

REGULAR MEETING OF THE BOARD OF COMMISSIONERS, MEMPHIS-SHELBY COUNTY AIRPORT AUTHORITY (MSCAA) October 20, 2022

CALL TO ORDER

The Board Meeting is conducted in person to the Board of Commissioners and Airport Authority Executive Staff and via ZOOM Webcast to the Public.

APPROVAL OF BOARD MEETING MINUTES: ***September 15, 2022***

Resolutions for Approval This Month

Approval of Year One Budget Increase – Construction Quality Control and Testing Service - Professional Services Industries, Inc

Approval of Amendment No. 1 - DeWitt Spain Airport Apron Rehab – DESIGN -Powers Hill Design, LLC

Approval of Amendment No. 16 – FedEx Composite Lease Agreement

Approval of Purchase Agreement – Computer Equipment Replacement – Authorized Reseller

Approval of Contract - Obstruction Clearing - South of MEM Airfield – CONSTRUCTION - Eutaw Construction Company, Inc.

Approval of Contract – Terminal Modernization and Seismic Program – Construction Manager at Risk (CMAR) Services - Turner Construction Company, Inc./Ardmore Roderick, Inc./Chris Woods Construction Company (Tri-Venture)

Division Reports

TREASURER and PROPERTIES REPORTS

Sylvester Lavender, Vice President of Finance and Administration/CFO

OPERATIONS REPORT

Terry Blue, Executive Vice President of Operations

INFORMATION ITEMS

NEXT BOARD MEETING – ***November 17, 2022***

Memphis-Shelby County Airport Authority
Treasurer's Report

For the Three Months Ended September 30, 2022

SUMMARY	Current Period Actual	Current Period Budget	Variance	% Variance	YTD Actual	YTD Budget	YTD Variance	YTD % Variance	Annual Budget
Revenues	11,337,631	10,515,166	822,465	7.8%	34,534,172	32,492,073	2,042,099	6.3%	133,385,000
Expenses	9,478,114	9,684,915	(206,801)	(2.1%)	29,157,029	29,989,597	(832,568)	(2.8%)	133,385,000
Net Revenues	1,859,518	830,251	1,029,267		5,377,143	2,502,476	2,874,667		0
SUMMARY BY COST CENTER									
Revenues									
Terminal	1,751,055	1,700,246	50,809	3.0%	5,313,022	5,272,043	40,979	0.8%	20,934,800
Ground Transportation	3,135,717	2,286,930	848,787	37.1%	9,829,599	7,470,210	2,359,389	31.6%	30,902,800
Airfield	4,296,029	4,481,560	(185,531)	(4.1%)	13,017,499	13,618,350	(600,851)	(4.4%)	56,772,600
Other Aviation	344,851	323,810	21,041	6.5%	1,054,888	958,050	96,838	10.1%	3,830,600
Non-Aviation	121,742	107,980	13,762	12.7%	390,597	329,500	61,097	18.5%	1,537,800
Other Sources	236,637	163,040	73,597	45.1%	573,767	489,120	84,647	17.3%	1,986,400
Operating Revenues	9,886,031	9,063,566	822,465	9.1%	30,179,372	28,137,273	2,042,099	7.3%	115,965,000
Allocated Surplus	250,000	250,000		0.0%	750,000	750,000		82.8%	3,000,000
CRRSSA	1,201,600	1,201,600		0.0%	3,604,800	3,604,800		0.0%	14,420,000
Total Revenues	11,337,631	10,515,166	822,465	7.8%	34,534,172	32,492,073	2,042,099	6.3%	133,385,000
Expenses									
Terminal	1,076,144	1,088,570	(12,426)	(1.1%)	3,603,921	3,406,920	197,001	5.8%	14,057,670
Ground Transportation	394,421	442,518	(48,097)	(10.9%)	1,263,785	1,352,924	(89,139)	(6.6%)	5,351,200
Airfield	1,427,766	1,408,961	18,805	1.3%	4,644,707	4,626,437	18,270	0.4%	18,243,652
Field Shop	189,010	150,950	38,060	25.2%	546,086	479,180	66,906	14.0%	1,986,190
General Admin	1,575,818	1,592,645	(16,827)	(1.1%)	4,583,511	4,958,045	(374,534)	(7.6%)	22,564,662
Operation & Public Safety	801,240	932,530	(131,290)	(14.1%)	2,483,545	2,968,810	(485,265)	(16.3%)	12,505,826
Other & Non Aviation	104,073	159,100	(55,027)	(34.6%)	310,534	476,340	(165,806)	(34.8%)	1,967,700
Bond Principal Int. & Coverage	3,905,650	3,905,650		0.0%	11,716,950	11,716,950		0.0%	46,867,700
Capital Disbursements	3,991	3,991		0.0%	3,991	3,991		0.0%	9,840,400
Total Expenses	9,478,114	9,684,915	(206,801)	(2.1%)	29,157,029	29,989,597	(832,568)	(2.8%)	133,385,000
Revenues Over/(Under) Expenses	1,859,518	830,251	1,029,267		5,377,143	2,502,476	2,874,667		0

RESOLUTION

WHEREAS, by Resolution 21-5008, adopted November 18, 2021, the Board of Commissioners (“Board”) of the Memphis-Shelby County Airport Authority (“Airport Authority”) authorized the execution of a three-year base and two optional year contract with Professional Services Industries, Inc. to provide on-site construction quality control and testing services on an as-needed basis in support of the Airport Authority’s Capital Improvement Program for the project described as:

**CONSTRUCTION QUALITY CONTROL AND TESTING SERVICES
Memphis International Airport
MSCAA PROJECT NO. 21-1451-00**

WHEREAS, Contract No. 21-1451-00 was executed effective January 28, 2022 (“Contract”) and established a scope of services with commensurate unit billing rates and an estimated budget for the first contract year of \$550,000; and,

WHEREAS, the number of projects and the estimated progress of projects was greater than estimated and thus testing demand was higher than anticipated in Year One; and,

WHEREAS, as stated above, the original Estimated Year One Budget of \$550,000 will not be sufficient to support ongoing construction projects. The Year One budget needs to be increased by \$250,000 to a new budget of \$800,000; and,

WHEREAS, approved project budgets are sufficient (and included a full testing program) to cover the increase in year one; and,

WHEREAS, due to the lack of subcontracting opportunities, the Airport Authority was unable to establish a Disadvantaged Business Enterprise (DBE) goal for this Contract; and,

WHEREAS, the Airport Authority’s Capital Program Executive Staff, by action taken on September 22, 2022, recommends approval to increase the budget for the first

contract year of Contract No. 21-1451-00;

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 operate within the estimated new budget for the first contract year for Contract No. 21-1451-00 with Professional Services Industries, Inc., as herein described, cost to be paid from various funding sources as approved for each project associated with the required testing or any other funds as identified by the CFO.

10-20-22

RESOLUTION

WHEREAS, by Resolution No. 21-4974, adopted February 18, 2021, approval was granted by the Memphis-Shelby County Airport Authority ("Airport Authority") Board of Commissioners to award a contract for professional engineering design and creation of complete construction documents for DeWitt Spain Airport Apron Rehabilitation for the project described as:

DeWitt Spain Airport Apron Rehabilitation - DESIGN MSCAA PROJECT NO. 20-1440-00

WHEREAS, the Airport Authority's Capital Program Executive Staff, by action taken on February 18, 2021, approved the award of Contract No. 20-1440-00 with Powers Hill Design, LLC, which was executed and dated April 13, 2021 ("Contract") in the amount of \$68,460.00; and,

WHEREAS, Phase 1 of the Contract consists of performing a pavement evaluation study with recommendations; and,

WHEREAS, it is now the Airport Authority Management's desire to implement Contract Amendment No. 1 for Phase 2, the subsequent design for the existing apron pavement at the General DeWitt Spain Airport; and,

WHEREAS, Contract Amendment No. 1 adds in the final design for aprons APME-001 and APME-002; and,

WHEREAS, work efforts include, but not limited to, airside civil engineering design, airside pavement design, cost estimating, preparation of construction drawings, bidding assistance, construction support services, and other efforts as required; and,

WHEREAS, all design and construction drawings will be in compliance with federal regulations; and,

WHEREAS, Airport Authority Staff has negotiated Contract Amendment No. 1 in

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the amount of One Hundred Ninety-Nine Thousand and Sixty Dollars (\$199,060.00) for Phase 2 of the project; and,

WHEREAS, Airport Authority Management proposes to amend the Contract as follows:

Original Contract Amount	\$ 68,460.00
Amendment No. 1	\$ 199,060.00
TOTAL AMENDED CONTRACT AMOUNT	\$ 267,520.00

WHEREAS, the Airport Authority Management's Capital Program Executive Staff, by action taken on October 13, 2022, recommends approval of Contract Amendment No. 1; and,

WHEREAS, in furtherance of its Disadvantaged Business Enterprise (DBE) Program, the Airport Authority established a DBE goal of 30% for the full term of this contract; and,

WHEREAS, management recommends approval of Contract Amendment No. 1; 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 Amendment No. 1 to Contract No. 20-1440-00 with Powers Hill Design, LLC, as herein described, cost to be paid from Capital Outlay and State Grant Funds fund.

10-20-22

RESOLUTION

WHEREAS, the Memphis-Shelby County Airport Authority (“Airport Authority”) Board of Commissioners, by Resolution No. 06-4386 adopted December 19, 2006, approved the execution of the Composite Lease Agreement with Federal Express Corporation (“FedEx”) effective January 1, 2007, which has a term of thirty (30) years with two (2) ten-year renewal options to be exercised at the Airport Authority’s sole discretion; and,

WHEREAS, the Composite Lease Agreement was modified by a First Amendment effective September 1, 2008; Second Amendment effective June 1, 2009; Third Amendment effective July 1, 2009; Fourth Amendment effective December 15, 2011; Fifth Amendment effective January 1, 2013; Sixth Amendment effective July 1, 2014; Seventh Amendment effective April 1, 2016; Eighth Amendment effective April 1, 2017; Ninth Amendment effective September 1, 2017; Tenth Amendment effective May 1, 2018; Eleventh Amendment effective January 1, 2019; Twelfth Amendment effective October 1, 2019; Thirteenth Amendment effective July 26, 2021; Fourteenth Amendment effective February 1, 2022; and a Fifteenth Amendment effective May 19, 2022, all of which are collectively referred to herein as the “Composite Lease Agreement”; and,

WHEREAS, the parties wish to amend the Composite Lease Agreement via a Sixteenth Amendment to add the demised premises comprised of more or less 25,071 square feet of building space, 49,615 square feet of improved ground, and 13,724 square feet of shared parking, located at 4490 Louis Carruthers Drive, Memphis, TN 38116, identified as the Consolidated Deicing Facility (“CDF”); and,

WHEREAS, the annual rent for the portion of the CDF included within this Amendment will be determined by and calculated from final project construction cost,

which is currently projected to be approximately \$564,105 annually, effective on the Date of Beneficial Occupancy (“DBO”), expected on or around November 1, 2022; 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 the Sixteenth Amendment to the Composite Lease Agreement with FedEx as referenced herein.

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10-20-22

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 as an exception to its bidding requirements as set forth in Policy 801(7)(a) of the Airport Authority's Policy Manual; and,

WHEREAS, a vendor that provides computer equipment ("Authorized Reseller") has been identified under the State of Tennessee's participating addendum to the National Association of State Procurement Officials ValuePoint contract #AR3227 ("the Contract"); and,

WHEREAS, by Resolution #18-4834, adopted May 17, 2018, the Airport Authority's Board of Commissioners approved a State-enabled exception to the Tennessee Open Records Act, which authorizes the Airport Authority to maintain the confidentiality of its vendors who provide goods and services used to protect certain electronic, communication, and data storage systems; and,

WHEREAS, in order to utilize the Contract, the Airport Authority has executed an agreement that acknowledges the applicable confidentiality exception to the Tennessee Open Records Act; and,

WHEREAS, the Airport Authority has an operational need to replace obsolete network switches which have reached end-of-life and are ineligible for support and upgrades; and,

WHEREAS, the Authorized Reseller proposes to furnish new switches, related equipment, usage licensing, hardware maintenance, and software support at a price of \$249,743.41; and,

WHEREAS, Airport Authority Management recommends approval;

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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 purchase the computer equipment from the Authorized Reseller, as herein described, cost to be paid from the Airport Authority's Operating Funds or a funding source identified by the CFO.

10-20-22

RESOLUTION

WHEREAS, pursuant to public advertisement, bids were received as follows:

REQUEST FOR BIDS
Obstruction Clearing - South of MEM Airfield – Construction
MSCAA PROJECT NO. 19-1426-01
MEMPHIS INTERNATIONAL AIRPORT
Received September 8, 2022

BIDDER	BID AMOUNT
Eutaw Construction Company, Inc.*#	\$ 4,247,947.64

**out-of-town*

#only bid received

and,

WHEREAS, the Bid includes professional site clearing and selective tree topping within the 344-acre wooded upland and stream/wetland protected areas at Memphis International Airport; and,

WHEREAS, the scope of work consists of general contracting services to coordinate the two phases of this project; and,

WHEREAS, Phase I includes the removal of trees, including stumps and roots, within 289 acres of upland wooded area, as well as regrading and stabilization of ground surfaces. Harvested trees will be hauled offsite, as well as burned onsite using Air Curtain Destruction technology. TDEC Stormwater Construction Permit Regulations are required to be followed throughout Phase I of the project; and,

WHEREAS, Phase II includes the falling and topping of trees within 55 acres of forested wetlands and streams buffer areas. All work in Phase II must be completed by hand utilizing chain saws, and no site machinery will be allowed in these areas; and,

WHEREAS, extensive erosion and sediment controls will be installed and

maintained to ensure boundaries between both phases are clear throughout the project;
and,

WHEREAS, the Bid was evaluated according to established criteria; and,

WHEREAS, Eutaw Construction Company, Inc.'s bid was deemed to be within
budget and responsive; and,

WHEREAS, the Airport Authority Management's Capital Program Executive Staff
recommended award of the Bid in the total amount of \$4,247,947.64 to Eutaw
Construction Company, Inc. and an Initial Contingency Amount (ICA) in the amount of
\$424,794.76 (10%) for the project, which, in accordance with Airport Authority Policy
701, requires approval of the President and CEO and the Board; and,

WHEREAS, in furtherance of its Disadvantaged Business Enterprise (DBE)
Program, the Airport Authority established a DBE goal of 10% for the full term of this
contract; and,

WHEREAS, Eutaw Construction Company, Inc. is a non-local prime contractor
using (1) non-local certified DBE subcontractor totaling 13.51% of the project, which will
total \$574,000.00 on this contract; and,

WHEREAS, Airport Authority Management recommends the approval of a
contract with Eutaw Construction Company, Inc;

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 a contract with Eutaw Construction Company, Inc. as
herein described, cost to be paid from Capital Outlay and future Federal Grant Funds.

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10-20-22

RESOLUTION

**TERMINAL MODERNIZATION AND SEISMIC PROGRAM
CONSTRUCTION MANAGER AT RISK (CMAR) SERVICES**

MSCAA PROJECT NO. 22-1459-01

Received September 27, 2022

STATEMENTS OF QUALIFICATIONS RECEIVED FROM

Flintco, LLC*

Turner Construction Company, Inc.**/Ardmore Roderick, Inc.#/Chris Woods Construction Company* (Tri-Venture)

Yates Construction**/AECOM Hunt#/Grinder Haizlip* (Tri-Venture)

**local*

#out of town

*** out of town with large local office*

and,

WHEREAS, pursuant to public advertisement, Statements of Qualifications were received on September 27, 2022 to provide preconstruction services in support of MSCAA's Capital Improvement Program; and,

WHEREAS, the Memphis-Shelby County Airport Authority ("Airport Authority") intends to contract with the selected firm for the pre-construction services in support of the Terminal Modernization and Seismic Program (TMSP); and,

WHEREAS, the scope of services consists of providing preconstruction services with the intent of forming a Guaranteed Maximum Price (GMP) for construction following the transition from preconstruction services to assume the risk of delivering the project. The Construction Manager at Risk (CMAR) will be responsible for construction means and methods utilizing specifications developed by the project design team and will be required to solicit bids from prequalified subcontractors to perform the work using an approved subcontractor selection process. The CMAR may also compete to self-

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perform work. The Airport Authority does not guarantee a set amount of work, scope, or contract value for these services; and,

WHEREAS, the Statement of Qualifications of all firms were evaluated by the Selection Committee according to established criteria, and after review, the three firms were interviewed and ranked in the following order:

1. Turner Construction Company, Inc./Ardmore Roderick, Inc./Chris Woods Construction Company (Tri-Venture)
2. Yates Construction/AECOM Hunt/Grinder Haizlip (Tri-Venture)
3. Flintco, LLC

and,

WHEREAS, Turner Construction Company, Inc./Ardmore Roderick, Inc./Chris Woods Construction Company (Tri-Venture) was selected as the most qualified firm to provide the requested preconstruction (and construction) services; and,

WHEREAS, in furtherance of its Disadvantaged Business Enterprise (DBE) Program, the Airport Authority established a DBE goal of 0% for the preconstruction services phase of this contract and will establish a DBE goal for each construction phase of this contract based on the scope of the project anticipated; and,

WHEREAS, the following fees have been negotiated for the preconstruction services:

TOTAL Contract Amount	\$3,000,000.00
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and,

WHEREAS, Airport Authority's Capital Program Executive Staff, by action taken on October 13, 2022, recommends approval of the negotiated fees for services to be performed by the contractor; and,

WHEREAS, Airport Authority's Capital Program Executive Staff, recommends an Initial Contingency (ICA) in the amount of \$300,000.00 (10%) for the project, which, in

accordance with Policy 701, requires approval of the President and CEO and the Board;
and,

WHEREAS, 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 a contract with Turner Construction Company, Inc./Ardmore Roderick, Inc./Chris Woods Construction Company (Tri-Venture) as herein described, cost to be paid from available federal, state, and local funds.

10-20-22