

MINUTES OF MEETING

RHODE ISLAND AIRPORT CORPORATION

OPERATIONS AND CAPITAL COMMITTEE

WEDNESDAY, SEPTEMBER 19, 2007

2:00 P.M.

IN THE MARY BRENNAN BOARD ROOM,

T. F. GREEN AIRPORT

2000 POST ROAD, WARWICK, RHODE ISLAND

The meeting of the Rhode Island Airport Corporation (“Corporation”) Operations and Capital Committee was called to order by Chairman, James Forte, at 2:00 p.m., in the Mary Brennan Board Room at T. F. Green Airport, 2000 Post Road, Warwick, Rhode Island, in accordance with the notice duly posted pursuant to the Open Meetings Law.

COMMITTEE MEMBERS PRESENT: James Forte; Robert Sangster.

COMMITTEE MEMBER ABSENT: Michael Traficante; Don Pillsbury (Ex-Officio Member).

BOARD MEMBERS PRESENT: Kathleen Hittner, M.D., Russell Hahn.

ALSO PRESENT: Mark P. Brewer, A.A.E., President and CEO; 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. Sangster moved that the minutes of the Operations and Capital Committee Meeting of August 15, 2007 be approved. Mr. Forte seconded the motion. The motion was passed unanimously.

2. Report from Chair, Operations and Capital Committee:

There was no report.

3. Operations and Maintenance Report:

There was no report.

4. General Aviation Report:

Mr. Tibbetts gave an overview of the GA monthly Operations Report, noting that the positive fuel trend continues. Mr. Tibbetts also gave a brief construction update.

5. Discussion Item:

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

Ms. Pope gave an update on the project. Discussion focused on the timeline for completion of the project and the procedures being followed for the clearing of the wetland areas. There was also discussion on the disposition of the cleared materials.

6. Action Items:

(a) Consideration of and Action Upon Approval to Amend the Acquire Off-Airport Easements Project Scope at Westerly Airport AND Consideration of and Action Upon Approval of a Consultant Task Order to Acquire Property Located in the Runway Protection Zone at Westerly Airport.

Ms. Pope gave an overview of the project. The recommendation is that the Committee authorize the President and CEO, or his designee, to amend the current project scope for the Acquire Off-Airport Easements project at Westerly Airport to include the acquisition of 8 Links Passage which is located in the Runway Protection Zone and to execute a Task Order with O R Colan for acquisition and relocation services associated with the acquisition of said property, subject to Board approval.

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

WHEREAS, in May 2001, RIAC purchased an aviation easement over 8 Links Passage which is located in the Runway Protection Zone (RPZ) at Westerly Airport; and

WHEREAS, a condition in the Easement Agreement states, “Grantee shall not remove any trees or other landscaping without first obtaining Grantor’s approval of a plan for replacement landscaping...”: and

WHEREAS, RIAC has submitted several landscaping plans to the

Property owner, all of which have been declined; and

WHEREAS, based on this impasse and the eligibility of this project, RIAC staff recommends that the Property be acquired utilizing funds from the Acquire Off-Airport Easements project at Westerly Airport; and

WHEREAS, the FAA has confirmed that the Property's obstructions are located within the RPZ and the property is eligible for acquisition under the Uniform Relocation Act; and

WHEREAS, this project is included in the proposed Fiscal Year 2008 Capital Improvement Program (CIP) budget in the amount of \$1,179,207; and

WHEREAS, the FAA has approved the use of funds under AIP No. 3-44-0005-15-2005 to reimburse 95% of the costs associated with this acquisition.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Committee hereby authorizes the President and CEO, or his designee, to amend the current scope of the Acquire Off-Airport Easements Project at Westerly Airport to include the acquisition of 8 Links Passage which is located in the Runway Protection Zone, subject to Board approval.

WHEREAS, the Rhode Island Airport Corporation (RIAC) entered into a Professional Services Agreement (PSA) with O R Colan Associates of FL, LLC (O R Colan) to provide on-call land acquisition and relocation services for noise mitigation and aviation easement acquisition for obstruction removal; and

WHEREAS, RIAC has obtained all the easements possible under the Acquire Off-Airport Easements Project and is utilizing the remaining funds under this project to acquire 8 Links Passage which is located in the Runway Protection Zone (RPZ) at Westerly Airport; and

WHEREAS, RIAC has received a scope and fee from O R Colan to provide acquisition and relocation services associated with this parcel in the amount of \$57,128; and

WHEREAS, remaining funds in the Acquire Off-Airport Easements Project at Westerly Airport will be utilized to purchase this parcel; and

WHEREAS, this project is included in the proposed Fiscal Year 2008 Capital Improvement Program (CIP) budget in the amount of \$1,179,207; and

WHEREAS, this Task Order will be funded 95% (\$54,272) through the Federal Aviation Administration (FAA) under AIP No. 3-44-0005-15-2005 with RIAC's 5% (\$2,856) matching share funded

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 Task Order with O R Colan of FL, LLC for acquisition and relocation services associated with 8 Links Passage for Westerly Airport in the amount of \$57,128, subject to Board approval

The motion was passed unanimously.

(b) Consideration of and Action Upon Approval to Enter into a Contract for with UNICCO Integrated Facilities Services to Provide Janitorial Services at T. F. Green Airport.

Mr. DaSilva gave an overview of the contract, and Mr. Schattle explained the financing mechanism for this project which is based on historical utilization trends. The recommendation is that the Committee authorize the President and CEO, or his designee, to negotiate and execute a Contract with UNICCO Integrated Facilities Services to provide Janitorial Services at T. F. Green Airport for a one-year contract with two one-year extensions, 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, the approved Fiscal Year 2008 Operating and Maintenance (O&M) budget includes \$1,060,000 for Janitorial Services; and

WHEREAS, the unfavorable variance for the months of November 2007 through June 2008 will result in an unbudgeted expense of approximately \$240,000 for fiscal year 2008; and

WHEREAS, in June 2007, RIAC issued a Request for Proposals (RFP) for Janitorial Services for the facilities at T. F. Green Airport; and

WHEREAS, timely responses were received from the following seven firms: ABM Janitorial Services (ABM), AM/PM Cleaning Corporation, Hurley of America, Inc., Olympus Building Services, Inc., One Source Facility Services, Inc. (One Source), Triangle Services, Inc, and UNICCO Integrated Facilities Services (UNICCO); and

WHEREAS, RIAC formed a Selection Committee (Committee) comprised of: Joe DaSilva, AVP Building Maintenance; Dave Cloutier, AVP Commercial Programs; Keith Holmänder, Manager of Building

Maintenance; Beth Tetreault, Procurement Specialist and John Davis of Delta Airlines; and

WHEREAS, the Committee individually reviewed and ranked the seven submissions and short listed ABM, One Source and UNICCO; and

WHEREAS, the short listed firms were interviewed by the Committee on August 8, 2007; and

WHEREAS, the Committee individually scored the candidates based on the selection criteria identified in the RFP and selected UNICCO as the best candidate to provide Janitorial Services for facilities at T. F. Green Airport; and

WHEREAS, the initial term of the contract will be for one year starting November 1, 2007, the term may be extended for up to two additional one-year terms at the sole discretion of RIAC; and

WHEREAS, the total fee for the term of the contract is expected to be \$1,421,902 in year one, \$1,478,778 in the first option year, and \$1,537,929 in the second option year for a total contract value of \$4,438,609 over three years.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Committee authorize the President and CEO, or his designee, to negotiate and execute a Contract with UNICCO Integrated Facilities Services to provide Janitorial Services at T. F. Green Airport for a one-year contract with two one-year extensions in an amount not-to-exceed \$4,438,610 through Fiscal Year 2010, subject to Board approval.

The motion was passed unanimously.

(c) Consideration of and Action Upon Approval to Enter into an Airport Baggage Handling System Resident Operations and Maintenance Agreement at T. F. Green Airport.

Mr. DaSilva gave an overview of the agreement. Discussion focused on the budget for this service. The recommendation is that the Committee authorize the President and CEO, or his designee, to enter into an Airport Baggage Handling System Resident Operations and Maintenance Program Agreement with an initial term of three years with one additional two year option with Lin Facility Services, LLC, with a management fee not-to-exceed \$744,791 and all direct operating costs charged to RIAC, 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, it has been determined that there is a need for Baggage Handling System (BHS) Operations and Maintenance Services for the New Outbound Passenger In-Line Explosive Detection System (EDS) Baggage Handling System at T. F. Green Airport; and

WHEREAS, the approved Fiscal Year 2008 Operating and Maintenance (O&M) budget includes \$1,395,980 for a partial year of these services; and

WHEREAS, the Board of Directors approved the selection of Linc Facility Services, LLC (Linc) to provide BHS Operations and Maintenance services for the New Outbound Passenger In-Line Explosive Detection System (EDS) Baggage Handling System at T. F. Green Airport at the May 2007 Board meeting; and

WHEREAS, RIAC staff have conducted negotiations with Linc on an Airport Baggage Handling System Resident Operations and Maintenance Program Agreement (Agreement); and

WHEREAS, the initial term of the Agreement is for three years with one additional two-year option; and

WHEREAS, the management fee for the full term including option

years is not-to-exceed \$744,791; and

WHEREAS, Linc will charge all necessary and direct expenses to operate and maintain the BHS and the management fee 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 enter into an Airport Baggage Handling System Resident Operations and Maintenance Program Agreement with an initial term of three years and one additional two year option with Linc Facility Services, LLC with a management fee not-to-exceed \$744,791 and all direct operating costs charged to RIAC, subject to Board approval.

The motion was passed unanimously.

(d) Consideration of and Action Upon Approval of a Contract Award for Natural Gas Supplies and Inclusion in the State of Rhode Island Natural Gas Purchase Pool Associated with T. F. Green Airport.

Mr. DaSilva gave an overview of the contract. Mr. Schattle briefed the Board on the procedures for pricing of supplies under this contract. The recommendation is that the Committee authorize the President and CEO, or his designee, to execute a contract with Hess Corp under the State of Rhode Island's Master Price Agreement # 233 for the

purchase and transmission of natural gas through October 31, 2009 with four additional twelve month option terms, and to join the State of Rhode Island's natural gas purchasing pool to leverage combined demand requirements and lock in future pricing from time to time as deemed economically beneficial.

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, it has been determined that there is a need for natural gas for heating purposes; and

WHEREAS, the approved Fiscal Year 2008 Operating and Maintenance (O&M) budget includes \$550,000 for the purchase and transmission of this commodity; and

WHEREAS, the use of Cooperative Contracts is allowed under Section 2.2.2.5 of RIAC's Procurement Rules including the use of Master Price Agreements (MPA); and

WHEREAS, under MPA #233, the State of Rhode Island (the State) awarded a contract for the purchase and transmission of natural gas

to Hess Corp (Hess) for an initial term of three years commencing November 1, 2006, with options for four additional twelve month terms; and

WHEREAS, RIAC will contract with Hess for the final two years of the initial term of the contract which will expire on October 31, 2009; and

WHEREAS, RIAC will “pool” its demand requirements with the State and its subdivisions and lock in its future pricing from time to time as it is deemed to be economically beneficial.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Committee hereby authorizes the President and CEO, or his designee, to:

- 1. Execute a contract with Hess Corp under the State of Rhode Island’s Master Price Agreement #233 for the purchase and transmission of natural gas through October 31, 2009, with four additional twelve month option terms; and**
- 2. Join the State of Rhode Island’s natural gas purchasing pool to leverage combined demand requirements and lock in future pricing from time to time to as it is deemed to be economically beneficial.**

The motion was passed unanimously.

(e) Consideration of and Action Upon Approval to Enter into a Contract to Provide Landscape Services at T. F. Green Airport.

Mr. Edwards gave an overview of the contract. The recommendation is that the Committee authorize the President and CEO, or his designee, to negotiate and execute a Professional Services Agreement with Central Nurseries, Inc., to provide landscape services at T. F. Green Airport for an initial fifteen month period with two one-year options at RIAC's sole discretion, 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, the approved Fiscal Year 2008 Operating and Maintenance (O&M) budget includes \$51,800 for landscape services which includes the fall cleanup, spring cleanup and other landscape services through June 2008; and

WHEREAS, in June 2007, RIAC issued a Request for Proposals (RFP) for landscape services for the facilities at T. F. Green Airport; and

WHEREAS, timely responses were received from the following three firms: Central Nurseries, Inc. (Central), Shalvey Bros Landscape, Inc., and Oak Hill Farm, LLC; and

WHEREAS, RIAC formed a Selection Committee (Committee) comprised of: Dave Edwards, AVP Operations and Maintenance; Guy DeCristofaro, Manager of Airfield Maintenance and Beth Tetreault, Procurement Specialist; and

WHEREAS, the Committee individually scored the candidates based on the selection criteria identified in the RFP and selected Central as the best candidate to provide landscape services for facilities at T. F. Green Airport; and

WHEREAS, the initial term of the Professional Services Agreement will be a fifteen month period commencing October, 1 2007, to include the initial transition, fall cleanup and other landscape services through December 31, 2008; and

WHEREAS, the term may be extended for up to two additional one-year terms, at the sole discretion of RIAC; and

WHEREAS, the fee for these services is not-to-exceed \$62,160 for the initial fifteen month term, \$52,224 for the first option year and \$54,840 for the second option year resulting in a total contract value

not-to-exceed \$169,224 over three years.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Committee authorizes the President and CEO, or his designee, to negotiate and execute a Professional Services Agreement with Central Nurseries, Inc. to provide landscape services at T. F. Green Airport for an initial fifteen month period with two one-year options, at RIAC's sole discretion, in an amount not-to-exceed \$169,224 through December 2010, 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.

Mr. Mini gave an overview of the Change Order. 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 make necessary construction modifications and improvements to accommodate the Intermodal Project, 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 2008 Capital Improvement Program (CIP) budget in the amount of \$83.532 million; and

WHEREAS, modifications to the footings and utilities on the South side apron area to accommodate the vertical circulation core for access to the Intermodal Facility Skywalk would best occur as part of this project; and

WHEREAS, this work has a direct benefit to the Intermodal Project; and

WHEREAS, since issuing the GMP, RIAC has authorized 23 change orders totaling \$2,350,645, bringing the total amount of the GMP to \$70,513,345 before this proposed Change Order; and

WHEREAS, RIAC approved a Construction Change Directive (CCD) on November 8, 2006, in the amount of \$40,000, while final

negotiations were taking place for this work; and

WHEREAS, the total negotiated cost associated with this work is \$120,839; and

WHEREAS, this additional work will be reimbursed with funds from the Intermodal Project budget.

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 to make necessary construction modifications and improvements to accommodate the Intermodal Project in an amount of \$120,839, subject to Board approval.

The motion was passed unanimously.

(g) Consideration of and Action Upon Approval of a Construction Contract for the North Ramp Catch Basin Improvements Project at T. F. Green Airport.

Mr. Shihadeh gave an overview of the contract. The recommendation is that the Committee authorize the President and CEO, or his designee, to execute a Construction Contract with J H Lynch & Sons,

Inc., for the North Ramp Catch Basin Improvements Project 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, the North Ramp Catch Basin Repairs project is included in the approved Fiscal Year 2008 Capital Improvement Program (CIP) budget in the amount of \$1.5 million; and

WHEREAS, a competitive bidding process was undertaken according to RIAC's procurement rules for the North Ramp Catch Basin Repairs Project at T. F. Green Airport; and

WHEREAS, on August 22, 2007, bids were received from J H Lynch & Sons, Inc. (Lynch) in the amount of \$503,250, D'Ambra Construction in the amount of \$540,000 and Cardi Corporation in the amount of \$586,950; and

WHEREAS, the firm of Fuss & O'Neill, Inc. (F&O), serving as RIAC's design consultant for this project, determined that Lynch submitted the lowest responsive bid; and

WHEREAS, F&O recommends that Lynch be awarded the construction contract for this project and RIAC staff concurs; and

WHEREAS, this contract will initially be funded through the General Purpose Fund with reimbursement from the proposed Fiscal Year 2008 bond issuance; and

WHEREAS, RIAC and the Rhode Island Economic Development Corporation have passed inducement resolutions in April 2007, pursuant to Treasury Regulation § 1.150-2, to allow for the reimbursement of certain expenditures, such as this project, prior to the issuance of the proposed Fiscal Year 2008 bond.

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 North Ramp Catch Basin Improvements Project at T. F. Green Airport in the amount of \$503,250, subject to Board approval.

The motion was passed unanimously.

7. Executive Session:

(a) Investment of Public Funds Where Premature Disclosure Would

be Detrimental to the Public Interest (Contract Negotiations re: Dooney Aviation, Northstar and the Intermodal Project) – R.I.G.L. § 42-46-5(a)(7).

At approximately 2:30 p.m., a motion was made by Mr. Sangster and seconded by Mr. Forte to go into Executive Session. By the following roll call vote the motion was passed unanimously:

YEAS: James Forte

Robert D. Sangster

NAYS: None

ABSTAIN: None

At approximately 2:58 p.m., a motion was made by Mr. Sangster and seconded by Mr. Forte to reconvene to the Open Session. The motion was passed unanimously.

A motion was made by Mr. Sangster and seconded by Mr. Forte to seal the minutes of the Executive Session in accordance with R.I.G.L. § 42-46-4. By the following roll call vote, the motion was passed unanimously.

YEAS: James Forte

Robert D. Sangster

NAYS: None

ABSTAIN: None

It was noted for the record that Mr. Hahn is not a member of the Operations and Capital Committee and was present at the meeting as an observer only, and was not involved in deliberations or voting on agenda items.

8. Future Meetings:

The next Operations and Capital Committee Meeting is scheduled for Wednesday, October 31, 2007 at 2:00 p.m., in the Mary Brennan Board Room, T. F. Green Airport, 2000 Post Road, Warwick, Rhode Island.

9. Adjournment:

Mr. Sangster moved to adjourn at approximately 2:59 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
SEPTEMBER 19, 2007**

NAME AFFILIATION

Doug Dansereau RIAC

Patti Goldstein RIAC

Bruce Wilde RIAC

Brenda Pope RIAC

Jason Doyle RIAC

Joe DaSilva RIAC

Dave Edwards RIAC

Ahmed Shihadeh RIAC

Michael Mini RIAC

Rebecca Pazienza RIAC

Steve Tibbetts Landmark Aviation

Bob Hannon PB America

Nat King Tylin/Gilbane

Michael Zarum Citizen

Robert Goff New England Parking

The minutes of the Executive Session of the Operations and Capital Committee Meeting of September 19, 2007 have been sealed in accordance with R.I.G.L. § 42-46-4.