

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



Date: September 11, 2024

Location: Metropolitan Nashville Airport Authority
Tennessee Boardroom

Time: 9:00 a.m.

Committee Members Present:

Jimmy Granbery, Committee Chair; Bobby Joslin,
Committee Vice Chair; Nancy Sullivan

Committee Members Absent:

None

Other Board Members Present:

Andrew Byrd, Joycelyn Stevenson, and Glenn Farner

MNAA Staff & Guests Present:

Doug Kreulen, Cindy Barnett, Lisa Lankford, Trish Saxman
Marge Basrai, Neale Bedrock, John Cooper, Kristen Deuben,
Adam Floyd, Traci Holton, Eric Johnson, Roman Keselman,
Carrie Logan, Rachel Moore, Ted Morrissey, Stacey Nickens,
Josh Powell, Robert Ramsey, Davita Taylor, Puneet Vedi,
and Colleen Von Hoene

I. CALL TO ORDER

Chair Granbery 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 September 6, 2024.

II. PUBLIC COMMENT

Chair Granbery stated there were no public comment requests received.

III. APPROVAL OF MINUTES

Chair Granbery asked for a motion to approve the minutes from the August 14, 2024 Operations Committee meeting. Vice Chair Joslin made a motion and Commissioner Sullivan seconded the motion.

Chair Granbery asked Ms. Saxman for a roll call:

Chair Granbery – Yes

Vice Chair Joslin – Yes

Commissioner Sullivan – Yes

The motion passed with a vote of 3 to 0.

Vice Chair Joslin welcomed Ms. Cindy Barnett, Adams & Reese, Board Counsel, back to the Board table and thanked her for attending.

IV. CHAIR'S REPORT

Chair Granbery stated he would like to reiterate Vice Chair Joslin's statement and welcomed Ms. Barnett back to the Board table and stated the Board appreciates her expert counsel and on a daily basis it is very important to have somebody the Commissioners can reach out. This is a big operation and sometimes there are complicated things that they need advice on. He also thanked her for attending.

V. ITEMS FOR APPROVAL

1. Construction Task Order for Curbside Ticket Counter Weather Protection

President Kreulen introduced Mr. Puneet Vedi, VP, Airport Capital Development, to brief the Committee on the Construction Task Order for Curbside Ticket Counter Weather Protection. Mr. Vedi stated this construction task order is to manufacture and install 7 weather-proof enclosures around existing ticketing kiosks on the exterior departure level of the terminal building. MNAA advertised an Invitation to Bid ("ITB") on May 20, 2024 which consisted of one lump sum bid schedule, including all labor, equipment and materials, and by the deadline of June 20, 2024, no bids were received. Engineering and Procurement followed up with potential bidders to determine the reasons for the lack of interest to bid. Information received back was that the location of project not convenient to the construction company; work scope was not within capabilities of contractor; needed additional time to prepare bids (despite standard 30 days); enclosures required to be constructed off-site and brought on-site for installation; and all enclosure installation required overnight hours. MNAA Staff decided to use the Job Order Contract that was approved by the Board in February 2023. MNAA received a proposal from Utopia that proposes a not to exceed value of \$1,500,000 task order. The anticipated task order start date is September 2024 with the duration of 120 calendar days plus building time for manufacturing and a task order completion date of June 2025. The SMWBE goal for the Job Order

Contract was 24% MBE and/or WBE and Utopia will meet/exceed this goal using Prestige at 44.6 WBE % and John Curry Electric at 2.1% MBE.

Mr. Vedi recommended the Operations Committee recommend that the Board of Commissioners authorize the Chair and President and CEO to execute the proposed Task Order through the Job Order Contract with Utopia Building Group for \$1,500,000 NTE.

Chair Granbery asked for a motion to approve as presented. Commissioner Sullivan made a motion and Chair Granbery seconded the motion.

Vice Chair Joslin asked why this is a new goal for the task order. Mr. Vedi stated the Job Order Contract has a goal to begin with that was part of the original goal setting and we asked the contractor to take a look at utilizing participation so there was no goal set, and they came back with the goals they were going to meet. President Kreulen stated when the Board approved MNAA to have Job Order Contracts, the contract was at a 24% MBE goal. That is the minimum we try to achieve when we award anything under that task order. However, in this case, when Utopia proposed, they chose that 44% of that project will be performed by WBE and 2% by MBE. That is not a number we usually see, but we have been searching to find someone to build these canopies to protect the people on the curbside to check in passengers. Utopia chose to go over the goal of 24% and once they make a commitment to us, we track their performance to the goal.

Vice Chair Joslin asked if Utopia bid this 18 months ago. Mr. Vedi replied MNAA did not receive any bids. President Kreulen stated this has been a struggle for the last couple of years, all contractors are busy in Nashville and no bids were received, since it was too small a contract. Procurement and Engineering decided to use the On Call Contract that we have in place. We had to flex to use one of our extra tools. Vice Chair Joslin asked if Utopia is a minority contractor. President Kreulen replied over the years Utopia was a very small company that has become widely successful and even though they are a minority firm they are outsourcing 46% of that to other minority firms which is exactly how the program is designed to work. Ms. Davita Taylor, VP Procurement and Business Diversity, stated on some of those task orders, you may see somebody come back at 0% participation, but they still have to honor the whole commitment of 24%, so when you see 46% that helps along the projects that do not have participation commitments.

Vice Chair Joslin stated if they know they are the only bidder, and asked if they can escalate their fees. Mr. Vedi stated MNAA did a full review of project controls to verify numbers. Commissioner Sullivan stated MNAA does have some negotiated rates within the contract. Mr. Robert Ramsey, EVP, Chief Development Officer, agreed stating yes, there are set fee amounts for overhead and there are a number of items that have unit prices. On Call contracts and specialty items such as this there is a fixed fee amount that is above the actual costs of materials. President Kreulen stated the engineering team has evaluated this and go through cost negotiation to make sure we are getting value for our money.

Chair Granbery asked what firm is designing the project. Mr. Vedi replied Gresham Smith. Chair Granbery stated they obviously vet sort of a rough order magnitude of what they think this may cost. Mr. Ramsey replied yes, he believes the estimate was \$2M. Chair Granbery stated he thinks Utopia with the airport is a wonderful success story, and that not only where they have gone from a small firm to a nice size firm, but what they have provided for the airport. They did the restroom remodels that no one else would do and he thinks it is a really wonderful story and a wonderful partnership. Commissioner Byrd asked if these are heated and cooled or open to the weather. President Kreulen replied these are open to the weather, and on the curbs, we do have radiant gas heaters. Commissioner Byrd asked if this is to keep the disembarking passengers warm. President Kreulen replied that it is for the workers that are loading and unloading bags and on really cold days they can feel the heat radiating down. For the very cold weather there are heaters, and there are not air conditioners during the summer and that is why the airlines are wanting screened wind breaks and want it tinted so sun is not hitting the workers when they are there for 6-7 hours, and so they can also read their computers. Commissioner Byrd asked if it is going to cause disruption with passenger flow while these are being installed. Mr. Vedi replied no, these are being constructed offsite and installed on site during the evening.

Chair Granbery asked Ms. Saxman for a roll call:

Chair Granbery – Yes

Vice Chair Joslin – Yes

Commissioner Sullivan – Yes

The motion passed with a vote of 3 to 0.

2. Construction Manager at Risk (“CMAR”) Contract for Concourse A Reconstruction

President Kreulen introduced Ms. Traci Holton, VP, New Horizon, to brief the Committee on the Construction Manager at Risk Contract for Concourse A Reconstruction. Ms. Holton stated the Construction Manager at Risk “CMAR” Contract for Concourse A Reconstruction is to demo and rebuild new 16-gate Concourse A and related infrastructure including landside extension of North Ticketing and North Baggage Claim. MNAA advertised a Request for Proposal “RFP” in June 2024 and received 2 proposals, Hensel Phelps and JE Dunn. The proposals were evaluated based on mandatory requirements, team/individual qualifications and experience, technical approach, SMWBE participation and price. The Selection Committee shortlisted both firms. On August 22, 2024 the Selection Committee conducted interviews of both firms. Hensel Phelps was the highest rated firm and came in with the most detailed, thought-through approach to build this project. The SMWBE participation level set for this project is 14.36% MBE, 4.33% WBE, and 4% SBE as a target, and Hensel Phelps committed to meeting that goal. This will be a progressive construction manager at risk, similar to how we have previously done progressive design builds. The Component Guaranteed Maximum Price (“CGMP”) 1 is \$32,861,879.

Ms. Holton requested the Operations Committee recommend to the Board of Commissioners that it accept the proposal by Hensel Phelps for the CMAR contract for Concourse A Reconstruction and authorize the Chair and President and CEO to execute CGMP #1 for \$32,861,879.

Chair Granbery asked for a motion to approve as presented. Vice Chair Joslin made a motion and Commissioner Sullivan seconded the motion.

Vice Chair Joslin asked for the cost of the second bidder. Ms. Holton replied \$36,355,970. Chair Granbery asked regarding the CGMP, what type of contingency MNAA carries. Ms. Holton replied, the project budget contingency is \$77 - \$78M within the contract Hensel Phelps proposed a CMAR contingency just for pre-con and the owner contingency is usually about 5% throughout the project. Chair Granbery asked the name of the architect. Ms. Holton replied Fentress. Commissioner Byrd asked what pre-con consists of. Ms. Holton replied they will review all of the drawings, be part of the design process and review it from a constructability and continue throughout the remainder of the design to provide cost estimating and then they go procure and bid out the packages of the project to get it constructed. Chair Granbery replied they keep the

architect in check. Ms. Holton agreed stating they make sure the architect does not put a detail on the drawing that they cannot build, and they discuss with the architects and the owner on different ways of doing things, or different material selections, or anything that may make the project be better, more efficient, help schedule or all of the above. Commissioner Byrd asked if the architect is internal to BNA. Ms. Holton replied, no, Fentress Architects is the firm we hired, and they are also the firm that has been with Hensel Phelps on Project 3, Project 1 and Concourse D Extension, so they are very familiar with MNAA. President Kreulen stated 1 year ago, the Board awarded a \$60M project to Fentress Architects for design and now they have to finish it up. As part of this Hensel Phelps is now focusing on how to construct it. Big picture wise, overall, this project is \$855M and it includes our staffing and all of the other things that are going on. Hensel Phelps is going to deliver it to us for \$650M. Commissioner Byrd asked if Hensel Phelps is going to be eligible to bid. Ms. Holton replied they can bid on packages and perform some work, but primarily they will be the construction manager on this project, the same as they have been on the other progressive design build projects. The only difference here is that we have contracted with the designer, and we are contracting with the construction manager whereas with the design build the contractor contracts with the designer directly. This is what we have been doing for all of Vision. Chair Granbery asked who is doing MPE. Ms. Holton replied ICT. Commissioner Byrd asked what MPE is. Chair Granbery explained, mechanical, plumbing and electrical. Vice Chair Joslin asked if there were any other bidders. Ms. Holton replied no, just these two. MNAA made several marketing calls, to Clark, Turner, Holder. Turner indicated early on that it did not fit with what they have going on right now so was not a great timing for them, but we have some other projects in the future that they may be interested in. Holder stated it did not work with them due to some staffing they have in this area, and we did not hear from Clark. Ms. Holton introduced Joanna Yates, Operation Manager with Hensel Phelps.

Chair Granbery asked Ms. Saxman for a roll call:

Chair Granbery – Yes

Vice Chair Joslin – Yes

Commissioner Sullivan – Yes

The motion passed with a vote of 3 to 0.

VI. INFORMATION ITEMS

1. BNA Development Update

President Kreulen presented photographs of the Concourse D extension, showing the record node and the poured concrete. Construction on the roof and inside shelling out of the space where future concessions will be is underway. MNAA had to move the triturator and glycol storage areas out of the way, and the construction is moving along well. President Kreulen asked the development team when a good time would be for the Commissioners to tour, and the first part of January may be the best time. MNAA is staying focused on days to opening so we can deliver this project on time. Chair Granbery asked if there are any surprises with the construction and if it was still on budget. Ms. Holton replied we are good on budget and there may have been unforeseen conditions regarding the soil but have worked it out.

President Kreulen stated when the Commissioners go on the tour, they can look at how close the rock wall is to the service road and Concourse D and will realize there is a lot of coordination that goes on between the two different projects. President Kreulen stated MNAA would like to move the Multipurpose Building and when that is moved, we may be able to get two more jets. Commissioner Byrd asked who the general contractor is. Ms. Holton replied Hensel Phelps is the design builder. President Kreulen replied they built Concourse D, the Grand Lobby, the canopy and our International Arrivals Facility (“IAF”). Commissioner Byrd asked who the architect and engineers are. Ms. Holton replied Fentress is with Hensel Phelps on all previous projects, and for the engineers, it depends on the discipline, Garver has been the civil and IET has been the MEP and various others. Commissioner Byrd asked if we feel comfortable with Hensel Phelps because we are getting pretty deep with these guys. Vice Chair Joslin stated yes, they just do these projects all over the country and he is a big fan of Hensel Phelps especially when they built Bridge 6 in Nashville. President Kreulen stated Hensel Phelps has brought expertise where we designed to the best of our ability, and they have recommended a different way to construct to save time and money. Hensel Phelps has creative ways to keep us on schedule and on budget. They have proven themselves to MNAA. Commissioner Byrd stated it is always good to have someone that exceeds your expectations and knows the business. President Kreulen stated the debriefing was a level of analysis and thought that Hensel Phelps put into building Concourse A that set them apart.

President Kreulen stated Terminal Access Roadways Improvements (“TARI”) Phase II is continuing and focused on storm and sewer going in, have excavated half of the material, and are putting it

on the road now. Jones Bros. is the contractor and doing a great job. Commissioner Byrd asked what TARI stands for. President Kreulen replied Terminal Access Roadway Improvements.

2. JWN Development Update

President Kreulen presented a panoramic photograph of the JWN North Development area with the parcels identified. President Kreulen stated one of our challenges is that the FAA 7460, which is required to be submitted to the FAA to evaluate what is being built to ensure that the airspace is protected and no airplane that is flying down the runway or making a missed approach, or having to circle the land will mistakenly be obstructed by a hangar or hit a hangar. This is one of the requirements before they are allowed to start construction and that is what Jet Access and Jet Right are working on now. One of the things we have to watch for that we are working with the FAA is that the tower is located on the east side of the field. We wanted it on the west side of the field, and we have to be very careful of our line of sight as we build at JWN, so we do not obstruct the tower's ability to see the taxiways. The hangars are coming along, and we are in the process of MNPD moving dirt now. The Commissioners will see some more steel popping up as soon as we get a few of these permissions from the FAA.

President Kreulen presented the closing slide showing an aerial shot of BNA. He pointed to the Multipurpose Building that someday will be moved and showed the Commissioners where BNA will be able to maximize the space. President Kreulen stated on the aerial shot you can also see where Donelson Pike is being moved and leveled.

Chair Granbery asked to go back to the JWN slide and asked what the 3-week delay was for on the proposals. President Kreulen replied MNAA had 36 companies that showed up for the pre-proposal meeting and overall had 20 companies interested in this. Because they are all trying to do a good job, they have asked for an extension to do their best job. This time multiple firms asked for an extension, and we want the best proposal, so we granted 3 weeks. Chair Granbery asked when the Commissioners expect an analysis on the midfield box hangars or T hangars. President Kreulen replied as soon as we get through September and once, we know who we think is going to build the 2nd FBO, then we will switch over to the midfield. He imagines the box hangar area will be switched out now through the end of the year and ready to move out in January. Chair Granbery asked if we are still tracking with about 300K gallons of fuel. President Kreulen

replied fuel data will be available next week. Chair Granbery asked if these new hangars will have their own fuel farm. President Kreulen replied yes. Vice Chair Joslin asked about Taxiway B. Chair Granbery stated the reason it is so important is that as you increase the hardware and you only have one taxiway, it slows down the traffic instead of utilizing two taxiways and not competing and being stuck on ramps. President Kreulen replied the biggest challenge is you are going to be waiting on one side or the other, you will have to flow them out. The other taxiway will give places to put them, but we are not sure how much additional take offs and landings that will generate or support. Chair Granbery stated it is more of a safety factor. President Kreulen stated it is a big project because you will have to lift a lot of land to make it a full-length taxiway. Chair Granbery asked if he could get an exhibit to show the land and stated if we had already put a tower on the west side, we would have already put the access road in. President Kreulen stated MNAA is working on having a better relationship with FAA. One of the Vice Presidents with Air Traffic Control from Washington DC is visiting September 20, 2024 and this is huge for us because now we have FAA leadership stating the new proposed BNA tower location is in the wrong spot and may need to be moved. Chair Granbery asked if they are out of Memphis. President Kreulen stated Memphis is a challenge for us at times but now we have the attention of Washington DC. Mr. Floyd stated FAA has now confirmed that BNA is like Charlotte and Atlanta. President Kreulen stated FAA is putting BNA in a special category in terms of the analysis they put us under and to give us the support that we need. When they build a new tower, we will want to be able to see the 5th runway and how Terminal II is going to grow, and you want to be able to see over it so that jets cannot be hidden from the Air Traffic Control Tower. It has been a great effort. Commissioner Byrd asked how many gates will be located in the Concourse D circular area. Ms. Holton replied two. President Kreulen explained when MNAA built it at 6 gates here, and with the extension we will be at 11 gates, and the team that is building this are stating if you move the Multipurpose Building, you can get 12 – 13 here. It is not possible today because we do not have the time or money to do that now. Commissioner Byrd asked if the main access road is going to remain in place. President Kreulen stated that is a service road and it will move slightly. We are still designing that, and the team is pretty happy with the computer model that we built for the roads, and we will show the Commissioners. President Kreulen stated the Multipurpose Building is where all supplies are inspected for security and before getting trucked to gates. When we move the Multipurpose Building, we will need to decide where we put supplies. Chair Granbery stated Hensel Phelps came up with the concept and unique design of the record node. President Kreulen

replied yes, we did not design it to have a circle node at the end, it was an addition. Commissioner Byrd stated it is very attractive. Chair Granbery asked if the underbelly of Concourse D will be the Southwest operations. President Kreulen replied our team knows that they are basically going to rent 12K SF for their flight attendants and pilots crew base.

President Kreulen concluded the presentation of the informational items.

VII. ADJOURN

There being no further business brought before the Operations Committee, Chair Granbery adjourned the meeting at 9:40 a.m.



Andrew W. Byrd, Board Secretary