 Chassis with front mount plow, 22 foot snow broom and rear-engine powered ultra-high capacity blower with dual chutes. The equipment will be outfitted with radios and lights to be operated on the airfield. They are current industry leading vehicles and will improve all aspects of responding to snow events to include Driver Assist System

that allows oversight of all of our SRE equipment and aids each operator during snow operations.

These units will replace snow sweeper MEQ6317 a 1995 Oshkosh H-2718B with Sweepster broom head, which is currently used primarily on the runway during snow events. MEQ6317 has high maintenance costs and is down more than the other sweepers. Disposition of MEQ6317 will be evaluated, and it may either be held as an additional future resource or sold.

MNAA is utilizing a national cooperative purchasing agreement to ensure a mechanism is in place for procurement. MNAA's Purchasing Department approved the use of the State of Minnesota contract 212548 with MB Companies Inc. for Snowplow Truck Bodies & Snow Fighting Components. This contract was awarded under the Minnesota Cooperative Purchasing Venture (CPV) utilizing a competitive public solicitation process. A quote was requested from the vendor to supply new and unused, well-designed and properly engineered snow sweepers truck. Specifications include:

Snow Sweeper

- Cab Forward Heavy Duty 4X4 Chassis with Four wheel steering with 27,000 pound rear drive/steer axle
- 496 HP, electronic turbocharged diesel engine
- 500 RPM 22 foot broom head
- 400 mph blower

M-B Companies, Inc. submitted proposals in March 2023 as follows:

Two (2) MB5C Multi-Tasking Snow Removal Machines	<u>Each \$1,099,231.12</u>
Total:	Total \$2,198,462.24

B. Impact/Findings

MNAA SMWBE Participation Level	Race and Gender Neutral
Anticipated Purchase Date	July 1, 2023
Lead Time:	13-15 month average build process
Anticipated Receipt Date	September 2023
Contract Cost:	\$2,198,462.24
Funding Source:	100% MNAA Airline Investment Fund - Approved in FY24 CIP

C. Strategic Priorities

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

D. Options/Alternatives

Do Nothing: The “Do Nothing” option requires MNAA to continue to operate the aging 1995 Oshkosh Snow Sweeper and resubmit for approval in the FY25 CIP.

III. Committee Review

An Operations Committee Meeting was not held in June 2023. This item is presented to the Board of Commissioners for approval without Committee review.

DRAFT

STAFF ANALYSIS

Board of Commissioners

Date: June 21, 2023
Facility: Nashville International Airport
Subject: Concourse D Extension (New Horizon)
Progressive Design-Build CGMP 3 of 4 (2311)

I. Recommendation

Staff requests that the Board of Commissioners:

- 1) authorize the Chair and President and CEO to execute the proposed Amendment 2 for Component Guaranteed Maximum Price #3 (CGMP3) for core and shell construction activities related to the Concourse D Extension for the Progressive Design-Build with Hensel Phelps for \$93,667,360 NTE.

II. Analysis

A. Background

At the Board retreat in October 2021, staff demonstrated the need for additional gates beyond what would be provided as part of Vision 2.0 and presented the New Horizon concept. New Horizon consisted of a 5-gate extension to Concourse D, a new A Concourse, relocation of the Air Freight Building and Baggage Handling System improvements. In May 2022, the Board approved proceeding with design and construction of Concourse D Extension.

The Concourse D Extension will add five (5) domestic departure gates to the airport. The Concourse D Extension project will be an extension in all similarities to existing D Concourse and include jet bridges, inground aircraft fueling system, utility and paving infrastructure. This facility will house restrooms, concessions, and needed user groups. Space is also anticipated for back of house airline needs. Interior finishes are anticipated to match existing D Concourse to the extent possible.

The Progressive Design-Build contract establishes a Guaranteed Maximum Price (GMP) at a date in the future based on the 100% 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 \$250,000,000. It is expected this project will require up to 4 CGMP's prior to reaching the final GMP. These CGMP's will evolve and will be composed as follows: CGMP1 - design & general conditions; CGMP2 - general requirements, building renovations, site utilities, demo; CGMP3 - civil and foundations, structure, core and shell, passenger boarding bridges; CGMP4 – furnishings and finishes, interior buildout, IT and electronics.

On August 19, 2022, the Board approved the selection of Hensel Phelps Construction Group, LLC (Hensel Phelps) and CGMP #1 for the design & general conditions. On March 15, 2022, the Board approved CGMP #2 for enabling construction activities in the amount of \$34,280,511. Currently, airport staff is asking the Board to approve CGMP #3 for civil and foundations, structure, core and shell, passenger boarding bridges; in the amount not-to-exceed \$93,667,360. This Component Guaranteed Maximum Price (“CGMP”) #3 is to authorize funding to begin subcontracting work to support the core and shell construction activities. Work associated with this CGMP includes: civil and foundations, structure, core and shell, passenger boarding bridges. This scope also includes General Requirements and General Conditions.

B. Impact/Findings

MNAA SMWBE Participation Level:	6.90% MBE and 6.77% WBE (4.28% SBE Target)
Hensel Phelps SMWBE Participation Level:	6.90% MBE and 6.77% WBE (4.28% SBE Target)
Anticipated Contract Start Date:	September 2022
Duration of Contract:	1048 Calendar Days
Contract Completion Date:	July 2025
Component Guaranteed Maximum Price 1	\$36,950,795
Component Guaranteed Maximum Price 2	\$34,280,511
Component Guaranteed Maximum Price 3	\$93,667,360 NTE
Component Guaranteed Maximum Price 4	<u>TBD</u>
Total Guaranteed Maximum Price	\$250,000,000
Funding Source:	100% Bonds

C. Strategic Priorities

- Invest in BNA
- Plan for the Future

D. Options/Alternatives

Do Nothing: The “Do Nothing” option will result in the inability to complete New Horizon or meet passenger growth projections.

III. Committee Review

An Operations Committee Meeting was not held in June 2023. This item is presented to the Board of Commissioners for approval without Committee review.

STAFF ANALYSIS

Board of Commissioners

Date: June 21, 2023
 Facility: Metropolitan Nashville Airport Authority
 Subject: FY24 Commercial Insurance Policies Renewal

I. Recommendation

Staff requests the Board of Commissioners to:

- 1) approve the FY24 Commercial Insurance policies renewal at a Not-To-Exceed (“NTE”) amount of \$5,522,535
- 2) authorize President and CEO to execute the FY24 Commercial Insurance policies.

II. Analysis

A. **Background**

During FY21, MNAA contracted with Bob Davidson of Davidson Consulting, LLC to review the insurance policies, as well as assist MNAA with policy renewals. One recommendation was to move our insurance premiums back to a March 1st cycle. Moving the policies would better assist MNAA in budgeting insurance and allow more time for the broker, Marsh USA (“Marsh”), to market the policies. However, due to the difficult insurance market and the tight reinsurance market, it has been advised that staying at the July 1st renewal date would be beneficial for MNAA for this year. In the future, Marsh has indicated that a March 1st renewal date could be advantageous for our property insurance as it is before hurricane season. While a hurricane loss is not expected in Nashville, the insurer would be looking at their overall portfolio which could have a negative effect on Nashville. While it may be advantageous for the property insurance date to move up, Marsh believes that a July 1st renewal is better for all other policies. MNAA will evaluate on an annual basis if it is worthwhile to renew the property policy at a different time than the rest of the policies.

Based on MNAA’s annual Renewal Strategy Planning Meeting with Marsh and Bob Davidson, it was decided that extensive marketing of all the lines of coverage would be conducted. Unlike prior years, the special crime, pollution legal liability and the contractor pollution policies are included in the current year marketing, as these multi-year policies are expiring on July 1st.

B. **Impact/Findings**

FY2023 and FY2024 Renewal Comparison and Variance		
FY23 Total Policy Premiums Executed	\$	3,385,365
Projected Annual Premium Increase for FY24	\$	2,137,170
FY24 Proposed Program Premiums	\$	5,522,535

The proposed program premiums are within the FY24 budgeted insurance for BNA, JWN and MPC approved by the Board April 19, 2023.

The details of each line of coverage, excluding the applicable limits are provided in Table 1 (page 5) are:

1) Property & Property Excess: \$3,368,843 policy period July 1, 2023 to July 1, 2024

This presents an estimated 60.2% increase over the prior year. Unlike prior years when other insurers declined to quote due to the Tune tornado claim, Marsh marketed the plan to seventeen insurance companies, of which four participated in a group engineering tour at BNA. The amount above represents an estimate by Marsh as property insurance carriers tend to submit bids approximately 15 days before the expiration of the previous policy. The Total Insured Value was increased from the prior year amount of \$2,095,406,993 to \$2,505,934,343 (19.6%), which contributed to the increase in premium. The increase in the insured value is due to an increase in the replacement values on the current assets as well as the addition of the Grand Lobby and Garage B. The current insurer's primary limit is \$1.25 billion, and with the Insured Values increasing over \$365 million, it is recommended that MNAA market an additional \$250 million which is estimated to cost an additional \$407,000.

Once Marsh receives the quotes from the carriers and evaluates the terms and conditions, Marsh will approach the insurer to evaluate the possibility of MNAA self-insuring a portion of the coverage. Since the property premium is over 60% of our total insurance premiums, Marsh indicated that this would be the area in which we could see the most impact if MNAA chose to self-insure. Marsh does not expect to receive quotes from the carriers until about 15 days before the expiration of the previous policy so the evaluation of the self-insurance portion cannot happen until the quote and negotiations of the policies are completed.

Last year, MNAA engaged Anderson Kreiger to find an outside insurance consultant to review MNAA's insurance program. Anderson Kreiger engaged Albert Risk Management Consultants (ARMC) to conduct the review. One recommended area for discussion with Marsh was to evaluate the named perils vs. all risk (subjected to excluded perils). Based on discussion with Marsh, our property insurance is considered an all risk except for three bridges. When the new quotes for the property insurance policy are received, Marsh will request that any exceptions be removed.

An additional area of focus in risk management is to ensure that the replacement value of MNAA's assets is properly stated on the schedule of value for the insurance carrier. Starting in FY24, MNAA will engage Marsh to conduct an appraisal on a rotating basis of our assets to ensure that they are properly reflected as part of our Total Insurable Value (TIV). Based on the response from the carriers on the exclusion of exceptions for the three bridges, MNAA will have Marsh evaluate the bridges first to ensure they properly reflect their replacement value.

2) Fine Arts: \$7,716 policy period July 1, 2023, to July 1, 2024

The fine arts policy doubled from the prior year mainly due to the total insurable value increasing from \$2,326,356 to \$4,134,383 with the addition of the new art piece in the Grand Lobby. In addition, the policy rate for coverage increased 12.6% from 0.166 to 0.187.

3) Aviation General Liability: \$228,146 policy period July 1, 2023, to July 1, 2024

This premium is the second year of a two-year policy negotiated last year. It was intended to lock Chubb into a two-year policy and then determine if the 20% premium increase was

favorable in the current market conditions. Marsh believes that the current rate is favorable and has asked Chubb to consider extending the two-year policy to a three-year policy. Chubb has quoted the third year of the policy for \$250,961 which is a 10.0% increase from the current year. MNAA plans to bind the third-year policy with Chubb, but if market conditions improve then Marsh will re-market the coverage after the second year. Only the second year of the policy is included in this approval.

4) Excess Aviation General Liability: \$102,000 policy period July 1, 2023 – July 1, 2024

The incumbent Starr quoted a renewal premium of \$116,827 which is a 7.5% increase from the prior year but reduced the war risk coverage limit from \$400 million to \$250 million. A recent trend in the insurance market is the reduction of war risk coverage under the aviation liability policies. Marsh marketed the excess aviation policy to Chubb (our current aviation general liability insurer) and to other insurers for an excess war risk coverage policy. Chubb quoted a two-year policy for \$107,279 for year one and \$107,010 for year two. The war limit will be \$400 million for year one but will be reduced \$250 million in year two. MNAA plans to bind the two-year policy to lock in the rates, but if market conditions improve then Marsh will re-market the coverage after the first year and market the policies to increase the war risk limit.

5) Worker's Compensation: \$214,642 policy period July 1, 2023 – July 1, 2024

Starr has quoted a premium of \$214,642, based on projected payroll of \$39,400,000 (prior year \$31,212,798), which represents a 19% premium increase. The rate applied to the projected premium decreased from 0.58% to 0.54%. Starr completes an annual audit of the payroll and will provide a return premium if actual payroll is less than projected.

6) Automobile: \$151,806 policy period July 1, 2023 – July 1, 2024

The Automobile premium of \$151,806 represents an increase of 35.8%. The increase is due to several factors: several recent claims (including the total loss of a police vehicle), an increase in the number of units (152 in the current year versus 131 in the prior year), and most of the recently added autos being newer and more expensive.

7) Cyber Liability/Network Security: \$149,532 policy period July 1, 2023 – July 1, 2024

Since last year, the current market for Cyber coverage has stabilized. The \$149,532 reflects a zero increase in the premiums. Part of the application process in obtaining cyber coverage is an assessment of MNAA's cyber program. Based on the positive results of the assessment, it is believed that the insurance rates will remain flat.

8) Management Liability (D&O/EPL/Fiduciary Liability/Crime): \$343,210 policy period July 1, 2023 – July 1, 2024

The premiums for the above policies were collectively quoted at \$343,210 which represents a 4.3% increase. Considering MNAA total assets, fiduciary plan assets and employee counts, (which impact pricing) have grown, the minimal increase in premiums is a good result. The policies essentially stay the same as the previous policy, except for the social engineering fraud limit which increased from \$100k to \$250k. The total policy premium is included in the approval.

9) Special Crime: \$6,816 policy period July 1, 2023 – July 1, 2026

The incumbent, AIG, quoted renewal premiums of \$6,816 for a three-year policy. Each year's premium is \$2,272, which represents a 1% increase from the prior year. The policy essentially stays the same as the previous policy.

10) Pollution Legal Liability: \$97,837 policy period July 1, 2023 – July 1, 2026

The incumbent, Beazley, quoted renewal premiums of \$97,837 for a three-year policy. Each year's premium is approximately \$32,612, which represents a 5.8% increase; however, the policies retention decreased from \$1 million to \$500 thousand.

11) Contractor's Pollution Liability: \$252,111 policy period July 1, 2023 – July 1, 2028

The incumbent, Beazley, quoted renewal premiums of \$252,111 for a five-year policy. The five-year policy term is similar to the rolling OCIP program since both policies cover MNAA's risk associated with contractors. Each year's premium is approximately \$50,422, which represents a 9.1% increase.

12) Law Enforcement Professional: \$256,251 policy period July 1, 2023 – July 1, 2024

This policy was estimated last year at \$200,000 for approximately \$4 million in coverage. As mentioned in the prior year, MNAA would work on increasing the policy limits as we establish the policy. The current quoted premiums of \$256,251 is for \$10M of coverage. The \$10M limit is the maximum limit the market will currently support and is available to MNAA at this time.

13) Additional Fees/Surplus Taxes/Premiums: \$343,625

An additional contingency of \$318,297 is added to the NTE approval amount to account for the following:

- Per review of prior year insurance invoices, additional fees and surplus taxes were added to several premiums. This contingency should cover these fees.
- Contingency will be used to cover any additional premiums in case the actual policy comes in higher than the quotes or estimates.
- Contingency will be used to cover any deductibles or small claims.
- Contingency will be used to cover any additional premiums when the Grand Hall/IAF and satellite concourse open.

C. Strategic Priorities

- Invest in BNA/JWN
- Prepare for the Unexpected

D. Options/Alternatives

Non-approval of the FY24 commercial insurance policy renewal will result in lack of insurance coverage and would require the Authority to cover all its insurable risk exposures from the operating budget.

III. Committee Review

A Finance Committee Meeting was not held in June 2023. This item is presented to the Board of Commissioners for approval without Committee review.

Table 1

Insurance Program	Primary Limit	Excess Limit	Estimated Premiums FY24
Property	\$1,000,000,000		\$2,610,123
Property Excess		\$500,000,000	\$758,720
Fine Arts	\$4,134,383		\$7,716
Aviation General Liability Primary	\$100,000,000		\$228,146
Aviation General Liability Excess		\$400,000,000	\$102,000
Worker's Comp	\$1,000,000	\$50,000,000	\$214,642
Auto	\$1,000,000	\$50,000,000	\$151,806
Cyber	\$5,000,000	\$5,000,000	\$149,532
FINEX Package (D&O, Fiduciary, Crime, SCR) Primary and Excess	\$15,000,000	\$10,000,000	\$343,210
Special Crime	\$1,000,000		\$6,816
Pollution 3yr	\$5,000,000		\$97,837
Contractor's Pollution Liability	\$5,000,000		252,111
Law Enforcement Professional	\$4,000,000		256,251
Additional Fees/Surplus Taxes/Premiums	N/A	N/A	\$343,625
TOTALS:			\$5,522,535

STAFF ANALYSIS

Board of Commissioners

Date: June 21, 2023

Facility: Metropolitan Nashville Airport Authority

Subject: Adoption of Funding Policy of the Retirement Plan for Employees of Metro Nashville Airport Authority ("MNA"), MNA Resolution 2023-10

I. Recommendation

Staff requests that the Board of Commissioners:

- 1) Adopt the Funding Policy of the Retirement Plan for Employees of MNA, and
- 2) Authorize the Chair and President and CEO to execute MNA Resolution No. 2023-10

II. Analysis

A. Background

On May 22, 2014, Chapter 990 of the 2014 Public Acts of the Tennessee General Assembly was enacted into law creating the Public Employee Defined Benefit Financial Security Act of 2014. The law established funding requirements for a political subdivision's defined benefit pension plan that did not participate in the Tennessee Consolidated Retirement System ("TCRS"). All defined benefit plans for political subdivisions that participate in the TCRS were already required to pay one hundred percent (100%) of the actuarially determined contribution (ADC); this law extended that same requirement to defined benefit pension plans for subdivisions that did not participate in the TCRS. MNA does not participate in the TCRS.

MNA staff created a Funding Policy to comply with this law. It was developed in accordance with guidelines set forth by Chapter 990 of the 2014 Public Acts and was reviewed by MNA's actuary as well as outside counsel. On September 16, 2015, the Board of Commissioners adopted the Funding Policy of the Retirement Plan for Employees of MNA (MNA Resolution 2015-09). The Funding Policy became effective on September 16, 2015 and was submitted to the Comptroller of the Treasury within thirty (30) days after adoption, as required by law. This Funding Policy remains in effect until amended by MNA or preempted by State law.

B. Impact/Findings

There are several updates MNA wishes to make to the Funding Policy. These changes are documented below.

Update #1:

In December 2022, MNAA received a letter from the State of TN Department of Treasury which had completed a review of MNAA’s compliance with the Public Employee Defined Benefit Financial Security Act of 2014 as of FYE 6/30/21. Based on their review, MNAA’s adopted Pension Funding Policy meets the minimum requirements established in Tenn. Code Ann 9-3-504(c). The letter also indicated that there are methodologies and assumptions that are not required to be included in the pension funding policy, however, it would be best practice for MNAA to incorporate sufficient detail in the Funding Policy in order to provide clear direction and expectations for the actuary to follow and for interested parties to understand. The following method was identified:

- Amortization method of unfunded accrued liabilities. Level dollar amortization method of unfunded accrued liabilities must be used no later than the plan fiscal year beginning after June 15, 2020.

MNAA Finance staff reached out to the Authority’s actuary, Laura Stewart of USI, to help address the comment from the State. Ms. Stewart indicated that the plan is already using level dollar amortization (as disclosed in actuarial report), however, the words “level dollar” are not explicitly stated in the Funding Policy. She recommends changing the following paragraph in the Funding Policy (pg. 3) to address the comment: (update to the original paragraph shown in yellow):

- *Amortization methodology for actuarial gains and losses.* **Unfunded liabilities should be amortized utilizing the level dollar amortization method over a closed period not to exceed 30 years.** A tier approach may be utilized with new actuarial gains and losses from each actuarial valuation. Each tier shall be amortized over a closed period not to exceed 30 years. Tiers may be combined, but the resulting amortization period may not be less than 5 years nor exceed the lowest amortization period of the combined tiers.

Update #2:

Since 2014, MNAA has been contributing at least the ADC annually. Below shows the annual contributions and the funding percentage on an actuarial value basis:

Fiscal Year	Contributions	Funding %
6/30/2014	\$ 8,000,000	70.0%
6/30/2015	\$ 8,000,000	80.9%
6/30/2016	\$ 11,951,995	94.0%
6/30/2017	\$ 5,160,905	102.4%
6/30/2018	\$ 2,000,000	98.9%
6/30/2019	\$ 8,900,000	98.8%
6/30/2020	\$ 3,450,000	104.6%
6/30/2021	\$ 417,321	106.5%
6/30/2022	\$ 250,000	101.9%

Per MNAA’s actuary, the average public plan is funded at 74% as of 2022. It is common with public plans to view a funded status over 80% as acceptable, but 90% is generally accepted as a healthy funded ratio. As noted in the above table, MNAA’s retirement plan has been funded above 90% since 2016. Given this information, MNAA’s President and CEO and Chief Financial Officer wanted to ensure that the retirement plan remains at a healthy level. MNAA’s actuary recommended this update to the following section in the Funding Policy (pg. 3) to achieve this goal: (update to this section shown in yellow):

- *Funding the ADC.* The ADC, as determined by an actuarial valuation, shall target funding at a level of no less than 100%. With respect to the obligations of the Plan, the Airport Authority shall budget at least 100% of the ADC.

If the funded ratio (Actuarial Value of Assets / Actuarial Accrued Liability) falls below 90%, MNAA will make additional contributions above the ADC to improve the funded status of the Plan. These contributions will be calculated in a manner that is projected to be sufficient to fund the plan to 90% over a 5-year period.

Other Updates:

A few minor updates were also incorporated in the new Funding Policy:

- Funding Policy was reformatted to comply with MNAA's current policy template
- The *Unfunded Liability* section in the 2015 policy was combined with the *Amortization methodology for actuarial gains and losses* in the new policy to better align with the TCRS funding policy.

Staff recommends approval of MNAA Resolution 2023-10 which adopts the new Funding Policy of the Retirement Plan for Employees of MNAA, that incorporates the changes noted above.

C. Strategic Priorities

- Plan for the Future
- Prepare for the Unexpected

D. Options/Alternatives

- Update #1 – do not adopt the change. MNAA would still be in compliance with Public Employee Defined Benefit Financial Security Act of 2014, however we will need to respond to the TN Department of Treasury to explain why we didn't implement their best practice recommendation.
- Update #2 – do not adopt the addition to the Funding Policy to memorialize MNAA's intent to maintain a healthy funding status in the retirement plan. May also direct staff to make a different funding status goal.

III. Committee Review

A Finance Committee Meeting was not held in June 2023. This item is presented to the Board of Commissioners for approval without Committee review.

MNAA RESOLUTION NO. 2023 – 10

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE METROPOLITAN NASHVILLE AIRPORT AUTHORITY AMENDING RESOLUTION 2015-09 AND APPROVING THE AMENDED FUNDING POLICY OF THE RETIREMENT PLAN FOR MNAA EMPLOYEES, EFFECTIVE JUNE 21, 2023.

WHEREAS, the Chief Financial Officer has submitted, for Board approval, an amended Funding Policy of the Retirement Plan for Employees of the Metropolitan Nashville Airport Authority (the "Policy"), effective June 21, 2023;

WHEREAS, Chapter 990 of the 2014 Public Acts of the Tennessee General Assembly was enacted into law creating the Public Employee Defined Benefit Financial Security Act of 2014, establishing funding requirements for a political subdivision's defined benefit pension plan that does not participate in the Tennessee Consolidated Retirement System ("TCRS");

WHEREAS, The State of Tennessee Comptroller of the Treasury Office of State and Local Finance has recommended an amendment to the Policy to define amortization of unfunded liabilities;

WHEREAS, The Plan has been funded above 90% since 2016, an amendment to the Policy defines contributions required if the funded ratio falls below 90%;

WHEREAS, The attached Policy has been developed in accordance with the guidelines set forth by Chapter 990 of the 2014 Public Acts and reviewed by MNAA's actuary and outside counsel;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Metropolitan Nashville Airport Authority that it hereby adopts the Funding Policy of the Retirement Plan for Employees of the Metropolitan Nashville Airport Authority.

RECOMMENDED:

Douglas E. Kreulen, President & CEO

ADOPTED:

Joycelyn A. Stevenson, Board Chair

APPROVED AS TO FORM AND LEGALITY:

Neale R. Bedrock, EVP, General Counsel & CCO

ATTEST:

Andrew W. Byrd, Board Secretary

This 21st day of June 2023.

**Funding Policy of the Retirement Plan for Employees of the MNAA
Policy 41-017, Effective: June 21, 2023**

recommended by the Government Finance Officers Association, the Governmental Accounting Standards Board, and the actuarial profession.

II. Components of the Funding Policy

A. Procurement of Actuarial Services

The Plan shall acquire the services of professional actuarial firms to perform an actuarial assumption study, an actuarial valuation, and other necessary actuarial services. The actuarial firm shall be independent and shall act as an advisor on actuarial matters on behalf of the Plan.

The lead actuary of actuarial firm shall have the requisite experience, capabilities, strengths, and qualifications including, but not limited to, the following:

1. Member of the American Academy of Actuaries,
2. Attainment of the Fellowship of the Society of Actuaries (FSA) designation,
3. Attainment of the Enrolled Actuary (EA) designation,
4. At least seven years of actuarial experience in the defined benefit field, and
5. Ineligible to participate in the Plan.

B. Actuarial Assumption Study

An actuarial assumption review shall be conducted at least every five years. As determined necessary by the Airport Authority or the Plan's actuary, assumptions may be evaluated on an interim basis.

Assumptions adopted by the Airport Authority should be established based on past experience and future expectations as the result of an actuarial assumption review.

Demographic assumptions to be established include, but are not limited to, the following:

1. Turnover pattern
2. Pre-retirement mortality based on expected improvement in mortality
3. Pattern of retirement
4. Pattern of disability
5. Post-retirement mortality based on expected improvement in mortality

Due to the number of participants in the Plan, the Plan data is insufficient to develop assumptions based only on plan experience. The Airport Authority and the Plan's actuary will base the development of the demographic assumptions using published studies, plan experience, and expected experience input from the Airport Authority's management.

Funding Policy of the Retirement Plan for Employees of the MNAA
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Economic assumptions to be established include, but are not limited to, the following:

1. Investment earnings (net of investment expenses)
 - not to exceed TCRS rate plus 50 basis points
2. Salary increases
3. Retiree COLA, if applicable

Economic assumptions shall include an underlying assumption for inflation.

C. Actuarial Valuation

Valuation method and frequency. An actuarial valuation to determine the "Actuarially Determined Contribution (ADC)" to finance pension obligations shall be performed annually. The valuation shall utilize the entry-age normal actuarial method. The ADC shall include (1) the normal cost, (2) the unfunded liability cost, and (3) interest on (1) and (2).

Funding the ADC. The ADC, as determined by an actuarial valuation, shall target funding at a level of no less than 100%. With respect to the obligations of the Plan, the Airport Authority shall budget at least 100% of the ADC.

If the funded ratio (Actuarial Value of Assets / Actuarial Accrued Liability) falls below 90%, MNAA will make additional contributions above the ADC to improve the funded status of the Plan. These contributions will be calculated in a manner that is projected to be sufficient to fund the plan to 90% over a 5-year period.

Asset smoothing method. An asset smoothing method shall be utilized to determine the actuarial value of assets. The difference between the amount actually earned and the earnings assumption for a particular year shall be amortized in level amounts. Beginning July 1, 2015, the asset smoothing period shall be three (3) years. However, there shall be a corridor so that the actuarial value of assets must be no less than 80% and no more than 120% of the market value of assets as of the actuarial valuation date. In any subsequent actuarial valuation, the Plan's actuary may recommend changes to the asset smoothing period, with the period not to exceed 10 years.

Amortization methodology for actuarial gains and losses. Unfunded liabilities should be amortized utilizing the level dollar amortization method over a closed period not to exceed 30 years. A tier approach may be utilized with new actuarial gains and losses from each actuarial valuation. Each tier shall be amortized over a closed period not to exceed 30 years. Tiers may be combined, but the resulting

**Funding Policy of the Retirement Plan for Employees of the MNA
Policy 41-017, Effective: June 21, 2023**

amortization period may not be less than 5 years nor exceed the lowest amortization period of the combined tiers.

The unfunded liability based on the 2015 actuarial valuation shall be funded no later than 2045. In subsequent actuarial valuations, the unfunded liability will be reestablished and will be amortized over the remaining period to 2045. Changes in the unfunded liability due to assumption changes, method changes or benefit plan provision changes may either be included in the amortization of the reestablished unfunded liability or the amount of change in the unfunded liability may be amortized over a closed period not to exceed 30 years. It is permissible in any subsequent actuarial valuation to amortize the actual actuarial gains and losses separate from the prior reestablished unfunded liability.

Demographic data. The demographic data in an actuarial valuation shall include: (1) all active members, (2) all inactive vested members, (3) all inactive non-vested members with an employee contribution account balance, and (4) all annuitants (including beneficiary annuitants and disability annuitants).

Benefit provisions. The actuarial valuation shall include all benefits being accrued by members of the Plan including, but not limited to, retirement, termination, disability, death benefits, and post-employment cost-of-living adjustments (COLAs). The valuation shall be based on the benefit eligibility and benefit terms as set out in the plan document.

Assumptions utilized. Demographic and economic assumptions as determined by an actuarial assumption study and adopted by the Airport Authority shall be utilized in the actuarial valuation.

III. Transparency and Accountability

This funding policy, the actuarial assumption review, and the actuarial valuation may be readily available for review.

IV. Filing of Funding Policy

Pursuant to Public Chapter 990, Acts of 2014, this funding policy, and any amendments thereafter shall be submitted to the comptroller of the treasury within thirty (30) days after adoption.

V. Effective Date

This policy shall remain in effect until amended by the Airport Authority or preempted by state law.

**Funding Policy of the Retirement Plan for Employees of the MNAA
Policy 41-017, Effective: June 21, 2023**

References:

MNAA Resolution 2023-10

Public Employee Defined Benefit Financial Security Act of 2014

Records & Related forms:

Record/Form 1: N/A

Record/Form 2: N/A

Record/Form 3: N/A

Revision History:

9/16/15: Original Issue (3-905), MNAA Resolution 2015-09

6/21/23: Amendment to define amortization of unfunded liabilities (level dollar amortization method); Additional contributions required over the ADC if funding ratio (actuarial value basis) falls below 90%; Formatting changes to comply with current MNAA template and TCRS funding policy

STAFF ANALYSIS

MNAA Board of Commissioners

Date: June 21, 2023

Facility: Nashville International Airport

Subject: Non-Signatory Airline Operating Agreement (AOA), MNAA Resolution No. 2023-08

I. Recommendation

Staff requests that the Board of Commissioners:

- 1) approve the form of the standard Airline Operating Agreement (AOA), and
- 2) approve MNAA Resolution No. 2023-08, which authorizes the President and CEO to execute Airline Operating Agreements (AOAs) which may exceed the annual threshold of \$500,000 and/or the length of term threshold of seven (7) years.

II. Analysis

A. Background

On April 19, 2023, the MNAA Board of Commissioners (Board) approved a new Signatory Airline Use and Lease Agreement (AULA), effective July 1, 2023. With the execution of the new Signatory AULA, MNAA is updating the operating agreements for all other airlines operating at BNA to better match the provisions of the new Signatory AULA. The current agreement with these airlines, referred to as Non-Signatory Airlines, expires on June 30, 2023.

Historically, the operations of many non-signatory airlines do not reach the \$500,000 annual threshold requiring Board approval. However, because airlines' operations can vary seasonally or change throughout the year for other reasons, there are no firm amounts associated with such agreements. Additionally, the new AOA will be co-terminus with the option period of the Signatory AULA, which is June 30, 2033. Therefore, any AOA entered into by the Authority until July 1, 2026, would exceed the 7-year threshold that requires Board approval. The number of non-signatory agreements is initially around 30 airlines, some of which are operating as affiliates to a Signatory Airline. The majority of these AOAs will be below the \$500,000 threshold.

Airlines operating as an affiliate of a Signatory Airline also enter into a Non-Signatory AOA. An affiliate is defined by a subsidiary of or operating under the same trade name and livery as a Signatory Airline. After being designated an affiliate by a Signatory, their operations are treated as Signatory per the Signatory AULA. Their payments to the Authority are either made by or guaranteed by the Signatory.

By authorizing the President and CEO to execute all AOAs using the same standard contract, it will eliminate any situation that may arise in which a Non-Signatory Airline surpasses the \$500,000 annual amount in any current or future year and allows authorization to execute these agreements that exceed the length of term threshold.

B. Impact/Findings

Term:	Up to ten (10) years; all AOA's will be co-terminus to the new AULA's option termination date of 6/30/2033 30-day notice of cancellation available to Authority and Airline
Premises:	Not applicable. Non-Signatory Airlines will utilize space on a per-use basis, either at common use gates or other airlines preferential use space. Any dedicated use of space in the terminal building will require a separate space lease agreement.
Financial Impact:	Airfield – Non-Signatory Airlines will pay the Non-Signatory landing fee, which is a 25% premium to the Signatory Landing Fee. Ticket Counter, Bag Make-up, Bag Claim, Ramp, and Gate – Non-Signatory Airlines will pay a usage fee per departing seat of the aircraft. This calculated amount is, on average, a 25% premium to an equivalent Signatory operation.
Security Deposit:	Airlines (with the exception of Affiliates) are required to issue a security deposit equal to an estimated 3 months of all airline rates, fees, and charges.
Use:	This agreement will allow the airline the use of the Terminal Building and Airfield for the purpose of operation of air transportation for persons, baggage, cargo, and mail, as well as activities that directly support these functions; including such activities as ticketing, boarding, and fueling.
Misc.:	Insurance, Indemnification, Compliance, Maintenance, Gate Scheduling, Environmental, and other boilerplate provisions were updated to match the new AULA

C. Strategic Priorities

- Invent in BNA – Airline Use and Lease Agreement

D. Options/Alternatives

- Do not approve the resolution that authorizes the President and CEO to sign AOAs that exceed the length of term or monetary threshold requirement for Board Signature. This would require Board approval of approximately 30 AOAs in the short-term, plus additional approvals throughout the term.

III. Committee Review

A Finance Committee Meeting was not held in June 2023. This item is presented to the Board of Commissioners for approval, without Committee review.

MNAA RESOLUTION NO. 2023 – 08

RESOLUTION AUTHORIZING THE PRESIDENT AND CEO OF THE METROPOLITAN NASHVILLE AIRPORT AUTHORITY TO EXECUTE NON-SIGNATORY AIRLINE OPERATING AGREEMENTS

WHEREAS, the Board of Commissioners (the "Board") of the Metropolitan Nashville Airport Authority adopted on April 19, 2023, a new Signatory Airline Use and Lease Agreement and new Signatory Cargo Use Agreement effective July 1, 2023.

WHEREAS, the Authority desires to execute a standard Airline Operating Agreement (AOA) for all Non-Signatory Airlines operating at Nashville International Airport to make the provisions consistent with those of the new Signatory Airline Use and Lease Agreement or Signatory Cargo Use Agreement.

WHEREAS, under the Authority Bylaws, the President and CEO has the authority to execute any contract not exceeding \$500,000 annually.

WHEREAS, under the Authority Bylaws, the President and CEO has the authority to execute any contract not equaling or exceeding eight (8) years.

WHEREAS, the Board desires that the President and CEO be authorized to execute all Non-Signatory Airline Operating Agreements using the same standard form of contract including any which may exceed the dollar threshold and/or length in term requiring Board approval.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Metropolitan Nashville Airport Authority that the President and CEO is hereby authorized to execute all Non-Signatory Airline Operating Agreements using the standard form of contract including any which may exceed the dollar threshold and/or duration requiring Board approval:

RECOMMENDED:

Douglas E. Kreulen, President & CEO

ADOPTED:

Joycelyn A. Stevenson, Board Chair

APPROVED AS TO FORM AND LEGALITY:

Neale R. Bedrock, EVP, General Counsel & CCO

ATTEST:

Andrew W. Byrd, Board Secretary

This 21st day of June 2023.

STAFF ANALYSIS

Board of Commissioners

Date: June 21, 2023

Facility: Nashville International Airport

Subject: Eighth Amendment to the Lease and Concession Agreement with Fraport Tennessee, Inc. and First Amendment to the MPC Sub-Lease with Fraport USA, Inc.

I. Recommendation

- 1) Staff requests that the MNA Board of Commissioners:
 - a. Accept the Amendment to the Lease and Concession Agreement between MNA and Fraport Tennessee, Inc., for the BNA concession program; and
 - b. Authorize the Chairman and President & CEO to execute the eighth amendment to the Fraport Lease and Concession Agreement; and
- 2) Staff requests that the MPC Board of Directors:
 - a. Accept the Amendment to the Sub-Lease between the MPC Holdings, LLC and Fraport USA, Inc.; and
 - b. Authorize the Chairman and President & CEO to execute the first amendment to the MPC sublease.

II. Analysis

A. Background

MNA (the Authority) has a Lease and Concession Agreement (Agreement) with Fraport Tennessee, Inc. (Fraport), pursuant to which Fraport is authorized and obligated to develop a terminal-wide concessions program, including food, beverage, services, retail, and vending offerings. The term of the Agreement commenced on February 1, 2019 and will expire on January 31, 2029. The Agreement has been amended seven times. The Seventh Amendment to the Agreement included Fourth Amended Exhibit G, which revised certain concession concepts and locations, sublease entities and interim performance dates for all locations scheduled to open in 2022, 2023 and 2024.

MPC Holdings, LLC (MPC) has a Sub-Lease with Fraport USA, Inc. for office, storage and operational space for Fraport's tenant delivery service. The Sub-Lease expires on January 31, 2029.

Fraport failed to achieve the opening performance dates for five 2022 concession locations, which constitutes an event of default. These include Opry Shop, Ole Red, Arrington Wine Bar & Grill, Shake Shack and The Green Room. To cure the default, Fraport has agreed to terms beneficial to the Authority, which are provided for by the Eighth Amendment to the Agreement and the First Amendment to the MPC Sub-Lease.

B. Impact/Findings

Approval of the Eighth Amendment to the Agreement and the First Amendment to the Sub-Lease cures Fraport's event of default. The Eighth Amendment to the Agreement includes the following key provisions:

- Fraport agrees to increase the Authority's share of sublessee rent to seventy percent (70%) from the current sixty percent (60%), effective May 1, 2023, through the end of the Agreement;
- Fraport agrees to execute the First Amendment to the MPC sublease, which adds a Termination for Convenience clause in the Sub-Lease similar to that already contained in the Agreement;
- Provides development rights to Fraport for concession space in the future Concourse D, provided Fraport is not in default, requires Fraport to submit a concession plan by December 31, 2023 for Authority approval to align with the Concourse D development schedule, requires up to \$500,000 in capital investment to Concourse D extension facilities, and waives MNAA reimbursement of any capital investment for concession spaces impacted by any future replacement of Concourse A.

The First Amendment to the MPC sublease includes the following key provisions:

- Fraport agrees to the addition of a Termination for Convenience clause, which provides MNAA the ability to terminate the Sub-Lease or relocate the MPC to allow for future growth;
- Fraport agrees to allow other airport tenants use of its delivery service; and
- An event of default on the Agreement constitutes an event of default on the Sub-Lease.

The Eighth Amendment to the Lease and Concession Agreement also requires the signature of Fraport USA Inc. as Guarantor. The Eighth Amendment includes a Fifth Amended Exhibit G, which provides for certain revisions to sublease entities and concession names. The Eighth Amendment leaves in place the Construction Start and Opening performance dates instituted in Fourth Amended Exhibit G of the Seventh Amendment, as well as penalties contained in Exhibit E for failure to achieve interim performance dates.

C. Strategic Priorities

Plan for the future
Invest in BNA/JWN

D. Options/Alternatives

The MNAA Board of Commissioners could decline to approve the Eighth Amendment, which would require MNAA to issue a notice of default to Fraport and potentially terminate the Agreement. The MPC Board of Directors could decline to approve the First Amendment to the MPC Sub-Lease which would not allow for closure earlier than January 31, 2029.

III. Committee Review

A Finance Committee Meeting was not held in June 2023. This item is presented to the Board of Commissioners for approval without Committee review.



PROCUREMENT POLICY

Policy #35-001

Effective Date July 15, 2020

Approvals:

DocuSigned by:
Davita Taylor 7/14/2020
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Davita Taylor, AVP Procurement **Date**

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Legal Counsel **Date**

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Marge Basrai, CFO **Date**

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Doug Kreulen, President & CEO **Date**

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DRAFT

FOREWORD

The Department of Procurement is responsible for the Authority's procurement of Goods, Services, and Construction necessary to support the Authority's administrative function, maintenance, operations, and revenue generation. A professional staff issues solicitations and/or negotiates and administers contracts to deliver Goods, Services, and Construction in a timely manner. Additional responsibilities of the Department of Procurement include the administration and operation of warehouse facilities and commodities; central receiving of all equipment and materials; p-Card Program and control, management, and disposition of surplus personal property. The primary objectives of the Authority's procurement function are to maximize value to the Authority; provide quality service; ensure compliance with applicable legal requirements; and support the Authority's Business Diversity Development program.

This Policy has been prepared for use by the Authority and other interested parties. In addition to this Policy, supplemental Procurement Policies may be established which shall not be in conflict with this Policy. This Policy supersedes existing Authority policies and procedures relating to the procurement of Goods, Services, and Construction.

PROCUREMENT POLICY

SECTION 1: GENERAL PROVISIONS

The Metropolitan Nashville Airport Authority (“Authority”) has adopted organizational values of Respect, Integrity, Service and Excellence. In addition to the Authority’s global values, this Policy recognizes the Values and Guiding Principles of the Public Procurement profession: Accountability, Ethics, Impartiality, Professionalism, Service and Transparency. Together, these collective values frame the culture of the Authority and flow throughout its various policies and procedures.

1.0 PURPOSE

The purpose of this Procurement Policy (“Policy”) is to ensure that all Goods, Services, and Construction are procured efficiently, effectively, and at the most favorable prices, or of the best quality, as applicable, available to the Authority. All procurement conducted by the Authority shall be done in consideration of the overall value to the Authority, which may include cost, quality, delivery, ACDBE, SMWBE or DBE participation, and other applicable factors where appropriate. This Policy is designed to promote full and open competition to the maximum practical extent, providing safeguards for maintaining procurement process quality and integrity, and to ensure that the Authority’s procurement actions are compliant with applicable laws, statutes, policies, and procedures. This Policy seeks to ensure the fair and equitable treatment, as well as to provide reliability and predictability in all the interactions between and among all Bidders, Respondents, and Contractors competing for Contract Awards and the Authority’s employees.

It is the Authority’s policy that a centralized system for the acquisition of Goods, Services and Construction be utilized for consistent procurement practices, protection of agency risk, assurance of maximum quality and value, and acquisitions conducted in a timely and cost-effective manner that complies with all applicable laws, statutes, policies and procedures. Any purchase, contract, or obligation to pay made other than in the manner described in this Policy will subject the implicated individuals to financial and/or criminal liability and disciplinary action, up to and including termination.

1.1 ETHICS AND CONFLICT OF INTEREST

All Bidders, Respondents, and Contractors shall comply with the Authority’s Ethics and Conflict of Interest Policy throughout the Procurement process and contract term.

1.2 APPLICABILITY

The provisions of this Policy shall apply to the following:

- (A) Every expenditure of the Authority’s funds, irrespective of funding source, including federal assistance funds;
- (B) Disposal of the Authority’s property.

1.3 EXCEPTIONS TO POLICY

Despite any other provision of this Policy, the items listed in this section are exempt from the requirements of the open, competitive process but shall comply with other provisions of this Policy. Exceptions to the open, competitive process does not excuse the requestor from acquiring the appropriate approval to purchase as well as appropriate contracting and/or payment documentation. Exception purchases may be solicited and contracted for by the Department of Procurement, as shall be deemed appropriate.

The following are exceptions to this Policy:

- (A) Agreements negotiated by the Authority's Legal Counsel in settlement of litigation or threatened litigation;
- (B) Purchases of materials for resale in a concession operation;
- (C) Memberships, subscriptions, advertising (media buys)
- (D) Purchase, sale or lease of real property
- (E) Purchase of legal services
- (F) Development agreements
- (G) Travel, including lodging, and other expenses
- (H) Financial services (bond issuance, short-term financing, insurance policies)
- (I) Other specific exceptions as otherwise provided in this Procurement Policy

1.4 SUPPLEMENTARY GENERAL PRINCIPLES OF LAW APPLICABLE

Unless displaced by the particular provisions of this Policy, the principles of law and equity, including the Uniform Commercial Code of the State of Tennessee, the common law of contracts as applied in this state and law relative to agency, fraud, misrepresentation, duress, coercion and mistake supplement the provisions of this Policy. Adherence to this Policy does not absolve compliance with any other policies or regulations related to a particular funding source. This Policy applies to all individuals involved in the sourcing process for the Authority's expenditures.

1.5 DEFINITIONS

In this Policy, the following definitions apply unless the context otherwise requires:

- (A) "*Airport*" means the Nashville International Airport and/or John C. Tune Airport, individually or collectively, as the context may require.
- (B) "Architect/Engineer Services" means the following:
 - (i) Professional Services of an architectural or engineering nature, as defined by state law, which are required to be performed or approved by a person licensed, registered, or certified to provide such services;
 - (ii) Professional Services of a planning, architectural, or engineering nature that are associated with research, planning, development, design, construction, alteration, or repair of real property; and

- (iii) Such other Professional Services of a planning, programming, architectural, or engineering nature, or incidental services thereto, which such professionals (and individuals in their employ) may logically or justifiably perform, including, without limitation, studies, investigations, surveying and mapping, tests, evaluations, consultations, comprehensive planning, program management, conceptual designs, plans and specifications, value engineering, construction phase services, construction management at risk, soils engineering, drawing reviews, environmental inspections, preparation of operating and maintenance manuals, and other related services.
- (C) “*Award*” means a determination by the Authority to award a contract in accordance with the provisions contained in the solicitation, this Policy, the Bylaws, and as otherwise required by law.
- (D) “*Authority*” means the Metropolitan Nashville Airport Authority.
- (E) “*Best value*” means a technique in the competitive sealed bid process which permits the evaluation of objective criteria to determine the best overall value to the Authority.
- (F) “*Bid*” means an offer submitted in response to an Invitation to Bid.
- (G) “*Bidder*” means a person or entity that submits a Bid.
- (H) “*Blanket Order*” means an agreement to purchase goods from a specific supplier over a defined period of time that has established prices, terms and conditions with no specified quantities.
- (I) “*Board*” means the set of individuals appointed in accordance with applicable law to govern the Authority.
- (J) “*Business*” means any corporation, partnership, individual, sole proprietorship, joint stock company, joint venture or any other private legal entity.
- (K) “*Bylaws*” means the Third Amended and Restated Bylaws of the Metropolitan Nashville Airport Authority, or the most recently amended Bylaws approved by the Board.
- (L) “*Change order*” means a written alteration to a contract or purchase authorized by the PA which directs the contractor to make changes with or without the consent of the contractor.
- (M) “*Construction*” means the utilization of labor and materials to build and/or significantly alter, repair, improve, or demolish any building or other real property; generally does not apply to routine maintenance, repair, or operation of existing property.

- (N) “*Contract*” means a written agreement between the Authority and any entity, including, without limitation, a contract, lease, amendment, supplemental agreement, change order or purchase order for the procurement of Goods, Services, and Construction or the disposal of materials.
- (O) “*Contract amendment*” means any written alteration to a contract accomplished by mutual action of the contract parties.
- (P) “*Contracting Authority*” means the authority delegated to persons for entering into contracts and agreements.
- (Q) “*Contractor*” means any person who has a contract with the Authority.
- (R) “*Contractors Act*” means the Tennessee Contractors Licensing Act of 1994, T.C.A. § 62-6-101, *et seq.*, as amended from time to time.
- (S) “*Cooperative Purchasing Agreement*” means the action taken when two or more entities combine their requirements to obtain advantages of volume purchases, including administrative service and order benefits; often resulting in opportunities for piggybacking.
- (T) “*Days*” means, unless otherwise specified, calendar days.
- (U) “*Department Head*” means any person employed by the Authority in the position of Director, Assistant Vice-President, Vice-President, Senior Vice-President, or President.
- (V) “*Designee*” means a duly authorized representative of the PA, designated by the PA.
- (W) “*Discretionary*” means the power or right in certain circumstances to follow the dictates of individual best professional judgment and conscience in the selection of a supplier to determine whether competition and written documentation are appropriate, considering the requirements of this Policy and the Authority’s interests.
- (X) “*Discussions*” means communication with an Offeror, Bidder or Respondent for the purpose of:
- i. Eliminating minor irregularities, informalities, or apparent clerical mistakes in the offer or response;
 - ii. Clarifying any offer or response to assure full understanding of, and responsiveness to, solicitation requirements;
 - iii. Resolving minor variations in contract terms and conditions; or
 - iv. Establishing the competency or financial stability of any Offeror, Bidder or Respondent.

- (Y) *"Disposal of Material"* means sale of surplus and unclaimed property by public auction, competitive sealed bidding, small purchase procedures or other appropriate method designated by this Policy.
- (Z) *"Electronic"* means electrical, digital, magnetic, optical, electromagnetic, or any other similar technology.
- (AA) *"Emergency"* means a sudden, unforeseeable, and unexpected occurrence involving a clear and imminent danger, including, without limitation, weather conditions, fire, flood, earthquake, and the breakdown or imminent breakdown of any plant, equipment, structure, pavement, or improvement necessitating immediate repair, reconditioning, or purchase to prevent or mitigate loss of or damage to life, health, property, or essential public services, or to maintain the public health or welfare.
- (BB) *"Emergency Purchase"* means an immediate purchase of Goods, Services, and Construction made necessary due to an Emergency, for which the usual formal competitive solicitation procedures are waived.
- (CC) *"Fair Market Value"* means the amount a knowledgeable buyer would pay and a willing seller would accept for a good or service.
- (DD) *"Formal Competitive Process"* mean a procurement and selection process that includes, at a minimum, a written solicitation, advertisement of the solicitation, written responses, a review process and award to a vendor.
- (EE) *"Goods"* means goods, materials, equipment, tangibles or anything purchased or available for purchase.
- (FF) *"Improvement"* means any erection, construction, renovation, alteration, improvement, demolition, excavation, installation, or repair of or to any building, structure, infrastructure, utility, or similar facility performed for or on behalf of the Authority.
- (GG) *"Informal Competitive Process"* means a procurement and selection process with a documented verbal, electronic, or written solicitation and response, but for which formal advertisement is not required, resulting in award to a vendor.
- (HH) *"In writing"* includes printing, typewriting, electronic transmission, facsimile, or any other intentional reduction to tangible form.
- (II) *"Intangible Personal Property"* means property that is not capable of manual or physical possession.
- (JJ) *"Invitation to Bid"* means all documents, written or electronic, whether attached or incorporated by reference, which are used for formally soliciting Bids in

accordance with the procedures prescribed in this Policy.

- (KK) "*Job Order Contract*" means a competitively bid indefinite delivery-indefinite quantity (IDIQ) contract between a facility owner and a construction contractor that includes type of work that can be done, location of work, design criteria and maximum amount of work to be awarded. Also includes a unit-price book (UPB) that establishes a unit price to be paid for each multitude of construction line items.
- (LL) "*Materials*" means all property, including but not limited to, equipment, goods, supplies, and buildings but does not include land, a permanent interest in land or leases of real property.
- (MM) "*Minor informality*" means mistakes, or non-judgmental errors, that have negligible effect on price, quantity, quality, delivery, or other contractual terms and the waiver or correction of such mistakes does not prejudice other Bidders, Offerors or Respondents.
- (NN) "*Negotiations*" means an exchange of information or any form of cooperation during which the Offeror and the Authority may alter or otherwise change the scope of work, conditions, terms, and price, unless prohibited, of the proposed contract.
- (OO) "*Offeror*" means an individual or firm who submits a proposal in response to a formal Request for Proposal process.
- (PP) "*Performance Metrics*" means a term given to the analytical application of measurements that allow comparison of performance standards.
- (QQ) "*Policy*" means this formally adopted Procurement Policy of the Authority.
- (RR) "*President*" shall mean the chief executive and administrative officer of the Authority responsible for the day-to-day operation, planning and development of the Authority as defined in the Bylaws.
- (SS) "*Procedures*" shall mean the procurement procedures, as approved by the President, which detail the series of related activities that must be completed, and the order in which they must be done, to acquire Goods, Services, and Construction for the Authority.
- (TT) "*Procurement*" means buying, purchasing, renting, leasing or otherwise acquiring any Goods, Services, or Construction. Procurement also includes all functions that pertain to the acquisition of any Goods, Services, and Construction including description of requirements, selection and solicitation of sources, preparation, negotiation and award of contract, and all phases of contract administration.
- (UU) "*Procurement Administrator*" (*PA*) means the person designated by the Chief

Financial Officer (CFO) as head of procurement, delegated the centralized authority to procure Goods, Services, and Construction for the Authority.

- (VV) “*Procurement Appeals Committee (PAC)*” means a committee comprised of Authority employees designated to hear and make decisions on Protest Appeals, Suspension Appeals or Debarment Appeals.
- (WW) “*Procurement Card (p-Card)*” means a payment card issued by a bank or major credit card provider, which is provided to Authority staff under specific delegated authority, limited for the purchase of Goods, Services, and Construction in accordance with the Authority’s Procurement Card Policy.
- (XX) “*Procurement/Department of Procurement*” means the Authority’s designated procurement staff authorized and responsible for overall procurement management of Goods, Services, and Construction, including source selection, contract execution, spend management, supplier management and all related procurement activity.
- (YY) “*Professional Services*” means medical services, technology services, accounting services, fiscal agent services, financial advisory services, educational consulting services, architectural and engineering services, and any similar services, by professional persons or groups of high ethical standards or who must meet licensure or permit requirements of local, state or federal governmental regulatory entities to render services.
- (ZZ) “*Property*” means tangible personal property that is capable of manual or physical possession, but that is not real estate.
- (AAA) “*Protest*” means a written statement filed with the PA by a Protesting Party alleging, with particularity, the legal grounds and factual basis for a claim that the Authority’s decision in connection with a Solicitation, Award, Suspension or Debarment is arbitrary or capricious or in violation of applicable law.
- (BBB) “*Protesting Party*” means a person or entity that files a protest with the PA arising out of a solicitation, award, suspension or decision to debar.
- (CCC) “*Public Notice*” means the distribution and dissemination of information to interested parties using methods that are reasonably available, based on the totality of circumstances. Such methods may include publication in newspapers of general circulation, dissemination by electronic or paper mailing lists, and the posting on any website designated by the Authority.
- (DDD) “*Public-Private-Partnership (P3)*” means a contractual agreement formed between a public agency and a private sector entity that allows for greater private sector participation in the delivery and financing of public projects.

- (EEE) "*Request for Proposals*" means all documents, written or electronic, whether attached or incorporated by reference, which are used for soliciting competitive proposals in accordance with this Policy.
- (FFF) "*Request for Qualifications*" means all documents, written or electronic, whether attached or incorporated by reference, which are used for formally soliciting qualifications from Respondents in accordance with this Policy.
- (GGG) "*Request for Quotation*" means an informal process where oral or written quotes are obtained from vendors, without formal advertising or receipt of sealed Bids.
- (HHH) "*Respondent*" means a person or entity that submits a response to a formal Request for Qualifications.
- (III) "*Responsible Bidder, Offeror, or Respondent*" means a person who has the capability to perform the contract requirements and the integrity and reliability which will assure good faith performance.
- (JJJ) "*Responsive Bidder, Offeror, or Respondent*" means a person who submits a bid or proposal which conforms in all material respects to the solicitation.
- (KKK) "*Reverse Auction*" means an electronic auction in which the role of the buyer and seller are reversed. In a Reverse Auction, sellers compete to obtain business. Bids are publicly posted throughout the auction to encourage competition.
- (LLL) "*Services*" means the furnishing of intellectual knowledge, skills, expertise, labor and time by the provider to the Authority to fulfill its defined obligations to the Authority.
- (MMM) "*Signatory approval*" means permission given or delegated to approve financial transactions.
- (NNN) "*Single Source*" means a procurement whereby purchases are directed to one source because of standardization, warranty, or other factors, even though other competitive sources may be available.
- (OOO) "*Sole Source*" means a product or service which is available only from one source.
- (PPP) "*Specification*" is used interchangeably with "scope", "scope of services", or "scope of work" and means any description of the physical or functional characteristics, or of the nature of a material, service or construction item. Specification may include a description of any requirement for inspecting, testing, or preparing a material, service, or construction item for delivery.
- (QQQ) "*Solicitation*" means an Invitation to Bid, a Request for Proposals, a Request for Qualifications, a Request for Quotations, an Invitation for Reverse Auction Bids

or any other invitation or request by which the Authority invites a person to participate in a procurement.

(RRR) “*Subcontractor or Subconsultant*” means a person who contracts to perform work or render service to a contractor or consultant as defined by this section or to another subcontractor or subconsultant as a part of a contract with the Authority.

(SSS) “*Tolerance*” means a percentage or quantity above a set price, cost or amount.

(TTT) “*Treasurer*” means the Chief Financial Officer of the Authority.

1.6 REQUIREMENT OF GOOD FAITH

This Policy requires all parties involved in the negotiation, performance, or administration of Authority contracts to act in good faith.

1.7 CONFIDENTIAL INFORMATION

Confidential information shall be designated as follows:

- (A) If a person believes that a bid, proposal, offer, specification, or protest contains information that should be withheld from public record, a statement advising the PA of this fact should accompany the submission and the information shall be so identified wherever it appears.
- (B) The information identified by the person as confidential may not be disclosed until the PA makes a written determination.
- (C) The PA shall review the statement and information and may determine in writing that the information shall be withheld or disclosed.
- (D) If the PA determines to disclose the information, the contract officer shall inform the person in writing of such determination.
- (E) Notwithstanding the above provisions, in the event records marked as confidential are requested for public release, the Authority shall release records marked confidential seven (7) working days after the date of notice to the person of the request for release, unless the person has, within the seven-day period, secured a protective order, injunction relief or other appropriate order from a court of competent jurisdiction, enjoining the release of the records.
- (F) The Authority shall not, under any circumstances, be responsible for securing a protective order or other relief enjoining the release of records marked confidential. Nor shall the Authority be in any way financially responsible for any costs associated with securing such an order.

SECTION 2: AUTHORITY

2.0 LEGAL AUTHORITY

This Policy is promulgated pursuant to the Metropolitan Airport Authorities Act, Tennessee Code Annotated § 42-4-101, *et seq.*, and is intended to comply with the requirements of the Amended and Restated Bylaws of the Board of Commissioners of the

Metropolitan Nashville Airport Authority, as amended from time to time (the “Bylaws”). To the extent a conflict exists between the Bylaws and this Policy, the Bylaws shall control.

2.1 AIRPORT AUTHORITY BOARD

The Bylaws contain the delegation of contracting authority by the Board of Commissioners of the Authority to the President and Chief Executive Officer (the “President”).

2.2 PRESIDENT

The President is ultimately responsible for the Authority's operations and employees' compliance with this Policy. The President shall approve or deny procurements between \$100,000 and the threshold established in the Bylaws. The President may delegate his or her contracting authority up to \$100,000 to any officer of the Authority so long as such delegation does not exceed the value and/or contract term designated in the Bylaws. All delegation shall be in writing and such written record of the delegations and corresponding approval levels shall be maintained by Procurement. All procurements exceeding the President's contract authority, as well as any contracts exceeding an eight (8) year contract term, shall be submitted to the Board for approval.

2.3 DEPARTMENT OF PROCUREMENT

The Department of Procurement is delegated the responsibility for handling all procurements, including finalizing Contract documents with Legal Counsel guidance, and in compliance with this Policy, all applicable laws and regulations. The Department of Procurement is also responsible for creating, maintaining and complying with written procurement procedures needed to effectuate this Policy.

2.4 AUTHORITY OF THE PROCUREMENT ADMINISTRATOR (PA)

Except as otherwise provided in this Policy, the PA, in consultation with the President, may adopt operational procedures, consistent with this Policy, governing the procurement and management of all Goods, Services, and Construction procured by the Authority and the disposal of materials.

The PA shall serve as the central procurement and contracting authority of this Authority. Except as otherwise provided in this Policy, the PA shall:

- (A) Procure or supervise the procurement of all Goods, Services, and Construction needed by the Authority.
- (B) Establish guidelines for the management of all inventories of materials belonging to this Authority.
- (C) Manage the disposal of materials belonging to the Authority.
- (D) Sell, trade or otherwise dispose of surplus materials belonging to the Authority.
- (E) Prepare, issue, revise, maintain, and monitor the use of specifications for Goods, Services, and Construction required by the Authority.
- (F) Manage the Authority's procurement card (p-Card) program.

The PA may delegate procurement authority to designees or to any department or official of the Authority; any such delegation shall be in writing and kept on file by the PA. The PA may determine in writing that non-compliance with any provision of this Policy is non-substantial and may allow for correction or may waive minor informalities or irregularities. The basis for the decision shall be included in the determination.

SECTION 3: SOURCE SELECTION AND CONTRACT FORMATION

3.0 COMPETITIVE SELECTION REQUIRED

Subject to Section 1.3, competitive selection is required for the procurement of all Goods or Services over the Small Purchase threshold, or as otherwise required by controlling law and/or regulation.

3.1 SMALL PURCHASES

3.1.1 Small Purchases: A Small Purchase is any contract not exceeding \$50,000, or \$150,000 for contracts utilizing federal funds as allowed under federal regulations. Small Purchases may be made in accordance with the Small Purchase procedures authorized in this Policy and any corresponding procurement procedure. Purchase requirements shall not be artificially divided so as to constitute a Small Purchase under this Policy.

3.1.2 Small Purchases under Ten Thousand (\$10,000) Dollars - The PA shall adopt operational procedures for making Small Purchases of less than ten thousand dollars (\$10,000.00). The requestor shall utilize discretionary selection with best professional judgment to obtain the best value for the Authority, considering the requirements of this Policy, supplemental procurement procedures and the Authority's interests. Competition is not required, but the selection should be justifiable as the best overall solution, considering cost and other permissible factors. The PA has the discretion to develop tolerance levels to be applicable to these purchases. For micro-purchases utilizing federal funds not exceeding \$3,500 for non-construction projects or \$2,000 for construction projects covered by the Davis-Bacon Act, no competitive solicitation is required.

3.1.3 Small Purchases Ten Thousand (\$10,000.00) – Fifty Thousand (\$50,000.00) Dollars - Insofar as it is practical, Small Purchases of ten-thousand dollars (\$10,000.00) to fifty thousand (\$50,000.00) shall be solicited by the Department of Procurement from no less than three (3) businesses. Award shall be made to the responsible Respondent, whose offer is most advantageous to the Authority and conforms in all material respects to the Small Purchase requirements. The responses shall be maintained as a public record. The PA has the discretion to develop tolerance levels to be applicable to these purchases.

3.2 FORMAL COMPETITIVE PURCHASES

3.2.1 Purchases exceeding the Small Purchase threshold - Purchases that exceed the Small Purchase threshold and that are outside the applicable tolerance level shall be made in accordance with one of the procedures authorized in this Policy and the corresponding Procurement Procedures.

3.2.2 Competitive Sealed Bidding (Non-Construction)

(A) Competitive sealed bids shall be solicited through an Invitation to Bid. The Invitation to Bid shall include specifications and any applicable evaluation criteria. Contractual terms and conditions may be included within the solicitation document or incorporated by reference.

(B) A prequalification process may be conducted prior to the issuance of an Invitation to Bid in order to establish a list of qualified Bidders. In the event a prequalification process is used, the Department of Procurement shall only consider bids that are submitted from prequalified Bidders.

3.2.2.1 Public Notice - Notice of the Invitation to Bid shall be electronically posted and the Invitation to Bid shall be available for public inspection not less than fourteen (14) days prior to the date set forth therein for the opening of bids. A shorter time may be deemed necessary for a particular procurement as determined in writing by the PA. The public notice shall state the place, date, and time of bid opening.

3.2.2.2 Late Bids - A bid is late if it is received at the location designated in the Invitation to Bid after the time and date set for bid opening. The clock of the department receiving the bid, or the clock of the system used to electronically receive the bid, is the governing clock. A late bid shall be rejected. A late bid shall not be opened except for, if necessary, identification purposes. Such bids may be returned to the Bidder. Bidders submitting bids that are rejected as late shall be so notified.

3.2.2.3 Bid Opening - Bids shall be opened publicly in the presence of one or more witnesses at the time and place designated in the Invitation to Bid. The name of each Bidder and the amount of each bid, as well as other relevant information as the PA deems appropriate shall be recorded. Unless otherwise determined by the PA, this record shall be open to public inspection. If the Bidder designates a portion of its bid as confidential, it shall isolate and identify in writing the confidential portions in accordance with Section 1.7.

3.2.2.4 Bid Acceptance and Bid Evaluation - Bids shall be accepted without alteration or correction, except as authorized in this Policy. Bids shall be evaluated based on the requirements set forth in the Invitation to Bid, which may include criteria to determine acceptability such as inspection, testing, quality, workmanship, delivery, and suitability for a particular purpose. The Invitation to Bid shall set forth the evaluation criteria to be used. No criteria may be used in bid evaluation that is not set forth in the Invitation to Bid.

3.2.2.5 Correction or Withdrawal of Bids; Cancellation of Awards - Correction or

withdrawal of inadvertently erroneous bids before or after bid opening, or cancellation of awards or contracts based on such bid mistakes, may be permitted where appropriate. Mistakes discovered before bid opening may be modified or withdrawn by written notice received in the Department of Procurement prior to the time set for bid opening.

Mistakes discovered after bid opening may be modified or withdrawn only to the extent that the Bidder can show by clear and convincing evidence that a mistake of a nonjudgmental character was made, the nature of the mistake, and the bid price actually intended. After bid opening, no changes in bid prices or other bid provisions prejudicial to the interest of the Authority or fair competition shall be permitted. In lieu of bid correction, a Bidder alleging a mistake may be permitted to withdraw its bid if:

- (A) The mistake is clearly evident on the face of the bid document but the intended correct bid is not similarly evident; or
- (B) The Bidder submits evidence that clearly and convincingly demonstrates that a mistake was made.

All decisions to permit the correction or withdrawal of bids, or to cancel awards based on bid mistakes, shall be supported by a written determination made by the PA.

3.2.2.6 Right to Reject Any or All Bids or Responses

In accordance with applicable laws and regulations, the PA shall have the right to reject all bids or responses submitted in such solicitation. The terms of all solicitations may reserve this right, but the failure to make an express reservation of the right of the Authority to reject all bids or responses shall not abrogate the right of the Authority to do so.

3.2.2.7 Contract Award

- (A) General - The contract shall be awarded by appropriate notice to the lowest responsible and responsive Bidder whose bid conforms in all material respects to requirements and criteria set forth in the Invitation to Bid.
- (B) Contract award based on best value - Notwithstanding the above, the contract may be awarded on best value analysis provided that the criteria for analysis was included in the Invitation to Bid in accordance with Section 3.2.2.4. The contract shall be awarded by appropriate written notice to the responsive, responsible Bidder whose bid is determined to be the best value to the Authority and that conforms in all material respects to requirements and criteria set forth in the Invitation to Bid.
- (C) Public record - After the Authority issues a notice of intent to award, or in the absence of a notice of intent to award upon final contract execution, the bids shall be available for public inspection, except to the extent that the withholding of information is permitted or required by law. If the Bidder designates a portion of its bid as confidential, it shall isolate and identify in writing the confidential portions in accordance with Section

1.7.

- (D) Low tie bids - If there are two (2) or more low responsive bids from responsible Bidders that are identical in price and other evaluation criteria and that meet all the requirements and criteria set forth in the Invitation to Bid, award may be made by random selection in a manner prescribed by the PA.

3.2.3 Competitive Sealed Bidding (Construction)

The PA shall establish procurement procedures, in conjunction with the Chief Engineer, for the procurement of Construction. A Contract for Construction that is federally funded, in whole or in part, is to be procured by the provisions contained in 49 C.F.R. Part 18.36, governing procurement by sealed bid or other appropriate federal statute or regulation. For any other Contract for Construction estimated to cost more than One Hundred Thousand (\$100,000.00), or such amount proscribed by law, procurement by Competitive Sealed Bidding using an Invitation to Bid shall be utilized.

3.2.3.1 Invitation to Bid Specifications, Evaluation Criteria and Bidder Qualifications - The Invitation to Bid shall include specifications, any applicable evaluation criteria and Bidder qualifications requirements. Contractual terms and conditions may be included within the solicitation document or incorporated by reference. The PA shall require, from all Bidders, information concerning their experience and financial qualifications and shall take such information into consideration in the Award of any Construction contract. At a minimum, the PA shall require: (i) information concerning each Bidder's experience, financial qualifications, and ability to perform the terms and conditions of the Construction Contract; and (ii) information as to whether the Bidder possesses or can obtain the necessary equipment and personnel in time to perform the Construction contract.

3.2.3.2 Public Notice - Notice of the Invitation to Bid shall be published in at least one local newspaper or periodical of general circulation in the applicable industry (as applicable under federal regulations) and electronically posted on the Authority's website. Notice of the Invitation to Bid shall be issued, and the Invitation to Bid shall be available for public inspection, not less than fourteen (14) days prior to the date set forth therein for the opening of bids. A shorter time may be deemed necessary for a particular procurement as determined in writing by the PA. The public notice shall state the place, date, and time of bid opening.

3.2.3.3 Contractors Act - Each Bidder must comply with the requirements of the Contractors Act, and each Bidder's Bid will be subject to and handled in accordance with the provisions of the Contractors Act.

3.2.3.4 Late Bids - A bid is late if it is received at the location designated in the Invitation to Bid after the time and date set for bid opening. The clock of the department issuing the bid, or the clock of the system used to electronically receive the bid, is the governing clock. A late bid shall be rejected. A late bid shall not be opened except for, if necessary, identification purposes. Such bids

may be returned to the Bidder. Bidders submitting bids that are rejected as late shall be so notified.

- 3.2.3.5 Bid Opening - Bids shall be opened publicly in the presence of one or more witnesses at the time and place designated in the Invitation to Bid. The name of each Bidder and the amount of each bid, as well as other relevant information as the PA deems appropriate, and as required by the Contractors Act, shall be recorded. Unless otherwise determined by the PA, this record shall be open to public inspection. If the Bidder designates a portion of its bid as confidential, it shall isolate and identify in writing the confidential portions in accordance with Section 1.7.

All decisions to permit the correction or withdrawal of a Bid, or to cancel any Award based on errors contained in a Bid, shall be supported by a written explanation made by the PA.

- 3.2.3.6 Bid Acceptance and Bid Evaluation - Bids shall be accepted without alteration or correction, except as authorized in this Policy. Any criteria that will affect the Bid price and be considered in the Award, such as discounts, transportation costs, and total or life cycle costs, shall be objectively measured. Bids shall be evaluated objectively based on the requirements set forth in the Invitation to Bid. The Invitation to Bid shall set forth the evaluation criteria to be used. No criteria may be used in bid evaluation that is not set forth in the Invitation to Bid.

- 3.2.3.7 Correction or Withdrawal of Bids; Cancellation of Awards - Correction or withdrawal of inadvertently erroneous bids before or after bid opening, or cancellation of awards or contracts based on such bid mistakes, may be permitted where appropriate. Mistakes discovered before bid opening may be modified or withdrawn by written notice received by the PA prior to the time set for bid opening.

Mistakes discovered after bid opening may be modified or withdrawn only to the extent that the Bidder can show by clear and convincing evidence that a mistake of a nonjudgmental character was made, the nature of the mistake, and the bid price actually intended. After bid opening, no changes in bid prices or other bid provisions prejudicial to the interest of the Authority or fair competition shall be permitted. In lieu of bid correction, a Bidder alleging a mistake may be permitted to withdraw its bid if:

- (A) The mistake is clearly evident on the face of the bid document but the intended correct bid is not similarly evident; or
- (B) The Bidder submits evidence that clearly and convincingly demonstrates that a mistake was made.

All decisions to permit the correction or withdrawal of bids, or to cancel awards based on bid mistakes, shall be supported by a written determination made by the PA.

3.2.3.8 Contract Award

- (A) General - The contract shall be awarded by appropriate notice to the lowest responsible and responsive Bidder whose bid conforms in all material respects to requirements and criteria set forth in the Invitation to Bid. A contract award shall be made in accordance with the provisions of this Policy, the Bylaws, the related construction procurement procedures and as otherwise required by controlling law or regulation
- (B) Contract Award Based on Best Value – Notwithstanding the above, the contract may be awarded on best value analysis provided that the criteria for analysis was included in the Invitation to Bid, in accordance with Section 3.2.3.6. The contract shall be awarded by appropriate written notice to the responsive, responsible Bidder whose bid is determined to be the best value to the Authority and that conforms in all material respects to requirements and criteria set forth in the Invitation to Bid.
- (C) Public record - After the Authority issues a notice of intent to award, or in the absence of a notice of intent to award upon final contract execution, the bids shall be available for public inspection, except to the extent that the withholding of information is permitted or required by law. If the Bidder designates a portion of its bid as confidential, it shall isolate and identify in writing the confidential portions in accordance with Section 1.7.
- (D) Low tie bids - If there are two (2) or more low responsive bids from responsible Bidders that are identical in price and other evaluation criteria and that meet all the requirements and criteria set forth in the Invitation to Bid, award may be made by random selection in a manner prescribed by the PA.

3.3 **COMPETITIVE SEALED PROPOSALS**

- (A) Competitive sealed proposals shall be solicited through a Request for Proposals. The Request for Proposals shall include a scope of work and any applicable evaluation criteria and shall be subject to the provisions of controlling law and/or regulation. Contractual terms and conditions may be included within the solicitation document or incorporated by reference.
- (B) A prequalification process may be conducted prior to the issuance of a Request for Proposals in order to establish a list of qualified Offerors. In the event a prequalification process is used, the Department of Procurement shall only consider proposals that are submitted from prequalified Offerors.

3.3.1 Public Notice - Notice of Request for Proposal shall be electronically posted and the Request for Proposal shall be available for public inspection not less than fourteen (14) days prior to the due date set forth in the Request for Proposal. A shorter time may be deemed necessary for a particular procurement as determined in writing by the PA. The public notice shall state the place, date, and time for receipt of proposals.

3.3.2 Late Proposals - A proposal is late if it is received at the location designated in the Request for Proposals after the time and date set for receipt of proposals. Late proposals

shall be rejected in accordance with Section 3.2.3.4.

- 3.3.3 Receipt of Proposals - Proposals shall not be opened publicly. No proposals shall be handled as to permit disclosure of the contents of any proposal to competing Offerors. Proposals shall be open for public inspection after a notice of intent to award is issued, or in the absence of a notice of intent to award, after final execution of the contract, except to the extent that the withholding of information is permitted or required by law. If the Offeror designates a portion of its proposal as confidential, it shall isolate and identify in writing the confidential portions in accordance with Section 1.7.
- 3.3.4 Withdrawal of Proposals - Proposals may be withdrawn by written notice before or after proposal opening. All decisions to permit the withdrawal of a proposal after opening shall be supported by a written determination made by the PA.
- 3.3.5 Evaluation of Proposals
- (A) Evaluation criteria - The Request for Proposals shall state the criteria to be used in the evaluation of the proposals and shall include their relative importance. Specific numerical weighting is not required to be published. Evaluation criteria are subject to the provisions of controlling law and/or regulation. Evaluation criteria may include but not be limited to experience, qualifications, previous performance assessment from the Authority, past experience with the selection committee members, method of approach, interviews, demonstrations, references and price.
- (B) Selection committee - The PA shall appoint a selection committee to evaluate the proposals and make a recommendation based on the criteria set forth in the Request for Proposals. No members of the Board or the President shall be voting members of a Selection Committee. No other factors or criteria may be used in the evaluation process by the Selection Committee.
- 3.3.6 Discussion with Offerors - Discussions may be conducted with Offerors.
- 3.3.7 Negotiations with Offerors and Revisions to Proposals - Negotiations may be conducted with Offerors. Offerors shall be accorded fair and equal treatment in conducting negotiations and there shall be no disclosure of any information derived from proposals submitted by competing Offerors.
- (A) Concurrent negotiations - Negotiations may be conducted concurrently with Offerors for the purpose of determining source selection and/or contract award.
- (B) Exclusive negotiations - Exclusive negotiations may be conducted with the Offeror whose proposal is determined in the source selection process to be most advantageous to the Authority. Exclusive negotiations may be conducted subsequent to concurrent negotiations or may be conducted without requiring previous concurrent negotiations. Exclusive negotiations shall not constitute a contract award nor shall it confer any property rights to the successful Offeror. If exclusive negotiations are conducted and an agreement is not reached, the Authority may enter into exclusive negotiations with the next highest ranked Offeror without the need to repeat the formal solicitation process.

- 3.3.8 Contract Award - Contract award shall be made by the PA to the responsible Offeror whose proposal is determined in writing to be the most advantageous to the Authority taking into consideration the evaluation criteria set forth in the Request for Proposals. The contract file shall contain the basis on which the award is made.

3.4 REQUEST FOR QUALIFICATION

- 3.4.1 Request for Qualification of Prospective Providers of Architect/Engineer Services - The Authority may require that prospective providers of Architect/Engineer Services qualify to respond to a Solicitation for either a specific project or an identified group of projects. The procedure for qualification is as follows:
- (A) The Authority shall issue a Request for Qualification questionnaire that each prospective provider of Professional Services must complete and return in the manner and within the timeframe indicated;
 - (B) For any project-specific information required, the Authority shall set objective scoring criteria and incorporate the criteria into any scoring procedure;
 - (C) The Authority shall advertise the Request for Qualification questionnaire in the same manner required for an RFP;
 - (D) A successful Request for Qualification shall be valid for not more than five (5) years following the date of such qualification, or as determined by the PA in writing;
 - (E) A prospective provider of Architect/Engineer Services who is notified that it has not been qualified may request within 10 calendars days an explanation of the reasons for rejection of qualification.
 - (F) Failure to obtain qualification shall not, in itself, preclude a person or entity from participating in other Solicitations or submitting on future Request for Qualifications.
- 3.4.2 Compliance Procedures - Architectural/Engineering Services for FAA Airport grant projects shall follow the guidance and procedures contained in FAA A/C 150/5100-14E (or subsequent versions), "Architectural Engineering and Planning Consultant Services for Airport Grant Projects."
- 3.4.3 Contracts for Professional Services - Contracts for medical services, technology services, accounting services, fiscal agent services, financial advisory services, educational consulting services, architectural and engineering services, and any similar services, by professional persons or groups of high ethical standards, shall not be based on competitive sealed bids, but shall be awarded on the basis of recognized competence and integrity.

3.5 REVERSE AUCTIONS

- 3.5.1 Competitive Reverse Auction Bids – A competitive Reverse Auction Bid shall be solicited through an Invitation for Reverse Auction Bid. The Invitation for Reverse Auction Bid shall be issued and shall include specifications and any applicable criteria. Contractual terms and conditions may be included with the solicitation document or incorporated by reference.

- 3.5.2 Pre-Qualification Process – A pre-qualification process may be conducted prior to the issuance of the Invitation for Reverse Auction Bid in order to establish a list of qualified Bidders. In the event a pre-qualification process is used, the Department of Procurement shall only consider bids that are submitted from pre-qualified Bidders.
- 3.5.3 Public Notice - Notice of the Invitation for Reverse Auction Bids shall be electronically posted shall be available for public inspection not less than fourteen (14) days prior to the date set forth therein for the close of the auction. A shorter time may be deemed necessary for a particular procurement as determined in writing by the PA. The public notice shall state the location of the internet website hosting the reverse auction.
- 3.5.4 Bid Acceptance and Bid Evaluation - Bids shall be unconditionally accepted without alteration or correction, except as authorized in this Policy. Bids shall be evaluated based on the requirements set forth in the Invitation for Reverse Auction bids, which may include criteria, to determine acceptability such as inspection, testing, quality, workmanship, delivery, and suitability for a particular purpose. The Invitation for Reverse Auction bids shall set forth the evaluation criteria to be used. No criteria may be used in bid evaluation that is not set forth in the Invitation for Reverse Auction bids.
- 3.5.5 Correction or Withdrawal of Bids; Cancellation of Awards - Correction or withdrawal of inadvertently erroneous bids before or after auction closing, or cancellation of awards or contracts based on such bid mistakes, may be permitted where appropriate. Mistakes discovered before auction closing may be modified or withdrawn by written notice received in the department prior to the time set for auction closing.
- Mistakes discovered after auction closing may be modified or withdrawn only to the extent that the Bidder can show by clear and convincing evidence that a mistake of a nonjudgmental character was made, the nature of the mistake, and the bid price actually intended. After auction closing, no changes in bid prices or other bid provisions prejudicial to the interest of the Authority or fair competition shall be permitted. In lieu of bid correction, a Bidder alleging a mistake may be permitted to withdraw its bid if:
- (A) The mistake is clearly evident in the auction transcripts, but the intended correct bid is not similarly evident; or
 - (B) The Bidder submits evidence that clearly and convincingly demonstrates that a mistake was made.
- All decisions to permit the correction or withdrawal of bids, or to cancel awards based on bid mistakes, shall be supported by a written determination made by the PA.
- 3.5.6 Contract Award. The contract shall be awarded by appropriate notice to the lowest responsible and responsive Bidder whose bid conforms in all material respects to requirements and criteria set forth in the Invitation for Reverse Auction bids.

3.6 CANCELLATION OF SOLICITATION

- 3.6.1 Cancellation of Solicitations - An Invitation to Bid, a Request for Proposals, a Request for Qualifications, or other solicitation may be cancelled prior to opening or after opening when it is in the best interest of the Authority. As used in this Policy,

"opening" means the date and time set for opening of bids, receipt of statements of qualifications or receipt of proposals.

- 3.6.2 Cancellation of Solicitations Prior to Opening - Prior to opening, a solicitation may be cancelled in whole or in part when the PA determines in writing that such action is in the Authority's best interest for reasons including but not limited to:
- (A) The Authority no longer requires the Goods, Services, or Construction;
 - (B) The Authority no longer can reasonably expect to fund the procurement;
 - (C) Proposed amendments to the solicitation would be of such magnitude that a new solicitation is in the best interest of the Authority; or
 - (D) It is otherwise not advantageous to the Authority.

When a solicitation is cancelled prior to opening, notice of cancellation shall be publicly posted. The notice of cancellation shall identify the solicitation, briefly explain the reason for cancellation and, where appropriate, explain that an opportunity will be given to compete on any resolicitation or any future procurements of similar Goods, Services, or Construction.

- 3.6.3 Cancellation of Solicitation After Opening but Prior to Award- After opening, but prior to award, a solicitation may be cancelled when the PA determines in writing that such action is in the Authority's best interest for reasons including but not limited to:
- (A) The Authority no longer requires the Goods, Services or Construction;
 - (B) Ambiguous, erroneous or otherwise inadequate specifications or scopes of work were part of the solicitation;
 - (C) The solicitation did not provide for consideration of all factors of significance to the Authority;
 - (D) Prices exceed available funds and it would not be appropriate to adjust quantities to come within available funds;
 - (E) All otherwise acceptable bids, statements of qualifications or proposals received are at clearly unreasonable prices;
 - (F) There is reason to believe that the bids, statements of qualifications or proposals may not have been independently arrived at in open competition, may have been collusive, or may have been submitted in bad faith;
 - (G) Competition was insufficient; or
 - (H) It is otherwise not advantageous to the Authority.

A notice of cancellation of the solicitation shall be sent to all persons that submitted bids, statements of qualifications or proposals, and it shall conform to the requirements of this Policy. All bids, proposals or statements received shall remain, to the extent possible, confidential.

- 3.6.4 Documentation of Cancellation - The reasons for cancellation shall be made a part of the procurement file and shall be available for public inspection.

3.7 REJECTION OF INDIVIDUAL BIDS, PROPOSALS, QUOTATIONS OR STATEMENTS OF QUALIFICATIONS

- 3.7.1 A Bid or quotation may be rejected if:
- (A) The Bidder is determined to be non-responsible pursuant to Section 3.8; or
 - (B) The bid or quotation is non-responsive in accordance with Section 3.2.2 or 3.2.3; or
 - (C) The proposed price exceeds available funds or is unreasonable; or
 - (D) It is otherwise not advantageous to the Authority.
- 3.7.2 A proposal or statement of qualifications may be rejected if:
- (A) The person responding to the solicitation is determined to be non-responsible pursuant to Section 3.8; or
 - (B) The proposal or statement of qualifications is non-responsive in accordance with Section 3.3 or 3.4; or
 - (C) It is unacceptable; or
 - (D) The proposed price exceeds available funds or is unreasonable; or
 - (E) It is otherwise not advantageous to the Authority.
- 3.7.3 Documentation of Rejection - The reasons for rejection shall be made a part of the procurement file and shall be available for public inspection.

3.8 RESPONSIBILITY OF BIDDERS, OFFERORS AND RESPONDENTS

- 3.8.1 Findings of Non-Responsibility - If a Bidder, Offeror or Respondent who otherwise would have been awarded a contract is found non-responsible, a written finding of non-responsibility, setting forth the basis of the finding, shall be prepared by the PA. The unreasonable failure of a Bidder, Offeror or Respondent to promptly supply information in connection with an inquiry with respect to responsibility may be grounds for a finding of non-responsibility with respect to such Bidder or Offeror. The written finding shall be made part of the contract file and be made a public record.
- 3.8.2 Confidential Information - Confidential information furnished by a Bidder, Offeror or Respondent in response to an inquiry of responsibility pursuant to this Policy shall not be disclosed by the Authority outside of the department (or other MNAA entity, if applicable) or individuals involved in the evaluation process without prior written consent by the Bidder, Offeror or Respondent. Confidential information shall be identified and managed in accordance with Section 1.7.
- 3.8.3 Determining Responsibility - Factors to be considered in determining if a prospective contractor is responsible include:
- (A) The proposed contractor's financial, physical, personnel or other resources, including subcontracts;
 - (B) The proposed contractor's record of performance and integrity;
 - (C) Whether the proposed contractor is qualified legally to contract with the Authority; and
 - (D) Whether the proposed contractor supplied all necessary information concerning its responsibility.

- 3.8.4 Responsibility Criteria - Procurement may establish specific responsibility criteria for a particular procurement. Any specific responsibility criteria shall be set forth in the solicitation

3.9 EXCEPTIONS TO FULL AND OPEN COMPETITION

- 3.9.1 In accordance with and subject to existing Bylaws, controlling law and/or regulation, the PA may waive the requirement for competitive solicitation under any of the circumstances identified in this Policy. Exceptions to the full and open competition requirements do not excuse these procurements from following the Authority's specified approvals and obtaining documentation appropriate to the particular circumstances. A purchase or contract under any of the following exceptions should still include the standard applicable Authority terms and conditions as well as any terms and conditions required by Tennessee law.
- 3.9.2 Emergency Procurements - Notwithstanding any other provisions of this Policy, the PA may make or authorize others to make emergency procurements of Goods, Services, or Construction when there exists a threat to public health, welfare, safety or property or if a situation exists where substantial economic loss and/or interruption of services exists, or which makes compliance with Sections 3.2. (competitive sealed bidding) or Section 3.3 (competitive sealed proposals) contrary to the public interest; provided that such emergency procurements shall be made with such competition as is practicable under the circumstances. The department (or other MNAA entity, if applicable) requesting an emergency procurement shall provide written evidence to support an emergency determination. An emergency procurement shall be limited to those Goods, Services, or Construction necessary to satisfy the emergency need. A written determination by the PA of the basis for the emergency procurement and for the selection of the particular contractor shall be maintained as a public record.
- 3.9.3 Sole Source Procurements - Notwithstanding any other provisions of this Policy, a contract may be awarded without competition when the PA determines in writing, after conducting a good faith review of available sources, that there is only one source for the required Goods, Services, or Construction. The department (or other MNAA entity, if applicable) requesting a Sole Source procurement shall provide written evidence to support a Sole Source determination. The PA may require that negotiations are conducted as to price, delivery, and terms. The PA may require the submission of cost or pricing data in connection with an award under this section. Sole Source procurement shall be avoided, except when no reasonable alternative sources exist. A written determination by the PA of the basis for the Sole Source procurement shall be maintained as a public record.
- 3.9.4 Single Source Procurement – Notwithstanding any other provisions of this Policy, the PA may make or authorize others to make procurement, when it is in the best demonstrated interest of the Authority, to use a single supplier. A Single Source may be utilized when, because of standardization, warranty, or due to unusual or special circumstance, it would be in the best interest of the Authority to accomplish the procurement without compliance with Section 3.2 (competitive sealed bidding) or Section 3.3 (competitive sealed proposals). Single Source procurement shall not be

used unless there is clear and convincing evidence that it is the only procurement method to fulfill the Authority's requirements. The department (or other MNAA entity, if applicable) requesting a Single Source shall provide written evidence to support the Single Source. A written determination by the PA approving the Single Source, as well as the basis for the selection of the particular contractor, shall be maintained as public record. The determination and the award shall be made in accordance with procurement procedures, ensuring that the procurement is fair, honest, prudent and a wise exercise of discretion and is in the public interest.

SECTION 4.0: SPECIFICATIONS

- 4.0.1 Maximum Practicable Competition - All specifications shall seek to promote overall economy for the purposes intended and encourage competition in satisfying the Authority's needs and shall not be unduly restrictive.
- (A) To the extent practicable and unless otherwise permitted by this Policy, all specifications shall describe the Authority's requirements in a manner that does not unnecessarily exclude a Good, Service, or Construction item.
 - (B) Restrictive specifications shall not be used unless such specifications are required and it is not practicable or advantageous to use a less restrictive specification. The department requesting a restrictive specification shall provide written evidence to support the restrictive specification. Past success in the material's performance, or inconvenience of developing specifications do not justify the use of restrictive specifications.
 - (C) To the extent practicable, the Authority shall use accepted commercial specifications and shall procure standard commercial materials.
- 4.0.2 Specifications Prepared by Other than Authority Personnel - The requirements of this Policy regarding the purposes and non-restrictiveness of specifications shall apply to all specifications prepared other than by Authority personnel, including, but not limited to, those prepared by architects, engineers, designers, and consultants for public contracts, or subcontractors. No person preparing specifications shall receive any direct or indirect benefit from the utilization of such specifications.
- 4.0.3 Brand Name or Equal Specification - A brand name or equal specification may be used to describe the standards of quality, performance, and other salient characteristics needed to meet the requirements of a solicitation, and which invites offers for equivalent products from a manufacturer.
- 4.0.4 Brand Name Specification - A brand name specification may be used to identify the sole acceptable item that meets the Authority's needs for purchases above the amount specified in Section 3.1. The department requesting a brand name specification shall provide written evidence to support a brand name determination. A written determination by the PA of the basis for the brand name shall be maintained as public record. Past success in the material's performance, traditional purchasing practices, or inconvenience of drawing specifications do not justify the use of a brand name specification.

SECTION 5.0: CONTRACT TERMS

5.0.1 All Authority contracts shall include provisions, terms and conditions necessary to define the responsibilities and rights of the parties to the solicitation and contract. The PA shall have the authority to establish and modify any such terms and conditions, provided such provisions, terms and conditions comply with the requirements of this Policy and applicable rules, laws and regulations.

SECTION 6.0: CONTRACT EXECUTION

6.0.1 Approval - All contracts entered into under this Policy shall be executed in the name of the PA, the President or the Board of Commissioners, and approved as to form and legality by the Authority Legal Counsel, sufficiency of funds by the Treasurer, where applicable, dependent upon the dollar threshold established in the Bylaws and/or this Policy.

6.0.2 Multi-Term Contracts - Unless otherwise provided by law, a contract for Goods, Services, or Construction may be entered into for any period of time deemed to be in the best interest of this Authority, if the term of the contract and conditions of renewal or extension, if any, are included in the solicitation and monies are available for the first contract period at the time of contracting. Payment and performance obligations for succeeding contracting periods are subject to the availability and appropriation of monies.

6.0.3 Bid and Contract Security, Supply or Service Contracts - The PA may require the submission of security to guarantee faithful bid and contract performance. In determining the amount and type of security required for each contract, the PA shall consider the nature of the performance and the need for future protection to the Authority. The requirement for security must be included in the Invitation to Bid or Request for Proposals. Failure to submit security in the amount and type of security required may result in the rejection of the bid or proposal.

SECTION 7.0: CONTRACT ADMINISTRATION

7.0.1 Contract Amendments – Any changes to an existing contract for Goods, Services, or Construction shall be amended by the PA. Proposed contract amendments exceeding the delegated authority level of the PA shall further be reviewed and approved by the President or by the Board for changes exceeding the President’s authority. Legal Counsel shall review and approve proposed contract amendments for form and legality and the Treasurer shall approve for sufficiency of funds, where applicable.

7.0.2 Right to Inspect - The Authority may, at reasonable times, inspect the part of the plant or place of business of a contractor, consultant or any subcontractor or subconsultant that is related to the performance of any contract awarded or to be awarded by this Authority.

7.0.3 Right to Audit Records - The Authority may, at reasonable times and places, audit the

books and records of any person who submits cost or pricing data to the extent that the books and records relate to the cost or pricing data. Any person who is awarded a contract, change order or contract modification for which cost or pricing data is required shall maintain the books and records that relate to the cost or pricing data for three (3) years from the date of final payment under the contract, unless otherwise specified in the contract.

- 7.0.4 Assignment of Rights and Duties - The rights and duties of an Authority contract are not transferable or otherwise assignable without the written consent of the PA or for purchases exceeding the delegated authority level, the President.
- 7.0.5 Contractor Performance Metrics – The PA shall establish a methodology and procedure for assessing the performance of Contractors, to include a mechanism by which Contractors are afforded an opportunity to provide input and resolution to performance concerns. The results of the performance metrics shall be permissible for use in evaluating future solicitations from a Contractor who has previous experience with the Authority.

SECTION 8.0: COOPERATIVE PROCUREMENT AND PURCHASES THROUGH STATE AND OTHER GOVERNMENTS

- 8.0.1 Definition - "Cooperative purchasing" means procurement conducted by, or on behalf of, two or more public procurement units.
- 8.0.2 Applicability - Agreements entered into pursuant to this Policy shall be limited to the areas of procurement of Goods, Services, or Construction, warehousing or materials management.
- 8.0.3 Cooperative Purchasing Agreements Required - The Authority is not authorized to participate in cooperative purchasing unless a cooperative purchasing agreement is executed between the parties or the parties are members of a cooperative purchasing group or authority that permits cooperative use amongst its membership. All agreements entered into pursuant to this Policy shall be approved by the PA.
- 8.0.4 Purpose - The Authority is authorized to procure, participate in, sponsor, conduct or administer a Cooperative Purchasing Agreement for the procurement of any Goods, Services, or Construction with one or more eligible procurement units in accordance with an agreement entered into between the participants. An agreement entered into as provided in this section is exempt from Section 3 with the exception that any Cooperative Purchase Agreement utilized by the Authority must have been solicited and awarded through an open and competitive sourcing process, in compliance with the requirements of this Policy. A Cooperative Purchase Agreement may include an option for other government entities that did not participate in the original Cooperative Purchase Agreement procurement to participate in the Cooperative Purchase Agreement.

Parties under a Cooperative Purchasing Agreement may:

- (A) Sponsor, conduct or administer a Cooperative Agreement for the procurement or disposal of any Goods, Services, or Construction;
- (B) Cooperatively use Goods or Services;
- (C) Commonly use or share warehousing facilities, capital equipment and other facilities;
- (D) Provide personnel, except that the requesting eligible procurement unit may pay the public procurement unit providing the personnel the direct and indirect cost of providing the personnel, in accordance with the agreement;
- (E) On request, make available to other eligible public procurement units informational, technical or other services that may assist in improving the efficiency or economy of procurement. The public procurement unit furnishing the informational or technical services has the right to request reimbursement for the reasonable and necessary costs of providing such services. The activities described in paragraphs (A) through (E) do not limit the activities of parties under a cooperative purchasing agreement.

SECTION 9.0: MINORITY WOMAN-OWNED SMALL BUSINESS PARTICIPATION

9.0.1 All procurements must comply with the requirements of the Authority's Small Minority Woman-Owned Business Enterprise Program, the Airport Concession Disadvantaged Business Enterprise Program, or the Disadvantaged Business Enterprise Program as determined by the Business Diversity and Development Office ("BDD"). The BDD shall maintain policy and procedure on the applicability of Small and Disadvantaged Business requirements as they pertain to all applicable procurements.

SECTION 10.0: P-CARD

10.0.1 The Department of Finance / Procurement shall be responsible for establishing policy and procedure for the effective management of the Authority's p-Card program and its applicability to procurements.

SECTION 11.0: MATERIALS MANAGEMENT, SURPLUS AND AUCTION

11.0.1 Definitions - In this Policy, unless the context otherwise requires:

- (A) "*Property*" means assets with a useful life of more than one (1) year.
- (B) "*Surplus property*" means property no longer needed by departments (or other MNAA entities, if applicable) for their operations, property in poor or non-working condition, or property that is a by-product (e.g. scrap metal, used tires and oil).

11.0.2 Materials Management Guidelines - The PA shall establish guidelines for and shall be responsible for the management of all surplus materials. The PA will establish policies and procedures governing the sale or other disposal of surplus items no longer needed, and any policies or procedures required for efficient and effective operation of the auction and surplus system.

11.0.3 Inventory Management - The PA shall control and supervise all existing and future

Authority warehouses established for the purpose of purchasing, storing and issuing supplies. The PA shall also be responsible and accountable for all warehouse materials and maintain a perpetual inventory record thereof. The PA will establish policies and procedures governing the addition or deletion of items carried in inventory, the sale or other disposal of inventory items no longer needed, delivery and other services provided to using agencies, and any policies or procedures required for efficient and effective operation of the inventory system.

- 11.0.4 Declaration that Property Is Surplus - Each article of Property to be disposed of as Surplus Property must be declared to be surplus by the Department Head of the Authority department that will make such disposition; provided, however, that, (i) before any Property can be declared to be Surplus, the same must first be offered to other Authority departments and no other department indicates an interest in such Property so offered, and (ii) no such declaration shall be effective without the department head's approval and determination that such Property is not usable by any other Authority department. Signatory Approval for disposition of surplus property will be the same dollar limits as approval for Authority Contracting.
- 11.0.5 Fair Market Value Required - Except where otherwise provided, no Property may be disposed of as Surplus Property unless the Authority receives Fair Market Value therefor.
- 11.0.6 Methods of Disposition - Any disposition of Surplus Property must occur through one of the following methods:
- (A) Trade-in (if permitted by the nature of the property or equipment) under the terms and conditions of the Contract under which the Authority replaces such Surplus Property;
 - (B) Sale to the State of Tennessee, eligible political subdivisions of the State of Tennessee or other governmental entities;
 - (C) Public auction for which Public Notice is given;
 - (D) Sale under sealed bids for which Public Notice is given;
 - (E) Like-kind exchange of property;
 - (F) Negotiated contract for sale, at arm's length, but only in those instances in which the character of the Surplus Property is such that no other means of disposition is practicable
- 11.0.7 Criteria for Determining Method of Disposition - The selection of the method of disposition for Surplus Property shall be based on the following criteria:
- (A) The character, utility, and functionality of the Surplus Property;
 - (B) The economics of disposition, in light of all relevant circumstances, including, without limitation, the condition and climate of the potential market and estimated market value of the Surplus Property, transportation costs, and other cost considerations associated with the disposition; and
 - (C) Sound fiscal and budgetary policy and practices.

- 11.0.8 Special Rules with Respect to Firearms and Explosives - The disposition of firearms, ammunition, and other explosives shall be completed in accordance with controlling law and/or regulation governing the disposition of such property.
- 11.0.9 Special Rules with Respect to Donated Property - Nothing contained herein shall prevent the Authority from making a donation of Surplus Property to other governmental or non-profit entities. The Authority shall reserve disposition by donation for situations involving a compelling public purpose.
- 11.0.10 Awards - If the Authority conducts a Solicitation for the disposition of Surplus Property, the Authority will award such Surplus Property to the highest Responsive Bid that is received.
- 11.0.11 Advertisement and Public Notice - All dispositions of Surplus Property, except a negotiated contract for sale or donation, require Public Notice.
- 11.0.12 Use of Electronic Media - The use of electronic media, including, without limitation, websites, and acceptance of electronic signatures is an appropriate means for disposing of Surplus Property so long as such electronic media provides for (i) appropriate security to prevent unauthorized access to the bidding, approval, and award processes, and (ii) accurate retrieval or conversion of electronic forms of such information into a medium which permits inspection and copying.
- 11.0.13 Special Rules for Authority Employees - In the event an Authority employee is involved with the disposition of or has personal or first-hand knowledge regarding the condition of surplus property, the employee is prohibited from bidding on such surplus property. In addition, in the event an employee's supervisor, immediate family member, or person living in the employee's household or the employee's supervisor's household are involved with the disposition of or has personal or first-hand knowledge regarding the condition of surplus property, such employee is prohibited from bidding on such surplus property.
- 11.0.14 Protests of Disposition - Any person aggrieved in connection with the disposition of Surplus Property by the Authority and seeking administrative review of such disposition shall follow the procedure contained herein for a Protest.

SECTION 12.0: DONATIONS

- 12.0.1 Notwithstanding any other provision, surplus, unclaimed, or lost property not needed by using agencies may be disposed of through a donation process provided that any such noncompetitive disposition is made pursuant to a request submitted to the PA for review and approval. The PA shall consider the monetary loss to the Authority and determine whether such disposition is in the public interest. Any request for donation with a fair market value exceeding ten thousand dollars (\$10,000.00) shall require additional approval by the President. The PA shall report all donations to the Treasurer.

SECTION 13.0: LEGAL AND CONTRACTUAL REMEDIES

13.0.1 Definitions - In this Policy, unless the context otherwise requires:

- (A) "*Adequate evidence*" means more than mere accusation but less than substantial evidence. Consideration shall be given to the amount of credible information available, reasonableness in view of surrounding circumstances, corroboration, and other inferences that may be drawn from the existence or absence of affirmative facts.
- (B) "*Affiliate*" means any person whose governing instruments requires it to be bound by the decision of another person or whose governing board includes enough voting representatives of the other person to cause or prevent action, whether or not the power is exercised. It may also include persons doing business under a variety of names, or where there is a parent-subsidary relationship between persons.
- (C) "*Debarment*" means an action taken by the PA under this Policy to prohibit a person from participating in Authority procurements.
- (D) "*Filed*" means delivery to the PA. A time and date of receipt shall be documented in a verifiable manner for purposes of filing.
- (E) "*Governing instruments*" means those legal documents that establish the existence of an organization and define its powers including articles of incorporation or association, constitution, charter and bylaws.
- (F) "*Interested party*" means an actual or prospective Bidder, Respondent or Offeror whose economic interest may be affected substantially and directly by the issuance of a solicitation, the award of a contract or by the failure to award a contract. Whether an economic interest exists will depend upon the circumstances of each case. An interested party does not include a supplier, subconsultant or subcontractor to an actual or prospective Bidder, Respondent or Offeror.
- (G) "*Receipt*" means the earlier of actual receipt or the first attempted delivery by certified mail, or by any other means that provides evidence of the attempt, to the persons' last known address.
- (H) "*Substantial evidence*" means such relevant evidence as a reasonable person might accept as sufficient to support a particular conclusion.
- (I) "*Suspension*" means an action taken by the PA under this Policy temporarily disqualifying a person from participating in Authority procurements.

13.0.2 Authority of the PA - The PA shall have the authority to settle and resolve protests and contract claims. Appeals from the decisions of the PA may be made to the Procurement Appeals Committee (PAC) pursuant to the provisions of this Policy.

13.0.3 Right to Protest - Only a Bidder or a Respondent may protest a decision by the Authority in connection with an Award. Any challenge to a decision by the Authority in connection with an Award must be initiated by a Protest in accordance with this Policy. Failure to file a timely protest in accordance with this Policy constitutes a failure to exhaust administrative remedies and shall cause a forfeiture of the right to protest any such decision by the Authority.

13.0.4 Filing Requirements - A Protest must be in writing and received by the Authority

within the timelines prescribed in Section 13.0.5. A Protest must be actually delivered to the address of Authority offices during the Authority's regular business hours in order to be deemed to be received by the Authority as required under this Policy. A Protest must be submitted in hard copy and addressed as follows: The Metropolitan Nashville Airport Authority, Attention: PA, One Terminal Drive, Suite 501, Nashville, Tennessee 37214-4114. A Protest sent by telegraphic or facsimile transmission or by e-mail or other electronic means will not meet the filing requirement set forth herein and will not be deemed to be received by the Authority.

- 13.0.5 Timeline for Filing Protests – Timelines for filing Protests shall be as follows:
- (A) Protests based upon alleged improprieties in a solicitation that are apparent before the solicitation due date shall be filed not less than five (5) working days before the solicitation due date.
 - (B) In cases other than those covered in subsection (A) above, protests shall be filed within ten (10) days after the aggrieved person knows or should have known of the facts giving rise thereto; however, in no event shall the protest be filed later than ten (10) days after issuance of notice of intent to award or in the absence of a notice of intent to award, after notification of award.
 - (C) The PA, without waiving the Authority's right to dismiss the protest for lack of timeliness, may consider any protest that is not filed timely.
- 13.0.6 Content of Protest - The protest shall include the following information:
- (A) The name, address, telephone number and email address of the protestant;
 - (B) The signature of the protestant or its representative;
 - (C) Identification of the solicitation or contract number;
 - (D) A detailed statement of the legal and factual grounds of the protest including copies of relevant documents; and
 - (E) The form of relief requested.
- 13.0.7 Notice to Interested Parties - The PA shall give notice of the protest to the successful contractor if award has been made or, if no award has been made, to all interested parties. Interested parties have the right to intervene.
- 13.0.8 Confidential Information - Material submitted by a protestant shall not be withheld from any interested party except to the extent that the withholding of information is permitted or required by law or as determined pursuant to Section 1.7. If the protestant believes the protest contains material that should be withheld, a statement advising the PA of this fact shall accompany the protest submission in accordance with Section 1.7.
- 13.0.9 Stay of Procurement During the Legal Due Process - In the event of a timely protest under Section 13.0.5:
- (A) The PA shall stay the solicitation or award of the contract unless he or she makes a written determination to lift the stay based upon a reasonable probability that the protest will be denied and that proceeding further with the solicitation or award of the contract is in the best interests of the Authority. The stay shall automatically continue throughout the legal process until the PA makes a written determination to lift it.

- (B) The Authority may condition its stay of an Award upon the Protesting Party's providing the Authority with a letter of credit, cash deposit, or surety bond in the amount of ten percent (10%) of the value of the lowest Responsive Bid or Response received in the Solicitation at issue or such other amount as established by the Authority as the Authority determines is necessary to protect it from harm as a result of the delay in making the Award and consummating the applicable Contract.
- (C) In the event of a timely appeal under Section 13.0.12, and if a previous stay had been lifted through written determination, the PA makes another written determination that proceeding with the solicitation or award of the contract is in the best interests of the Authority. The stay shall automatically continue throughout the legal process unless the PA makes a written determination to lift it.

13.0.10 Decision by the PA on a Protest - The PA shall issue a written decision within fourteen (14) days after a protest has been filed. The decision shall contain an explanation of the basis of the decision.

- (A) The PA shall furnish a copy of the decision to the protestant, by certified mail, return receipt requested, or by any other method that provides evidence of receipt.
- (B) The time limit for decisions set forth in this Policy may be extended by the PA for a reasonable time not to exceed thirty (30) days. The PA shall notify the protestant in writing that the time for the issuance of a decision has been extended and the date by which a decision will be issued.
- (C) If the PA fails to issue a decision within the time limits set forth in this Policy, the protestant may proceed as if the PA had issued an adverse decision.
- (D) The PA's decision shall contain a statement regarding the appeals process that is available pursuant to this Policy.

13.0.11 Remedies for a Protest - If the PA sustains the protest in whole or part and determines that a solicitation, evaluation process, proposed contract award, or contract award does not comply with this Policy, the PA shall implement an appropriate remedy. In determining an appropriate remedy, the PA shall consider all the circumstances surrounding the procurement or proposed procurement including, but not limited to:

- (A) The seriousness of the procurement deficiency;
- (B) The degree of prejudice to other interested parties or to the integrity of the procurement process;
- (C) The good faith of the parties;
- (D) The extent of performance;
- (E) Costs to the Authority;
- (F) The urgency of the procurement; and
- (G) The impact of the relief on the using department's mission.

An appropriate remedy may include one or more of the following:

- (A) Reject all bids, responses or proposals;
- (B) Terminate the contract;
- (C) Reissue the solicitation;
- (D) Issue a new solicitation;
- (E) Award a contract consistent with this Policy;

- (F) Such other relief as is determined necessary to ensure compliance with this Policy.

13.0.12 Appeals to The Procurement Appeals Committee (PAC)

- (A) An appeal from a decision entered or deemed to be entered by the PA shall be filed with the PAC by delivering the appeal to the Authority's Legal Counsel within seven (7) days from the date the decision is issued. The appellant shall also file a copy of the appeal with the PA.
- (B) The appeal shall contain:
 - i) The information set forth in Section 13.0.6, including the identification of confidential information in the manner set forth in Section 1.7;
 - ii) A copy of the decision of the PA; and
 - iii) The precise factual or legal error in the decision of the PA from which an appeal is taken.

- 13.0.13 Notice of Appeal - The PAC shall give notice of the appeal to the successful contractor if award has been made or, if no award has been made, to interested parties. Such interested parties shall have the right to request copies of the appeal and to intervene in the proceedings. The PAC shall, upon request, furnish copies of the appeal to the Interested Parties.

- 13.0.14 PA Report on the Appeal – The PA shall submit a report on the appeal to the PAC within seven (7) days from the date the appeal is filed. At the same time, the PAC shall furnish a copy of the report to the appellant by certified mail, return receipt requested or any other method that provides evidence of receipt, and to any interested parties who have responded to the notice. The report shall contain copies of:

- (A) The appeal;
- (B) Any other documents that are relevant to the protest; and
- (C) A statement by the PA setting forth findings, actions, recommendations and any additional evidence or information necessary to determine the validity of the appeal.

13.0.15 Extension for Filing of Report

- (A) The PA may request in writing to the PAC an extension of the time period setting forth the reason for extension.
- (B) The PAC's determination on the request shall be in writing, state the reasons for the determination and, if an extension is granted, set forth a new date for the submission of the report. The PAC shall notify the appellant in writing that the time for the submission of the report has been extended and the date by which the report will be submitted.

13.0.16 Comments on Report

- (A) The appellant shall file comments on the PA's report with the PAC within seven (7) days after receipt of the report. Copies of the comments shall be provided by the appellant to the PA and all other interested parties. The comments must contain a statement or confirmation as to the appellant's requested form of relief.
- (B) The PAC may grant an extension on the time period to file comments pursuant to

a written request made by the appellant stating the reason an extension is necessary. The PAC's determination on the request shall be in writing, state the reasons for the determination and, if the extension is granted, set forth a new date for the filing of comments. The PAC shall notify the PA of any extension.

- 13.0.17 Dismissal Before Hearing - The PAC shall dismiss, upon a written determination, an appeal before scheduling a hearing if:
- (A) The appeal does not state a valid basis, including a detailed statement of the legal and factual grounds, for protest; or
 - (B) The appeal is untimely pursuant to Section 13.0.12.

SECTION 14.0: HEARING BEFORE PROCUREMENT APPEALS COMMITTEE (PAC)

- 14.0.1 Notwithstanding Section 13.0.17, and in the event a Protest cannot be informally resolved, the Protest shall proceed to a formal hearing before the PAC. The hearing before the PAC shall afford an opportunity for the Protesting Party to present evidence as to why the Authority's decision was arbitrary or capricious or in violation of applicable law. The Protesting Party has the burden of proof and persuasion to show by clear and convincing evidence that the Authority's decision was arbitrary or capricious or in violation of applicable law. The Protesting Party has the right to be represented at the hearing before the PAC by legal counsel of its choosing.
- 14.0.2 Decision by PAC - Within ten (10) days after the close of the hearing, the PAC shall issue a written decision with respect to the Protest. The decision shall be sent to the Protesting Party and all other Bidders or Respondents participating in the related Solicitation. The decision shall state with particularity the reason for the action taken and shall include written findings of fact and conclusions of law in support of the PAC's decision. The PAC's decision shall constitute a final administrative decision.

SECTION 15.0: AUTHORITY TO DEBAR OR SUSPEND

- 15.0.1 The PA, after consultation with the department and Legal Counsel, has the authority to debar or suspend a person from participating in Authority procurements.
- 15.0.2 Debarment or Suspension Causes - The causes for debarment or suspension shall be limited to the following:
- (A) Conviction of any person or any affiliate of any person for commission of a criminal offense arising out of obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of such contract or subcontract.
 - (B) Conviction of any person or any affiliate of any person under any statute of the federal government, this state or any other state for embezzlement, theft, fraudulent schemes and artifices, fraudulent schemes and practices, bid rigging, perjury, forgery, bribery, falsification or destruction of records, or receiving stolen property; or any other offense indicating a lack of business integrity or business honesty which currently, seriously, and directly affects responsibility as a

Authority contractor and which conviction arises out of or obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of such contract or subcontract.

- (C) Conviction or civil judgment finding a violation by any person or affiliate of any person under state or federal antitrust statutes arising out of the response to a solicitation.
- (D) Violations of contract provisions within three (3) years of current debarment action, as set forth below, of a character which are reasonably deemed to be so serious as to justify debarment action:
 - (i) Abandonment of a contract without good cause; or
 - (ii) Knowingly fails without good cause to perform in accordance with the specifications or within the time limit provided in the contract;
 - (iii) Failure to perform or unsatisfactory performance in accordance with the terms of one or more contracts, except that failure to perform or unsatisfactory performance caused by acts beyond the control of the contractor shall not be considered to be a basis for debarment; or
- (E) Failure to pay a contractor, subcontractor or material provider; or
- (F) Failure to comply with the Authority's Ethics and Conflict of Interest Policy; or
- (G) Any other cause that the PA reasonably determines to be so serious and compelling as to affect responsibility as an Authority contractor, including suspension or debarment of such person or any affiliate of such person by another governmental entity for any cause listed in this section.

15.0.3 Matters Not Proper for Debarment or Suspension - Any conviction or judgment dated more than three (3) years prior to the notice of suspension or notice of debarment shall not be a basis for any debarment or suspension of a person or an affiliate of a person.

15.0.4 Initiation of Debarment - Upon receipt of information concerning a possible cause for debarment, the PA may investigate the possible cause. If the PA has a reasonable basis to believe that a cause for debarment exists, the PA may debar a person in accordance with this Policy.

15.0.5 Period of Debarment - The period of time for a debarment shall not exceed three (3) years from the date of the debarment determination. If debarment is based solely upon debarment by another governmental agency, the period of debarment may run concurrently with the period established by that other debarring agency.

15.0.6 Notice - If the PA implements debarment, the PA shall notify the person in writing within seven (7) days of the debarment action by certified mail, return receipt requested or by any other method that provides evidence of receipt. The person may submit a request to the PA for an administrative hearing within fourteen (14) days of issuance of the PA's debarment action. If a hearing is granted, it shall be conducted in accordance with this Policy.

15.0.7 Notice to Affiliates - If the PA proposes to debar an affiliate, the affiliate shall have a right to appear in any hearing on the proposed debarment to show mitigating circumstances. The affiliate shall advise the PA in writing within fourteen (14) days of

receipt of the notice under Section 15.0.6 of its intention to appear. Failure to provide written notice of appearance within the fourteen-day period shall be a waiver of the right to appear in the hearing.

- 15.0.8 Imputed Knowledge - Improper conduct by a person may be imputed to an affiliate for purposes of debarment where the impropriety occurred in connection with the affiliate's duties for or on behalf of, or with the knowledge or approval of, the contractor. The improper conduct of a person or its affiliate having a contract with a contractor may be imputed to the contractor for purposes of debarment where the impropriety occurred in connection with the person's duties for or on behalf of, or with the knowledge or approval of, the contractor.
- 15.0.9 Suspension - The PA, after consultation with the department and Legal Counsel, may suspend a person from consideration for award of contracts if there is probable cause for debarment in order to protect the Authority's interests.
- 15.0.10 Period and Scope of Suspension - The period of suspension shall not be more than sixty (60) days unless the PA is informed of compelling reasons to extend the period of suspension.
- 15.0.11 Suspension Notice, Hearing, Determination and Appeal - The PA shall notify the person suspended by certified mail, return receipt requested or by any other method that provides evidence of receipt. The notice of suspension shall state:
- (A) The basis for suspension;
 - (B) The period, including dates, of the suspension;
 - (C) That bids or proposals shall not be solicited or accepted from the person and, if received, will not be considered; and
 - (D) That the person may request a hearing on the suspension if the person files a written request for a hearing with the PA within seven (7) days after receipt of the notice.
- If a suspended party requests a hearing, the PA may arrange for a hearing. In the event a hearing is conducted, it shall occur to the extent practicable, in accordance with this Policy.
- 15.0.12 Reinstatement - The PA may at any time after a final decision on debarment or suspension reinstate a debarred or suspended person or rescind the debarment or suspension upon a determination that the cause upon which the debarment or suspension is based no longer exists. Any debarred or suspended person may request reinstatement by submitting a petition to the PA supported by documentary evidence showing that the cause for debarment or suspension no longer exists or has been substantially mitigated. The PA may require a hearing on the request for reinstatement. The decision on reinstatement shall be in writing and specify the factors on which it is based.
- 15.0.13 Limited Participation - The PA may allow a debarred or suspended person to participate in Authority contracts on a limited basis during the debarment or suspension period upon a written determination that participation is advantageous to the Authority. The

determination shall specify the factors on which it is based and define the extent of the limits imposed.

15.0.14 Master List for Suspension and Debarment - The PA shall maintain a master list of debarments and suspensions under this Policy. The master list shall show as a minimum the following information:

- (A) The names of those persons whom the Authority has debarred or suspended under this Policy;
 - (B) The basis for the action;
 - (C) The period of debarment or suspension, including the expiration date; and
 - (D) The name of the debarring or suspending agency, if the Authority's debarment or suspension is based on debarment or suspension by another governmental agency.
- The master list shall include a separate section listing persons voluntarily excluded from participation in Authority contracts.

15.0.15 Hearing Procedures - If a hearing is required or permitted under this Policy, the PA shall remand the matter to the PAC. The PAC shall arrange for a prompt hearing and notify the parties of the time and place of the hearing. The hearing shall be conducted in an informal manner without formal rules of evidence or procedure.

The PAC may:

- (A) Hold pre-hearing conferences to settle, simplify, or identify the issues in a proceeding, or to consider other matters that may aid in the expeditious disposition of the proceeding;
- (B) Require parties to state their positions concerning the various issues in the proceeding;
- (C) Require parties to produce for examination those relevant witnesses and documents under their control;
- (D) Rule on motions and other procedural items on matters pending before such officer;
- (E) Regulate the course of the hearing and conduct of participants;
- (F) Establish time limits for submission of motions or memoranda;
- (G) Impose appropriate sanctions against any person failing to obey an order under these procedures, which may include:
 - (i) Refusing to allow the person to assert or oppose designated claims or defenses, or prohibiting that person from introducing designated matters in evidence;
 - (ii) Excluding all testimony of an unresponsive or evasive witness; and
 - (iii) Expelling the person from further participation in the hearing;
- (H) Make official notice of any material fact not appearing in evidence in the record, if the fact is among the traditional matters of judicial notice;
- (I) Administer oaths or affirmations; and
- (J) Assess or apportion damages or costs associated with the hearing matter or the proceedings to the parties involved.

A transcribed record of the hearing shall be made available at cost to the requesting party.

15.0.16 The Decision of the PAC - The decision by the PAC shall be final. The decision shall

be based on the evidence presented and shall include findings of fact and conclusions of law. The decision shall be sent to all parties by certified mail, return receipt requested or by any other method that provides evidence of receipt.

- 15.0.17 Judicial Review of Protests, Claims, Debarments or Suspensions - Debarment, or suspension under this Policy is subject to special action review by any party to the proceeding. Exhaustion of the procedures set forth in this Policy shall be a condition precedent to seeking judicial review and the party seeking review shall file the complaint within thirty (30) days of a final decision by the PAC.
- 15.0.18 Exclusive Remedy - Notwithstanding any law to the contrary, this Policy shall provide the exclusive procedure for asserting a claim or cause of action against this Authority arising in relation to any procurement conducted under this Policy.

SECTION 16.0: FUNDING SOURCES

- 16.0.1 The Authority may receive grant funding from other sources, such as the United States Department of Transportation/Federal Aviation Administration, Department of Homeland Security, or State of Tennessee, to support specific procurements. The Authority recognizes that the Procurement Policies and Procedures of the Granting Agency may either supersede or augment those of the Authority. The most stringent Policy and Procedures shall apply in each case, as appropriate.
- 16.0.2 Whole or Partial Federal Funding - A contract that is federally funded, in whole or in part, is subject to this Policy, Authority rules and regulations, and federal laws and regulations, including, without limitation, the Federal Aviation Administration (“FAA”) Standards for Specifying Construction of Airports (published as Advisory Circular No. 150/5370-10H), 2 C.F.R. Part 200.317 thru Part 200.326, 49 C.F.R. Part 18.36, and the DBE requirements set forth in 49 C.F.R. Part 26, as amended.
- 16.0.4 State or Local Funding - A contract that is funded only by state grants or local funds is subject to state laws and regulations, this Policy, Authority rules and regulations, and the provisions of the Authority’s SMWBE Program.

SECTION 17.0: ADDITIONAL PROVISIONS

- 17.0.1 Records Management - The PA is the custodian of records related to procurement. The named custodian(s) will comply with the Records Management Policy as adopted by the Authority, as may be amended from time to time.
- 17.0.2 Amendment – This Policy may be amended by: (A) the Board or (B) the President whenever necessary to comply with applicable federal law or grant conditions or to meet the business needs of the Authority; provided, however, that the President shall notify the Board of any such amendment by the President and the Board shall have the right to rescind or modify any such amendment by the President. The PA is responsible for reviewing this Policy annually or more often as circumstances warrant.

- 17.0.3 Exceptions - Exceptions to this Policy can only be authorized by the President, at his or her discretion.
- 17.0.4 Severability - If any provision of this Policy or the application thereof to any person or entity or circumstances is held invalid, such invalidity shall not affect the other provisions of this Policy or the application of this Policy to any other person or entity or circumstances that can be given effect without the invalid provision or application.
- 17.0.5 Omitted Procurements - To the extent that a procurement type or category is not addressed by this Policy, it shall be conducted in compliance with the spirit of this Policy, any applicable statutes, laws, regulations, policies and procedures.
- 17.0.6 Non-Discrimination - Neither the Authority nor its vendors or providers shall discriminate on the basis of race, color, religion, national origin, or gender in the award or performance of contracts, sub-contracts, or purchases involving the Authority.
- 17.0.7 Federal, State, Local Funding - In the event state, local, and/or federal funding is to be used for Non-Construction Goods or Services, this Policy will be implemented in conformance with applicable state, local, and/or federal statutes, grant assurances, rules and regulations.
- 17.0.8 Supremacy - In the event of a conflict between this Policy and any applicable state or federal law, the conflicting provision of this Policy will be stricken and applicable law will govern.
- 17.0.9 Effective Date - This revision to this Policy shall become effective July 15, 2020.

References: Third Amended and Restated Bylaws of the MNA Board of Commissioners
Metropolitan Airport Authorities Act, Tennessee Code Annotated § 42-4-101
FAA A/C 150/5100-14E
FAA A/C 150/5370-10H
2 CFR Part 200.317 thru Part 200.326
49 CFR Part 18.36
49 CFR Part 23 and Part 26

Revision History:

05/12/2006: Original Issue
10/07/2016: Updated and revised entire document and format
07/15/2020: Updated regulatory references, definitions, policy-driven and internal/organizational structure items



Business Diversity Development, June FY'2023 Certification Report as of May FY'2023

Total Certified firms:	New Certified firms: 7/1/2022 - YTD	Firms Certified in May FY'23	Totals	New Applications Received: 7/1/2022 -YTD	Totals	New Certified Interstate Received: 7/1/2022 -YTD	Totals	Renewals Received: 7/1/2022 YTD	Totals	Denials, Delist & Withdrawals 7/1/2022-YTD	Totals	Monthly OnSite's Completed 7/1/2022-YTD
133 Firms	Construction: 10	Construction: 2	10	Construction: 27	1	Construction: 1	96	Construction: 9	9			
197 Firms	Professional Svcs: 23	Professional Svcs: 3	23	Professional Svcs: 67	6	Professional Svcs: 6	205	Professional Svcs: 60	24			
	professional security 18	professional security 3	18	professional security 54	6	professional security 6	174	professional security 55	19			
	janitorial 4	janitorial 0	4	janitorial 11	0	janitorial 0	14	janitorial 1	0			
	landscaping 1	landscaping 0	1	landscaping 2	0	landscaping 0	12	landscaping 3	1			
143 Firms	Goods/Svcs: 10	Goods/Svcs: 0	10	Goods/Svcs: 15	13	Goods/Svcs: 13	93	Goods/Svcs: 9	3			
	printing/signage 0	printing/signage 0	0	printing/signage 0	0	printing/signage 0	8	printing/signage 0	0			
	supplier 1	supplier 0	1	supplier 5	3	supplier 3	18	supplier 0	2			
	miscellaneous 0	miscellaneous 0	0	miscellaneous 1	0	miscellaneous 1	6	miscellaneous 3	0			
	concessions 9	concessions 0	9	concessions 9	10	concessions 9	61	concessions 6	1			
433 Total	43 Total	5 Total	43	109 Total	20 Total	94 Total	78 Total	38 Total	38 Total			

Certification Inquiries (phone, email, meet & greets)

Monthly Inquires: 66

Total Inquires YTD: 431

Report Date: 6/7/2023

BDD Educational Outreach, Technical Assistance, and Program Development Activities

FY '2023	Date of Event	BDD Outreach Engagement Events
Tennessee Latin American Chamber of Commerce (TLACC) Networking Luncheon	8/16/2022	BDD engaged with the Latin American groups/Vendors to create future partnership with MNAA.
GO-DBE Business to Business Networking Event (Construction)	9/15/2022	BDD engaged with the local certification groups/local potential vendors for certification and procurement partnerships with MNAA.
Layton Trade Partner Equity Program	10/6/2022	BDD conducted MNAA Certification overview and "How to Do Business w/MNAA" with local M/WBE selected vendors partners and Layton Construction.
Pathways Lending	12/16/2022	Kebbyn and Karmin spoke to Thomas Sheffield about Pathways Lending program opportunities
Vendor Community Outreach Event with Hensel Phelps Construction -BNA Project 2311 CDC	12/19/2022	BDD supported Hensel Phelps engaged with the local certification and non certified groups/local potential vendors for certification partnerships with MNAA.
HDR Engineering	12/20/2022	Karmin met with Susan Rich about BNA's diversity programs and certification criteria was provided to HDR, and information on the mentoring program with NBIC.
Music City Center and the Chamber partnering with First Horizon Bank Small & Diverse Business Forum	2/8/2023	Kebbyn and Karmin attended this outreach event that lead diverse sectors to have meaningful and transformative discussion with industry experts on how to do business with major companies in Middle Tennessee.
BDD, BTO Prep Outreach Event	2/28/2023	BDD, Davita, Karim & Azad prepped our vendors on how to best prepare for the upcoming BTO annual event with a purpose in mind, role playing and how to best engage.
The Nashville Area Chamber sponsored by Truist	2/28/2023	Kevin and Kebbyn attended the Nashville Chamber Supplier Diversity Fair with the Women's Business Center circle of the Supplier Diversity community
Hensel Phelps Community Outreach Event	3/20/2023	Karmin, Kevin & Azad attended the Hensel Phelps Outreach Event for Project 2311 - CGMP3 Outreach Event @ CSF
MNAA, 2023 Business Taking Off	3/31/2023	BDD Team/MNAA staff hosted the Airport's Annual Business Taking Off Outreach Community Event showcasing our achievements and revealing MNAA's upcoming FY'2023-FY'2024 Projects and Hiring opportunities.
The Associated General Contractors of America (ACG) Contractor Connection Event	4/6/2023	Karmin and Kebbyn attended Contractor Connection Event with other Supplier Diversity community
TLACC Spring Luncheon and Networking	4/20/2023	Kevin and Kebbyn attended Spring luncheon with SMWBE Latin American Contractors & other local networking groups
MNAA May 2023 Airport Concessions Disadvantaged Business Enterprise (ACDBE) Institute	5/16 - 5/18/2023	ACDBE Institute for interested ACDBE's, potential ACDBE's and all those who have an interest in retail, news and gifts or food & beverage businesses.
Clark Construction Group, BELL Construction, Mortenson, and Pinnacle Construction Partners (CBMP)	5/23/2023	Azad & Kebbyn attended CBMP with local vendors and networking connections for a forum for Small & Diverse Business -to prepare to seize the exciting construction opportunities ahead in Nashville's East Bank and beyond