



<b>SPOKANE AIRPORT BOARD</b>		
<b>Chair:</b>	Collins Sprague	
<b>Vice Chair:</b>	Nancy Vorhees	
<b>Secretary:</b>	Jennifer West	
<b>Board Members:</b>	Ezra Eckhardt	Al French
	Max Kuney	Ben Stuckart
<b>Chief Executive Officer:</b>	Lawrence J. Krauter, A.A.E., AICP	

**NOTICE OF AIRPORT BOARD MEETING**

**Tentative Agenda for the September 28, 2017 Board Meeting**

The Airport Board meeting will be held at **Felts Field** on **Thursday, September 28 at 9:00 a.m.** at the **Honor Point Military & Aerospace Museum** located at 6005 E. Rutter Ave., Spokane, Washington 99224.

- A. Call to Order
- B. Roll Call of the Airport Board
- C. Public Comment/Courtesy of the Floor
- D. State Legislative Affairs Briefing provided by Cliff Webster (Carney Badley Spellman, P.S.)
- E. Approval of Minutes (8/17/17 regular meeting)
- F. Financial Report

**Consent Agenda**  
 (Items #1 - 16)

1.	*Approval of Payments/Warrants		
	Construction Warrant Numbers	4310 - 4324	\$ 424,920.58
	Operational Warrant Numbers	137086 -137374	\$2,132,590.89

2. \* **Approve Amendment No. 1 to Professional Services Agreement – Professional Architectural and Engineering Services for Bulk Hangar Project – JRMA** – Felts Field. In February 2017, Spokane International Airport solicited statements of qualifications (SOQ) from qualified Architect/Engineer (A/E) firms for the Felts Field Bulk Hangar Project. Following review of the SOQs by the Airport’s Selection Team, the Airport selected J.R. Miller & Associates (JRMA) as the most qualified firm to provide A/E services for the project. The original Scope of Work (SOW) included architectural; civil, structural, mechanical and electrical engineering; and all other necessary professional services for a 16,000 SF bulk hangar with a finished interior floor plan consisting of office, shop, restrooms, and mezzanine level, with expected occupancy in the third quarter of 2018. In April 2017, a detailed design services SOW was presented and the Airport executed an Agreement that brought the design effort to 30% completion, with an estimated construction cost of over \$5 million. The estimated cost requires the project to be value engineered to lower cost, in order to be closer to the Airport’s target maximum construction cost. Amendment No. 1 provides for value engineering recommendations to achieve the required reduced construction cost. The Engineering Committee and Staff recommend approval of Amendment No. 1 in the amount of \$47,103.00 to the Professional Services Agreement with JRMA. The revised contract amount is \$210,437.00.
3. \* **Approve Amendment No. 3 to Professional Services Agreement – 2017 On Call Architectural and Engineering Services – T-O Engineers, Inc.** – Spokane International Airport, Felts Field, and Airport Business Park. Due to an increase in work from each Airport department and the need for exhibits and typical documents prepared under the Architectural and Engineering On Call Services Contract, the Airport proposes to amend the 2017 yearly maximum amount from \$200,000.00 to \$250,000.00, for the 2017 calendar year. The total Professional Services Agreement will remain at the not-to-exceed amount of \$600,000.00. The Engineering Committee and Staff recommends approval of Amendment No. 3 to the Professional Services Agreement with T-O Engineers, Inc. in the not-to-exceed amount of \$250,000.00 for 2017 and for a total Professional Services Agreement in the not-to-exceed amount of \$600,000.00.
4. \* **Approve Construction Contingency Amendment – EDS Upgrades and CBRA Improvements Project – Industrial Builders, Inc.** – Spokane International Airport. This project includes upgrading the explosive detection system (EDS); optimizing the checked baggage resolution areas (CBRA); improving the baggage handling system (BHS); and modifying heating, ventilation, and air conditioning systems. The TSA construction Other Transaction Agreement (OTA) was established based on the initial Engineer’s Estimate, prior to design and bidding, and was accepted by the Airport Board in the amount of \$5,555,412.00. The Construction Contract was awarded on November 17, 2016 to Industrial Builders, Inc. in the amount of \$3,648,823.00, including WSST, with a construction contingency of \$547,300.00 for a total authorization of \$4,196,123.00. During construction, the TSA requested additional programming and testing on the system with an estimated cost of \$302,000.00, including WSST. This item and document corrections driven changes are estimated to approach the authorized construction contingency. In order to complete the project and allow for work associated to differing site conditions, document corrections, and TSA requested betterments, an increase to the construction contingency is necessary. The Engineering Committee and Staff recommend an increase to the Construction Contingency for the EDS Upgrades and CBRA Improvements Project in the amount of \$302,000.00 including Washington State Sales Tax, for a total Construction Contingency authorization of \$849,300.00.

5. \* **Award Construction Contract – Concrete Ramp Sealing Project** – *Combined Construction, Inc.* – Felts Field. The existing airfield concrete ramps constructed in 2012, 2013, and 2014 are experiencing scaling in localized areas due to reaction to deicing chemicals. In an effort to repair the concrete surface and minimize foreign object debris near aircraft, a sealant will be applied to the surface. Plans and specifications were prepared by T-O Engineers and the project was advertised through the Small Public Works Roster. A Mandatory Pre-Bid Meeting was held on August 22, 2017. Of the four bids received and opened on August 25, 2017, the lowest responsive and responsible bid was submitted by Combined Construction, Inc. in the amount of \$272,342.72, including both Additive Alternates. T-O Engineers' estimate for the total project was \$321,827.68. The Engineering Committee and Staff recommend award of a Construction Contract for the Concrete Ramp Sealing Project to Combined Construction, Inc. in the amount of \$272,342.72 including Washington State Sales Tax. Staff further requests Board authorization of \$27,000.00 for construction contingencies for a total authorization of \$299,342.72.
6. \* **Award Construction Contract – Elastomeric Roof Coating Project** – *Weathertech Industries* – Felts Field. Building 0 (currently leased to Eagle Helicopter) and Building 85 (currently leased to Gonzaga University) require roof maintenance due to their age and condition. Staff's evaluation has determined an elastomeric coating applied over the existing roofing will provide adequate seal and extend the life span approximately 10 years with minimal maintenance. As a result of the mandatory Pre-bid Meeting held on August 29, 2017, four bids were received. The lowest responsive and responsible bid was received from Weathertech Industries in the amount of \$50,165.50, including Washington State Sales Tax. The Engineering Committee and Staff recommend award of a Construction Contract for the Elastomeric Roof Coating Project to Weathertech Industries in the amount of \$50,165.50 including Washington State Sales Tax. Staff further requests Board authorization of \$5,000.00 for construction contingencies for a total authorization of \$55,165.50.
7. \* **Award Construction Contract – Crushed Asphalt Landscaping Berm Project** – *Red Diamond Construction, Inc.* – Spokane International Airport. During the 2016-2017 winter season, Airport Staff removed multiple unused asphalt roads in the Business Park. This construction contract will complete the Project by processing the material to a manageable size and hauling it to the airfield for construction of a berm. The berm will serve as a visual buffer to a portion of the Fuel Storage Facility as viewed from Outbound Drive, and will serve as a depository for clean material from future Airport projects. Design was completed by T-O Engineers and after a mandatory Pre-bid Meeting, six bids were received and opened on August 30, 2017. The lowest responsive and responsible bid was received from Red Diamond Construction, Inc. in the amount of \$71,081.22 including Washington State Sales Tax. The Engineer's estimate was \$287,224.00. The Engineering Committee and Staff recommend award of a Construction Contract for the Crushed Asphalt Landscaping Berm Project to Red Diamond Construction, Inc. in the amount of \$71,081.22 including Washington State Sales Tax. Staff further requests Board authorization of \$7,100.00 for construction contingencies for a total authorization of \$78,181.22.
8. \* **Approve Procurement of Variable Message Sign** – *Daktronics* – Spokane International Airport. The current roadway sign was installed in 2001 and has reached the end of its life cycle and new dynamic signage is proposed as a replacement. The Daktronics Galaxy GS6 LED display offers 16mm resolution and full color graphics. The proposed sign is approximately 9' x 41' and will replace the first overhead bridge sign located on Airport Drive-Inbound. The size of the sign will provide ample space for messaging about parking availability and rates, as well as other messaging about road conditions, flight delays, event announcements, or emergency conditions. Airport Staff reviewed available products, and selected Daktronics, a leading manufacturer of programmable display systems, as the preferred provider for this equipment. The sign is available for purchase through Washington State Contract No. 04616. The cost of the sign, including delivery, software, commissioning and on-site training, is \$122,206.34, including Washington State Sales Tax. The Engineering Committee and Staff recommend approval to purchase one Daktronics Galaxy GS6 Series electronic message sign (Model No. GS6-160X775-15.85-RGB-SF) through Washington State

Contract No. 04616 in the amount of \$122,206.34, including Washington State Sales Tax. Staff further requests Board authorization of \$5,000.00 for contingencies for a total authorization of \$127,206.34.

9. \* **Approve Amendment No. 1 to Airfield Liquid Deicing Products Contract – Two Rivers Terminal, LLC** – Spokane International Airport and Felts Field. In September 2016, the Airport Board approved award of a one-year contract with two one-year renewals to Two Rivers Terminal, LLC for airfield liquid deicing products. This is the first renewal year for this contract. For the 2017-18 season, Two Rivers Terminal, LLC has agreed to hold the rate in the amount of \$3.82 per gallon not including Washington State Sales Tax. Product prices are fixed for this renewal year and are negotiable for the final renewal years based on provable fluctuations in material costs. During the 2016-2017 season the Airport used approximately 240,420 gallons at a cost of \$997,783.11. The Engineering Committee and Staff recommend approval to purchase the above-referenced airfield liquid deicing products from Two Rivers Terminal, LLC on an as-needed basis for the term of the contract, including renewal terms to be exercised at the Airport’s option, in an amount not-to-exceed \$1,000,000.00.
10. \* **Approve Amendment No. 1 to Airfield Solid Deicing Products – Schoenberg Salt Company, Inc.** – Spokane International Airport and Felts Field. In September 2016, the Board approved award of a one-year contract, with two one-year renewals, to LNT Solutions, Inc. for airfield solid deicing products. In November 2016, LNT Solutions was sold and in December 2016 the Board approved the assignment of the contract to Schoenberg Salt Company, Inc. This is the first renewal year for this contract. A price increase proposal of 2.6% for the 2017-2018 season was received on June 12, 2017. During the 2016-2017 season we used approximately 316 metric tons at a cost of \$448,081.00. The Engineering Committee and Staff recommend approval to purchase the above-referenced airfield solid deicing product from Schoenberg Salt Company, Inc. on an as-needed basis for the term of the contract, including renewal terms to be exercised at the Airport’s option, in an amount not-to-exceed \$512,500.00.
11. \* **Approve Amendment No. 2 to Elevator and Escalator Maintenance Services Contract – KONE Corporation** – Spokane International Airport. In 2013 the Board awarded a three-year contract with two one-year extensions to KONE Corporation to provide elevator and escalator maintenance services at the Spokane International Airport. The contract has a fixed monthly fee for preventative maintenance services, and an hourly rate for additional services as requested by the Airport. This request is for the final year extension of the contract. KONE Corporation has agreed to hold the monthly service fee rate of \$352.50 per unit not including Washington State Sales Tax, as well as their hourly rate for additional work for this last Contract option. The term of the second option will run from October 1, 2017 through September 30, 2018. Amendment No. 1 included costs for required periodic testing of our six hydraulic elevators in the amount of \$25,320.58, accounting for the significant difference from prior years’ costs. Therefore, the total value of the contract is not anticipated to exceed \$125,000.00, including Washington State Sales Tax. The Engineering Committee and Staff recommend approval of Amendment No. 2 to the Elevator and Escalator Maintenance Services Contract with KONE Corporation for a one-year term from October 1, 2017 through September 30, 2018, for the not-to-exceed amount of \$125,000.00 including Washington State Sales Tax.
12. \* **Adopting the Affirmative Action Plans for 2017.** The United States Government requires employers with whom it works or has contracts to support and follow an affirmative action plan for minorities and women, people with disabilities, and veterans. The Airport completed a comprehensive work force analysis as well as generating reports on applicants, hires, promotions, and terminations. The data was then compiled into three plan documents: (1) Affirmative Action Plan for minorities and women; (2) Affirmative Action Plan for persons with disabilities; (3) Affirmative Action Plan for Veterans. The Finance Committee and staff recommends adoption of the 2017 Affirmative Action Plans.

13. \* **Designation of the Chief Executive Officer as Administrator of the Airport's 457(b) Deferred Compensation Plan ("the Plan")**. As part of the Airport Employee's Benefit package, a deferred compensation program is offered. The plan document outlines the participation, contributions limitations, benefit distributions administration, amendment and termination of plan. Employee contributions to the plan are deposited into investment funds managed by VOYA Financial ("VOYA"). As of the June 30, 2017 quarterly statement, 35 former and current Airport employees utilize this benefit. A recent analysis of the Plan documents identified a need for the Board, as the Employer Sponsor, to designate a Plan Administrator to administer the Plan and perform administrative functions. The Administrator may appoint/employ such agents, attorneys, actuaries, accountants, auditors, investment counsel, and clerical assistants, and other persons as the Administrator deems necessary or desirable in connection with the administration of this Plan. The Finance Committee and Staff recommend the Board formally designate the Airport Chief Executive Officer as Administrator of the Airport's 457(b) Deferred Compensation Plan.
14. \* **Approval of the Third Amendment to the Curbside Taxi Services Contract - Kodiak Security Services, Inc. (SIA)**. On September 30, 2015, the Airport Board awarded a Contract for Curbside Taxi Services Contract to Kodiak Security Services, Inc. This Amendment exercises the last of three (3) one (1) year options commencing October 1, 2017. Kodiak Security Services Inc. will provide services October 1, 2017 through December 31, 2017 at the current per hour rate of \$18.72. Effective January 1, 2018, due to an increase in the minimum wage and new state sick leave requirements, the rate will increase to \$19.54 per hour. The not-to-exceed amount for this one (1) year option shall be \$395,173.00. The Finance Committee and staff recommend approval of the Third Amendment to the Curbside Taxi Services Contract with Kodiak Security Services, Inc. for an annual not-to exceed amount of \$395,173.00.
15. \* **Award Service Contract for Landside Snow Removal to Wm. Winkler Company, (SIA)**. The Contract covers snow removal at the Airport surface parking lots, Rental Car Ready/Return Area (RAC) and common use roadways at the Quick Turn Around Facility (QTA) and other specified locations at Spokane International Airport. The current Service Contract expired on April 1, 2017 and the Airport's expenses for the previous three (3) years averaged \$165,132.88 each snow season (November – April). After publishing a Request for Proposals in July, 2017, the Airport received two proposals. After evaluation and formal interviews by Airport staff, Wm. Winkler Company was selected. The term of the Contract is three (3) years commencing November 1, 2017 with the Airport having the option to renew for two (2) additional one (1) year Contract Terms. Wm. Winkler Company has agreed to provide snow removal services for the 2017/2018/2019 winter season as per the rate schedule in the Memo. The Finance Committee and Staff recommend award of a Service Contract for Landside Snow Removal Services to Wm. Winkler Company.
16. \* **Award Snow Removal Services Contract to Haase Landscape, Inc. (ABP)**. This Service Contract covers snow removal at the parking lots and sidewalks at Buildings 700, 1100, 1200 and the Customs Building and the previous Contract expired April 1, 2017. Airport staff developed and published a Request for Proposals (RFP) for Snow Removal Services for the Airport Business Park, with the scope of work requiring the contractor to be on call and respond within forty-five minutes of being called and to have adequate staffing to ensure the highest level of service and safety for our tenants. Based on the evaluation criteria for the two proposals received, Haase Landscape was selected. The term of the Contract is for the period from November 1, 2017 through April 1, 2018, with four (4) one year options to renew this Contract subject to renegotiation of the financial consideration, scope of work and previous performance. The fee for said services shall be billed on an hourly rate based on type of equipment being utilized. The per hour rates are: Truck with 9' box blade - \$75.00; Snow blowers/brooms/shovels - \$55.00. The per bag price for deicer is \$23.00. The Finance Committee and staff recommend approval of the Snow Removal Services Contract with Haase Landscape, Inc.

## Regular Agenda

17. \* **Approve Ranking and Selection of Most Preferred Firm – Professional Architectural and Engineering Services for Terminal Renovation & Expansion Program – Architectural Alliance International** – Spokane International Airport. In June 2017, Spokane International Airport solicited statements of qualifications (SOQ) from qualified Architect/Engineer (A/E) firms for the Terminal Renovation & Expansion Program, which will deliver a series of projects that will unify the terminal complex, provide for future growth, improve efficiency by optimizing passenger flow and use of space, and upgrade the overall passenger experience at Spokane International Airport. In July 2017, six firms submitted SOQs. Following evaluation and ranking of the SOQs, Airport Staff recommended the three top ranked firms be invited to participate in formal interviews which took place on September 12. Following the interviews, the Selection Committee ranked the firms in the following order: (1) Architectural Alliance International, (2) RS&H, (3) Miller-Hull Partnership/Suehiro Architecture. Upon approval of the ranking and selection, Staff will begin negotiations with the most preferred firm, Architectural Alliance International. The Engineering Committee and Staff recommend approval of the ranking and selection of the most preferred firm, with which to enter into scope and fee negotiations for architectural/engineering design of the TREX series projects.
18. \* **Award Professional Services Agreement – Runway 7-25 and Taxiway C Shoulder Rehabilitation Project – RS&H, Inc.** – Spokane International Airport. The Airport issued a RFQ in December, 2016 and held a Pre-Proposal Information Meeting on January 11, 2017. Seven firms responded and submitted Statements of Qualification (SOQ's). The Selection Team reviewed, ranked, and selected RS&H, Inc. as the most qualified firm for this project. The project Scope of Work includes civil, geotechnical, and electrical engineering; survey, construction management/administration, and all other necessary professional services to provide complete plans, specifications, and bidding documents for the Runway 7-25 and Taxiway C Shoulder Rehabilitation Project. The project includes evaluation of the existing pavement sections to determine the type and extent of reconstruction needed to correct the subsidence occurring on the shoulders of Runway 7-25 and Taxiway C. The project will also include new pavement markings and signage associated with a magnetic variation of Runway 7-25. Construction is scheduled for 2018 with an estimated cost of \$12,000,000.00. Following the selection process, Airport staff began scope and fee negotiations with RS&H. An independent fee estimate performed by Myaak Engineering showed that the fee negotiated with RS&H's of \$946,494.00 (\$1,066,318.00 AIP work and \$56,149.00 Non-AIP work) is within the acceptable range per FAA guidelines. The FAA has reviewed and approved the SOW and associated fee. The Engineering Committee and Staff recommend award of a Professional Services Agreement to RS&H, Inc. in the amount of \$1,122,467.00 for services associated with the Runway 7-25 and Taxiway C Shoulder Rehabilitation Project.
19. \* **Award Construction Contract – Overhead Signage Upgrade Project – Colvico Electric** – Spokane International Airport. New signage will correct lane assignment challenges for vehicles approaching the Terminal; provide clear direction to important destinations in the Airport complex, such as the Rental Car Facility; utilize the revised branding scheme developed for Airport Parking; and reduce the number of signs needed to provide clear direction. Included in the Scope of Work for this project is:
- Construction of a new sign bridge to support a large-format, variable message display;
  - Construction of a new sign bridge on Airport Drive-Inbound at the Flint Road intersection;
  - Construction of a new sign bridge on Airport Drive-Outbound at the Flint Road intersection;
  - Construction of a new cantilevered sign on Flint Road at the Airport Drive-Inbound intersection;
  - Replacement of the sign panels on two existing sign bridges on Airport Drive; and
  - Removal of two existing sign bridges from Airport Drive.
- Plans and specifications were prepared by HDR Engineering, Inc. and the project was publicly advertised. A Mandatory Pre-bid Meeting was held on September 18, 2017. Two bids received and

opened on September 25, 2017, with the lowest responsive and responsible bid from Colvico Electric in the amount of \$748,521.00, including Washington State Sales Tax. The Engineering Committee and Staff recommend award of a Construction Contract for the Overhead Signage Upgrade Project to Colvico Electric in the amount of \$748,521.00, including Washington State Sales Tax. Staff further requests Board authorization of \$75,000 for construction contingencies for a total authorization of \$823,521.00.

20. \* **Renewal of Employee Benefits for Spokane Airport Employees.** All eligible employees and their dependents are included in the Airport’s basic medical, dental and life insurance programs. Eligible employees include all full-time regular employees with the exception of the Aircraft Rescue and Fire Fighting (ARFF) employees who have union provided coverage. Additionally, all employees, both part-time and full-time, are covered under the employee assistance program (EAP). The renewal date for medical and dental benefits is November 1, 2017. Additional benefits including Life Insurance, Disability Insurance, and Employee Assistance Program will renew on January 1, 2018.

The premium renewal rates are as follows with a term of November 1, 2017 through October 31, 2018:

Kaiser Permanente Preferred Provider (PPO)	increase 7.5%	\$1,454,754.12
Kaiser Permanente High Deductible (HDP)	increase 6.9%	\$0.00*
Kaiser Permanente Health Maintenance (HMO)	increase 1.7%	\$0.00*
Kaiser Permanente – LEOFF 1 Retirees	decrease 7.5%	\$116,020.80
Washington Dental Service	decrease 1.4%	\$109,696.20

\* No employees currently enrolled on this plan.

The premium renewal rates are as follow with a term of January 1, 2018 through December 31, 2018:

Life Insurance/AD&D/LTD/STD	rate pass	\$82,332.00
Behavioral Health Option (EAP)	rate pass	\$3,264.00

Additionally, the benefits program offers voluntary life insurance, health advocate program, international traveler insurance, flexible spending account (FSA), and health reimbursement account (HRA). The total cost for the above listed employee benefits forecasted through year end 2017 is \$1,769,468.28. If all employees remain on the current plan, the cost for 2017 will be \$1,859,649.12, an increase of \$90,180.84 or 5.10%. The Finance Committee and Staff recommend approval of the Benefits Renewal with Kaiser Permanente and Washington Dental Service in an anticipated amount of \$1,859,649.12.

21. \* **Approval of Acquisition of Real Estate – Janice K. Houk (SIA).** After being approached voluntarily by the land owner to offer their property for sale, staff has been negotiating for the purchase of Parcel 14022.9002 consisting of approximately 39.35 acres located on Craig Road west of Runway 3/21 and adjacent to Airport property. An appraisal was completed by Valbridge Property Advisors with a value of \$200,000 or \$0.12 per square foot. The seller, Mrs. Houk and the Airport have entered into a Purchase & Sales Agreement to purchase the property for \$200,000. The purchase is contingent upon the approval of the Bankruptcy Court, Airport Board, the City of Spokane and County of Spokane. A Phase I has been completed and the report indicates that there are no recognizable environmental conditions associated with the property. The property will be purchased using Airport General Funds. The Finance Committee and staff recommend Board approval of the acquisition of 39.35 acres in the amount of \$200,000 plus closing costs and to authorize Lawrence J. Krauter to execute the necessary documentation regarding the purchase of this property.

22. **Staff Reports/Board Member Comments**

- Chief Executive Officer's Report
- Board Member Comments

**The Airport Board may take action on other routine business issues as they may arise while the Board is in session.**

**Executive session to follow for discussion of legal, personnel and real estate matters.**

23. **Adjourn**

24. **The next regularly scheduled Board meeting is Thursday, October 19, 2017 at the Spokane Airport.**

*Note: The consent agenda (\*) may be considered in a single action. Any Board member or any member of the public in attendance at the meeting may ask for the separation of any item from the consent agenda for individual consideration. Please notify the Board Clerk prior to the start of the meeting if you wish to make such a request.*

*The Spokane Airport Board is committed to providing reasonable accommodations to individuals with disabilities. Individuals requiring reasonable accommodations to attend this meeting should call the Board Clerk at (509) 455-6444 or email at thart@spokaneairports.net at least 48 hours in advance of the meeting to arrange for accommodation.*