

RALEIGH-DURHAM AIRPORT AUTHORITY
MEETING MINUTES
August 16, 2012

Chairman Yeargan presided. Present: members Ali; Elting; Hunt; Sanders; Teer and Weeks. Also present: Airport Director Landguth; Deputy Airport Director Operations McElvaney; Deputy Airport Director Finance Business & Administration Styres; Acting Deputy Airport Director Information Services Legan, Deputy Airport Director Marketing Damiano; Executive Assistant Mitchell; Staff Attorney Locklear; Attorney Tatum; other staff members and guests.

APPROVAL OF AGENDA – There were no changes to the agenda, and it was approved as submitted.

APPROVAL OF MINUTES – There were no changes to the minutes of the July 19, 2012 minutes and they were approved as submitted.

CHAIRMAN’S COMMENTS – Chairman Yeargan thanked all who attended the SFO event Wednesday morning. He also thanked Deputy Airport Director Marketing Damiano for her efforts in securing the SFO Air Service. Employees welcomed SFO in on Tuesday evening. He also gave an update on the Strategic Plan process and advised it is time not only leadership, but all employees and for everyone to provide input.

Chairman Yeargan and Airport Director Landguth attended an employee appreciation event for Avis & Budget employees along with corporate staff.

EMPLOYEE RECOGNITIONS – Director of Administration Umphrey presented the following for the month of July:

Newly hired employees:

- Mike Grainer, Traffic Control Officer

Recently promoted employees:

- Jeffrey Slayton to IS Project Manager

LAND & DEVELOPMENT COMMITTEE REPORT – Member Teer reported the Land & Development Committee met on August 16, 2012 and discussed the following items:

1. Consideration of a recommendation on the selection of a firm to provide engineering and other professional services for Terminal 1 Apron Rehabilitation, RDU 070509. Senior Program Manager Quesenberry reported on a staff recommendation on the selection of a firm to provide engineering and other professional services to the Authority in connection with this project. The scope of services includes design, bidding, and construction phase engineering and other professional services for the project. The work in the project includes pavement removal, drainage system construction, new pavement construction and existing pavement rehabilitation for the aircraft parking apron and taxiway that adjoins the portion of Terminal 1 currently being renovated. The Request for Proposals (RFP) was made available on-line at www.rdu.com/rdubusiness beginning on June 6, 2012. Additionally, a notice of the availability of the RFP was mailed to approximately 132 firms listed in an Authority database as interested in these type services. In accordance with the Authority’s procurement policy for professional services, the participation goal for utilization of Disadvantaged Business Enterprises (DBE’s) stated in the RFP is ten percent. Staff conducted a pre-proposal informational meeting and HUB conference on June 14, 2012. This session was attended by representatives from ten firms. The

deadline for submitting proposals was June 28, 2012. The Authority received seven proposals. All of the proposals included a prime (or lead) firm with other firms acting as sub-consultants to the prime firm. After review of the proposals, staff developed the short-list of firms that included Delta Airport Consultants, WK Dickson, RS&H, and URS and conducted interviews with these firms on July 31, 2012. Subsequent to completion of the interviews, staff contacted references and developed the recommendation for ranking of the short-listed teams. Based on the responsiveness of the proposal to the submittal requirements in the solicitation, the depth and breadth of experience of the proposing firm and its proposed sub-consultants on other similar projects, the qualifications of the proposed project manager and other key personnel, the understanding of the project by the team, efforts to include DBE participation, and other relevant matters, the staff recommends the selection of RS&H as the first-ranked firm for provision of the services. Additionally, the staff recommends URS as the second-ranked firm and Delta Airport Consultants as the third-ranked firm. Staff requests authorization to negotiate a services contract with the first-ranked firm.

Member Teer made a motion, seconded by member Weeks, to approve the recommendation of the Land & Development Committee. Adopted.

FINANCE COMMITTEE REPORT – Member Elting reported the Finance Committee met on August 16, 2012 and discussed the following items:

1. Consideration of a recommendation of a firm to provide consulting services to provide a centralized procurement contracting process. Deputy Airport Director Styres reported on a recommendation on the selection of a consultant to assist the Authority in achieving one of its critical FY12-13 Objectives, the standardization of non-construction acquisition via a centralized procurement contracting process. The scope of the effort would generally include the entire cycle from need identification through vendor selection, award and contract performance management. More specifically the project requirements would include 1) the development of RFP and Contract templates by acquisition type, 2) centralized contracting process and procedures 3) contract business owner job responsibilities, 4) organizational staffing and organization structure recommendations, 5) warehouse inventory management analysis and recommendations, 6) a requisition-to-purchase order flowchart, 7) review and change recommendations to all Authority existing procurement-related policy and procedure, 8) all training materials and related training, 9) overall project management, and 10) developing a communication plan to share new policy and processes with Authority staff. After informal benchmarking and related discussions with numerous other airports and other local government entities who either had made a similar procurement transition (or were in the process of doing so), it became clear that use of consultant resources would both greatly accelerate as well as improve the outcome quality and likelihood of success of this goal. A search for firms capable of providing required services found limited qualified resources. Accordingly, discussions were held with two very reputable procurement consultant organizations, both of which were asked to prepare proposals compliant with a Request for Information (RFI) developed for the task of selection. Of the proposals received, the National Institute of Government Purchasing (NIGP) response clearly differentiated itself in terms of comprehension of the requirement, proposal responsiveness, detailed project plan and deliverables, ownership for implementation of the agreed recommendations, quality and experience of the consultant staffing, and relevant references. Accordingly, the Board is requested to grant signature authority to the Airport Director in the amount of \$144,060 to enter an agreement with NIGP. No Operating Budget amendment is being requested at this time.

Member Elting made a motion, seconded by member Teer, to approve the recommendation of the Finance Committee. Adopted.

2. Consideration of an adjustment to the Capital Budget in the amount of \$19,652.00 for Project # 010719-Public Transportation Shuttle Buses. Purchasing Officer Thompson reported the Ground Transportation Department is seeking approval to procure four (4) 2012 40 foot Gillig low floor transit buses for our shuttle operation. These buses will replace the last four (4) BlueBird buses that are reaching the end of their optimum service life. Extended use beyond that will result in related service issues and keep the buses out of service more frequently. The BlueBird buses are model years 2005 and 2006, have almost 400,000 miles on them. They are equipped with wheelchair lift control boxes that are no longer available and are costly to rebuild and unreliable in operation. The Authority currently has six (6) Gillig busses and they have proven to be dependable and cost effective, requiring only normal service and routine maintenance. Due to the better built quality of Gillig buses, heavy-use design specs, manufacturer support and actual time on the road Authority Staff has determined Gillig is a better all-around transit bus and allows the Authority to provide better customer service to Airport patrons. The Gillig bus configuration also has the low-floor feature that customers appreciate and a wheelchair ramp assembly that is very reliable and easy to operate. The number of customer complaints diminished when we replaced the two BlueBird buses with new Gillig buses in early in 2010. The North Carolina General Statutes allows us to take advantage of the North Carolina Department of Purchase and Contract's term contracts. The Department of Purchase and Contract has gone through a competitive bid process for transit buses with the award going to Eldorado National and Gillig. Eldorado National does not have a 40 foot low floor transit bus on the contract. The Authority's shuttle bus configuration is priced at \$371,813.00 each. This is \$4,314.00 more per bus than the amount budgeted for and approved in April 2012. The increase in price is due to EPA regulations that require a Cummins ISL engine and the cost of extended warranties that are necessary for maintaining the buses for the normal use. Total purchase price is \$1,487,252.00.

Member Elting made a motion, seconded by member Ali, to approve the recommendation of the Finance Committee.
Adopted.

LAW & PERSONNEL COMMITTEE REPORT – Member Elting reported the Law and Personnel Committee met on August 16, 2012 and discussed the following items:

1. Consideration to adopt a Corporate Resolution for Depository and Brokeage. Attorney Tatum reported in 1998 the Authority established a 457(b) qualified deferred compensation plan that allows participants to defer a portion of their compensation until retirement or other termination of employment. The plan requires that the Authority establish a custodial account to invest the deferred amounts for the benefit of each participant. A custodial account was established at Wachovia Bank to invest the deferred funds for the benefit of the plan participant. Due to the transition of the account to Wells Fargo Advisors, Wells Fargo has requested that a new corporate resolution be adopted that expressly authorizes the Deputy Director of Finance and Business Administration and the Director of Finance to establish and maintain this custodial account. It is requested that the Authority adopt a resolution in the form provided by Wells Fargo under title of "Corporate Resolution for Depository and Brokerage" authorizing the management of this account as described above and that the Secretary of the Authority sign an exemplified copy of the resolution for delivery to Wells Fargo.

Member Elting made a motion, seconded by member Ali, to approve the recommendation of the Law & Personnel Committee.
Adopted.

OPERATIONS COMMITTEE REPORT – Member Hunt reported the Operations Committee met on August 16, 2012 and discussed the following item:

1. Consideration of SSP America, Inc. Sublease Request. Deputy Airport Director Styres reported SSP America, Inc. requests the Authority's consent to a sublease between SSP America, Inc. and SSP America RDU, LLC, a joint venture between SSP America, Inc. and SJAC Food Group Holdings, LLC. SSP America (Sublessor) will sublease all premises to SSP America RDU, LLC (Sublessee). SJAC Food Group Holdings (an ACDBE concessionaire) will operate the Flavours and Jason's Deli restaurants on Concourse D in Terminal 2. SSP America will operate the Panopolis restaurant in Ticketing, Camden restaurant on Concourse C, and Five Guys restaurant on Concourse D in Terminal 2. SSP America forecasts achieving 35% ACDBE participation, which exceeds the lease goal of 30%. The terms and conditions of the sublease, meet the requirements established in the lease between the Authority and SSP America, Inc. Staff recommends the Authority consent to the sublease and authorize the Airport Director to execute the sublease consent.

Member Hunt made a motion, seconded by member Weeks, to approve the recommendation of the Operations Committee. Adopted.

2. Consideration of request to procure four (4) shuttle buses. Purchasing Officer Thompson reported the Ground Transportation Department is seeking approval to procure four (4) 2012 40 foot Gillig low floor transit buses for our shuttle operation. These buses will replace the last four (4) Blue Bird buses that are reaching the end of their optimum service life. Extended use beyond that will result in related service issues and keep the buses out of service more frequently. The Blue Bird buses are model years 2005 and 2006, have almost 400,000 miles on them. They are equipped with wheelchair lift control boxes that are no longer available and are costly to rebuild and unreliable in operation. The Authority currently has six (6) Gillig buses in our fleet and they have proven to be dependable and cost effective, requiring only normal service and routine maintenance. Due to the better built quality of Gillig buses, heavy-use design specs, manufacturer support and actual time on the road Authority Staff has determined Gillig is a better all-around transit bus and allows the Authority to provide better customer service to our Airport patrons. The Gillig bus configuration also has the low-floor feature that customers appreciate and a wheelchair ramp assembly that is very reliable and easy to operate. The number of customer complaints diminished when we replaced the two Blue Bird buses with new Gillig buses in early in 2010. The North Carolina General Statutes allows us to take advantage of the North Carolina Department of Purchase and Contract's term contracts. The Department of Purchase and Contract has gone through a competitive bid process for transit buses with the award going to Eldorado National and Gillig. Eldorado National does not have a 40 foot low floor transit bus on the contract. The Authority's shuttle bus configuration is priced at \$371,813.00 each. This is \$4,314.00 more per bus than the amount budgeted for and approved in April 2012. The increase in price is due to EPA regulations that require a Cummins ISL engine and cost of extended warranties that are necessary for maintaining the buses for the normal use. Total purchase price is \$1,487,252.00.

Member Hunt made a motion, seconded by member Teer, to approve the recommendation of the Operations Committee. Adopted.

MARKETING AND CUSTOMER SERVICE COMMITTEE – Member Elting reported the Marketing and Customer Service Committee met on August 16, 2012 and received the following report:

1. 2012 Mid-Year Customer Service Feedback & Mystery Shopping Statistics. Customer Relations Manager Martin reported on the Data Analysis and provided Highlights of the program as of now:

- Traffic Control Category – Comment related to concerns were down from 2011. According to Ground Transportation, specialized customer service training along with positive, pro-active support from management produced positive results for customers and staff.
- Overall feedback submissions are trending above 2011, and the major difference is attributed to 68% of submissions are nominations for exceptional service (Thanks to You Rewards Program) compared to 44% for the same period in 2011.
- Parking Category – inquiries, suggestions and concerns about rates or charges account for the increase in parking submissions from 24 in 2011 to 58 this year. Rates increased January 16, 2012, for Daily Parking in the garage, sparking some customer concerns along with reconfiguration of Hourly and Daily sections near Terminal 2. A cell phone lot with easy-to-follow roadway signage is also being requested.
- Concessions Category – Requests and inquiries for free Wi-Fi continue the Authority we transition to this type of option in our terminals along with customers wanting hot-food or a food concession pre-security in Terminal 1. Business Development is working on a solution.
- Security Checkpoint Category – There was a significant drop from 90 submissions in 2011 to 21 for 2012. Last year, long wait times along with confusing signage in Terminal 2 resulted in higher customer complaints. Also, TSA had just implemented new pat-down procedures in late 2010. The move of JetBlue to T-2 ahead of TSA repositioning staff from T-1 Main and lack of additional lanes in T-2 also contributed to conditions that impacted customers.
- Baggage Category – Wait times in Terminal 2 showed slight improvement along with a drop in submitted complaints. For Airline/Check-In submissions, a mild winter also resulted in fewer submissions in regard to weather and tarmac delays.

2. Response Rates

The response time for feedback submissions improved from the same time period in 2011. The Authority's service standard is to provide an initial, tailored response within 48 hours of receiving the feedback item. For 2012, 99 percent of responses to all feedback submissions met the 48-hour standard with a 96 percent response rate within 24 hours or less compared to 94 percent and 88 percent, respectively for 2011.

3. Mystery Shopping

Starting with the new fiscal and contract year of April 1, 2012, higher criteria for earning perfect scores was put into place.

Changes to Parking shop requests along with some adjustment among our Food and Retail Shops resulted in 44 less shops being conducted for the first six months of 2012. However, shopping level requests have been adjusted and should reflect an increase for the latter half of this year.

- The average score for the first half of 2012 dropped slightly from 97.89 to 97.34.
- In regard to perfect scores, the higher criteria also produced a drop in the percentage of perfect scores from 75% in 2011 to 69% in 2012.
- The 2012 Service Standards have been updated and reissued. The revised standards are also posted on the Intranet and on the Customer Service Council Web pages.

Overall, Mystery Shopping scores are reflecting a consistent, positive experience for customers with food and retail tenants along with Airport Authority staff meeting or exceeding our Service Standards. We constantly monitor all shops and work with the managers over these customer service areas to ensure any issues that arise are addressed.

Member Elting received the report of the Marketing & Customer Service Committee – no action necessary.

HUB PLAN COMMITTEE – Member Elting reported the HUB Plan Committee met on August 16, 2012 and discussed the following item:

1. Consideration of review of accomplishments under the Authority's Historically Underutilized Business Program during the quarter April 1 – June 30, 2012. Small Business Officer Edwards reported the Authority has adopted two programs to address historically underutilized business participation in construction, professional services, information systems and purchasing. The Authority's Historically Underutilized Business (HUB) Participation Plan governs all non-Federal spending in contracting and purchasing. The Federal Disadvantaged Business Enterprise/ Airport Concessionaires Disadvantaged Business Enterprise (DBE/ACDBE) program governs Federally-funded contracting and concessions activities.

Member Elting received the report of the HUB Plan Committee – no action necessary.

MEMBER COMMENTS – Member Teer recognized Project Manager Jeff Yokovich for his coordinated efforts with ValleyCrest Landscape Maintenance for RDU landscaping. There were three ValleyCrest employees present to give an overview of the landscape services they provide the Authority.

GENERAL COUNSEL'S REPORT – Attorney Tatum had no comments at this time.

AIRPORT DIRECTOR'S REPORT –

- **Enplaned passengers for July 2012** totaled 414,839 versus 427,336 for July 2011 for a 2.9% decrease. Year-to-date 2012 passenger enplanements totaled 2,661,385 versus 2,636,552 for year-to-date 2011 for a 0.9% increase.
- **Deplaned passengers for July 2012** totaled 419,071 versus 430,143 for July 2011 for a 2.6% decrease. Year-to-date 2012 passenger deplanements totaled 2,650,225 versus 2,637,100 for year-to-date 2011 for a .5% increase.
- **Enplaned air cargo** for July 2012 totaled 4,950,553 lbs. versus 6,072,693 lbs. for July 2011 for an 18.52% decrease. Year-to-date 2012 enplaned air cargo totaled 37,983,558 versus 45,776,469 for year-to-date 2011 for a 17.0% decrease.

- **Deplaned air cargo** for July 2012 totaled 7,136,221 lbs. versus 7,997,738 lbs. for July 2011 for a 10.8% decrease. Year-to-date 2012 deplaned air cargo totaled 52,161,932 versus 58,543,706 for year-to-date 2011 for a 10.9% decrease.
- **Aircraft operations** for July 2012 totaled 15,590 versus 16,392 for July 2011 for a 4.9% decrease. Year-to-date 2012 aircraft operations totaled 111,744 versus 111,781 for year-to-date 2011 for a 0.0% increase.
- **The number of vehicles exiting the terminal area public parking lots** during July 2012 totaled 160,313 versus 166,744 for July 2011 for a 3.9% decrease. Year-to-date 2012 number of vehicles exiting the terminal area public parking lots totaled 995,104 versus 1,026,183 for year-to-date 2011 for a 3.0% decrease.
- **The number of taxicab** trips taken during July 2012 totaled 26,149 versus 23,543 for July 2011 for an 11.1% increase. Year-to-date 2012 taxicab trips totaled 189,490 versus 167,185 for year-to-date 2011 for a 13.3% increase.
- **The number of passengers transported from RDU by SuperShuttle** during July 2012 totaled 0 versus 3,642 for July 2011 for a 100% decrease. Year-to-date 2012 passengers transported totaled 5,552 versus 23,086 for year-to-date 2011 for a 76.0% decrease.
- Airport Director Landguth expressed his excitement and appreciation for the nonstop United Airlines San Francisco flight.
- Airport Director Landguth also expressed how pleased he is that his family (wife and daughters) have relocated to the area and joined him at their new home.

Member Hunt made a motion, seconded by member Teer, to adjourn the meeting. Adopted.

Respectfully submitted,

Tommy Hunt, Secretary

CORRECT ATTEST:

Craigie D. Sanders, Vice Chairman