

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

DECEMBER 13, 2017 AT 3:00 P.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
Secretary

Curt Hagman
Commissioner

Julia Gouw
Commissioner



Mark A. Thorpe
Chief Executive Officer

Lori D. Ballance
General Counsel

Jeff P. Reynolds
Treasurer

Welcome to the Regular 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 with Public Comment at 3:00 p.m.

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

CALL TO ORDER (*OPEN SESSION*)

3:00 p.m.

ROLL CALL

Loveridge, Bowman, Hagman, Gouw, President Wapner

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS

3:00 p.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.

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.

I. APPROVAL OF MINUTES

Minutes for the regular meeting of the Ontario International Airport Authority on October 24, 2017, approving same as on file with the Secretary/Assistant Secretary.

2. *BILLS/PAYROLL*

Bills October 1, 2017 through October 31, 2017 and Payroll October 1, 2017 through October 31, 2017.

3. *APPROVAL OF MEETING STIPENDS*

That the Ontario International Airport Authority (OIAA) Commission approve meeting stipends for Commissioner Hagman.

4. *AUTHORIZE THE CEO TO NEGOTIATE AND EXECUTE A CONTRACT WITH MANCHESTER AIRPORT GROUP (MAG) TO DESIGN, CONSTRUCT, OPERATE AND MAINTAIN COMMON USE AIRPORT LOUNGES IN TERMINALS 2 AND 4, AND PROVIDE CAR PARKING YIELD MANAGEMENT AND MARKETING SERVICES*

That the Ontario International Airport Authority (OIAA) authorize the Chief Executive Officer to negotiate and execute a contract with Manchester Airport Group (MAG USA) to provide design, demolition, construction, operation, maintenance, financing, and other services for the common use airport lounges for Terminals 2 and 4. This project is subject to FAA approval. The cost to provide services for this project will be borne by Manchester Airport Group (MAG USA).

5. *APPROVE A CONSULTATION AGREEMENT WITH KENAZ DESIGNS LLC FOR CONSULTING SERVICES RELATING TO AIRPORT CONSTRUCTION, DESIGN, MAINTENANCE AND OPERATIONS-RELATED MATTERS OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY*

That the Ontario International Airport Authority (OIAA) approve a Consultation Agreement with Kenaz Designs LLC (Consultant) for consulting services relating to airport construction, design, maintenance and operations-related matters of The Ontario International Airport Authority. If approved, Consultant will receive a monthly retainer fee of twenty thousand dollars (\$20,000.00) per month for a period of one (1) year from the effective date of the Agreement with two one-year options, for a total amount of two hundred and forty thousand dollars (\$240,000) per annum, or \$720,000 if both options are exercised.

6. *APPROVE A CONSULTATION AGREEMENT WITH PAUL A. HANEY & ASSOCIATES LLC FOR CONSULTING SERVICES RELATING TO AIRPORT ADMINISTRATION, OPERATIONS, MARKETING, BRANDING, DEVELOPMENT, FINANCING, AND PUBLIC AND COMMUNICATIONS RELATIONS OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY*

That the Ontario International Airport Authority (OIAA) approve a Consultation Agreement with Paul A. Haney & Associates LLC (Consultant) for consulting services relating to airport administration, operations, marketing, branding, development, financing, and public and communications relations of The Ontario International Airport Authority. Approval of this recommendation requires the use of funds in the 2017/18 and any other budget adopted, continued, or approved by the OIAA Commission. If approved, Consultant will receive a monthly retainer fee of twenty thousand dollars (\$20,000.00) per month for a period of one (1) year from the effective date of the Agreement with two one-year options, for a total amount of two hundred and forty thousand dollars (\$240,000) per annum, or \$720,000 if both options are exercised.

7. A RESOLUTION APPROVING AN INCREASE TO THE ADMINISTRATIVE FEES FOR FINGERPRINTING AND BADGING

That the Ontario International Airport Authority (OIAA) approve a resolution increasing administrative fees for fingerprinting and badging. Approval will result in the collection of an additional \$30,500 per year to recover the costs of additional TSC fees, badge supplies such as cards, lanyards, armbands, printer ribbons and existing staff costs (not including lost badge fees).

RESOLUTION NO. _____

A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY ADOPTING AN INCREASE OF ADMINISTRATIVE FEES FOR FINGERPRINTING AND BADGING.

8. A RESOLUTION AUTHORIZING ONTARIO INTERNATIONAL AIRPORT AUTHORITY TO ACCESS STATE AND FEDERAL SUMMARY CRIMINAL HISTORY INFORMATION FOR EMPLOYMENT PURPOSES

That the Ontario International Airport Authority Commission adopt a resolution allowing the OIAA to access state and federal summary criminal history information from the California Department of Justice and Federal Bureau of Investigation for employment purposes. The proposed related agreement with the California Department of Justice is estimated to cost \$2,640 for the remainder of the Fiscal Year 2017-18. The cost for the remainder of the Fiscal Year will be absorbed within current budget appropriations; and the estimated annual cost of \$1,320 will be included in future baseline budgets.

RESOLUTION NO. _____

A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY, AUTHORIZING ACCESS TO STATE AND FEDERAL SUMMARY CRIMINAL HISTORY INFORMATION FOR EMPLOYMENT PURPOSES.

9. AMEND CONTRACT DA-5077 WITH ALL AMERICAN ASPHALT FOR THE PROVISION OF ASPHALT CONCRETE MIXES AND RELATED SERVICES BY INCREASING THE ANNUAL AUTHORITY AMOUNT TO \$750,000 PER CONTRACT YEAR FOR AN OVERALL CONTRACT AMOUNT NOT TO EXCEED \$2.975 MILLION AND REQUEST AUTHORIZATION FOR THE CHIEF EXECUTIVE OFFICER TO EXERCISE THE REMAINING ONE-YEAR RENEWAL OPTION

That the Ontario International Airport Authority (OIAA) Commission approve the amendment to Contract DA-5077 between the OIAA and All American Asphalt increasing the annual authority amount by \$250,000 per contract year for an overall amount not to exceed \$2.975 million for the life of the contract and authorize the Chief Executive Officer to Exercise the remaining one-year renewal option.

ADMINISTRATIVE REPORTS/DISCUSSION/ACTION

10. A RESOLUTION TO APPROVE AND AUTHORIZE GUARDIAN JET CENTER EXPANSION AT ONTARIO INTERNATIONAL AIRPORT

That the Ontario International Airport Authority (OIAA) Commission adopt a resolution to approve and authorize the Guardian Jet Center Expansion Project at Ontario International Airport. OIAA will provide rent abatements or rent credits to Guardian Air Services, LLC (Guardian) in the estimated amount of \$40,000 - \$50,000 for Guardian's costs to demolish and remove existing OIAA structures on the Jet Center Expansion Project site. All other costs for construction of the Guardian Jet Center Expansion Project will be borne solely by Guardian.

RESOLUTION NO. _____

A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT
AUTHORITY TO APPROVE AND AUTHORIZE THE GUARDIAN AIR
SERVICES, LLC, JET CENTER EXPANSION PROJECT

11. PURCHASE THREE 3,000-GALLON COMMERCIAL GRADE ROSENBAUER AIRCRAFT RESCUE FIRE FIGHTING (ARFF) APPARATUS AT A COST OF \$1.2 MILLION PER UNIT AND ONE ROSENBAUER RAPID INTERVENTION VEHICLE ("RIV") AT A COST OF \$670,000 FOR A TOTAL COST OF \$4.3 MILLION

That the Ontario International Airport Authority (OIAA) (1) approve and authorize the CEO to execute agreements to purchase and finance the ARFF equipment; and (2) approve and authorize the CEO to enter into a cooperative purchase contract between OIAA and the Houston-Galveston Area Council ("H-GAC"). The procurement and related costs over the next six years will be funded in the FY2018 through FY2023 operating budgets; total expense is \$4.62 million.

STAFF MATTERS

Chief Executive Officer Thorpe

COMMISSION MATTERS

President Wapner
Vice President Loveridge
Secretary Bowman
Commissioner Hagman
Commissioner Gouw

ADJOURNMENT

**ONTARIO INTERNATIONAL AIRPORT AUTHORITY
REGULAR COMMISSION MEETING
MINUTES
TUESDAY, OCTOBER 24, 2017
(Not Official Until Approved)**

A regular meeting of the Ontario International Airport Authority was held on Tuesday, October 24, 2017, at 1923 E. Avion Street, Room 100, Ontario, California.

Notice of said meeting was duly given in the time and manner prescribed by law.

CALL TO ORDER

President Wapner called the Ontario International Airport Authority Commission meeting to order at 3:05 p.m.

ROLL CALL

PRESENT: Commissioners: Jim W. Bowman, Curt Hagman, Alan D. Wapner and Ronald O. Loveridge (arrived at 3:31 p.m.).

ABSENT: Commissioners: Julia Gouw (excused).

Also present were: Chief Executive Officer Mark A. Thorpe, General Counsel Lori D. Ballance, and Assistant Secretary Claudia Y. Isbell.

Hearing no requests to speak, President Wapner recessed the regular meeting of the Ontario International Airport Authority to Closed Session at 3:05 p.m. with all Commissioners except Vice President Loveridge who arrived at 3:31 p.m.

CLOSED SESSION

- GC 54956.9, CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION
One (1) case
- GC 54957, SAFETY AND SECURITY ISSUES
Ontario Police Department: Captain Dean Brown
- GC 54957, PUBLIC EMPLOYEE EMPLOYMENT
Chief Executive Officer

The Ontario International Airport Authority Commission regular meeting was reconvened in public session at 3:53 p.m. President Wapner announced that the Commission will continue Closed Session after the public session.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Vice President Loveridge.

PUBLIC COMMENTS

Sharon Barnes, chair of the Black Chamber of Commerce Inland Empire, spoke in support of Item No. 06, approval of the ACDBE program.

POSSIBLE CONFLICT OF INTEREST ISSUES

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.

There were no conflict of interests reported.

CONSENT CALENDAR

MOTION: Moved by Commissioner Hagman, seconded by Secretary Bowman and carried by those present, with Commissioner Gouw absent, to approve the Consent Calendar as presented by a vote of 4-0-1.

2. APPROVAL OF MINUTES

Approved minutes for the regular adjourned meeting of the Ontario International Airport Authority on September 28, 2017 and special meetings of September 28, 2017 and October 7, 2017, as on file with the Secretary/Assistant Secretary.

3. BILLS/PAYROLL

Approved bills September 1, 2017 through September 30, 2017 and Payroll September 1, 2017 through September 30, 2017.

4. APPROVAL OF MEETING STIPENDS

The Ontario International Airport Authority Commission approved meeting stipends for Commissioner Hagman and President Wapner.

5. MAINTENANCE SERVICES AGREEMENT FOR TRAFFIC SIGNALS AND STREET LIGHTING FACILITIES BETWEEN THE CITY OF ONTARIO AND THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY

The Ontario International Airport Authority (OIAA) Commission approved an agreement between the City of Ontario and the OIAA for the City of Ontario to provide maintenance services for traffic signals and street lighting facilities on designated intersections that are owned by the OIAA. The OIAA is allocating \$30,000 annually to cover routine maintenance work and extraordinary maintenance included in this contract.

6. A RESOLUTION ADOPTING AN AIRPORT CONCESSION DISADVANTAGED BUSINESS ENTERPRISE (ACDBE) PROGRAM IN ACCORDANCE WITH REGULATIONS OF THE U.S. DEPARTMENT OF TRANSPORTATION (DOT), 49 CFR PART 23

The Ontario International Airport Authority approved Resolution No. 2017-14 adopting the Airport Concessions Disadvantaged Business Enterprise (ACDBE) Program for the Ontario International Airport Authority (ONT).

RESOLUTION NO. 2017-14 A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY TO AUTHORIZE AN AIRPORT CONCESSION DISADVANTAGED BUSINESS ENTERPRISE (ACDBE) PROGRAM IN ACCORDANCE WITH REGULATIONS OF THE U.S. DEPARTMENT OF TRANSPORTATION (DOT), 49 CFR PART 23.

7. A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY APPROVING AN EMPLOYMENT AGREEMENT MARK A. THORPE AS THE CHIEF EXECUTIVE OFFICER

The Ontario International Airport Authority adopted Resolution No. 2017-15 approving an employment agreement between Ontario International Airport Authority (OIAA) and Mark Thorpe as Chief Executive Officer of OIAA; and authorized the CEO signature authority to execute contracts on behalf of the Commission for the acquisition of equipment, materials, supplies, labor services or other items up to a maximum of \$100,000 per fiscal year.

RESOLUTION NO. 2017-15 A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY APPROVING AN EMPLOYMENT AGREEMENT BETWEEN OIAA AND MARK THORPE AS THE CHIEF EXECUTIVE OFFICER OF THE OIAA.

8. APPROVAL OF A CONTRACT WITH KDG CONSTRUCTION CONSULTING TO PROVIDE CONSTRUCTION MANAGEMENT, CONSTRUCTION INSPECTION, MATERIALS TESTING, AND OTHER SUPPORT SERVICES FOR THE TAXIWAY S&W INTERSECTION REPAIR AND TAXIWAY S5 PROJECT AT ONTARIO INTERNATIONAL AIRPORT

The Ontario International Airport Authority (OIAA) authorized the Chief Executive Officer to execute a contract with KDG Construction Consulting in the amount of \$1,255,511 to provide construction management, construction inspection, materials testing, and other support services for the Taxiway S&W intersection repair and new Taxiway S5 project at Ontario International Airport. The cost to provide construction management and support services for this project is accounted for in the OIAA Fiscal Year 2018 budget. The cost for these services are to be paid for with a mix of FAA Airport Improvement Program (AIP) entitlement grant funds and OIAA appropriations. The approved action is consistent with already approved budget actions and does not change or add to any prior funding requests.

9. AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXECUTE A NEW FOUR (4)-YEAR LEASE WITH U.S. GENERAL SERVICES ADMINISTRATION ON BEHALF OF THE TRANSPORTATION SECURITY ADMINISTRATION FOR AREAS IN TERMINALS 2 AND 4 AT ONTARIO INTERNATIONAL AIRPORT

The Ontario International Airport Authority Commission authorized the Chief Executive Officer to execute a new four (4)-year lease with the U.S. General Services Administration (GSA) on behalf of the Transportation Security Administration (TSA). Under the new proposed lease, the GSA will pay to the Authority \$204.31 per square foot for 4,816 square feet of exclusive space in Terminals 2 and 4. This will generate \$983,956.96 in the first year of the new lease agreement, and \$4,147,298.40 over the four-year term, which includes a 3.5% rent increase each year during the term.

10. RATIFYING A MEMORANDUM OF UNDERSTANDING BETWEEN CHINA AIRLINES LIMITED AND ONTARIO INTERNATIONAL AIRPORT AUTHORITY SIGNED ON SEPTEMBER 29, 2017

The Ontario International Airport Authority (OIAA) ratified the Memorandum of Understanding between China Airlines Limited and the Ontario International Airport Authority signed on September 29, 2017.

11. AWARD PURCHASE OF XIRRUS WIFI EQUIPMENT FROM INYO NETWORKS TO UPGRADE THE CURRENT WIFI TECHNOLOGY AT THE ONTARIO INTERNATIONAL AIRPORT (ONT)

The Ontario International Airport Authority awarded the purchase of Xirrus WiFi equipment from Inyo Networks in the bid amount of \$108,920.66 and authorized the Chief Executive Officer to execute a Professional Services Agreement.

12. APPROVAL OF A FACILITIES USE AGREEMENT BETWEEN THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY AND LGSTX SERVICES, INC.

The Ontario International Airport Authority (OIAA) authorized the Chief Executive Officer to execute a Facilities Use Agreement with LGSTX Services, Inc. Approval of this agreement will generate monthly use fees payable to the OIAA in the amount of \$44,061.98 during the duration of the FUA.

13. AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO PURCHASE AND INSTALL A MODULAR BUILDING WITH ANCILLARY EQUIPMENT FOR THE ONTARIO POLICE DEPARTMENT ON THE NORTH OF ONTARIO INTERNATIONAL AIRPORT

The Ontario International Airport Authority Commission authorized the Chief Executive Officer (CEO) to purchase and install a modular building to house the OPD officers that work at the airport near the passenger terminals on the north side of the airport. The cost of the building setup will be up to \$560,000. In addition, there will be monthly recurring expenses for the building rental, maintenance and janitorial services of an additional approximate \$3,900 or \$140,430 total over three years. This will be offset by the recovered value of the lost officer time spent traveling between the Archibald Station and the Airport, estimated at \$750,000 per year.

STAFF MATTERS

Chief Executive Officer Thorpe gave a brief overview of Item No. 10 and announced the China Airlines trial flight scheduled for January 25, 2018.

COMMISSIONER MATTERS

Commissioner Hagman spoke on his work to promote the airport in Washington, DC and get grants.

Vice President Loveridge inquired about the status of the Business Advisory Group.

Chief Executive Officer Thorpe stated the airport was working with various chambers to identify members who are interest in air service at ONT. He added that official meetings will begin in December 2017.

President Wapner reported that Senator Feinstein visited ONT and added that she is one of the best ambassadors for the airport and thanked her.

The Ontario International Airport Authority Commission recessed to Closed Session at 4:04 p.m.

The Ontario International Airport Authority Commission meeting was reconvened at 5:12 p.m.

CLOSED SESSION REPORT

President Wapner announced there was no reportable action.

ADJOURNMENT

President Wapner adjourned the Ontario International Airport Authority Commission meeting at 5:04 p.m.

Respectfully submitted:

CLAUDIA Y. ISBELL, CLERK OF THE BOARD

APPROVED:

ALAN D. WAPNER, PRESIDENT
ONTARIO INTERNATIONAL AIRPORT AUTHORITY

**ONTARIO INTERNATIONAL
AIRPORT AUTHORITY**

Agenda Report
December 13, 2017

**SECTION:
CONSENT CALENDAR**

**SUBJECT: ONTARIO INTERNATIONAL AIRPORT AUTHORITY COMMISSION
APPROVAL OF STIPENDS AS REQUIRED BY AUTHORITY BYLAWS**

**RELEVANT STRATEGIC OBJECTIVE: Expansion of Air Services
Development of Airport-Related Businesses**

RECOMMENDED ACTION(S): That the Ontario International Airport Authority Commission approve additional stipends per Article IV, Section 6 of the Authority's Bylaws.

BACKGROUND: Article IV, Section 6 of the Authority's Bylaws states as follows:

"No salary: Reimbursement for Expenses: Stipends. The members of the Commission shall receive no salary but shall be reimbursed for necessary expenses (including mileage in accordance with standard IRS mileage reimbursement rates) incurred in the performance of their duties. Additionally, commissioners will receive a stipend in the amount of one hundred fifty dollars (\$150.00) for attendance at each Commission meeting, standing committee meeting, ad hoc committee meeting, and any Authority-related business function. A maximum of six (6) stipends are permitted per month. An additional two (2) stipends are permitted with prior approval of the President. More than eight (8) stipends per month will require approval by the full Commission."

During the month of October 2017, OIAA Commissioner Hagman attended six (6) additional Authority-related business functions. Full Commission approval is needed to approve payment of stipends.

FISCAL IMPACT AND SOURCE OF FUNDS: OIAA operating revenue.

PRIOR COMMISSION ACTION: On December 8, 2016, the OIAA Commission adopted Resolution No. 2016-14 approving and adopting the OIAA Bylaws.

STAFF MEMBER PRESENTING: Claudia Y. Isbell, Clerk of the Board

Prepared by: Claudia Y. Isbell
Department: _____

OIAA

Chief Executive
Officer Approval:



Submitted to OIAA: December 13, 2017

General Counsel

Review: December 13, 2017

Approved: _____

Continued to: _____

Denied: _____

Item No. 03

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):

N/A

IMPACT ON OPERATIONS:

N/A

EXHIBITS AND ATTACHMENTS:

N/A

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.

**ONTARIO INTERNATIONAL
AIRPORT AUTHORITY**

Agenda Report
December 13, 2017

**SECTION:
CONSENT CALENDAR**

SUBJECT: AUTHORIZE THE CEO TO NEGOTIATE AND EXECUTE A CONTRACT WITH MANCHESTER AIRPORTS GROUP U.S. HOLDINGS (MAG USA) TO DESIGN, CONSTRUCT, OPERATE, AND MAINTAIN COMMON USE AIRPORT LOUNGES IN TERMINALS 2 AND 4 AT ONTARIO INTERNATIONAL AIRPORT (ONT) AND PROVIDE ONT CAR PARKING YIELD MANAGEMENT AND PARKING MARKETING SERVICES.

RELEVANT STRATEGIC OBJECTIVES: Expand Air Service. Provide Customer-Friendly Facilities and Services. Develop and Grow Non-Airline Revenue Sources.

RECOMMENDED ACTION(S): That the Ontario International Airport Authority Board of Commissioners (OIAA Board) authorize the Chief Executive Officer to negotiate and execute a contract with Manchester Airport Group USA (MAG USA) to:

- (a) finance, design, construct, operate and maintain common use passenger lounges in Terminals 2 and 4 at the airport; and
- (b) provide dynamic pricing, yield management, marketing and distribution services for parking and lounge products and services at ONT.

FISCAL IMPACT AND SOURCE OF FUNDS: Once this agreement is executed, MAG USA will invest approximately US\$3.22 million to design, construct, and furnish common-use lounges in both Terminal 2 and Terminal 4 at ONT. MAG USA is projected to recover this investment within approximately two years through a combination of first-year rent credits in its lounge facilities and incremental parking revenue generated from its parking yield management and direct marketing systems implemented on behalf of the OIAA.

The OIAA will support MAG USA by expending already-budgeted FY 2018 funds on previously-planned projects to upgrade terminal way-finding, and improve parking infrastructure and access control systems. MAG USA's investment in software and marketing for lounge and parking-related products will be borne by MAG USA, and recovered through its share of incremental parking revenue generated during the term of the contract. The OIAA is projected to receive up to \$38 million in revenue sharing

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

Prepared by: Mark A. Thorpe
Department: _____
OIAA _____

Submitted to OIAA: December 13, 2017
General Counsel
Review: _____
Approved: _____
Continued to: _____
Denied: _____

Chief Executive
Officer Approval:



Item No. 04

from the lounges and Incremental parking revenues over the 10-year contract period. The revenue that the OIAA receives under this agreement can exceed this estimate if the airport's passenger traffic exceeds current projections.

BACKGROUND: The development of common use airport lounge facilities at ONT as an important airline passenger amenity has been an objective of the OIAA since the November 2016 transfer of ownership and control of the airport. The late September 2017 announcement by China Airlines of its plans to launch nonstop service between ONT and Taoyuan International Airport (TPE) in Taiwan during March 2018 necessitated the expediting of this objective, particularly in Terminal 2, from which China Airlines flights will begin to depart next spring. In fact, prior to its announcement, China Airlines indicated to the OIAA that the development of a departing lounge for its business class and other elite passengers by the time of its March 25, 2018 launch of service would be a requisite element of its successful operation at ONT.

Immediately after China Airlines announced its ONT-related plans, OIAA staff immediately began an open, public Request for Proposals (RFP) procurement process for proposals from firms interested in developing lounges in both Terminal 2 and Terminal 4. The RFP document allowed for the financial risk inherent in developing multiple lounges at ONT on a short timeline and, as a result, invited firms to propose innovative commercial proposals to create multiple revenue streams, in order to mitigate that financial risk.

Although multiple firms expressed interest and requested the RFP document, two firms submitted proposals, largely due to the tight lounge development timeline: MAG USA and Gideon Toal Management Services (GTMS). MAG USA was selected in large part due to the fact that it was the only respondent to propose (a) financing of both lounges at no cost to the OIAA; (b) a temporary lounge solution for China Airlines' January 25, 2018 test flight at ONT; (c) a lounge solution for China Airlines in time for the March 25, 2018 launch of its ONT-TPE service; and (d) a strong positive revenue contribution to the OIAA over the term of its proposal.

The OIAA Chief Executive Officer proposes that the OIAA Airport Commission (OIAA Commission) grant him the authority to finalize negotiations with MAG USA and execute a contract (which will be brought to the OIAA Commission during a future meeting for its ratification), in accordance with the following general parameters:

Scope: Single agreement covering both the development of common-use passenger lounge facilities and dynamic pricing and marketing of car parking services

Term: 10-year agreement with options to extend based on performance triggers and/or a commitment to further invest in ONT (i.e. T2 arrivals hall lounge).

Termination Clause: Both the OIAA and MAG USA will have 90-day termination rights. If the OIAA terminates the agreement, it will pay MAG USA the unremunerated portion of its capital expenditures. If MAG USA terminates the agreement, it will not vacate its lounge facilities, or cease the operations of the lounges for a period of no less than 6 months, to allow the OIAA to find another concessionaire for the space.

COMMON-USE LOUNGE DEVELOPMENT

Chef Selection Process: MAG USA will partner with a local chef to develop menus and train its Escape Lounge-branded staff in preparing/serving food. MAG USA will consult with and seek OIAA's participation in this process to best capture Ontario's culinary offerings.

Terminal 2 Lounge Phasing: MAG USA recognizes the importance of OIAA's schedule for new international air service by China Airlines and will develop the Terminal 2 Escape Lounge in the following phases:

- **25th January 2018** "pop-up" lounge for China Airlines' test flight
- **15th March 2018** temporary MAG USA Escape Lounge-branded facility to be operated by MAG USA
- **Summer 2018** permanent MAG USA Escape Lounge-branded facility operational

Terminal 4 Lounge Phasing: A permanent MAG USA Escape Lounge-branded facility operational by Fall 2018.

Hours of Operation (both lounges): MAG USA's Escape Lounges will operate 365 days per year. The lounges will be open at least 1 hour before ONT's first scheduled departure and close no earlier than 30 minutes prior to ONT's last scheduled departure. MAG USA will coordinate operating schedules with ONT, making adjustments as flight schedules change and commercial/operational conditions warrant. During irregular operations, severe weather and multiple delays, Escape Lounges will endeavor to remain open at the request of authorized OIAA staff.

Lounge Rent: MAG USA's rent payments to the OIAA for each lounge will increase over time as traffic grows. These payments will be calculated based on annual revenue in the following increments:

- **Year 1:** 0% (in order to allow MAG USA to recover its capital expenditure, in part)
- **Years 2-5:** 4% of total sales
- **Years 6-10:** 10% of total sales

DYNAMIC PRICING & ONLINE MARKETING OF ONT CAR PARKING

Baseline and Incremental Car Parking Revenue: ONT and MAG will agree a methodology for establishing a baseline car parking revenue figure that both protects ONT's naturally occurring revenue (i.e. passenger growth) and recognizes the risks assumed by MAG USA and its investment in ONT.

Working from the baseline and after the deduction of certain costs, ONT and MAG USA will agree a fair sharing of incremental revenue (net of increasing operating costs and tax). The incremental parking revenue generated above the agreed baseline will first be used to reimburse MAG USA's lounge capex, recognizing the upfront investment made to accommodate developing new air service.

ONT Parking Rates: To ensure ONT is pricing its parking products in accordance with changes in market demand, the airport's parking rates will need to be increased periodically. This is particularly true of "drive-up" rates for premium parking products, which are anticipated to need to be increased by as much as US\$8 over the term of this agreement. To facilitate these increases, MAG USA will conduct an annual review of ONT's "drive-up" parking rates and make a commercially-based request to the OIAA

CEO to increase rates for one or more parking products. When “drive-up” parking rates are increased, MAG USA shall make available parking rates equal to or lower than the previous “drive-up” rates via its pre-booking system. Limited authority will be delegated by the OIAA Commission to ONT’s CEO to make demand-driven increases to parking rates at ONT, by an amount not to exceed US\$8 over the 10-year initial period of this agreement (and not by more than US\$3 in any single year), unless expressly authorized by the OIAA Commission to increase rates beyond that amount.

Use of ONT vacant parking lots and other real estate: ONT will allow MAG USA to access all ONT parking lots, as agreed upon by both parties, to facilitate MAG USA’s business; for staging and storing cars, as well as other operational needs. To facilitate the introduction of new parking products, ONT will also make underutilized land/space available if required by ONT’s parking demand.

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.

STAFFING IMPACT (# OF POSITIONS): This action will have no staffing impact on OIAA.

IMPACT ON OPERATIONS: This action will have no operational impact on Ontario International Airport as it pertains to egress and ingress. A construction wall will be built from floor to ceiling as a safety and security measure to protect employees and customers during the construction phase.

EXHIBITS & ATTACHMENTS:

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.

**ONTARIO INTERNATIONAL
AIRPORT AUTHORITY**
Agenda Report
December 13, 2017

**SECTION:
CONSENT CALENDAR**

SUBJECT: APPROVE A CONSULTATION AGREEMENT WITH KENAZ DESIGNS LLC FOR CONSULTING SERVICES RELATING TO AIRPORT CONSTRUCTION, DESIGN, MAINTENANCE AND OPERATIONS-RELATED MATTERS OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY

RELEVANT STRATEGIC OBJECTIVE: Reduce Airline Costs

RECOMMENDED ACTION(S): That the Ontario International Airport Authority approve a Consultation Agreement with Kenaz Designs LLC (Consultant) for consulting services relating to airport construction, design, maintenance and operations-related matters of The Ontario International Airport Authority.

FISCAL IMPACT SUMMARY: Approval of this recommendation requires the use of funds in the 2017/18 and any other budget adopted, continued, or approved by the OIAA Commission. If approved, Consultant will receive a monthly retainer fee of twenty thousand dollars (\$20,000.00) per month for a period of one (1) year from the effective date of the Agreement with two one-year options, for a total amount of two hundred and forty thousand dollars (\$240,000) per annum, or \$720,000 if both options are exercised. In addition to the monthly retention amount, Consultant is requesting reimbursement of out of pocket travel expenses incurred.

BACKGROUND: Consultant desires to perform and assume responsibility for the provision of certain professional services required by the OIAA on the terms and conditions as set forth in the Consultation Agreement, provided in its entirety as Attachment A. Consultant and its professionals and agents are experienced in providing these specified consulting services. Consultant will act as an independent contractor in the performance of its duties under the Consultation Agreement.

SCOPE OF WORK: If this Consultation Agreement is approved, Consultant will assist OIAA with consulting and representational services relating to the airport construction, design, maintenance and operations-related matters of Ontario International Airport Authority, and advisory services to the OIAA Chief Executive Officer, OIAA management, other OIAA consultants, and the OIAA Commission

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

Prepared by: Mark A. Thorpe
Department: OIAA

Chief Executive Officer Approval: Mark A. Thorpe

Submitted to OIAA: December 13, 2017
General Counsel
Review: December 13, 2017
Approved: _____
Continued to: _____
Denied: _____

Item No. 05

members on all matters mutually agreed upon, and as provided in the Consultation Agreement. (See, Attachment A, Exhibit A (Scope of Services))

CEQA COMPLIANCE AND LAND USE APPROVALS: The proposed Consultation Agreement with Consultant is not a “project” within the meaning of Section 15378 of the CEQA Guidelines because there is no potential for Consultant’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 – Consultation Agreement between OIAA and Kenaz Designs 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
December 13, 2017

**SECTION:
CONSENT CALENDAR**

SUBJECT: APPROVE A CONSULTATION AGREEMENT WITH PAUL A. HANEY & ASSOCIATES LLC FOR CONSULTING SERVICES RELATING TO AIRPORT ADMINISTRATION, OPERATIONS, MARKETING, BRANDING, DEVELOPMENT, FINANCING, AND PUBLIC AND COMMUNICATIONS RELATIONS OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY

RELEVANT STRATEGIC OBJECTIVE: Expansion of Air Services

RECOMMENDED ACTION(S): That the Ontario International Airport Authority approve a Consultation Agreement with Paul A. Haney & Associates LLC (Consultant) for consulting services relating to airport administration, operations, marketing, branding, development, financing, and public and communications relations of The Ontario International Airport Authority.

FISCAL IMPACT SUMMARY: Approval of this recommendation requires the use of funds in the 2017/18 and any other budget adopted, continued, or approved by the OIAA Commission. If approved, Consultant will receive a monthly retainer fee of twenty thousand dollars (\$20,000.00) per month for a period of one (1) year from the effective date of the Agreement with two one-year options, for a total amount of two hundred and forty thousand dollars (\$240,000) per annum, or \$720,000 if both options are exercised. In addition to the monthly retention amount, Consultant is requesting reimbursement of out of pocket travel expenses incurred.

BACKGROUND: Under the OIAA's Joint Powers Agreement, the City of Ontario and the County of San Bernardino are to provide the overall direction for the management, operations, development, and marketing of Ontario International Airport (ONT). Consultant desires to perform and assume responsibility for the provision of certain professional services required by the OIAA on the terms and conditions as set forth in the Consultation Agreement, provided in its entirety as Attachment A. Consultant and its professionals and agents are experienced in providing these specified consulting services. Consultant will act as an independent contractor in the performance of its duties under the Consultation Agreement.

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

Prepared by: Mark A. Thorpe
Department: _____

OIAA

Chief Executive
Officer Approval: Mark A. Thorpe

Submitted to OIAA: December 13, 2017

General Counsel

Review: December 13, 2017

Approved: _____

Continued to: _____

Denied: _____

Item No. 06

SCOPE OF WORK: If this Consultation Agreement is approved, Consultant will assist OIAA with consulting and representational services relating to airport administration, operations, marketing, branding, development, financing, and public and communications relations of Ontario International Airport Authority. and advisory services to the OIAA Chief Executive Officer, OIAA management, other OIAA consultants, and the OIAA Commission members on all matters mutually agreed upon, and as provided in the Consultation Agreement. (See, Attachment A, Exhibit A (Scope of Services)).

CEQA COMPLIANCE AND LAND USE APPROVALS: The proposed Consultation Agreement with Consultant is not a “project” within the meaning of Section 15378 of the CEQA Guidelines because there is no potential for Consultant’s 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 – Consultation Agreement between OIAA and Paul A. Haney & 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
December 13, 2017

**SECTION:
CONSENT CALENDAR**

SUBJECT: A RESOLUTION APPROVING AN INCREASE TO THE ADMINISTRATIVE FEES FOR FINGERPRINTING AND BADGING

RELEVANT STRATEGIC OBJECTIVE: Exceptional Safety, Security and Operational Efficiency

RECOMMENDED ACTION(S): That the Ontario International Airport Authority (OIAA) approve a resolution increasing administrative fees for fingerprinting and badging.

FISCAL IMPACT AND SOURCE OF FUNDS: Approval will result in the collection of an additional \$30,500 per year to recover the costs of additional TSC fees, badge supplies such as cards, lanyards, armbands, printer ribbons and existing staff costs (not including lost badge fees).

BACKGROUND: Following the events of September 11, Airport security background checks were standardized and enhanced pursuant to the Federal Code of Regulations 14, Parts 107 and 108. The Ontario International Airport maintains an active database of security badge records and processes approximately 1,000 new applications per year. All fingerprint information is electronically recorded and transmitted to the TSC for processing through the FBI database. New security applications cost the OIAA \$29 with an additional fee of \$3.00 annually to maintain STA record.

Increased security application fees will offset incurred costs associated with fingerprinting, processing of security applications, database administration, badge issuances, electronic equipment operation and maintenance, including fees payable to TSC to perform CHRCs, STAs, cost of supplies and other similar costs. Staff proposes increasing fingerprint fees to \$50 per application plus badge processing \$20, Staff also recommends charging \$70 per lost or non-returned badge, an increase from \$25. The second and third lost badge will be charged \$100 per occurrence. This revenue pays for the Transportation Security Clearinghouse (TSC) charges plus enhancements to the TSA mandated computer based training portal. This proposal authorizes the Chief Executive Officer of the Ontario International Airport to increase the fees as necessary, by any amount not to exceed 5% per year.

STAFF MEMBER PRESENTING: Bruce Atlas, Chief Operations Officer.

Prepared by: Bruce Atlas
Department: _____
OIAA

Submitted to OIAA: December 13, 2017
General Counsel
Review: December 13, 2017
Approved: _____
Continued to: _____
Denied: _____

Chief Executive Officer Approval: Mark A. Hoque

Item No. 07

Staff reviewed charges at other airports to ensure overall reasonableness of the fees.

AIRPORT	FINGERPRINT FEE	BADGE FEE	TOTAL	LOST BADGE FEE
LONG BEACH AIRPORT	\$45.00	\$25.00	\$70.00	\$150.00
JOHN WAYNE AIRPORT	\$38.00	\$10.00	\$48.00	\$31.00
PALM SPRINGS AIRPORT	\$50.00	\$45.00	\$95.00	\$50.00
BURBANK AIRPORT	\$45.00	\$45.00	\$90.00	\$75.00

CEQA COMPLIANCE: N/A

STAFFING IMPACT (# OF POSITIONS): This action will have no staffing impact on OIAA.

IMPACT ON OPERATIONS: This action will have no impact on operations.

SCHEDULE: New fees shall become effective on January 1, 2018.

EXHIBITS & ATTACHMENTS:

Attachment A – Resolution Increasing Administrative fees for fingerprinting and badging.

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 ADOPTING AN INCREASE OF ADMINISTRATIVE
FEES FOR FINGERPRINTING AND BADGING.

WHEREAS, the Ontario International Airport Authority (the "OIAA" or "Authority") was formed through the Joint Exercise of Powers Agreement ("JPA") by and between the City of Ontario and the County of San Bernardino pursuant to the Joint Exercise of Powers Act of the State of California, for the purpose of operating, maintaining, managing, developing, and marketing the Ontario International Airport (the "Airport"); and

WHEREAS, current fingerprint and badge fees at the Airport were set by Resolution No. 19191 adopted by the Los Angeles Board of Airport Commissioners at a meeting held Tuesday, May 23, 1995; and

WHEREAS, the Authority assumed ownership and control of the Airport from Los Angeles World Airports on November 1, 2016; and

WHEREAS, the current fees for the fingerprint process are \$38 and the badge fees for the issuance of a badge at ONT are as follows:

First badge issuance	\$10.00
Renewal of badge	\$10.00
Replacement of Lost or Stolen badge	\$25.00
Reported Stolen-Terminated badges (Employee terminated and no badge was recovered)	\$25.00

WHEREAS, the Authority is required to conduct fingerprint based Criminal History Record Check (CHRC) and Security Threat Assessments (STA) pursuant to Title 49, Part 1542 of the Code of Federal Regulations; and

WHEREAS, the Badge office administers the fingerprint based CHRC program and incurs costs associated with the processing of security badge applications, fingerprinting, database administration, badge issuance, electronic equipment operation and maintenance, including fees payable to the Transportation Security Clearinghouse (TSC) to perform CHRC and STA, cost of supplies and other similar costs such as enhancements to the TSA mandated computer based training portal; and

WHEREAS, badges are typically issued with a two-year expiration or based on contract expiration date; and

WHEREAS, the purpose behind this increase in fees is two-fold: (1) to help offset the costs associated with this TSA mandated program, and (2) to give financial incentives to badge holders, and their employers, to improve their accountability for the security badges they are issued. Badge loss continues to be a significant problem at ONT that education alone has not remedied. It is our hope that new financial incentives will yield more compliance in this area.

NOW, THEREFORE, LET IT BE RESOLVED by the Ontario International Airport Authority, as follows:

SECTION 1. The Ontario International Airport Authority Commission establishes an increase in administrative fees for fingerprinting and badging, effective January 1, 2018, as follows: fingerprint fees to \$50 per application plus badge processing fee of \$20. A \$70 per lost or non-returned badge. The second and third lost badge will be charged \$100 per occurrence. Exempt from these charges are all City, County, State and Federal government agencies; and those contracted by OIAA to perform work within restricted areas of the airport.

Fingerprint and badge issuance	\$ 70.00
Renewal of badge	\$ 70.00
Replacement of Lost or Stolen badge	\$ 70.00
2 nd Replacement of Lost or Stolen badge	\$100.00
Reported Stolen-Terminated badges (Employee terminated and no badge was recovered)	\$70.00

SECTION 2: Each company or individual will be required to pay for the fingerprint, badge issuance, renewal or replacement at the time service is provided. Fees for unrecovered badges will be invoiced on a quarterly basis for all badging activity.

SECTION 3. All actions heretofore taken by any officer or agent of the Authority in connection with or related to the matters set forth in this Resolution are hereby approved, confirmed and ratified.

SECTION 4. This Resolution shall take effect on January 1, 2018.

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

PASSED, APPROVED, AND ADOPTED this 13th day of December 2017.

ALAN D. WAPNER, OIAA PRESIDENT

ATTEST:

CLAUDIA Y. ISBELL, ASSISTANT SECRETARY

APPROVED AS TO LEGAL FORM:

LORI D. BALLANCE
INTERIM 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 December 13, 2017 by the following roll call vote, to wit:

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSENT: COMMISSIONERS:

CLAUDIA Y. ISBELL, 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 December 13, 2017.

CLAUDIA Y. ISBELL, ASSISTANT SECRETARY

(SEAL)

**ONTARIO INTERNATIONAL
AIRPORT AUTHORITY**
Agenda Report
December 13, 2017

**SECTION:
CONSENT CALENDAR**

SUBJECT: A RESOLUTION AUTHORIZING ONTARIO INTERNATIONAL AIRPORT AUTHORITY TO ACCESS STATE AND FEDERAL SUMMARY CRIMINAL HISTORY INFORMATION FOR EMPLOYMENT PURPOSES

RELEVANT STRATEGIC OBJECTIVE: Develop a Specialized Airport Work Force with the Necessary Knowledge, Skills and Abilities

RECOMMENDED ACTION(S): That the Ontario International Airport Authority Commission adopt a resolution allowing the OIAA to access state and federal summary criminal history information from the California Department of Justice and Federal Bureau of Investigation for employment purposes.

FISCAL IMPACT AND SOURCE OF FUNDS: The proposed related agreement with the California Department of Justice is estimated to cost \$2,640 for the remainder of the Fiscal Year 2017-18. The cost for the remainder of the Fiscal Year will be absorbed within current budget appropriations; and the estimated annual cost of \$1,320 will be included in future baseline budgets.

BACKGROUND: The OIAA is planning to enter into an agreement with the California Department of Justice (DOJ) to receive summary criminal history information from the DOJ and Federal Bureau of Investigation as part of the pre-employment job offer process for all OIAA employees.

The California Attorney General (via the DOJ) may furnish OIAA with state summary criminal history information consistent with Penal Code section 11105(b)(11). However, to request and receive federal level summary criminal history information from the Federal Bureau of Investigation the OIAA Commission must enact a resolution which clearly delineates that the federal level summary criminal history information will not be disseminated to a private entity. The OIAA will only utilize summary criminal history information to determine exclusion from employment with OIAA based on specific criminal conduct.

CEQA COMPLIANCE:

N/A

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

Prepared by: Reed Sigler
Department: _____
Human Resources

Submitted to OIAA: December 13, 2017
General Counsel
Review: _____ December 13, 2017
Approved: _____
Continued to: _____
Denied: _____

Chief Executive Officer Approval: Mark A. Thorpe

Item No. 08

STAFFING IMPACT (# OF POSITIONS):

N/A

IMPACT ON OPERATIONS:

N/A

SCHEDULE:

N/A

EXHIBITS & ATTACHMENTS:

Attachment A – Resolution authorizing OIAA to access State and Federal summary criminal history information for employment purposes.

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 BOARD OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY, AUTHORIZING ACCESS TO STATE AND FEDERAL SUMMARY CRIMINAL HISTORY INFORMATION FOR EMPLOYMENT PURPOSES.

WHEREAS, Penal Code Sections 11105(b)(11) and 13300(b)(11) authorizes cities, counties, districts joint power Authorities to access state and local summary criminal history information for employment or certification purposes; and

WHEREAS, Penal Code Section 11105(b)(11) authorizes cities, counties, districts, and joint power authorities to access federal level criminal history information by transmitting fingerprint images and related information to the Department of Justice to be transmitted to the Federal Bureau of Investigation; and

WHEREAS, Penal Code Sections 11105(b)(11) and 13300(b)(11) require that there be a requirement or exclusion from employment or certification based on specific criminal conduct on the part of the subject of the record; and

WHEREAS, Penal Code Sections 11105(b)(11) and 13300(b)(11) require the city council, board of supervisors, or governing body of a city, county, district or joint powers authority to specifically authorize access to summary criminal history information for employment or certification purposes.

NOW, THEREFORE, BE IT RESOLVED that the Ontario International Airport Authority are hereby authorized to access state and federal level summary criminal history information for employment (including volunteers and contract employees), and may not disseminate the information to a private entity.

PASSED, APPROVED, AND ADOPTED on this 13th day of December 2017.

ALAN D. WAPNER, OIAA PRESIDENT

ATTEST:

CLAUDIA Y. ISBELL, 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 December 13, 2017 by the following roll call vote, to wit:

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSENT: COMMISSIONERS:

CLAUDIA Y. ISBELL, 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 December 13, 2017.

CLAUDIA Y. ISBELL, ASSISTANT SECRETARY

(SEAL)

**ONTARIO INTERNATIONAL
AIRPORT AUTHORITY**
Agenda Report
December 13, 2017

**SECTION:
CONSENT CALENDAR**

SUBJECT: AMEND CONTRACT DA-5077 WITH ALL AMERICAN ASPHALT FOR THE PROVISION OF ASPHALT CONCRETE MIXES AND RELATED SERVICES BY INCREASING THE ANNUAL AUTHORITY AMOUNT TO \$750,000 PER CONTRACT YEAR FOR AN OVERALL CONTRACT AMOUNT NOT TO EXCEED \$2.975 MILLION, AND REQUEST AUTHORIZATION FOR THE CHIEF EXECUTIVE OFFICER TO EXERCISE THE REMAINING ONE-YEAR RENEWAL OPTION

**RELEVANT STRATEGIC OBJECTIVES(S): Expansion of Air Services
Provide Friendly Facilities and Services
Maintain Asphalt Concrete Pavement Surfaces in Accordance with FAA Requirements**

RECOMMENDED ACTION(S): That the Ontario International Airport Authority (OIAA) Commission approve the amendment to Contract DA-5077 between the OIAA and All American Asphalt increasing the annual authority amount by \$250,000 per contract year for an overall amount not to exceed \$2.975 million, and authorize the Chief Executive Officer to Exercise the remaining one-year renewal option.

FISCAL IMPACT: The cost to increase the annual authority amount are to be paid for with OIAA appropriations. This recommended action is consistent with already approved budget actions and does not change or add to any prior funding requests.

BACKGROUND: On November 1, 2016, the Ontario International Airport was transferred from Los Angeles World Airports (LAWA) to the Ontario International Airport Authority (OIAA). Effective on the date of the transfer and by Full Assignment and Novation Agreement, LAWA assigned the OIAA and OIAA assumed from LAWA all rights, duties, and obligations of Contract DA-5077 with All American Asphalt. LAWA's Board of Airport Commissioners approved Contract DA-5077 on May 23, 2016, for the procurement of asphalt concrete mixes from All American Asphalt for an amount not to exceed \$500,000 per contract year and an overall amount not to exceed \$1,500,000 over the term of contract.

STAFF MEMBER PRESENTING: Bruce Atlas, Chief Operations Officer

Prepared by: Keith Owens
Department: _____

OIAA

Chief Executive
Officer Approval:

Mark A. Hoopes

Submitted to OIAA: December 13, 2017

General Counsel

Review: December 13, 2017

Approved: _____

Continued to: _____

Denied: _____

Item No. 09

Asphalt is a critical material used for paving taxiways, runway safety areas, parking lots, roadways, and streets throughout ONT. Immediate identification and replacement of damaged and deteriorated surfaces is critical to ensuring safe aircraft movement, safety for the traveling public, and compliance with FAA Safety Regulations.

Asphalt pavement is also replaced whenever it is damaged and deteriorated as a result of age, rutting, cracks, and subsurface soil movement. The use of heavier aircraft and increased aircraft movement accelerates the damage and necessitates the repair, removal and replacement of asphalt pavement. Additionally, severe cracks and potholes on surface streets and in parking lots can damage vehicles and pose a trip hazard to pedestrians. These areas are also inspected and repaired regularly to help promote a safe environment at ONT.

Specifications required the Contractor's plant(s) to be no further than 35 miles from the airport delivery site to ensure the asphalt concrete mix met the required application temperature, defined as no less than 250 degrees Fahrenheit.

Asphalt pricing is based on the California Statewide Crude Oil Price Index. Due to the volatility of the oil market and the affect it poses on the financial well-being of the contractor, compensation adjustments for price index fluctuations, which occur during the contract period, may increase or decrease for paving asphalt price fluctuations exceeding 10 percent.

DA-5077 includes a provision which allows for the addition of products or services to the contract should an item, product, brand, commodity or service, or a combination of the same, not be anticipated at the time of drafting the specifications, but is related to the performance of the contract. The addition of products, labor, and services offered by the contractor and accepted by the OIAA become part of the contract. Due to deteriorating pavement surfaces on the airfield which creates an overgrowth of vegetation, weed abatement and crack sealing services were added effective June 1, 2017. In addition, on August 16, 2017, concrete spall repair and joint seal replacement was added to repair neglected/deteriorated aircraft ramps and other pavement areas to help ensure the safety of the airfield by eliminating foreign object debris (FOD) caused by spalled concrete which has an extremely high potential to be ingested into aircraft engines.

All American Asphalt is an established vendor with the OIAA and maintains approved insurance on file.

CEQA COMPLIANCE: The proposed contract amendment is Categorical Exempt (Class 1) from the provisions of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301 (c) "Replacement or reconstruction of existing utility systems and /or facilities involving negligible or no expansion of capacity.

STAFFING IMPACT (# OF POSITIONS): This action will have no staffing impact on the OIAA.

IMPACT OF OPERATIONS: This action will have no operational impact on Ontario International Airport as it pertains to egress and ingress.

SCHEDULE: No schedule is required for this action.

EXHIBITS AND ATTACHMENTS:

Attachment A: Amendment to All American Asphalt Agreement.

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.

**ONTARIO INTERNATIONAL
AIRPORT AUTHORITY**
Agenda Report
December 13, 2017

**SECTION:
ADMINISTRATIVE
REPORT/DISCUSSION/ACTION**

SUBJECT: A RESOLUTION TO APPROVE AND AUTHORIZE GUARDIAN JET CENTER EXPANSION AT ONTARIO INTERNATIONAL AIRPORT

**RELEVANT STRATEGIC OBJECTIVE: Develop Airport Related Businesses.
Create the Most Competitive, Efficient, and Innovative Cargo and Business Airport.**

RECOMMENDED ACTION(S): That the Ontario International Airport Authority Commission adopt a resolution to approve the Guardian Jet Center Expansion Project at Ontario International Airport.

FISCAL IMPACT: OIAA will provide rent abatements or rent credits to Guardian Air Services, LLC (Guardian) in the estimated amount of \$40,000 - \$50,000 for Guardian's costs to demolish and remove existing OIAA structures on the Jet Center Expansion Project site. All other costs for construction of the Guardian Jet Center Expansion Project will be borne solely by Guardian.

BACKGROUND: On July 26, 2017, the Ontario International Airport Authority (OIAA) Commission approved the Second Amendment to Lease (ONT-7994) between OIAA and Guardian. The amended Guardian Lease requires the company to provide a concept plan to OIAA for a new hangar, offices and related improvements, as well as to obtain all necessary governmental permits and appropriate environmental review under CEQA to begin construction of those improvements. The amended Guardian Lease also requires OIAA to clear all OIAA buildings and structures from the land to be used for Guardian's Jet Center Expansion Project.

Consistent with the amended Guardian Lease, Guardian recently provided its Jet Center Expansion Project improvement plans to OIAA, which plans have been reviewed by OIAA Staff and appropriate consultants. The proposed Guardian Jet Center Expansion Project will be located on an approximately two-acre site within Ontario International Airport (ONT or Airport), along the northern edge of the existing Guardian Jet Center site. The proposed project site is south of the Airport's runways, just north of Avion Drive, and just west of South Vineyard Avenue. Attachment 1 shows the Project location.

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

Prepared by: Mark A. Thorpe
Department: _____

OIAA

Chief Executive
Officer Approval: 

Submitted to OIAA: December 13, 2017

General Counsel

Review: December 13, 2017

Approved: _____

Continued to: _____

Denied: _____

Item No. 10

The proposed Guardian Jet Center Expansion Project consists of the construction and operation of an approximately 28,000-square-foot airplane hangar; 14,630-square-foot, two-story office and machine shop building; and associated site improvements such as the extension of existing utilities and addition of new parking spaces. Attachment 2 shows the proposed site plan for the facility. Construction of the Project is planned to start in January 2018 and to be completed during or before November 2018.

The airplane hangar will be built to accommodate the Raytheon Multiprogram Testbed (RMT), which is a modified Boeing 727 aircraft owned and operated by Raytheon. The RMT tests products that are developed by Raytheon and typically flies on military ranges or special use airspace granted under letters of agreement with local controlling agencies.

The Guardian Jet Center Expansion Project will also result in Guardian requiring additional space at the Airport for some facilities and operations that will be displaced by the construction and operation of the Expansion Project. OIAA commits to work with Guardian in good faith to address the company's short-term and long-term additional space needs at the Airport resulting from the Expansion Project, which issues may be addressed in a further amendment(s) to the Guardian Lease.

NOTICE OF EXEMPTION UNDER CEQA: Following a thorough review by OIAA Staff, consultants and General Counsel's office, on November 30, 2017, the OIAA issued a Notice of Exemption (NOE) for the Guardian Jet Center Expansion Project. The NOE is based upon 14 Cal Code Regs Section 15332, which addresses in-fill development projects.

The Project qualifies for this exemption under the California Environmental Quality Act (CEQA) because (1) the proposed development is consistent with the City of Ontario General Plan, and all applicable General Plan policies, as well as with all applicable City zoning designation and regulations, (2) the proposed development occurs within the Ontario City limits on a project site of no more than five acres that is substantially surrounded by urban uses, (3) the proposed development site has no value as habitat for endangered, rare, or threatened species, (4) approval of the Project would not result in any significant effects relating to traffic, noise, air quality, or water quality, and (5) the development site can be adequately served by all required utilities and public services. Attachment 3 is a copy of the NOE.

STAFFING IMPACT (# OF POSITIONS):

N/A

IMPACT ON OPERATIONS:

N/A

SCHEDULE:

Construction of the Project is expected to be completed in about November 2018.

EXHIBITS AND ATTACHMENTS:

Attachment 1 – Proposed Project location.

Attachment 2 – Proposed Project site plan.

Attachment 3 – Notice of Exemption under CEQA issued on November 30, 2017.

Attachment 4 – Resolution to Approve and Authorize Guardian Jet Center Expansion

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.]

RESOLUTION NO. _____

A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT
AUTHORITY TO APPROVE AND AUTHORIZE THE GUARDIAN AIR
SERVICES, LLC, JET CENTER EXPANSION PROJECT

WHEREAS, the Ontario International Airport Authority (the "OIAA" or "Authority") 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 Joint Exercise of Powers Act of the State of California (the "Joint Powers Act"), for the purpose of operating, maintaining, managing, developing, and marketing the Ontario International Airport (the "Airport") and related Airport facilities; and

WHEREAS, on July 26, 2017, the Authority Commission approved the Second Amendment to Lease (ONT-7994) between OIAA and Guardian Air Services, LLC ("Guardian"). The amended Guardian Lease requires the company to provide a concept plan to OIAA for a new hangar, offices and related improvements totaling at least \$3,000,000 in value, as well as to obtain all necessary governmental permits and appropriate environmental review under CEQA to construct those improvements; and

WHEREAS, the amended Guardian Lease also requires OIAA to clear all OIAA buildings and structures from the land to be used for Guardian's Jet Center Expansion Project; and

WHEREAS, Guardian recently provided its Jet Center Expansion Project improvement plans to OIAA, which plans have been reviewed by OIAA Staff and appropriate consultants to ensure consistency with the terms of the Second Amendment to Lease between OIAA and Guardian, as well as consistency and compatibility with Airport operations. The proposed Guardian Jet Center Expansion Project will be located on an approximately two-acre site within Ontario International Airport ("ONT" or "Airport"), along the northern edge of the existing Guardian Jet Center site. The proposed project site is south of the Airport's runways, just north of Avion Drive, and just west of South Vineyard Avenue. Attachment 1 shows the Project location; and

WHEREAS, the proposed Guardian Jet Center Expansion Project consists of the construction and operation of an approximately 28,000-square-foot airplane hangar; 14,630-square-foot, two-story office and machine shop building; and associated site improvements such as the extension of existing utilities and addition of new parking spaces. Attachment 2 shows the proposed site plan for the Project; and

WHEREAS, the airplane hangar will be built to accommodate the Raytheon Multiprogram Testbed (RMT), which is a modified Boeing 727 aircraft owned and operated by Raytheon. The RMT tests products that are developed by Raytheon and typically flies on military ranges or special use airspace granted under letters of agreement with local controlling agencies; and

WHEREAS, OIAA will provide rent abatements or rent credits to Guardian in the estimated amount of \$40,000 - \$50,000 for Guardian's costs to demolish and remove existing OIAA structures on the Jet Center Expansion Project site. All other costs for construction of the Guardian Jet Center Expansion Project will be borne solely by Guardian; and

WHEREAS, the Guardian Jet Center Expansion Project will result in Guardian requiring additional space at the Airport for some facilities and operations that will be displaced by the construction and operation of the Jet Center Expansion Project. OIAA commits to work with Guardian in good faith to address the company's short-term and long-term additional space needs at the Airport resulting from the Expansion Project, which issues may be addressed in a further amendment(s) to the Guardian Lease. and

WHEREAS, following a thorough review by OIAA Staff, consultants and General Counsel's office, on November 30, 2017, the OIAA issued a Notice of Exemption (NOE) for the Guardian Jet Center Expansion Project. The NOE is based upon 14 Cal Code Regs Section 15332, which addresses in-fill development projects.

NOW, THEREFORE, BE IT RESOLVED by the Ontario International Airport Authority as follows:

SECTION 1: The Guardian Jet Center Expansion Project as described in this Resolution and as shown on Attachments 1 and 2 is approved and authorized to be developed and constructed at Guardian's sole cost and expense.

SECTION 2: The Ontario International Airport Authority Commission authorizes the Chief Executive Officer to take all actions reasonable and necessary to monitor, inspect, permit, and approve design and construction elements of, the Guardian Jet Center Expansion Project, and to file the NOE for the Project with the appropriate agency. The Chief Executive Officer shall also ensure that all Project-related development and improvements remain consistent with the terms of the Second Amendment to Lease (ONT-7994) between OIAA and Guardian, as well as remain consistent and compatible with Airport operations.

SECTION 3: The Ontario International Airport Authority Commission further authorizes the Chief Executive Officer to impose on and collect from Guardian all reasonable costs and fees as necessary for OIAA or any other applicable agency to perform all monitoring, inspection, permitting, and approval actions relating to the Guardian Jet Center Expansion Project.

SECTION 4: The Ontario International Airport Authority Commission further authorizes the Chief Executive Officer to provide rent abatements or rent credits to Guardian in the estimated amount of \$40,000 - \$50,000 for Guardian's costs to demolish and remove existing OIAA structures on the Jet Center Expansion Project site.

SECTION 5: The Ontario International Airport Authority Commission further authorizes the Chief Executive Officer to work with Guardian in good faith to address the company's short-term and long-term additional space needs at the Airport resulting from the Jet Center Expansion Project, which issues may be addressed in a further amendment(s) to the Guardian Lease.

PASSED, APPROVED, AND ADOPTED this 13th day of December, 2017.

ALAN D. WAPNER, OIAA PRESIDENT

ATTEST:

CLAUDIA Y. ISBELL, 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, Commission Clerk 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 December 13, 2017 by the following roll call vote, to wit:

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSENT: COMMISSIONERS:

CLAUDIA Y. ISBELL, 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 December 13, 2017.

CLAUDIA Y. ISBELL, ASSISTANT SECRETARY

(SEAL)

ONTARIO INTERNATIONAL
AIRPORT AUTHORITY
Agenda Report
December 13, 2017

SECTION:
ADMINISTRATIVE
REPORT/DISCUSSION/ACTION

SUBJECT: PURCHASE THREE 3,000-GALLON COMMERCIAL GRADE ROSENBAUER AIRCRAFT RESCUE FIRE FIGHTING (ARFF) APPARATUS AT A COST OF \$1.2 MILLION PER UNIT AND ONE ROSENBAUER RAPID INTERVENTION VEHICLE (“RIV”) AT A COST OF \$670,000 FOR A TOTAL COST OF \$4.3 MILLION

**RELEVANT STRATEGIC OBJECTIVE: Expansion of Air Services
Reduce Airline Costs**

RECOMMENDED ACTION(S): That the Ontario International Airport Authority:

1. Approve and authorize the CEO to execute agreements to purchase and finance the ARFF equipment;
2. Approve and authorize the CEO to enter into a cooperative purchase contract between OIAA and the Houston-Galveston Area Council (“H-GAC”)

FISCAL IMPACT AND SOURCE OF FUNDS:

ARFF Apparatus purchase amount	\$4.27 million
Interest costs – tax-exempt financing	\$0.35 million
Total expense	\$4.62 million

The procurement and related costs over the next six years will be funded in the FY2018 through FY2023 operating budgets:

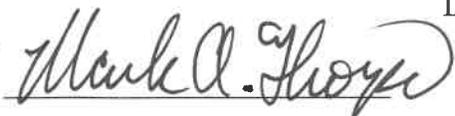
(Amounts in US\$ million)

Description	Total	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2023	FY2023
Debt svc.	4.62	-0-	0.66	0.66	0.66	0.66	0.66	0.66	0.66
Other	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total	4.62	-0-	0.66	0.66	0.66	0.66	0.66	0.66	0.66

STAFF MEMBER PRESENTING: Jeff Reynolds, Chief Financial Officer

Prepared by: Accounting and Finance
 Department: _____
 OIAA _____

Submitted to OIAA: December 13 2017
 General Counsel
 Review: _____
 Approved: _____
 Continued to: _____
 Denied: _____

Chief Executive Officer Approval: 

Item No. 11

BACKGROUND: The Ontario International Airport Authority (OIAA) assumed responsibility for Ontario International Airport (ONT) on November 1, 2016. Transfer of the airport to the OIAA from Los Angeles World Airports (LAWA) included assets used at ONT. Transferred assets included ARFF equipment aged 17 to 29 years. The ARFF vehicles are required by the Federal Aviation Administration (FAA) to maintain the Airport's Code of Federal Regulation (CFR) Part 139 Index "C" rating for aircraft activity. Failure by OIAA to maintain ARFF Index C would require OIAA to reduce or suspend aircraft operations. The National Fire Protection Association (NFPA) and FAA recommend a 10-year service life for these vehicles. The Airport's existing apparatus have been in service for between 17 to 29 years and are costly and burdensome to maintain in operating condition.

A new fleet of ARFF vehicles will ensure ONT's existing Index C can be maintained and that a higher Index can be met as ONT attracts new international air service utilizing wide-body aircraft such as the Boeing 777-300ER planned to be used by China Airlines at ONT in 2018.

The proposed acquisition of vehicles will elevate the Airport's Index to E, which is critically important because Index E is an FAA prerequisite for an airport to accept more than four scheduled passenger wide body flights in per day. HGAC is a buying cooperative that offers pre-negotiated "best-pricing", which represents a streamlined procurement approach that complies with government procurement statutes.

Staff finalized its plan for procuring ARFF after careful study of various options. Ontario Fire Department ("OFD") initially recommended use of FAA grant money from the Airport Improvement Program (AIP) to cover up to 80.59% of the eligible cost of new ARFF vehicles. However, use of AIP grant funds for the purchase of ARFF vehicles severely restricts OIAA's ability to procure the vehicles it believes will best meet the Airport's current and long-term needs.

OFD/OIAA's team consulted with FAA staff and other airports within the Southern California region and found that use of AIP funds can be challenging for ARFF apparatus purchases and that many airports choose to use their AIP grant funds for other eligible projects. Some airports have had to repay grant funds back to FAA after grants have been audited and issues have been identified with the procurement process. ONT has other needs that are better suited for use of AIP grant funds.

BUSINESS CASE: As outlined above, the primary driver for the acquisition of the equipment proposed is operational necessity. While the FAA recommends a service life of 10-years, the fleet in use at ONT range in age from 17 to 29-years. ONT's current C-Index the airport constrains the airport's growth potential. The airport's growth aspirations can only be achieved if the airport raises its Index to E; which this acquisition would achieve.

After considering alternatives, OIAA and OFD determined the best approach for acquiring the ARFF equipment was to utilize economical financing through a State of California Agency called Golden State Financial Marketplace ("GS \$Mart"). This financing source is designed to facilitate State of California government installment purchases. It meets all requirements of a competitively bid process. Highlights of this financing mechanism are as follows:

- Percent of purchase amount financed: 100%
- Term: 7-years
- Amortization method: Mortgage style / Level payment
- Interest rate: 2.0% per annum

CEQA COMPLIANCE: N/A

STAFFING IMPACT (# OF POSITIONS): N/A

IMPACT ON OPERATIONS: The replacement apparatus will vastly improve the speed and effectiveness of the airport's ARFF capabilities. The potential benefits to public safety and protection of property is significant. Also, as mentioned above, the procurement will allow the OIAA to achieve its air service growth goals.

SCHEDULE: The order will be placed in December 2017 or January 2018. The apparatus will be delivered in the third calendar quarter of 2018.

EXHIBITS & ATTACHMENTS:

Attachment A – HGACBuy INTERLOCAL CONTRACT FOR COOPERATIVE PURCHASING

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This Agenda Report has been reviewed by OIAA General Counsel.