

MINUTES OF THE CITY OF WICHITA
WICHITA AIRPORT ADVISORY BOARD

Monday, September 8, 2014

Present: Charles Fletcher, U.L. Gooch, Dwight Greenlee, John Hennessy, Carl Koster, Thomas Pryor, Ron Ryan, Bill Ward, Brent Wooten

Absent: Dave Bayouth, Richard Kerschen, Karyn Page, Dr. Thom Rosenberg

Airport Staff: Victor White, Kathryn Keathley, Traci Nichols, John Oswald, Valerie Wise, Jean Zoglman

City Staff: Jay Hinkel, Deputy City Attorney

Others: Lonnie Wright
Josh Kippenberger, Key Walbridge Joint Venture
AECOM
Pat McCollom Deidra Cronk Jim Armour
Stan Breitenbach Jeff Palmquist Dan Willems
Tony Taylor Banke Oyewumi Loni McCollom
Darlene Potter Marcia Bright Lad Dwyer
Jim Copeland Phil Layman

Chairman Greenlee called the meeting to order at 2:33 p.m.

Approval of Minutes

Motion by Fletcher, second by Ward, to approve the minutes of the August 4, 2014 Wichita Airport Advisory Board meeting. Motion carried unanimously.

Director's Report – Victor White

Valerie Wise informed the Airport Advisory Board (WAAB) that there will be two Honor Flights in September. WAAB was encouraged to come to the terminal to welcome the returning flights. Details about flight arrival and departure times will be emailed to WAAB members. U.L. Gooch asked if all of the World War II veterans from Kansas had made the trip. Ms. Wise replied that there are a few more that have registered recently, but the majority of WWII veterans that are able to make the flight have done so.

Southwest Airlines is expected to expand its long-haul routes beginning November 3rd, after the expiration of the Wright Amendment on October 13th, which prevented it from establishing routes to certain states. The anticipated new destinations from Dallas are: Atlanta, Phoenix, Los Angeles, Houston, Baltimore, San Antonio, Orlando, and Tampa. One of the more beneficial results of this expansion of service are slightly earlier departure times from Mid-Continent, that will increase options for connecting flights out of Dallas and Chicago, which will appeal to more business

travelers. A comparison of Mid-Continent Airport fares and load factors in the first quarters of 2012 and 2014 indicates that: Las Vegas fares are 8% less and flights are 14% more full; Chicago (O'Hare and Midway combined) fares are 16% less and flights are 45% more full; Dallas fares are 59% less and flights are 117% more full; Houston fares are 27% less and flights are 67% more full; and Atlanta fares are 49% more expensive and flights are 32% less full. Increased flight options on Southwest are expected to affect fares to many of these destinations.

Southwest Airlines sent two representatives to Wichita in August to meet with the travel managers of some local companies about their needs for flight service and experiences with Southwest service from Wichita. Councilmember Meitzner also attended the meeting. Local businesses would like flights that offer more convenient connections in Atlanta and Minneapolis. Southwest plans to make a similar visit in December as well. Ms. Wise stated that it is very promising that Southwest is interested enough in the Wichita market that they want to meet with local companies.

Ron Ryan asked why Southwest ended the Atlanta route after it acquired AirTran. Ms. Wise stated that Southwest did not address why it ended that route, but that she believes it may have been influenced by a change in fleet that made that route less profitable. Mr. White added that, at the time of the merger, Southwest was discontinuing many of AirTran's Atlanta routes, which appeared to signal that Southwest was not focusing on that destination.

Mr. White informed the WAAB of plans to apply to host an Aircraft Owners and Pilots Association (AOPA) regional fly-in in 2015. Kansas is part of the Central Southwest Region of AOPA, which includes nine states. If Wichita is chosen to host a fly-in, it would take place between July and September at Jabara Airport. The AOPA has begun organizing regional fly-ins across the country throughout the year, as an alternative to national annual events. Recent events in other parts of the country have attracted several hundred small aircraft (similar to Cessna 182) and thousands more aviation enthusiasts. An initial meeting with organizations that are expected to be involved with the application preparation and the potential hosting of the event was held last week. Discussion included the possibility of including the fly-in as part of the Kansas Aviation Expo in 2015, since the Expo is generally planned for late summer. Partner host organizations are expected to include GoWichita, KDOT Aviation, Midwest Corporate Aviation, and the National Center for Aviation Training (NCAT). The facilities at Jabara are estimated to accommodate parking for at least 500 small aircraft. AOPA provides staff to manage organization of the event. Support for event needs such as promotion, security, public safety, and volunteers would be sourced from the Wichita community.

The Kansas Aviation Expo 2014 is September 25th and 26th at NCAT. The Airport will have a booth at the business expo portion of the event on Friday the 26th.

Parking and Rental Car Facilities Project Update – John Oswald

The contractor is expected to complete the third floor of the parking structure this week, and is beginning work on the fourth floor. The exit ramps for the upper levels of the garage are more than half complete. Work on the interior framing and fireproofing of the rental car office spaces is progressing according to schedule.

Mr. White stated that the WAAB will be provided a project progress briefing within a few weeks that will subsequently be shared with the City Council. There is a new project schedule that allows for completion of the garage before the terminal opening. Mr. Ryan asked if there was a penalty clause in the contract. Mr. White replied that there are penalty clauses, and that how the penalty section of the contract should be addressed will be brought up in discussions with the City Council after legal counsel and Airport staff develop a strategy.

ACT 3 Project Update – Pat McCollom, ACT 3 Project Manager

AECOM Program and Construction Management Agreement

Pat McCollom began by presenting an overview of the functions done for the new terminal project by AECOM staff as an extension of Airport staff. There are 14 individuals on the AECOM team, including project manager Pat McCollom, that work in positions directly supporting the construction management and project control requirements for completion of the new terminal. Eight of those are AECOM employees, four are employees of a Disadvantaged Business Enterprise (DBE) subcontractor under AECOM, one is an employee of a local architectural firm under a subcontract with AECOM, and one is a City of Wichita Public Works and Utilities employee on temporary assignment to the Airport. Each employee was in attendance and spoke briefly to WAAB about his or her duties. The work done by these employees includes: design management, construction contractor, and specialty contractor oversight; scope, budget, and project schedule control; liaison with federal agencies and tenants; project documents management; and administrative support.

The original agreement with AECOM was approved in 2005, the beginning of the design management phase. At that time, it was anticipated that the project would be concluded by 2011; therefore, that initial agreement was written for a term ending in 2011. In October 2011, upon consent from the Wichita Airport Authority/City Council that the terminal design plans should proceed to the bid and construction phase, Supplemental Agreement No. 6 extended AECOM's services through December 2014, which was the construction completion time that was estimated prior to the bidding and hiring of the general contractor. The Airport has submitted Supplemental Agreement No. 7 to extend the AECOM program and construction management services to coincide with the final commissioning of the new terminal, or approximately May 1, 2015. Part of Supplemental Agreement No. 7 is continuation of the subcontract with Schaefer Johnson Cox Frey (SJCF), which will expire October 10, 2014, if no further action is taken. The services of the resident engineer are contracted through SJCF. The extension through May is necessary, as the terminal work was delayed for approximately four months in 2011 to resolve the protest of the construction contractor selection. The cost of AECOM's work is based on actual expenses incurred for labor and office operations needs, not on lump sum fees.

Josh Kippenberger, Project Director with Key Walbridge Joint Venture (Key Walbridge), the prime construction contractor, stated that AECOM provides support to Key Walbridge through valuable project knowledge that, if lost, would be detrimental to Key Walbridge's ability to complete the project. Mr. Kippenberger stated that the terminal project is a highly collaborative

effort with the program management team and the construction contractor, and that relationship cannot be separated in the day-to-day work that occurs on site.

Mr. McCollom closed the presentation on the AECOM agreement and requested that, in light of the information provided, WAAB vote on support of Supplemental Agreement No. 7. Mr. McCollom also requested that WAAB members who do support the agreement talk with the City and County leaders that appointed them about the information presented today

Mr. White stated that AECOM is an integral part of the life of the project and has a necessary role to play until the terminal is complete and the required federal close-out documentation is completed following construction. This presentation was made so that all WAAB members would receive the same information and to request WAAB's recommendation regarding the continuation of services, so that the Airport will know if the services provided are in line with WAAB's expectations for the project.

John Hennessy asked if it is normal procedure for an agreement with a contractor to be renewed on a periodic basis, versus making an agreement effective through the completion of a project. Mr. White replied that an initial term had to be set, so that contract costs could be determined, and the original period of five years was written into the contract based on the best timeline available in 2005, a year prior to start of design. The project experienced a two year delay resulting from the economic downturn, which significantly reduced planning and construction progress that would have occurred over that time period. When the Wichita Airport Authority/City Council authorized the construction phase of the project in 2011, the completion date was set as December 31, 2014. In 2012, the contractor selection process was extended four months longer than anticipated as a result of a protest of the selection process. Continued extensions were therefore required due to the delays cited.

Mr. Hennessy asked why it has taken so long for this agreement to be discussed with WAAB, and the approval is now at a critical point since the SJCF portion expires in October. Mr. White replied that the agreement was presented to the WAAB's Change Order Review Committee in July, and it was subsequently submitted for the City Council agenda in mid-August. It has been removed three times from the agenda schedule, based on requests for additional information about the agreement from City Council members. After reductions in the agreement cost following the first submission, it was re-submitted, and the reduced cost agreement has been removed two more times. Mr. Hennessy asked if it was a funding issue. Mr. White replied that the supplemental agreement cost is fully funded; additional funds above what has been budgeted are not being requested.

Carl Koster suggested that the Airport share today's presentation with the City Council, if possible recording the presentation in the same format for Councilmembers to watch.

Mr. Ryan stated that, essentially, a four month extension to the last supplemental agreement is requested as a result of the delay of construction, and asked what the cost of the extension is. Mr. White replied that the Supplemental Agreement No. 7 is approximately \$1.5 million.

Bill Ward asked Mr. Kippenberger if Key Walbridge would be able to complete the terminal construction without the involvement of the AECOM staff. Mr. Kippenberger replied that the cost to hire staff to perform those functions, and orient them with the project, would be substantially higher than the current cost budgeted for AECOM's management services.

Brent Wooten asked when the terminal would be complete, stating that his understanding from previous conversations was that it would be finished between December and February. Mr. McCollom replied that the 2011 master schedule targeted a December 2014 date. The current master schedule targets a March 31, 2015 completion date. Mr. Wooten asked if Mr. McCollom still expected to be able to transition the building to Airport management by July 15, 2014. Mr. McCollom replied that his original transition date was July 3rd, which is an earliest possible date. As portions of the project are closed out, staff presence will diminish beginning in May. Mr. Wooten asked if the current AECOM staff would be sufficient to handle the transition. Mr. McCollom replied that additional staff will be required, which was originally included in the costs detailed in Supplemental Agreement No. 7; however, since Supplemental Agreement No. 7 was reduced in price and the termination date set to May 1st, it was noted that there will still be a need for another supplemental agreement that becomes effective on May 1, 2015, in order for a reduced level of AECOM staffing to complete the required close-out documentation for the project through a date in July. That supplemental agreement would go to the Wichita Airport Authority/City Council for approval sometime after the first of next year, once better details are available as to the level of staff support needed.

Mr. Ryan asked what the terminal contractor's completion date is. Mr. McCollom replied that the original completion date was February 16, 2015. The current completion date is March 18, 2015. Mr. Ryan stated that it is very close to the originally contracted date.

In additional response to Mr. Ward's question about Key Walbridge taking over AECOM's work, Mr. McCollom stated that eligibility for Federal Aviation Administration (FAA) funding requires that a third party oversee the contractor's work, to avoid conflicts of interest and to provide independent inspection services; therefore, another firm would have to be hired in place of AECOM. Mr. White added that AECOM is not a part of the design team for the terminal; it is an independent expert. In contrast, the parking facility project management is handled by the design team for that project.

Lonnie Wright, 1721 S. Lulu, asked who would perform the building inspections if the AECOM agreement is not extended. Mr. White stated that other plans for another firm to do the inspections have not been made. Mr. Wright asked if it was the same with the document management services. Mr. White replied that it was expected, from the time the agreement was initially made in 2005, that AECOM would be handling all those tasks. Mr. Wright asked if authorization for the position of Jim Armour, Resident Engineer, is part of Supplemental Agreement No. 7. Mr. White replied that it is.

Mr. Ryan asked why the discussion about continuing AECOM's services was initiated, since the funds are included in the budget. Mr. White stated that he believes it has come about because of some questions about AECOM's purpose in the project. Mr. Gooch asked why the agreement was

removed from the September 9th City Council agenda. Mr. White replied that it is the result of a request for more information about the agreement and the scope of AECOM's services.

Chairman Greenlee asked how the agreement with AECOM was different from agreements the City enters into for other major projects; based on his experience, it seems that it is the same type of consultant or management contract. Mr. McCollom stated that AECOM is an extension of Airport staff, essentially; another engineering department for the Airport, hired specifically for the terminal project. Jim Armour, ACT 3 Resident Engineer, previously City Engineer for the City of Wichita, stated that supplemental agreements are typical for large construction projects, especially with an increased gap between the beginning of a project and its completion, because of the variables that arise. Mr. Armour is not aware of any large engineering projects that have been completed without supplemental agreements.

Discussion being concluded and consensus reached, Charles Fletcher made a motion regarding WAAB's desire that the continued services of AECOM be accepted through Supplemental Agreement No. 7.

Motion by Fletcher, second by Greenlee, that the Wichita Airport Advisory Board highly recommends that the City Council, in its capacity as the Airport Authority Board, proceed with Supplemental Agreement No. 7, as delineated in agenda item dated September 9, 2014. Motion carried unanimously.

ACT 3 Project Report

The terminal is on schedule to be complete in 204 days.

Mr. Hennessy asked Mr. McCollom if the 204-day completion timeline was also accurate for the parking garage. Mr. McCollom replied that the parking garage is expected to be complete before that time. He has been working with the contractor team on scheduling for that project and has observed that the work has been proceeding according to schedule since around April. Earlier work experienced multiple delays, some caused by inclement weather and unforeseen conditions. Mr. Hennessy stated the delays would have to be caught up somehow. Mr. White replied that the contractor has addressed that by bringing in additional forms, personnel, and resources, and has scheduled evening and weekend hours when necessary. The contractor has also made changes to the staff assigned to manage the parking garage construction that have greatly improved the work progress.

In the last month, there was a kick-off meeting for the design phase of the food and beverage concessions areas. Concepts have been developed for the five restaurant areas. The design for those areas is expected to be submitted this month, with construction likely to begin in late December. The Airport network is substantially complete. Portions of the HVAC system are operational, specifically sections of the terminal that house equipment that must be temperature-controlled. Half of the pedestrian canopy is installed, which are the sections that are connected to the terminal structure. Curbside and apron paving continues. A new subcontractor started work two weeks ago to complete the terrazzo flooring work, and has made significant progress. Finishing work for the ceiling elements and interior walls has begun, and is progressing well.

Chairman Greenlee asked if the terrazzo subcontractor fulfills any of the DBE goal. Mr. McCollom replied that the terminal project is still compliant with the DBE requirements. As work continues, the project management team will monitor the DBE participation levels, and will take actions necessary to maintain compliance. One potential project component that may be an opportunity for additional DBE participation is the demolition of Hangar 20, if that can be included as part of the terminal project.

Supplemental agreements were approved for the HNTB design contract (Supplement #24), and the Key Walbridge construction contract (Supplement #19).

Two proposals were received to provide the retail concession services in the new terminal. A decision is expected by the end of September.

The explosives detection system for the baggage handling system (BHS) is expected to arrive soon. This component of the BHS can only be purchased by the federal government. The Transportation Security Administration is managing the purchase and delivery of this component.

Mr. McCollom shared some information about the features and scope of the public art piece being designed by Ed Carpenter. The art piece for the great hall will be the next to last item installed in the terminal, in late February or early March. The final installation will be the History of Aviation Displays. The piece by Ed Carpenter will be made of dichroic glass aligned with steel cables. Dichroic glass exhibits different colors depending on what angle it's viewed from. The size of each glass piece lengthens from one corner of the installation to the other, with the largest pieces of approximately 14 feet in the center. The total length of the piece will be approximately 330 feet. Mr. White stated that 1% of the terminal construction cost (approximately \$1 million) has been dedicated to public art. Approximately half of that is for the Ed Carpenter piece, and half for the History of Aviation displays.

Other Business

A tour for WAAB of the terminal building will be scheduled before the next meeting.

The next WAAB meeting will be Monday, October 6, 2014 at 2:30 p.m.

Meeting adjourned at 4:50 p.m.

Kathryn Keathley, Clerk