

GREENVILLE-SPARTANBURG AIRPORT COMMISSION
MINUTES
January 5, 2011

The Greenville-Spartanburg Airport Commission met on January 5, 2011 at 9:00 a.m. in the Greenville-Spartanburg Airport Commission Office Conference Room located at 2000 GSP Drive, Suite 1, Greer, SC 29651.

MEMBERS PRESENT: Minor Shaw, Hank Ramella, Leland Burch, and Valerie Miller.

MEMBERS ABSENT: None

STAFF AND LEGAL COUNSEL PRESENT: Dave Edwards-Executive Director, Larry Holcombe-Airport Manager, Kevin Howell-Deputy Director of Properties & Development, Jack Murrin-CFO/CIO, Rosylin Weston-Director of Public Relations, Larry Estridge-WCSR Firm, and Wanda Jones-Secretary.

CALL TO ORDER: Minor Shaw called the meeting to order.

Before the meeting, Mrs. Shaw asked that a moment of silence be observed in memory of deceased Chairman, Roger Milliken. Mr. Milliken was Chairman of the Commission for over 51 years. All members of the Airport Commission, and Dave Edwards spoke about Mr. Milliken before the meeting began.

Mr. Larry Estridge explained the procedural and governance items concerning the vacancies on the Commission. Mr. Wallace Storey submitted his resignation to the Spartanburg County Delegation prior to the passing of Mr. Milliken. Therefore, there are two vacancies from Spartanburg County that have to be filled. The Spartanburg County Legislative Delegation will make appointment recommendations to the Governor who makes the official appointment(s) to the Commission. The next item of business is there is now a vacancy in the office of Chairman. Mr. Edwards opened the floor to nominations. Mrs. Minor Shaw was nominated, a motion was made, seconded, and unanimous vote received for Mrs. Minor Shaw to be Chairman of the Airport Commission. Mrs. Minor Shaw held the office of Vice Chairman – Mr. Edwards opened the floor for nominations for Vice Chairman. Mr. Hank Ramella was nominated, a motion was made, seconded, and unanimous vote received for Mr. Hank Ramella to be Vice-Chairman of the Commission.

A more formal recognition for Mr. Milliken and Mr. Storey is being planned to take place at the March 2011 Commission Meeting.

APPEARANCES: None.

PRESENTATIONS: None.

CONSENT AGENDA:

- A. Approval of the Greenville-Spartanburg Airport Commission November 8, 2010 Regular Meeting Minutes: A motion was made, seconded, and unanimous vote received to approve the minutes from the November 8, 2010 Commission Meeting.

OLD BUSINESS: None.

NEW BUSINESS:

- A. Award of Greenville-Spartanburg International Airport Financial Audit Services Contract for the Fiscal Years ended June 30, 2011 – 2015:

At the last Commission meeting on November 8, 2010, the Commission authorized the Executive Director to proceed with an Audit RFP. Mr. Jack Murrin informed the Commission that seven (7) different CPA firms submitted proposals and of the seven submitted, Cherry Bekaert & Holland (CB&H) proposed the lowest fee in each year and over the 5-year period for a total of \$155,800. They are one of the largest regional CPA firms headquartered in the Southeast, with offices in six states from Florida to Virginia, and a staff of over 750 people. CB&H was established in 1947 and ranks as one of the top 30 largest CPA firms in the nation with over 25,000 clients. Airport clients include: Atlanta Hartsfield, Charlotte, Raleigh-Durham, Birmingham, Augusta, Fayetteville Regional and Sarasota Manatee Regional (FL). Mr. Murrin also discussed that GSP spent \$59,000 on the audit with Deloitte & Touche for the most recent fiscal year ended June 30, 2010 and the fee proposed by CB&H for the FYE June 30, 2011 is \$29,500. It is requested that the Airport Commission resolve to award the contract to the audit firm of Cherry Bekaert & Holland for the next five fiscal years beginning with the fiscal year ended June 30, 2011 and authorize the Executive Director to execute all necessary documents. A motion was made, seconded and an unanimous vote received to award the contract to Cherry Bakaert & Holland for the next five fiscal years beginning with the fiscal year ended June 30, 2011 and to authorize the Executive Director to execute all necessary documents.

- B. Approval of the Final Rankings for the Program Management Support Services for the Terminal Improvement Program:

In October 2010, the GSP Airport Commission directed Staff to initiate a Request for Qualifications (RFQ) process for the selection of a Program Management (PM) firm to assist with the implementation of the GSP Terminal Improvement Program. Mr. Kevin Howell discussed the PM selection process and evaluation criteria. He also discussed some of the possible support services that could be

expected from the PM firm/team during the Program which include: document control, budget and cost control, schedule control, cost estimating, design review, contract administration and construction management type services. The successful PM firm/team will be engaged through a master consulting type agreement and any specific services will be authorized by separate task orders as required during the Program.

The PM RFQ was advertised regionally and nationally through various industry trade organizations and publications. A pre-submittal meeting was held on November 30, 2010 with over forty (40) individuals from twenty-eight (28) interested prime and sub-consultant firms in attendance. Twelve (12) Submittals of Qualifications (SOQs) were received on December 17th. The Selection Committee (Dave Edwards, Kevin Howell, Larry Holcombe, Jack Murrin and Rosylin Weston), reviewed the SOQs and ranked them in accordance to the evaluation criteria as outlined in the RFQ. Four (4) firms/teams were short listed for the second phase of the selection process which included presentations and interviews with the Selection Committee. The Shortlist firms/teams were:

AECOM
Jacobs / CH2MHill / AVCON
PB / PMCM²
URS

Presentations and interviews were held on January 3 and 4, 2011. The firms/teams were evaluated on five (5) established criteria:

1. Having a clear understanding of the Program, the needs and potential issues and their approach to managing the Program
2. The Project Manager's prior experience with similar airport terminal construction and renovation projects
3. The depth and availability of the Firm's resources
4. Innovative approaches and solutions to potential Program issues
5. Oral communication and interpersonal skills of the Firm's Project Manager and other staff/team members.

The Selection Committee members individually scored the short-list firms/teams on each category to develop an overall score. Staff recommends the following ranking to the Commission with the Commission having final approval of the ranking.

1 – Jacobs / CH2MHill / AVCON
2 – URS
3 – PB / PMCM²
4 – AECOM

Mr. Howell pointed out that all four (4) firms/teams have excellent skill sets and could provide GSP with great service as the Program Manager for the GSP Terminal Improvement Program. The Selection Committee unanimously ranked Jacobs / CH2Mhill / AVCON (J/C/A) team as the highest ranked team. The JCA team exhibited a thorough and well thought out understanding of the GSP Program and a deep awareness of the needs and potential issues. JCA illustrated a comprehensive approach to managing the Program and committed an experienced Project Manager supported by the resources of a very competent team. The JCA team also identified several innovative approaches to potential Program issues and displayed the out-of-the-box thinking that would most benefit GSP and the GSP Terminal Program.

Approval of the ranking itself has no financial impact. Upon approval of the final rankings, Staff will attempt to negotiate a final contract with the first ranked firm in terms of the master agreement and the amount of multiplier to be applied to subsequent fees related to work on the Program. In the event an agreement cannot be reached with the first ranked firm, GSP will formally terminate the negotiations and proceed to negotiate with the next-highest ranked firm and so forth. Any specific services related to the Program will be authorized by separate task orders as required and will include detailed information on the fee associated with task order. Concurrently with the Master Agreement negotiation, Staff will be negotiating the scope of work and fee for Task Order #1 which includes Peer Review Services to be completed prior to the start of the schematic design phase. The fee associated with Task Order #1 will be funded by GSP as part of the Terminal Improvement Program expenses and will be eligible for future AIP entitlement reimbursement at 73.3% as a professional services expense towards the Program.

A motion was made, seconded, and an unanimous vote received to (1) approve the final rankings for the Program Management Support Services; (2) authorize Staff to negotiate and finalize a master consulting agreement and Task Order #1 for peer review services with the first ranked firm/team (if an acceptable agreement cannot be reached with the first ranked firm/team, negotiations will be formally terminated and will then proceed with the next highest ranked firm/team and so forth until an acceptable agreement can be reached); (3) authorize the Executive Director to execute all necessary documents subject to review by legal counsel.

Executive Director Report:

A. Aviation Industry Update:

Mr. Edwards reported that The Airport Improvement Program (AIP) has not been approved. Mr. John Mica is now Chair of the House Transportation and Infrastructure Committee and hopefully the final bill will be approved in early 2011.

Mr. Edwards, serves as Secretary/Treasurer of ACI-NA, and will be in Washington, DC the first week of February for an ACI-NA/AAAE Legislative Conference. ACI-NA thought it was beneficial for the Legislative Meeting to take place in February due to the significant changes in Congress this year.

Mr. Edwards reported that airlines continue to be profitable. They have had a successful six months and 2011 looks to be positive in the Aviation Industry. Southwest begins service on March 13, 2011 which will have a great positive impact on GSP. The Southwest/Air Tran merger is under regulatory review and a decision is anticipated in June. The transition will still take time after the merger has been approved.

B. Israel Security Mission Trip Recap:

Mr. Edwards gave a recap of his recent trip with ACI-NA to Israel. The trip was a look and learn on how Israel conducts security at airports. The group visited Ben Gurion International Airport and Mr. Edwards explained that their security is a very layered process which starts when you purchase a ticket. The main focus on security in Israel is evaluating the person. Cargo is also screened heavily. All cargo is put in a pressurized chamber and taken to various simulated altitudes several times. He explained there are some very different and challenging items that would impact whether such a process could work in the United States. There are components that should be considered and discussed with the Transportation Security Administration.

C. Commission/Airport Communications Systems Update:

Mr. Edwards explained that the Airport's Communication System had been in place for quite some time and Staff was looking at replacing the System in the future; however, the provider of the Communication System sent a letter ceasing the contract with the Airport effective on January 15, 2011, therefore forcing the Airport to replace the System quicker than anticipated. A new telephone system was procured at a cost of \$200,000 which was implemented on January 5, 2011. The system is very manageable and the airport will not have to pay an outside vendor. Staff can manage the system internally. The system is with Shoretel,

which has ranked #1 for the past eight (8) years for small and mid-sized businesses. The system is switch-based technology which is very flexible. The plan for the future is to roll-out it out to tenants as a shared tenant service item. Mr. Edwards reported to the Commission that Dan Ingram had been hired as the IT Administrator and has been very instrumental in the implementation of such IT solutions since his arrival.

D. TSA Opt-Out Program:

Mr. Edwards reported that John Mica (Chair of the House Transportation and Infrastructure Committee) is a big supporter of the TSA Opt-Out Program. The Program allows an airport to replace TSA staff providing airport passenger and baggage screening services. When choosing to Opt-Out there is two avenues which are a Private Company with TSA oversight or airport's own staff with TSA oversight. Several airports have chosen to participate in the Opt-Out Program. There has been a push to re-evaluate the pros and cons and as we move forward Staff is evaluating the pros and cons of the Opt-Out Program at GSP.

Information Section

- A. The airport has seen traffic numbers up for the past four (4) months. The airport should continue to see growth once Southwest starts service.
- B. Financials are on target with what was projected in the budget.
- C. Mr. Kevin Howell reported on Development/Project Status: The Control Tower Study AFTIL Simulation is scheduled for next week in Atlantic City. The goal is to narrow the site down to two or three then an environmental evaluation on those locations will take place.

Southwest Construction – SYS Construction is proceeding on schedule with completion by February 7, 2011.

Passenger Board Bridges – This project is on hold. Staff is working on the bid documents and in communication with the FAA Staff regarding grant funding.

Commission Member Reports: None.

Adjournment: There being no further business, a motion was made, seconded and a unanimous vote received to go adjourn the meeting and go into Executive Session to receive legal advice. No action will be taken after Executive Session. The meeting was adjourned at 10:00 am.

The next Commission Meeting will be on Wednesday, March 9, 2010 at 9:00 a.m.