

ST. LOUIS AIRPORT COMMISSION

Wednesday, July 9, 2008 - 2:00 P.M.

JoAnne Wayne Conference Room

Members Present: Mr. Bales, Mr. Esterline, Mr. Lipman, Mr. McKinney, Ms. Morrell-Charles, Mr. Nash, Ms. Osborn, Mr. Saracino, Mr. Sauget, Mr. Schembre, Mr. Sonderegger, Mr. Vaccaro, Ms. Young and Chairman Hrabko

Members Absent: Ms. Green, Mr. McNutt and Mr. Reed

Airport Staff: Bill, Bradley, Bruening, Doss, Ivanovich (Intern), Kinsey, Kopinski, LaBoube, Lea, Mason, Mays, Salarano, Slay, Spencer, Thomas, Verret, Waddle, Wright and Zell

Legal Department: Niemann & Pandolfo

Guests: Walle Amusa, ADECS, Inc.; Kevin Cahill, Edward Jones; Mike Coleman, Central Parking; Henrietta Darlek, Consultant; Ollie Dowell, Ollie Dowell Communications; Ann Early, Edward Jones; Tim Embree, Mayor's Office; Candice Gordon, Comptroller's Office; Laverne McCray, ADECS, Inc.; Randy Phillips, National/Alamo; Ivy Neyland-Pinkston, Comptroller's Office; Linda Primer, Primer Enterprises LLC; Chuck Reitter, Unison; Laura Timm, Enterprise Rent-A-Car; Mike Watson, Seraphim Guard; Gaylard Williams, Public; Judie Wise, BookMark; Greg Zackett, Central Parking

News Media: Ken Leiser, ST. LOUIS POST DISPATCH

The Meeting was called to order at 2:00 P.M.

Chairman Hrabko noted the shirts that have been distributed to the Commissioners are to advertise the Airport's new website, FLYSTL.com, to be unveiled next week.

1. Approval is requested for the Minutes of the Wednesday, June 4, 2008 Airport Commission Meeting.

A motion for approval was made by Mr. Vaccaro and seconded by Mr. Nash and the motion carried unanimously.

MINUTES

2. OPERATIONS

- A) First Amendment to the Service Agreement for Electronics Systems Services with Tech Electronics, Inc. The Agreement commenced on March 17, 2006 and will still end on March 16, 2009. The total Not-To-Exceed Contract Amount will be increased by \$290,000, from \$1,865,000 to \$2,155,000.

A motion for approval was made by Mr. Esterline and seconded by Mr. Vaccaro.

Mr. Slay provided the details of the First Amendment and recommended approval.

After further discussion, a vote was taken and the motion carried unanimously.

3. PLANNING AND DEVELOPMENT

Approval is requested for the following items:

- A) Award and approval of the Service Agreement to GPM, Incorporated to provide Ground Maintenance and Area Clean Up Services for the Airport. The Agreement will commence on August 1, 2008 and will end on July 31, 2011. The total Not-To-Exceed Contract Amount is \$900,000.

At this time Commissioner Morrell-Charles joined the meeting.

A motion for approval was made by Mr. Saracino and seconded by Mr. Nash.

Mr. Mays provided the details of the Service Agreement and recommended approval.

Mr. Sonderegger asked if this Agreement covered all properties the Airport owns outside of the airfield. Mr. Mays replied that was the case and the properties covered by this Agreement are reflected on the map distributed to the Commissioners included in the Agenda packet. Mr. Sonderegger asked if it is advantageous to have one company do this work. Mr. Mays stated yes, it is advantageous.

After further discussion, a vote was taken and the motion carried unanimously.

- B) Award and approval of the Service Agreement to PDC Laboratories, Incorporated to provide Analytical Services for the Airport. The Agreement will commence September 1, 2008 and will end on August 31, 2011. The total Not-To-Exceed Contract Amount will be \$120,000.00.

Chairman Hrabko noted that a revised Executive Summary for this Service Agreement had been distributed to the Commissioners before the meeting commenced.

A motion for approval was made by Mr. Saracino and seconded by Mr. Schembre.

Mr. Mays provided the details of the Service Agreement and recommended approval.

Mr. Esterline asked where this work is generally performed. Mr. Mays explained that this work could be performed on almost any property at the Airport.

After further discussion a vote was taken and the motion carried unanimously.

4. **PROPERTIES**

Approval is requested for the following items:

- A) Award and approval of the Vending Concession Agreement with Deli Enterprises, LLC AL-433

Chairman Hrabko noted that this item has been removed from the Agenda at the request of the Properties Division and will be added to the Agenda at a future date.

- B) Award and approval of the Parking Facilities Operating Agreement with Central Parking System of Missouri, Inc. AL-805

A motion for approval was made by Mr. Saracino and seconded by Mr. Esterline.

Ms. Verret provided the details of the Operating Agreement as reflected in the information in the briefing papers submitted to the Commissioners with this Agenda Item 4B and recommended approval.

Mr. Vaccaro noted that by reviewing the chart distributed to the Commissioners, Central Parking did not provide the required insurance documents and although he understands that they were allowed to cure this, in fairness to the other companies, he proposes a motion that Central Parking's contract be extended several months in order to distribute a new Request for Proposals.

Ms. Verret replied that the insurance document in question was a supplemental document, a document that is not essential to evaluating the proposal, and the insurance documentation was subsequently submitted by Central Parking. Ms. Verret also noted that as the process for selecting a parking facilities operator for the Airport is a Request for Proposals with Qualifications process, the guidelines permit the Airport and the City to allow cures. The Selection Committee, which consists of representatives of the Comptroller, President of the Board of Aldermen, and the Airport administration, reviewed all of the proposals. The Selection Committee took into consideration each proposer's: qualifications, experience, and their presentation; their management plan, which obviously is very important for operating all of the

Airport's parking facilities; the proposed first year budget - knowing that the successful proposer would ultimately negotiate the budget with the Airport; and lastly the management fee.

Mr. Vaccaro questioned Central Parking's responsiveness as to MBE and other items saying he had received a letter from Mr. Gary Pohrer, whose company, St. Louis Parking, was an unsuccessful proposer. Ms. Verret responded to the items identified by Mr. Vaccaro and stated that she had first received a copy of the letter from Commissioner Nash just before this meeting began. She understands the letter was sent to all of the Commissioners. She stated that, without wanting to sound dismissive, such a letter being written by St. Louis Parking after the key financial terms of all the other proposers have been disclosed and revisions to key financial terms by St. Louis Parking is not an area for which a cure should be allowed. Mr. Vaccaro reiterated his request for a motion to extend the current contract so that a new Request for Proposals may be sent out.

Chairman Hrabko thanked Ms. Verret for her explanation of the Agreement and procedures involved. Chairman Hrabko went on to say it is disappointing for him to first see the letter from Mr. Pohrer just before the meeting began but the matters raised in the letter do not appear to affect the bottom line with regard to the Airport's recommendation for approval of the agreement with Central Parking.

Mr. Esterline asked Mr. Niemann (Legal Counsel) for an opinion of the Selection Committee's procedures. Mr. Niemann replied that proper procedures appear to have been followed and the recommendation of the Selection Committee is appropriate. He is very comfortable legally with the Commission making the award as recommended by the Selection Committee and Airport administration.

Following discussion regarding procedures for considering Mr. Vaccaro's points and his request to have consideration of this Agenda Item 4B delayed and the parking concession re-bid, Chairman Hrabko determined that further discussion and a vote on the initial motion should first be taken up.

Chairman Hrabko noted that the letter from Mr. Pohrer, on behalf of St. Louis Parking, which should have been submitted to the Airport earlier during its lengthy process for the award of this Agreement, appears to say that the Airport mischaracterized St. Louis Parking's proposal and its charges under its proposal should be reduced by about \$141,000 annually. However, even assuming the correctness of that point, St. Louis Parking's fees to the Airport during the term of the Agreement still remain at about \$1 million higher than those of Central Parking.

Mr. Lipman commented on there being a brief time between the present parking contract expiring and the new contract being submitted for consideration to the Commission. He urged, where feasible, the Airport begin the procurement process so that such matters will be submitted to the Commission at an earlier date.

In response to questions from Mr. McKinney directed to Mr. Niemann, Mr. Niemann explained that the likely remedy if the Commission fails to support the recommendation of the Selection

Committee and the Airport administration, would be to seek new proposals and in the interim to attempt to maintain the status quo with Central Parking by securing, if it agrees to do so, a short term extension of the current agreement until new proposals are obtained and evaluated. A very important fact for the Commission to consider is that Central Parking, in being recommended by the Selection Committee and the Airport administration, has been determined to be the most qualified proposer and the fee structure proposed is in excess of \$1 million less in costs to the Airport than that of St. Louis Parking.

Ms. Morrell-Charles stated that it was difficult for the commission to make a decision on this issue because of the confusing information.

Chairman Hrabko stated that there is no confusion as to the Selection Committee or Airport staff's recommendation. Any confusion comes only from the letter received from St. Louis Parking to the Commission.

Ms. Osborn observed that, when the Commissioners look at the numbers, redoing the process is not warranted because the numbers of the other bidders are just too far off from those of Central Parking.

Mr. Pandolfo, from the Airport Legal Department, clarified that the selection process is a Request for Proposals with Qualifications and that firms determined by the Selection Committee to be responsive and qualified are ranked by their qualifications and proposals first, second, third and so on. After the Selection committee determines the successful proposer, Airport staff meets with the successful proposer to finalize terms and fees, including the scope of work all of which is reviewed and approved by the Selection Committee.

Following further discussion, a roll call vote on the motion was called. Voting in favor of the motion was: Mr. Bales, Mr. Saracino, Mr. Esterline, Mr. Sauget, Mr. Sonderegger, Ms. Young, Mr. Lipman and Chairman Hrabko. Voting against the motion was: Mr. Schembre, Mr. Nash, Mr. Vaccaro and Mr. McKinney. Ms. Morrell-Charles and Ms. Osborn abstained. The Chairman determined that the motion carried on a vote of 8 "Yes" and 4 "No" with 2 abstentions.

Ms. Osborn noted that it would be more appropriate for firms involved in the bid process to first contact Airport management directly if there is an issue rather than approaching the Commissioners.

Ms. Young stated that a motion might be made (recommending) that for future contracts and RFP's to come before the Airport Commission 3 months in advance, if reasonably practical, of the expiration of the current agreement; and that potential contractors are to be strongly encouraged to deal first with Airport staff on matters rather than individual Commissioners.

Chairman Hrabko asked that Ms. Young's proposal take the form of a recommendation rather than a requirement since there may be instances where the Airport cannot accommodate the proposed time schedule. Ms. Young agreed to change her motion and Ms. Morrell-Charles

seconded the motion. After further discussion, a vote was taken and the motion carried unanimously.

4. **AIRPORT OFFICE OF CERTIFICATION AND COMPLIANCE**

- A) Award and approval of a Professional Service Agreement to ADE Consulting Services, Incorporated to provide DBE, MBE, & WBE Support Services for the Airport. The Agreement will commence on October 1, 2008 and will end on September 30, 2011. The total Not-To-Exceed Contract Amount is \$600,000.

A motion for approval was made by Mr. Nash and seconded by Mr. Lipman.

Mr. Thomas provided the details of the Agreement and recommended approval. Mr. Thomas noted that the incumbent, Blackwell and Associates, filed a protest saying their firm was better qualified. The selection committee met in April, 2008 to review the protest and denied it. Chairman Hrabko informed the Commission that he is unfamiliar with the selected firm but that there were issues years ago with the principal of the firm and the St. Louis Post Dispatch called and asked about ADE and the decertification. Chairman Hrabko stated that he spoke with Mr. Thomas about the history behind ADE Consulting Services, Inc. and found that the company has been certified as an MBE since 1998 and a DBE firm since 2001 and has done work for the Airport previously. Approximately 7 or 8 years ago, the firm's principal allegedly was involved with some kind of participation with a different company and that he subsequently withdrew from that company and there were no findings of fact available on the matter.

Mr. Lipman asked the name of the principal in question. Chairman Hrabko replied that his name is Mr. Walle Amusa.

Chairman Hrabko recognized Mr. Thomas of the Airport Office of Certification and Compliance to reiterate the details. Mr. Thomas replied that, according to the St. Louis Post Dispatch, Mr. Amusa had invested in a concrete ready-mix company with other investors that then sought MBE certification with the St. Louis Minority Business Council. The company received certification and subsequently had an application tendered before the St. Louis Development Corporation for MBE certification. During the process of obtaining certification with the City, articles appeared in the St. Louis Post Dispatch suggesting that the company was not a legitimate minority business enterprise. During this time, Mr. Amusa withdrew his involvement with the company and the application was, at some point, withdrawn from the city process. There were never any findings of fact. This matter occurred in 2000-2001. The selection committee did not have any knowledge of this issue at the time they reviewed the proposals.

Ms. Young asked if Mr. Thomas and his office have had previous experience with ADE Consulting Services, Inc. Mr. Thomas stated that ADE and MoKan as a Joint Venture participated on the Airport Expansion Project and ADE worked on other City contract compliance related projects, including the North Park project and they performed well on those projects.

After further discussion, a vote was taken and the motion carried unanimously.

6. **OTHER BUSINESS**

Chairman Hrabko made note of the Airport's new website: FLYSTL.COM which will be operating in the next week or so. A public relations event will occur sometime in the future which Commissioners will be hearing about as plans are finalized.

Since the last Airport Commission meeting there have been setbacks regarding American Airlines. The airline has still shown their commitment to Lambert by not making their cuts even deeper here in St. Louis. The projected reduction will be 13% in November 2008 as compared to 2007, which is less than for most airports. The only destination that is eliminated is John Wayne Airport in California. Southwest Airlines has announced additional flights and will start service to Ft. Myers in the fall. The Airport is optimistic that Southwest will continue to grow with us as they have in the past 2 to 3 years.

Mr. Nash asked what the comparison is between American and Southwest in the number of flights. Chairman Hrabko replied that it depends on what happens in November. If American uses larger aircraft in the mainline flights, they will still have the largest number of seats in the market. If American uses smaller aircraft, then Southwest will be the Airport's largest carrier. If Southwest continues to grow, the East Terminal can be extended down the D Concourse.

At this time, Ms. Osborn exited the meeting

Mr. Sonderegger asked if cost cutting measures will affect the Airport Experience Program. Chairman Hrabko replied that the Airport is looking hard at the numbers; the entire program will not be stopped, although certain elements may be delayed.

Chairman Hrabko noted that The Rib Café and Burger King on the Ticketing Level have been closed to make way for a french bakery and Missouri vineyard restaurant. The Blues Bar has been closed and will be a Pasta House Company restaurant opening in September.

7. **NEXT MEETING**

Wednesday, August 6, 2008

8. **ADJOURNMENT**

There being no further business, the meeting adjourned at 3:10 P.M.