

MINUTES OF MEETING

RHODE ISLAND AIRPORT CORPORATION

OPERATIONS AND CAPITAL COMMITTEE

WEDNESDAY, JUNE 20, 2007

12:00 P.M.

IN THE CONFERENCE ROOM, 2220 SOUTH COUNTY TRAIL

EAST GREENWICH, RHODE ISLAND

The meeting of the Rhode Island Airport Corporation (“Corporation”) Operations and Capital Committee was called to order by Chairman, James Forte, at 12:03 p.m., in the Conference Room at 2220 South County Trail, East Greenwich, Rhode Island, in accordance with the notice duly posted pursuant to the Open Meetings Law.

COMMITTEE MEMBERS PRESENT: James Forte, Joseph Cianciolo; Robert Sangster.

COMMITTEE MEMBER ABSENT: Michael Traficante.

ALSO PRESENT: Marci A. Greenberger, A.A.E., Senior Vice President of Operations and Maintenance; Brian Schattle, Senior Vice President of Finance and CFO; Peter Frazier, General Counsel; and those individuals listed on the attendance sheet attached hereto.

1. Approval of the Minutes:

Mr. Forte moved that the minutes of the Operations and Capital Committee Meeting of May 30, 2007 be approved. Mr. Cianciolo seconded the motion. The motion was passed unanimously.

2. Report from Chair, Operations and Capital Committee:

Mr. Forte reported that he had signed the following change orders:

Skanska PVD - Terminal Security Glass Elevator Modifications \$ 58,869.00

J H Lynch BID - Airside Improvements Final Quantities \$ 64,879.75

McFarland Johnson UUU - Rehab Taxiway C Provide Construction Oversight Services \$ 89,026.24

Skanska PVD - Terminal Security Upgrade EDS Wiring & Data Requirements \$ 77,732.00

Skanska PVD – Terminal Security Improvements – Administrative Space \$ 50,000.00

3. Report from Senior Vice President of Operations and Maintenance:

Ms. Greenberger reported that meetings are scheduled next week with elected officials and with the public to discuss the North Central Airport Obstruction Removal Program.

Ms. Greenberger reported that the Bravo taxiway construction at North Central Airport is slated to begin in July.

4. General Aviation Report:

Mr. Tibbetts gave an overview of the GA monthly Operations Report. Mr. Sangster asked why operations were up at Quonset Airport but fuel sales were down. Mr. Tibbetts reported that although the planes were landing at Quonset they were not buying fuel.

Mr. Tibbetts reported that the Cessna Flight School Open House on Saturday, June 2, 2007, was very successful. Mr. Tibbetts noted that he had been approached by executives from Cessna interested in locating a Cessna Service Center at Quonset.

Mr. Tibbetts reported that on June 22, 2007, Landmark Aviation will be hosting an Air Show Cookout beginning at 12 noon. The Airshow is scheduled for June 23, and June 24 at Quonset.

Mr. Cianciolo left the meeting at 12:20 p.m.

5. Discussion Item:

(a) Discussion of North Central Airport Easements and Part 77.

There was no discussion of this item.

(b) Update on Newport Airport Master Plan.

Mr. Scarano gave a presentation on the project which included a project overview, a list of the stakeholders, completed work, work in progress, and work scheduled. The presentation concluded with a summary of findings. There was a general discussion of the viability of this airport within the Rhode Island general aviation network.

(c) Update on the Investment Grade Audit for the Potential Energy Saving Performance Contract.

Mr. DaSilva introduced Mr. John Johnson, from ConEdison who gave an overview of the contract. Discussion focused on the energy conservation projects, the benefits of a cogeneration system and

the annual savings versus the initial investment and the next steps of the process.

6. Action Items:

(a) Consideration of and Action Upon Authorization of Gilbane Building Company to Enter Into a Construction Contract for Short Term Lot Improvements for the Intermodal Facility.

Mr. Schattle gave an overview of the contract. The recommendation is that the Committee authorize the President and CEO, or his designee, to execute appropriate documents to enable Gilbane to enter into a Construction Contract with Cardi Corporation for the Short Term Lot Improvements portion of the Warwick Intermodal Facility Project, subject to Board, Federal Highway Administration and Rhode Island Department of Transportation approvals.

A motion was made by Mr. Sangster and seconded by Mr. Forte to approve the following resolution:

WHEREAS, the Rhode Island Airport Corporation (RIAC) has a Capital Improvement Program (CIP) project to construct an Intermodal Facility; and

WHEREAS, this project is budgeted in RIAC's CIP in the amount of \$222,456,000 with funding through the Series 2006 First Lien Bond proceeds, proceeds from the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan, Federal Highway Administration (FHWA) Grants, State of Rhode Island Grants and Customer Facility Charges (CFCs); and

WHEREAS, on May 29, 2007, Gilbane Building Company (Gilbane) received and opened four sealed bids for Short Term Lot Improvements, in accordance with RIAC's Procurement Rules and Regulations; and

WHEREAS, submittals were received from Cardi Corporation, D'Ambra Construction, Fleet Construction and A. Korey Construction; and

WHEREAS, D'Ambra withdrew their bid on May 30th and the bid submitted by A. Korey Construction was deemed nonresponsive; and

WHEREAS, Gilbane has determined the bid submitted by Cardi Corporation was the lowest responsive bid; and

WHEREAS, Gilbane recommends, and RIAC staff agrees, award of the short term lot improvements contract to Cardi Corporation in an amount not-to-exceed \$1,029,951.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Committee authorizes the President and CEO, or his designee, to execute appropriate documents to enable Gilbane to enter into a Construction Contract with Cardi Corporation (Cardi) for the Short Term Lot Improvements portion of the Warwick Intermodal

Facility Project in an amount not-to-exceed \$1,029,951, subject to Board, Federal Highway Administration and Rhode Island Department of Transportation approvals.

The motion was passed unanimously.

(b) Consideration of and Action Upon Approval to Enter Into a Professional Services Agreement for Parking Management Services at T. F. Green Airport.

Mr. Schattle gave a detailed overview of the process involved with this selection. The recommendation is that the Committee authorize the President and CEO, or his designee, to negotiate and execute a Parking Management Agreement with Standard Parking to provide Professional Parking Management Services at T. F. Green Airport, subject to Board approval.

A motion was made by Mr. Sangster and seconded by Mr. Forte to approve the following resolution:

WHEREAS, the Rhode Island Airport Corporation (RIAC) is responsible for the maintenance and operation of airport facilities at T. F. Green Airport; and

WHEREAS, in January 2007, RIAC issued a Request for Qualifications (RFQ) for the management and operation of the parking facilities at T.

F. Green Airport; and

WHEREAS, timely responses were received from the following eleven firms: Five Star Parking, LAZ Parking, AMPCO, Central Parking, Parking Solutions, VPNE, Republic Parking, ProPark, Standard Parking, FitzInn Parking and AIM Parking Management; and

WHEREAS, RIAC formed a Selection Committee (Committee) comprised of: James Forte, RIAC Board Member; Brian Schattle, Chief Financial Officer; Doug Dansereau, Chief Auditor; Dave Cloutier, AVP Commercial Programs and Bill Blair, Parking Manager; and

WHEREAS, Mr. Schattle, Mr. Dansereau, Mr. Cloutier and Mr. Blair were voting participants of the Committee through the selection of candidates for interviews with oversight by Mr. Forte; and

WHEREAS, Mr. Forte joined the committee as a voting member for final selection and recommendation to the RIAC Board of Directors; and

WHEREAS, the Committee individually reviewed and ranked the eleven qualification submissions and short listed Five Star Parking, AMPCO, Central Parking, Republic Parking, Standard Parking and AIM Parking Management to submit proposals; and

WHEREAS, in April 2007, RIAC issued a Request for Proposals (RFP) to the short listed firms; and

WHEREAS, submitted proposals were individually rated based on the selection criteria of the RFP; and

WHEREAS, the top three rated firms, AMPCO, Standard and Republic Parking, were selected to be interviewed by the Committee on June 6, 2007; and

WHEREAS, Committee members individually scored the candidates based on the selection criteria identified in the RFP and unanimously selected Standard Parking as the best candidate to provide parking management services for RIAC parking facilities at T. F. Green Airport; and

WHEREAS, the initial term of the PMA is expected to run through June 30, 2013 with two three year additional terms upon mutual written agreement; and

WHEREAS, the base Management Fee for the initial term is expected to be \$1,187,932; and

WHEREAS, RIAC staff will negotiate and finalize an incentive fee structure that is reasonable and appropriate for this operation not-to-exceed \$80,000 per annum; and

WHEREAS, Standard will charge all necessary and direct expenses to operate the parking facilities (operating costs) and a management fee (including a potential Management Incentive) to RIAC on a monthly basis.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Committee authorizes the President and CEO, or his designee, to negotiate and execute a Parking Management Agreement with Standard Parking to provide Professional Parking Management Services at T. F. Green Airport with a management fee not to exceed \$1,187,932 through Fiscal Year 2013 and an annual Management Incentive Fee not-to-exceed \$80,000 per year, subject to Board approval.

The motion was passed unanimously.

(c) Consideration of and Action Upon Approval of a Contract Award for Eighteen Multifunction Copier Units at T. F. Green Airport.

Mr. Schattle gave an overview of the contract and reported that the recommendation is that the Committee authorize the President and CEO, or his designee, to execute a contract with IKON Office Solutions for the lease of eighteen multifunction copier units, subject

to Board approval.

A motion was made by Mr. Sangster and seconded by Mr. Forte to approve the following resolution:

WHEREAS, the Rhode Island Airport Corporation (RIAC) is responsible for the maintenance and operation of airport facilities at the six Rhode Island airports; and

WHEREAS, RIAC currently leases multifunction office copier units from Xerox with staggered terms; and

WHEREAS, it has been determined that there is a need for updated multifunction copier equipment throughout the operating departments; and

WHEREAS, the proposed Fiscal Year 2008 Operating and Maintenance (O&M) budget includes \$60,000 for these items; and

WHEREAS, the use of Cooperative Contracts is allowed under Section 2.2.2.5 of RIAC's Procurement Rules; and

WHEREAS, vendors on the State of Rhode Island Master Price Agreement (MPA), and local General Services Administration (GSA) vendors were contacted and invited to quote on specific products; and

WHEREAS, RIAC received six bid submissions that were evaluated to determine both responsiveness and responsibility; and

WHEREAS, as a result of this evaluation, the recommendation is to award a Contract to IKON Office Solutions in the amount of \$208,999 for a forty-eight month lease of this equipment; and

WHEREAS, the lease includes the approximate \$55,000 buyout cost of the existing Xerox leases.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Committee hereby authorizes the President and CEO, or his designee, to execute a Contract for the lease of eighteen multifunction copier units with IKON Office Solutions in the amount of \$208,999, subject to Board approval.

The motion was passed unanimously.

(d) Consideration of and Action Upon Amendment to the Professional Services Agreement with ConEdison to Complete an Investment Grade Audit for the Cogeneration Component of the Potential Energy Saving Performance Contract at T. F. Green Airport.

Ms. Greenberger gave an overview of this item, explaining the

purpose of the Investment Grade Audit (IGA) for a potential Energy Saving Performance Contract (ESPC), and also the purpose of Cogeneration and the benefits it could provide to T. F. Green Airport, primarily the provision of essential emergency electrical power during a utility power failure and the potential use of self generated electricity during high demand periods. Ms. Greenberger reported that based on the results of the IGA RIAC will decide whether or not to include Cogeneration as a component of the potential ESPC. The recommendation is that the Committee authorize the President and CEO, or his designee, to amend the Professional Services Agreement with ConEdison Solutions to perform an Investment Grade Audit (IGA) for the potential Energy Saving Performance Contract (ESPC) to include the completion of an Investment Grade Audit for Cogeneration at T. F. Green Airport, based on the terms contained in the resolution, and subject to Board approval

A motion was made by Mr. Sangster and seconded by Mr. Forte to approve the following resolution:

WHEREAS, the State and Federal Energy Office are promoting a, “Rebuild America” program in an effort to reduce air emissions by enhancing a buildings energy efficiency and performance; and

WHEREAS, on February 15, 2006, the Rhode Island Airport Corporation (RIAC) Board of Directors approved, and RIAC entered into, a Professional Service Agreement (PSA) with ConEdison to

perform an Investment Grade Audit (IGA) for the potential Energy Saving Performance Contract (ESPC); and

WHEREAS, during the completion of the IGA for the base ESCP project ConEdison identified that Cogeneration could provide T. F. Green Airport with continuity of business (essential emergency electrical power during a utility power failure) and the potential use of self generated electricity during high demand periods; and

WHEREAS, if RIAC decides to continue with the ESPC (whether or not Cogeneration is a component), the actual costs to complete the IGA, currently estimated at \$130,000, will be included as a cost of the project and incorporated into that contract; and

WHEREAS, if RIAC decides not to continue with any portion of the ESPC, a \$25,000 fee for the IGA will be paid to ConEdison as compensation for the deliverables of the Cogeneration IGA; and

WHEREAS, the proposed Fiscal Year 2008 Capital Improvement Program (CIP) budget includes a \$5,000,000 project for the Cogeneration component of the potential ESPC; and

WHEREAS, based on the results of this IGA, RIAC will determine whether or not to include Cogeneration as a component of the potential ESPC.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Committee hereby authorizes the President and CEO, or his designee, to amend the Professional Service Agreement with ConEdison Solutions to perform an Investment Grade Audit for the potential Energy Saving Performance Contract to include the completion of an Investment Grade Audit for Cogeneration at T. F. Green Airport based on the following terms, subject to Board approval:

- If RIAC decides to continue with the Energy Saving Performance Contract (whether or not Cogeneration is a component), the actual costs to complete the Investment Grade Audit, currently estimated at \$130,000, will be included as a cost of the project and incorporated into that contract.**
- If RIAC decides not to continue with any portion of the Energy Saving Performance Contract, a \$25,000 fee will be paid to ConEdison as compensation for the deliverables of the Cogeneration Investment Grade Audit.**

The motion was passed unanimously.

(e) Consideration of and Action Upon Approval to Enter into a Contract with National Grid to Provide an Alternate Electrical Substation Feed at T. F. Green Airport.

Ms. Greenberger gave an overview of the contract, reporting that RIAC is completing an Investment Grade Audit (IGA) for an Energy Saving Performance Contract (ESPC) and RIAC staff is also requesting approval to authorize ConEdison to complete an Investment Grade Audit (IGA) to review Cogeneration. As an additional safeguard during the review process and potential implementation of the Cogeneration option, RIAC staff has worked with National Grid to develop a plan to limit the risk of power failure at T. F. Green, by installing a secondary feed. The recommendation is that the Committee authorize the President and CEO, or his designee, to negotiate and execute a contract with National Grid to provide electrical overhead transmission installation equipment and services to add a secondary electrical feed at T. F. Green Airport, subject to Board approval.

A motion was made by Mr. Sangster and seconded by Mr. Forte to approve the following resolution:

WHEREAS, RIAC is completing an Investment Grade Audit (IGA) for an Energy Saving Performance Contract (ESPC); and

WHEREAS, as a separate agenda item RIAC staff is requesting approval to authorize ConEdison to complete an IGA to review Cogeneration which could provide T. F. Green Airport with continuity of business (essential emergency electrical power during a utility

power failure) and the potential use of self generated electricity during high demand periods; and

WHEREAS, as an additional safeguard, RIAC staff has worked with National Grid to develop a plan to limit the risk of a power failure at T. F. Green; and

WHEREAS, in the event of a power failure between the current substation feed and T. F. Green, the Terminal building can be switched over to the secondary feed to maintain operations; and

WHEREAS, the proposed Fiscal Year 2008 Operating and Maintenance (O&M) budget includes \$90,000 in anticipation of this service coming online in October 2007; and

WHEREAS, total annual costs are anticipated to be approximately \$120,000; and

WHEREAS, National Grid requires a two year contract, estimated at \$240,000, to recover its capital investment to provide this service.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Committee hereby authorizes the President and CEO, or his designee, to negotiate and execute a Contract with National Grid to provide electrical overhead transmission installation equipment and

services to add a secondary electrical feed at T. F. Green Airport for a 24 month period in the amount of \$240,000, subject to Board approval.

The motion was passed unanimously.

(f) Consideration of and Action Upon Approval of a Change Order to Increase the Guaranteed Maximum Price (GMP) Agreement with Skanska USA Building Inc., for the Terminal Security Project at T. F. Green Airport.

Ms. Greenberger gave an overview of the Change Order indicating that the purpose of the increase is to upgrade the existing security control console. Ms. Greenberger explained that this work was not originally included in the GMP because the design and operational concept of the console had yet to be developed. Ms. Greenberger noted that RIAC staff is currently evaluating the cost of this work and HNTB will be performing cost estimating services on the fee provided by Skanska to ensure that all costs are fair and reasonable. The recommendation is that the Committee authorize the President and CEO, or his designee to execute a Change order to increase the GMP with Skanska for the Terminal Security Project to upgrade the existing security control console at T. F. Green Airport, subject to Board approval.

A motion was made by Mr. Sangster and seconded by Mr. Forte to

approve the following resolution:

WHEREAS, the Rhode Island Airport Corporation (RIAC) has entered into a Guaranteed Maximum Price Agreement (GMP) with Skanska USA Building, Inc. (Skanska) to provide construction management at risk services for the Terminal Security Project; and

WHEREAS, the Terminal Security Project is included in the approved RIAC Fiscal Year 2007 Capital Improvement Program (CIP) budget in the amount of \$83.532 million; and

WHEREAS, as part of the Terminal Security Project, a significant amount of incremental cameras, recording devices and new access doors must be tied into the existing security console which has reached its capacity; and

WHEREAS, the costs associated with this additional work is not included in the original \$68,162,700 GMP; and

WHEREAS, since issuing the GMP, RIAC has authorized nine change orders totaling \$1,450,131, bringing the total amount of the GMP to \$69,612,831 before this proposed Change Order; and

WHEREAS, RIAC staff has received a scope and fee from Skanska to provide the upgrade to existing security control console in the amount of \$673,407; and

WHEREAS, HNTB, RIAC's design consultant for this project, will be performing cost estimating services of the fee provided by Skanska to ensure that all costs are fair and reasonable and were provided in good faith; and

WHEREAS, \$673,407 will be reallocated from the project budget contingencies to the GMP to fund this Change Order.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Committee hereby authorizes the President and CEO, or his designee, to execute a Change Order to increase the GMP with Skanska for the Terminal Security Project related to the upgrade of the existing security control console at T. F. Green Airport in an amount not-to-exceed \$673,407, subject to Board approval.

The motion was passed unanimously.

(g) Consideration of and Action Upon Approval of Customer Hangar Exterior Repair Project at North Central Airport.

Mr. Shihadeh gave an overview of this project reporting that it consists of painting the metal roof and siding, furnishing and installing metal siding and removing and disposing of signs on the customer hangar at North Central Airport. The recommendation is

that the Committee authorize the President and CEO, or his designee, to execute a Construction Contract with Tower Construction for the Customer Hangar Exterior Repair Project at North Central Airport, subject to Board approval.

A motion was made by Mr. Sangster and seconded by Mr. Forte to approve the following resolution:

WHEREAS, a competitive bidding process was undertaken according to the Rhode Island Airport Corporation's (RIAC) procurement rules for the Customer Hangar Exterior Repair Project at North Central Airport and three bids were received; and

WHEREAS, the firm of Siegmund and Associates, Inc. (Siegmund), serving as RIAC's design consultant for this project, determined that Tower Construction (Tower) submitted the lowest responsive bid in the amount of \$114,293.78; and

WHEREAS, Siegmund recommends that Tower be awarded the Construction Contract for this project and RIAC staff agrees; and

WHEREAS, the project is included in the proposed Fiscal Year 2008 Capital Improvement Program (CIP) budget in the amount of \$318,000; and

WHEREAS, this contract will be funded with General Purpose Funds.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Committee hereby authorizes the President and CEO, or his designee, to execute a Construction Contract with Tower for the Customer Hangar Exterior Repair Project at North Central Airport in the amount of \$114,293.78, subject to Board approval.

The motion was passed unanimously.

(h) Consideration of and Action Upon Approval of a Construction Contract for the Construction of the Turf Tiedown Apron Project at Block Island Airport.

Mr. Shihadeh gave an overview of this contract reporting that the project will consist of construction of an aircraft turf tiedown apron. There was discussion on the cost for this project and the financing mechanism. The recommendation is that the Committee authorize the President and CEO, or his designee, to execute a Construction Contract with Lynch for the construction of the Turf Tiedown Apron Project at Block Island Airport, subject to receipt of a federal grant offer and Board approval.

A motion was made by Mr. Sangster and seconded by Mr. Forte to approve the following resolution:

WHEREAS, a competitive bidding process was undertaken according to the Rhode Island Airport Corporation's (RIAC) procurement rules for the construction of Turf Tiedown Apron Project at Block Island Airport and one bid was received from J H Lynch & Sons, Inc. (Lynch); and

WHEREAS, the bid amount of \$997,061 exceeded the available budget for this project; and

WHEREAS, RIAC entered into contract negotiations with Lynch and were able to reduce the construction costs to \$841,791; and

WHEREAS, JEK recommends that Lynch be awarded the Construction Contract for this project and RIAC staff concurs; and

WHEREAS, the project is included in the proposed Fiscal Year 2008 Capital Improvement Program (CIP) budget in the amount of \$1,141,731; and

WHEREAS, this contract will be funded 95% (\$799,700) through the Federal Aviation Administration (FAA) under AIP No. 3-44-0001-13-2007 with the 5% (\$42,090) matching share through the General Purpose Fund.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Committee hereby authorizes the President and CEO, or his designee, to execute a Construction Contract with J H Lynch & Sons, Inc. for the construction of the Turf Tiedown Apron at Block Island Airport in the amount of \$841,791, subject to receipt of a federal grant offer and Board approval.

The motion was passed unanimously.

7. Future Meetings:

The next Operations and Capital Committee Meeting is scheduled for Wednesday, July 18, 2007 at 3:00 p.m., in the Conference Room, 2220 South County Trail, East Greenwich, Rhode Island.

8. Adjournment:

Mr. Sangster moved to adjourn at approximately 12:48 p.m. Mr. Forte seconded the motion. The motion was carried by acclamation.

Respectfully submitted,

James Forte, Chairman

Rhode Island Airport Corporation

Operations and Capital Committee

**ATTENDANCE SHEET
RHODE ISLAND AIRPORT CORPORATION
OPERATIONS AND CAPITAL COMMITTEE MEETING
JUNE 20, 2007**

NAME AFFILIATION

Doug Dansereau RIAC

Bruce Wilde RIAC

Joe DaSilva RIAC

Ahmed Shihadeh RIAC

Vince Scarano RIAC

Steve Tibbetts Landmark Aviation

Robert Goff NEP

Bill Herendeen Churchill and Banks

Chris Howley Republic Parking