



Michael J. Landguth, A.A.E.
President & CEO

RALEIGH - DURHAM AIRPORT AUTHORITY

1000 Trade Drive • P O Box 80001 • RDU Airport, NC 27623

tel: (919) 840-7700 • fax: (919) 840-0175 • www.rdu.com

RALEIGH-DURHAM AIRPORT AUTHORITY BOARD MEETING MINUTES APRIL 18, 2019

Chair Kane presided. Present: Hannah, Kushner, Morgan, Saidi, Teer, and Thompson. Staff present included: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CFO Sylver, Senior Vice President and CRO Freedman, Vice President and Chief HR Officer Umphrey, Vice Presidents Connell, Feldman, and Legan, General Counsel Locklear, Executive Assistant Rivera, and other staff members and other guests.

I. APPROVAL OF AGENDA

Motion by Hannah to approve the agenda; Second by Thompson

ADOPTED BY UNANIMOUS VOTE

II. APPROVAL OF MINUTES

Motion by Hannah to approve the minutes of the March 21, 2019 meeting of the Raleigh-Durham Airport Authority Board, including consent actions and the committee minutes incorporated therein and the minutes of the March 14, 2019 special meeting of the Raleigh-Durham Airport Authority Board; Second by Kushner

ADOPTED BY UNANIMOUS VOTE

III. ELECTION OF OFFICERS

Motion by Teer as nominator to elect the following officers; Second by Thompson:

John Kane – Chair

Patrick Hannah – Vice Chair

Sepideh Saidi – Secretary

Robert Teer – Treasurer

ADOPTED BY UNANIMOUS VOTE

IV. CHAIR COMMENTS

1. Chair Kane welcomed everyone.
2. Service awards for employment milestones were given. New hires were introduced and welcomed. Promotions were announced and congratulated. Brian Goodwin was recognized for his upcoming retirement and thanked for his years of service.
3. Chair Kane gave details regarding the new Proterra electric buses which will be deployed soon at RDU.

V. OLD BUSINESS

1. Land and Development Committee Report – Teer reported the Land and Development Committee met on April 18, 2019 and discussed the following items:

Raleigh - Durham Airport Authority Board Members

John M. Kane, Chairman
Wake County

Patrick Hannah, Esq., Vice-Chairman
Durham County

Robert D. Teer, Jr., Treasurer
City of Durham

Dickie Thompson
City of Raleigh

David Morgan
Durham County

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a. Airport Security Improvements

[Confidential sensitive security information presentation in closed session pursuant to NCGS §143-318(a)(1) and 49 CFR parts 15 and 1520.]

Presentation to Committee in closed session for informative purposes only. Related matter considered on Consent Agenda during open session.

b. Presentation Regarding Business Opportunity Seminar

Presentation to Committee for informative purposes only. No Board action required.

c. Consideration of Amendment No. 4 to Task Order 13 with Apple Designs, Inc. for Sign Rehabilitation

Committee recommends approval of Amendment 4 to Task Order 13 with Apple Designs, Inc., in the amount of \$281,581.32 and authorization for the President and CEO to execute the amendment.

Motion by Teer to adopt Committee's recommendation; Second by Thompson

ADOPTED BY UNANIMOUS VOTE

d. Consideration of an Amendment with Balfour Beatty Construction for Terminal 1 Airline Operations Space Buildout Bid Package #3

Committee recommends approval of the Construction Phase Amendment with Balfour Beatty Construction, and authorization for the President and CEO to execute the amendment.

Motion by Teer to adopt Committee's recommendation; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

e. Presentation Regarding Marshall Retail Group LLC's Proposed Triangle Market at RDU

Presentation to Committee for informative purposes only. No Board action required.

2. Finance Committee Report – Hannah reported the Finance Committee met on April 18, 2019 and discussed the following items:

a. Consideration of Capital Budget Ordinance Amendment #1 to Increase Funding for Terminal 1 Airline Operations Space Buildout

Committee recommends approval of Capital Budget Ordinance Amendment #1 for a funding increase of \$2,500,000 for Capital Project 311020, "Terminal 1 Airline Operations Space Buildout".

Motion by Saidi to adopt Committee's recommendation; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

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b. Consideration of Capital Budget Ordinance Amendment #2 for Reinstatement of Expanded Park Economy 3 in FY19-20 Budget

Committee recommends approval of Capital Budget Ordinance Amendment #2 for an adjustment to include in FY19/20 the previously approved project 080799- Expanded Park Economy 3 for \$75,918,000.

Motion by Kushner to adopt Committee's recommendation; Second by Saidi

ADOPTED BY UNANIMOUS VOTE

c. Consideration of Master Services Agreements with Three Financial Advisory Services Firms

Committee recommends approval for staff to negotiate a Master Services Agreement with each of the financial advisory firms of Frasca & Associates, LLC, Ernst and Young Infrastructure Advisors, LLC, and PFM Financial Advisors, LLC and authorization for the President and CEO to execute these Master Services Agreements.

Motion by Hannah to adopt Committee's recommendation; Second by Thompson

ADOPTED BY UNANIMOUS VOTE

3. Law and Personnel Committee Report – Hannah reported the Law and Personnel Committee met on April 18, 2019 and discussed the following item:

a. Consideration of a Service Agreement with the Institute of Lifestyle and Weight Management for Authority's Wellness Program

Committee recommends approval of a three year Service Agreement with the Institute of Lifestyle and Weight Management, Inc. with the authorization of the President and CEO to execute the agreement.

Motion by Thompson to adopt Committee's recommendation; Second by Kushner

ADOPTED BY UNANIMOUS VOTE

VI. NEW BUSINESS

1. Consent Agenda:

- a. Consideration of Master Services Agreement with Indigo Media, LLC
- b. Consideration of Amendment 1 to Task Order 17 with WK Dickson for Airport Security Improvements
- c. Consideration of an Addendum to the Agreement with Payeezy
- d. Consideration of Amendment 9 with Schindler Elevator Corporation
- e. Consideration of Lease Agreement with Airline Tech Reps LLC
- f. Consideration of Terminal Support Space Lease Agreement with Host International, Inc.
- g. Consideration of Amendment 1 to the Terminal Support Space Lease Agreement with Hudson Group Retail, LLC
- h. Consideration of Terminal Concession Lease with 24-Hour Flower, Inc.
- i. Consideration of an Agreement with CoreCentive, Inc. for Employee Service Awards Program Services

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Motion by Thompson to approve and adopt the Consent Agenda items a-i listed; Second by Morgan
ADOPTED BY UNANIMOUS VOTE

VII. GENERAL COUNSEL'S REPORT

No items were reported.

VIII. MEMBER COMMENTS

Board members congratulated Kane as Chair and expressed appreciation for the Board officers. Service awardees, new hires, promotions, and retirees were congratulated. Staff was commended on board presentations and for the work that they do at RDU, and wished a good Easter. Morgan shared details from the ACI conference and new processes implemented at other airports to improve the passenger experience and to be better acquainted with airport customers' needs. Continued support for the USO was encouraged.

IX. PRESIDENT AND CEO'S REPORT

Welcome

Good afternoon Board Members, Team RDU, business partners, and guests who have joined us today.

Activity Report

We continue to see encouraging growth in passenger traffic. March was another record-setting month. Last month, RDU enplaned more than 553,000 passengers. This is a 7.7 percent increase over March of last year. With that level of growth, and schools entering spring break, many travelers are getting a preview this week of the challenges associated with peak travel season, which begins in May. We strongly encourage travelers to come to the airport at least two hours prior to your flight. Be sure to leave enough time for parking, for checking in to your flight, clearing through security and finding your gate. We also encourage you to consider expediting your travel day by applying for TSA Precheck at Terminal 2 or online.

Fitch Rating

Fitch Ratings announced in March it has affirmed the Authority's AA- rating on \$554 million in airport revenue bonds with a stable rating outlook.

There were four key drivers that Fitch cited in their report:

- The first was RDU's large origin & destination (O&D) demand which is supported by the service area's strong economic growth, and the airport's strong carrier diversification.
- Second, the Authority's ongoing management of its cost structure results in a competitive airline cost per enplanement.
- Third, RDU's five-year capital improvement plan (CIP) is manageable with an emphasis on runway improvements and asset maintenance on existing infrastructure.

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- Finally, RDU's Strong Debt structure continues to receive a positive rating from Fitch for the following reasons:
 - The Authority maintains a conservative debt portfolio which is 89% fixed rate interest.
 - The Authority maintains a separate debt service reserve fund and maintains a minimum \$50M unrestricted cash reserve.

We're pleased that Fitch has recognized our strong financial position and responsible asset management. Credit goes to the entire RDU team for their prudent financial management efforts.

Certificate of Achievement for Excellence in Financial Reporting

Just a few weeks ago, the Authority earned a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association. GFOA represents bodies of government from the U.S. and Canada. This certificate represents their highest form of recognition for award-winning accounting and financial reporting. Donna Sylver's finance team deserves recognition for this accomplishment. Fantastic work to the Finance division.

ParkRDU Improvements

We are extremely excited to debut several new ParkRDU services very soon. On May 1, we will open ParkRDU Express, our new trunk-to-terminal parking product. Express will be located at the former Lot 2. For just \$12 a day, customers who park at Express can expect shuttle pickup at their vehicle within five minutes.

Also beginning May 1, RDU customers will be able to use our new online booking tool to reserve parking at any of our lots. Using online booking guarantees the lowest rate, so we want to encourage travelers to visit ParkRDU.com and check it out starting on May 1.

As you can tell – we have a lot happening in parking. Ultimately, this means RDU can deliver the right product, to the right customer, at the right price, at the right time.

Employee of the Year

I had the privilege of unveiling our Employee of the Year at a Town Hall event last week. I would like to share her story with you all, as well. This person knows what it means to serve: she is a loyal Authority employee, with more than 20 years of service. She is relentlessly positive and optimistic, and defines quality customer service at RDU day in and day out. She lives our RDU core values every day. Let me share one story about this individual.

Last year, a carrier had some diversions into RDU. A flight from Mexico City with 150 passengers was diverted to RDU due to weather in Charlotte. Around 7 p.m. this individual was ready to leave for the day, but was stopped by Customs & Border Protection seeking assistance processing the flight. The 150 passengers on board spoke limited English. She took the time to talk to almost every passenger during the re-entry process in Spanish. After they were all processed, the carrier had to rebook the passengers from the International Flight to a domestic flight. She assisted all 150

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R A L E I G H - D U R H A M A I R P O R T A U T H O R I T Y

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passengers at the ticket counter, and then assisted with food vouchers. Eventually all 150 passengers were rebooked. She finally made it out after 1 a.m.

It is evident... this individual has a servant's heart, and every time she assists a customer, we can rest assured that RDU is represented with warmth, compassion and grace. I'm pleased to announce that our Employee of the Year is Carmen Watson.

Congratulations, Carmen. We are proud to award you RDU Employee of the Year!

X. A D J O U R N M E N T

Motion by Hannah to adjourn; Second by Saidi

ADOPTED BY UNANIMOUS VOTE

R a l e i g h - D u r h a m A i r p o r t A u t h o r i t y B o a r d M e m b e r s

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Wake County

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RALEIGH-DURHAM AIRPORT AUTHORITY 2019-2020 CAPITAL PROJECT ORDINANCE AMENDMENT #1

BE IT ORDAINED by the Raleigh-Durham Airport Authority, that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following capital project ordinance is hereby adopted:

Section 1. The following amount is appropriated for the projects:

\$ 1,217,069,094

Section 2. The following funds are anticipated to be available for the projects; total project amount will be funded through net revenues or appropriate financing:

Transfer Cash from Operating \$ 1,196,420,273

Total Grant Funds \$ 20,648,821

Section 3. The projects authorized are as follows and funded by Raleigh-Durham Airport Authority funds on hand in operations:

New 19/20 Projects

	Original ¹	Change 04/18/19	Amended
311050 T1 4-Gate Expansion	\$ 115,450,000		\$ 115,450,000
311060 T2 and AOC PCF Room UPS System Replacement	650,000		650,000
311070 T2 and CEP Siemens BMS System Hardware Upgrade	565,000		565,000
311080 T2 Lutron Lighting Control System Hardware Upgrade	220,000		220,000
621000 Cameras for Parking and Additional Storage to Record	102,600		102,600
881260 Maintenance Facility HVAC Replacement and Upgrade	450,000		450,000
881270 Spill Prevention Control and Countermeasure Items	250,000		250,000
881280 Water and Sewer Improvements	500,000		500,000
881290 FY19-20 Replacement Vehicles & Equipment	6,087,494		6,087,494
881300 Desigo CC Upgrade	150,000		150,000
881310 Computer Replacement for Jet A and Glycol Racks	395,000		395,000
881320 Snow Removal Equipment Storage Facility	1,100,000		1,100,000
881360 AOC/EOC Planning and Design	1,250,000		1,250,000
Miscellaneous small projects	361,000		361,000
	\$ 127,531,094	\$ -	\$ 127,531,094

Amended Projects

	Original ¹	Change 04/18/19	Amended
211120 Taxiway B Rehabilitation (North of TW D)	\$ 35,000,000		\$ 35,000,000
211140 Enhanced Security Perimeter Gates (TSA)	3,000,000		3,000,000
070549 Terminal 2 Checkpoint Expansion	3,250,000		3,250,000
080869 FIS Facilities Expansion	69,000,000		69,000,000
311000 AOIS System Replacement - Common Use	1,800,000		1,800,000
311020 Terminal 1 Airline Operations Space Buildout	19,000,000	2,500,000	21,500,000
080789 CONRAC and New Rental Car Storage Lot	500,400,000		500,400,000
010829 Roadway Informational Sign Rehabilitation	11,500,000		11,500,000
881110 Rehab & Energy Improvements for PG 1,2,3 and 4 - Phase 2	11,600,000		11,600,000
881100 International Drive Rehabilitation	13,500,000		13,500,000
011109 Heritage Displays at Observation Park	1,600,000		1,600,000
011359 Advanced Surveillance Program	2,610,000		2,610,000
881150 FAM Modular Buildings	1,200,000		1,200,000
	\$ 673,460,000	\$ 2,500,000	\$ 675,960,000

Ongoing Projects

	Original ¹	Change 04/18/19	Amended
080739 Rehabilitate Taxiway A	\$ 25,000,000		25,000,000
080769 Rehabilitate Taxiway F	34,000,000		34,000,000
080859 Pavement Surface Sensor Replacement	108,000		108,000
080879 Runway 5L-23R and Taxiway B Replacement	280,000,000		280,000,000
211100 Rehabilitate Runway 14/32	3,750,000		3,750,000
070529 Phased Replacement of PC Air Units at T2	6,920,000		
070539 T2 BHS Lower Level Controls Upgrade	3,480,000		3,480,000
080729 Park Economy 3 Lot Rehabilitation	4,800,000		4,800,000
881240 Parking Business Intelligence Software	200,000		200,000

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080779 Cemetery Road Rebuild	820,000	820,000
080819 John Brantley Boulevard Reconstruction	16,000,000	16,000,000
211110 West RON Apron Rehabilitation	36,000,000	36,000,000
211130 Perimeter Security Improvements (Property Fencing)	2,500,000	2,500,000
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	\$ 413,578,000	\$ - \$ 413,578,000
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	\$ 1,214,569,094	\$ 2,500,000 \$ 1,217,069,094

Section 4. This Capital Project Ordinance includes all amended, new and ongoing projects and replaces all previous capital project ordinances.

Section 5. Subject to approval and acceptance of bids by the Raleigh-Durham Airport Authority, the appropriate officers of the Raleigh-Durham Airport Authority are hereby authorized and empowered to enter into contracts and to carry out the necessary work for the completion of the above listed projects within the funds appropriated herein.

Section 6. The Finance Officer is hereby directed to report quarterly on the financial status of the aforesaid projects. The Finance Officer shall also keep the Authority informed at each regular meeting of any unusual occurrences.

This Capital Project Ordinance shall be entered in the minutes of the Raleigh-Durham Airport Authority and within five (5) days after its adoption, copies shall be filed with the Finance Officer, The Budget Officer and the Secretary of the Raleigh-Durham Airport Authority, who, for the purposes of this ordinance, is designated as the Clerk to the Raleigh-Durham Airport Authority as described in G.S. 159-13.2.

Amended this 18th day of April 2019

Notes:

1 Original- budget ordinance adopted March 21st, 2019

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RALEIGH-DURHAM AIRPORT AUTHORITY 2019-2020 CAPITAL PROJECT ORDINANCE AMENDMENT #2

BE IT ORDAINED by the Raleigh-Durham Airport Authority, that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following capital project ordinance is hereby adopted:

Section 1. The following amount is appropriated for the projects:

\$ 1,292,987,094

Section 2. The following funds are anticipated to be available for the projects; total project amount will be funded through net revenues or appropriate financing:

Transfer Cash from Operating \$ 1,272,338,273

Total Grant Funds \$ 20,648,821

Section 3. The projects authorized are as follows and funded by Raleigh-Durham Airport Authority funds on hand in operations:

New 19/20 Projects		Amendment 1 Change 04/18/19	Amendment 2 Change 04/18/19	Amended
	Original ¹			
311050 T1 4-Gate Expansion	\$ 115,450,000			\$ 115,450,000
311060 T2 and AOC PCF Room UPS System Replacement	650,000			650,000
311070 T2 and CEP Siemens BMS System Hardware Upgrade	565,000			565,000
311080 T2 Lutron Lighting Control System Hardware Upgrade	220,000			220,000
621000 Cameras for Parking and Additional Storage to Record	102,600			102,600
881260 Maintenance Facility HVAC Replacement and Upgrade	450,000			450,000
881270 Spill Prevention Control and Countermeasure Items	250,000			250,000
881280 Water and Sewer Improvements	500,000			500,000
881290 FY19-20 Replacement Vehicles & Equipment	6,087,494			6,087,494
881300 Design CC Upgrade	150,000			150,000
881310 Computer Replacement for Jet A and Glycol Racks	395,000			395,000
881320 Snow Removal Equipment Storage Facility	1,100,000			1,100,000
881360 AOC/EOC Planning and Design	1,250,000			1,250,000
Miscellaneous small projects	361,000			361,000
	\$ 127,531,094	\$ -	\$ -	\$ 127,531,094
Amended Projects		Change 04/18/19	Change 04/18/19	Amended
	Original ¹			
211120 Taxiway B Rehabilitation (North of TW D)	\$ 35,000,000			\$ 35,000,000
211140 Enhanced Security Perimeter Gates (TSA)	3,000,000			3,000,000
070549 Terminal 2 Checkpoint Expansion	3,250,000			3,250,000
080889 FIS Facilities Expansion	69,000,000			69,000,000
311000 AOIS System Replacement - Common Use	1,800,000			1,800,000
311020 Terminal 1 Airline Operations Space Buildout	19,000,000	2,500,000		21,500,000
080789 CONRAC and New Rental Car Storage Lot	500,400,000			500,400,000
010829 Roadway Informational Sign Rehabilitation	11,500,000			11,500,000
881110 Rehab & Energy Improvements for PG 1,2,3 and 4 - Phase 2	11,600,000			11,600,000
881100 International Drive Rehabilitation	13,500,000			13,500,000
011109 Heritage Displays at Observation Park	1,600,000			1,600,000
011359 Advanced Surveillance Program	2,610,000			2,610,000
881150 FAM Modular Buildings	1,200,000			1,200,000
	\$ 673,460,000	\$ 2,500,000	\$ -	\$ 675,960,000
Ongoing Projects		Change 04/18/19	Change 04/18/19	Amended
	Original ¹			
080739 Rehabilitate Taxiway A	\$ 25,000,000			\$ 25,000,000
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080859 Pavement Surface Sensor Replacement	108,000			108,000
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080729 Park Economy 3 Lot Rehabilitation	4,800,000			4,800,000
881240 Parking Business Intelligence Software	200,000			200,000
080779 Cemetery Road Rebuild	820,000			820,000
080819 John Brantley Boulevard Reconstruction	16,000,000			16,000,000
211110 West RON Apron Rehabilitation	38,000,000			38,000,000
211130 Perimeter Security Improvements (Property Fencing)	2,500,000			2,500,000
080799 Expanded Park Economy 3	-		75,918,000	75,918,000
	\$ 413,578,000	\$ -	\$ 75,918,000	\$ 489,496,000
	\$ 1,214,569,094	\$ 2,500,000	\$ 75,918,000	\$ 1,292,987,094

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Section 4. This Capital Project Ordinance includes all amended, new and ongoing projects and replaces all previous capital project ordinances.

Section 5. Subject to approval and acceptance of bids by the Raleigh-Durham Airport Authority, the appropriate officers of the Raleigh-Durham Airport Authority are hereby authorized and empowered to enter into contracts and to carry out the necessary work for the completion of the above listed projects within the funds appropriated herein.

Section 6. The Finance Officer is hereby directed to report quarterly on the financial status of the aforesaid projects. The Finance Officer shall also keep the Authority informed at each regular meeting of any unusual occurrences.

This Capital Project Ordinance shall be entered in the minutes of the Raleigh-Durham Airport Authority and within five (5) days after its adoption, copies shall be filed with the Finance Officer, The Budget Officer and the Secretary of the Raleigh-Durham Airport Authority, who, for the purposes of this ordinance, is designated as the Clerk to the Raleigh-Durham Airport Authority as described in G.S. 159-13.2.

Amended this 18th day of April 2019

Notes:

1 Original- budget ordinance adopted March 21st, 2019

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RALEIGH-DURHAM AIRPORT AUTHORITY ACTIONS BY CONSENT APRIL 18, 2019

The Board approved the following items on the Consent Agenda:

a) Consideration of Master Services Agreement with Indigo Media, LLC

Memorandum by David Freedman, Senior Vice President and Chief Revenue Officer and Dan Miller, Vice President of Marketing – Staff, in collaboration with various business partners, is working diligently to promote the Authority’s brand, products and services, including recruiting and promoting the addition of new airlines and destinations at Raleigh-Durham International Airport. To support the Authority’s media-related promotional objectives, staff conducted a Request for Proposals process for media-buying services and Indigo Media, LLC (Indigo), local to the Raleigh area, is the recommended candidate.

Staff requests approval of a one year Master Services Agreement (with a one-year renewal option) with Indigo, for the provision of media buying services needed to support the Authority’s marketing initiatives and media placement needs. The services proposed under this agreement would be completed under the direction of the Authority’s Vice President of Marketing, working closely the appropriate Authority departments. The proposed general services, to be completed between April 21, 2019 and April 21, 2020, would include: Media Research & Planning (e.g., coordination between airlines and the Authority); Media Placement; Campaign Management (e.g., monitoring and adjustments); Campaign Measurement & Reporting; and Vendor Invoice Reconciliation.

There is no current monetary amount associated with this agreement; however, as media services needs arise, the Authority would execute Task Orders under the Master Services Agreement to cover scope, schedule and budget for each individual campaign, as required. The one-year Master Services Agreement will not exceed \$210,000, which includes pass-through media costs and agency fees and funding for this contract is available in the FY 2019-20 Operating Budget.

Indigo is certified as a 100% woman-owned business through the Authority’s Minority and Women-owned Small Business (MWSB) program. MWSB goals for this contract are: 0% MB and 100% WB. Indigo will self-perform all services due to the specific nature of the services and commits to 100% WB participation and the Authority’s Small Business Program Office has reviewed this proposed participation.

Staff requests approval for a one year Master Services Agreement, with a one-year renewal option, with Indigo Media, LLC, and authorization for the President and Chief Executive Officer to execute the agreement.

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b) Consideration of Amendment 1 to Task Order 17 with WK Dickson for Airport Security Improvements

Memorandum by Jim Novak, Director of Facilities Engineering – WK Dickson is an on-call consultant, currently under contract for design services related to vehicular security gate improvements and perimeter security fence enhancements.

Staff requests approval of Amendment 1 to Task Order 17 under the Master Agreement with WK Dickson to provide additional services related to security improvements. The scope of work involves TSA recommended enhancements to specific security gates, and other identified security matters. Improvements would include: replacement of sliding gates with pivot gates; installation of security cameras in select new locations and connection to the airport's Secure Area Access Control System, (including power and communication cable as necessary); and specific additional fencing along the airport property boundary. Under the proposed amendment, WK Dickson would perform design efforts for fence and gate relocations/replacements; new pivot gates and equipment layout; contractor staging areas; project phasing constraints; clearing for new fence where necessary; improved signage; and all matters regarding ongoing airport operations. Construction Administration would include attendance at preconstruction and construction meetings; conducting site visits; review of requests for information and proposed change orders; performance of final inspections; drafting and updating punchlists; preparing record drawings, and assisting with project close-out.

The compensation to WK Dickson for basic services will be at hourly rates not-to-exceed \$390,000 with reimbursable direct costs expenses up to fixed ceiling amount of \$10,000, for total maximum compensation under Amendment 1 of \$400,000.

The Consultant's Master Agreement Minority and Women-owned Small Business (MWSB) goals are 10% Minority-owned Small Business (MB) and 5% Women-owned Small Business (WB). Under this Amendment, the consultant commits participation of 27% for MB and 4.75% for WB, utilizing subconsultants Waller Surveying, Walls Engineering, Inc., and Connico, Inc. The Authority's Small Business Program Office concurs with the proposed participation.

Staff requests approval of Amendment 1 to Task Order 17 with WK Dickson, in the amount of \$400,000, and authorization for the President and CEO to execute the amendment.

c) Consideration of an Addendum to the Agreement with Payeezy

Memorandum by Jeffrey A Slayton, Director of Parking, Ground Transportation and Commercial Management – Staff requests approval of an addendum to the agreement with Payeezy to add the TransArmor Token product. Payeezy provides gateway services connecting First Data credit charging to NuPark, the Authority's employee parking permit solution. The NuPark software manages employee parkers, charges the credit cards for non-based employees, invoices tenants for RDU-based employees and directly charges credit cards for AVI permitted ground transportation operators. To enable the storage and charging of credit

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cards on file, the TransArmor Token product is required. The additional cost, based on number of transactions processed monthly, will range between \$7 and \$14.50 per month.

The TransArmor Token product is only required for credit cards “on file” or stored and charged later. This functionality is necessary to automatically charge a stored credit card for parking fees for non-based commuter parkers and for trip fees for transportation operators on a bi-monthly basis. Tokenization removes the sensitive cardholder information from the merchant by replacing the personal account number (PAN) with a random token value. This minimizes risk by reducing the scope of PCI compliance, shifts the burden of protecting credit card information to First Data and allows the token to be used by NuPark.

The TransArmor Tokenization transaction cost is \$0.01 per stored credit card transaction. The addendum would be an addition to the current agreement with Payeezy and may be terminated with 30-day notice. Total estimated fees paid to Payeezy for gateway services, including the tokenization, in the first year will be \$286 and there are budgeted funds to cover these transaction fees.

Staff requests approval of an addendum to the Payeezy Gateway Services Agreement to add the TransArmor Tokenization product and authorization for the President and CEO to execute the addendum.

d) Consideration of Amendment 9 with Schindler Elevator Corporation

Memorandum by Barry Stoker, Director of Contract Facilities Maintenance – Staff requests approval of Amendment 9 to the existing Service Agreement with Schindler Elevator Corporation. This proposed amendment will increase the scope of the agreement by authorizing various programmed maintenance items to keep the equipment safe and in good operating condition. This proposed amendment would include:

- Replacement of handrails on ten escalators/power walks in Terminal 2 on a time-and-material basis not to exceed \$124,863.95;
- “Clean down” work on eight escalators /power walks in Terminal 2 on a time-and-material basis not to exceed \$41,980.00; and
- Replacement of hydraulic pumping units on two elevators with units utilizing submersible pumps and motors on a time-and-material basis not to exceed \$38,915.00.

The cost of the proposed amendment is \$205,758.95.

Staff requests approval of Amendment 9 with Schindler Elevator Corporation in the amount of \$205,758.95 and authorization for the President and CEO to execute the amendment.

e) Consideration of Lease Agreement with Airline Tech Reps LLC

Memorandum by Karen Reynolds, Director, Property Development – Spirit Airlines and Sky Regional Airlines (operating as Air Canada) contracted with Airline Tech Reps LLC, d.b.a. STS Line Maintenance (STS) to provide aircraft maintenance at RDU, and STS has been

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licensed by the Authority to provide those services. The STS Aviation Group, headquartered in Jensen Beach, Florida, and provides aircraft maintenance at Charlotte-Douglas International and numerous other airports in the United States.

Staff proposes a five-year Lease Agreement with STS to lease approximately 467 sf of office space in South Cargo Building #3 (reference map attached) at the current rate of \$10.30/sf/year. STS will also pay a Maintenance & Operations fee of \$6.15/sf/year. The fixed rental rate will increase 3% each year on the anniversary date of the agreement.

Staff requests approval of the Lease Agreement with Airline Tech Reps LLC, d.b.a. STS Line Maintenance, and authorization for the President and CEO to execute the agreement.

f) Consideration of Terminal Support Space Lease Agreement with Host International, Inc.

Memorandum by Ingrid Hairston, Director of Business Initiatives – Host International, Inc. (Host) leases office and storage space to support operation of its five food and beverage units in Terminal 1 and thirteen units in Terminal 2. To support these concession locations, Host leases total office and storage space of 2,638.68 sf: 150.02 sf of support space in Terminal 1; and a 1,331.5 sf office suite and five storage spaces totaling 1,257.16 sf in Terminal 2.

This proposed new agreement replaces the current month-to-month agreement with Host for the support spaces in both terminals. The term would be extended to run concurrently with the concession lease, which expires on October 31, 2027. Host will pay to the Authority annual rent of \$205,707.76. The rental amount may adjust each year based on the higher of a 3% escalation or the adjusted rate established in accordance with the Authority's operating budget.

Staff requests approval of the Terminal Support Space Lease Agreement with Host International, Inc. and authorization for the President and CEO to execute the agreement.

g) Consideration of Amendment 1 to the Terminal Support Space Lease Agreement with Hudson Group Retail, LLC

Memorandum by Ingrid Hairston, Director of Business Development – Hudson Group Retail, LLC (HG), successor in interest to RDU Air Ventures, leases office and storage space under its existing Terminal Support Space Lease Agreement to support its seven convenience retails and specialty shops in Terminal 2. This proposed Amendment 1 revises the storage space leased to HG, increasing the total square feet from 680.34 sf to 763.35 sf. The office space remains unchanged at 273.79 sf.

Including this increased storage space, HG will pay to the Authority annual rent of \$63,990.21. The rental amount may adjust each year based on the higher of a 3% escalation or the adjusted rate established in accordance with the Authority's operating budget. The amendment term will run concurrently with the concession lease, which is set to expire on June 30, 2028.

Staff requests approval of Amendment 1 to the Terminal Support Space Lease Agreement with Hudson Group Retail, LLC and authorization for the President and CEO to execute the amendment.

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h) Consideration of Terminal Concession Lease with 24-Hour Flower, Inc.

Memorandum by Ingrid Hairston, Director of Business Initiatives – 24-Hour Flower, Inc. operates a floral vending business engaged in the sale of flowers, plants, fruit baskets and similar items from one location in Terminal 1 and two locations in Terminal 2. The proposed lease would replace the current agreement that commenced in October 2014, and would provide for the continued operation of a floral vending business service concession at Raleigh-Durham International Airport.

24-Hour Flower will pay to the Authority, the greater of the Minimum Annual Guarantee (MAG) or percentage fee of 10% of gross receipts. The Authority established an annual MAG of \$2,686.24, payable in equal monthly installments of \$223.85. The MAG shall be adjusted effective April 1 to a new MAG amount that equals eighty-five percent (85%) of the annualized rent paid during the previous calendar year. The new agreement has an initial term of three years, which commences on May 1, 2019 and expires on April 30, 2022, with two one-year options to renew.

Staff requests approval of the Terminal Concession Lease with 24-Hour Flower, Inc. and authorization for the President and CEO to execute the lease.

i) Consideration of an Agreement with CoreCentive, Inc. for Employee Service Awards Program Services

Memorandum by Cleon Umphrey, Vice President and Chief Human Resources Officer – CoreCentive, Inc. is a full service employee-centered, rewards and engagement organization. Staff requests approval of a three year agreement for services relating to the Authority's Employee Service Awards Program (Program), which recognizes employees at intervals of 5, 10, 15, 20, 25, and 30 or more years of service. Under this Program, the employee receives formal recognition for this accomplishment in years of service. Under the proposed agreement, CoreCentive is would be the provider and administrator of the process of the employee selecting a service award and, providing that selected award to the employee.

In recent years, the Authority worked with a different provider, however this process has been rather cumbersome for selection, receipt, and delivery to the recipient, as well as the payment process. Staff believes CoreCentive, Inc. would best meet the needs of the Authority for this Program and would streamline these processes while making this a better experience for the employee.

The proposed agreement authorizes staff, working with CoreCentive, to implement a company-wide Employee Service Awards Program. The proposed agreement provides for services over a three-year period, with fees for fiscal year 2019/2020 projected at \$29,407.05, for fiscal year 2020/2021 projected at \$29,500.00 and the third-year fees projected at 36,875.00.

Staff requests approval of a three year Agreement with CoreCentive, Inc. with the authorization of the President and CEO to execute the Agreement.

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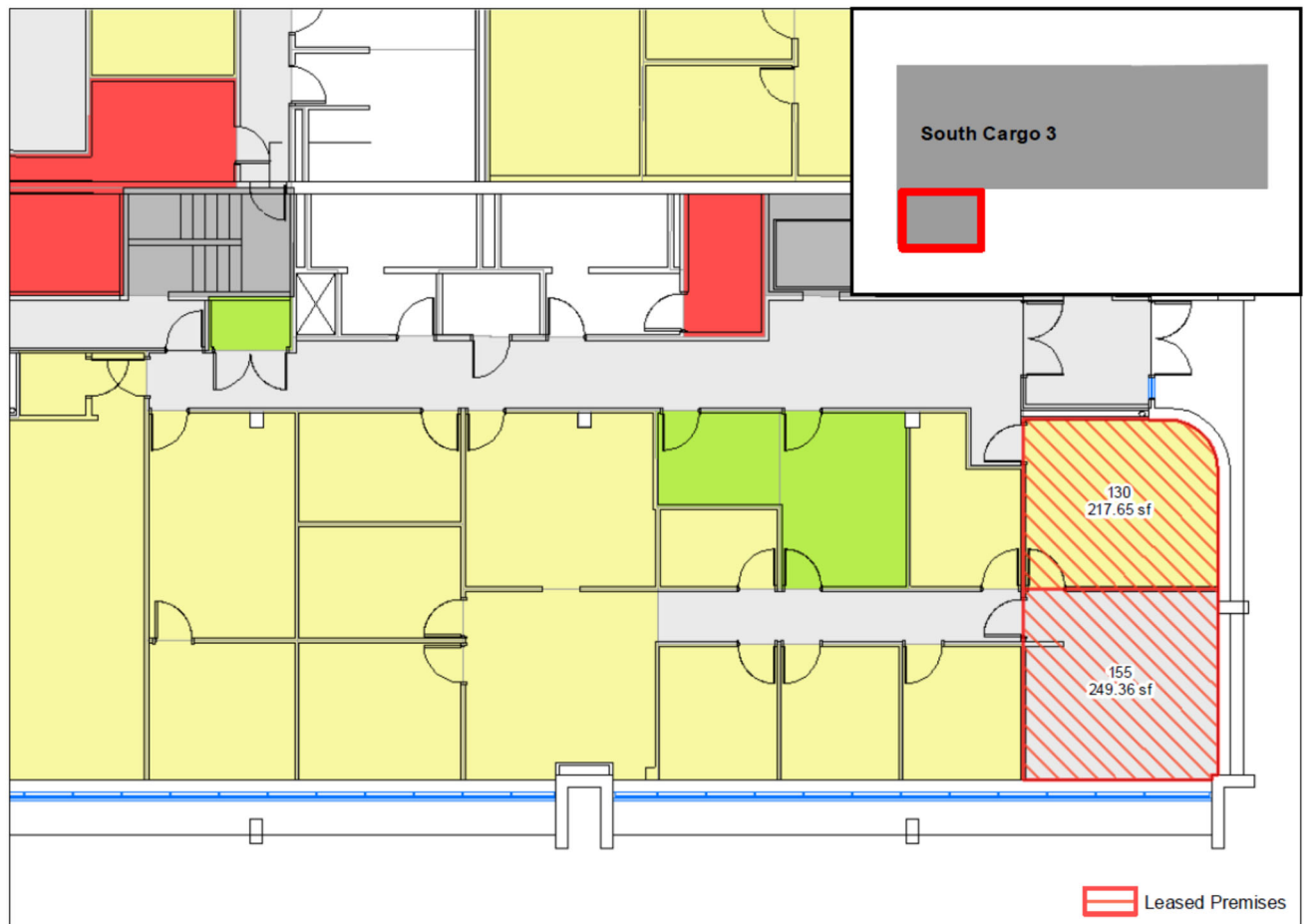


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STS Line Maintenance: Exhibit A - Leased Premises Map

Map Document: \\rdugis11e\GIS\Projects_Lease Maps\STS_Line_Mk\South_Cargo_3.mxd 3/26/2019

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1 inch = 10 feet

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**RALEIGH-DURHAM AIRPORT AUTHORITY
LAND AND DEVELOPMENT COMMITTEE MEETING MINUTES
APRIL 18, 2019**

Teer presided. Present: Hannah, Kane, Kushner, Morgan, and Thompson. Staff present included: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CFO Sylver, Senior Vice President and CRO Freedman, Vice President and CHRO Umphrey, Vice Presidents Connell, Feldman and Legan, General Counsel Locklear, Executive Assistant Rivera and other staff members and guests.

Motion by Teer to enter into a closed session to discuss sensitive security information pursuant to NCGS §143-318.11(a)(1) and 49 CFR parts 15 and 1520; Second by Kane

ADOPTED BY UNANIMOUS VOTE

CLOSED SESSION

The Land and Development Committee, Board members, President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CFO Sylver, Senior Vice President and CRO Freedman, Vice President and CHRO Umphrey, Vice Presidents Connell, Feldman and Legan, General Counsel Locklear and other staff members met in Room 100 of the RDU Center for a closed session from 11:05 am until 11:30 am.

Motion by Kane to exit the closed session; Second by Teer

ADOPTED BY UNANIMOUS VOTE

The presentation in the closed session was regarding sensitive security information pursuant to NCGS §143-318.11(a)(1) and 49 CFR parts 15 and 1520, and was for informative purposes only and required no Committee action:

1. Presentation Regarding Airport Security Improvements:

For informative purposes only. No Committee action required. Related matter to be considered by Board in Consent Agenda.

Presented by William C. Sandifer, A.A.E., Senior Vice President and Chief Operating Officer and Jim Novak, Director of Facilities Engineering

The Committee discussed the following items:

2. Presentation Regarding Business Opportunity Seminar

For informative purposes only. No Committee action required.

Presented by William C. Sandifer, A.A.E., Senior Vice President and Chief Operating Officer

3. Consideration of Amendment No. 4 to Task Order 13 with Apple Designs, Inc. for Sign Rehabilitation: *Upon a motion by Kane and second by Teer, the Committee recommends approval of Amendment 4 to Task Order 13 with Apple Designs, Inc., in the amount of \$281,581.32 and authorization for the President and CEO to execute the amendment.*

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Presented by Terry Seaworth, Parsons Project Manager – Task Order 13 authorizes Apple Designs, Inc. (Consultant) to provide design services, bidding services, and to review sign submittals. Presently, the shop drawing/submittal process is underway, submittals have been approved for the terminal curb front signs and the variable message signs, and utilities for the variable message signs are being installed. Under the current construction schedule, roadway sign installations will take place from April through November 2019.

Recent additions to RDU air service have necessitated changes to six overhead roadway signs for airlines in Terminal 2. Additionally, the advent of ParkRDU Express necessitated revisions to seventy-six parking information signs.

The proposed Amendment 4 to Task Order 13 authorizes Consultant to: attend periodic construction meetings and site visits; review requests for information and proposed change orders; perform final inspections; draft and monitor punch lists; prepare record drawings; and assist Authority staff with project close-out. Ancillary design is included in the scope for temporary signs as needed. Lastly, the Consultant would update the Authority's sign database to include all the new work accomplished in the project and improve functionality in the extensive database.

The compensation to the Consultant for basic services in this proposed amendment is an hourly not-to-exceed amount of \$277,683.32 and for reimbursable expenses including travel, printing, and miscellaneous other expenses at direct costs up to fixed ceiling amount of \$3,898.00 for total maximum compensation under Amendment 4 Task Order 13 of \$281,581.32.

In this amendment, the Consultant's proposed Minority and Women-owned Small Business (MWSB) participation percentage is 5.3% for Minority-owned Small Business (Walls Engineering) and 87.6% for Women-owned Small Business (Apple Designs, Inc. and Ross Linden Engineers). The Authority's Small Business Program Office concurs with the proposed participation.

Staff requests approval of Amendment 4 to Task Order 13 with Apple Designs, Inc., in the amount of \$281,581.32 and authorization for the President and CEO to execute the amendment.

4. Consideration of an Amendment with Balfour Beatty Construction for Terminal 1 Airline Operations Space Buildout Bid Package #3: *Upon a motion by Kane and second by Teer, the Committee recommends approval of this Construction Phase Amendment with Balfour Beatty Construction, and authorization for the President and CEO to execute the amendment.*

Presented by Jaymes Carter, Director of Buildings and Building Systems – The ongoing modifications continue to the south end of Terminal 1 that will support additional airline activity in the building. Balfour Beatty Construction (Balfour), the Authority's building construction manager at-risk contractor (CMR), is strategically bidding the work in packages for reasons of industry practice and in order to meet an aggressive schedule. The Board approved Early Package #1 on February 21, 2019 and Early Package #2 on March 21, 2019.

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The CMR advertised Bid Package #3 regarding Interior Architecture and Mechanical Systems on February 10, 2019. Bids were received on March 14 and March 22, 2019. The Cost of the Work element of the proposed amendment is based upon the low, responsible bids received. The proposed amendment with Balfour establishes the Contract Amount (Fixed Guaranteed Maximum Price) and authorizes construction phase services of the CMR.

Component	Amount
Cost of the Work	\$ 6,034,682
Contractor's Contingency (5%)	\$ 301,734
Contractor's Construction Fee (3.5%)	\$ 234,197
Reimbursable General Conditions	\$ 496,985
Construction Phase Amendment (GMP)	\$ 7,067,598

The Minority and Women-owned Small Business (MWSB) goals were set and participation commitments were received as follows:

Project Description	MSB Goal %	WSB Goal %	Bid Commitment MSB %	Bid Commitment WSB %
CMR Bid Package 3 GMP	10.0	5.0	7.19	1.82
Overall: All GMPs			9.47	5.82

The Authority's Small Business Program Office reviewed the documentation and concurs with the MWSB commitment and/or the Good Faith Effort.

Staff requests approval of this Construction Phase Amendment with Balfour Beatty Construction, and authorization for the President and CEO to execute the amendment.

5. Presentation Regarding Marshall Retail Group LLC's Proposed Triangle Market at RDU:
For informative purposes only. No Committee action required.
Presented by Ingrid Hairston, Director of Business Initiatives

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RALEIGH-DURHAM AIRPORT AUTHORITY FINANCE COMMITTEE MEETING MINUTES APRIL 18, 2019

Hannah presided. Present: Kane, Kushner, Morgan, Saidi, Teer and Thompson. Staff present included: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CFO Sylver, Senior Vice President and CRO Freedman, Vice President and CHRO Umphrey, Vice Presidents Connell, Feldman, and Legan, General Counsel Locklear, Executive Assistant Rivera and other staff members and guests.

The Committee discussed the following items:

1. Consideration of Capital Budget Ordinance Amendment #1 to Increase Funding for Terminal 1 Airline Operations Space Buildout: *Upon a motion by Teer and second by Morgan, the Committee recommends approval of Capital Budget Ordinance Amendment #1 for a funding increase of \$2,500,000 for Capital Project 311020, "Terminal 1 Airline Operations Space Buildout."*

Presented by Ron Kapocius, Director of Financial Planning – Staff requests approval of Capital Budget Ordinance Amendment #1 to increase funding for the following existing project:

- Capital Project 311020, "Terminal 1 Airline Operations Space Buildout," was created with an overall budget of \$19,000,000. Based on the anticipated construction services necessary to complete the project, additional funds of \$2,500,000 are being requested. The new project total will be \$21,500,000.

No increase is being recommended for the 2019-2020 Budget Ordinance as no additional cash spend is requested for the current fiscal year.

Staff requests approval of Capital Budget Ordinance Amendment #1 for a funding increase of \$2,500,000 for Capital Project 311020, "Terminal 1 Airline Operations Space Buildout."

2. Consideration of Capital Budget Ordinance Amendment #2 for Reinstatement of Expanded Park Economy 3 in FY19-20 Budget: *Upon a motion by Morgan and second by Teer, the Committee recommends approval of Capital Budget Ordinance Amendment #2 for an adjustment to include in FY19/20 the previously approved project 080799- Expanded Park Economy 3 for \$75,918,000.*

Presented by Ron Kapocius, Director of Financial Planning – Staff requests approval of Capital Budget Ordinance Amendment #2 for the following;

- Capital Project 080799, "Expanded Park Economy 3," was created and approved in FY 17/18 with an overall budget of \$75,918,000. The project was in a deferred status and was not included during the creation of the FY 19/20 Capital Budget Ordinance. Now, based on the anticipated timing of services, the project needs to be reinstated in the FY 19/20 Capital Budget Ordinance. The project total will still be \$75,918,000 and it is anticipated that this project will incur approximately \$50,000 in costs this FY 19/20.

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No net change is anticipated in FY 19/20 cash flow and no change to the FY 19/20 Operating Budget Ordinance is being recommended as Capital Project #211120, “Taxiway B Rehabilitation, North of Taxiway C”, is anticipated to cash flow approximately \$50,000 less in FY 19/20.

Staff requests approval of Capital Budget Ordinance Amendment #2 for an adjustment to include in FY19/20 the previously approved project 080799- Expanded Park Economy 3 for \$75,918,000.

3. Consideration of Master Services Agreements with Three Financial Advisory Services Firms: *Upon a motion by Kushner and second by Teer, the Committee recommends approval for staff to negotiate a Master Services Agreement with each of the financial advisory firms of Frasca & Associates, LLC, Ernst and Young Infrastructure Advisors, LLC, and PFM Financial Advisors, LLC and authorization for the President and CEO to execute these Master Services Agreements.*

Presented by Donna Sylver, Senior Vice President and Chief Financial Officer – On October 17, 2018, staff issued an RFP to firms to assist the Authority in a financial advisor capacity, which would allow the Authority to have financial advisory support with any debt issuance and the creation of a strategic finance master plan. The scope of services would include such functions as assistance on issuance and sale of all forms of debt, creation of a long-term financial master plan, advisory assistance regarding private-public partnership (P3) opportunities, and conducting studies for recommendations of financing structuring.

Authority staff reviewed the six proposals received and selected the following top three candidates for negotiations regarding a Master Services Agreement with the Authority: (1) Frasca & Associates, LLC, (2) Ernst and Young Infrastructure Advisors, LLC, and (3) PFM Financial Advisors, LLC.

These firms were selected based on the following criteria:

- Depth and breadth of experience
- Perception and approach
- Qualifications/experience of key personnel
- Commitment to include MWSB participation
- Level of satisfaction expressed by other clients and the Authority

Staff requests approval to negotiate a Master Services Agreement with each of the financial advisory firms of Frasca & Associates, LLC, Ernst and Young Infrastructure Advisors, LLC, and PFM Financial Advisors, LLC and authorization for the President and CEO to execute these Master Services Agreements.

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RALEIGH-DURHAM AIRPORT AUTHORITY 2019-2020 CAPITAL PROJECT ORDINANCE AMENDMENT #1

BE IT ORDAINED by the Raleigh-Durham Airport Authority, that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following capital project ordinance is hereby adopted:

Section 1. The following amount is appropriated for the projects:

\$ 1,217,069,094

Section 2. The following funds are anticipated to be available for the projects; total project amount will be funded through net revenues or appropriate financing:

Transfer Cash from Operating \$ 1,196,420,273

Total Grant Funds \$ 20,648,821

Section 3. The projects authorized are as follows and funded by Raleigh-Durham Airport Authority funds on hand in operations:

New 19/20 Projects

	Original ¹	Change 04/18/19	Amended
311050 T1 4-Gate Expansion	\$ 115,450,000		\$ 115,450,000
311060 T2 and AOC PCF Room UPS System Replacement	650,000		650,000
311070 T2 and CEP Siemens BMS System Hardware Upgrade	565,000		565,000
311080 T2 Lutron Lighting Control System Hardware Upgrade	220,000		220,000
621000 Cameras for Parking and Additional Storage to Record	102,600		102,600
881260 Maintenance Facility HVAC Replacement and Upgrade	450,000		450,000
881270 Spill Prevention Control and Countermeasure Items	250,000		250,000
881280 Water and Sewer Improvements	500,000		500,000
881290 FY19-20 Replacement Vehicles & Equipment	6,087,494		6,087,494
881300 Desigo CC Upgrade	150,000		150,000
881310 Computer Replacement for Jet A and Glycol Racks	395,000		395,000
881320 Snow Removal Equipment Storage Facility	1,100,000		1,100,000
881360 AOC/EOC Planning and Design	1,250,000		1,250,000
Miscellaneous small projects	361,000		361,000
	\$ 127,531,094	\$ -	\$ 127,531,094

Amended Projects

	Original ¹	Change 04/18/19	Amended
211120 Taxiway B Rehabilitation (North of TW D)	\$ 35,000,000		\$ 35,000,000
211140 Enhanced Security Perimeter Gates (TSA)	3,000,000		3,000,000
070549 Terminal 2 Checkpoint Expansion	3,250,000		3,250,000
080869 FIS Facilities Expansion	69,000,000		69,000,000
311000 AOIS System Replacement - Common Use	1,800,000		1,800,000
311020 Terminal 1 Airline Operations Space Buildout	19,000,000	2,500,000	21,500,000
080789 CONRAC and New Rental Car Storage Lot	500,400,000		500,400,000
010829 Roadway Informational Sign Rehabilitation	11,500,000		11,500,000
881110 Rehab & Energy Improvements for PG 1,2,3 and 4 - Phase 2	11,600,000		11,600,000
881100 International Drive Rehabilitation	13,500,000		13,500,000
011109 Heritage Displays at Observation Park	1,600,000		1,600,000
011359 Advanced Surveillance Program	2,610,000		2,610,000
881150 FAM Modular Buildings	1,200,000		1,200,000
	\$ 673,460,000	\$ 2,500,000	\$ 675,960,000

Ongoing Projects

	Original ¹	Change 04/18/19	Amended
080739 Rehabilitate Taxiway A	\$ 25,000,000		25,000,000
080769 Rehabilitate Taxiway F	34,000,000		34,000,000
080859 Pavement Surface Sensor Replacement	108,000		108,000
080879 Runway 5L-23R and Taxiway B Replacement	280,000,000		280,000,000
211100 Rehabilitate Runway 14/32	3,750,000		3,750,000
070529 Phased Replacement of PC Air Units at T2	6,920,000		
070539 T2 BHS Lower Level Controls Upgrade	3,480,000		3,480,000
080729 Park Economy 3 Lot Rehabilitation	4,800,000		4,800,000
881240 Parking Business Intelligence Software	200,000		200,000

Raleigh-Durham Airport Authority Board Members

John M. Kane, Chairman
Wake County

Patrick Hannah, Esq., Vice-Chairman
Durham County

Robert D. Teer, Jr., Treasurer
City of Durham

Dickie Thompson
City of Raleigh

David Morgan
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City of Raleigh

David Kushner
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Napoleon Wallace
City of Durham



Michael J. Landguth, A.A.E.
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080779 Cemetery Road Rebuild	820,000	820,000
080819 John Brantley Boulevard Reconstruction	16,000,000	16,000,000
211110 West RON Apron Rehabilitation	36,000,000	36,000,000
211130 Perimeter Security Improvements (Property Fencing)	2,500,000	2,500,000
	<u>\$ 413,578,000</u>	<u>\$ - \$ 413,578,000</u>
	<u>\$ 1,214,569,094</u>	<u>\$ 2,500,000 \$ 1,217,069,094</u>

Section 4. This Capital Project Ordinance includes all amended, new and ongoing projects and replaces all previous capital project ordinances.

Section 5. Subject to approval and acceptance of bids by the Raleigh-Durham Airport Authority, the appropriate officers of the Raleigh-Durham Airport Authority are hereby authorized and empowered to enter into contracts and to carry out the necessary work for the completion of the above listed projects within the funds appropriated herein.

Section 6. The Finance Officer is hereby directed to report quarterly on the financial status of the aforesaid projects. The Finance Officer shall also keep the Authority informed at each regular meeting of any unusual occurrences.

This Capital Project Ordinance shall be entered in the minutes of the Raleigh-Durham Airport Authority and within five (5) days after its adoption, copies shall be filed with the Finance Officer, The Budget Officer and the Secretary of the Raleigh-Durham Airport Authority, who, for the purposes of this ordinance, is designated as the Clerk to the Raleigh-Durham Airport Authority as described in G.S. 159-13.2.

Amended this 18th day of April 2019

Notes:

1 Original- budget ordinance adopted March 21st, 2019

Raleigh - Durham Airport Authority Board Members

John M. Kane, Chairman
Wake County

Patrick Hannah, Esq., Vice-Chairman
Durham County

Robert D. Teer, Jr., Treasurer
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RALEIGH-DURHAM AIRPORT AUTHORITY 2019-2020 CAPITAL PROJECT ORDINANCE AMENDMENT #2

BE IT ORDAINED by the Raleigh-Durham Airport Authority, that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following capital project ordinance is hereby adopted:

Section 1. The following amount is appropriated for the projects:

\$ 1,292,987,094

Section 2. The following funds are anticipated to be available for the projects; total project amount will be funded through net revenues or appropriate financing:

Transfer Cash from Operating	\$ 1,272,338,273
Total Grant Funds	\$ 20,648,821

Section 3. The projects authorized are as follows and funded by Raleigh-Durham Airport Authority funds on hand in operations:

		Amendment 1 Change 04/18/19	Amendment 2 Change 04/18/19	
New 19/20 Projects				
	Original ¹			Amended
311050 T1 4-Gate Expansion	\$ 115,450,000			\$ 115,450,000
311060 T2 and AOC PCF Room UPS System Replacement	650,000			650,000
311070 T2 and CEP Siemens BMS System Hardware Upgrade	565,000			565,000
311080 T2 Lutron Lighting Control System Hardware Upgrade	220,000			220,000
621000 Cameras for Parking and Additional Storage to Record	102,600			102,600
881260 Maintenance Facility HVAC Replacement and Upgrade	450,000			450,000
881270 Spill Prevention Control and Countermeasure Items	250,000			250,000
881280 Water and Sewer Improvements	500,000			500,000
881290 FY19-20 Replacement Vehicles & Equipment	6,087,494			6,087,494
881300 Design CC Upgrade	150,000			150,000
881310 Computer Replacement for Jet A and Glycol Racks	395,000			395,000
881320 Snow Removal Equipment Storage Facility	1,100,000			1,100,000
881360 AOC/EOC Planning and Design	1,250,000			1,250,000
Miscellaneous small projects	361,000			361,000
	\$ 127,531,094	\$ -	\$ -	\$ 127,531,094
Amended Projects		Change 04/18/19	Change 04/18/19	Amended
	Original ¹			
211120 Taxiway B Rehabilitation (North of TW D)	\$ 35,000,000			\$ 35,000,000
211140 Enhanced Security Perimeter Gates (TSA)	3,000,000			3,000,000
070549 Terminal 2 Checkpoint Expansion	3,250,000			3,250,000
080899 FIS Facilities Expansion	69,000,000			69,000,000
311000 AOTS System Replacement - Common Use	1,800,000			1,800,000
311020 Terminal 1 Airline Operations Space Buildout	19,000,000	2,500,000		21,500,000
080789 CONRAC and New Rental Car Storage Lot	500,400,000			500,400,000
010829 Roadway Informational Sign Rehabilitation	11,500,000			11,500,000
881110 Rehab & Energy Improvements for PG 1,2,3 and 4 - Phase 2	11,600,000			11,600,000
881100 International Drive Rehabilitation	13,500,000			13,500,000
011109 Heritage Displays at Observation Park	1,600,000			1,600,000
011359 Advanced Surveillance Program	2,610,000			2,610,000
881150 FAM Modular Buildings	1,200,000			1,200,000
	\$ 673,460,000	\$ 2,500,000	\$ -	\$ 675,960,000
Ongoing Projects		Change 04/18/19	Change 04/18/19	Amended
	Original ¹			
080739 Rehabilitate Taxiway A	\$ 25,000,000			\$ 25,000,000
080769 Rehabilitate Taxiway F	34,000,000			34,000,000
080859 Pavement Surface Sensor Replacement	108,000			108,000
080879 Runway 5L-23R and Taxiway B Replacement	280,000,000			280,000,000
211100 Rehabilitate Runway 14/32	3,750,000			3,750,000
070529 Phased Replacement of PC Air Units at T2	6,920,000			6,920,000
070539 T2 BHS Lower Level Controls Upgrade	3,480,000			3,480,000
080729 Park Economy 3 Lot Rehabilitation	4,800,000			4,800,000
881240 Parking Business Intelligence Software	200,000			200,000
080779 Cemetery Road Rebuild	820,000			820,000
080819 John Brantley Boulevard Reconstruction	16,000,000			16,000,000
211110 West RON Apron Rehabilitation	36,000,000			36,000,000
211130 Perimeter Security Improvements (Property Fencing)	2,500,000			2,500,000
080799 Expanded Park Economy 3	-		75,918,000	75,918,000
	\$ 413,578,000	\$ -	\$ 75,918,000	\$ 489,496,000
	\$ 1,214,569,094	\$ 2,500,000	\$ 75,918,000	\$ 1,292,987,094

Raleigh-Durham Airport Authority Board Members

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Wake County

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President & CEO

R A L E I G H - D U R H A M A I R P O R T A U T H O R I T Y

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Section 4. This Capital Project Ordinance includes all amended, new and ongoing projects and replaces all previous capital project ordinances.

Section 5. Subject to approval and acceptance of bids by the Raleigh-Durham Airport Authority, the appropriate officers of the Raleigh-Durham Airport Authority are hereby authorized and empowered to enter into contracts and to carry out the necessary work for the completion of the above listed projects within the funds appropriated herein.

Section 6. The Finance Officer is hereby directed to report quarterly on the financial status of the aforesaid projects. The Finance Officer shall also keep the Authority informed at each regular meeting of any unusual occurrences.

This Capital Project Ordinance shall be entered in the minutes of the Raleigh-Durham Airport Authority and within five (5) days after its adoption, copies shall be filed with the Finance Officer, The Budget Officer and the Secretary of the Raleigh-Durham Airport Authority, who, for the purposes of this ordinance, is designated as the Clerk to the Raleigh-Durham Airport Authority as described in G.S. 159-13.2.

Amended this 18th day of April 2019

Notes:

1 Original budget ordinance adopted March 21st, 2019

R a l e i g h - D u r h a m A i r p o r t A u t h o r i t y B o a r d M e m b e r s

John M. Kane, Chairman
Wake County

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RALEIGH-DURHAM AIRPORT AUTHORITY LAW AND PERSONNEL COMMITTEE MEETING MINUTES APRIL 18, 2019

Hannah presided. Present: Kane, Kushner, Morgan, Saidi¹, Teer and Thompson. Staff present included: President and CEO Landguth, Senior Vice President and COO Sandifer, Senior Vice President and CFO Sylver, Senior Vice President and CRO Freedman, Vice President and CHRO Umphrey, Vice Presidents Connell, Feldman, and Legan, General Counsel Locklear, Executive Assistant Rivera and other staff members and guests.

The Committee discussed the following item:

1. Consideration of a Service Agreement with the Institute of Lifestyle and Weight Management for Authority's Wellness Program: *Upon a motion by Teer and second by Thompson, the Committee recommends approval of a three year Service Agreement with the Institute of Lifestyle and Weight Management, Inc. with the authorization of the President and CEO to execute the agreement.*

Presented by Cleon Umphrey, Vice President and Chief Human Resources Officer – The Institute of Lifestyle and Weight Management, Inc. (ILWM) is a health and wellness provider focusing on total wellness solutions. Since 2009, ILWM has provided services by designing and implementing the Authority's Wellness Program, in conjunction with the Authority's medical plan providers and benefits consultants.

Staff requests approval of an agreement with ILWM authorizing continuance of the implementation of the Authority's Wellness Program. Under the agreement, ILWM would continue providing assistance to the Authority in its efforts to comply with federal regulations addressing the wellness program provisions of the Patient Protection and Affordable Care Act (PPACA) and would aid the Authority in implementing a "Reasonably Designed Employer-Sponsored Wellness Program." The agreement provides for services that include: Strategic Planning, Cultural Support, Assessment & Screening Programs, Individual- and Population-Based Behavior Change Programs, Engagement Support and Measurement & Evaluation. ILWM's fee for services for fiscal year 2019/2020 is \$138,600, with the second-year fee and services to be negotiated but not to exceed \$145,530 and the third-year fee and services to be negotiated but not to exceed \$152,807.

¹ Saidi arrived at 12:05 pm



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Using a different vendor would be difficult in that other wellness vendors do not offer all of the services available to the Authority through ILWM. ILWM's business model is a niche market because as it has a medical practice that can provide consultation, its office has a gym facility that provides trained medical staff, and it is able to provide trained professionals onsite at RDU for staff interaction. Additionally, the data analytics that ILWM can provide to the Authority's medical plan providers and benefits consultants assists in developing the organizational program, as well as individual programs, creates increased opportunity for positive outcomes as a result of the program.

Three proposals were received, reviewed, and ranked by the Authority's Medical Consultant, Marsh & McLennan Agency, LLC. Wake Med Corporate Wellness, and a national firm, Virgin Pulse submitted proposals; however, ILWM has been deemed most responsive to the needs of the Authority.

Staff requests approval of a three year Service Agreement with the Institute of Lifestyle and Weight Management, Inc. with the authorization of the President and CEO to execute the agreement.

Raleigh-Durham Airport Authority Board Members

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