

REGULAR MEETING OF THE BOARD OF COMMISSIONERS, MEMPHIS-SHELBY COUNTY AIRPORT AUTHORITY (MSCAA) September 17, 2020

CALL TO ORDER

Board Meeting provided via ZOOM Webcast to Airport Authority Staff and the Public.

APPROVAL OF BOARD MEETING MINUTES *August 20, 2020*

Resolution for Approval This Month

Approval of Amendment –Extension of Janitorial Contract with SKB Facilities & Maintenance, Inc.

Approval of Amendment No. 11 – Lease & Concessions Agreement with Paradies-Memphis LLC

Approval of Amendment No. 4 – Temporary Lease & Concessions Agreement with KC Eatery LLC

Approval of Amendment No. 12 - Lease & Concessions Agreement with HMSHost/Anton Airfood, Inc.

Approval of Lease Agreements – Multifunction Devices (Copiers) with Canon Solutions America

Approval of Lease Agreement – Property at 3130 Tchulahoma Road – Federal Express Corporation

Approval of Agreement – Reconstruction of Taxiway Sierra Property– Federal Express Corporation

Approval of Award of Contract – Ancillary Furniture Procurement & Installation – Space Continuum LLC

Approval of Amendment – Contract Extension for Security Guard Services – AlliedBarton Security Services LLC

Division Reports

TREASURER and PROPERTIES REPORTS

Forrest Artz, Vice President of Finance and Administration/CFO

OPERATIONS REPORT

Terry Blue, Vice President of Operations

INFORMATION ITEMS

NEXT BOARD MEETING – ***October 15, 2020***

RESOLUTION

WHEREAS, by Resolution #18-4826, dated March 15, 2018, the Board of Commissioners of the Memphis-Shelby County Airport Authority ("Airport Authority") approved award of a contract to SKB Facilities & Maintenance, Inc. ("SKB"), for Janitorial Services; and,

WHEREAS, pursuant to Contract Number 18-0117 ("Contract"), the Airport Authority entered into contract with SKB on May 1, 2018, for a one-year contract and the option to renew for two (2) additional periods of one (1) year each, which would have had a contract end date on April 30, 2021; and,

WHEREAS, the Contract stated that at the sole option of the Authority, the Contract may be extended beyond the two Renewal Terms on a month to month basis, and the Contract shall be amended to reflect any negotiated and agreed upon Compensation for such a contract extension; and,

WHEREAS, estimated costs under the current year of the contract are \$1,759,900.00; and,

WHEREAS, SKB is a local, certified DBE company and is self-performing 100% of the contract; and,

WHEREAS, Due to the anticipated opening of the modernized B Concourse in late spring or early summer of 2021, Airport Authority Management desires to extend the SKB contract for an additional twelve (12) months; and,

WHEREAS, due to the anticipated changes in passenger concourses and an unknown transition plan, estimated costs for the additional twelve (12) month period are unknown and will be negotiated; and,

WHEREAS, Airport Authority Management recommends approval;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Memphis-Shelby County Airport Authority, that the President and CEO or his designee is hereby authorized to negotiate and execute an amendment with SKB Facilities & Maintenance, Inc., in accordance with this Resolution, with cost to be paid from the Airport Authority's annual operating funds or any other funds as identified by the CFO.

09-17-20

RESOLUTION

WHEREAS, the Memphis-Shelby County Airport Authority ("Airport Authority") Board of Commissioners, Resolution No. 04-4265 adopted February 2, 2004, approved the execution of a Lease and Concession Agreement ("Concessions Agreement") with Paradies-Memphis LLC ("Paradies"); and,

WHEREAS, the Authority and Paradies entered into a Lease and Concession Agreement effective April 15, 2004, for the development and operation of retail concessions at the Memphis International Airport ("Airport"); and,

WHEREAS, the Lease and Concession Agreement was amended by a First Amendment effective June 15, 2011; a Second Amendment effective February 20, 2013; a Third Amendment effective May 28, 2013; a Fourth Amendment effective September 23, 2013; a Fifth Amendment effective April 29, 2015; a Sixth Amendment effective July 27, 2015; a Seventh Amendment effective September 18, 2015; an Eighth Amendment effective April 22, 2016; a Ninth Amendment effective September 12, 2016; and a Tenth Amendment effective July 25, 2017, all of which are collectively referred to herein as the Concessions Agreement; and,

WHEREAS, the Concessions Agreement detailed above was scheduled to terminate on September 30, 2020; and,

WHEREAS, the Authority is in the process of the reconstruction and expansion of the Concourse B at the Airport, as part of the "MEM Modernization Project", which is intended to result in closure of Concourses A and C and the consolidation of all Concessionaire operations in Concourse B; and,

WHEREAS, Paradies operating at the Airport has relocated retail operations to Concourses A and C during the construction of the MEM Modernization Project, which is expected to be completed in early 2021; and,

WHEREAS, upon completion of the MEM Modernization Project, Paradies intends to relocate their retail operations to new leased premises located in Concourse B, pursuant to the terms and conditions of a new agreement between the Parties; and,

WHEREAS, the Airport Authority and Paradies have agreed that the terms, conditions and benefits of the Agreement will continue and remain in effect, until the Date of Beneficial Occupancy (“DBO”) of the MEM Modernization Project, when Concessionaire intends to relocate retail operations to Concourse B; and,

WHEREAS, it is in the best interest of the Authority to extend the Concessions Agreement; and,

WHEREAS, Airport Authority Management recommends approval;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Memphis-Shelby County Airport Authority, that the President and CEO of or his designee is hereby authorized to execute the Eleventh Amendment to the Lease and Concessions Agreement with Paradies-Memphis LLC as referenced herein.

09-17-20

RESOLUTION

WHEREAS, In September 2014, the Memphis-Shelby County Airport Authority (“Authority”) Board of Commissioners authorized the President & CEO to enter into a 3-year Temporary Lease and Concession Agreement with KC Eatery, LLC, (“an ACDBE Concessionaire”), for the Development and Operation of Food and Beverage Concessions at the Memphis International Airport (“Airport”); and,

WHEREAS, KC Eatery is a local, certified 100% ACDBE company; and,

WHEREAS, the Authority and Concessionaire thereafter amended the Temporary Lease and Concession Agreement pursuant to a First Amendment dated November 30, 2015, a second Amendment dated January 10, 2017 and a Third Amendment dated February 6, 2017, collectively referred to herein as the “Agreement”; and,

WHEREAS, the Parties previously entered into the Agreement, which was scheduled to terminate on September 30, 2020; and,

WHEREAS, the Authority is in the process of the reconstruction and expansion of the Concourse B at the Airport (the “MEM Modernization Project”), and it is intended to result in closure of Concourses A and C and the consolidation of all Concessionaire operations in Concourse B; and,

WHEREAS, the Concessionaire operating at the Airport has conducted food and beverage retail operations in Concourse A during the construction of the MEM Modernization Project, which is expected to be completed in early 2021; and,

WHEREAS, the Agreement will otherwise remain in full force and effect for the operation of the restaurant operated under the Agreement with KC Eatery, LLC; and,

WHEREAS, in accordance with the Agreement with KC Eatery, LLC, the Authority recommends that the primary lease term be extended until the Date of Beneficial Occupancy (“DBO”) of the Concourse B, MEM Modernization Project; and,

WHEREAS, it is in the best interest of the Authority to extend the Concessions Agreement; and,

WHEREAS, Airport Authority Management recommends approval;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Memphis-Shelby County Airport Authority, that the President and CEO or his designee is hereby authorized to enter into an Amendment to the Temporary Lease and Concession Agreement with KC Eatery, LLC for the purpose of modifying the Agreement as stated herein.

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09-17-20

RESOLUTION

WHEREAS, the Memphis-Shelby County Airport Authority ("Airport Authority") Board of Commissioners, Resolution No. 04-4265 adopted February 2, 2004, approved the execution of a Lease and Concession Agreement ("Concessions Agreement") with HMSHost/Anton Airfood Inc. ("HMSHost/Anton"); and,

WHEREAS, the Authority and HMSHost/Anton entered into a Lease and Concession Agreement effective April 15, 2004, for the development and operation of food and beverage concessions at the Memphis International Airport ("Airport"); and,

WHEREAS, the Lease and Concession Agreement was amended by a First Amendment effective April 1, 2005; a Second Amendment effective May 1, 2007; a Third Amendment effective May 24, 2010; a Fourth Amendment effective March 19, 2012; a Fifth Amendment effective June 3, 2013; a Sixth Amendment effective March 14, 2014; a Seventh Amendment effective May 18, 2015; an Eighth Amendment effective May 28, 2015; a Ninth Amendment effective September 12, 2016; a Tenth Amendment effective January 10, 2017; and an Eleventh Amendment effective August 7, 2017; all of which are collectively referred to herein as the Concessions Agreement; and,

WHEREAS, the Concessions Agreement detailed above was scheduled to terminate on September 30, 2020; and,

WHEREAS, the Authority is in the process of the reconstruction and expansion of the Concourse B at the Airport, as part of the "MEM Modernization

Project”, which is intended to result in closure of Concourses A and C and the consolidation of all Concessionaire operations in Concourse B; and,

WHEREAS, HMSHost/Anton operating at the Airport has relocated retail operations to Concourses A and C during the construction of the MEM Modernization Project, which is expected to be completed in early 2021; and,

WHEREAS, upon completion of the MEM Modernization Project, HMSHost/Anton intends to relocate their retail operations to new leased premises located in Concourse B, pursuant to the terms and conditions of a new agreement between the Parties; and,

WHEREAS, the Airport Authority and HMSHost/Anton have agreed that the terms, conditions and benefits of the Agreement will continue and remain in effect, until the Date of Beneficial Occupancy (“DBO”) of the MEM Modernization Project, when Concessionaire intends to relocate retail operations to Concourse B; and,

WHEREAS, it is in the best interest of the Authority to extend the Concessions Agreement; and,

WHEREAS, Airport Authority Management recommends approval;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Memphis-Shelby County Airport Authority, that the President and CEO of or his designee is hereby authorized to execute the Twelfth Amendment to the Lease and Concessions Agreement with HMSHost/Anton Airfood Inc., as referenced herein.

09-17-20

RESOLUTION

WHEREAS, the Memphis-Shelby County Airport Authority ("Airport Authority") is authorized by the public purchasing provisions of state law to participate in the cooperative purchasing of supplies and/or services and, as an exception to the bidding requirements, such authority is set forth in Policy 801(7)(a) of the Airport Authority's Policy Manual; and,

WHEREAS, the State of Tennessee ("State") competitively selected Canon Solutions America ("Canon") to offer purchases and leases of multifunction devices ("MFDs," formerly known to the State as "copiers"), supplies, and services under Statewide Contract ("SWC") Number 400; and,

WHEREAS, the Airport Authority desires to enter into five-year leases with Canon for MFDs, supplies, and services to support various Airport Authority departments; and,

WHEREAS, the annual cost of all leases for all departments is expected to be less than \$30,000.00, but actual, final costs are dependent upon device selection and the number of prints and/or copies; and,

WHEREAS, six (6) existing MFD leases have expired and are ready for immediate replacement, three (3) MFD leases will expire later in FY2021, and another five (5) MFD leases will expire in FY2022; and,

WHEREAS, contingent upon Board approval of operating budgets in future fiscal years, Airport Authority Management is requesting approval to enter into five-year leases with staggered start dates for the fourteen (14) MFDs described above

and is requesting approval to enter into additional five-year leases for new MFDs that could be beneficial to the Authority between now and the end of FY2022; and,

WHEREAS, cooperative purchasing agencies can change service providers and, should such a service provider change occur during the term of the cooperative purchasing contract described herein, Airport Authority Management requests authorization to likewise change service providers to remain compliant with the cooperative purchasing contract offered by the agency referenced herein; and,

WHEREAS, Airport Authority Management recommends approval;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Memphis-Shelby County Airport Authority, that the President and CEO or his designee is hereby authorized to execute leases with Canon Solutions America as herein described, cost to be paid from the Airport Authority's Operating Funds or a funding source identified by the CFO.

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09-17-20

RESOLUTION

WHEREAS, the Memphis-Shelby County Airport Authority ("Authority") owns and operates certain real property located at 3130 Tchulahoma Road in Memphis, TN ("Property"); and,

WHEREAS, Federal Express Corporation ("FedEx") currently leases a portion of the Property and desires to lease from the Authority approximately 20,073 square feet of additional space within the Property for a two (2) year period ("Term"); and,

WHEREAS, the Term will commence upon execution of the Lease Agreement; and,

WHEREAS, the parties have agreed the Authority will complete certain improvements to the Property; at the Authority's sole cost and expense; and,

WHEREAS, the parties have agreed, and the Authority has authorized FedEx to make certain other improvements to the Property at sole cost and expense of FedEx; and,

WHEREAS, the base annual rent will be \$55,200.75 for the duration of the Term; and,

WHEREAS, Airport Authority Management recommends approval;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Memphis-Shelby County Airport Authority, that the President and CEO is hereby authorized to enter into a Lease Agreement with FedEx as referenced herein.

09-17-20

RESOLUTION

WHEREAS, the Memphis-Shelby County Airport Authority ("Authority") owns and operates certain real property located at 2491 Winchester Road Memphis, TN ("Airport"); and,

WHEREAS, the Authority has the right to set the terms upon which others occupy, utilize, or otherwise benefit from the Airport property and facilities located thereon; and,

WHEREAS, the Authority has determined that a portion of Taxiway Sierra north of Taxiway Victor requires reconstruction; and,

WHEREAS, Federal Express Corporation ("FedEx") and the Authority have previously executed a Composite Lease Agreement which encompasses FedEx leasing approximately two-thirds of Taxiway Sierra; and,

WHEREAS, the Authority and Federal Express Corporation ("FedEx") desire to execute an Agreement authorizing the reconstruction of certain property leased by FedEx and certain non-leased areas of Taxiway Sierra ("Project Area") owned by the Authority; and,

WHEREAS, subject to the Authority's Development Department approval of design and construction costs, the parties have agreed that FedEx will complete certain improvements to the Project Area; and,

WHEREAS, under the agreement, the Authority will reimburse FedEx for the approved non-leased portion of the Project Area reconstruction costs in an amount not to exceed two million dollars (\$2,000,000) upon the completion and acceptance of the Project Area improvements; and,

WHEREAS, FedEx has indicated that this project is integral to their overall cargo hub redevelopment plan and is time sensitive; and,

WHEREAS, Airport Authority Management recommends approval;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Memphis-Shelby County Airport Authority, that the President and CEO is hereby authorized to enter into an Agreement with FedEx as referenced herein with reimbursement costs to be paid from the Airport Authority's Capital Project funds or any other funds as identified by the CFO.

09-17-20

RESOLUTION

WHEREAS, pursuant to public advertisement, bids for ancillary furniture for the Memphis-Shelby County Airport Authority ("Airport Authority") were received as follows:

**REQUEST FOR BIDS
ANCILLARY FURNITURE
FOR MEMPHIS-SHELBY COUNTY AIRPORT AUTHORITY
Received July 14, 2020**

Bidder	Total Price Concourse Furnishings	Total Price Concourse Furniture with Alternates #1 & #2	Total Price Military Lounge Furniture	Total Price St. Jude Lounge Furniture	TOTAL BID FURNITURE PRICE
APG Office Furniture*	\$923,489.84	\$962,233.11	\$22,115.65	\$48,561.03	\$1,032,909.79
Brano Design LLC*#	\$946,527.49	\$989,837.77	\$27,042.21	\$46,456.98	\$1,063,336.96
Sangiorgio Mobil*#	\$636,911.00	\$660,534.00	\$14,224.00	\$34,936.00	\$709,694.00
Space Continuum LLC*	\$903,633.43	\$941,563.46	\$22,639.92	\$46,835.81	\$1,011,039.19
Spaces Group LLC	\$954,667.85	\$994,757.87	\$22,811.12	\$51,669.95	\$1,069,235.94

* Out of town firm

Non-responsive due to substitutions. Substitutions were not allowed per the RFB.

and,

WHEREAS, the scope of services includes, but is not necessarily limited to, procurement and installation of ancillary furniture, such as lounge chairs, ottomans, sofas, side tables, stools, and benches; and,

WHEREAS, the Airport Authority specified 'open line' furniture to encourage fair and open competition amongst furniture details; and,

WHEREAS, Alternate #1 consists of plug-in and wireless charging capabilities for 27 individual, 60" x 12" side tables and Alternate #2 consists of plug-in and wireless charging capabilities for 32 individual, 30" x 12" side tables; and,

WHEREAS, in the furtherance of its Disadvantage Business Enterprise (DBE) Program, the Airport Authority established a DBE goal of 7% for the full term of this contract; and,

WHEREAS, the bids were evaluated according to established criteria; and,

WHEREAS, Spaces Group LLC is a local bidder and under the local preference policy, their bid was decreased by five percent to \$1,015,774.14 for comparative purposes; and,

WHEREAS, Space Continuum LLC was the lowest and most responsive bidder; and,

WHEREAS, Space Continuum is a non-local certified DBE company whose bid does not indicate intent to include local firms; and,

WHEREAS, Airport Authority Management recommends that a contingency budget of \$50,551.96 (5%) be established for this project, resulting in an estimated total project value of \$1,061,591.15; and,

WHEREAS, Airport Authority Management recommends award of the contract including Alternates #1 and #2 to Space Continuum LLC;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Memphis-Shelby County Airport Authority, that the President and CEO or his designee is hereby authorized to award the contract to Space Continuum LLC as herein described, with costs to be paid from the Airport Authority's Capital Project funds or any other funds as identified by the CFO.

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09-17-20

RESOLUTION

WHEREAS, by Resolution #15-4728, dated October 15, 2015, the Board of Commissioners of the Memphis-Shelby County Airport Authority ("Airport Authority") approved award of a contract to AlliedBarton Security Services LLC ("AlliedBarton") for Security Guard Services; and,

WHEREAS, AlliedBarton changed their name to Allied Universal Security Services ("Allied") during the contract period, and the parties agree to reflect the change of the business name; and,

WHEREAS, pursuant to Contract Number 16-0105, the Airport Authority entered into contract with Allied on November 10, 2015, for a one-year contract and the option to renew for four (4) additional periods of one (1) year each, which would have had a contract end date of November 30, 2020; and,

WHEREAS, Contract Number 16-0105 stated that at the sole option of the Authority, the Contract may be extended beyond the four Renewal Terms, and the Contract Amendment shall be amended to reflect any negotiated and agreed upon Compensation for such a contract extension; and,

WHEREAS, pursuant to Airport Authority policy, Statements of Qualifications for Security Guard Services for the Airport Authority were received on June 16, 2020, were evaluated accordingly to established criteria, and the top three firms were subsequently ranked; and,

WHEREAS, a Resolution was presented to the Board of Commissioners to request approval of the ranking and to authorize Airport Authority Management to negotiate and execute a contract with the top ranked firm; and,

WHEREAS, due to unanticipated challenges and objections, Airport Authority Management believed it to be in the best interests of the Airport Authority to reject all Statements of Qualifications, to cancel the Request for Qualifications process, and to negotiate an extension with Allied; and,

WHEREAS, Airport Authority Management believes it is in the best interests of the Airport Authority to exercise its contractual option and extend the Allied contract for an additional one (1) year for a sixth year term and to create an option for an additional one (1) year extension at the conclusion of the sixth year; and,

WHEREAS, Airport Authority Management and Allied negotiated compensation terms and agree upon annual, hourly rate increases of 2%, which are consistent with prior renewals; and,

WHEREAS, Allied has agreed to increase their Disadvantaged Business Enterprise attainment to 49%, which is over and above the contract goal of 44%;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Memphis-Shelby County Airport Authority, that the President and CEO or his designee is hereby authorized to execute an amendment with Allied Universal Security Services in accordance with this Resolution, with cost to be paid from the Airport Authority's annual operating funds or any other funds as identified by the CFO.

09-17-20