RALEIGH-DURHAM AIRPORT AUTHORITY BOARD MEETING MINUTES
DECEMBER 15, 2016

Chair Thompson presided. Present: Ali, Hunt, Kane, Teer and Zucchino. Staff present included: President and CEO Landguth, Senior Vice President & COO Sandifer, Senior Vice President & CRO McFall, Senior Vice President & CFO Sylver, Director & CHRO Umphrey, Vice Presidents Connell, Hetzel, Jewett, Legan, and VanAuken, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.

I. APPROVAL OF AGENDA
Motion by Ali to approve the agenda; Second by Teer

ADOPTED BY UNANIMOUS VOTE

II. APPROVAL OF MINUTES
Motion by Kane to approve the minutes of the November 17, 2016 meeting of the Raleigh-Durham Airport Authority Board, including the committee minutes incorporated therein; Second by Zucchino

ADOPTED BY UNANIMOUS VOTE

III. CHAIR COMMENTS
1. New Hires and one retirement recognized
2. The Chairman had Vice President VanAuken introduce a new contest initiative by Communications to gather stories from RDU Travelers called “Your Story”
3. The Chairman wished all staff a happy holiday

IV. OLD BUSINESS
1. Operations Committee Report – Hunt reported the Operations Committee met on December 15, 2016 and discussed the following item(s):
   a. Consideration of Agreement for Rental and Maintenance Services for Uniforms and Uniform Related Products
      Committee recommends approval of a 3 year agreement with UniFirst Inc. at an annual cost of $60,000 and authorization for the President and CEO to execute the agreement.
   Motion by Hunt to adopt Committee’s recommendation; Second by Zucchino

ADOPTED BY UNANIMOUS VOTE

2. Land and Development Committee Report – Teer reported the Land and Development Committee met on December 15, 2016 and discussed the following item(s):
   a. Consideration of Agreement for HVAC Water Treatment Services.
Committee recommends approval of a 3 year agreement with Southeastern Laboratories at a cost of $99,000 and approval for the President and CEO to sign the agreement.

Motion by Teer to adopt Committee’s recommendation; Second by Kane

ADOPTED BY UNANIMOUS VOTE

b. Roadway Sign Presentation
   Presentation for informative purposes only; no Board action required.

3. Finance Committee Report – Teer reported the Finance Committee met on December 15, 2016 and discussed the following item(s):
      Committee recommends approval of the board resolution.
      Motion by Ali to adopt Committee’s recommendation; Second by Zucchino

ADOPTED BY UNANIMOUS VOTE

V. NEW BUSINESS
   a. Chairman Thompson made a request to move the March 2017 regularly scheduled Board Meeting from March 16, 2017 to March 23, 2017 to allow the President & CEO to attend the ARN Conference and accept the award for Medium HUB Airport Director of the Year.
      Motion by Ali; Second by Hunt

ADOPTED BY UNANIMOUS VOTE

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

VII. MEMBER COMMENTS
   Member Zucchino congratulations President Landguth on the Medium HUB Director of the Year announcement from Airport Revenue News and wished all a happy holiday; Member Teer thanked Chief Timberlake for hosting the firehouse holiday celebration and wished all a happy holiday; all remaining members wished the staff a happy holiday and Happy New Year.

VIII. PRESIDENT AND CEO’S REPORT
   RDU has seen 33 straight months of growth and continue to see a year over year increase in passengers. In November, the number of passengers departing RDU rose by 11.3% compared to November 2015. The number of passengers arriving at RDU rose by 11.4%. According to historical records, November 2016 was the busiest in RDU’s history.

   The President had the honor of being the keynote speaker for the Midtown Raleigh Alliance annual holiday celebration last week. The Midtown Raleigh Alliance is comprised of business
and community leaders working to propel the community’s economic development success. This presentation was the President’s first opportunity to begin using the key communication themes that are the foundation of a cohesive communication strategy. The five themes are:

1. Connecting one to the people and places that matter most
2. Starting vacations and/or business trips at the airport
3. Improving RDU to serve better
4. The airport is a powerful economic engine that serves business and the community
5. Connecting powerfully with RDU’s employees, board, volunteers and tenants

These themes connect and inform RDU’s strategic plan and put a strong emphasis on customers, as the Authority strives to offer a world class airport experience. These messages will also help build community support during 2017, which will undoubtedly be a challenging one for RDU’s customers, due to multiple construction projects that will take place. In March 2017, American Airlines is upgrading the nonstop service to London’s Heathrow Airport to a B-777 airplane, which seats 45 in Business Class and 215 in Coach. This is an increase of approximately 40 seats over the B-767 currently serving the route.

The President wished the RDU team a very happy holiday.

IX. ADJOURNMENT
Motion by Ali to adjourn; Second by Hunt

ADOPTED BY UNANIMOUS VOTE
RALEIGH-DURHAM AIRPORT AUTHORITY
OPRATIONS COMMITTEE MEETING MINUTES
DECEMBER 15, 2016

Hunt presided. Present: Ali, Kane, Teer, Thompson and Zucchino. Staff present included: President and CEO Landguth, Senior Vice President & COO Sandifer, Senior Vice President & CRO McFall, Senior Vice President & CFO Sylver, Director & CHRO Umphrey, Vice Presidents Connell, Hetzel, Jewett, Legan, and VanAuken, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.

The Committee discussed the following item(s):

1. Consideration of Agreement for Rental and Maintenance Services for Uniforms and Uniform Related Products: Upon a motion by Teer and second by Zucchino, the Committee recommends approval of a 3 year agreement with UniFirst Inc. at an annual cost of $60,000 and authorization for the President and CEO to execute the agreement.

   Presented by John A. Connell, P.E., Vice President of Operational Asset Management – Staff is seeking approval of a multi-year agreement for rental service for uniforms, floor mats, shop towels and environmental oil absorbent mats. This agreement will provide service to four departments within the Operational Asset Management Division. The four departments in the Operational Asset Management Division required to wear uniforms are Facilities Maintenance, Field Maintenance, Fleet Maintenance and Fuel Systems. Consistency of dress helps to promote professionalism inside and outside of the terminals and an additional layer of security. Specialized flame-retardant materials also serve as a required protective safety element. Contract prices are for fixed unit prices, and the estimated annual contract amount is a not to exceed annual amount of $60,000 for a total of three years.

   Staff recommends approval of a 3 year agreement with UniFirst Inc. at an annual cost of $60,000 and authorization for the President and CEO to execute the agreement.
Teer presided. Present: Ali, Hunt, Kane, Thompson and Zucchino. Staff present included: President and CEO Landguth, Senior Vice President & COO Sandifer, Senior Vice President & CRO McFall, Senior Vice President & CFO Sylver, Director & CHRO Umphrey, Vice Presidents Connell, Hetzel, Jewett, Legan, and VanAuken, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.

The Committee discussed the following item(s):

1. Consideration of an Agreement for HVAC Water Treatment Services: Upon a motion by Zucchino and second by Kane, the Committee recommends approval of a 3 year agreement with Southeastern Laboratories at a cost of $99,000 and approval for the President and CEO to sign the agreement.

   Presented by Barry Stoker, Director of Contract Facilities Maintenance – This recommendation is for the approval of a contract to provide water treatment services for hydronic HVAC systems owned and operated by the Authority. The services to be provided under the proposed contract include monitoring, testing and maintaining the water chemistry in various HVAC systems and provision of all required chemicals. On August 8, 2016, the Authority advertised a Request for Proposals on the RDU Website for HVAC water treatment services. A pre-proposal conference was conducted on August 15, 2016 followed by a site tour. The conference was attended by three firms: The Metro Group, Chem Aqua, and Southeastern Laboratories (SEL). On August 22, 2016 proposals were received from each of the firms listed above. For the proposed three-year term, The Metro Group provided a proposal price of $81,750; followed by Chem Aqua at $85,464 and SEL at $99,000. As noted in the RFP, price was a consideration in the evaluation process but not the sole determining factor. Although SEL was the highest proposed price, SEL scored highest in all RFP categories and is the staff’s unanimous recommendation. The key determining factors that led to this decision included the quality of the references. The references included long term local relationships with large accounts including SAS, Biogen, Novo Nordisk, Duke Raleigh Hospital and Seqirus ranging in length from 8 to 17 years. Another factor was the similar size and scope of facilities to RDU currently serviced by SEL compared to the other firms. SEL’s currently services large complex multi-facility complexes many of which are in the local area. SEL also offered a higher level of services, including more frequent monitoring of the systems and the value added service of automatic chemical feed system. SEL’s Overall quality and detail of proposal and proposed services were superior to other firms to include staff training to be provided, existing workload of technicians, and qualifications of staff. Based on the quality evaluation of the proposals and the critical nature of the service, Staff recommends the proposal submitted by Southeastern Laboratories as the proposal that is in the best interest of the Authority. The proposed contract is for a term of three years, with a potential one-year option period.
Staff recommends approval of a 3 year agreement with Southeastern Laboratories at a cost of $99,000 and approval for the President and CEO to sign the agreement.

2. **Roadway Sign Presentation**: *Presentation for informative purposes only; no Board action required.*
   
   Presented by Ron Jewett, Vice President, Facility Asset Management
   
   Presentation for informative purposes only; no Board action required.
Teer presided. Present: Ali, Hunt, Kane, Thompson and Zucchino. Staff present included: President and CEO Landguth, Senior Vice President & COO Sandifer, Senior Vice President & CRO McFall, Senior Vice President & CFO Sylver, Director & CHRO Umphrey, Vice Presidents Connell, Hetzel, Jewett, Legan, and VanAuken, General Counsel Locklear, Executive Assistant Rivera, and other staff members and guests.

The Committee discussed the following item(s):

1. **Consideration of Airport Series 2007 Revenue Bond Refunding Resolution:** Upon a motion by Ali and second by Zucchino, the Committee recommends approval of the board resolution.

   Presented by Donna Sylver, Senior Vice President and Chief Financial Officer – The Authority previously issued Revenue Bonds, Series 2007 (AMT) (the “Series 2007 Bonds”) to finance improvements at the Airport. The 2007 Bonds are subject to optional redemption in the near future and may realize significant savings through refunding all or a portion of the remaining 2007 Bonds. The next steps in refunding the remaining 2007 Bonds are board approval to proceed with the LGC application to start the refunding process, and adoption of a resolution approving the remainder of financing team – the following Senior Manager and Underwriters, as noted in the board resolution:
   - Merrill Lynch, Pierce, Fenner & Smith Incorporated (Senior Manager)
   - Barclays Capital, Inc.
   - Citigroup Global Markets Inc.
   - RBC Capital Markets LLC
   - Raymond James & Associates, Inc.
   - Siebert Brandford Shank & Co., LLC

   The Board previously approved the Bond Counsel, Financial Advisor, and Trustee/Registrar as part of the financing team at the September 2016 board meeting. A board resolution including approval of the Senior Manager and Underwriters is attached for your review.

   Staff recommends approval of the board resolution.
The Board discussed the following item(s):

1. Consideration of the Award of a Contract to a General Contractor to Provide Construction Services in connection with Project 080689, RDU Parking Garage Improvements Immediate Repairs

The purpose of this item is to provide a staff recommendation on the award of a contract to a General Contractor to provide construction services in connection with Project 080689, RDU Parking Garage Improvements Immediate Repairs.

The scope of work includes a base bid and two additive bid alternates. The scope of the base bid includes the following repair elements in the Parking Garages: cleaning drainage systems, repairing expansion joints, sealing beam cracks, repairing other concrete cracks, installing or relocating fire extinguishers as necessary, repairing failing roofs over stairwells, and lengthening metal plates at expansion joint ends.

Furthermore, the base bid includes installing floor drains at level 2 of PG 4; powerwashing levels 2, 3, 5, and 7 of PGs 3 and 4; restriping, repainting, and re-caulkking levels 2, 3, 5, and 7 of PGs 3 and 4; and powerwashing the upward drive spirals and exterior stairwells.

Additive Bid Alternate 1 includes the removal of concrete traffic coating on the pedestrian walkway and on the south half of PG 1.

Additive Bid Alternate 2 includes the painting of ceilings on levels 2, 3, and 5 of PGs 3 and 4.

The project was advertised for bidding on September 7, 2016. A pre-bid meeting and site tour was conducted on September 20, 2016. Only two bids were received on November 8, 2016, so they were returned unopened and the project was re-advertised the same day. On November 15, 2016, at the second bid opening attempt, two bids were received as indicated below.

<table>
<thead>
<tr>
<th></th>
<th>Base Bid</th>
<th>Alternate 1</th>
<th>Alternate 2</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.) Strickland Waterproofing</td>
<td>$2,296,827.00</td>
<td>$249,400.00</td>
<td>$1,614,010.00</td>
<td>$4,160,237.00</td>
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<tr>
<td>2.) Tendon Systems</td>
<td>$3,471,243.49</td>
<td>$96,280.00</td>
<td>$2,742,227.65</td>
<td>$6,309,751.14</td>
</tr>
</tbody>
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Engineer’s Estimate $1,581,350.23 $107,300.00 $1,941,506.25 $3,630,156.48

After the bid opening, bids were reviewed and confirmed by the Engineer, Walker Restorations. Staff requested references from the apparent low bidder, Strickland Waterproofing. The reference expressed significant concerns regarding the quality and performance of the work. In consultation with one of the references (which was one of the Authority’s owning bodies) it was discovered that Strickland Waterproofing had significantly underperformed a recent and ongoing project of similar scope, but smaller in scale. Based on that specific reference staff consulted with legal counsel, and is now prepared to recommend that the low bid by Strickland Waterproofing be rejected and the contractor deemed not responsible.

Staff has subsequently requested references from Tendon Systems and all have come back with positive reports of their performance for similar project work. It should be noted that the bid from Tendon System is significantly higher than the Engineer’s estimate, and significantly higher than the Authority’s current budget for the work.

The Minority and Women-Owned Small Business (MWSB) participation goals for this contract are 10% for minority-owned firms and 5% for women-owned firms. Tendon’s bid, including the two alternates, includes MWSB participation in the amount of 3.3% for minority-owned firms and 12.6% for women-owned firms. The MWSB commitment was reviewed by the Small Business Program Office and considered acceptable.

Staff recommends the rejection of the low bid from Strickland Waterproofing based on a staff conclusion that they are not a responsible bidder. Staff also recommends that the Board authorize staff to negotiate with the second low bid, Tendon Systems, in an attempt to achieve a Construction Contract price that more closely aligns with the Authority’s budget for the project. Staff will report back to the Board on the outcome of those negotiations.

Motion by Teer to adopt Staff’s recommendation; Second by Zucchino

ADOPTED BY UNANIMOUS VOTE

Motion by Cole to adjourn the Special Meeting; Second by Ali

ADOPTED BY UNANIMOUS VOTE