RALEIGH-DURHAM AIRPORT AUTHORITY BOARD MEETING MINUTES
FEBRUARY 20, 2014

Chair Hunt presided. Present: Ali, Elting, Kane, Teer, Thompson, Wheeler and Yeargan. Staff present included: Airport Director Landguth, Deputy Airport Directors Damiano, Legan, McFall, Powell, and Styres, General Counsel Locklear, Executive Administrative Assistant Rivera, and other staff members and guests.

I. APPROVAL OF AGENDA

Motion by Wheeler to add an item regarding the Airport Director’s performance-based increase to the agenda under Law and Personnel Committee and approve the remainder of the agenda; Second by Teer

ADOPTED BY UNANIMOUS VOTE

II. APPROVAL OF MINUTES

Motion by Elting to approve the minutes of the January 16, 2014 meeting of the Raleigh-Durham Airport Authority Board, including the committee minutes incorporated therein; Second by Kane

ADOPTED BY UNANIMOUS VOTE

III. CHAIR COMMENTS

1. New hires and promotions recognized
2. Snow events reviewed with thanks from the Chair for an outstanding job by staff
3. New parking system training discussed; several staff members are training on the new systems in Germany
4. Recognition of Secretary Ali for receiving the Citizen of the Year 2013 Award from the Durham Regional Association of Realtors

IV. OLD BUSINESS

1. Law and Personnel Committee Report – Wheeler reported the Law and Personnel Committee met on February 20, 2014 and discussed the following item(s):
   a. Closed Session to discuss Personnel Matters and Security Sensitive Information
      The Committee held a closed session to discuss personnel matters and security sensitive information; The Committee took no action.
   b. Airport Director’s Annual Performance Increase
      The result of the Airport Director’s annual review process was a recommendation to increase the Airport Director’s annual salary by 5%.

Motion by Elting; Second by Hunt

ADOPTED BY UNANIMOUS VOTE
2. Land and Development Committee Report – Teer reported the Land and Development Committee met on February 20, 2014 and discussed the following item(s):

a. Consideration of a Pre-Qualification Policy

The Committee recommends (1) For construction contracts with an estimated value of $5 million or more and for which the single prime bidding* method will be employed, the staff recommends the prequalification of bidders by the staff; (2) For construction contracts with an estimated value of less than $5 million and for which the single prime bidding* method will be employed, the staff recommends that the prequalification of bidders by the staff be considered by the staff on a project-by-project basis taking into account complexity, schedule, and other factors that warrant implementing the prequalification process and where limiting competition is not a concern. There is no reason for the staff to have recommendations on prequalification of bidders for projects delivered by the Construction Management at Risk method because the statutes (NCGS §143-128.2(c)) require the construction manager at risk to prequalify bidders for this delivery method. *The recommendations would apply also to the separate prime bidding method, but the staff does not recommend the separate prime bidding method for delivery of Authority projects.

Motion by Ali to adopt the Committee’s recommendation; Second by Kane

ADOPTED BY UNANIMOUS VOTE

b. Consideration of Bids and Recommendation of Award for Re-painting and Re-coating

The Committee recommends award of a contract to Janezic Building Group, LLC, in the amount of $172,975 and authorization for the Airport Director to execute the contract.

Motion by Teer to adopt the Committee’s recommendation; Second by Elting

ADOPTED BY UNANIMOUS VOTE

c. Presentation on the Program for the Proposed Terminal 1 North and South Demolition

Presentation for informational purposes only; The Committee took no action.

3. Operations Committee Report – The Operations Committee deferred the following item(s) for Board action:


Staff requests approval of the AOIS Annual Maintenance, Service and Support Agreement for fiscal year 2014-2015 with Ultra Electronics Airport Systems, Inc. in the amount of $635,930, with authorization for the Airport Director to execute the agreement.

Motion by Teer to adopt the Staff’s recommendation; Second by Yeargan

ADOPTED BY UNANIMOUS VOTE

b. Consideration of Airport Mailers, Inc. Terminal Concession Lease

Staff recommends approval of the Airport Mailers, Inc. Terminal Concession Lease with authorization for the Airport Director to execute the lease documents.

Motion by Teer to adopt the Staff’s recommendation; Second by Hunt

ADOPTED BY UNANIMOUS VOTE
c. Consideration of Amendment 1 to the Classic Food Service Terminal Concession Lease
   Staff recommends approval of Amendment 1 to the Classic Food Service Terminal Concession Lease with authorization for the Airport Director to execute the amendment.

   Motion by Teer to adopt the Staff’s recommendation; Second by Yeargan

   ADOPTED BY UNANIMOUS VOTE

V. NEW BUSINESS

VI. GENERAL COUNSEL’S REPORT
   No items were reported.

VII. MEMBER COMMENTS
   1. All board members complimented staff on positive actions taken during recent weather events
   2. Members Teer, Yeargan and Elting commended the work being performed in Terminal 1

VIII. AIRPORT DIRECTOR’S REPORT
   During the month of January, the number of passengers departing RDU decreased 1.6% compared to January 2013. The number of passengers arriving at RDU remained flat with an increase of 0.2%. In air service related news, United Airlines is closing its hub at Cleveland International Airport. RDU has two daily departures to Cleveland, which will be affected by the closure. Following United’s announcement, Delta announced that it will begin service between RDU and Cleveland this June with one daily round-trip flight.

   It has been an active winter for RDU. Last week, more than five inches of snow fell at RDU. RDU’s team response to the winter weather has been outstanding. The Authority thanks every person who helped take care of its customers and the airport during the winter weather events. C.R. Bramble, who is the manager of RDU’s air traffic control tower, expressed that the airport’s snow removal efforts during last week’s storm were exceptional. The snow events were a shining example of what teamwork can accomplish.

   Due to last week’s storm, the open house for Terminal 1 was canceled. This event will not be rescheduled, but staff is currently working on a plan for a celebration around the opening of the terminal.

   The unfavorable weather RDU has experienced over the past several months has disrupted the schedule for the apron element of Terminal 1 and prevented crews from completing it within the original timeline. As a result, the Authority will not be able to open Terminal 1 on March 2 as originally planned. The apron is the only element of the project impacted by weather. Staff is working to evaluate the work remaining and determine a new opening date.

IX. ADJOURNMENT
   Motion by Elting to adjourn; Second by Teer

   ADOPTED BY UNANIMOUS VOTE
Wheeler presided. Present: Ali, Elting, Hunt, Kane, Teer, Thompson, and Yeargan. Staff present included: Airport Director Landguth, Deputy Airport Directors Damiano, Legan, McFall, Powell, and Styres, General Counsel Locklear, Executive Administrative Assistant Rivera, and other staff members and guests.

The Committee discussed the following item(s):

1. **Closed Session to discuss Personnel Matters and Security Sensitive Information**: The Committee took no action.
   The Committee held a closed session to discuss personnel matters and security sensitive information.
RALEIGH-DURHAM AIRPORT AUTHORITY
LAND AND DEVELOPMENT COMMITTEE MEETING MINUTES
FEBRUARY 20, 2014

Teer presided. Present: Ali, Elting, Hunt, Kane, Thompson, Wheeler and Yeargan. Staff present included: Airport Director Landguth, Deputy Airport Directors Damiano, Legan, McFall, Powell, and Styres, General Counsel Locklear, Executive Administrative Assistant Rivera, and other staff members and guests.

The Committee discussed the following item(s):

1. **Consideration of a Pre-Qualification Policy:** Upon a motion by Teer and second by Thompson, the Committee recommends (1) For construction contracts with an estimated value of $5 million or more and for which the single prime bidding* method will be employed, the staff recommends the prequalification of bidders by the staff; (2) For construction contracts with an estimated value of less than $5 million and for which the single prime bidding* method will be employed, the staff recommends that the prequalification of bidders by the staff be considered by the staff on a project-by-project basis taking into account complexity, schedule, and other factors that warrant implementing the prequalification process and where limiting competition is not a concern. There is no reason for the staff to have recommendations on prequalification of bidders for projects delivered by the Construction Management at Risk method because the statutes (NCGS §143-128.2(c)) require the construction manager at risk to prequalify bidders for this delivery method. *The recommendations would apply also to the separate prime bidding method, but the staff does not recommend the separate prime bidding method for delivery of Authority projects.

Presented by Dave Powell, Deputy Airport Director of Facilities – While considering award of a fence installation contract at the December 2013 Land & Development Committee meeting, Mr. Teer inquired whether there is an Authority policy concerning prequalification of bidders for construction contracts. As I stated at the meeting, the Authority has no such policy. I told the Committee members that I would contact other public agencies and inquire about whether they have policies on prequalification of bidders for construction contracts. I contacted my peers at Durham County, Wake County, and the State Construction Office, all of whom responded. The prequalification of bidders for construction contracts is permitted by NCGS §143-135.8, which states “Bidders may be prequalified for any public construction project.” The current and historical practice on prequalification of bidders at the Authority is that the staff considers whether to utilize prequalification of bidders on construction contracts being delivered through a separate prime bidding method. Over the past decade, the staff has employed the prequalification process often for single prime bidding method contracts with an estimated value of $5 to $10 million and universally for contracts with an estimated value of $10 million or greater. For the Terminal 1 Renovation project which employed the Construction Management at Risk method for the building construction contract, the construction manager at risk prequalified first-tier subcontractors. For the prequalification process conducted by the staff, the staff has most often used American Institute of Architects (AIA) Form 305, Contractor’s...
Qualification Statement, as the application form. The staff tailors the standard AIA Form 305 for the contract being bid. The completed Forms are submitted by prospective bidders and reviewed by the project staff who perform a general review including contacting references, with additional review of the financial information by the Finance staff and the litigation, dispute, bonds and insurance information by outside counsel. The project staff makes the final determination on qualification of bidders considering all of the information submitted by the respondents, the results of reference checks, other relevant information and comments by Finance and counsel on their reviews. The prequalification process is time consuming and labor intensive. Based on my discussions with representatives of Wake County and Durham County it appears that the approaches by those agencies to prequalify bidders for single prime bidding method are generally similar to the staff’s approach. And, based on my discussion with these representatives, neither Durham County nor Wake County has a policy governing prequalification of bidders. The staff of both agencies consider prequalification of bidders on a project-by-project basis. *The recommendations would apply also to the separate prime bidding method, but the staff does not recommend the separate prime bidding method for delivery of Authority projects.

Staff requests (1) For construction contracts with an estimated value of $5 million or more and for which the single prime bidding* method will be employed, the staff recommends the prequalification of bidders by the staff; (2) For construction contracts with an estimated value of less than $5 million and for which the single prime bidding* method will be employed, the staff recommends that the prequalification of bidders by the staff be considered by the staff on a project-by-project basis taking into account complexity, schedule, and other factors that warrant implementing the prequalification process and where limiting competition is not a concern. There is no reason for the staff to have recommendations on prequalification of bidders for projects delivered by the Construction Management at Risk method because the statutes (NCGS §143-128.2(c)) require the construction manager at risk to prequalify bidders for this delivery method.

2. Consideration of Bids and Recommendation of Award for Re-painting and Re-coating: Upon a motion by Ali and second by Kane, the Committee recommends award of a contract to Janezic Building Group, LLC, in the amount of $172,975 and authorization for the Airport Director to execute the contract.

Presented by Ron Jewett, Facilities Engineer Manager – The project involves re-painting thirteen steel roadway sign structures and re-coating (painting) various concrete structures including three bridges, a tunnel and security walls. This bidding opportunity was advertised on the Authority’s website on January 13, 2014. A pre-bid conference was held on January 21, 2014 and was attended by six contractors. On February 4, 2014, five bids were received, summarized below:

<table>
<thead>
<tr>
<th>Contractor</th>
<th>MWSB non-female %</th>
<th>MWSB female %</th>
<th>Base Bid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Janezic Building Group, Raleigh NC</td>
<td>77.00%</td>
<td>23.00%</td>
<td>$172,975.00</td>
</tr>
<tr>
<td>Carolina Coating Solutions, Durham, NC</td>
<td>24.51%</td>
<td>75.49%</td>
<td>$203,964.12</td>
</tr>
<tr>
<td>L.A. Downey &amp; Son, Durham, NC</td>
<td>48.54%</td>
<td>7.28%</td>
<td>$288,364.00</td>
</tr>
<tr>
<td>Saffo Contractors, Wilmington, NC</td>
<td>3.58%</td>
<td>5.37%</td>
<td>$335,000.00</td>
</tr>
<tr>
<td>Chavis, Inc., Maxton, NC</td>
<td>49.52%</td>
<td>22.01%</td>
<td>$563,410.00</td>
</tr>
</tbody>
</table>
As indicated above, the low bid was submitted by Janezic Building Group, LLC, (Janezic) in the amount of $172,975.00. The Authority has had positive experience with Janezic both as a prime contractor and subcontractor. The Minority and Women-owned Small Business (MWSB) participation goals for this contract are 3% for minority-owned businesses (MB) and 5% for women-owned businesses (WB). The bid from Janezic includes participation in the amount of 77% for MBs and 23% for WBs. Janezic is a WB company. The MWSB commitment was reviewed by the Small Business Program Office and is considered acceptable. Funds for this work are included in the FY 2013-2014 operating budget, so no budget action is required to award this contract.

Staff requests award of a contract to Janezic Building Group, LLC, in the amount of $172,975 and authorization for the Airport Director to execute the contract.

3. Presentation on the Program for the Proposed Terminal 1 North and South Demolition: The Committee took no action.
   Presentation for informational purposes only; no board action required.
Elting presided. Present: Ali, Hunt, Kane, Teer, Thompson, Wheeler and Yeargan. Staff present included: Airport Director Landguth, Deputy Airport Directors Damiano, Legan, McFall, Powell, and Styres, General Counsel Locklear, Executive Administrative Assistant Rivera, and other staff members and guests.

The Committee discussed the following item(s):

1. Consideration of Airport Operations and Information Systems Annual Maintenance, Service and Support Agreement for Fiscal Year 2014-2015: Due to time constraints, the Committee deferred this item to the full Board Meeting.

   Presented by Joan Dowdy, Manager, Information Services - Airport Operations and Information Systems (“AOIS”) refers to all components needed to fully operate the common use technology used in Terminal operations. Since the opening of Phase 3 at Terminal 2 in 2008, service and support for the common use technology have been contracted out to Ultra Electronics Airport Systems, Inc. for the support of Terminal operations. Tier 1 support team is dedicated to the support for basic common use technologies including physical hardware such as kiosks, workstations, printers and scanners. Tier 2 support team is provided by the Authority’s internal Information Services Department and includes the infrastructure (servers, network components), software applications, various integrated data feeds and connectivity to external airline systems. Tier 3 support team consists of highly specialized system engineers and software developers provided by Ultra Electronics Airport Systems, Inc. and are only utilized when needed to resolve high end issues affecting the performance of the AOIS. Some examples of the AOIS components include:

   - **Ramp Control Tower** - This portion of the AOIS centrally manages all flight and operational data to coordinate airline gate and ramp operations and make ticketing/gate assignments and displays
   - **CUSE** - (common use system) common use software platform that centrally manages all ticketing and gate operations and peripherals including ticketing workstations, gate workstations, printers, gate boarding scanners and kiosks
   - **MUFIDS** - (multi user flight information displays) includes all flight information displays, baggage information displays and wayfinding displays
   - **Advertising** - manages scheduling and content of the incoming revenue generating advertisements directly from the Sponsors
   - **Visual paging** - coordinates all visual pages, both canned and ad hoc
• **Airline interfaces and feeds**- Includes the management of all incoming corporate airline informational data feeds and integrates with the locally updated information to correctly populate all flight information for public displays.

The scope of the AOIS Maintenance, Service and Support provides the Authority end-to-end support for the Terminal operations on the required 24 x 7 x 365 basis including:

- Onsite support staff to provide problem resolution from 4am to 8pm and remote support from 8pm to 4am
- Real time systems monitoring and alert notification
- Provide repair and logistics, preventative maintenance, asset management and maintain warranty coverage

**Costs:**
- Fiscal year 2013/2014: $669,400/year ($55,783/month)
- Fiscal year 2014/2015: $635,930/year ($52,994/month)

Reflects a 5% ($33,470) cost reduction from previous year.

The Authority’s IS Division has made great progress to incorporate elements of the AOIS support into our normal operation and is fully responsible for Tier 2 support. As a result of these actions, the annual support cost has continued to decrease. The IS Division will continue our efforts to build knowledge and expertise of the AOIS, which will provide opportunities to restructure our support efforts to further reduce costs and be less dependent on external contractors. Ultra is the software developer of our common use technology, and therefore the only one entity that can provide comprehensive support for the AOIS proprietary system. For this reason, this Agreement renewal for AOIS maintenance, service and support will be considered sole source.

Staff requests approval of the AOIS Annual Maintenance, Service and Support Agreement for fiscal year 2014-2015 with Ultra Electronics Airport Systems, Inc. in the amount of $635,930, with authorization for the Airport Director to execute the agreement.

2. **Consideration of Airport Mailers, Inc. Terminal Concession Lease:** *Due to time constraints, the Committee deferred this item to the full Board Meeting.*

Presented by Ingrid Hairston, Business Development Officer - This request is for consideration of an agreement with Airport Mailers, Inc. to operate a personal items mailer service business in Terminals 1 and 2. The personal items mailer service allows travelers carrying items that are not allowed through the security checkpoint to mail the items to an alternate address using the mail service provided by Airport Mailers. Airport Mailers is a North Carolina business that currently operates mailer boxes located at the Terminal 1 North and Terminal 2 checkpoints. The current agreement has expired and is in a holding over period. Staff proposes a new agreement with a term of March 1, 2014 – February 28, 2019. Airport Mailers will pay 10% of gross revenues as rent.

Staff requests approval of the Airport Mailers, Inc. Terminal Concession Lease with authorization for the Airport Director to execute lease documents.

3. **Consideration of Amendment 1 to the Classic Food Service Terminal Concession Lease:** *Due to time constraints, the Committee deferred this item to the full Board Meeting.*

Presented by Ingrid Hairston, Business Development Officer - Classic Food Service operates a snack and beverage vending business from vending sites in the Terminals and Authority offices at RDU pursuant to a Terminal Concession Lease with a term from October 1, 2011 to September 30, 2014. This amendment modifies the list of approved terminal vending locations by deleting the location in Terminal 1 north location and adding two location in the new Terminal 1 main. Additionally, this amendment modifies Section 4.10 of the lease to address an administrative matter. The amendment deletes the requirement to submit a preliminary unaudited
annual report. The unaudited report was originally needed to facilitate calculation of the minimum annual guarantee rent the next lease year. The new rent amount is calculated differently now, and the preliminary report is no longer needed. The tenant remains obligated to provide an audited annual report.

Staff requests approval of Amendment 1 to the Classic Food Service Terminal Concession Lease with authorization for the Airport Director to execute the amendment.
RALEIGH-DURHAM AIRPORT AUTHORITY  
STRATEGIC PLANNING AND BUDGET REVIEW MEETING MINUTES  
FEBRUARY 25, 2014


1. PURPOSE OF THE MEETING  
Meeting was called to review strategic planning efforts and preliminary budget for FY 2014-2015. No Board action was required. The following items were reviewed and discussed:

   a. To provide a forum to discuss the strategic direction of the organization  
   b. To discuss the organizations focus areas and key initiatives for the upcoming year  
   c. To discuss the key actions that need to be accomplished