

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

Board Members

C. April Boling
Chairman

Greg Cox
Jim Desmond
Robert H. Gleason
Lloyd B. Hubbs
Jim Janney
Mark Kersey
Paul Robinson
Mary Sessom

Revised 12/31/16

BOARD **AGENDA**

Thursday, January 5, 2017
9:00 A.M.

San Diego International Airport
SDCRAA Administration Building – Third Floor
Board Room
3225 N. Harbor Drive
San Diego, California 92101

Ex-Officio Board Members

Laurie Berman
Eraina Ortega
Col. Jason Woodworth

President / CEO

Thella F. Bowens

Live webcasts of Authority Board meetings can be accessed at
<http://www.san.org/Airport-Authority/Meetings-Agendas/Authority-Board>

This Agenda contains a brief general description of each item to be considered. The indication of a recommended action does not indicate what action (if any) may be taken. ***Please note that agenda items may be taken out of order.*** If comments are made to the Board without prior notice or are not listed on the Agenda, no specific answers or responses should be expected at this meeting pursuant to State law.

Staff Reports and documentation relating to each item of business on the Agenda are on file in Corporate & Information Governance and are available for public inspection.

NOTE: Pursuant to Authority Code Section 2.15, all Lobbyists shall register as an Authority Lobbyist with the Authority Clerk within ten (10) days of qualifying as a lobbyist. A qualifying lobbyist is any individual who receives \$100 or more in any calendar month to lobby any Board Member or employee of the Authority for the purpose of influencing any action of the Authority. To obtain Lobbyist Registration Statement Forms, contact the Corporate & Information Governance/Authority Clerk Department.

PLEASE COMPLETE A "REQUEST TO SPEAK" FORM PRIOR TO THE COMMENCEMENT OF THE MEETING AND SUBMIT IT TO THE AUTHORITY CLERK. ***PLEASE REVIEW THE POLICY FOR PUBLIC PARTICIPATION IN BOARD AND BOARD COMMITTEE MEETINGS (PUBLIC COMMENT) LOCATED AT THE END OF THE AGENDA.***

The Authority has identified a local company to provide oral interpreter and translation services for public meetings. If you require oral interpreter or translation services, please telephone the Corporate & Information Governance /Authority Clerk Department with your request at (619) 400-2400 at least three (3) working days prior to the meeting.

CALL TO ORDER:

PLEDGE OF ALLEGIANCE:

ROLL CALL:

PRESENTATIONS:

A. FEDERAL INSPECTION SERVICES (FIS) FACILITY UPDATE:

Presented by Scott Brickner, Vice President, Finance & Asset Management/Treasurer

REPORTS FROM BOARD COMMITTEES, AD HOC COMMITTEES, AND CITIZEN COMMITTEES AND LIAISONS:

STANDING BOARD COMMITTEES

- **AUDIT COMMITTEE:**
Committee Members: Gleason, Hollingworth, Hubbs, Robinson (Chair), Sessom, Tartre, Van Sambeek
- **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:**
Committee Members: Gleason, Hubbs (Chair), Janney, Robinson
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:**
Committee Members: Boling, Cox, Desmond (Chair), Hubbs, Sessom
- **FINANCE COMMITTEE:**
Committee Members: Boling (Chair), Cox, Janney, Sessom

ADVISORY COMMITTEES

- **AUTHORITY ADVISORY COMMITTEE:**
Liaison: Robinson (Primary), Boling
- **ART ADVISORY COMMITTEE:**
Committee Member: Gleason

LIAISONS

- **AIRPORT LAND USE COMPATIBILITY PLAN:**
Liaison: Janney
- **CALTRANS:**
Liaison: Berman

- **INTER-GOVERNMENTAL AFFAIRS:**
Liaison: Cox
- **MILITARY AFFAIRS:**
Liaison: Woodworth
- **PORT:**
Liaisons: Boling, Cox, Gleason (Primary), Robinson
- **WORLD TRADE CENTER:**
Representatives: Gleason (Primary)

BOARD REPRESENTATIVES (EXTERNAL)

- **SANDAG TRANSPORTATION COMMITTEE:**
Representatives: Boling (Alternate), Janney (Primary)

CHAIR'S REPORT:

PRESIDENT/CEO'S REPORT:

NON-AGENDA PUBLIC COMMENT:

Non-Agenda Public Comment is reserved for members of the public wishing to address the Board on matters for which another opportunity to speak **is not provided on the Agenda**, and which is within the jurisdiction of the Board. Please submit a completed speaker slip to the Authority Clerk. ***Each individual speaker is limited to three (3) minutes. Applicants, groups and jurisdictions referring items to the Board for action are limited to five (5) minutes.***

Note: Persons wishing to speak on specific items should reserve their comments until the specific item is taken up by the Board.

CONSENT AGENDA (Items 1-6):

The consent agenda contains items that are routine in nature and non-controversial. Some items may be referred by a standing Board Committee or approved as part of the budget process. The matters listed under 'Consent Agenda' may be approved by one motion. Any Board Member may remove an item for separate consideration. Items so removed will be heard before the scheduled New Business Items, unless otherwise directed by the Chair.

1. APPROVAL OF MINUTES:

The Board is requested to approve minutes of prior meetings.

RECOMMENDATION: Approve the minutes of the December 15, 2016 regular meeting.

2. ACCEPTANCE OF BOARD AND COMMITTEE MEMBERS WRITTEN REPORTS ON THEIR ATTENDANCE AT APPROVED MEETINGS AND PRE-APPROVAL OF ATTENDANCE AT OTHER MEETINGS NOT COVERED BY THE CURRENT RESOLUTION:

The Board is requested to accept the reports.

RECOMMENDATION: Accept the reports and pre-approve Board member attendance at other meetings, trainings and events not covered by the current resolution.

(Corporate & Information Governance: Tony Russell, Director/Authority Clerk)

3. AWARDED CONTRACTS, APPROVED CHANGE ORDERS FROM NOVEMBER 21, 2016 THROUGH DECEMBER 11, 2016 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM NOVEMBER 21, 2016 THROUGH DECEMBER 11, 2016:

The Board is requested to receive the report.

RECOMMENDATION: Receive the report.

(Procurement: Jana Vargas, Director)

4. JANUARY 2017 LEGISLATIVE REPORT:

The Board is requested to approve the report.

RECOMMENDATION: Adopt Resolution No. 2017-0001, approving the January 2017 Legislative Report.

(Inter-Governmental Relations: Michael Kulis, Director)

CLAIMS

COMMITTEE RECOMMENDATIONS

CONTRACTS AND AGREEMENTS

CONTRACTS AND AGREEMENTS AND/OR AMENDMENTS TO CONTRACTS AND AGREEMENTS EXCEEDING \$1 MILLION

5. AWARD A CONTRACT TO THYSSENKRUPP AIRPORT SYSTEMS, INC., FOR REPLACE AND REFURBISH PASSENGER BOARDING BRIDGES AT SAN DIEGO INTERNATIONAL AIRPORT:

The Board is requested to award a contract.

RECOMMENDATION: Adopt Resolution No. 2017-0002, awarding a contract to Thyssenkrupp Airport Systems, Inc., in the amount of \$1,250,025, for Project 104194 and 104194A, Replace and Refurbish Passenger Boarding Bridges at San Diego International Airport.

(Facilities Development: Iraj Ghaemi, Director)

6. AWARD A CONTRACT TO VECTOR RESOURCES, INC., DBA VECTORUSA, FOR EXPAND WI-FI COVERAGE IN TERMINALS AT SAN DIEGO INTERNATIONAL AIRPORT:

The Board is requested to award a contract.

RECOMMENDATION: Adopt Resolution No. 2017-0003, authorizing the President/CEO to (1) execute a Design-Build Agreement with Vector Resources, Inc. dba VectorUSA ("VectorUSA"); and (2) negotiate and execute Work Authorizations for pre-construction phase services, design and construction work with Vector Resources, Inc. dba VectorUSA , in an amount not-to-exceed \$1,897,729.69 for Project 104206, Expand Wi-Fi Coverage in Terminals at San Diego International Airport.

(Facilities Development: Iraj Ghaemi, Director)

PUBLIC HEARINGS:

OLD BUSINESS:

NEW BUSINESS:

7. TRANSPORTATION NETWORK COMPANY (TNC) PERMIT APPLICATION UPDATE AND APPROVE CONTINUATION OF THE TNC PERMIT PROGRAM:

The Board is requested to approve the program.

RECOMMENDATION: Adopt Resolution No. 2017-0004, approving 1) the continuation of the Transportation Network Company Pilot Program operations at San Diego International Airport through January 31, 2017, and 2) authorizing the President/CEO to negotiate and execute a TNC permit effective February 1, 2017.

(Ground Transportation: Marc Nichols, Acting Director)

8. RENTAL CAR CENTER (RCC) SHUTTLE BUS PROCUREMENT:

The Board is requested to approve a purchase order.

RECOMMENDATION: Adopt Resolution No. 2017-0005 authorizing the President/CEO to: 1) issue a purchase order for the procurement of fourteen (14) Rental Car Center shuttle buses; and 2) authorize the President/CEO to execute the purchase order.

(Ground Transportation: Marc Nichols, Acting Director)

CLOSED SESSION:

9. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:

(Cal. Gov. Code § 54956.9(a)):

Maria Paula Bermudez v. San Diego County Regional Airport Authority, American Airlines, Inc., et al.

San Diego Superior Court Case No. 37-2015-00022911-CU-PO-CTL

- 10. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**
(Cal. Gov. Code §54956.9(a) and (d)(1))
Stanley Moore v. San Diego County Regional Airport Authority, et al.,
San Diego Superior Court Case No. 37-2015-00030676-CU-OE-CTL
- 11. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION:**
(Cal. Gov. Code §54956.9(a))
GGTW LLC v San Diego County Regional Airport Authority, et al.
San Diego Superior Court Case No. 37-2016-00032646-CU-BC-CTL
- 12. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION:**
(Cal. Gov. Code §54956.9(a))
San Diego County Regional Airport Authority v. American Car Rental, Inc.
San Diego Superior Court Case No. 37-2016-00024056-CL-BC-CTL
- 13. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION:**
(Cal. Gov. Code § 54956.9(a) and (d)(1).)
Dryden Oaks, LLC v. San Diego County Regional Airport Authority, et al.,
San Diego Superior Court, North County, Case No. 37-2014-00004077-CU-EINC
- 14. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
(Significant exposure to litigation pursuant to Cal. Gov. Code §§ 54956.9(d)(2))
Re: Investigative Order No. R9-2012-0009 by the California Regional Water
Quality Control Board regarding submission of technical reports pertaining to an
investigation of bay sediments at the Downtown Anchorage Area in San Diego.
Number of potential cases: 1
- 15. CONFERENCE WITH REAL PROPERTY NEGOTIATORS AND WITH LEGAL
COUNSEL –ANTICIPATED LITIGATION:**
(Gov. Code §§54956.9(d)(e)(1) and 54954.5(b))
Property: Concession leases (food & beverage) with Host, High Flying Foods and SSP
Agency Negotiator: Scott Brickner, Kathy Kiefer and Eric Podnieks
Negotiating Parties: Host, High Flying Foods San Diego Partnership, SSP
America, Inc. and Stellar Partners, Inc.
Under negotiation: rent (price and terms of payment), closure/conversion of
locations, new concession buildout, ACDBE participation, lease compliance
issues, claim by Host and close outs/permits.
- 16. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
(Significant exposure to litigation pursuant to cal. Gov. Code §54956.9(e)(3))
The Receipt of a Government Claim from VIP Taxi Inc.

- 17. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
(Significant exposure to litigation pursuant to Cal. Gov. Code section 54956.9(e)(3))
The Receipt of a Government Claim from K.S.A.N. L.L.C.
- 18. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
(Significant exposure to litigation pursuant to Cal. Gov. Code §§ 54956.9(d)(2))
Re: Navy Boat Channel
Number of potential cases: 1
- 19. CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION:**
Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9
Number of potential cases: 1
- 20. PUBLIC EMPLOYEE APPOINTMENT:**
Cal. Gov. Code §54957
Title: President/Chief Executive Officer

REPORT ON CLOSED SESSION:

GENERAL COUNSEL REPORT:

BUSINESS AND TRAVEL EXPENSE REIMBURSEMENT REPORTS FOR BOARD MEMBERS, PRESIDENT/CEO, CHIEF AUDITOR AND GENERAL COUNSEL WHEN ATTENDING CONFERENCES, MEETINGS, AND TRAINING AT THE EXPENSE OF THE AUTHORITY:

BOARD COMMENT:

ADJOURNMENT:

**Policy for Public Participation in Board, Airport Land Use Commission (ALUC),
 and Committee Meetings (Public Comment)**

- 1) Persons wishing to address the Board, ALUC, and Committees shall complete a "Request to Speak" form prior to the initiation of the portion of the agenda containing the item to be addressed (e.g., Public Comment and General Items). Failure to complete a form shall not preclude testimony, if permission to address the Board is granted by the Chair.
- 2) The Public Comment Section at the beginning of the agenda is limited to eighteen (18) minutes and is reserved for persons wishing to address the Board, ALUC, and Committees on any matter for which another opportunity to speak is not provided on the Agenda, and on matters that are within the jurisdiction of the Board. A second Public Comment period is reserved for general public comment later in the meeting for those who could not be heard during the first Public Comment period.
- 3) Persons wishing to speak on specific items listed on the agenda will be afforded an opportunity to speak during the presentation of individual items. Persons wishing to speak on specific items should reserve their comments until the specific item is taken up by the Board, ALUC and Committees. Public comment on specific items is limited to twenty (20) minutes – ten (10) minutes for those in favor and ten (10) minutes for those in opposition of an item. Each individual speaker will be allowed three (3) minutes, and applicants and groups will be allowed five (5) minutes.
- 4) If many persons have indicated a desire to address the Board, ALUC and Committees on the same issue, then the Chair may suggest that these persons consolidate their respective testimonies. Testimony by members of the public on any item shall be limited to **three (3) minutes per individual speaker and five (5) minutes for applicants, groups and referring jurisdictions.**
- 5) Pursuant to Authority Policy 1.33 (8), recognized groups must register with the Authority Clerk prior to the meeting.
- 6) After a public hearing or the public comment portion of the meeting has been closed, no person shall address the Board, ALUC, and Committees without first obtaining permission to do so.

Additional Meeting Information

NOTE: This information is available in alternative formats upon request. To request an Agenda in an alternative format, or to request a sign language or oral interpreter, or an Assistive Listening Device (ALD) for the meeting, please telephone the Authority Clerk's Office at (619) 400-2400 at least three (3) working days prior to the meeting to ensure availability.

For your convenience, the agenda is also available to you on our website at www.san.org.

For those planning to attend the Board meeting, parking is available in the public parking lot located directly in front of the Administration Building. Bring your ticket to the third floor receptionist for validation.

You may also reach the Administration Building by using public transit via the San Diego Metropolitan Transit System, Route 992. The MTS bus stop at Terminal 1 is a very short walking distance from the Administration Building. ADA paratransit operations will continue to serve the Administration Building as required by Federal regulation. For MTS route, fare and paratransit information, please call the San Diego MTS at (619) 233-3004 or 511. For other Airport related ground transportation questions, please call (619) 400- 2685.

UPCOMING MEETING SCHEDULE

<i>Date</i>	<i>Day</i>	<i>Time</i>	<i>Meeting Type</i>	<i>Location</i>
February 2	Thursday	9:00 a.m.	Regular	Board Room



Federal Inspection Services (FIS) Facility Update

January 5, 2017

Presented by:

Angie Jamison, Interim Director, Airport Planning & Noise Mitigation

Jana Vargas, Director, Procurement



AGENDA:

①

Update on Proposed FIS

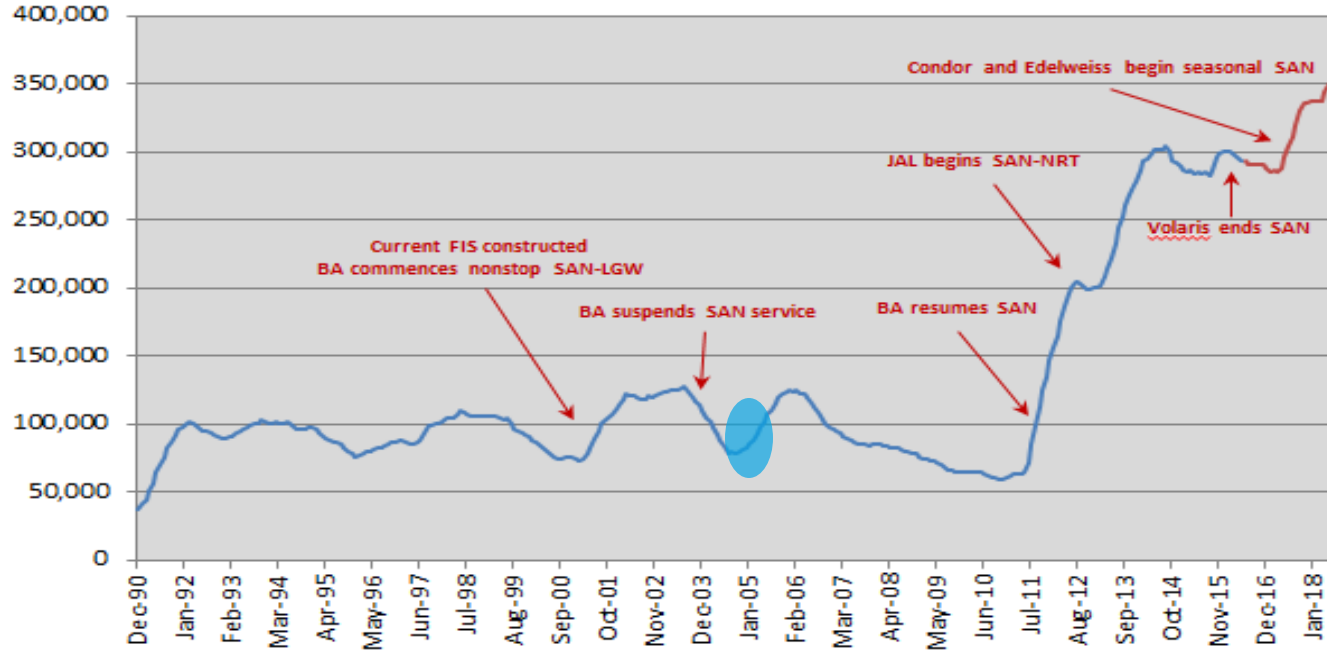
②

Environmental and Coastal
Review Status

③

Procurement Schedule

International (FIS) Arrivals have Grown Dramatically in San Diego



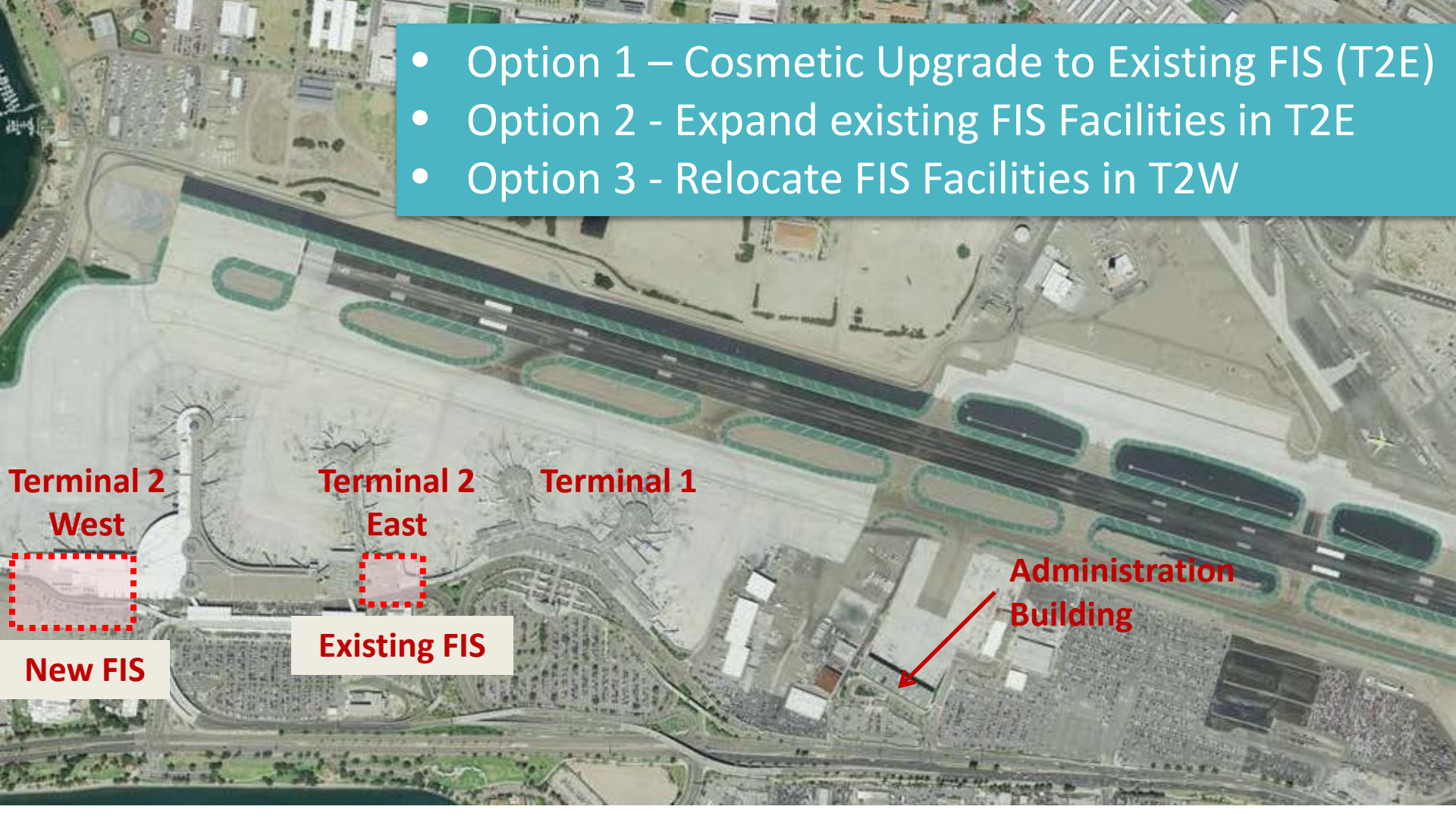
Source: DOT T100 dataset and SDCRAA air carrier reports (excl. Canadian arrivals)
Year ending relevant months

Need for Enhanced FIS

PAX PROCESSING AND GATE REQUIREMENTS DURING PEAK HOUR

Forecast Year	Peak Hour PAX	Narrow-body	Wide-body	Total Aircraft
2018	652	2	1	3
2019	687	2	2	4
2020	842	3	2	5
2025	842	3	2	5
2035	1043	3	3	6

- Option 1 – Cosmetic Upgrade to Existing FIS (T2E)
- Option 2 - Expand existing FIS Facilities in T2E
- Option 3 - Relocate FIS Facilities in T2W



**Terminal 2
West**

**Terminal 2
East**

Terminal 1



**Administration
Building**

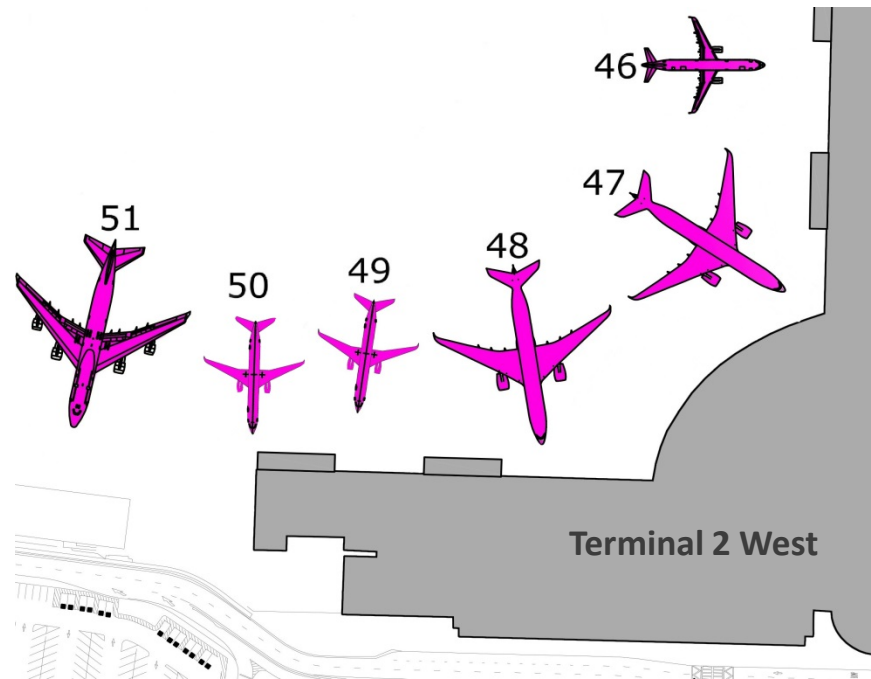
New FIS

Existing FIS

Preferred Option

Relocate FIS Facilities to T2W Expansion

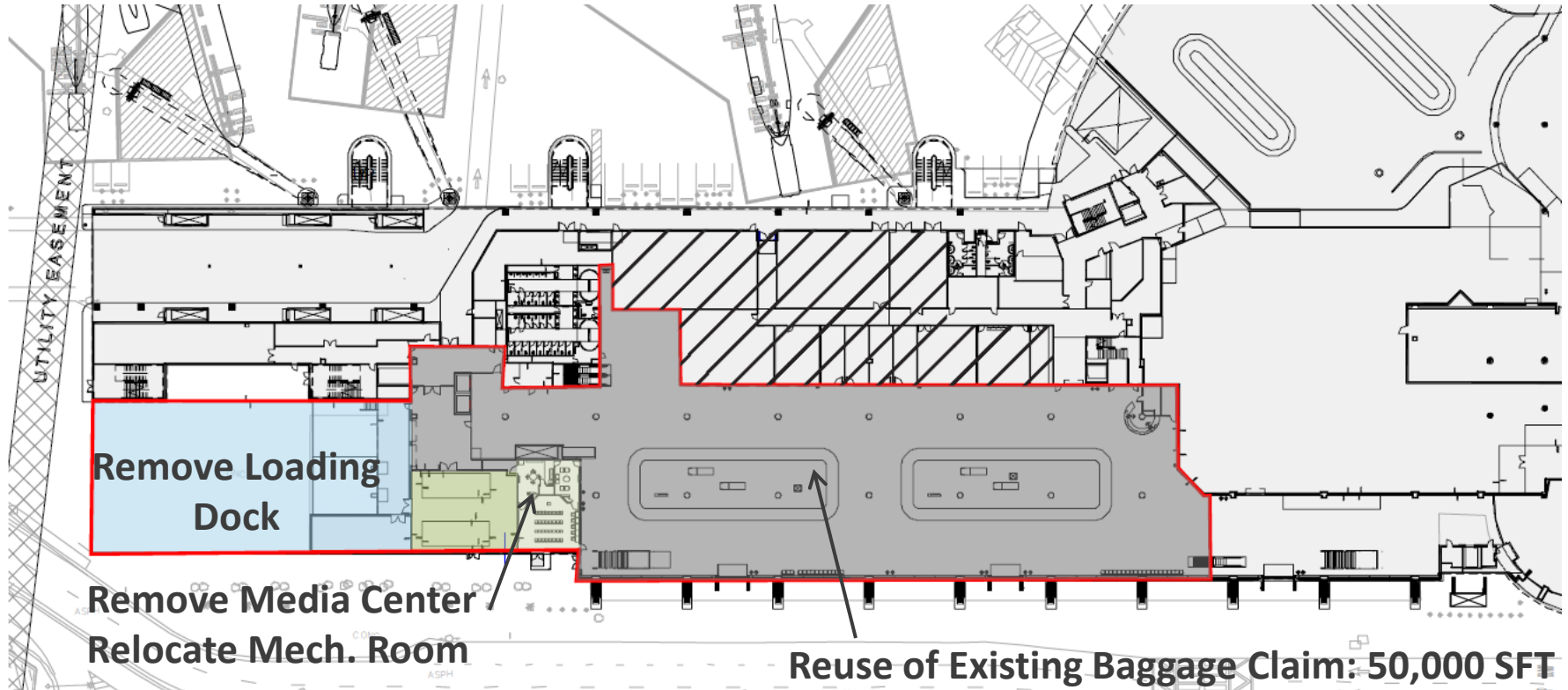
- Six independent/swing gates
- Can accommodate up to 3 wide-body and 3 narrow-body aircraft
- Uses shell space built during Green Build
- ROM cost estimate of up to \$200 million



T2W Overall Plan

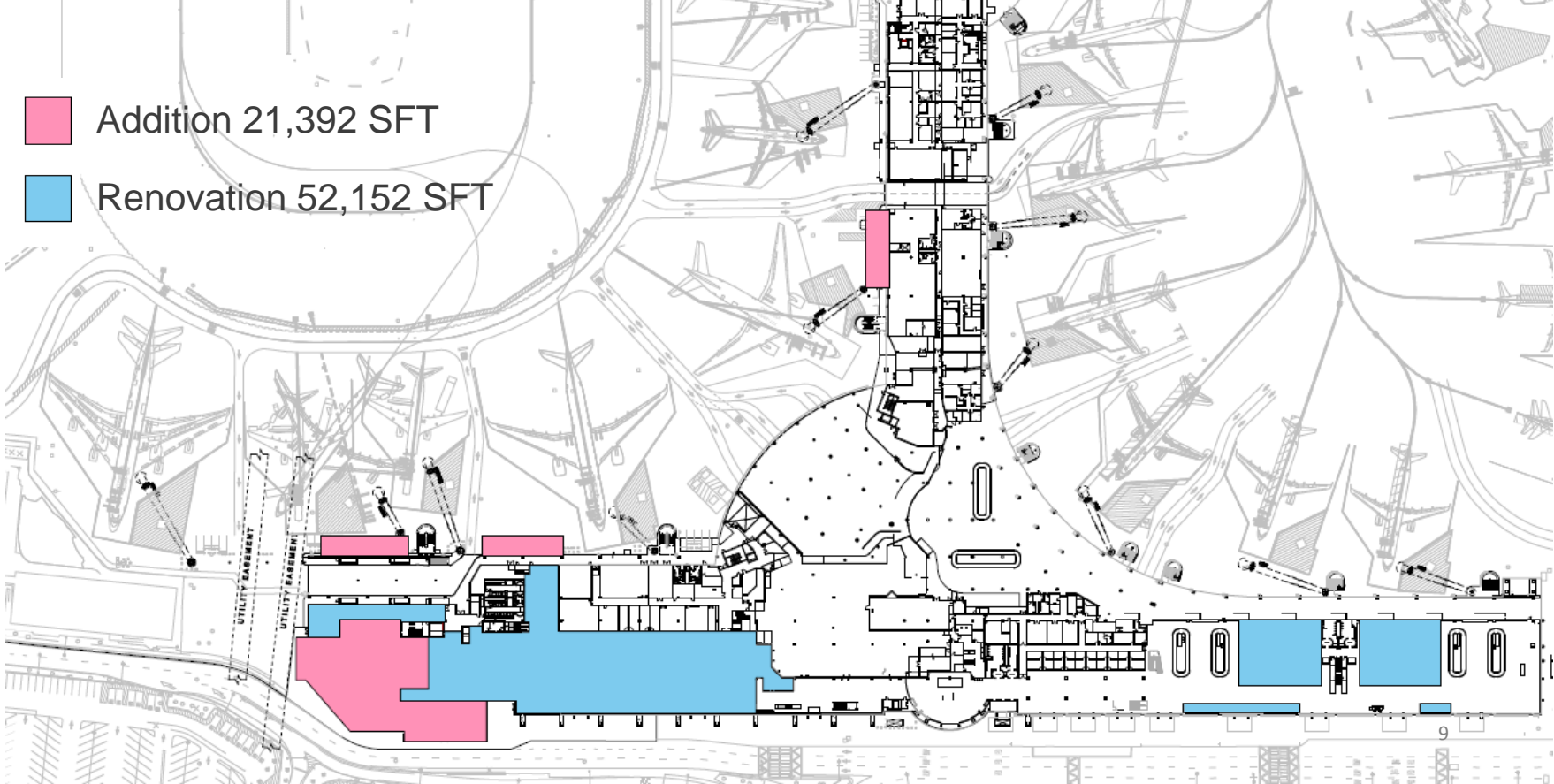


T2W Level 1 Available Space



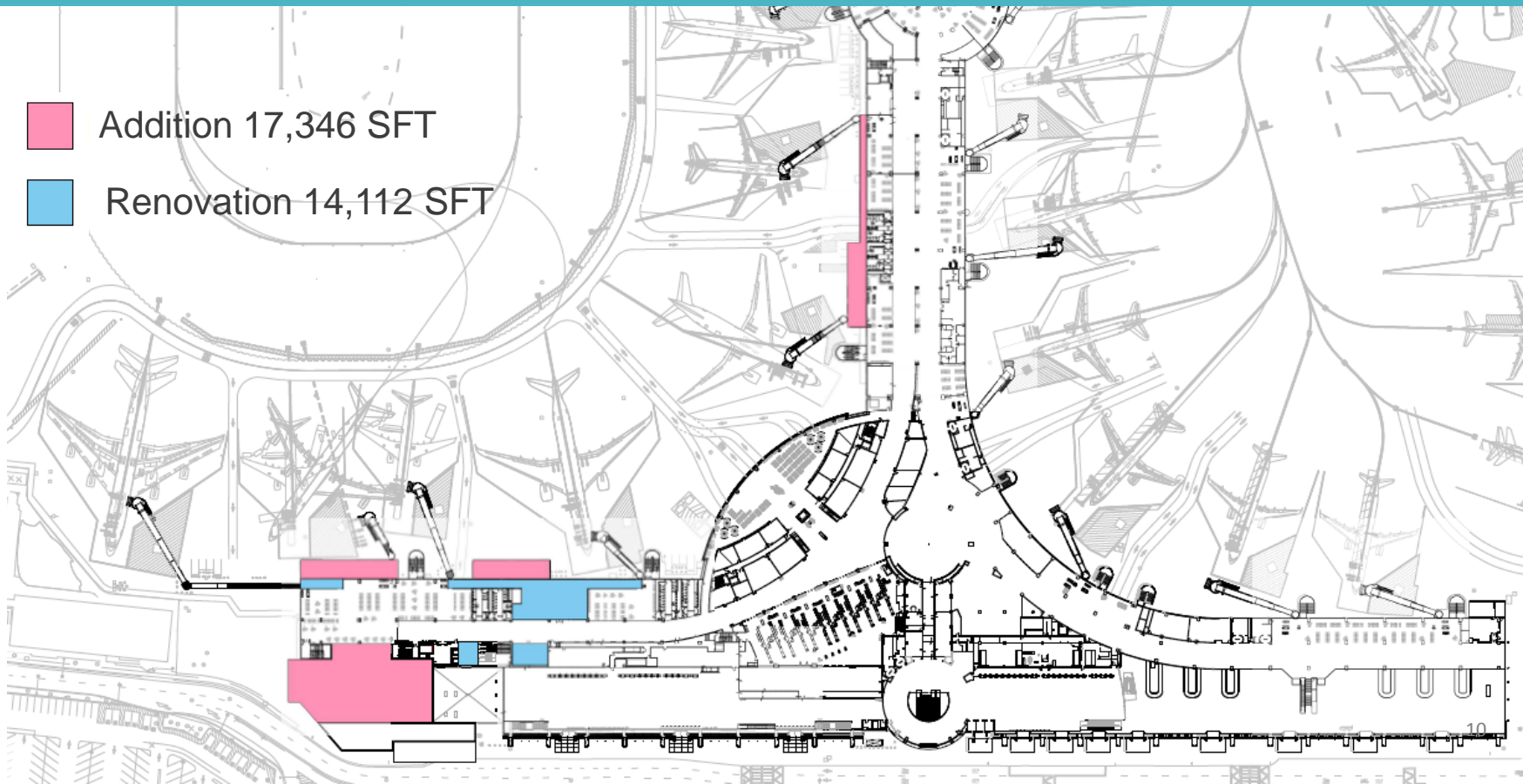
Level 1 - Area of Work

- Addition 21,392 SFT
- Renovation 52,152 SFT

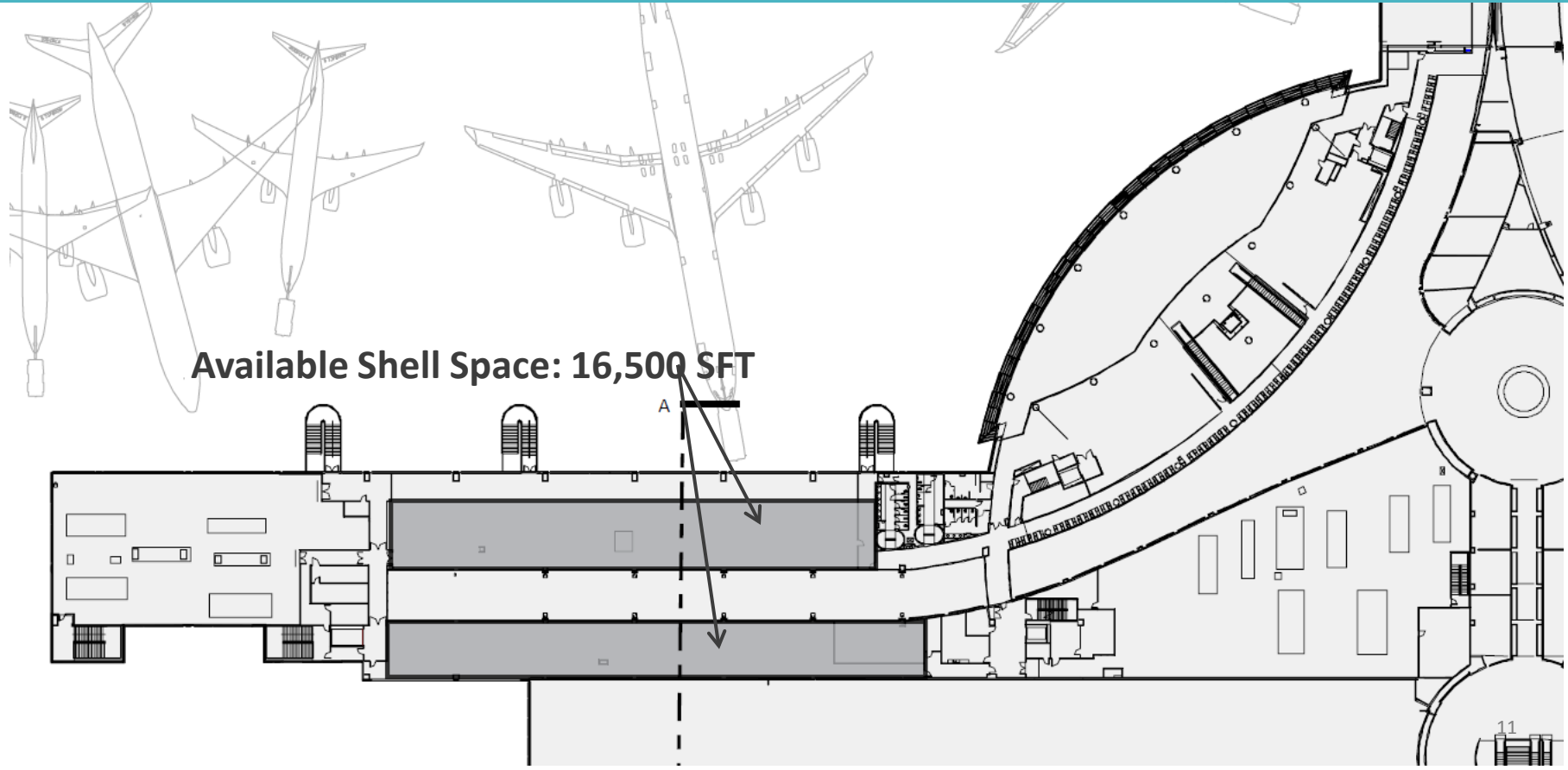


Level 2 - Area of Work

- Addition 17,346 SFT
- Renovation 14,112 SFT

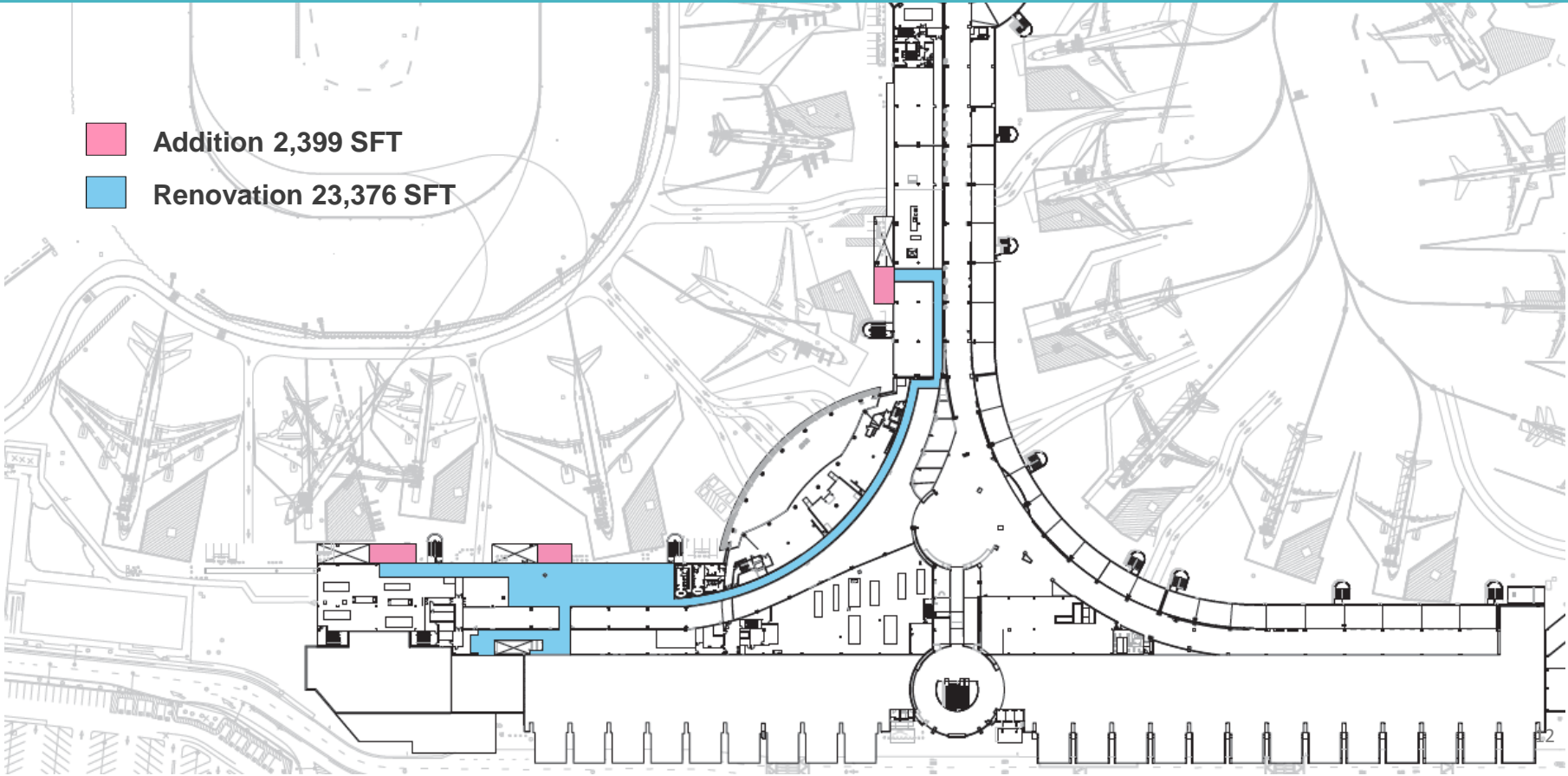


T2W Level 3 Available Space



Level 3 - Area of Work

- Addition 2,399 SFT
- Renovation 23,376 SFT



T2W FIS Buildout Square Feet

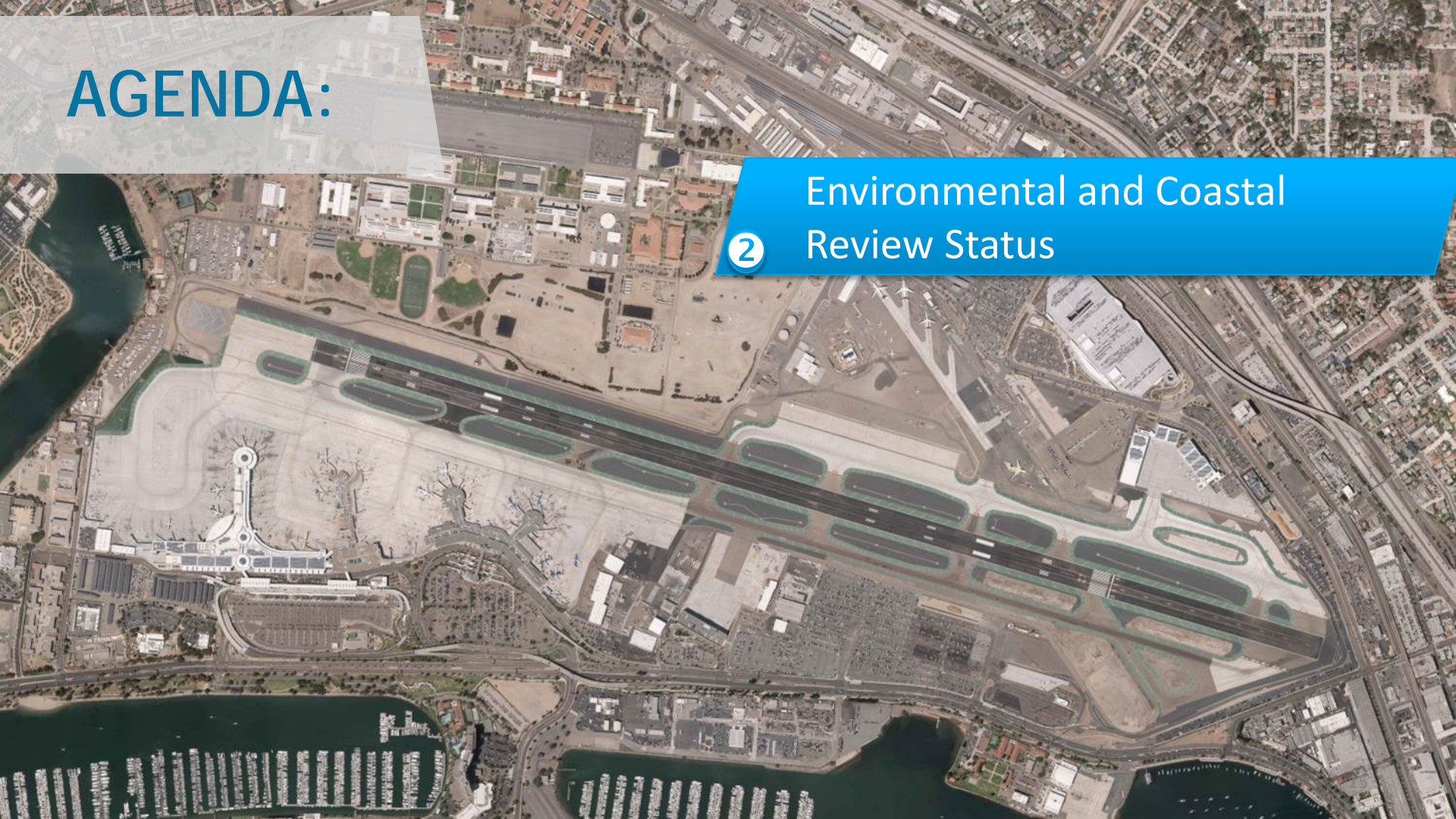
Level	New	Renovation	Total
1	21,392	52,152	73,544
2	17,346	14,112	31,458
3	2,399	23,376	25,775
Grand Total	41,137	89,640	130,777

Desired Schedule

Phase	Anticipated Date
Procurement Phase	Oct. 2016 – March 2017
Contract Award	March 2017
Design/Construction Phase	March 2017 – April 2018
Activation Phase	May – June 2018
Facility Operational	Spring 2018

AGENDA:

2 Environmental and Coastal
Review Status



FIS Improvements

Environmental and Coastal Review

- FIS facility was identified in the 2008 Airport Master Plan and related Environmental Impact Report (EIR)
- CEQA: Addendum to the EIR has been prepared and available on website
- CA Coastal Review: An amendment to the 2009 coastal development permit is under discussion with San Diego Coast District Office

AGENDA:

3

Procurement Schedule

Procurement Schedule

PROCUREMENT ACTIVITY	DATE	Status
Industry Forum	October 5, 2015	Complete
Release RFQ	October 10, 2016	Complete
Pre-Submittal Conference/Job Walk (2)	October 19/20, 2016	Complete
Statement of Qualifications Due Date	November 10, 2016	Complete
Shortlist Selection	November 29, 2016	Complete
Execute Letter Agreements with selected Shortlist	December 8, 2016	Complete

* Letter Agreements included Collaborative Dialogue Meeting instructions, preliminary rules of contact, confidentiality terms and protest procedures.

Procurement Schedule continued

PROCUREMENT ACTIVITY with Selected Shortlist	PROPOSED DATE	Status
Provide controlled electronic access to the FIS Definition Documents	December 9, 2016	Complete
Issue Draft RFP	December 12, 2016	Complete
Issue Collaborative Dialogue Meeting Guide	December 13, 2016	Complete
Host Webinar overview of FIS Definition Documents	December 16, 2016	Complete
1st Collaborative Dialogue Meeting	December 20, 2016	Complete
Update Authority Board	January 5, 2017	
Publish RFP	January 6, 2017	
Execute Work Product Agreements	January 9, 2017	
Continued Collaborative Dialogue Meetings	January 2017	
Proposal Due Date	February 14, 2017	
Final Interviews	February 22, 2017	
Board Approval of Contract Award	March 27, 2017	

Questions?



DRAFT
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD
MINUTES
THURSDAY, DECEMBER 15, 2016
SAN DIEGO INTERNATIONAL AIRPORT
BOARD ROOM

CALL TO ORDER: Chairman Boling called the regular meeting of the San Diego County Regional Airport Authority to order at 9:00 a.m. on Thursday, December 15, 2016, in the Board Room at the San Diego International Airport, Administration Building, 3225 North Harbor Drive, San Diego, CA 92101.

PLEDGE OF ALLEGIANCE: Board Member Cox led the Pledge of Allegiance.

ROLL CALL:

PRESENT: Board Members: Berman (Ex Officio), Boling, Cox
 Desmond, Gleason, Hubbs, Janney,
 Kersey, Robinson, Col. Woodworth (Ex
 Officio)

ABSENT: Board Members: Ortega (Ex Officio), Sessom

ALSO PRESENT: Angela Shafer-Payne, Vice President, Operations; Amy Gonzalez,
 General Counsel; Tony R. Russell, Director, Corporate and
 Information Governance/Authority Clerk; Ariel Levy-Mayer,
 Assistant Authority Clerk I

Board Member Kersey arrived during the course of the meeting.

PRESENTATIONS:

A. STATUS UPDATE ON THE AIRPORT DEVELOPMENT PLAN:

Keith Wilschetz, Director, Airport Planning & Noise Mitigation, provided a presentation on the Status Update on the Airport Development Plan which included Alternative 5 (Spring/Summer 2016), Alternative 5: Phase 1 (Spring/Summer 2016), Alternative 5: Continued Refinement, Phase 1A, Phase 1B, Anticipated Schedule Phases 1A and 1B, and Next Steps.

Chairman Boling requested that General Counsel advise the Board as to whether or not a second Board action is required due to the changes made to Alternative 5 since it was originally approved by the Board.

In response to Board Member Desmond's concern regarding the effect of the relocation of the Federal Inspection Services (FIS) Facility to the end of the facility, whereas it was originally planned to be built more towards the center of the terminals and how the Authority will handle international traffic, Jeffrey Woodson, Vice President, Development stated that staff is currently looking at options such as airline relocation and the shuttling of passengers.

Board Member Desmond stated that the focus should be on an FIS Facility that works for future demands.

Board Member Janney expressed concern regarding the large number of changes to Alternative 5 and the relocation of the FIS facility.

REPORTS FROM BOARD COMMITTEES, AD HOC COMMITTEES, AND CITIZEN COMMITTEES AND LIAISONS:

STANDING BOARD COMMITTEES

- **AUDIT COMMITTEE:** None.
- **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:** None.
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:** None.
- **FINANCE COMMITTEE:** None.

ADVISORY COMMITTEES

- **AUTHORITY ADVISORY COMMITTEE:** Board Member Robinson reported that the Authority Advisory Committee met November 30, 2016 to discuss Airport Development Plan, Federal Inspection Services (FIS) Facility, the Terminal 2 Parking Plaza and International Air Service.
- **ART ADVISORY COMMITTEE:** Board Member Gleason reported that 6 of the 15 Intergalactic Dreaming Exhibitions have been installed and will be complete next month. He also reported that the Fern St. Circus had a meet and greet on December 15 and 16. He reported that transcDANCE will begin their Performing Arts Residency with an orientation and site research. He also reported that as part of the ongoing concert series, roaming musicians will perform for travelers on December 21, 2016. He also reported that the Public Art for the Rental Car Center is ahead of schedule. He reported that RFP's for two Public Art opportunities, the glass partition wall artwork and atrium suspended artwork, were published December 15, 2016. He also reported that the art.san.org website is live and that Joey Herring joined the Arts Program as Arts Coordinator II on December 7, 2016

LIAISONS

- **AIRPORT LAND USE COMPATIBILITY PLAN:** None.
- **CALTRANS:** None.
- **INTER-GOVERNMENTAL AFFAIRS:** Board Member Cox reported that Elaine Chao was nominated as Secretary of Transportation on November 29, 2016, John Kelly was nominated as lead of the Department of Homeland Security on December 7, 2016, and that congress would reconvene on January 3, 2017.
- **MILITARY AFFAIRS:** None.
- **PORT:** None.
- **WORLD TRADE CENTER:** None.

BOARD REPRESENTATIVES (EXTERNAL)

- **SANDAG TRANSPORTATION COMMITTEE:** None.

CHAIR'S REPORT: Chairman Boling reported that an average of 65,000 passengers use San Diego International Airport daily, a 3% increase from last year. She also reported that a new marketing campaign with the concessionaires is underway for the holidays. She reported that Board Member Janney attended the Airport Ambassadors Holiday Event on behalf of the Board and thanked the volunteers for their service. She reported that with the announcement of Ms. Bowens retirement in March 2017 that Board has elected to engage an executive search firm to recruit nationally for candidates and that we are in the process of interviewing various firms to select a firm soon.

PRESIDENT/CEO'S REPORT: Angela Shafer-Payne, Vice President, Operations, reported that pile driving began on the Terminal 2 Parking Plaza and that the noise output is continually being monitored. She reported that the Authority exceeded its goal of \$92,000 for the United Way Campaign, by raising \$100,410. She also reported that David Boenitz, Director of Ground Transportation, is retiring this month and Keith Wilschetz, Director of Airport Planning & Noise Mitigation, will be leaving for another opportunity on December 16, 2016.

NON-AGENDA PUBLIC COMMENT:

KAMRAN HAMIDI, SAN DIEGO, spoke regarding taxi operations at San Diego International Airport.

RICHARD LEDFORD, SAN DIEGO, spoke regarding improvements in ground transportation at the airport and attributes it to David Boenitz and recognized him for his work at the Authority.

WILLIAM JOHNSON, SAN DIEGO, with United Taxi Workers of San Diego spoke regarding the taxi permitting process and stated that they would like to present their own proposal to the Board.

CONSENT AGENDA (Items 1-11):

KAMRAN HAMIDI, SAN DIEGO, spoke in opposition to the rejection of claims identified in Items No. 4 and 5.

EDWARD TEYSSIER, SAN DIEGO, spoke in opposition to the rejection of the claims and requested the record reflect that Item No. 5 is a Class Claim.

RICHARD RIDER, SAN DIEGO, spoke regarding Items 4 and 5 and stated that they should be taken more seriously.

ACTION: Moved by Board Member Robinson and seconded by Board Member Desmond to approve the Consent Agenda. Motion carried by the following vote: YES – Boling, Cox, Desmond, Gleason, Hubbs, Janney, Kersey, Robinson; No – None; ABSENT – Sessom. (Weighted Vote Points: Yes – 92, NO – 0, ABSENT – 8)

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the November 17, 2016 regular meeting.

2. ACCEPTANCE OF BOARD AND COMMITTEE MEMBERS WRITTEN REPORTS ON THEIR ATTENDANCE AT APPROVED MEETINGS AND PRE-APPROVAL OF ATTENDANCE AT OTHER MEETINGS NOT COVERED BY THE CURRENT RESOLUTION:

RECOMMENDATION: Accept the reports and pre-approve Board member attendance at other meetings, trainings and events not covered by the current resolution.

3. AWARDED CONTRACTS, APPROVED CHANGE ORDERS FROM OCTOBER 24, 2016 THROUGH NOVEMBER 20, 2016 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM OCTOBER 24, 2016 THROUGH NOVEMBER 20, 2016:

RECOMMENDATION: Receive the report.

CLAIMS

4. **REJECT THE CLAIM OF V.I.P. TAXI CO.:**
RECOMMENDATION: Adopt Resolution No. 2016-0107, rejecting the claim of V.I.P. Taxi Co.
5. **REJECT THE AMENDED CLAIM OF K.S.A.N. L.L.C:**
RECOMMENDATION: Adopt Resolution No. 2016-0108, rejecting the amended claim of K.S.A.N. LLC.

COMMITTEE RECOMMENDATION

6. **EXTERNAL AUDITOR'S FISCAL YEAR ENDED JUNE 30, 2016, REPORTS: A) AUDITED FINANCIAL STATEMENTS, B) SINGLE AUDIT REPORTS, C) PASSENGER FACILITY CHARGE COMPLIANCE REPORT, D) CUSTOMER FACILITY CHARGE COMPLIANCE REPORT, AND E) LETTER TO THE BOARD:**
RECOMMENDATION: The Audit Committee recommends that the Board accept the reports.
7. **REVIEW OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) FOR THE FISCAL YEAR ENDED JUNE 30, 2016:**
RECOMMENDATION: The Audit Committee recommends that the Board accept the report.
8. **FISCAL YEAR 2017 FIRST QUARTER ACTIVITIES REPORT AND AUDIT RECOMMENDATIONS ISSUED BY THE OFFICE OF THE CHIEF AUDITOR:**
RECOMMENDATION: The Audit Committee recommends that the Board accept the report.

CONTRACTS AND AGREEMENTS

9. **AWARD A CONTRACT TO VASQUEZ CONSTRUCTION COMPANY, INC., FOR CONSTRUCT CONCESSIONAIRES AND JANITORIAL WASH AREAS AT SAN DIEGO INTERNATIONAL AIRPORT:**
RECOMMENDATION: Adopt Resolution No. 2016-0109, awarding a contract to Vasquez Construction Company, Inc., in the amount of \$185,388 for Project No. 104199, Construct Concessionaires and Janitorial Wash Areas at San Diego International Airport.
10. **AWARD A CONTRACT TO CYBER PROFESSIONAL SOLUTIONS CORPORATION FOR CONSTRUCT CENTRALIZED AIRPORT COMMUNICATION CENTER AT SAN DIEGO INTERNATIONAL AIRPORT:**
RECOMMENDATION: Adopt Resolution No. 2016-0110, awarding a contract to Cyber Professional Solutions Corporation, in the amount of \$168,499.98 for Project No. 104217, Construct Centralized Airport Communication Center at San Diego International Airport.

CONTRACTS AND AGREEMENTS AND/OR AMENDMENTS TO CONTRACTS AND AGREEMENTS EXCEEDING \$1 MILLION

11. AWARD A CONTRACT TO FORDYCE CONSTRUCTION, INC., FOR SOLID WASTE DISPOSAL AND RECYCLING FACILITY AT SAN DIEGO INTERNATIONAL AIRPORT:

RECOMMENDATION: Adopt Resolution No. 2016-0111, awarding a contract to Fordyce Construction, Inc., in the amount of \$1,185,471 for Project No. 104193, Solid Waste Disposal and Recycling Facility at San Diego International Airport.

PUBLIC HEARINGS: None.

OLD BUSINESS: None.

NEW BUSINESS:

12. APPROVE THE DECEMBER 2016 LEGISLATIVE REPORT AND 2017 LEGISLATIVE AGENDA:

Mike Kulis, Director, Inter-Governmental Relations; Richard C. Harris, Senior Policy Advisor, Nossaman LLP; and Sam Whitehorn, Managing Director, McBee Strategic Consulting provided a presentation on the December 2016 Legislative Report and 2017 Legislative Agenda which included Legislative Advocacy Program, 2016 State Highlights, State Political Landscape, 2017 State Legislative Proposals, 2016 Federal Highlights, Federal Political Landscape, 2017 Federal Legislative Proposals, and Recommended Action.

Board Member Gleason stated that the Authority should be very involved in the Customs and Border Protection (CBP) conversation regarding the value of international trade and what it means for the Authority. He also stated that there is a role for the Authority to talk about the value of international trade and that groups need to start working together.

Chairman Boling requested that staff come back to the Board with another briefing on the 2017 Legislative Agenda in four months.

RECOMMENDATION: Adopt Resolution No. 2016-0112, approving the December 2016 Legislative Report and 2017 Legislative Agenda.

ACTION: Moved by Board Member Kersey and seconded by Board Member Gleason to approve staff's recommendation. Motion carried by the following vote: YES – Boling, Cox, Desmond, Gleason, Hubbs, Janney, Kersey, Robinson; No – None; ABSENT – Sessom. (Weighted Vote Points: Yes – 92, NO – 0, ABSENT – 8)

CLOSED SESSION: The Board recessed into Closed Session at 10:24 a.m. to discuss Items 14, 19, 22, 23, and 24.

- 13. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**
(Cal. Gov. Code § 54956.9(a)):
Maria Paula Bermudez v. San Diego County Regional Airport Authority, American Airlines, Inc., et al.
San Diego Superior Court Case No. 37-2015-00022911-CU-PO-CTL
- 14. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**
(Cal. Gov. Code §54956.9(a) and (d)(1))
Stanley Moore v. San Diego County Regional Airport Authority, et al.
San Diego Superior Court Case No. 37-2015-00030676-CU-OE-CTL
- 15. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**
Cal. Gov. Code § 54956.9(a) and (d).
In the matter of the Petition of San Diego County Regional Airport Authority for Review of Action by the California Regional Water Quality Control Board in Issuing Order No. R9-2013-0001, as amended by Orders Nos. R9-2015-0001 and R9-2015-0100 (NPDES NO. CAS0109266) [Water Code §§ 13320(a) and 13321(a)]
- 16. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**
(Cal. Gov. Code §54956.9(a))
GGTW LLC v San Diego County Regional Airport Authority, et al.
San Diego Superior Court Case No. 37-2016-00032646-CU-BC-CTL
- 17. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**
(Cal. Gov. Code §54956.9(a))
San Diego County Regional Airport Authority v. American Car Rental, Inc.
San Diego Superior Court Case No. 37-2016-00024056-CL-BC-CTL
- 18. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**
(Cal. Gov. Code § 54956.9(a) and (d)(1).)
Dryden Oaks, LLC v. San Diego County Regional Airport Authority, et al.,
San Diego Superior Court, North County, Case No. 37-2014-00004077-CU-EINC
- 19. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
(Significant exposure to litigation pursuant to Cal. Gov. Code §§ 54956.9 (b) and 54954.5.)
Re: Investigative Order No. R9-2012-0009 by the California Regional Water Quality Control Board regarding submission of technical reports pertaining to an investigation of bay sediments at the Downtown Anchorage Area in San Diego.
Number of potential cases: 1
- 20. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
(Initiation of litigation pursuant to Cal. Government Code § 54956.9(d).)
Number of cases: 2

- 21. CONFERENCE WITH REAL PROPERTY NEGOTIATORS AND WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**
(Gov. Code §§54956.9(d)(e)(1) and 54954.5(b))
Property: Concession leases (food & beverage) with Host, High Flying Foods and SSP
Agency Negotiator: Scott Brickner, Kathy Kiefer and Eric Podnieks
Negotiating Parties: Host, High Flying Foods San Diego Partnership, SSP America, Inc. and Stellar Partners, Inc.
Under negotiation: rent (price and terms of payment), closure/conversion of locations, new concession buildout, ACDBE participation, lease compliance issues, claim by Host and close outs/permits.
- 22. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
(Significant exposure to litigation pursuant to cal. Gov. Code §54956.9(e)(3))
The Receipt of a Government Claim from VIP Taxi Inc.
- 23. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
(Significant exposure to litigation pursuant to Cal. Gov. Code section 54956.9(e)(3))
The Receipt of a Government Claim from K.S.A.N. L.L.C.
- 24. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
(Significant exposure to litigation pursuant to Cal.Gov. Code §54956.9(d)(2))
Fordyce Construction-Interim Waste Storage Facility, Project No. CIP104192
- 25. PUBLIC EMPLOYEE APPOINTMENT:**
Cal. Gov. Code §54957
Title: President/Chief Executive Officer

REPORT ON CLOSED SESSION: The Board reconvened into open session at 11:06 a.m. There was no reportable action.

GENERAL COUNSEL REPORT: None.

BUSINESS AND TRAVEL EXPENSE REIMBURSEMENT REPORTS FOR BOARD MEMBERS, PRESIDENT/CEO, CHIEF AUDITOR AND GENERAL COUNSEL WHEN ATTENDING CONFERENCES, MEETINGS, AND TRAINING AT THE EXPENSE OF THE AUTHORITY:

BOARD COMMENT:

ADJOURNMENT: The meeting was adjourned at 11:07 a.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT
AUTHORITY BOARD THIS 2nd DAY OF FEBRUARY, 2017.

TONY R. RUSSELL
DIRECTOR, CORPORATE &
INFORMATION GOVERNANCE /
AUTHORITY CLERK

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

STAFF REPORT

Meeting Date: **JANUARY** , 2017

Subject:

Acceptance of Board and Committee Members Written Reports on Their Attendance at Approved Meetings and Pre-Approval of Attendance at Other Meetings Not Covered by the Current Resolution

Recommendation:

Accept the reports and pre-approve Board Member attendance at other meetings, trainings and events not covered by the current resolution.

Background/Justification:

Authority Policy 1.10 defines a “day of service” for Board Member compensation and outlines the requirements for Board Member attendance at meetings.

Pursuant to Authority Policy 1.10, Board Members are required to deliver to the Board a written report regarding their participation in meetings for which they are compensated. Their report is to be delivered at the next Board meeting following the specific meeting and/or training attended. The reports (Attachment A) were reviewed pursuant to Authority Policy 1.10 Section 5 (g), which defines a “day of service”. The reports were also reviewed pursuant to Board Resolution No. 2009-0149R, which granted approval of Board Member representation for attending events and meetings.

The attached reports are being presented to comply with the requirements of Policy 1.10 and the Authority Act.

The Board is also being requested to pre-approve Board Member attendance at briefings by representatives of a local police department or a state or federal governmental agency regarding safety, security, immigration or customs affecting San Diego International Airport.

Fiscal Impact:

Board and Committee Member Compensation is included in the FY 2017 Budget.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Environmental Review:

- A. This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act (CEQA), as amended. 14 Cal. Code Regs. Section 15378. This Board action is not a "project" subject to CEQA. Pub. Res. Code Section 21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act, Pub. Res. Code Section 30106.

Application of Inclusionary Policies:

Not applicable.

Prepared by:

TONY R. RUSSELL
DIRECTOR, CORPORATE & INFORMATION GOVERNANCE/AUTHORITY CLERK

JIM DESMOND

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Board Member Event/Meeting/Training Report Summary
 Period Covered: _____ November/December 2016 _____

Directions: This Form permits Board Members to report their attendance at meetings, events, and training that qualify for "day of service" compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2009-0149R. Unless attending a meeting held pursuant to the Brown Act, attendance must be pre-approved by the Board prior to attendance and a written report delivered at the next Board meeting. After completing this Form, please forward it to Tony Russell, Authority Clerk.

BOARD MEMBER NAME: (Please print)		DATE OF THIS REPORT:
Jim Desmond		12/27/16
TYPE OF MEETING	DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING	SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Nov 17, 2016 Time: 9am Location: SDIA	Board Meeting
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: December 15, 2016 Time: 9am Location: SDIA	Board Meeting
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	

I certify that I was present for at least half of the time set for each meeting, event and training listed herein.

Signature: Jim Desmond

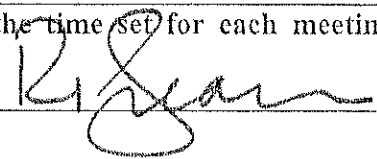
ROBERT GLEASON

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Board Member Event/Meeting/Training Report Summary
 Period Covered: DECEMBER 2016

Directions: This Form permits Board Members to report their attendance at meetings, events, and training that qualify for "day of service" compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2009-0149R. Unless attending a meeting held pursuant to the Brown Act, attendance must be pre-approved by the Board prior to attendance and a written report delivered at the next Board meeting. After completing this Form, please forward it to Tony Russell, Authority Clerk.

BOARD MEMBER NAME: (Please print)		DATE OF THIS REPORT:
ROBERT H. GLEASON		December 27, 2016
TYPE OF MEETING	DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING	SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: December 5, 2016 Time: 9:00 am Location: SDCRAA offices	Executive / Finance Committee meeting Audit Committee meeting
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input checked="" type="checkbox"/> Res. 2009-0149R	Date: December 12, 2016 Time: 10:00 am Location: Balboa Theatre	City of San Diego City Council Inauguration
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: December 15, 2016 Time: 9:00 am Location: SDCRAA offices	ALUC / Board meeting
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	

I certify that I was present for at least half of the time set for each meeting, event and training listed herein.

Signature: 

LLOYD HUBBS

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

Board Member Event/Meeting/Training Report Summary

Period Covered: Dec, 2016

SDCRAA

DEC 15 2016

Directions: This Form permits Board Members to report their attendance at meetings, events, and training that qualify for "day of service" compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2009-0007. Unless attending a meeting held pursuant to the Brown Act, attendance must be pre-approved by the Board prior to attendance and a written report delivered at the next Board meeting. After completing this Form, please forward it to Tony Russell, Authority Clerk.

BOARD MEMBER NAME: (Please print)		DATE OF THIS REPORT:
LLOYD HUBBS		12/15/16
TYPE OF MEETING	DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING	SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: 12-5-16 Time: 9:00 Location: Board Rm	Exec-Finance Audit
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: 12-15-16 Time: 9:00 Location: BOARD Rm	Board-Aluc Mtg.
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	

I certify that I was present for at least half of the time set for each meeting, event and training listed herein.

Signature: *Lloyd Hubbs*

JIM JANNEY

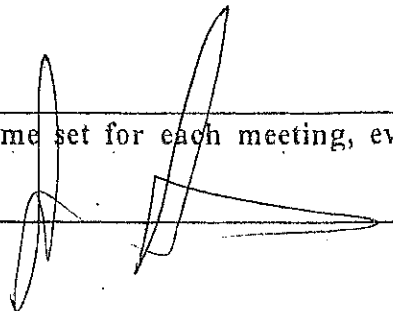
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Board Member Event/Meeting/Training Report Summary
 Period Covered: Dec 16

SDCRAA
 DEC 28 2016
 Corporate & Information Governance

Directions: This Form permits Board Members to report their attendance at meetings, events, and training that qualify for "day of service" compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2009-0007. Unless attending a meeting held pursuant to the Brown Act, attendance must be pre-approved by the Board prior to attendance and a written report delivered at the next Board meeting. After completing this Form, please forward it to Tony Russell, Authority Clerk.

BOARD MEMBER NAME (Please print)		DATE OF THIS REPORT
Jim Dunaway		28 Dec 16
TYPE OF MEETING	DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING	SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING
Brown Act Pre-approved Res. 2009-0149R	Date: Dec 5 Time: 0900 Location: SDCRAA	Exec/Finance
Brown Act Pre-approved Res. 2009-0149R	Date: Dec 15 Time: 0900 Location: SDCRAA	Board mtg
Brown Act Pre-approved Res. 2009-0149R	Date: Dec 17 Time: 0930 Location: SDCRAA	CFO Search Committee
Brown Act Pre-approved Res. 2009-0149R	Date: Dec 21 Time: 1200 Location: SDCRAA	CFO Search Committee
Brown Act Pre-approved Res. 2009-0149R	Date: Dec 28 Time: 1230 Location: SDCRAA	CFO Search Committee
Brown Act Pre-approved Res. 2009-0149R	Date: Dec 14 Time: 1800 Location: Kiberly Station	ambassador Appreciation Event
Brown Act Pre-approved Res. 2009-0149R	Date: Time: Location:	
Brown Act Pre-approved Res. 2009-0149R	Date: Time: Location:	

I certify that I was present for at least half of the time set for each meeting, event and training listed herein.

Signature: 

MARK KERSEY

SDCRAA
 DEC 27 2016
 Corporate & Information Governance

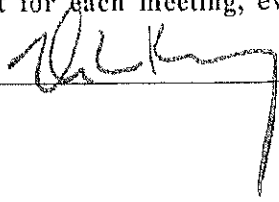
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Board Member Event/Meeting/Training Report Summary

Period Covered: December 2016

Directions: This Form permits Board Members to report their attendance at meetings, events, and training that qualify for "day of service" compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2009-0149R. Unless attending a meeting held pursuant to the Brown Act, attendance must be pre-approved by the Board prior to attendance and a written report delivered at the next Board meeting. After completing this Form, please forward it to Tony Russell, Authority Clerk.

BOARD MEMBER NAME:		DATE:
Mark Kersey		12/27/16
TYPE OF MEETING	DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING	SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: December 5, 2016 Time: 9:00 am Location: 3255 Harbor Drive	Special Board Meeting (Executive/Finance Committee)
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: December 15, 2016 Time: 9:00 am Location: 3225 Harbor Drive	Board Meeting/ALUC
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res.2009-0149R	Date: Time: Location:	

I certify that I was present for at least half of the time set for each meeting, event and training listed herein.

Signature: 

PAUL ROBINSON

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Board Member Event/Meeting/Training Report Summary

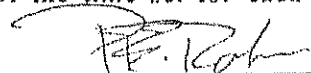
Period Covered: 12/31/16

SDCRAA
 DEC 28 2016
 Corporate & Information Governance

Directions: This Form permits Board Members to report their attendance at meetings, events, and training that qualify for "day of service" compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2009-0149R. Unless attending a meeting held pursuant to the Brown Act, attendance must be pre-approved by the Board prior to attendance and a written report delivered at the next Board meeting. After completing this Form, please forward it to Tony Russell, Authority Clerk.

BOARD MEMBER NAME:		DATE:
PAUL ROBINSON		12-28-16
TYPE OF MEETING	DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING	SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res. 2009-0149R	Date: 12/5/16 Time: 9:00 — 11:00 Location: SDCRAA Bd Rm	Exec/Finance Com Mtg Audit Com Mtg
<input type="checkbox"/> Brown Act <input checked="" type="checkbox"/> Pre - approved <input type="checkbox"/> Res. 2009-0149R	Date: 12/12/16 Time: 8:00 — 9:30 am Location: Commuter Terminal	CEO Search Comm. Mtg.
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res. 2009-0149R	Date: 12/15/16 Time: 9:00 — 11:30 am Location: SDCRAA Bd Rm	SDCRAA Bd / ALUO Mtgs.
<input type="checkbox"/> Brown Act <input checked="" type="checkbox"/> Pre - approved <input type="checkbox"/> Res. 2009-0149R	Date: 12/21/16 Time: 10:30 — 12:00 pm Location: Commuter Terminal	CEO Search Comm Mtg.
<input type="checkbox"/> Brown Act <input checked="" type="checkbox"/> Pre - approved <input type="checkbox"/> Res. 2009-0149R	Date: 12/28/16 Time: 12:00 pm — 2:30 pm Location: Commuter Terminal	CEO Search Comm Mtg.
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre - approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	

I certify that I was present for at least half of the time set for each meeting, event and training listed herein.

Signature: 

STAFF REPORT

Meeting Date: **JANUARY 5, 2017**

Subject:

Awarded Contracts, Approved Change Orders from November 21, 2016 through December 11, 2016 and Real Property Agreements Granted and Accepted from November 21, 2016 through December 11, 2016

Recommendation:

Receive the Report.

Background/Justification:

Policy Section Nos. 5.01, Procurement of Services, Consulting, Materials, and Equipment, 5.02, Procurement of Contracts for Public Works, and 6.01, Leasing Policy, require staff to provide a list of contracts, change orders, and real property agreements that were awarded and approved by the President/CEO or her designee. Staff has compiled a list of all contracts, change orders (Attachment A) and real property agreements (Attachment B) that were awarded, granted, accepted, or approved by the President/CEO or her designee since the previous Board meeting.

Fiscal Impact:

The fiscal impact of these contracts and change orders are reflected in the individual program budget for the execution year and on the next fiscal year budget submission. Amount to vary depending upon the following factors:

1. Contracts issued on a multi-year basis; and
2. Contracts issued on a Not-to-Exceed basis.
3. General fiscal impact of lease agreements reflects market conditions.

The fiscal impact of each reported real property agreement is identified for consideration on Attachment B.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Environmental Review:

- A. CEQA: This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

Application of Inclusionary Policies:

Inclusionary Policy requirements were included during the solicitation process prior to the contract award.

Prepared by:

JANA VARGAS
DIRECTOR, PROCUREMENT

Attachment "A"

AWARDED CONTRACTS AND CHANGE ORDERS SIGNED BETWEEN November 21, 2016- December 11, 2016

New Contracts

Date Signed	CIP #	Company	Description	Solicitation Method	Owner	Contract Value	End Date
11/21/2016	N/A	Hydro Engineering Inc.	The Contractor will provide quarterly preventive maintenance services, training and equipment parts for the high pressure washer and water filtration/reclamation system at San Diego International Airport Authority. Hydro Engineering, Inc. is the one known sole provider of preventive maintenance services required to properly maintain and repair the system which was manufactured and installed by their factory-trained personnel.	Single Source	Facilities Management	\$25,000.00	11/14/2019
12/5/2016	N/A	Outfront Media	The Contractor will provide an outdoor board on Hawthorn Street for advertising purposes. Outfront Media was selected based on the location and availability of its outdoor board on Hawthorn Street which targets incoming airport customers directly and no other company has access to a comparable board.	Single Source	Vision, Voice & Engagement	\$612,000.00	12/22/2019

New Contracts Approved by the Board

Date Signed	CIP #	Company	Description	Solicitation Method	Owner	Contract Value	End Date
11/18/2016	N/A	Evergreen Construction and Consulting Inc.	The contract was approved by the Board at the October 20, 2016 Board Meeting. The Contractor is one of four pre-qualified and approved to bid on on-call general construction services at the San Diego International Airport.	RFQ	Facilities Management	\$5,000,000.00	10/31/2019
11/21/2016	N/A	Grahovac Construction Company, Inc.	The contract was approved by the Board at the October 20, 2016 Board Meeting. The Contractor is one of four pre-qualified and approved to bid on on-call general construction services at the San Diego International Airport.	RFQ	Facilities Management	\$5,000,000.00	10/31/2019
11/21/2016	N/A	M W Vasquez Construction Co. Inc.	The contract was approved by the Board at the October 20, 2016 Board Meeting. The Contractor is one of four pre-qualified and approved to bid on on-call general construction services at the San Diego International Airport.	RFQ	Facilities Management	\$5,000,000.00	10/31/2019
12/1/2016	N/A	Dynamic Contracting Services Inc.	The contract was approved by the Board at the October 20, 2016 Board Meeting. The Contractor is one of four pre-qualified and approved to bid on on-call general construction services at the San Diego International Airport.	RFQ	Facilities Management	\$5,000,000.00	10/31/2019
12/5/2016	N/A	Modern Painting	The contract was approved by the Board at the October 20, 2016 Board Meeting. The Contractor is one of three pre-qualified and approved to bid on on-call painting services at the San Diego International Airport.	RFQ	Facilities Management	\$2,000,000.00	11/30/2019

Attachment "A"

AWARDED CONTRACTS AND CHANGE ORDERS SIGNED BETWEEN November 21, 2016- December 11, 2016

New Contracts Approved by the Board

12/8/2016	N/A	Abhe & Svoboda, Inc.	The contract was approved by the Board at the October 20, 2016 Board Meeting. The Contractor is one of three pre-qualified and approved to bid on on-call painting services at the San Diego International Airport.	RFQ	Facilities Management	\$2,000,000.00	11/30/2019
-----------	-----	----------------------	---	-----	-----------------------	----------------	------------

Attachment "B"

REAL PROPERTY AGREEMENTS EXECUTED FROM NOVEMBER 21, 2016 TO DECEMBER 11, 2016



Real Property Agreements

Begin/End Dates	Authority Doc. #	Tenant/Company	Agreement Type	Property Location	Use	Property Area (s.f)	Consideration	Comments
5.1.16 - 12.31.17	LE - 0913	Fox Rent a Car	Use & Occupancy Permit	North Side by RCC bounded by Admiral Boland Way	overflow parking	15,000 SF	\$4500/month with CPI adjustments starting July 2016	Tenant has been remitting payment monthly since May



Real Property Agreement Amendments and Assignments

Effective Date	Authority Doc. #	Tenant/Company	Agreement Type	Property Location	Use	Property Area (s.f)	Consideration	Comments
10.1.15 to 6.30.20	LE-0873	Aeronautical Radio, Inc.	1st Amendment to Rental Agreement	Close to FMD Building	Rents space to operate and maintain an air & ground transmitter	40 SF	\$5,904/yearly with CPI adjustments	N/A

STAFF REPORT

Meeting Date: **JANUARY 5, 2017**

Subject:

January 2017 Legislative Report

Recommendation:

Adopt Resolution No. 2017-0001, approving the January 2017 Legislative Report.

Background/Justification:

The Authority's Legislative Advocacy Program Policy requires that staff present the Board with monthly reports concerning the status of legislation with potential impact to the Authority. The January 2017 Legislative Report updates Board members on legislative activities that have taken place since the previous Board meeting. The Authority Board provides direction to staff on legislative issues by the adoption of a monthly Legislative Report (Attachment A).

State Legislative Action

The Authority's legislative team recommends that the Board adopt a WATCH position on the following three bills: AB 1 (Frazier), SB 1 (Beall), and SB 4 (Mendoza).

AB 1 and SB 1 are companion bills that would create the Road Maintenance and Rehabilitation Program and set aside \$200 million annually to fund road maintenance and rehabilitation projects. A new Road Maintenance and Rehabilitation Account would be funded from an increase in motor vehicle fuel sales and excise taxes and increases in vehicle registration fees. These bills would also create an independent Office of the Transportation Inspector General, to ensure that all state agencies expending transportation funds operate efficiently and comply with federal and state laws.

SB 4 would place a statewide initiative before voters on the June 2018 election ballot. If approved by voters, this measure would authorize \$600 million in state general obligation bonds to fund goods movement and clean trucks improvement projects and programs as follows:

- \$200 million to the California Transportation Commission for projects eligible for funding from the Trade Corridors Improvement Fund
- \$200 million to the State Air Resources Board for projects and programs consistent with the Goods Movement Emission Reduction Program
- \$200 million to the State Air Resources Board for projects and programs to expand the use of zero and near-zero emission trucks in severe or extreme nonattainment areas for ozone and particulate matter

SB 4 would also expand the list of projects eligible for funding from the Trade Corridors Improvement Fund to include landside freight access improvements to airports.

The State Legislature reconvenes on January 4, 2017.

Federal Legislative Action

The Authority's legislative team does not recommend that the Board adopt any new positions on federal legislation.

The 115th Congress is scheduled to convene on January 3, 2017.

Fiscal Impact:

Not applicable.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Environmental Review:

- A. CEQA: This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

Application of Inclusionary Policies:

Not applicable.

Prepared by:

MICHAEL KULIS
DIRECTOR, INTER-GOVERNMENTAL RELATIONS

RESOLUTION NO. 2017-0001

A RESOLUTION OF THE BOARD OF THE SAN DIEGO
COUNTY REGIONAL AIRPORT AUTHORITY APPROVING
THE JANUARY 2017 LEGISLATIVE REPORT

WHEREAS, the San Diego County Regional Airport Authority (“Authority”) operates San Diego International Airport and plans for necessary improvements to the regional air transportation system in San Diego County, including serving as the responsible agency for airport land use planning within the County; and

WHEREAS, the Authority has a responsibility to promote public policies consistent with the Authority’s mandates and objectives; and

WHEREAS, Authority staff works locally and coordinates with legislative advocates in Sacramento and Washington, D.C., to identify and pursue legislative opportunities in defense and support of initiatives and programs of interest to the Authority; and

WHEREAS, under the Authority’s Legislative Advocacy Program Policy, the Authority Board provides direction to Authority staff on pending legislation; and

WHEREAS, the Authority Board, in directing staff, may adopt positions on legislation that has been determined to have a potential impact on the Authority’s operations and functions.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the January 2017 Legislative Report (“Attachment A”); and

BE IT FURTHER RESOLVED that the Board finds that this action is not a “project” as defined by the California Environmental Quality Act (“CEQA”) (Cal. Pub. Res. Code § 21065); and is not a “development” as defined by the California Coastal Act (Cal. Pub. Res. Code § 30106).

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 5th day of January, 2017, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

TONY RUSSELL
DIRECTOR, CORPORATE
& INFORMATION GOVERNANCE/
AUTHORITY CLERK

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

January 2017 Legislative Report

Local Legislation

Legislation/Topic

City of San Diego Drone Ordinance

Background/Summary

The purpose of this proposed ordinance is to address the potential hazard of drones to other aircraft in flight, persons on the ground, and critical infrastructure. Specifically, this proposed ordinance would codify on a local level regulations similar to those of the Federal Aviation Administration prohibiting the operation of a model aircraft (operated for hobby or recreational purposes) within five miles of an airport without authorization of air traffic control tower staff. The ordinance would also prohibit the operation of model aircraft in a manner that interferes with manned aircraft or operation of model aircraft beyond the visual line of sight by the operator. The operation of model aircraft would also be limited to a height of 400 feet and would only be allowed during daylight hours. In addition, the proposed ordinance would prohibit the operation of both model aircraft and civil unmanned aircraft systems (drones operated for any purpose other than for hobby or recreation) in a manner prohibited by any federal statute or regulation, in violation of any temporary flight restriction or notice to airmen, or in a careless or reckless manner. It would not apply to drones operated by a public agency for government related purposes.

Anticipated Impact/Discussion

This bill could benefit San Diego International Airport (SDIA) by creating regulations that foster a safer operating environment for unmanned aircraft operated in the City of San Diego.

Status: 4/20/16 – Consideration by the San Diego City Council Public Safety Committee postponed

Position: Support (4/21/16)

**Shaded text represents new or updated legislative information*

State Legislation

New Assembly Bills

Legislation/Topic

AB 1 (Frazier) – Transportation Funding

Background/Summary

AB 1 would create the Road Maintenance and Rehabilitation Program and a corresponding account in the State Transportation Fund to address deferred maintenance on state highways and local roadways. Revenues for this new program would be generated from increases in motor vehicle fuel sales and excise taxes and increases in vehicle registration fees, including a new \$165 annual fee for zero-emission motor vehicles. The increases in sales and excise taxes would be adjusted for inflation every three years based on the California Consumer Price Index. This bill would also create an independent Office of the Transportation Inspector General to ensure that all state agencies expending transportation funds operate efficiently and comply with federal and state laws. In addition, AB 1 would expand the list of projects eligible for funding under the Trade Corridors Improvement Fund to include freight access improvements to airports.

Anticipated Impact/Discussion

Although this bill would not directly impact San Diego International Airport (SDIA), its passage could provide additional funding opportunities for highway and roadway improvements in close proximity to SDIA.

Status: 12/5/16 – Introduced

Position: Watch

New Senate Bills

Legislation/Topic

SB 1 (Beall) – Transportation Funding

Background/Summary

SB 1 would create the Road Maintenance and Rehabilitation Program and a corresponding account in the State Transportation Fund to address deferred maintenance on state highways and local roadways. Revenues for this new program would be generated from increases in motor vehicle fuel sales and excise taxes and increases in vehicle registration fees, including a new \$100 annual fee for zero-emission motor vehicles. The increases in sales and excise taxes would be adjusted for inflation every three years based on the California Consumer Price Index. This bill would also create an independent Office of the Transportation Inspector General to ensure that all state agencies expending transportation funds operate efficiently and comply with

**Shaded text represents new or updated legislative information*

federal and state laws. In addition, AB 1 would expand the list of projects eligible for funding under the Trade Corridors Improvement Fund to include freight access improvements to airports.

Anticipated Impact/Discussion

Although this bill would not directly impact San Diego International Airport (SDIA), its passage could provide additional funding opportunities for highway and roadway improvements in close proximity to SDIA.

Status: 12/5/16 – Introduced

Position: Watch

Legislation/Topic

SB 4 (Mendoza) – Goods Movement and Clean Trucks Bond Act

Background/Summary

Subject to statewide voter approval in June 2018, SB 4 would authorize \$600 million in state general obligation bonds to be allocated as follows:

- \$200 million to the California Transportation Commission for projects eligible for funding from the Trade Corridors Improvement Fund
- \$200 million to the State Air Resources Board for projects and programs consistent with the Goods Movement Emission Reduction Program
- \$200 million to the State Air Resources Board for projects and programs to expand the use of zero and near-zero emission trucks in extreme nonattainment areas for ozone and particulate matter

SB 4 would also expand the list of projects eligible for funding from the Trade Corridors Improvement Fund to include landside freight access improvements to airports.

Anticipated Impact/Discussion

Although SB 4 could provide additional funding opportunities for transportation projects, including landside freight access improvements to airports, the Authority's legislative team plans to work with the author of this bill, San Diego delegation members, and the California Airports Council to enhance SDIA's ability to compete for funds should voters approve this ballot measure in 2018. Currently, language included in this initial version of SB 4 would prevent the San Diego Association of Governments and other public agencies in San Diego County from nominating transportation improvement projects that would be financed from the \$360 million in Trade Corridors Investment Fund-related bond funds. Authority staff has begun discussions with SANDAG and other local government agencies in an effort to identify potential changes to this bill.

Status: 12/5/16 – Introduced

Position: Watch

**Shaded text represents new or updated legislative information*

STAFF REPORT

Meeting Date: **JANUARY 5, 2017**

Subject:

Award a Contract to Thyssenkrupp Airport Systems, Inc., for Replace and Refurbish Passenger Boarding Bridges at San Diego International Airport

Recommendation:

Adopt Resolution No. 2017-0002, awarding a contract to Thyssenkrupp Airport Systems, Inc., in the amount of \$1,250,025, for Project No. 104194 and 104194A, Replace and Refurbish Passenger Boarding Bridges at San Diego International Airport.

Background/Justification:

This project is a San Diego County Regional Airport Authority (“Authority”) Board (“Board”) approved project in the FY2017 Capital Improvement Program (“CIP”).

The Replace and Refurbish Passenger Boarding Bridges (PBBs) program consists of two phases which will be implemented with two separate construction contracts; Phase I (104194 and 104194A) which will refurbish 6 PBBs at Terminal 1 West (T1W), Terminal 2 East (T2E) and Terminal 2 West (T2W), and Phase II (104194B) which will replace 22 PBBs at T1W, T2E, and T2W. Most of these existing PBBs were installed between the years 1990-2000, and are all in need of either refurbishment or replacement due to deterioration from weather and varying degrees of use. The repair and/or replacement of the selected PBBs will enhance passenger experience and decrease repair and maintenance costs.

This project has been coordinated with the Airport Development Program (ADP) and the Federal Inspection Service (FIS) project to ensure that there are no direct impacts from those programs to the PBBs project.

This contract is for implementation of the first phase of the program, which includes major refurbishment of 3 PBBs at T2E – Gates 23, 25, 27, addition of PBB Pre-Conditioned Air (PCA) system at T1W - Gate 11, replacement of existing PCA unit at T2W - Gate 36, and replacement of PBB flooring at T1E-Gate 1A. (Attachment A)

This opportunity was advertised on October 21, 2016, and sealed bids were opened on December 8, 2016. The following bids were received: (Attachment B)

Company	Total Bid
Thyssenkrupp Airport Systems, Inc.	\$1,250,024.95
Future DB International, Inc.	\$2,850,499.93

The Engineer’s estimate is \$1,679,325.

The low bid of \$1,250,025, is responsive, and Thyssenkrupp Airport Systems, Inc., is considered responsible. Staff recommends award to Thyssenkrupp Airport Systems, Inc., in the amount of \$1,250,025.

Fiscal Impact:

Adequate funds for Replace and Refurbish Passenger Boarding Bridges are included within the Board approved FY2017-FY2021 Capital Program Budget in Project No. 104194 and Operating Budget in Project No. 104194A. Sources of funding for this project are Passenger Facility Charges, and Airport Cash.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Environmental Review:

- A. This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act (CEQA), as amended, 14 Cal. Code Regs. Section 15378. The proposed project is a class of project that is a categorical exemption according to Pub. Res. Section 15301 – Existing Facilities – Class 1 - Existing Facilities consists of the operation, repair, maintenance, permitting, leasing, licensing or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

Application of Inclusionary Policies:

The Authority has the following inclusionary programs/policies: a Disadvantaged Business Enterprise (DBE) Program, an Airport Concession Disadvantaged Business Enterprise (ACDBE) Program, Policy 5.12 and Policy 5.14. These programs/policies are intended to promote the inclusion of small, local, service disabled veteran owned, historically underrepresented businesses and other business enterprises, on all contracts. Only one of the programs/policies named above can be used in any single contracting opportunity.

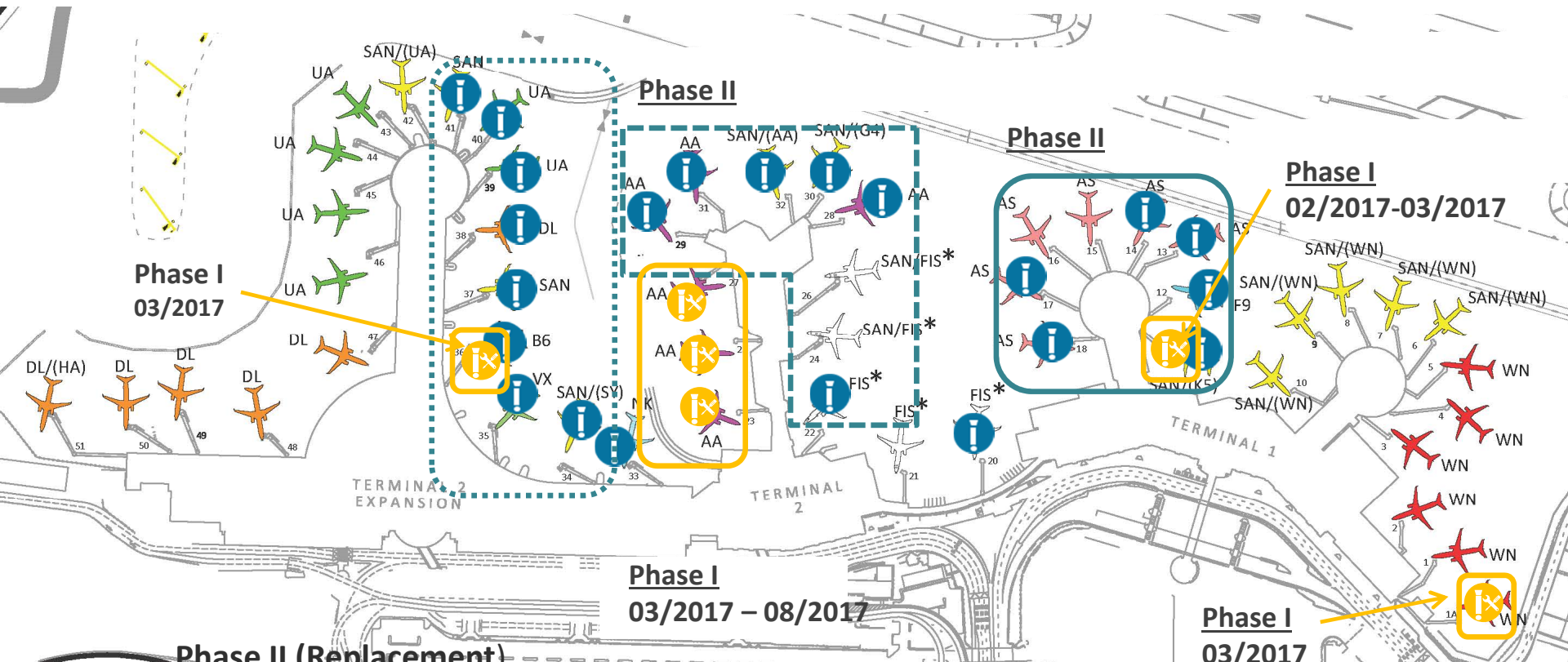
This contract does not utilize federal funds and provides opportunities for sub-contractor participation; therefore, at the option of the Authority, Policy 5.14 was applied. Policy 5.14 establishes separate goals for the participation of: (1) small businesses; (2) local businesses; and, (3) service disabled veteran owned small businesses (SDVOSB). The local business participation goal can only be applied when the overall local business participation of all Authority contracts at the time of solicitation is less than 60%. The maximum preference applied under Policy 5.14 is seven percent (7%): three percent (3%) for small business participation; two percent (2%) for local business participation; and, two percent (2%) for SDVOSB participation. When bid price is the primary selection criteria, the maximum amount of the preference cannot exceed \$200,000. The preference is only applied in measuring the bid. The final contract award is based on the amount of the original bid. When bid price is not the primary selection criteria, the preference is only applied to determine which proposers are interviewed for final consideration. Per Policy 5.14, the preference is not applied in the final selection.

In accordance with Policy 5.14, Thyssenkrupp Airport Systems, Inc. partially met the SBE goal of 17% with 6% certified small business participation for a 1% certified small business preference and met the SDVOSB goal of 3% for a SDVOSB participation preference. At the time of the solicitation it was determined that the Authority's overall local business participation exceeded 60%, therefore no preference was applied for local business participation.

Prepared by:

IRAJ GHAEMI
DIRECTOR, FACILITIES DEVELOPMENT

Refurbish & Replace Passenger Boarding Bridges



Phase II (Replacement)

Replace with New – Gates 11,12,13,14,17,18, 20, 22
28,29,30,31,32,33,34,35,36,37,38,39,40,41
Total = 22



Phase I (Refurbishment)

Renovate in Place – Gates 1A,11,23,25,27,36
Total = 6

BID TABULATION

Project Title: **Replace and Refurbish Passenger Boarding Bridges**
 DATE/TIME BIDS OPENED: **12/8/16, 2pm**

CIP Number: 104194 & 104194A

ENGINEER'S ESTIMATE: Alt Bid 1				\$	1,679,324.64	ENGINEER'S ESTIMATE				1		2	
ENGINEER'S ESTIMATE: Alt Bid 2				\$	1,730,770.68					Thyssenkrupp Airport Systems, Inc.		Future DB International Inc.	
								3201 N. Sylvania Ave., Suite 117 Fort Worth, TX 76111		8707 Research Dr. Irvine, CA 92618			
GUARANTEE OF GOOD FAITH								Federal Insurance Company		Great American Insurance Company			
BID ITEM NO.	TITLE	QUANTITY	UNIT ITEM	UNIT PRICE (In Figures)	TOTAL (In Figures)	UNIT PRICE (In Figures)	TOTAL (In Figures)	UNIT PRICE (In Figures)	TOTAL (In Figures)	UNIT PRICE (In Figures)	TOTAL (In Figures)	UNIT PRICE (In Figures)	TOTAL (In Figures)
Bid Schedule A - Base Bid													
1	Mobilization and Demobilization	1	LS	759-000	\$ 75,000.00	\$ 116,897.00	\$ 116,897.00	\$ 200,000.00	\$ 200,000.00				
2a	104194- Addition of Pre-Conditioned Air System to the Passenger Boarding Bridge at Terminal 1 West - Gate 11	1	LS	\$ 105,944.00	\$ 105,944.00	\$ 83,000.00	\$ 83,000.00	\$ 50,000.00	\$ 50,000.00				
2b	104194-Refurbishment of Passenger Boarding Bridges and Auxiliary Ramp Services Equipment at Terminal 2 East- Gates 23, 25 and 27	1	LS	\$ 942,217.00	\$ 942,217.00	\$ 650,000.00	\$ 650,000.00	\$ 1,500,000.00	\$ 1,500,000.00				
2c	104194- Replacement of the existing Pre-Conditioned Air Equipment at the Passenger Boarding Bridge at Terminal 2 West - Gate 36	1	LS	\$ 124,456.00	\$ 124,456.00	\$ 109,600.00	\$ 109,600.00	\$ 50,000.00	\$ 50,000.00				
3	104194, Ramp Services Management System Monitoring and Remote Workstation at Terminal 2 East - Gates 23, 25 and 27	1	LS	\$ 149,827.00	\$ 149,827.00	\$ 61,500.00	\$ 61,500.00	\$ 300,000.00	\$ 300,000.00				
4	104194, RMS/BMS Integration Support for Gates 23, 25, and 27	60	HR	\$ 156.00	\$ 9,360.00	\$ 132.00	\$ 7,920.00	\$ 300.00	\$ 18,000.00				
5a	104194, Surface mounted bollards and railing at Gate 23	1	LS	\$ 19,056.00	\$ 19,056.00	\$ 13,000.00	\$ 13,000.00	\$ 30,000.00	\$ 30,000.00				
5b	104194, Surface mounted bollards and railing at Gate 25	1	LS	\$ 19,056.00	\$ 19,056.00	\$ 11,000.00	\$ 11,000.00	\$ 30,000.00	\$ 30,000.00				
6	Main CPM Schedule Development	1	LS	\$ 7,500.00	\$ 7,500.00	\$ 7,600.00	\$ 7,600.00	\$ 15,000.00	\$ 15,000.00				
7	Monthly Schedule Update	1	LS	\$ 7,500.00	\$ 7,500.00	\$ 2,000.00	\$ 2,000.00	\$ 10,000.00	\$ 10,000.00				
8	Daily Overhead	169	Day	\$ 591.72	\$ 100,000.68	\$ 590.00	\$ 99,710.00	\$ 2,500.00	\$ 422,500.00				
Total for Bid Schedule A					\$ 1,559,916.68	\$ 1,162,227.00	\$ 1,162,227.00	\$ 2,625,500.00	\$ 2,625,500.00				

Bid Schedule B													
9	104194A, Refurbishment of existing Passenger Boarding Bridge at Terminal 1 Gate 1A	1	LS	\$ 22,430.00	\$ 22,430.00	\$ 7,634.15	\$ 7,634.15	\$ 150,000.00	\$ 150,000.00				
Total for Bid Schedule B					\$ 22,430.00	\$ 7,634.15	\$ 7,634.15	\$ 150,000.00	\$ 150,000.00				

Bid Schedule C - Allowance													
10	104194, Allowance for Unforeseen Conditions	1	\$50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ -	\$ 50,000.00				
Total for Bid Schedule C					\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00				

Alternate Bid Schedule D													
Alt 1	104194, Electrical Power Monitoring at Terminal 2 Gates 21,23,25 and 27 - EGauge	6	EA	\$ 7,829.66	\$ 46,977.96	\$ 5,027.30	\$ 30,163.80	\$ 4,166.66	\$ 24,999.96				
Total for Bid Schedule D					\$ 46,977.96	\$ 30,163.80	\$ 30,163.80	\$ 24,999.96	\$ 24,999.96				

Alternate Bid Schedule E													
Alt 2	104194, Electrical Power Monitoring at Terminal 2 Gates 23,25 and 27 - E-Mon-D-Mon	9	EA	\$ 10,936.00	\$ 98,424.00	\$ 4,018.20	\$ 36,163.80	\$ 2,777.77	\$ 24,999.93				
Total for Bid Schedule E					\$ 98,424.00	\$ 36,163.80	\$ 36,163.80	\$ 24,999.93	\$ 24,999.93				

Total for (Bid Schedule A+B+C+D Alt 1)					\$ 1,679,324.64	\$ 1,250,024.95	\$ 1,250,024.95	\$ 2,850,499.96	\$ 2,850,499.96				
Total for (Bid Schedule A+B+C+E Alt 2)					\$ 1,730,770.68	\$ 1,256,024.95	\$ 1,256,024.95	\$ 2,850,499.93	\$ 2,850,499.93				

ADDENDUM NO. NOTED BY BIDDERS ON THEIR SUBMITTED BID SCHEDULE:													
1						Yes		Yes					
2						Yes		Yes					
3						Yes		Yes					

CONTRACTOR'S Submitted Bid Schedule Amount													
Alternate Bid 1					\$ 1,679,324.64	\$ 1,250,024.95	\$ 1,250,024.95	\$ 2,850,499.96	\$ 2,850,499.96				
Alternate Bid 2					\$ 1,730,770.68	\$ 1,256,024.95	\$ 1,256,024.95	\$ 2,850,499.93	\$ 2,850,499.93				

Policy 5.14 Points and Bid Adjustment Amount Table				7%
Low Bid Amt	\$	1,256,024.95		
Points	Bid Adjustment Amount Based on Low Bid or Max. \$200,000			
7 or 7%	\$97,921.75		7%	7
6 or 6%	\$75,361.50		6%	6
5 or 5%	\$62,801.25		5%	5
4 or 4%	\$50,241.00		4%	4
3 or 3%	\$37,680.75		3%	3
2 or 2%	\$25,120.50		2%	2
1 or 1%	\$12,560.25		1%	1

Policy 5.14 Bid Adjustment Amount		5
Points		
Adjustment Amount		
(Enter Amount from Table Based on		
Based on	\$1,250,024.95	

Policy 5.14 Bid Adjustment Amount		0
Points		
Adjustment Amount		
(Enter Amount from Table Based on Number of		
Based on	\$2,850,499.93	

Distribution: Project Bid Review Checklist (Original)
 Staff Report
 FDD Estimator (Excel File)
 Director, Small Business (PDF copy)
 Program Coordinator, Small Business (PDF copy)
 Project Procurement Analyst (PDF copy)

RESOLUTION NO. 2017-0002

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY, AWARING A CONTRACT TO THYSSENKRUPP AIRPORT SYSTEMS, INC., IN THE AMOUNT OF \$1,250,025 FOR PROJECT NO. 104194 AND 104194A, REPLACE AND REFURBISH PASSENGER BOARDING BRIDGES AT SAN DIEGO INTERNATIONAL AIRPORT

WHEREAS, this project is a San Diego County Regional Airport Authority (“Authority”) Board (“Board”) approved project in the FY2017 Capital Improvement Program (“CIP”); and

WHEREAS the Replace and Refurbish Passenger Boarding Bridges (PBBs) program consists of two phases which will be implemented with two separate construction contracts; Phase I (104194 and 104194A) which will refurbish 6 PBBs at Terminal 1 West (T1W), Terminal 2 East (T2E) and Terminal 2 West (T2W), and Phase II (104194B) which will replace 22 PBBs at T1W, T2E, and T2W; and

WHEREAS, most of the existing PBBs were installed from 1990 to 2000 and are all in need of either refurbishment or replacement due to deterioration from weather and varying degrees of use; and

WHEREAS, this project will increase passenger experience and decrease repair and maintenance costs; and

WHEREAS, this contract is for implementation of the first phase of the program, which includes major refurbishment of 3 PBBs at T2E – Gates 23, 25, 27, addition of PBB Pre-Conditioned Air (PCA) system at T1W - Gate 11, replacement of existing PCA unit at T2W - Gate 36, and replacement of PBB flooring at T1E-Gate 1A; and

WHEREAS, the Request for Bids for this project was advertised on October 21, 2016; and

WHEREAS, on December 9, 2016, the Authority opened sealed bids received in response to the Bid Solicitation Package; and

WHEREAS, the low bidder, Thyssenkrupp Airport Systems, Inc., submitted a bid in the amount of \$1,250.025; and

WHEREAS, Authority's staff has duly considered Thyssenkrupp Airport Systems, Inc.'s bid, and has determined Thyssenkrupp Airport Systems, Inc., is responsible and that its bid is responsive in all respects; and

WHEREAS, the Board believes that it is in the best interest of the Authority and the public that it serves, for the Board to award Thyssenkrupp Airport Systems, Inc., the contract for Project No. 104194 and 104194A, Replace and Refurbish Passenger Boarding Bridges, upon the terms and conditions set forth in the Bid Solicitation Package.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby awards a contract to Thyssenkrupp Airport Systems, Inc., in the amount of \$1,250,025, for Project No. 104194 and 104194A, Replace and Refurbish Passenger Boarding Bridges at San Diego International Airport; and

BE IT FURTHER RESOLVED that the Authority's President/CEO or designee hereby is authorized to execute and deliver such contract to Thyssenkrupp Airport Systems, Inc.; and

BE IT FURTHER RESOLVED that the San Diego County Regional Airport Authority and its officers, employee, and agents are hereby authorized, empowered, and directed to do and perform such acts as may be necessary or appropriate in order to effectuate fully the foregoing resolutions; and

BE IT FURTHER RESOLVED that the Board finds that this Board action is not a "project" that would have a significant effect on the environment as defined by the California Environmental Quality Act (CEQA), as amended, 14 Cal. Code Regs. Section 15378; and is a class of project that is a categorical exemption according to Pub. Res. Section 15301 – Class 1- Existing Facilities, and is not a "development" as defined by the California Coastal Act Pub. Res. Code Section 30106.

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 5th day of January, 2017, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

TONY R. RUSSELL
DIRECTOR, CORPORATE &
INFORMATION GOVERNANCE /
AUTHORITY CLERK

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

STAFF REPORT

Meeting Date: **JANUARY 5, 2017**

Subject:

Award a Contract to Vector Resources, Inc., dba VectorUSA, for Expand Wi-Fi Coverage in Terminals at San Diego International Airport

Recommendation:

Adopt Resolution No. 2017-0003, authorizing the President/CEO to (1) execute a Design-Build Agreement with Vector Resources, Inc. dba VectorUSA ("VectorUSA"); and (2) negotiate and execute Work Authorizations for pre-construction phase services, design and construction work with Vector Resources, Inc. dba VectorUSA, in an amount not-to-exceed \$1,897,729.69 for Project 104206, Expand Wi-Fi Coverage in Terminals at San Diego International Airport.

Background/Justification:

This project is a San Diego County Regional Airport Authority ("Authority") Board ("Board") approved project in the FY2017 Capital Improvement Program ("CIP").

This project will provide global Wi-Fi Coverage throughout the terminals, enhance the passenger experience and the ability for inter-departmental communications and handheld devices to be utilized, increasing overall efficiencies in the workplace and vastly improve the Airport Service Quality ("ASQ") scores.

Staying with the current Wi-Fi system will result in the continued customer dissatisfaction coupled with the inability to increase workflow efficiencies. The proposed global Wi-Fi coverage will provide high bandwidth to passenger areas, curbside, ramp and apron areas, baggage make up areas and back office areas.

The scope of work for this project includes the installation of wireless access points, network switches, conduit and/or cable tray and low voltage Ethernet cabling throughout the terminals (See Attachment A).

Contractor Selection

On September 16, 2016 the Authority issued a Request for Proposal ("RFP") to identify a recommended Design Builder. On October 24, 2016, the Authority received responsive proposals from the following five (5) firms:

1. Burns & McDonnell
2. Burwood Group, Inc.
3. ePlus Technology, Inc.
4. SIGMAnet, Inc./ConvergeOne
5. Vector Resources, Inc. dba VectorUSA ("VectorUSA")

A selection panel (RFP Panel) comprised of the Authority's I&TS Director, an I&TS Manager, an FDD Program Manager, the FDD Project Manager and a representative from Terminals & Tenants conducted a thorough review of the proposals. The RFP Panel scored, ranked and shortlisted the respondents as follows:

Shortlist Ranking

Firms	Panelist 1	Panelist 2	Panelist 3	Panelist 4	Panelist 5	Total	Rank
Burns & McDonnell	2	1	1	1	1	6	1
Burwood Group, Inc.	3	3	3	4	3	16	3
ePlus Technology, Inc.	5	5	5	5	5	25	5
SIGMAnet, Inc./ConvergeOne	4	4	4	3	4	19	4
VectorUSA	1	1	2	1	2	7	2

Combined Scores

Firms	SB Preference	Price Proposal	Company Experience & Key Personnel	Capabilities & Approach	Total
Burns & McDonnell	0	200	1230	2150	3580
Burwood Group, Inc.	0	800	810	1450	3060
ePlus Technology, Inc.	0	100	570	1000	1670
SIGMAnet, Inc./ConvergeOne	0	1000	660	1150	2810
VectorUSA	0	600	1020	1900	3520

The following three firms were selected to participate in the interview process:

1. Burns & McDonnell
2. VectorUSA
3. Burwood Group, Inc.

The three highest ranked firms were invited to interview on November 17, 2016. The Respondents were asked to provide responses to a specific list of questions, prepared by the RFP Panel, which targeted the evaluation criteria presented in the RFP. The RFP Panelists' final rankings are presented below:

Final Interview Ranking

Firms	Panelist 1	Panelist 2	Panelist 3	Panelist 4	Panelist 5	Total	Rank
Burns & McDonnell	2	2	2	1	2	9	2
Burwood Group, Inc	3	3	3	3	3	15	3
VectorUSA	1	1	1	2	1	6	1

Combined Scores

Firms	SB Preference	Price Proposal	Company Experience & Key Personnel	Capabilities & Approach	Total
Burns & McDonnell	0	500	1890	1050	3440
Burwood Group, Inc	0	1000	855	560	2415
VectorUSA	0	900	1665	1190	3755

Based on the RFP scores and rankings above, the RFP panel determined that VectorUSA, is the firm best qualified to design and construct the Expansion of the WIFI Coverage throughout the Terminals.

Staff recommends that the Board authorize the President/ CEO to (1) execute an Agreement with VectorUSA; and (2) negotiate and execute Work Authorizations for pre-construction phase services, design and construction work with VectorUSA, in an amount not-to-exceed \$1,897,729.69.

Fiscal Impact:

Adequate funds for Expand Wi-Fi Coverage in Terminals are included within the Board approved FY2017-FY2021 Capital Program Budget in Project No. 104206. Source of funding for this project is Airport Cash.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy
 Customer Strategy
 Employee Strategy
 Financial Strategy
 Operations Strategy

Environmental Review:

- A. CEQA: This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

Application of Inclusionary Policies:

The Authority has the following inclusionary programs/policies: a Disadvantaged Business Enterprise (DBE) Program, an Airport Concession Disadvantaged Business Enterprise (ACDBE) Program, Policy 5.12 and Policy 5.14. These programs/policies are intended to promote the inclusion of small, local, service disabled veteran owned, historically underrepresented businesses and other business enterprises, on all contracts.

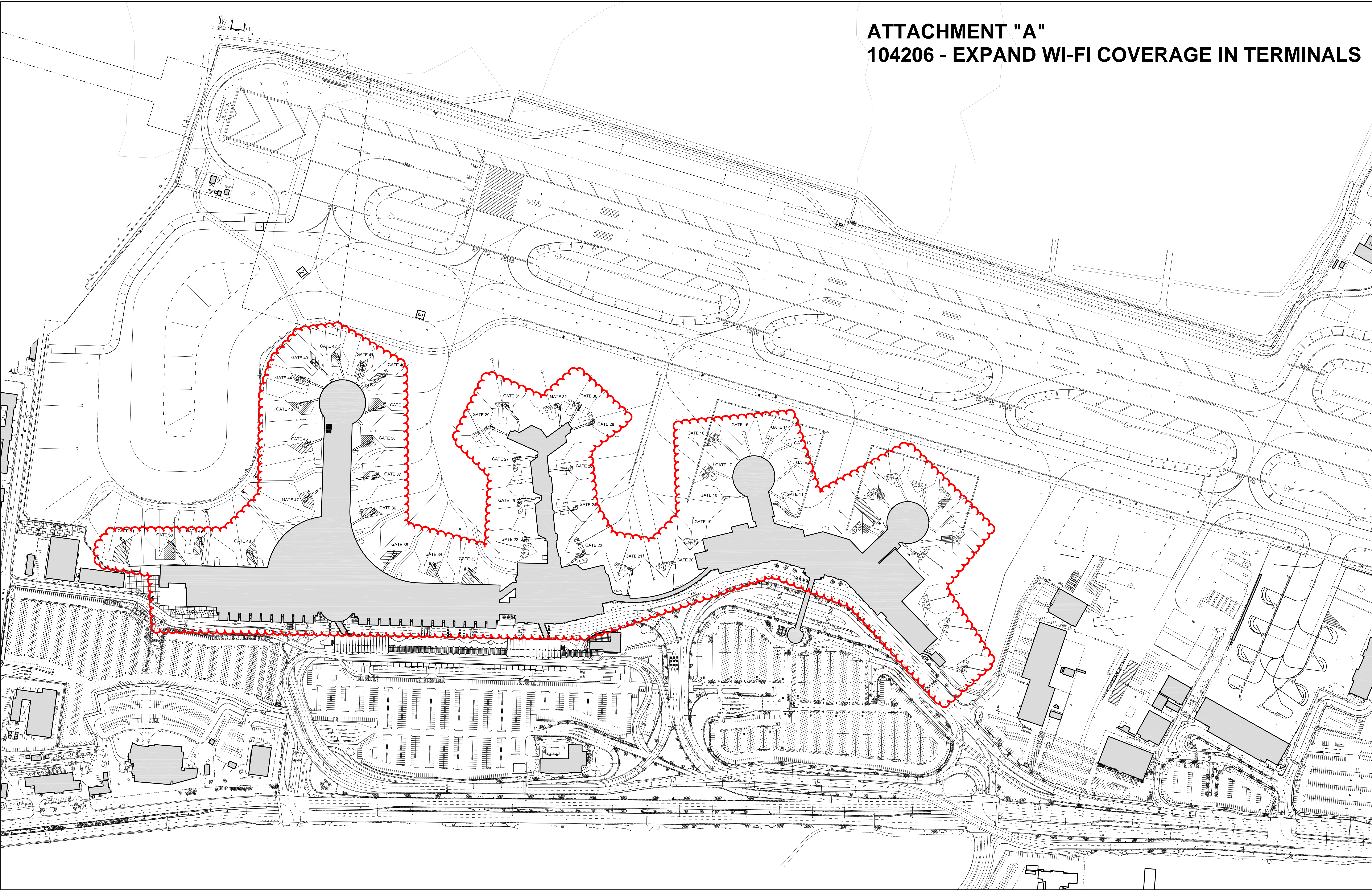
This contract does not utilize federal funds, therefore at the option of the Authority, Policy 5.12 was applied to promote the participation of qualified small businesses. Policy 5.12 provides a preference of up to five percent (5%) to small businesses in the award of selected Authority contracts. The final contract award is based on the amount of the original proposal.

The preference was applied to the award of the Expand Wi-Fi Coverage in Terminals at San Diego International Airport with Vector Resources, Inc., dba VectorUSA however VectorUSA, the recommended firm, did not receive the small business preference. Additionally, VectorUSA has committed to working with the Airport Authority to maximize participation by small, local, historically underutilized and service disabled veteran owned small businesses on this contract.

Prepared by:

IRAJ GHAEMI
DIRECTOR, FACILITIES DEVELOPMENT

ATTACHMENT "A"
104206 - EXPAND WI-FI COVERAGE IN TERMINALS



RESOLUTION NO. 2017-0003

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY, AUTHORIZING THE PRESIDENT/CEO TO (1) EXECUTE A DESIGN-BUILD AGREEMENT WITH VECTOR RESOURCES, INC. DBA VECTORUSA AND (2) NEGOTIATE AND EXECUTE WORK AUTHORIZATIONS FOR PRE-CONSTRUCTION PHASE SERVICES, DESIGN AND CONSTRUCTION WORK WITH VECTOR RESOURCES, INC. DBA VECTORUSA, IN AN AMOUNT NOT-TO-EXCEED \$1,897,729.69 FOR PROJECT NO. 104206, EXPAND WIFI COVERAGE IN TERMINALS AT SAN DIEGO INTERNATIONAL AIRPORT

WHEREAS, this project is a San Diego County Regional Airport Authority ("Authority") Board ("Board") approved project in the FY2017 Capital Improvement Program ("CIP"); and

WHEREAS, this project will provide global Wi-Fi Coverage throughout the terminals, enhance the passenger experience and the ability for inter-departmental communications and handheld devices to be utilized, increasing overall efficiencies in the workplace and vastly improve the Airport Service Quality ("ASQ") scores; and

WHEREAS, the scope of work for this project includes the installation of wireless access points, network switches, conduit and/or cable tray and low voltage Ethernet cabling throughout the terminals; and

WHEREAS, on September 16, 2016, a Request for Proposals ("RFP") was issued to identify a recommended Design Builder; and

WHEREAS, on October 24, 2016, the Authority received responsive proposals from the following five (5) firms:

1. Burns & McDonnell
2. Burwood Group, Inc.
3. ePlus Technology, Inc.
4. SIGMAnet, Inc./ConvergeOne
5. Vector Resources, Inc. dba VectorUSA ("VectorUSA")

WHEREAS, a selection panel (RFP Panel) comprised of the Authority's I&TS Director, an I&TS Manager, an FDD Program Manager, the FDD Project Manager and a representative from Terminals & Tenants conducted a thorough review of the proposals; and

WHEREAS, the RFP Panel scored, ranked, and shortlisted the respondents.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby authorizes the President/CEO to (1) execute a Design-Build Agreement with Vector Resources, Inc. dba VectorUSA and (2) negotiate and execute work authorizations for pre-construction phase services, design and construction work with Vector Resources, Inc. dba VectorUSA, in an amount not-to-exceed \$1,897,729.69, for Project No. 104206, Expand WiFi Coverage in Terminals at San Diego International Airport; and

BE IT FURTHER RESOLVED that the San Diego County Regional Airport Authority and its officers, employee, and agents are hereby authorized, empowered, and directed to do and perform such acts as may be necessary or appropriate in order to effectuate fully the foregoing resolutions; and

BE IT FURTHER RESOLVED by the Board that it finds that this Board action is not a "project" as defined by the California Environmental Quality Act ("CEQA") (California Public Resources Code §21065); and is not a "development" as defined by the California Coastal Act (California Public Resources Code §30106).

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 5th day of January, 2017, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

TONY R. RUSSELL
DIRECTOR, CORPORATE &
INFORMATION GOVERNANCE /
AUTHORITY CLERK

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

STAFF REPORT

Meeting Date: **JANUARY 5, 2017**

Subject:

Transportation Network Company (TNC) Permit Application Update and Approved Continuation of the TNC Permit Program

Recommendation:

Adopt Resolution No. 2017-0004, approving 1) the continuation of the Transportation Network Company Pilot Program operations at San Diego International Airport through January 31, 2017, and 2) authorizing the President/CEO to negotiate and execute a TNC permit effective February 1, 2017.

Background/Justification:

Introduction

A Transportation Network Company ("TNC"), as defined by the California Public Utilities Code section 5431 is an organization (whether a corporation, partnership, sole proprietor, or other form) operating in California that provides prearranged transportation services for compensation using an online-enabled application ("app") or platform to connect passengers with drivers using the TNC's personal vehicles. TNCs have gained extensive publicity, widespread popularity and strong customer acceptance, while competing against the more established and regulated Taxicab, Vehicle for Hire ("VFH") and Limousine/Charter carriers. TNCs, regulated by the PUC since 2013, also compete against the Airport's parking operations and on-Airport rental car companies, which at some point, will ultimately adversely affect revenues from those operations.

TNCs at San Diego International Airport ("Airport") are currently working under a "Pilot Program" permit. In order to use Airport property for the conduct of their businesses, TNCs must use the Airport's T1 Parking lot for the pickup of any passengers. As compensation for the use of Airport property, TNCs have agreed to pay the Authority a trip fee for each fare picked up at the T1 parking lot. Although TNC operations have not resulted in any significant operational issues, the increasing trip volumes are leading to occasional congestion within the T1 Parking Lot and greater than expected use of the staging area.

Key Dates and Actions

Authority Staff has worked closely with the TNCs to author, negotiate and ultimately implement a TNC Pilot Program ("Program"). The most notable milestones include:

- Feb. 19, 2015: TNC permit parameters accepted by the Board
- April 1, 2015: TNC permit application released
- June 1, 2015: Opoli signs permit application and begins operations
- June 25, 2015: President/CEO authorized to determine required form of background checks for all ground transportation service providers.

- July 1, 2015: TNC permit amendment released
- July 3, 2015: Lyft and Uber sign permit applications and begin operations
- Sept. 1, 2015: Wingz signs permit application and begins operations
- January 21, 2016: Board update on Pilot Program (6 month)
- June 23, 2016: Board update and approval of Pilot Program extension through December 31, 2016
- June 30, 2016: Pilot Program expires
- July 12, 2016: TNCs sign amended permit extending the Pilot Program through December 31, 2016
- November 17, 2016: Board delays the approval of the permanent TNC Program pending the negotiation of a more refined TNC greenhouse gas (GHG) emissions reduction program including data collection, reporting approach, reduction targets and appropriate incentives; Board extends Pilot Program through January 5, 2017.
- Dec. 1st, 5th, 7th, and 19th: Staff conferences with TNCs to negotiate operational and financial requirements (1hr. per conference)
- January 5, 2017: TNC GHG Reduction Program presented for Board approval
- January 5, 2017: TNC Pilot Program scheduled to expire

Seattle vs. San Diego GHG Reduction Program Comparison

Seattle developed a TNC GHG Reduction program to address their concerns about emissions and the TNC contribution to the airport's overall carbon footprint. The following table compares the Seattle and San Diego programs.

	Seattle	San Diego
Measure	<i>E-KPI (lbs. of CO₂ per typical passenger trip.</i> Demonstrates equivalency with the environmental performance of outbound on-demand taxis	<i>Year over year gCO₂ emissions reductions</i> TNC fleet-wide GHG emissions calculation based on a quantifiable average vehicle mpg and trip mileage (auditable).
Calculation Parameters	<i>Weighted average MPG</i> <i>% Deadheading</i> <i>% Ridesharing</i> Calculations are based on complex calculation parameters, extensive data collection and use of average mileages	<i>Vehicle miles per gallon (MPG) and gCO₂</i> (as per the EPA's GGR Rating system) <i>Agreed upon mileage per trip (2016 data)</i> <i>Average mileage saved per MP trip (for the current month)</i> Calculations based on published government standards (fueleconomy.gov.)

	Seattle	San Diego
Calculation	<i>E-KPI equals</i> (Drop-off trip fuel consumption + Pick-up Trip fuel consumption) x Carbon Emissions per fuel consumed	<i>gCO₂/mile (by month) equals</i> \sum gCO ₂ by GGR/Tot. miles minus \sum gCO ₂ by GGR/Tot. MP miles
Targets	<i>E-KPI \leq 10.82 lbs</i>	2017 GGR = 6 (313- 349 gCO ₂ per mile) 2018 GGR = 7 (274-312 gCO ₂ per mile) 2019 GGR = 8 (238-273 gCO ₂ per mile) 2020 GGR = 9 (current taxi) (205-237 gCO ₂ per mile)
Consequences	Per-trip fee increase (quarterly) 1 st quarter- 2x 2 nd quarter- 3x 3 rd quarter- 4x	Starting 1/1/18, trip fees are doubled should quarterly GHG emissions average exceed the GGR target

TNC GHG Data Collection, Reporting and Analysis

Reduction of GHG emissions is a matter of statewide concern as evidenced by Executive Orders S-3-05, B-30-15, AB 32 and SB 32 and other laws and regulations addressing GHG emissions. State law reflects the importance of and benefit from efforts to reduce emissions of GHG. Implementing a program to reduce GHG is consistent with established state law and will provide an opportunity for the Authority to take a leadership role in its stated goal of reducing emissions of GHG at the Airport. Through its Memorandum of Understanding with the California Attorney General in 2008 (the "AG MOU"), the Authority committed to working to reduce GHG emissions from various airport-related sources, including commercial ground transportation providers. The Authority adopted a Ground Transportation Vehicle Conversion Incentive Program to meet the requirements of the AG MOU. Additionally, the Authority adopted an Air Quality Management Plan in 2009 to help improve local air quality and reduce GHG emissions. The Plan serves as an implementation roadmap for the Authority's commitments under the AG MOU and includes strategies specifically targeting ground transportation-related emissions. The document is also used to meet certain Coastal Development Permit requirements associated with the Green Build's construction and ongoing operations. In 2016, the San Diego International Airport was officially certified through the Airport Council International's Airport Carbon Accreditation (ACA) program.

The ACA is an industry-sponsored framework that helps airports identify, manage, and ultimately reduce their carbon emissions. Currently, SAN is one of only 20 airports in North America that has successfully met the strict program requirements and is working to continue its annual emission reductions to maintain its certification. As such, a robust and reliable GHG data collection and reporting format for ground transportation is essential to measuring progress towards the Authority's climate action goals. Accurate, timely, complete and unbiased data collection will allow both Airport Staff and the TNCs to equitably interpret the effectiveness and efficiency of their GHG reduction efforts. Currently, TNCs only report a minimal amount of trip information and thus Airport Staff are unable to fairly and sufficiently report the success of their GHG emission reductions using the provided data. The TNCs have been reluctant to share specific trip data due to concerns of proprietary corporate data and the driver's personal privacy.

The TNCs and Airport Staff have made significant advancements negotiating the needed data since the November Board meeting. As a result of these discussions, the TNCs have agreed to provide the following trip information as part of their 2017 monthly reports:

- a. Trip sequence number
- b. License Plate number (last 3 digits)
- c. Vehicle Longitude and Latitude with airport entry and airport exit time
- d. Vehicle year, make and model
- e. Vehicle Greenhouse Gas Rating (GGR) as per the EPA
- f. Ride Type (Multi-Party (MP) or Single Party (SP))
- g. Number of discrete parties or application user booked for a MP ride

Airport Staff requested actual miles per gallon (MPG), actual gCO₂ emissions (based on the EPA) for each vehicle, actual mileages for each Single Party (SP) and Multi-Party (MP) trip and mileage saved for each MP trip. The TNCs have stated this data is confidential and proprietary and counter-proposed average trip mileage based on CY 2016 to establish a GHG baseline and to compare year over year performance and results. Airport Staff has agreed to accept this data as an adequate proxy for the actual data.

Instead, the TNCs have agreed to provide the average trip mileage for CY2016 to begin calculating a fleet GHG emissions baseline. The TNCs have agreed to provide make, model, year and GGR, which is sufficient to calculate approximate MPG and CO₂ emissions. TNCs have voiced concerns that since they do not collect vehicle model variants (a 2009 Ford Focus vs. a 2009 Ford Focus SE), it may negatively impact the GHG calculations. Using the Ford Focus example and using fueleconomy.gov, there is no distinction between a "conventional" Ford Focus and a Ford Focus SE. At most, there is a one (1) mile per gallon distinction between an automatic (transmission) Ford Focus and a manual (transmission). In this case, there would be virtually no impact on the overall GHG calculation.

Airport Staff has agreed during the first year of data reporting to:

- a. Apply the vehicle miles per gallon (MPG) and gCO₂ (as per the EPA's GGR Rating system).
- b. Apply a mutually agreed upon CY2017 average trip mileage based on CY2016 average mileage data.
- c. Apply the average mileage saved per MP trip.

- d. Accept the highest MPG for that vehicle year, make and model.
- e. "Hybrid" vehicles must clearly be distinguished e.g. Honda Civic hybrid vs. Honda Civic for credited to be given.

The annual Taxicab GHG emissions reduction calculations are based on an average fleet mileage. The November Staff Report pointed out however, that taxicabs are 97% converted to hybrid vehicles with an 86% GHG emissions reduction over the last six years (2010- 2015). The acquisition and use of a uniform, standard Taxicab fleet has resulted in a 220 gCO₂ per vehicle mile emissions level (GGR = 9).

Airport staff recognizes the requested TNC trip and vehicle data collection, validation and reporting will require the TNC's to develop new reporting software and systems. The TNCs have committed to having the software and systems implemented no later than April 1, 2017.

Airport Staff acknowledges that the TNCs do not own their fleets but have separate agreements with the drivers of vehicles who work for them. Therefore, Airport Staff has created a flexible, performance-based GHG reduction program that provides the TNCs multiple ways to reduce their fleets' average carbon intensity (on a per mile basis) through greater fuel efficiency, inclusion of alternative fuels, and/or trip reductions (i.e. pooled passenger ridesharing). The program's ultimate goal is to bring the TNC fleets to a GGR level equivalent with the current Taxicab hybrid fleet (currently the TNC estimated GGR is 6). The Airport's proposed GHG reduction program is modeled after the Seattle-Tacoma International Airport's current TNC GHG reduction program, which the TNCs have agreed to and placed into operation in summer 2016.

Data security and personal privacy

The TNCs have expressed concerns about proprietary corporate data confidentiality and trade secrets given that they will be providing more data in the next permit periods than during the Pilot Program. Discussions are now underway between the TNCs and the Airport to ensure the corporate data security concerns and personal privacy issues are properly protected.

The TNCs have agreed to provide the requested the data (outlined above) in a password- protected secure file and changed monthly. The requested data is not linked to an individual's personal information or driver/vehicle identity.

The Airport will abide by the agreed upon permit terms and conditions for TNC data privacy and protection and the release of public records information.

Vehicle Trip fees

The Airport's vehicle trip fees are imposed on TNCs for the right to use the Airport's property for the conduct of their business. Revenues from the trip fees are currently used to recover costs associated with conducting the TNC operations as well as providing for and maintaining the airport roadways, including roadway depreciation, ATO costs and maintenance of the vehicle staging area. Trip fees for FY 17 and FY 18 were approved by the Board as part of the FY 17 budget and FY 18 conceptual budget. All commercial vehicle modes operating at the Airport pay either a (per) trip fee or (annual) permit fee for pickups only (passenger drop offs are not charged).

For commercial transportation modes, except Limousine and Charter vehicles, a discount to the trip fee applies to vehicles conforming to the Alternative Fuel Vehicle/Clean Air Vehicle (AFV/CAV) requirements. At the same time, a trip fee premium is applied to vehicles not conforming to the AFV/CAV vehicle requirements. Since the Pilot Program's inception, TNCs have paid the premium trip fee to avoid reporting AFV/CAV vehicle statistics. For FY17 the trip fee is set at \$4.06 per trip (75% over the base trip fee). For FY18, non- AFV/CAV vehicles will incur a \$4.70 trip fee (100% of the base amount). TNC customers pay the entire trip fee amount as part of the total fare while taxicab passengers pay the \$2.90 trip fee shown on the meter. Airport staff recommends the following trip fees and requirements:

- a. TNC trip fees for FY17 (through June 30, 2017) set at \$2.32 per trip. TNC trip fees for FY18 (July 1, 2017- June 30, 2018) will be set at \$2.35 per trip (this amount may be adjusted should the TNC staging area be expanded). These trip fees do not include any premiums or discounts.
- b. TNCs will not charge Airport passenger pickups a trip fee less or more than the established base trip fee amount. The TNCs recognize that trip fees may increase to adjust for changing costs. The TNCs have expressed concerns about restricting how fees may or may not be passed along to passengers.
- c. As a condition of using Airport property to conduct business, TNCs have agreed to pay a premium ("GHG Reduction Fee") if their fleet operations do not achieve the established GGR level in a given year (see GHG Reduction Targets and Fees below).

GHG Reduction Targets and GHG Reduction Fees

All commercial transportation modes (with the exception of the Charter and Limousine vehicles) are subject to financial incentives based on whether the vehicle is AFV/CAV compliant. These financial incentives encourage commercial vehicle GHG reduction at the Airport either through better fuel economy (hybrid) vehicles, pooled passenger or ridesharing or through use of alternative or clean air fuels. Taxicabs use hybrid vehicles while VFH, Courtesy and Airport Shuttles use alternative fuels such as propane or CNG. TNCs have proposed their primary means of achieving GHG reduction will be through pooled passenger ridesharing. The baseline data collected in CY2017 will be used to establish and apply the FY2018 GHG reduction targets and fees.

To align the TNCs with the other commercial ground transportation providers, the GHG Reduction Fees will be collected from the TNCs in the event that their fleets do not achieve the GGR performance target during the specified time (see table below). However, TNCs will not be subject to the GHG Reduction Fees during CY17 and the Airport is encouraging them to use this initial year to test strategies to reduce their fleets' carbon intensity. Airport Staff will also use this initial year to collect and further analyze the expanded TNC fleet and trip datasets.

Airport Staff recommends:

- a. TNC GHG emission levels will be calculated using the vehicle data and agreed upon trip mileages outlined on Page 2 (Note: Other commercial operators reporting GHG data only provide estimated mileages).
- b. The Airport strongly encourages the TNCs to proactively seek opportunities to promote the use of higher fuel economy cars, pooled passenger ridesharing and/or use of alternative fuel cars in their fleet to reduce GHG emissions and to avoid the GHG Reduction Fees.

- c. The Airport will work with the TNCs to explore external funding opportunities and other enabling projects (such as grants or vehicle electrification infrastructure) to help facilitate certifiable and quantifiable emission reductions.
- d. TNCs shall receive GHG emission reduction credits (based on miles saved) for Multi-Party trips, since pooled passenger ridesharing does reduce vehicle miles traveled.
- e. GHG Reduction Fees will begin January 1, 2018. GHG Reduction Fees will be evaluated and collected from the Permittee for the GHG emission level results calculated from the previous quarter starting April 1, 2018. The TNCs have acknowledged the Airport's intent to collect the GHG reduction fees. The TNCs have expressed concerns about restricting how fees may or may not be passed along to passengers.
- f. The TNCs be held to a four (4) year GHG emissions reduction goal (following chart) with GHG reduction fees starting in 2018 on par with the other commercial operators. After a six year implementation, taxicabs now have a 97% conversion to hybrid vehicles with GHG emissions of 217gCO₂ (GGR=9). Vehicle for Hire (VFH) and Courtesy Shuttles have converted or are taking steps to convert to CNG, Propane or Biodiesel vehicles. Non-converted vehicles will pay the adjusted trip fees. TNCs are not being required to convert their fleets to hybrid or AFV/CAV vehicles but instead are expected to attain similar and significant reductions of GHG emissions, Staff considers a four-year TNC GHG reduction to a GGR= 9 to be realistic and consistent with targets set for the other commercial modes.

Calendar Year (CY)	Greenhouse Gas Rating (GGR) Performance Targets	Base Trip Fee	GHG Reduction Fee (premium assessed quarterly based on the total trip fee collections)
2017	Baseline*	FY17- \$2.32 FY18- \$2.35	0%
2018	GGR = 7 (274-312 gCO ₂ per mile)	FY18- \$2.35 FY19- TBD	\$2.35 per trip (100%) 100% of the per trip fee
2019	GGR = 8 (238-273 gCO ₂ per mile)	FY20- TBD	100% of the per trip fee
2020	GGR = 9** (205-237 gCO ₂ per mile)	FY21- TBD	100% of the per trip fee

* Airport Staff will establish the TNC fleets average trip mileage based on the submission of CY2016 data and will calculate GHG emissions throughout CY2017 using these averages.

** The Airport's current Taxicab hybrid fleet has a current GGR average of 9.

Summary

TNCs, like all other commercial transportation operators, are expected to adhere to the Authority's clean air objectives and show continuous improvement in their reduction of GHG emissions. The TNCs, however, have been unable to provide specific vehicle and trip data over the last year to allow Airport Staff to determine their fleets' average carbon intensity (on a per mile basis) and any resulting GHG emission reductions over time. To align the TNCs with the other commercial ground transportation operators that use the

Airport property for the conduct of their business, the Airport has developed a performance-based program that encourages the TNCs to meet annual GHG emission performance targets (or pay aGHG Reduction Fee) and that avoids penalizing their customers (who will have to only pay the base trip fee). The proposed program is also flexible to enable TNCs to incorporate their pooled rideshare services and any other new strategies to help reduce their GHG emissions. Finally, the program will ensure that Airport Staff and the TNCs have the necessary data to comprehensively and accurately track and evaluate performance over time.

Fiscal Impact:

In FY 17 TNC Trip Fees will decrease by up to \$0.5 million compared to FY 17 budget. In FY 18, the trip fee revenue decrease compared to conceptual budget will be up to \$1.6 million if GHG emission targets are met. However, if TNCs fails to achieve the emissions targets for GHG from January 2018, FY 18 trip fee revenues would be \$0.8 million under the conceptual budget

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Environmental Review:

- A. CEQA: This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

Application of Inclusionary Policies:

Not applicable.

Prepared by:

DAVID BOENITZ
DIRECTOR, GROUND TRANSPORTATION

Revised 12/31/16
RESOLUTION NO. 2017-0004

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY APPROVING 1) THE CONTINUATION OF THE TRANSPORTATION NETWORK COMPANY PILOT PROGRAM OPERATIONS AT SAN DIEGO INTERNATIONAL AIRPORT THROUGH JANUARY 31, 2017, AND 2) AUTHORIZING THE PRESIDENT/CEO TO NEGOTIATE AND EXECUTE A TNC PERMIT EFFECTIVE FEBRUARY 1, 2017

WHEREAS, a Transportation Network Company ("TNC"), as defined by California Public Utilities Code section 5431, is an organization (whether a corporation, partnership, sole proprietor, or other form) operating in California that provides prearranged transportation services for compensation using an online-enabled application ("app") or platform to connect passengers with drivers using the TNC drivers' personal vehicles (the TNC Fleet"); and

WHEREAS, TNCs have gained extensive widespread popularity and strong customer service at San Diego International Airport ("Airport"); and

WHEREAS, TNCs have been operating at the Airport since July 8, 2015 under a TNC Pilot Program permit; and

WHEREAS, the San Diego County Regional Airport Authority ("Authority") and the TNCs are currently in negotiations for the terms and conditions and compensation to be paid to the Authority for the continued right to use Airport property for the operation of their businesses; and

WHEREAS, as consideration for the right to use Airport property for the operation of their businesses, TNCs are required to pay a trip fee for each TNC driver who enters onto and picks up a fare on Airport property; and

WHEREAS, at the June 23, 2016 Authority Board meeting, the Authority Board approved an extension of the TNC Pilot Program to expire on December 31, 2016 (Resolution No. 2016-0054R); and

WHEREAS, at the November 17, 2016 Authority Board meeting, the Authority Board approved an extension of the TNC Pilot Program until the January 2017 Board meeting; and

WHEREAS, reduction of greenhouse gas ("GHG") emissions is a matter of statewide concern as evidenced by Executive Orders S-3-05, B-30-15, Assembly Bill 32 and Senate Bill 32 and other laws and regulations addressing GHG emissions; and

WHEREAS, state law reflects the importance of and benefit from efforts to reduce emissions of GHG; and

WHEREAS, a program to reduce GHG emissions is consistent with established state law and allows the Authority to take a leadership role in its stated goal of reducing emissions of GHG at the Airport; and

WHEREAS, through its Memorandum of Understanding with the California Attorney General in 2008 (the "AG MOU"), the Airport Authority committed to working to reduce GHG emissions from various airport-related sources, including commercial ground transportation providers; and

WHEREAS, the Authority adopted a Ground Transportation Vehicle Conversion Incentive Program to meet the requirements of the AG MOU; and

WHEREAS, the Authority adopted an Air Quality Management Plan (the "Plan") in 2009 to help improve local air quality and reduce GHG emissions; and

WHEREAS, the Plan serves as an implementation roadmap for the Authority's commitments under the AG MOU and includes strategies specifically targeting ground transportation-related emissions; and

WHEREAS, the Plan is also used to meet certain Coastal Development Permit requirements associated with Green Build's construction and ongoing operations; and

WHEREAS, in 2016, the Airport was officially certified through the Airport Council International's Airport Carbon Accreditation ("ACA") program. The ACA is an industry-sponsored framework that helps airports identify, manage, and ultimately reduce their carbon emissions. Currently, the Airport is one of only 20 airports in North America that has successfully met the strict program requirements and is working to continue its annual emission reductions to maintain its certification; and

WHEREAS, a robust and reliable GHG data collection and reporting format for ground transportation is essential to measuring progress towards the Authority's climate action goals; and

WHEREAS, the Board finds that implementation of a GHG incentive for TNCs is consistent with commitments made under the AG MOU, the Ground Transportation Vehicle Conversion Incentive Program, the Air Quality Management Plan, and ACA program; and

WHEREAS, the Board finds that implementation of a GHG incentive for TNCs for ground transportation supports the statewide goal of reducing GHG emissions; and

WHEREAS, at that meeting, the Authority Board directed Airport staff to continue to work with the TNCs on the outstanding issues and the concerns raised by the Board, including the ability to identify and report the use of alternative fuel vehicles, the manner in which trip fees are passed on to passengers of the TNCs, and the reduction of GHG emissions by TNCs; and

WHEREAS, Airport staff and the TNCs have worked collaboratively to define and structure a TNC GHG reduction program that achieves the goal of reducing GHG emissions at the Airport; and

WHEREAS, Airport staff recommends a GHG reduction program for TNCs that accurately collects, measures and reports GHG vehicle emissions data for the TNC fleet serving the Airport; and

WHEREAS, the recommended GHG reduction program for TNCs will measure and report any reduction in GHG emissions for the TNC Fleet using Airport property for the operation of their business; and

WHEREAS, the recommended GHG reduction program for TNCs will include incentives to reduce GHG emissions; and

WHEREAS, after considering staff's presentation at the Board meeting on November 17, 2016, the Board wishes to continue the TNC Pilot Program allowing TNCs to use Airport property to conduct their businesses and the TNC Pilot Program permit to allow the TNCs to provide additional information to the Authority regarding GHG emissions and trip fee implementation; and

WHEREAS, since the November 17, 2016 Board meeting, the TNCs have agreed to provide specific TNC vehicle data and staff has agreed to accept average TNC vehicle mileage data to calculate and report TNC fleet GHG emission results; and

WHEREAS, the TNCs have agreed to employ methods such as higher fuel economy or clean air or alternative fuel vehicles to reduce overall GHG emissions to work toward achieving the GHG reduction targets; and

WHEREAS, as a condition of using and, and as compensation for the use of Airport property to conduct their businesses, in addition to the trip fees collected from the TNCs, the TNCs have agreed to pay the Authority GHG Reduction Fees if their TNC Fleet operations do not achieve the established vehicle Greenhouse Gas Reduction ("GGR") level in a given year; and

NOW THEREFORE BE IT FURTHER RESOLVED THAT, the foregoing recitals are true and correct and are made findings and determinations of the Board; and

BE IT FURTHER RESOLVED THAT Airport staff and the TNCs have addressed and agreed to all terms, conditions and requirements brought before the Board; and

BE IT FURTHER RESOLVED THAT the Board 1) approves the continued use by the TNCs of Airport property for the conduct of their businesses through January 31, 2017, and 2) authorizes the President/CEO to negotiate and execute a TNC permit effective February 1, 2017, setting forth the agreed upon terms and conditions for such use, including the matters set forth in this Resolution; and

BE IT FURTHER RESOLVED that the Board finds that this action is not a "project" as defined by the California Environmental Quality Act ("CEQA") (California Public Resources Code §21065); and is not a "development" as defined by the California Coastal Act (California Public Resources Code §30106).

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 5th day of January, 2017, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

TONY R. RUSSELL
DIRECTOR, CORPORATE &
INFORMATION GOVERNANCE /
AUTHORITY CLERK

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

COMMUNICATION FROM THE PUBLIC

MEMORANDUM:

TO: San Diego County Regional Airport Authority - Board of Directors
FROM: Rasier-CA
RE: Staff Report - Jan 5, 2017
DATE: December 22, 2016

Airport Board of Directors:

At your request, Rasier-CA staff have been working closely with airport staff to agree terms for a 2017 airport permit. We are pleased that due to close collaboration with airport staff, significant progress has been made since the November 17th meeting. We are looking forward to the January 5th meeting to finalize the details of the 2017 permit.

However, we note one place where Rasier-CA and airport staff are not aligned. While this does not have an impact on the 2017 permit, it may have impacts on a 2018 fee or penalty structure. Accordingly, we are bringing this to your attention to avoid setting false precedent.

Section of Note: "TNCs will not charge Airport passenger pickups an amount less or more than the established base trip fee." (page 4, line 5-6 of the Staff Report)

Limiting the pass-through of fees is directly counter to the owner-operator business model. This will have very real implications for our business as new fees are introduced in 2018. Currently, there are no additional fees or penalties in the 2017 permit in addition to the agreed vehicle trip fee (other than TNC booking fees and tolls, which we do not believe airport staff intended for inclusion in the above statement). However, this issue will need to be addressed during negotiations for the 2018 permit.

How Other Airports Approach This: Restricting TNC fee pass-through is inconsistent with how all other airports in California regulate TNCs, as well as airports such as SeaTac. Raiser-CA strongly urges that SAN airport permits not prohibit pass through of fees to our customers.

Raiser-CA Proposed Path Forward - Beyond 2017: Instead, we suggest a bill structure that makes it clear which fees are allocated for supporting airport maintenance, and which fees are related to GHG reduction fees. For example:

- Airport Vehicle Trip Fee
- Airport GHG Reduction Fee
- Booking Fee
- Trip Fare
- Tolls (if any)

In parallel, Raiser-CA will continue to work to inform and meet the airport's GGR targets via rolling out behavior-change solutions to improve our overall GGR ratings, and other agreed approaches including how we might be able to educate and encourage Driver-Partners to consider more fuel efficient vehicles (within the constraints of how we are regulated by the CPUC).

Airport Staff Proposal: Airport staff did not agree with the above proposal, and instead recommended TNCs blend the GHG reduction fees into our overall rate structure.

Raiser-CA cannot take this approach for three reasons:

1. Foundational to our approach is a fully transparent bill for our riders, with complete transparency around fees being passed through, to ensure our customers are making informed decisions. Covering up a fee as a rate increase is not consistent with our business approach anywhere else in the world.
2. With a blended fee, Raiser-CA would be offering varied rates across San Diego - a higher rate to depart the airport - than anywhere else in the City, without clarifying what is driving the costs to consumers. Inconsistent rate structures within the same jurisdiction - without disclosing why - is misleading to customers.
3. TNCs do not own the personal vehicles used on the TNC platform in SAN, and they collect revenue from only a portion of the fare as rest of which goes directly to the driver. Any penalty structure would need to be carefully designed to avoid disincentivizing both TNCs and owner-operators from airport operations.

Raiser-CA asks that our willingness to confidentially share confidential and commercially sensitive information to inform a robust 2017 baseline be seen as a strong showing of good faith. We aim to continue to build and grow a strong relationship with the airport going forward. We recognize the airport aims to roll out a 2018 GHG reduction fee, and we believe that the 2017 baseline will help to ensure that approach is grounded in data - while also providing a true sense of the financial impact of GHG targets upon the independent owner-operators and informing a common understanding of the situation. But, we ask that the Board not agree to airport permits that prohibit TNCs from transparently disclosing fees to riders and that unnecessarily restrict how these are paid for.

We thank you very much for your continued consideration,

Best,

Raiser-CA Team

Board Communication

Date: December 28, 2016
To: Board Members
Via: Angela Shafer-Payne, Vice President, Operations
From: Marc Nichols, Acting Director, Ground Transportation
Subject: Response to Raiser, LLC letter to the SDCRAA Board dated December 22, 2016, regarding TNC Permit Status

At the November 17, 2016 meeting, the Board delayed the approval of a one-year TNC permit for 2017 and directed staff to negotiate a more refined TNC greenhouse gas (GHG) emissions reduction program including data collection, reporting, reduction targets, and appropriate incentives. The Board extended the Pilot Program through January 5, 2017.

The Board has directed staff “to work with the TNCs on outstanding issues and the concerns raised by the board, which includes the ability to identify and report on the use of alternative fuel vehicles for the Authority and how the compliance fees are passed on to passengers of the TNCs”.

Items of specific concern for the Board at the November 17, 2016 meeting were:

1. “Other modes provide GHG emissions information and TNCs do not” - Board Member Desmond.
2. “There is no incentive for TNC vehicle conversion, especially when the customer pays the trip fees” - Board Member Sessom.
3. “If a customer requests car service from ‘a TNC’ the company should have the technology in place to offer or inform the customer of AFV fees and the corresponding costs” - Board Member Cox.

Staff has held several meetings with the TNCs to agree on the details of a one-year permit. Meetings were held on the following dates: December 1, 5, 7, and 19. As a result, the majority of items for a one year permit have been agreed to and staff proposes approval of the permit as currently drafted.

The proposed permit imposes no GHG incentive fees for the 2017-2018 permit year. Rather, this period will be an “information and data gathering” period to establish operating baselines. Toward the end of the proposed permit period, staff and the TNCs will again meet to negotiate and agree to permit terms for the subsequent permit period.

However, Raiser-CA has drafted a letter to the Authority Board dated December 22, 2016 outlining an area where they are not aligned with permit terms.

Authority Staff would like to clarify some of the issues and claims referenced in the letter.

First, Raiser’s letter identifies this item of note from the Staff Report, page 4, heading entitled “Vehicle Trip Fees”, Item b:

“TNCs will not charge Airport passenger pickups an Airport fee less or more than the established base trip fee amount.”

Raiser-CA states, “Restricting TNC fee pass-through is inconsistent with how all other airports in California regulate TNCs, as well as airports such as Sea Tac. Raiser-CA strongly urges that San airport permits not prohibit pass through of fees to our customers”

This Staff Report section goes on to explain:

“The TNCs recognize that Airport fees may increase to adjust for changing costs. The TNCs have expressed concerns about restricting what and how fees may or may not be passed along to passengers.”

Staff does not intend to dictate rates for the TNC companies. The permit provides the fee charged for entering on airport property for the purpose of conducting business. Staff has requested that the TNCs not label any other charge to the customer as an “Airport Fee” – other than the \$2.32 (FY2017) or \$2.35 (FY2018) Trip Fee.

At the November 17, 2016 meeting, the Board expressed concern that the customer did not have an option to request a GHG compliant vehicle, and therefore should not be charged a penalty for non-compliance. Taxis are prohibited from passing on to the customer any GHG incentive assessment. Taxis can only charge the customer as much as the \$2.90 Trip Fee (FY 2017). Any overage for a non-AFV vehicle is paid by the taxi permit holder. Allowing TNCs to charge the customer an Airport “GHG Fee” is counter to the “level playing field” initiative.

When a GHG incentive is applicable, in the subsequent permit cycle, any applicable GHG incentive will be billed directly to the TNC permit holder. Staff believes that the TNCs will simply adjust their rates to recover these fees from the customer, as is their prerogative. Staff has no control over TNC rates. However, staff does not want any overage charged to the customer to be labeled as an “Airport GHG Fee” - especially when the customer has no option to select a GHG compliant vehicle.

The draft permit is aligned with the Board’s intent that the permit holder, the TNC company, bear the cost for GHG initiatives – NOT the customer.

Second, the Raiser-CA letter suggested a bill structure that:

“makes it clear which fees are allocated for supporting airport maintenance, and which fees are related to GHG reduction fees, for example:

1. Airport Vehicle Trip Fee
2. Airport GHG Reduction Fee
3. Booking Fee
4. Trip Fare
5. Tolls (if any)

Raiser-CA states, “Airport staff did not agree with the above proposal, and instead recommended TNCs blend the GHG reduction fee into our overall rate structure”, essentially “covering up a fee as a rate increase”.

The draft permit as currently written requires any GHG incentive to be paid by the permit holder, the TNC company itself. The intent of the permit language is that these fees are not passed on to customers.

At no time did Staff recommend “covering up” fees in higher rates. It is our hope that TNCs will meet GHG targets by:

- 1) Increasing ride share or “pooling” activities,
- 2) Encouraging the use of fuel efficient vehicles, or
- 3) Encouraging the use of alternative fuel vehicles.

Third, Raiser-CA states,

“We recognize the airport intends to roll out a 2018 GHG reduction fee, and we believe that the 2017 baseline will help to ensure that approach is grounded in data – while also providing a true sense of the financial impact of GHG targets upon the independent owner-operators and informing a common understanding of the situation. But, we ask that the Board not agree to airport permits that prohibit TNCs from transparently disclosing fees to riders and that unnecessarily restrict how these fees are paid for”

TNC permit holders are not required by the permit to pass these fees on to the customer or to the driver – owners. Staff does not want the customer to pay these fees, which is why they are billed directly to the TNC permit holder. The airport has no mechanism to prohibit the TNCs from passing these fees on to customers.

Staff believes that the current draft permit meets the goals of the Board and allows sufficient time for the TNCs to work out their GHG compliance strategies. We continue to move forward in good faith and look forward to answering any questions.



Transportation Network Company (TNC) Permit Application Update

Marc Nichols

Manager, Ground Transportation

January 5, 2017



Recommendation

Adopt Resolution No. 2017-_____ approving the continuation of the Transportation Network Company operations at San Diego International Airport and authorizing the President/CEO to negotiate and execute a TNC permit.

Transportation Emission Reduction Strategies



**Cleaner
Fuels**



**Higher
MPG**



**Carpooling/
Ridesharing**



Board Direction

At the November 17, 2016 meeting, the Board directed Staff “to allow the TNCs to provide additional information to the Authority regarding GHG emissions and trip fee implementation.”



Program Comparisons

	Seattle	San Diego
Measure	<i>E-KPI (lbs. of CO₂ per typical passenger trip.</i> Demonstrates equivalency with the environmental performance of outbound on-demand taxis	<i>Year over year gCO₂ emissions reductions</i> TNC fleet-wide GHG emissions calculation based on a quantifiable average vehicle mpg and trip mileage (auditable).
Calculation Parameters	<i>Weighted average MPG</i> <i>% Deadheading</i> <i>% Ridesharing</i> Calculations are based on complex calculation parameters, extensive data collection and use of average mileages	<i>Vehicle miles per gallon (MPG) and gCO₂</i> (as per the EPA's GGR Rating system) <i>Agreed upon mileage per trip (2016 data)</i> <i>Average mileage saved per MP trip (for the current month)</i> Calculations are based on published government standards (fueleconomy.gov.)



Program Comparisons

	Seattle	San Diego
Calculation	<p><i>E-KPI equals</i> (Drop-off trip fuel consumption + Pick-up Trip fuel consumption) x Carbon Emissions per fuel consumed</p>	<p><i>gCO₂/mile (by month) equals</i> $\sum \text{gCO}_2 \text{ by GGR/Tot. miles}$ minus $\sum \text{gCO}_2 \text{ by GGR/Tot. MP miles}$</p>
Targets	<p><i>E-KPI $\leq 10.82 \text{ lbs}$</i></p>	<p>2017 GGR = 6 (313- 349 gCO₂ per mile) 2018 GGR = 7 (274-312 gCO₂ per mile) 2019 GGR = 8 (238-273 gCO₂ per mile) 2020 GGR = 9 (current taxi) (205-237 gCO₂ per mile)</p>
Consequences	<p>Per-trip fee increase (quarterly) 1st quarter- 2x 2nd quarter- 3x 3rd quarter- 4x</p>	<p>Starting 1/1/18, trip fees are doubled should quarterly GHG emissions average exceed the GGR target</p>



SDIA Solution

- **Flexible Program with use of**
 - Cleaner alternative fuel vehicles
 - Higher efficiency vehicles
 - Ridesharing of passengers (trip reduction)
- **Performance-Based Parameters**
 - Vehicle GHG emissions intensity (gCO₂e/mile)
- **TNC Fleet Emissions Targets**
 - Average Greenhouse Gas Rating of 9 by 2020 (equivalent to 2016 hybrid taxi fleet's emissions)
- **GHG Reduction Fee**
 - Measurable targets with specific consequences



SDIA Solution

GREENHOUSE GAS RATING (GGR)

Rating	MPG (gas)	CO ₂ (g/mile)
10	≥ 44	0-204
9	38-43	205-237
8	33-37	238-273
7	29-32	274-312
6	26-28	313-349
5	22-25	350-413
4	19-21	414-480
3	17-18	481-539
2	15-16	540-613
1	≤ 14	≥ 614

A Greenhouse Gas Rating (GGR) has been assigned to MPG and CO₂ emissions

<https://www.epa.gov/sites/production/files/2016-02/documents/420b16031.pdf>



SDIA Solution

The TNCs have agreed to provide the following trip information:

- a. Trip sequence number
- b. License Plate number (last 3 digits)
- c. Vehicle Longitude and Latitude with airport entry and airport exit time
- d. Vehicle year, make and model
- e. Vehicle GGR (as per the EPA rating system)
- f. Ride Type (Multi-Party (MP) or Single Party (SP))
- g. Number of discrete parties (application users) booked for a MP ride



SDIA Solution

Airport Staff has agreed to use the following to calculate GHG results:

- Apply the vehicle miles per gallon (MPG) and gCO₂ (as per the EPA GGR Rating system)
- Apply a mutually agreed upon CY2017 average trip mileage based on CY2016 average mileage data
- Apply the average mileage saved per MP trip
- Accept the highest MPG for that vehicle year, make and model.
- “Hybrid” vehicles must clearly be distinguished e.g. Honda Civic hybrid vs. Honda Civic for credited to be given



SDIA Solution

Trip fees and requirements:

- a. FY17 (through June 30, 2017) TNC trip fees are set at \$2.32.
- b. FY18 (July 1, 2017- June 30, 2018) TNC trip fees will be set at \$2.35 (amount may be adjusted pending decision on TNC staging area expansion).
- c. Trip fees are strict cost recovery i.e. base trip fee with no conversion premiums or discounts applied.
- d. TNCs will charge Airport passenger pickups an amount no less or no more than the established trip fee.



SDIA Solution

GHG Reduction Fees:

- a. Calculation of GHG results will use the vehicle data and average mileages (Note: All other commercial operators reporting GHG data use average mileages).
- b. TNCs will proactively seek ways to use higher fuel economy cars, ridesharing and use of alternative fuel cars to reduce GHG emissions.
- c. TNCs will receive GHG emission reduction credits for multi-party rideshare mileage.
- d. The TNC GHG emissions reduction program begins January 1, 2018 with results evaluated and fees collected based the previous quarter results starting April 1, 2018.



SDIA Solution

GHG Reduction Targets and Fees

Calendar Year (CY)	Greenhouse Gas Rating (GGR) Performance Parameters	Trip Fee	GHG Reduction Fee (assessed and paid quarterly based on the total trip fee collections)
2017	Baseline data <u>GGR 6</u> (313- 349 gCO ₂)	FY17- \$2.32 FY18- \$2.35	0%
2018	<u>GGR 7</u> (274- 312 gCO ₂)	FY18- \$2.35 FY19- TBD	\$2.35 per trip (100% of the per trip fee)
2019	<u>GGR 8</u> (238- 273 gCO ₂)	TBD	100% of the per trip fee
2020	<u>GGR 9</u> (205- 237 gCO ₂)	TBD	100% of the per trip fee



Reference


GREENHOUSE GAS RATING (GGR)

Rating	MPG (gas)	CO ₂ (g/mile)
10	≥ 44	0-204
9	38-43	205-237
8	33-37	238-273
7	29-32	274-312
6	26-28	313-349
5	22-25	350-413
4	19-21	414-480
3	17-18	481-539
2	15-16	540-613
1	≤ 14	≥ 614



Summary

- Work within the spirit of the AGMOU and “level the playing field” with other SDIA commercial transportation operators
- Appropriately incentivize TNC operators to meet the GHG reduction requirements
- Continue to balance customer service with eco-friendly ground transportation providers



Transportation Network Company (TNC) Permit Application Update

Questions?

STAFF REPORT

Meeting Date: **JANUARY 5, 2017**

Subject:

Rental Car Center (RCC) Shuttle Bus Procurement

Recommendation:

Adopt Resolution No. 2017-0005 authorizing the President/CEO to: 1) issue a purchase order for the procurement of fourteen (14) Rental Car Center shuttle buses; and 2) authorize the President/CEO to execute the purchase order.

Background/Justification:

Introduction

RCC Opening and Transit System

The Consolidated Rental Car Center (“RCC”) at San Diego International Airport began operations in January 2016. In conjunction with the startup, the RCC Bus Transit System was initiated to transport passengers between the Terminals and the RCC. The RCC buses replaced 81 car rental company operated shuttles of varying size and fuel type with 16 Authority-owned Compressed Natural Gas (CNG) transit buses. These buses travel part way on Harbor Drive and then enter the dedicated the Terminal Link Road (TLR).

RCC Transit System Initial Assumptions

In 2014, Kimley-Horn (KHA) was engaged to evaluate the busing requirements, fleet size, and service levels needed to serve the RCC upon opening in 2016. Industry accepted modeling practices and analysis were used to estimate the number of buses needed. These methods had been well proven in numerous airport studies, including airports served by similar RCC facilities.

When determining the appropriate number of buses needed to serve the RCC, numerous factors were considered, including:

1. Enplanements
2. Flight schedule based analysis
3. Air passenger/RCC patron characteristics
4. RCC shuttle operating routes
5. Shuttle route parameters and service criteria
6. Bus capacity and loading/unloading times
7. Terminal and RCC roadways and infrastructure

During the RCC project design phase, KHA requested data on ridership, bus headway times, passenger wait times, operational statistics and other metrics from the Rental Car Companies. Some data was provided; however, due to claims by the Rental Car Companies that certain information was proprietary and thus not subject to disclosure, assumptions were made. While KHA used industry accepted modeling practices, the number of buses recommended was not sufficient to meet the Authority's operational objectives during peak times.

Bus Operator, Purchase, and Operations Contract

The RCC transit system is operated by SP Plus. After a competitive RFP process, SP Plus was awarded a five-year contract in 2014 to operate the RCC shuttle buses. The five year contract includes provisions for bus procurement, bus startup, operations management, and monthly reporting. Contract compensation is based on two components: 1) a mileage rate, 2) and a fixed management fee.

Based on fleet size recommendations from Kimley-Horn, SP Plus was directed to procure 16 Rental Car Center transit buses. The Purchase Order for \$7,890,105.57 was issued to SP Plus on December 26, 2014. The buses were delivered in June 2015 and placed into service in January 2016.

Like all Rental Car Center related capital and transportation system costs, funding for the purchase of the Rental Car Center Transit Buses and operational expenses for transportation comes from the Customer Facility Charge (CFC) collected with each rental car transaction.

As part of its contract with the Authority, SP Plus is tasked with the following operational objectives:

1. maintaining and operating the Rental Car Transit Buses;
2. staffing drivers, customer service representatives (CSRs), and management personnel;
3. minimizing customer wait times;
4. maintaining appropriate headways; and
5. optimizing operational efficiency

Initial Operations

Upon opening the RCC, operational challenges were encountered.

1. Opening day already saw enplanements at the 2020 estimated levels.
2. Passengers wait times were well above expected levels.
3. Headways were inconsistent.
4. Loading/unloading time was longer than anticipated.
5. Buses had to be loaded over-capacity to empty the curbs quickly.
6. The customer experience was less than satisfactory.

Remedies

To remedy these operational challenges, SP Plus made the following changes to operations:

1. SP Plus separated the unloading and loading areas at each island. Buses were unloaded first; then moved forward to the boarding queue for loading.
2. SP Plus staffed more CSRs at peak time to help direct passengers and load baggage.
3. To meet higher than estimated passenger levels, the Authority hired an outside contractor, Five Star Coach, to supplement the RCC Fleet temporarily with six Motor Coach buses. These buses have a 50 passenger capacity. Additional service with these Coach buses was provided between 10am – 3pm, from 02/15/16 through 09/15/16.
4. SP Plus was directed to acquire nine used Gillig buses from the airport rental car companies. Eight of the used Gilligs were added to service gradually from 05/31/16 through 09/15/16.
5. The Five Star Coach service was discontinued on 09/15/16.
6. In 2016, the Authority engaged another consulting company, Av Air Pros (AAP) to examine operations and provide recommendations.

Operational Changes

Av Air Pros observed operations during February 2016, and used mathematical calculations, on-site observations, ridership data, bus trip time data, and excel modeling to re-examine the appropriate number of RCC buses to meet operational objectives. Based on their assessment, and a comparison of the initial assumptions to existing operations, the following operational changes are recommended.

Fleet Size

In 2014, KHA found that the RCC Transit System would require 16 (with 30% contingency) 40 foot vehicles, with a passenger capacity of 35, to begin operations. KHA concluded that if less than 20 were purchased initially, the Authority would need all 20 buses by the year 2020.

After conducting its study in 2016, AAP recommends that the Authority add 14 buses immediately. This allows 12 buses on each route at peak time, with a 30% contingency. Operating 24 buses at peak time, will allow every passenger a seat, and reduce loading/unloading time.

Headways

Headway is defined as the difference between the point in time the first bus leaves the curb after its dwell and the point in time the next bus leaves the curb after its dwell. Headway measures the time spacing between buses on the route and should be consistently controlled.

In 2014, KHA assumed headway times between five to seven minutes, with a fleet of 16 buses. Due to inconsistent loading/unloading time, efforts to fill buses to more than 25 seats with standees, and excess luggage; headways were not maintained consistently.

AAP recommends that two minute headways be maintained. The total loop time of both T1 and T2 routes is consistently 25 minutes. The total loop time is divided by the desired headway to determine the number of buses required. A 25 minute loop time divided by a two minute headway means that 12-13 buses are required on each route, at peak time.

Wait Times

The Rental Car Companies request passenger wait times of five minutes or less. KHA estimated wait times of two and one-half to three minutes at each curb. This wait time was not attainable with the original 16 bus fleet – especially at peak times. Only when additional Coach or Gillig buses were added to circulation were wait times consistently under five minutes.

AAP believes that adding 14 buses to the fleet will enable consistent wait times of less than five minutes. With a strategy of loading buses only to seat capacity, aisles remain clear and luggage is loaded more efficiently. Every passenger may have a seat, passengers will board and disembark more efficiently, and dwell times will shorten. This “load and go” approach will maintain wait times of five minutes or less.

Load Factor

KHA assumed a load factor of greater than 100%. By allowing standees, more passengers would ride each trip, and as many as 33-35 passengers would take each bus. This over-loading increased the load/unload time and significantly degraded the passenger experience.

AAP recommends a “load-and-go” approach. Buses load/unload faster when the aisle remains clear. Any luggage may be stowed, minimizing hazards. Running twelve buses on each route will allow “seat-capacity” loading and maintain consistent headways.

Useful Life

Industry standards generally allow a heavy-duty transit bus (such as the El Dorado or Gillig) a useful life of 12 years, or 500,000 miles, given required downtime and preventive maintenance. This means approximately 42,000 miles per year.

While the Authority has planned for a useful life of at least seven years, the buses can last longer. With the current fleet size and schedule, the El Dorado buses are expected to run at greater than 75,000 miles per year. Operating at this level reduces useful life to less than seven years.

The used Gillig buses are at or near the end of their useful lives. These vehicles have been re-furbished and placed into operation, but the cost of maintaining these buses will increase. Even with required maintenance some may begin to fail during Summer 2018.

The procurement of the additional 14 buses meets current passenger demand, enables necessary downtime, and maintains recommended mileage levels - extending the overall useful life of the fleet.

In-Service Miles

The original SP Plus operations contract assumed in-service miles of 1,204,500 per year.

Adding 14 buses and operating 12 buses on each route at peak time will require an adjustment to in-service miles. These additional costs will be calculated once the bus procurement has been successfully completed. In-service miles on an annual basis may be as high as 1,800,000 per year and will result in additional expenses for:

- Insurance
- Drivers
- Customer Service Representatives
- Maintenance
- Fuel

The financial impact of this adjustment is discussed below in the Fiscal Impact section.

Staff Recommendation

Based on the study performed by Av Air Pros, staff requests Board approval for issuance of a purchase order for 14 buses.

This addition to the existing fleet is required to:

1. Maintain two minute headways at peak times
2. Maintain wait times of five minutes or less, as requested by the Rental Car Companies
3. Allow every passenger a seat, if desired
4. Replace the nine temporary Gillig buses
5. Reduce the in-service hours of the over-utilized existing fleet
6. Minimize wear and tear from over-use
7. Maximize the useful life of the existing fleet
8. Provide 30% contingency of bus fleet; allowing SP Plus to meet industry recommended downtime and maintenance requirements

Purchase Options

The recommended procurement option is the issuance of a competitive Request for Bids (RFB). This solicitation method includes well-defined specifications and contains all contractual terms and conditions. The RFB solicits price quotations from prospective suppliers, based on specifications. Suppliers either meet the specifications or not. The contract is awarded to the supplier with the lowest bid price who meets the specifications.

Factors that may be considered in the Request for Bid are:

- 1) Price
- 2) Bus specifications
- 3) Delivery time
- 4) Minimum qualifications of manufacturer

Future Considerations

The Authority is working with SP Plus on the RCC bus fleet lifecycle plan and capital requirements through the end of the existing contract and beyond. Fleet needs are examined on a continuous basis. Current plans for fleet replenishment are provided for in the Long Range Capital Program as follows:

- \$10,000,000 in Fiscal Year 2021
- \$12,000,000 in Fiscal Year 2031

Electrification of Fleet

The Ground Transportation and the Environmental Affairs departments are exploring options for integrating EV buses into the RCC Transit System and the Employee and Parking Shuttle fleets. Numerous infrastructure, operational, and planning challenges arise in meeting this goal. Airport Planning and Ground Transportation must also accommodate changes to the Airport Development Plan, as it progresses, when considering EV infrastructure.

Fiscal Impact:

Operating Expense Impact

For FY 2017, there is no impact to the Services – Other Professional line item.

For FY 2018, the Services – Other Professional line item may be increased from the FY 2018 Conceptual Budget by as much as \$2,900,000.

Capital Program Impact

The Board previously approved a purchase of eight to ten new buses at a cost of \$5,000,000 as part of the Capital Improvement Program. This request is for 14 buses at an approximate cost of \$7,600,000; an increase of \$2,600,000.

Adequate funds for acquiring the 14 buses are included within the Board approved FY2017-FY2021 Capital Program Budget. The funds used to cover the \$2,600,000 increase include: 1) funds remaining from the \$5,000,000 capital allowance, and 2) savings from other capital projects.

Source of funding for this project is Customer Facility Charges.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy
- Customer Strategy
- Employee Strategy
- Financial Strategy
- Operations Strategy

Environmental Review:

- A. CEQA: This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

Application of Inclusionary Policies:

The Authority has the following inclusionary programs/policies: a Disadvantaged Business Enterprise (DBE) Program, an Airport Concession Disadvantaged Business Enterprise (ACDBE) Program, Policy 5.12 and Policy 5.14. These programs/policies are intended to promote the inclusion of small, local, service disabled veteran owned, historically underrepresented businesses and other business enterprises, on all contracts.

SP Plus Corporation has committed to working with the Airport Authority to maximize participation by proposing 5% ACDBE participation on this project.

Prepared by:

MARC NICHOLS
ACTING DIRECTOR, GROUND TRANSPORTATION

RESOLUTION NO. 2017-0005

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY AUTHORIZING THE PRESIDENT/CEO TO: (1) ISSUE A PURCHASE ORDER FOR THE PROCUREMENT OF FOURTEEN (14) RENTAL CAR CENTER SHUTTLE BUSES; AND (2) AUTHORIZE THE PRESIDENT/CEO TO EXECUTE THE PURCHASE ORDER.

WHEREAS, the San Diego County Regional Airport Authority (“Authority”) has constructed a consolidated rental car center facility (“RCC”) on the north side of San Diego International Airport (“Airport”) to serve the rental car industry and its customers and which was opened in January 2016; and

WHEREAS, the Authority provides a consolidated shuttle bus service to transport rental car customers and the public between the RCC and the terminals at SDIA; and

WHEREAS, the RCC bus operations are conducted predominantly over an interior ring road located on the Airport, however the buses will also travel over limited portions of North Harbor Drive, a public street and other public roadways; and

WHEREAS, the shuttle buses serving the RCC provide regular and continuing transportation service to the public between the RCC and SDIA Terminals and are part of a “transit system” owned and operated by the Authority, a public entity; and

WHEREAS, the Board has approved the Airport’s Short-Range Transit Plan (“Plan”) describing the Airport’s transit system and its operation; and

WHEREAS, written notice has been provided to the City of San Diego, which maintains the streets over which the RCC shuttle buses will travel, as well as County of San Diego, of the Authority’s intent to procure shuttle buses in excess of the 20,500 lb. weight limit; and

WHEREAS, the Authority has determined the need for a qualified firm to procure the RCC shuttle buses and to manage the RCC Bus operation between the Rental Car Center (located at 3355 Terminal Link Road, San Diego, CA 92101) and the Airport terminals; and

WHEREAS, on December 26, 2014 the Authority procured 16 shuttle buses to serve the RCC; and

WHEREAS, the Board finds it is in the best interest of the Authority and the public it serves to procure an additional 14 shuttle buses to serve the RCC in order to increase efficiencies and improve operations and customer service.

NOW THEREFORE BE IT RESOLVED that the Board authorizes the issuance of a Request for Bids to procure 14 additional shuttle buses; and

BE IT FURTHER RESOLVED that the Board authorizes the President/CEO to execute a purchase order for the additional 14 buses to lowest responsive and responsible bidder; and

BE IT FURTHER RESOLVED that the President/CEO or designee hereby is authorized, upon approval as to form by the General Counsel, to execute and deliver such an agreement; and

BE IT FURTHER RESOLVED that the Authority and its officers, employees and agents hereby are authorized, empowered and directed to do and perform all such acts as may be necessary or appropriate in order to affect fully the foregoing resolutions.

BE IT FURTHER RESOLVED the Board finds that this Board action is not a "project" as defined by the California Environmental Quality Act ("CEQA") [Cal. Pub. Res. Code §21065); and is not a "development" as defined by the California Coastal Act [Cal. Pub. Res. Code §30106).

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 5th day of January, 2017, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

TONY R. RUSSELL
DIRECTOR, CORPORATE &
INFORMATION GOVERNANCE /
AUTHORITY CLERK

APPROVED AS TO FORM:

AMY L. GONZALEZ
GENERAL COUNSEL



Rental Car Center Shuttle Bus Procurement

Marc Nichols

Acting Director, Ground
Transportation

January 5, 2017



Recommendation

Adopt Resolution No. 2017-_____ authorizing the President/CEO to: 1) issue a purchase order for the procurement of fourteen (14) Rental Car Center shuttle buses; and 2) authorize the President/CEO to execute the purchase order



Background

- The Rental Car Center opened in January 2016
- SAN initiated the Rental Car Center Transit System concurrently
- SP Plus operates and manages the RCC Transit System
- 24 buses operating currently

Current Bus Fleet

- 16 El Dorado Buses



- 8 Gillig buses -

Used vehicles acquired from Rental Car Companies





Operational Requirements

- Maintain two minute headways at peak times
- Maintain wait times of less than five minutes as required by the Rental Car Companies
- Enable buses to be loaded at no more than 100% capacity of seats, allowing every passenger a seat
- Ensure optimal customer experience



Operational Challenges

- Not enough Buses to maintain two minute headways at peak times
- Not enough buses to maintain wait times of less than five minutes at peak times as required by the Rental Car Companies
- Buses are loaded at more than 100% capacity of seats - requiring standees
- Non-optimal customer experience



Fleet Requirements

1. Operate 24 bus fleet at peak time with 6 in reserve – 30% contingency
2. Maintain optimal service hours
3. Minimize wear and tear from over-use
4. Maximize the useful life of the existing fleet
5. Keep eight temporary Gillig buses operational



Fleet Challenges

1. Existing fleet is over-utilized, not enough buses at peak times
2. Buses are experiencing excess wear and tear from over-use
3. Useful life of fleet is being diminished
4. Gillig buses will begin to fail starting summer 2018

Proposed Bus Fleet

1. 30 Total Buses
2. 16 Existing El Dorado buses
3. 14 New buses - ordered now for delivery in Jan-Mar 2018

Recommended Purchase Method

1. Request for Bids (RFB)
 - A. Well defined specifications -
 - Equipment
 - Technology
 - Software
 - B. Includes all contractual terms and conditions
 - C. Contract is awarded to the supplier with the lowest bid price who meets the specifications




Purchase Considerations

1. Price
2. Bus specifications
3. Delivery time
4. Minimum qualifications of manufacturer

Estimated Purchase Price

1. Estimated cost = \$7,600,000
2. An increase of \$2,600,000 over previously approved Capital Improvement Program amount
 - a) \$5,000,000 for 8-10 buses in Q3-2018
3. All Funds come from CFCs (Customer Facility Charges)



Conclusion - Operational Benefits

1. Maintain two minute headways at peak times
2. Maintain wait times of less than five minutes, as required by the Rental Car Companies
3. Allow every passenger a seat, if desired.
4. Ensure optimal Customer Experience



Summary - Fleet Benefits

1. Reduce the in-service hours of the over-utilized existing fleet
2. Minimize wear and tear from over-use
3. Maximize the useful life of the existing fleet
4. Replace the nine temporary Gillig buses



Rental Car Center Shuttle Bus
Procurement

Questions?