

**ONTARIO INTERNATIONAL AIRPORT
AUTHORITY
COMMISSION AGENDA
SPECIAL MEETING**

SEPTEMBER 28, 2017 AT 9:00 A.M.

**Ontario International Airport Administration Offices
1923 E. Avion Street, Room 100, Ontario, CA 91761**

Alan D. Wapner
President

Ronald O. Loveridge
Vice President

Jim W. Bowman
Commissioner

Curt Hagman
Commissioner

Julia Gouw
Commissioner



Mark A. Thorpe
Interim Chief Executive Officer

Lori D. Ballance
General Counsel

Jeff P. Reynolds
Treasurer

Welcome to the Special Meeting of the Ontario International Airport Authority.

- All documents for public review are on file at the Ontario International Airport Administration Offices located at 1923 E. Avion Street, Ontario, CA 91761.
- Anyone wishing to speak during public comment or on a item will be required to fill out a blue slip. Blue slips must be turned in prior to public comment beginning or before an agenda item is taken up. The Secretary/Assistant Secretary will not accept blue slips after that time.
- Comments will be limited to 3 minutes. Speakers will be alerted when they have 1-minute remaining and when their time is up. Speakers are then to return to their seats and no further comments will be permitted.
- In accordance with State Law, remarks during public comment are to be limited to subjects within the Authority's jurisdiction. Remarks on other agenda items will be limited to those items.
- Remarks from those seated or standing in the back of chambers will not be permitted. All those wishing to speak, including Commissioners and Staff, need to be recognized by the Authority President before speaking.

ORDER OF BUSINESS The Authority meeting begins Public Comment at 9:00 a.m. immediately followed by the Special Meeting.

(EQUIPMENT FOR THE HEARING IMPAIRED IS AVAILABLE UPON REQUEST AT THE REGULAR MEETING.)

CALL TO ORDER (*OPEN SESSION*)

9:00 a.m.

ROLL CALL

Loveridge, Bowman, Hagman, Gouw, President Wapner

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS

9:00 a.m.

The Public Comment portion of the Authority meeting is limited to 30 minutes with each speaker given a maximum of 3 minutes. An opportunity for further Public Comment may be given at the end of the meeting. Under provisions of the Brown Act, the Commission is prohibited from taking action on oral requests.

As previously noted -- if you wish to address the Commission, fill out one of the blue slips at the rear of the chambers and give it to the Secretary/Assistant Secretary.

AGENDA REVIEW/ANNOUNCEMENTS The Chief Executive Officer will go over all updated materials and correspondence received after the Agenda was distributed to ensure Commissioners have received them.

1. INFORMATION RELATIVE TO POSSIBLE CONFLICT OF INTEREST

Note agenda item contractors, subcontractors and agents which may require member abstentions due to conflict of interests and financial interests. Commission Member abstentions shall be stated under this item for recordation on the appropriate item.

CONSENT CALENDAR

All matters listed under CONSENT CALENDAR will be enacted by one motion in the form listed below – there will be no separate discussion on these items prior to the time Commission votes on them, unless a member of the Commission requests a specific item be removed from the Consent Calendar for a separate vote.

Each member of the public wishing to address the Authority on items listed on the Consent Calendar will be given a total of 3 minutes.

2. AUTHORIZE THE INTERIM CHIEF EXECUTIVE OFFICER TO NEGOTIATE AND EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH GROUP AND WANG ASSOCIATES, LLC FOR DEVELOPMENT OF AN AIR SERVICES MARKETING STRATEGY FOR RECRUITMENT OF AIRLINES FROM THE PEOPLE’S REPUBLIC OF CHINA (PRC) FOR DIRECT PASSENGER, CARGO, OR COMBINATION FLIGHTS

That the Ontario International Airport Authority authorize the Interim Chief Executive Officer to negotiate and sign a Professional Services Agreement with Group & Wang Associates, LLC for the development and implementation of an air service marketing strategy for recruitment of airlines, express delivery companies, freight forwarders, integrators for direct passenger, cargo, or combination flights between Ontario International Airport (ONT) and the People’s Republic of China (PRC).

3. AUTHORIZING THE INTERIM CHIEF EXECUTIVE OFFICER TO NEGOTIATE AND EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH GUGE MARKETING FOR ADVERTISING, MARKETING AND PROMOTIONAL SERVICES FOR ONTARIO INTERNATIONAL AIRPORT

That the Ontario International Airport Authority (OIAA) authorize the Interim Chief Executive Officer to negotiate and sign a consulting services contract with Guge Marketing to provide client services, supervision, planning and coordination of the various advertising and marketing initiatives. If approved, under the proposed Professional Service Agreement, OIAA will pay Guge Marketing a consulting fee of \$25,000 per month for one year with two, one-year renewal options.

4. AUTHORIZING THE PURCHASE OF WORKDAY ENTERPRISE SOFTWARE AND ASSOCIATE DEVELOPMENT AND LICENSING SERVICES

That the Ontario International Airport Authority authorize the Interim Chief Executive Officer to execute agreements to effect the purchase, development, licensing, and financing of subject enterprise software product. OIAA believes that Workday is state of the art software-as-a-service (SaaS) that will serve its needs for the future and do it better than any other software suite. Workday is far less expensive and complex to develop and maintain compared to traditional ERP systems. OIAA will not have to upgrade Workday in the conventional sense (i.e., no future ERP capital projects) because it will always be on the most current version of the software.

5. APPROVAL OF A CONTRACT WITH GRIFFITH COMPANY TO CONSTRUCT THE TAXIWAY S&W INTERSECTION REPAIR AND TAXIWAY S5 PROJECT AT ONTARIO INTERNATIONAL AIRPORT

That the Ontario International Airport Authority (OIAA) authorize the Interim Chief Executive Officer to execute a contract with Griffith Company in the amount of \$7,396,692 to construct the Taxiway S&W intersection repair and new Taxiway S5 project at Ontario International Airport. The construction cost for this project is to be paid for with a mix of FAA Airport Improvement Program (AIP) entitlement grant funds \$5,920,850 and OIAA appropriations \$1,475,842.

6. AUTHORIZE APPROVAL OF THE INTERIM CHIEF EXECUTIVE OFFICER TO CONTRACT WITH SECURITAS AVIATION SECURITY TO PROVIDE SECURITY PERSONNEL FOR THE ONT SECURE ENTRY POINTS AND THE LOST AND FOUND OFFICE

That the Ontario International Airport Authority authorize the Interim Chief Executive Officer to negotiate and sign an agreement with Securitas Aviation Security to provide certain security services at Ontario International Airport. The cost of the one-year agreement of approximately \$450,000-included in the proposed OIAA FY 2018 budget-will be more than offset by savings of approximately \$1.2 million per year.

ADMINISTRATIVE DISCUSSION/REPORTS/ACTION

7. REVIEW AND ADOPTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY'S FISCAL BUDGET YEAR 2017-18 AND APPROVAL OF THE SCHEDULE OF AIRLINE LANDING FEES AND TERMINAL RENTS FOR FISCAL YEAR 2017-18

That the Ontario International Airport Authority Commission approve Resolution No. ____ approving and adopting the Budget for Fiscal Year 2017-18 budget; and, the Schedule of Airline Landing Fees and Terminal Rents for Fiscal Year 2017-18.

RESOLUTION NO. ____

A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT
AUTHORITY COMMISSION APPROVING THE ANNUAL BUDGET
FOR FISCAL YEAR 2017-18

STAFF MATTERS

Interim Chief Executive Officer Thorpe

COMMISSION MATTERS

President Wapner
Vice President Loveridge
Commissioner Bowman
Commissioner Hagman
Commissioner Gouw

ADJOURNMENT

**ONTARIO INTERNATIONAL
AIRPORT AUTHORITY**

September 28, 2017

**SECTION:
MINUTE ACTION**

SUBJECT: RELATIVE TO POSSIBLE CONFLICT OF INTEREST

RECOMMENDED ACTION(S): Note agenda items and contractors/subcontractors, which may require member abstentions due to possible conflicts of interest.

BACKGROUND:

In accordance with California Government Code 84308, members of the Ontario International Airport Authority may not participate in any action concerning a contract where they have received a campaign contribution of more than \$250 in the prior twelve (12) months and from an entity or individual if the member knows or has reason to know that the participant has a financial interest, except for the initial award of a competitively bid public works contract. This agenda contains recommendations for action relative to the following contractors:

Item No	Principals & Agents	Subcontractors
Item No. 06	Griffith Co.	<ul style="list-style-type: none">• Adkan Engineers• Blast Deflectors• Matich• RJ Lalonde• Austin Enterprises• Ferreria• Cal Stripe• Aldridge
Item No. 03	Guge Marketing	<ul style="list-style-type: none">• Fraser Communications

STAFF MEMBER PRESENTING: Claudia Y. Isbell, Commission Clerk

Prepared by: Claudia Y. Isbell
Department: _____
OIAA
Interim Chief
Executive
Officer Approval: _____

Submitted to OIAA: September 28, 2017
General Counsel
Review: September 28, 2017
Approved: _____
Continued to: _____
Denied: _____

Item No. 01

**ONTARIO INTERNATIONAL
AIRPORT AUTHORITY**

Agenda Report
September 28, 2017

**SECTION:
CONSENT CALENDAR**

SUBJECT: AUTHORIZE THE CEO TO NEGOTIATE AND EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH GROUP & WANG ASSOCIATES, LLC FOR DEVELOPMENT OF AN AIR SERVICE MARKETING STRATEGY FOR RECRUITMENT OF AIRLINES FROM THE PEOPLE'S REPUBLIC OF CHINA (PRC) FOR DIRECT PASSENGER, CARGO, OR COMBINATION FLIGHTS.

RECOMMENDED ACTION(S): That the Ontario International Airport Authority authorize the Interim Chief Executive Officer to negotiate and sign a Professional Services Agreement with Group & Wang Associates, LLC for the development and implementation of an air service development and marketing strategy for the recruitment of airlines, express delivery companies, freight forwarders, and/or integrators for direct passenger, cargo, or combination flights between Ontario International Airport (ONT) and the People's Republic of China (PRC).

FISCAL IMPACT SUMMARY:

If the contract is approved, Group & Wang Associates, LLC (GCW) will be paid a monthly retainer fee of \$25,000.00 for one (1) year; and, the OIAA may, at its option, extend the contract with two (2) one (1) year option periods, for a total of up to three (3) years. The monthly retainer fee is inclusive of all costs and expenses that may be incurred by GCW.

BACKGROUND

Per the OIAA's Strategic Business Plan (adopted on January 7, 2013) the OIAA's goals include expanding and optimizing the use of the existing Ontario Foreign Trade Zone for the benefit of international shippers and trade, and expanding international air service at ONT, to serve local and regional demands.

The PRC is a unique aviation market – it the largest nation whose aviation relationship with the United States of America (U.S.) is still governed by a restrictive bilateral aviation treaty, rather than a much less-

STAFF MEMBER PRESENTING: Mark a. Thorpe, Chief Executive Officer

Prepared by: Mark A. Thorpe
Department: _____
OIAA

Submitted to OIAA: September 28, 2017
General Counsel
Review: September 28, 2017
Approved: _____
Continued to: _____

Interim Chief Executive Officer Approval: 

Denied: _____

Item No. 02

The restrictive nature of the U.S.-PRC bilateral aviation regime necessitates assistance beyond the OIAA staff's extensive contacts with airline executives. In "open skies" nations, U.S. and foreign airlines can add new flights between their respective nations as soon as they can feasibly operate those services. In the U.S.-PRC market, Chinese airlines' international route opportunities are heavily influenced by and dependent upon political and broader national economic considerations. For this reason, the services of a consultant familiar with the airlines, airports, and government agencies and ministries of the PRC are vital to the OIAA's effort to recruit nonstop passenger and cargo services from between China and ONT.

Mr. Xianping Wang and his consulting colleagues at GCW are uniquely qualified to support the OIAA in this effort, as Mr. Wang and his team have an un-matched network of clients and contacts in China's airline and airport industries, as well as the Civil Aviation Authority of China (CAAC). Mr. Wang and his team will assist OIAA with an air service marketing strategy for ONT and develop and implement the plan for recruiting of PRC airlines to ONT, as well as an "cross-border e-commerce gateway" strategy to grow PRC-U.S. air freight traffic at the airport. If the OIAA and GCW are successful in these efforts, the resultant new air services will generate significant new revenue streams at ONT; represent unprecedented international success at the airport; and provide a strong boost to the local and regional economy.

SCOPE OF WORK

If approved, GCW will assist OIAA in recruiting airlines from PRC to establish direct passenger, cargo, or combination flights from any point within the PRC to ONT. GCW's scope of work will include strategic advisement, plan development and execution, and representation of the OIAA, as requested by the OIAA's Chief Executive Officer or Director of Air Service Development, regarding the following OIAA business development efforts:

- Passenger air service development and marketing in ONT-PRC city pairs;
- Cross-border e-commerce ONT air freight gateway development and marketing;
- PRC government allocation of U.S. route authority to Chinese airlines; and
- Any other assistance or advisement regarding air service, logistics, commercial development or other opportunities between ONT and the PRC

GCW will provide the OIAA a PRC Air Service Marketing Strategy Paper which will include: (1) a PRC airline industry status and predictable future developments; (2) a prioritized list of targeted PRC airlines to establish direct services from the PRC to ONT; (3) air service marketing efforts that the OIAA needs to conduct; and (4) a targeted timeline of establishment of PRC airlines service to ONT. GCW will also assist OIAA in arranging meetings with decision-makers, regarding targeted PRC airlines, either in the PRC or anywhere in the world, and in implementing OIAA's China air service marketing strategy at ONT. GCW's scope of work will not include OIAA's recruitment of any U.S. airlines' nonstop service to the PRC from ONT.

FISCAL IMPACT AND SOURCE OF FUNDS

Approval of this recommendation would require use of funds appropriated in the Fiscal Year 2017-2018 OIAA budget, or any other budget adopted, continued, or approved by the OIAA Commission. GCW's contract is a one (1) year contract, with two (2) one (1) year extension option periods. Compensation will be a monthly retainer fee of \$25,000 per month (or \$300,000 annually), for up to three years, if all option periods are exercised by the OIAA. The contract is inclusive of all costs and/or expenses that may be

incurred by GCW for its performance under the agreement. The OIAA may terminate the contract at any time with ten (10) days' written notice.

CEQA COMPLIANCE AND LAND USE APPROVALS

The proposed consulting services agreement with GCW would not be considered a "project" within the meaning of Section 15378 of the CEQA Guidelines because there is no potential for GCW's consulting work to result in a direct or indirect physical change in the environment. As a result, the activity is not subject to CEQA.

STAFFING IMPACT (# OF POSITIONS)

N/A

IMPACT ON OPERATIONS

N/A

SCHEDULE

N/A

EXHIBITS AND ATTACHMENTS

Attachment A – Professional Services Agreement between OIAA and Group & Wang Associates, LLC

This Agenda Report references the terms and conditions of the recommended actions and request for approval. Any document(s) referred to herein and that are not attached or posted online may be reviewed prior to or following scheduled Commission meetings in the Office of the Clerk of the Commission. Office hours are 8:30 a.m. to 5:00 p.m., Monday through Friday.

This Agenda Report has been reviewed by General Counsel. |

**ONTARIO INTERNATIONAL
AIRPORT AUTHORITY**

Agenda Report
September 28, 2017

**SECTION:
CONSENT CALENDAR**

SUBJECT: AUTHORIZE APPROVAL OF THE INTERIM CHIEF EXECUTIVE OFFICER TO NEGOTIATE AND EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH GUGE MARKETING FOR THE PROVISION OF ADVERTISING AND MARKETING STRATEGIC PLANNING, CREATIVE DEVELOPMENT, AND OTHER RELATED SERVICES FOR ONTARIO INTERNATIONAL AIRPORT.

RELEVANT STRATEGIC OBJECTIVE: Expand air service.

RECOMMENDED ACTION(S): That the Ontario International Airport Authority (OIAA) authorize the Interim Chief Executive Officer to negotiate and sign a consulting services contract with Guge Marketing to provide client services, supervision, planning and coordination of the various advertising and marketing initiatives.

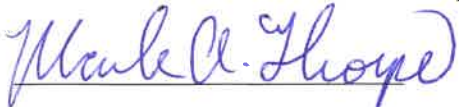
FISCAL IMPACT SUMMARY:

If approved, under the proposed Professional Service Agreement, OIAA will pay Guge Marketing a consulting fee of \$25,000 per month for one year with two, one-year renewal options. Funds for this contract are provided in the current OIAA Budget. This expenditure is in addition to the cost of budgeted media buys in publications, on broadcast stations and on Internet websites.

BACKGROUND:

Nearly all successful secondary airports around the world, such as Ontario International Airport (ONT) is, engage in aggressive marketing, advertising and promotion efforts to attract new and support existing air service, to change consumer perception and behavior and increase market share. As the previous sponsor of ONT, Los Angeles World Airports (LAWA) did this on behalf of the airport from 2003 until 2007, when LAWA altered its regional growth strategy and re-directed the resources devoted to marketing and advertising ONT to other initiatives. If approved, this contract will signal that the OIAA intends to market, advertise and promote the airport once again.

STAFF MEMBER PRESENTING: Mark A. Thorpe, Interim Chief Executive Officer

Prepared by:	<u>Mark A. Thorpe</u>	Submitted to OIAA:	<u>September 28, 2017</u>
Department:		General Counsel	
	<u>OIAA</u>	Review:	<u>September 28, 2017</u>
Interim Chief Executive Officer Approval:		Approved:	_____
		Continued to:	_____
		Denied:	_____

On January 21, 2017, OIAA issued a Request for Qualifications (RFQ) for Request for Qualifications for Advertising, Marketing and Promotional Services to provide the OIAA with as-needed, on-call professional consulting services to assist the OIAA Staff in fulfilling its marketing, advertising and promotional goals regarding ONT.

After reviewing submissions, OIAA Staff selected a team, led by Upland-based Guge Marketing, as the overall best-qualified respondent to the RFQ. A key sub-contractor to Guge Marketing is Santa Monica-based Fraser Communications.

Guge Marketing is a business and marketing consulting practice that provides business and marketing plans for a variety of clients and industries. Planning is typically followed by the development and execution of integrated marketing campaigns planned on an annual cycle. Campaigns are designed to focus and spark greater enthusiasm and consistency of message for internal staff while developing a distinctive and engaging position for the client externally in the marketplace that culminates in achieving target goals. Our firm has extensive experience in the Inland Empire and Southern California marketplace. Fraser Communications is a full-service communications agency based in Los Angeles. It has created award-winning, integrated advertising and public relations campaigns for clients. Its services including public relations and social media strategy, media planning and buying, research, and creative development.

Fraser Communications was the lead agency supporting LAWA's marketing and advertising efforts from 2003-2007. Areas of expertise possessed by Fraser Communications team include, but are not limited to, strategy development; campaign planning; market research; focus group consultation; creative design and direction; graphic design; production coordination; copywriting; media planning and placement; website development; search engine optimization; audio, visual and video production; promotional events; co-branding; and cooperative marketing.

CEQA COMPLIANCE AND LAND USE APPROVALS

The proposed contract is Categorically Exempt (Class 1) from the provisions of the California Environmental Quality Act (CEQA), pursuant to Guidelines Section 15301, because it involves creative advertising, marketing and promotional services.

EXHIBITS AND ATTACHMENTS

Attachment A – Proposed Guge Marketing Agreement.

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This Agenda Report has been reviewed by General Counsel.

**ONTARIO INTERNATIONAL
AIRPORT AUTHORITY**
Agenda Report
September 28, 2017

**SECTION:
CONSENT CALENDAR**

SUBJECT: AUTHORIZING THE PURCHASE OF WORKDAY ENTERPRISE SOFTWARE AND ASSOCIATED DEVELOPMENT AND LICENSING SERVICES.

RECOMMENDED ACTION(S): That the Ontario International Airport Authority (OIAA) authorize the Interim Chief Executive Officer to execute agreements to effectuate the purchase, development, licensing, and financing of Workday enterprise resource planning (ERP) software.

FISCAL IMPACT AND SOURCE OF FUNDS:

Product development costs	\$2.052MM
Interest (<i>financed by IBM</i>)	\$0.190MM
Annual software license fee	\$0.315MM

The software and related costs over the next six years are summarized as follows:
(Amounts in US\$ million)

Description	Total	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Debt service	2.242	0.119	0.472	0.472	0.472	0.472	0.235
License Fee	1.890	0.315	0.315	0.315	0.315	0.315	0.315
Total	4.132	0.434	0.787	0.787	0.787	0.787	0.550

BACKGROUND:

Pursuant to the 2015 Settlement Agreement between Los Angeles World Airports (LAWA) and the OIAA, LAWA retained all financial, payroll, billing, procurement, and payable software systems. From the November 1, 2016 date of the transfer to the present, the OIAA has utilized Quick-Books enterprise software, augmented by manual to maintain critical accounting systems for general ledger, billing, payroll, budgeting, rates and charges, etc. The OIAA never intended to have Quick Books software be a long-term solution to meet its expected accounting and other financial management needs, because it does not provide the full array of ERP-related software solutions.

STAFF MEMBER PRESENTING: Jeff Reynolds, Chief Financial Officer

Prepared by: Accounting and Finance
Department: _____

OIAA _____

Submitted to OIAA: September 28, 2017
General Counsel _____
Review: September 28, 2017
Approved: _____
Continued to: _____
Denied: _____

Interim Chief
Executive Officer
Approval: *Maria A. Thoyre*

Item No. 04

In consultation with the City of Ontario (the City) Information Technology Department, OIAA staff selected Workday's ERP software solution for a permanent accounting, financial management, business information, and human capital management (HCM) software solution. This selection and the current recommendation for its acquisition resulted from an extensive vetting process and the City of Ontario's successful implementation of Workday HCM software modules. The OIAA will benefit from the City's experience with Workday software implementation, as the City will provide resources to support the design and development of the Workday solution over the next 12 months.

OIAA staff recommends Workday as the ideal ERP software suite to meet the organization's needs for the long-term future, compared with other options, for several reasons. First, Workday is far less expensive for its initial setup than are other ERP solutions. Second, Workday's unique cloud-based design is far less less-complex to develop and maintain compared to more hardware-dependent traditional ERP systems. Finally, the OIAA will never have to upgrade Workday in the conventional sense (i.e., no future ERP capital projects), because the most current version of the software will be regularly updated through the cloud.

Imbedded in the software is Workday's best-practices business processes that are seamlessly integrated across the organization. The business processes are delivered with the ability to capture the process end-to-end to support timely and efficient approval processes.

Workday is the fastest growing ERP product on the market with 97% customer satisfaction. It's the number one rated software by Gartner, a highly regarded IT consulting firm. Gartner's "Magic Quadrant" is based on market research reports that rely on proprietary qualitative data analysis methods to demonstrate market trends. Gartner credits Workday for its continuous innovation.

CEQA COMPLIANCE: N/A

STAFFING IMPACT (# OF POSITIONS): During Fiscal Year 2017-2018, the Workday implementation project will draw on existing OIAA and City resources. Once implemented, the resultant process enhancements will enable OIAA to grow its business with less growth in head-count than would otherwise be required.

IMPACT ON OPERATIONS: Workday's ERP solution will result in a significant increase in efficiency, employee satisfaction, and financial controls (e.g., encumbrance accounting, managed authorities, and strong checks and balances not provided by QuickBooks or other ERP solutions).

SCHEDULE: The Workday implementation team will mobilize beginning at the outset of October 2017 and complete the project during September 2018.

EXHIBITS & ATTACHMENTS:

Attachment A: IBM Credit – Lease/Purchase Master Agreement

Attachment B: IBM Credit – Lease/Purchase Supplement

Attachment C: Sierra-Cedar Master Service Agreement

Attachment D: Sierra-Cedar Statement of Work

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This Agenda Report has been reviewed by OIAA General Counsel.

**ONTARIO INTERNATIONAL
AIRPORT AUTHORITY**

Agenda Report
September 28, 2017

**SECTION:
CONSENT CALENDAR**

SUBJECT: APPROVAL OF A CONTRACT WITH GRIFFITH COMPANY TO REPAIR THE TAXIWAY S&W INTERSECTION AND CONSTRUCT TAXIWAY S5 AT ONTARIO INTERNATIONAL AIRPORT.

RELEVANT STRATEGIC OBJECTIVE: Maintain exceptional safety, security and operational efficiency.

RECOMMENDED ACTION(S): That the Ontario International Airport Authority (OIAA) authorize the Interim Chief Executive Officer (CEO) to execute a contract with Griffith Company, in the amount of US\$7,396,692 to repair the Taxiway S&W intersection and construct the new Taxiway S5 at Ontario International Airport (ONT).

FISCAL IMPACT: The cost to construct this project is accounted for in the OIAA Fiscal Year 2017-2018 budget. The construction cost for this project is to be paid for with a mix of FAA Airport Improvement Program (AIP) entitlement grant funds (in the amount of US\$5,920,850) and OIAA appropriations (in the amount of US\$1,475,842).

BACKGROUND

The pavement at the intersection of Taxiway S&W at ONT is in poor condition and in need of repair. The investigation of alternatives, planning, and design of this project has been in process since 2014. The project will require the construction of a new bypass Taxiway S5 to prevent interruption to ONT operations during construction. OIAA completed design documents and issued a Notice Inviting Bids (NIB) in May 2017. Four contractors submitted responsive bids. Griffith Company submitted the low bid and will be awarded the construction contract in accordance with FAA procurement regulations for federally-funded projects.

STAFF MEMBER PRESENTING: Bruce Atlas, Chief Operations Officer

Prepared by: Bruce Atlas
Department: _____
OIAA

Submitted to OIAA: September 28, 2017
General Counsel
Review: September 28, 2017
Approved: _____
Continued to: _____

Interim Chief
Executive
Officer Approval: 

Denied: _____

Item No. 05

The OIAA Commission has been briefed on this project and in a prior action on July 26, 2017 authorized the Interim CEO to accept an FAA grant of AIP entitlement funds covering 80.59% of the eligible project costs.

Sub-contractors to Griffith Company include:

- Adkan Engineers
- Blast Deflectors
- Matich
- RJ Lalonde
- Austin Enterprises
- Ferreria
- Cal Stripe
- Aldridge

CEQA COMPLIANCE

The proposed project is Categorically Exempt (Class 1) from the provisions of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301(d) “Restoration or rehabilitation of deteriorated or damaged structures, facilities, or mechanical equipment to meet current standards of public health and safety...”; see also 15302(c) “Replacement or reconstruction of existing utility systems and/or facilities involving negligible or no expansion of capacity.

EXHIBITS AND ATTACHMENTS:

Attachment A – Agreement with Griffith Company.

**ONTARIO INTERNATIONAL
AIRPORT AUTHORITY**
Agenda Report
September 28, 2017

**SECTION:
CONSENT CALENDAR**

SUBJECT: AUTHORIZE THE INTERIM CHIEF EXECUTIVE OFFICER TO CONTRACT WITH SECURITAS AVIATION SECURITY FOR SECURITY PERSONNEL TO STAFF AIRFIELD ACCESS POINTS, CONCESSIONAIRE LOADING DOCKS, AND LOST AND FOUND OFFICES AT ONTARIO INTERNATIONAL AIRPORT.

RECOMMENDED ACTION:

That the Ontario International Airport Authority (OIAA) authorize the Interim Chief Executive Officer (CEO) to negotiate and sign an agreement with Securitas Aviation Security to provide certain security services at Ontario International Airport.

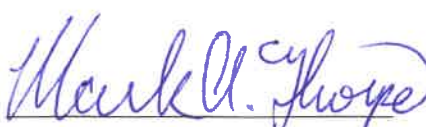
FISCAL IMPACT

If approved, the approximate US\$450,000 cost of this one-year agreement, which is included in the proposed OIAA Fiscal Year 2017-2018 Budget, will be more than offset by savings of approximately US\$1,200,000 million per year, through the issuance of 60-day redundancy notices to Los Angeles World Airports (LAWA) for 12 employees currently providing these security services.

BACKGROUND

Various airport secure access points are currently staffed by LAWA employees provided to the OIAA under the *Staff Augmentation Agreement* between LAWA and the OIAA. As part of the staff transition provided for under the terms of this agreement, provisions must be made to replace all LAWA personnel by October 31, 2018. OIAA staff, in collaboration with the City of Ontario Police Department (OPD), determined that the most efficient and cost-effective way to provide the needed security services described above is to contract with Securitas Aviation Security (SAS), an internationally-recognized company that

STAFF MEMBER PRESENTING: Bruce Atlas, Chief Operations Officer

Prepared by:	Bruce Atlas	Submitted to OIAA:	September 28, 2017
Department:		General Counsel	
	OIAA	Review:	September 28, 2017
		Approved:	
		Continued to:	
Interim Chief Executive Officer Approval:		Denied:	

employs a specialized aviation security workforce of about 24,000 employees at approximately 200 airports in 29 countries.

PROCUREMENT

Because the City of Ontario currently has a contract with Securitas (the parent company of Securitas Aviation Security), that was reached through a competitive procurement process and the company has agreed to apply the same mark-up rates to its personnel at ONT that are applied to the City of Ontario contract, the OIAA is able to contract with SAS on a sole-source basis.

CEQA COMPLIANCE

The proposed contract is Categorically Exempt (Class 1) from the provisions of the California Environmental Quality Act (CEQA) pursuant to Guidelines Section 15301 because it involves providing contracted security services that have long been provided by ONT personnel.

SCHEDULE

If approved by the OIAA Commission, SAS will be prepared to take over security services covered by the agreement on or about November 15, 2017.

EXHIBITS AND ATTACHMENTS

Attachment A – Proposed Securitas Agreement

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This Agenda Report has been reviewed by General Counsel.

**ONTARIO INTERNATIONAL
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Agenda Report
September 28, 2017

**SECTION:
ADMINISTRATIVE
REPORTS/DISCUSSION/ACTION**

SUBJECT: REVIEW AND ADOPTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY'S FISCAL YEAR 2017-18 BUDGET AND APPROVAL OF THE SCHEDULE OF AIRLINE LANDING FEES AND TERMINAL RENTS FOR FISCAL YEAR 2017-18.

RECOMMENDED ACTION(S): That the Ontario International Airport Authority Commission approve Resolution No. _____ approving and adopting of the following:

1. The Budget for Fiscal Year 2017-18 budget; and,
2. The Schedule of Airline Landing Fees and Terminal Rents for Fiscal Year 2017-18.

BACKGROUND: The proposed Operating Budget for Fiscal Year 2017-18 includes \$62,486,820 in expenses for the Ontario International Airport Authority, to be drawn from the Airport Revenue Fund.

Pursuant to the Joint Powers Agreement, section 10, the Treasurer of the Authority shall assume the duties described in California Government Code Section 6505.5.

FISCAL IMPACT AND SOURCE OF FUNDS:

The Airport Authority is an independent economic enterprise, which funds its fiscal Budget through income derived from airlines, tenants, and other users of the airport. The revenues that will offset the afore-mentioned expenses for the Fiscal Year 2017-18 Budget get are broadly summarized as follows:

Signatory Airlines	\$31,030,568	45%
Other	37,821,501	55%
Total	\$68,852,069	100%

STAFF MEMBER PRESENTING: Mark A. Thorpe, Chief Executive Officer

Prepared by: Jeff Reynolds, CFO
Department: _____

Accounting and Finance

Interim Chief
Executive
Officer Approval: Mark A. Thorpe

Submitted to OIAA: September 28, 2017

General Counsel

Review: September 28, 2017

Approved: _____

Continued to: _____

Denied: _____

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The Signatory Airlines are comprised of those carriers who are parties to the OIAA Operating Use and Lease Agreements (“ULAs”). Pursuant to the ULAs, the Signatory Airlines agree to pay OIAA Airline Landing Fees and Terminal Rents, which are described herein. The Other revenues include all revenues from Non-Signatory Airlines, tenants, and other airport users.

PRIOR COMMISSION ACTION:

The Commission adopted and approved the Budget for fiscal year 2016-17 on October 3, 2016 with effect from November 1, 2016 and the Schedule of Airline Landing Fees and Terminal Rents for fiscal year 2016-17, also with effect from November 1, 2016. On June 12, 2017, the Commission Resolved to defer the adoption until September 30, 2017.

CEQA COMPLIANCE:

Exclusion from the definition of “project”: The creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. (CEQA Guidelines §15378(b)(4).)

STAFFING IMPACT (# OF POSITIONS):

The OIAA has a current staffing head count of 31 employees. The Budget to be adopted will appropriate sufficient funding to fill up to 31 additional positions for a possible total headcount of 62 by the end of Fiscal Year 2017-2018.

IMPACT ON OPERATIONS:

Approval of funding is essential to the ongoing operations of the Authority and Ontario International Airport.

EXHIBITS AND ATTACHMENTS:

Refer to Attachments:

Attachment A: Resolution Approving the Annual Budget for Fiscal Year 2017-18

Attachment B: Schedule of Airline Landing Fees and Terminal Rents

The Agenda Report references the terms and conditions of the recommended actions and request for approval. Any document(s) referred to herein and that are not attached or posted online may be reviewed prior to or following scheduled Commission meetings in the Office of the Clerk of the Commission. Office hours are 8:30 a.m. to 5:00 p.m., Monday through Friday

This Agenda Report has been reviewed by OIAA General Counsel.

RESOLUTION NO. _____

A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT
AUTHORITY COMMISSION APPROVING THE ANNUAL BUDGET FOR
FISCAL YEAR 2017-18

WHEREAS, the Ontario International Airport Authority (“the Authority” or “OIAA”) was established under a Joint Exercise of Powers Agreement between the City of Ontario and the County of San Bernardino (the “Joint Powers Agreement”) pursuant to the purpose of operating, maintaining, developing, and marketing the Ontario International Airport (the “Airport”); and

WHEREAS, under the Joint Powers Agreement, Section 10, Funds, the Treasurer of the Authority shall assume the duties described in California Government Code Section 6505.5; and

WHEREAS, the Authority continued the use of the existing Authority budget on June 12, 2017 for a period up to three (3) months after July 1, 2017 and up to October 1, 2017; and

WHEREAS, the Authority implemented a hiring freeze on June 12, 2017; and

WHEREAS, the Authority staff, including the Interim Chief Executive Officer (“Interim CEO”) and the Chief Financial Officer (“CFO”) of the Authority, have determined the Authority’s budget for Fiscal Year 2017-18 in accordance with the provisions of the Joint Powers Agreement; and

WHEREAS, the Authority has reviewed the proposed budget for Fiscal Year 2017-18, and has held a public meeting relative to its adoption.

NOW, THEREFORE, be it resolved as follows:

SECTION 1. The Authority hereby approves and authorizes the proposed Fiscal Year 2017-18 Budget (Exhibit A).

SECTION 2. The Authority hereby approves the Rates and Charges, effective October 1, 2017.

SECTION 3. The Authority hereby removes the hiring freeze implemented on June 12, 2017.

SECTION 4. This Resolution shall take effect immediately upon its adoption.

SECTION 5. The Commission Clerk of the Ontario International Airport Authority shall certify as to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED at a Regular Meeting this ____ day of September, 2017.

ALAN D. WAPNER, OIAA PRESIDENT

ATTEST:

SECRETARY/ASSISTANT SECRETARY

APPROVED AS TO LEGAL FORM:

LORI D. BALLANCE
GENERAL COUNSEL

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF ONTARIO)

I, Claudia Y. Isbell, Assistant Secretary of the Ontario International Airport Authority, DO HEREBY CERTIFY that foregoing Resolution No. _____ was duly passed and adopted by the Commission of the Ontario International Airport Authority at their special meeting held _____ by the following roll call vote, to wit:

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSENT: COMMISSIONERS:

SECRETARY/ASSISTANT SECRETARY

(SEAL)

The foregoing is the original of Resolution No. _____ duly passed and adopted by the Commission of the Ontario International Airport Authority at their special meeting held _____.

SECRETARY/ASSISTANT SECRETARY

(SEAL)