

ONTARIO INTERNATIONAL AIRPORT AUTHORITY

COMMISSION AGENDA - REGULAR MEETING



SEPTEMBER 25, 2018 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

ATIF J. ELKADI
Interim Treasurer

WELCOME TO THE 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 an 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 Closed Session and Closed Session Comment at 3:00 p.m., immediately followed by Public Comment and the Regular Meeting.

(Sign Language Interpreters, Communication Access Real-Time Transcription, Assistive Listening Devices, or other auxiliary aids and/or services may be provided upon request. To ensure availability, you are advised to make your request at least 72 hours prior to the meeting you wish to attend. Due to difficulties in securing Sign Language Interpreters, five or more business days notice is strongly recommended.)

CALL TO ORDER (OPEN SESSION) - 3:00 P.M.

ROLL CALL

Loveridge, Bowman, Hagman, Gouw, President Wapner

PLEDGE OF ALLEGIANCE

PUBLIC COMMENT

Public Comment: The open meeting Public Comment portion of the Commission meeting is limited to a maximum of 3 minutes for each. Additional opportunities for further Public Comment will be given during and at the end of the meeting.

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. APPROVAL OF MINUTES

Minutes for the regular meeting of the Ontario International Airport Authority on August 28, 2018, approving same as on file with the Secretary/Assistant Secretary.

3. BILLS/PAYROLL

Bills August 1, 2018 through August 31, 2018 and Payroll August 1, 2018 through August 31, 2018.

4. APPROVAL OF MEETING STIPENDS

That the Ontario International Airport Authority Commission approve meeting stipends for President Wapner.

5. AWARD OF CONTRACT TO AMG AND ASSOCIATES, INC. FOR THE SWA AND MTS CARGO RELOCATION PROJECT AT ONTARIO INTERNATIONAL AIRPORT

That the Ontario International Airport Authority (OIAA) approve the award of contract to AMG and Associates, Inc. for the demolition of existing blast wall and bus terminal, and the design, construction and installation of two fabric structures in the amount of \$12,312,978. The budget for Fiscal Year 2019, contained an initial estimated amount of \$4,000,000 for the fabricated structures. The remaining \$8,300,000 for the installation and construction of the facilities will be funded through existing cash balances for an overall cash outlay of \$12,312,978 by fiscal year ending June 30, 2019.

6. APPROVE THE SELECTION OF AND AUTHORIZE THE CEO TO NEGOTIATE AND EXECUTE A CONTRACT WITH RS&H CALIFORNIA, INC. FOR AIRSIDE AND LANDSIDE PAVEMENT MANAGEMENT SYSTEM PROJECT AT ONTARIO INTERNATIONAL AIRPORT

That the OIAA approve the selection of and authorize the CEO to negotiate and execute a contract with RS&H California, Inc. for Airside and Landside Pavement Management System project. The FY2018/19 budgeted amount for the Airside and Landside Pavement Management System project was \$1,500,000. The OIAA executed the FAA Grant offer 3-06-0175-044-2018 on September 4, 2018, for the Airside and Landside Pavement Management project. The FAA Grant is in the amount of \$709,780, is AIP funding available for reimbursement for the Airside and Landside Pavement Management System project.

7. APPROVE THE SELECTION OF AND AUTHORIZE THE CEO TO NEGOTIATE AND EXECUTE A CONTRACT WITH HNTB CORPORATION FOR GIS DATA COLLECTION, NARRATIVE REPORT AND AIRPORT LAYOUT PLAN PROJECT AT ONTARIO INTERNATIONAL AIRPORT

That the OIAA approve the selection of and authorize the CEO to negotiate and execute a contract with HNTB Corporation for GIS Data Collection, Narrative Report and Airport Layout Plan project. The FY2018/19 budgeted amount for the GIS Data Collection, Narrative Report and Airport Layout Plan project was \$1,500,000. The FAA anticipates making the grant offer for the project in the next federal fiscal year in the second quarter of 2019. The next federal fiscal year commences on October 1, 2018.

8. APPROVE THE FIRST ONE-YEAR EXTENSION OPTION WITH SECURITAS SECURITY USA INC., FOR AS-NEEDED SECURITY SERVICES AT ONTARIO INTERNATIONAL AIRPORT AND AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXECUTE THE SECOND ONE-YEAR EXTENSION OPTION FOR THE THIRD AND FINAL CONTRACT YEAR

That the Ontario International Airport Authority (OIAA) approve the first one-year extension (second contract year), including a 3.9% increase for security personnel, for an annual amount not to exceed \$470,000, and authorize the Chief Executive Officer to execute the second extension option (third/final contract year), and associated staff percentage increase, for an amount not to exceed \$1,410,000 over the term of contract. Funding for this contract is approved under the Operations and Maintenance Fiscal Year 2019 Budget. Funding for subsequent years will be requested through the annual budget process.

9. APPROVE THE FIRST ONE-YEAR EXTENSION OPTION WITH GROUP & WANG ASSOCIATES FOR DEVELOPMENT OF AN AIR SERVICE MARKETING STRATEGY FOR RECRUITMENT OF AIRLINES FROM THE PEOPLE'S REPUBLIC OF CHINA (PRC) AND AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXECUTE THE SECOND ONE-YEAR EXTENSION OPTION FOR THE THIRD AND FINAL CONTRACT YEAR

That the Ontario International Airport Authority (OIAA) approve the first one-year extension (second contract year) for an annual amount not to exceed \$300,000 and an overall amount not to exceed \$900,000 over the contract term, and authorize the Chief Executive Officer to execute the second extension option (third/final contract year). Funding for this contract is approved under the Fiscal Year 2019 budget. Funding for subsequent years will be requested through the annual budget process.

10. APPROVE THE FIRST ONE-YEAR EXTENSION OPTION WITH GUGE MARKETING FOR ADVERTISING, MARKETING, CREATIVE DEVELOPMENT, MEDIA BUYS AND OTHER RELATED SERVICES AND AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXECUTE THE SECOND ONE-YEAR EXTENSION OPTION FOR THE THIRD AND FINAL CONTRACT YEAR

That the Ontario International Airport Authority (OIAA) approve the first one-year extension (second contract year) for an amount not to exceed \$300,000 and an overall amount not to exceed \$900,000 over the contract term, and authorize the Chief Executive Officer to execute the second extension option for the third/final contract year. Funding for this contract is approved under the Fiscal Year 2019 budget. Funding for subsequent years will be requested through the annual budget process.

11. A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY TO EXTEND THE DURATION OF INCENTIVES UNDER THE OIAA INTERNATIONAL AIR CARRIER INCENTIVES POLICY

That the Ontario International Airport Authority (OIAA) amend the OIAA's Air Carrier Incentives Policy (ACIP), originally adopted on by Resolution No. 2017-11 on September 28, 2017, to extend the duration of incentive benefits for passenger airlines offering qualifying international services at ONT from its current length of 12 months to the earlier of 24 months or the commencement of operations at the replacement U.S. Customs and Border Protection (USCBP) Federal Inspection Station (FIS) in Terminal 2 at ONT.

RESOLUTION NO. _____

A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY
COMMISSION TO EXTEND THE DURATION OF INCENTIVES UNDER THE
OIAA INTERNATIONAL AIR CARRIER INCENTIVES POLICY

12. RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY ADOPTING A TICKET DISTRIBUTION POLICY

That the Ontario International Airport Authority (OIAA) adopt a ticket distribution policy in accordance with state law. . From time to time, the OIAA receives "tickets or passes" from third party sources, both public and private to allow OIAA public officials to conduct outreach and promotional activities. Under Title 2 of the California Code of Regulations, Section 18944.1, tickets and/or passes are defined as an admission to a facility, event, show or performance for an entertainment, amusement, recreational, or similar purpose.

RESOLUTION NO. _____

A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY
ADOPTING A TICKET DISTRIBUTION POLICY

ADMINISTRATIVE DISCUSSION/ACTION/REPORT

13. A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY APPROVING FULL COST RECOVERY OF ACCOMMODATED DIVERTED FLIGHTS

That the Ontario International Airport Authority (OIAA) adopt a resolution establishing rates to recover the full cost of accommodating diverted flights by non-signatory airlines, which are irregular, non-scheduled operations, unlike scheduled flights. : If approved, staff will pass along to non-signatory airlines operating diverted flights, as well as signatory airlines that divert too many flights to accommodate at the gates that they have leased at ONT terminals; which thus require remote parking positions monitored by OIAA operations staff, the overtime rate of OIAA operations staff, as well as the per gallon surcharge that our fuel consortium members pay when fuel has to be trucked in at a moment's notice to make up for supply shortages attributable to diverted flights.

RESOLUTION NO. _____

A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY APPROVING FULL COST RECOVERY OF SERVICES PROVIDED TO ACCOMMODATE IRREGULAR FLIGHT OPERATIONS DIVERTED TO ONTARIO INTERNATIONAL AIRPORT

STAFF MATTERS

Chief Executive Officer Thorpe

COMMISSION MATTERS

President Wapner
Vice President Loveridge
Secretary Bowman
Commissioner Hagman
Commissioner Gouw

ADJOURNMENT

ONTARIO INTERNATIONAL AIRPORT AUTHORITY



DATE: SEPTEMBER 25, 2018
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:

Table with 3 columns: Item No, Principals & Agents, and Subcontractors. Row 1: Item No. 05, AMG & Associates, list of subcontractors including GGG Demo, Ace, American Eagle, Kerns, United, Legacy, Overhead Door Comp, J.G. Tate, Velox, M. Wilson. Row 2: Item No. 06, RS&H California, list of subcontractors including Wagner Engineering and Survey, Diaz Yourman and Associates, JILS.

STAFF MEMBER PRESENTING: Board Clerk, Claudia Y. Isbell

Department: Clerk's Office

Submitted to OIAA: September 25, 2018

Approved: _____

Continued to: _____

Denied: _____

Chief Executive Officer Approval: [Signature]

Item No. 07	HNTB Corporation	<ul style="list-style-type: none">• Martinez Geospacial• Psomas
Item No. 08	Securitas Security USA, Inc.	<ul style="list-style-type: none">• None
Item No. 09	Group & Wang Associates	<ul style="list-style-type: none">• None
Item No. 10	Guge Marketing	<ul style="list-style-type: none">• None

**ONTARIO INTERNATIONAL AIRPORT AUTHORITY
REGULAR COMMISSION MEETING
MINUTES
TUESDAY, AUGUST 28, 2018
(Not Official Until Approved)**

A regular meeting of the Ontario International Airport Authority was held on Tuesday, August 28, 2018, at 1923 E. Avian 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 3:00 p.m.

ROLL CALL

PRESENT: Commissioners: Julia Gouw, Jim W. Bowman,
Ronald O. Loveridge and Alan D. Wapner.

ABSENT: Commissioners: Curt Hagman.

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

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Secretary Jim W. Bowman.

PUBLIC COMMENT

Rudy Favila: spoke on concerns of diversity with staff at ONT.

Jesse Fonseca: spoke about noise concerns and flight patterns.

Hearing no other requests to speak, President Wapner recessed the regular meeting of the Ontario International Airport Authority to Closed Session at 3:08 p.m. with all Commissioners in attendance except Commissioner Hagman.

CLOSED SESSION

- GC 54957.6, PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: Chief Executive Officer performance goals and objectives

The Ontario International Airport Authority Commission regular meeting was reconvened in public session at 3:49 p.m.

CLOSED SESSION REPORT

President Wapner announced there was no reportable action.

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 Gouw, seconded by Secretary Bowman and carried by a vote of 4-0-1, with Commissioner Hagman absent, to approve the consent calendar as presented and adopt Resolution Nos. 2018-15 and 2018-16.

2. APPROVAL OF MINUTES

Approved minutes for the regular meeting of the Ontario International Airport Authority on July 24, 2018, approving same as on file with the Secretary/Assistant Secretary.

3. BILLS/PAYROLL

Approved bills from July 1, 2018 through July 31, 2018 and Payroll July 1, 2018 through July 31, 2018.

4. APPROVAL OF MEETING STIPENDS

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

5. AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXERCISE A ONE-YEAR EXTENSION TO AN AGREEMENT WITH AMPCO SYSTEM PARKING, INC. DBA ABM PARKING SERVICES, INC. TO CONTINUE TRANSPORTATION SERVICES FOR THE ONTARIO INTERNATIONAL AIRPORT CONSOLIDATED RENTAL CAR FACILITY

The Ontario International Airport Authority Commission authorized the Chief Executive Officer to exercise a one-year extension to the AMPCO System Parking, Inc., dba ABM Parking Services, Inc. agreement for an amount not to exceed

\$3,500,000.00. A Customer Facility Charge (CFC) is charged to every car rental customer and this revenue is used to pay for the costs associated with the Agreement (ConRAC transportation services) and is allocated in the OIAA FY 2018-19 budget.

6. AUTHORIZATION OF THE CHIEF EXECUTIVE OFFICER TO EXECUTE ON-CALL AIRPORT PLANNING TASK ORDERS FOR THE SCOPE OF SERVICES PREVIOUSLY OUTLINED IN EXHIBIT A OF LEIGH FISHER, INC'S CONTRACT FOR AN AMOUNT NOT TO EXCEED \$1,500,000.00

The Ontario International Airport Authority authorized the Chief Executive Officer to negotiate and execute task orders with Leigh Fisher, Inc., for on-call, as-needed airport planning and support services for general planning initiatives not specific to AIP funded projects, as outlined in Exhibit A- Scope of Services of their contract. The total value of task orders for non-AIP funded initiatives shall not exceed \$1,500,000. Funding for the airport planning and support services contract with Leigh Fisher, Inc., for initiatives not specific to AIP funded projects is included in the OIM FY 18-19 annual budget for Airport Planning Services.

7. APPROVE THE SELECTION OF AND AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXECUTE A CONTRACT WITH RISK AND LITIGATION MANAGEMENT SERVICES

The Ontario International Airport Authority (OIM) approved the selection of and authorized the Chief Executive Officer to execute a contract with Risk and Litigation Management Services, for risk management services at the Ontario International Airport. The three-year contract shall not exceed \$432,000. Funds are allocated in the FY 2018-2019 budget for these services and will be requested in future budgets.

8. AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXECUTE NECESSARY DOCUMENTATION TO ACCEPT 'OTHER TRANSACTION' AGREEMENT FUNDS FROM THE TRANSPORTATION SECURITY ADMINISTRATION FOR A RECAPITALIZATION DESIGN PROJECT AT ONTARIO INTERNATIONAL AIRPORT

The Ontario International Airport Authority (OIM) authorized the Chief Executive Officer to execute all documents necessary to accept 'Other Transaction' Agreement (OTA) funds from the Transportation Security Administration (TSA) in an amount not to exceed \$191,150 for a TSA recapitalization design project at Ontario International Airport (ONT). The OIM, through the Aviation and Transportation Security Act, is eligible to receive 100 percent of the eligible amount of the recapitalization design project which is estimated to be \$191,150 through TSA's OTA program. This amount will cover included costs for design, construction bid proposal documentation, and construction bid proposal evaluation.

9. A RESOLUTION APPOINTING THE DEPUTY EXECUTIVE OFFICER AS INTERIM TREASURER

The Ontario International Airport Authority Commission adopted a resolution appointing and designating the Deputy Executive Officer as the Interim Treasurer of the Authority. In accordance with the provisions of the Joint Exercise of Powers Agreement Section 3.E., the Authority may appoint a Treasurer to perform such duties as are set forth in the Joint Powers Agreement and any other duties specified by the Commission.

RESOLUTION NO. 2018-15 A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY APPOINTING THE DEPUTY EXECUTIVE OFFICER AS THE INTERIM TREASURER

10. A RESOLUTION APPOINTING AUTHORIZED INDIVIDUALS TO DEPOSIT AND/OR WITHDRAW MONEY IN THE LOCAL AGENCY INVESTMENT FUND

The Ontario International Airport Authority (OIAA) Commission adopted a resolution appointing authorized individuals to deposit and/or withdraw money in the local agency investment fund.

RESOLUTION NO. 2018-16 RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY AUTHORIZING INDIVIDUALS TO DEPOSIT AND/OR WITHDRAW MONEY IN THE LOCAL AGENCY INVESTMENT FUND.

11. APPROVAL OF A CONTRACT WITH SULLY MILLER CONTRACTING COMPANY FOR THE SOUTH CARGO RAMP REHABILITATION PROJECT AT THE ONTARIO INTERNATIONAL AIRPORT

The Ontario International Airport Authority authorized the Chief Executive Officer (CEO) to execute a contract with Sully-Miller Contracting Company, in the amount of \$1,884,030 for the South Cargo Ramp Rehabilitation Project at Ontario International Airport. The cost to construct this project is accounted for in the OIAA Fiscal Year 2018-2019 budget. Total construction cost, \$1,884,030, for this project is to be paid for with a mix of FAA Airport Improvement Program (AIP) entitlement grant funds (in the amount of \$1,518,340, 80.59%) and OIAA appropriations in the amount of \$365,690. Project was included in the previously approved 2018 budget.

ADMINISTRATIVE DISCUSSION/ACTION/REPORT

12. ACCEPTANCE OF GRANT AWARDS FROM THE FEDERAL AVIATION ADMINISTRATION OF FUNDS FROM THE AIRPORT IMPROVEMENT PROGRAM

That the Ontario International Airport Authority (OIAA) authorized the Chief Executive Officer to execute all documents necessary to accept grant-in-aids in an amount not to exceed \$11.5 million from the Federal Aviation Administration (FAA) provided through the Airport Improvement Program to cover 80.59 percent of the eligible portion to Rehabilitate Taxiway S, Construct Taxiway A, Install Runway 26R Touch Down Zone (TDZ) Lights, Rehabilitate South Cargo Apron, Terminal 1 Apron and Taxilane G Reconstruction, GIS Data Collection, Triggering Event Narrative Report, and Airport Layout Plan Project (GIS/Narrative Report/ALP) and the Pavement Maintenance Management Plan.

MOTION: Moved by Secretary Bowman, seconded by Commissioner Gouw and carried by a vote of 4-0-1, with Commissioner Hagman absent, to accept grant awards from the Federal Aviation Administration from the Airport Improvement Program.

STAFF MATTERS

CEO Thorpe gave a brief update on ONT cargo and passenger travel.

COMMISSIONER MATTERS

Commissioner Gouw stated she was happy to see more activity on social media sites.

Vice President Loveridge stated he was impressed with the efficiency of the TSA lines.

President Wapner spoke on the positive economic impact the success of ONT is having on the community.

ADJOURNMENT

President Wapner adjourned the Ontario International Airport Authority Commission meeting at 4:01 p.m.

RESPECTFULLY SUBMITTED:

CLAUDIA Y. ISBELL, CLERK OF THE BOARD

APPROVED:

ALAN D. WAPNER, PRESIDENT
ONTARIO INTERNATIONAL AIRPORT AUTHORITY



DATE: SEPTEMBER 25, 2018

SECTION: CONSENT CALENDAR

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

RELEVANT STRATEGIC OBJECTIVE: 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 August 2018, President Wapner attended one (1) additional Authority-related business function. Full Commission approval is needed to approve payment of stipends.

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).)

FISCAL IMPACT AND SOURCE OF FUNDS: OIAA operating revenue.

STAFF MEMBER PRESENTING: Board Clerk, Claudia Y. Isbell

Department: Clerk's Office Submitted to OIAA: September 25, 2018
Approved:
Continued to:
Denied:
Chief Executive Officer Approval: [Signature]

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

STAFFING IMPACT (# OF POSITIONS):

N/A

IMPACT ON OPERATIONS:

N/A

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. |



DATE: SEPTEMBER 25, 2018

SECTION: CONSENT CALENDAR

SUBJECT: AWARD OF CONTRACT TO AMG AND ASSOCIATES, INC. FOR THE SWA AND MTS CARGO RELOCATION PROJECT AT ONTARIO INTERNATIONAL AIRPORT

RELEVANT STRATEGIC OBJECTIVE: Provide Customer Friendly Facilities and Service.

RECOMMENDED ACTION(S): That the Ontario International Airport Authority (OIAA) approve the award of contract to AMG and Associates, Inc. for the demolition of existing blast wall and bus terminal, and the design, construction and installation of two fabric structures in the amount of \$12,312,978.

FISCAL IMPACT SUMMARY: The budget for Fiscal Year 2019, contained an initial estimated amount of \$4,000,000 for the fabricated structures. The remaining \$8,300,000 for the installation and construction of the facilities will be funded through existing cash balances for an overall cash outlay of \$12,312,978 by fiscal year ending June 30, 2019.

Upon completion, the building will be leased for a 5-year term at an annual rental of \$525,000 with landing fees, generated from operations in this structure, amounting to \$138,000 per year.

The purchase price will be amortized to landing fees over the structures estimated useful life of 15 years. The total yearly amortization on the incremental costs of \$8,300,000 is estimated at \$553,300. The amortization expense will be offset by rental revenues of \$525,000, leaving a net addition on the budget of approximately \$28,300 during the lease term. The combined effect on current landing fees of the additional costs net of additional revenues, not in the original budget, will have no impact on the current landing fees of \$1.98 and the cost per enplanement will remain at \$9.04.

BACKGROUND: The SWA and MTS Relocation is an enabling project for the Fed Ex cargo development in the northwest quadrant of the airport. OIAA staff initially proposed a two-phase procurement method to complete the project. First, for the purchase/installation of two fabric structures, STAFF MEMBER PRESENTING: Chief Executive Officer, Mark A. Thorpe

Department: Administration

Submitted to OIAA: September 25, 2018

Approved: _____

Continued to: _____

Denied: _____

Chief Executive Officer Approval:

and second, for the demolition of the existing site and associated construction while the fabric structures were designed/manufactured.

On June 18, 2018, a Notice Inviting Bids (NIB) was issued for the design, fabrication, and installation of two fabric structures at Ontario International Airport. One bid was received by the due date of July 3, 2018; however, due to the escalating pricing offered by the sole bidder, the OIAA reserved the right to reject the bid and prepared revised bid documents which included new specifications for both phases of the project.

PROCUREMENT: On July 17, 2018, a NIB for the SWA and MTS Cargo Relocation Project was advertised with a scope of work including demolition of existing blast wall and bus terminal, site civil improvements, design and installation of two fabric structures, utilities connection points for prefabricated office/trailer, all utilities shut-offs and connections, along with other related improvements as depicted on the plans. On August 10, 2018, the OIAA received three sealed bids in response to the project. Staff reviewed the apparent low bid response, and, with the advice of General Counsel, deemed the bid non-responsive due to multiple material discrepancies in the completion of the schedule of work and pricing. Therefore, staff recommends the award of contract for the SWA and MTS Cargo Relocation Project to AMG and Associates, Inc. as the low, most responsive, responsible bidder for an amount of \$12,312,978. Upon award of contract, staff will potentially conduct value engineering which may ultimately reduce the overall project cost.

CEQA COMPLIANCE AND LAND USE APPROVALS: In accordance with CEQA Guidelines §§15162 and 15164, on June 26, 2018, the OIAA already considered, approved, adopted and certified an Addendum, which includes this enabling project, to the Pacific Gateway Cargo Center (PGCC) Final Environmental Impact Report for the Ontario International Airport Cargo Facility Consolidation and Improvement Program (Project), and considered, approved, and adopted a Mitigation Monitoring and Reporting Program (MMRP) for the Project. Approval of the Project previously also included the demolition of existing structures and paved areas within a portion of the PGCC site and construction of replacement facilities within a portion of the PGCC site.

STAFFING IMPACT (# OF POSITIONS): N/A

IMPACT ON OPERATIONS: When construction commences, gates 37-39 at the existing FIS will be permanently closed. Use of the blast wall area for GSE storage, as well as GSE storage North of the blast wall will be prohibited. Re-configuration of the airfield perimeter gate set 160/160A will be done as part of this project. The service road providing access to the fuel farm will be repaired as part of this project, and will require some coordination to ensure that fueling operations will continue unimpeded.

SCHEDULE: The construction project will be completed in the first quarter of 2019.

ATTACHMENTS: Contract between the OIAA and AMG and Associates, Inc.

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.



**CONTRACT AGREEMENT BETWEEN
ONTARIO INTERNATIONAL AIRPORT AUTHORITY
AND
AMG AND ASSOCIATES, INC.
FOR THE
SWA AND MTS CARGO RELOCATION PROJECT
AT
ONTARIO INTERNATIONAL AIRPORT**

THIS CONTRACT AGREEMENT FOR THE SWA AND MTS CARGO RELOCATION PROJECT ("Contract Agreement"), made and entered into this _____ day of _____, 20____ (hereinafter referred to as "Contract Effective Date"), by and between the Ontario International Airport Authority (hereinafter referred to as "Authority"), a California joint powers authority, acting by order of and through its Commission, and AMG and Associates, Inc. a California S-Corporation (hereinafter referred to as "Contractor").

RECITALS

WHEREAS, Authority, by action of the Commission, approved and authorized the issuance of a "Notice Inviting Bids" for the construction of the project entitled "SWA and MTS Cargo Relocation Project" (hereinafter referred to as "Project") at the Ontario International Airport (hereinafter referred to as "Airport"); and

WHEREAS the Authority is responsible for the management and administration of this Contract Agreement, and

WHEREAS, in response to said Notice Inviting Bids and said Project Specifications thereto, Contractor was determined to be the lowest responsive and responsible bidder for the Project; and

WHEREAS, Contractor is engaged in the business of providing Construction services of the type sought by the Authority; and

WHEREAS, the Commission has now authorized the Construction of the Project, as specified in said Notice Inviting Bids and the Contractor's Bid;

NOW THEREFORE, in consideration of the premises, and of the terms, covenants and conditions hereinafter contained to be kept and performed by the respective parties hereto, IT IS MUTUALLY AGREED AS FOLLOWS:

Section 1.0 Incorporation by Reference.

It is expressly understood and agreed that this Contract Agreement, General Conditions, Special Conditions, Federal Conditions, Appendices, Administrative Requirements, Schedule of Work and Prices, Project Plans, Technical Specifications, Insurance Requirements (Exhibit 1) ,

and any document referenced in said documents, are hereby incorporated by this reference as though specifically set forth herein and shall constitute, and are hereby made, a part of this Contract Agreement (hereinafter, collectively, referred to as the “Contract Documents”), and each of the parties does hereby expressly covenant and agree to carry out and fully perform each and all of the provisions of said documents upon its part to be performed.

Section 2.0 Scope of Work.

2.1. Contractor agrees to furnish all labor, materials and equipment, and to perform all work required as outlined in the Contract Documents hereto, to completely construct, in a final and finished state, the Project, in strict compliance with the Contract Documents.

2.2. It is expressly understood and agreed that Contractor shall perform all incidental work required to complete the Project, including work for which no specific bid item(s) was/were included, and/or including work which is required to furnish a final finished detailed product consistent with, and to fulfill, the intent of the Contract Documents. All such incidental work shall not be considered extra work for which additional compensation can be claimed by Contractor.

2.3. The Project includes, but is not limited to: The demolition of the existing storage building, jet blast fence and storages, bus terminal, site civil improvements, design and installation of two fabric structures, all utilities shut-offs and connections, light pole and shut off along with other related improvements as contained in the Contract Documents.

The site civil improvements will include, but not limited to, grading, pavement and foundation construction.

Section 3.0 Term of Contract.

Notwithstanding any other provision herein, the term of this Contract Agreement shall commence on the date of issuance by the Authority to Contractor of a Notice to Proceed and expire no later than seventy-six (76) days from the Contract Effective Date and subject to other termination provisions contained within the Contract Documents. Contractor will be assessed Liquidated Damages as set forth in the Contract Documents if it fails to meet the milestone date of the Project, consistent with the intent of the Contract Documents, no later than January 15, 2018, subject to Authority-authorized modifications as provided for the Contract Documents. In addition, Contractor may be assessed Liquidated Damages for failure to meet specific Contract Milestone dates as set forth in the Contract Documents.

Section 4.0 Contract Amount.

For all labor, all materials, all equipment and all services rendered, for all costs direct or indirect, and for all expenses incurred by Contractor pursuant to this Contract Agreement, and upon satisfactory completion of said Project in a final finished form consistent with the intent of the Contract Documents, according to the Prices in the Bid Form submitted with the Contractor's Bid and attached hereto and incorporated herein by this reference, Authority shall pay Contractor for its performance under this Contract Agreement at the times and in the manner specified in the Contract Documents. Regardless of any other provision of this Contract, it is understood and agreed that the total sum to be paid by the Authority to the Contractor, for all of the Contractor's services described herein, shall be an amount Not-to-Exceed (NTE) \$12,312,978 based upon



(Bid Form) hereto, subject to the actual construction quantities or Authority authorized modification as provided for in the Contract Documents.

Section 5.0 Notices.

Notice to Authority. Written notices to Authority hereunder shall be given by registered or certified mail, postage prepaid, and addressed to:

**Ontario International Airport Authority
Mr. Mark Thorpe, Chief Executive Officer
1923 E. Avion St.
Ontario, CA 91761**

or to such other address as Authority may designate by written notice to Contractor.

Notice to Contractor. Written notices to Contractor hereunder, with a copy to the Attorney of the Authority, shall be given by registered or certified mail, postage prepaid, and addressed to:

**Albert M. Giacomazzi
President
AMG & Associates, Inc.
28296 Constellation Road
Santa Clarita, CA 91355**

or to such other address as Contractor may designate by written notice to Authority.

The execution of any such notice by the Chief Executive Officer or designee shall be as effective as to Contractor as if it were executed by the Commission, and Contractor shall not question the authority of the Chief Executive Officer or the designee to execute any such notice.

Section 6.0 Contract Contains Entire Agreement.

The provisions of this Contract Agreement, including the Contract Documents and provisions incorporated herein and by reference, contain the entire agreement between the parties hereto and supersedes any and all prior written or oral agreements between them concerning the subject matter contained herein. There are no representations, agreements, or understandings, oral or written, between and among the parties relating to the subject matter contained in this Contract Agreement which are not fully set forth herein. This is an integrated agreement. This agreement may not be changed or modified in any manner except by written amendment fully executed by the Authority and Contractor or as otherwise set forth in the Contract Documents.



Section 7.0 Disadvantaged Business Enterprises / Small Business Enterprises.

7.1. Contractor hereby agrees and obligates itself to utilize the services of the DBE/SBE firms designated in its bid on the level designated in its bid.

7.3. Contractor shall submit, on a monthly basis, together with its invoice for payment the DBE/SBE Utilization Form listing the DBE/SBE Subcontractors utilized during the reporting period. Contractor shall cooperate with Authority personnel in providing such information as shall be requested by the Authority in order to ensure compliance with the provisions of this section. The Authority will not process or pay Contractor's subsequent invoices if the DBE/SBE Utilization Forms are not timely submitted or if the Contractor fails to cooperate with Authority personnel by promptly providing any and all information related to DBE participation requested by the Authority.

7.5. Failure to comply with any of the terms of this Section (or the terms of this Contract) shall constitute a material breach of contract and may result in the Contractor being deemed "Non-Responsible".

Section 8.0

IN WITNESS WHEREOF, Authority has caused this Contract Agreement to be executed by the Chief Executive Officer, and Contractor has caused the same to be executed by its duly authorized officers, and its corporate seal to be hereunto affixed, all as of the day and year first hereinabove written.

APPROVED AS TO FORM

**ONTARIO INTERNATIONAL AIRPORT
AUTHORITY**

Date: _____

By: _____

Mark A. Thorpe
Chief Executive Officer
Ontario International Airport Authority

By: _____

Lori D. Ballance
OIAA General Counsel



ATTEST:

AMG AND ASSOCIATES, INC.:

By: _____
Secretary (Signature)

By: _____
Signature

Print Name

Print Name

[SEAL]

Print Title



DATE: SEPTEMBER 25, 2018

SECTION: CONSENT CALENDAR

SUBJECT: APPROVE THE SELECTION OF AND AUTHORIZE THE CEO TO NEGOTIATE AND EXECUTE A CONTRACT WITH RS&H CALIFORNIA, INC. FOR AIRSIDE AND LANDSIDE PAVEMENT MANAGEMENT SYSTEM PROJECT AT ONTARIO INTERNATIONAL AIRPORT.

RELEVANT STRATEGIC OBJECTIVE: Provide Customer Friendly Facilities and Services.

RECOMMENDED ACTION(S): That the OIAA approve the selection of and authorize the CEO to negotiate and execute a contract with RS&H California, Inc. for Airside and Landside Pavement Management System project.

FISCAL IMPACT AND SOURCE OF FUNDS: The FY2018/19 budgeted amount for the Airside and Landside Pavement Management System project was \$1,500,000. The OIAA executed the FAA Grant offer 3-06-0175-044-2018 on September 4, 2018, for the Airside and Landside Pavement Management project. The FAA Grant is in the amount of \$709,780, is AIP funding available for reimbursement for the Airside and Landside Pavement Management System project.

BACKGROUND:

The FAA requires airport sponsors to perform airside pavement management on a three to five year frequency. The last airside pavement management system project was performed in 2010 for ONT. The OIAA capital improvement projects are extensive and will required the airside and landside pavement management system project to support and justify ONT's pavement repair, rehabilitation and reconstruction capital improvement projects as they relate to FAA AIP funding.

PROCUREMENT:

The OIAA conducted a qualifications-based selection process and received 6 proposals on May 31, 2018. The six firm's proposals were reviewed. RS&H California, Inc. was the most qualified firm to undertake

STAFF MEMBER PRESENTING: Bruce Atlas, Chief Operations Officer

Department: Operations

Submitted to OIAA: September 25, 2018

Approved: _____

Continued to: _____

Denied: _____

Chief Executive Officer Approval:

airside and landside pavement management system project for the OIAA. The selection process was conducted by OIAA staff in conformance with FAA standards, as will future contract negotiations.

CEQA COMPLIANCE: The proposed staffing services decision is not a "project" under CEQA and does not require environmental review. To the extent the staffing services decision could be deemed a "project" for purposes of CEQA, it would be Categorically Exempt (Class 1) from the provisions of CEQA pursuant to (1) CEQA Guidelines section 15309 for project inspection services, (2) CEQA Guidelines section 15301 for the operations, repair, maintenance, permitting, or minor alteration of existing structures or facilities involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination, and CEQA Guidelines section 15303 for new construction, installation or conversion of a limited number of small structures, facilities or equipment.

STAFFING IMPACT (# OF POSITIONS): The proposed action will not create any permanent positions in the OIAA.

IMPACT ON OPERATIONS: This action will impact ONT operations minimally as a large portion of the pavement inspections on the airfield will be conducted during the night. The remaining pavement inspections will be conducted during the daytime with minimal impact. To ONT operations. The landside pavement inspections will be conducted during the daytime and will not impact ONT operations.

SCHEDULE: N/A |

EXHIBITS & ATTACHMENTS:

N/A

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This Agenda Report has been reviewed by OIAA General Counsel. |

ONTARIO INTERNATIONAL AIRPORT AUTHORITY



DATE: SEPTEMBER 25, 2018

SECTION: CONSENT CALENDAR

SUBJECT: APPROVE THE SELECTION OF AND AUTHORIZE THE CEO TO NEGOTIATE AND EXECUTE A CONTRACT WITH HNTB CORPORATION FOR GIS DATA COLLECTION, NARRATIVE REPORT AND AIRPORT LAYOUT PLAN PROJECT AT ONTARIO INTERNATIONAL AIRPORT.

RELEVANT STRATEGIC OBJECTIVE: Provide Customer Friendly Facilities and Services.

RECOMMENDED ACTION(S): That the OIAA approve the selection of and authorize the CEO to negotiate and execute a contract with HNTB Corporation for GIS Data Collection, Narrative Report and Airport Layout Plan project.

FISCAL IMPACT AND SOURCE OF FUNDS: The FY2018/19 budgeted amount for the GIS Data Collection, Narrative Report and Airport Layout Plan project was \$1,500,000. The FAA anticipates making the grant offer for the project in the next federal fiscal year in the second quarter of 2019. The next federal fiscal year commences on October 1, 2018.

BACKGROUND:

The OIAA is required to maintain an Airport Layout Plan (ALP) in conformance with the following FAA standards: Advisory Circular 150/5300-16A, General Guidance and Specifications for aeronautical Surveys; Advisory Circular 150/5300-17C, Standards for Using Remote Sensing Technologies in Airport Surveys; Advisory Circular 150/5300-18B, General Guidance and Specifications of Submission of Aeronautical Surveys to NGS; Advisory Circular 150/5300-13A, Airport Design; and Advisory Circular 150/5070-6B, Airport Master Plans. Collection of up-to-date GIS data will be required prior to preparation of the ALP. Further, a narrative report will be prepared to describe the proposed projects that will be illustrated on the ALP.

STAFF MEMBER PRESENTING: Bruce Atlas, Chief Operations Officer

Department: Operations

Submitted to OIAA: September 25, 2018

Approved: _____

Continued to: _____

Denied: _____

Chief Executive
Officer Approval:

A handwritten signature in blue ink that reads "Mark A. Hoyle".

Item No. 07

PROCUREMENT: The OIAA conducted a qualifications-based selection process and received 5 proposals on May 31, 2018. The 5 firm's proposals were reviewed and HNTB Corporation was determined to be the most qualified firm to undertake GIS Data Collection, Narrative Report and Airport Layout Plan for the OIAA. The selection process was conducted by OIAA staff in conformance with FAA standards, as will future contract negotiations.

CEQA COMPLIANCE: The proposed staffing services decision is not a "project" under CEQA and does not require environmental review. To the extent the staffing services decision could be deemed a "project" for purposes of CEQA, it would be Categorical Exempt (Class 1) from the provisions of CEQA pursuant to (1) CEQA Guidelines section 15309 for project inspection services, (2) CEQA Guidelines section 15301 for the operations, repair, maintenance, permitting, or minor alteration of existing structures or facilities involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination, and CEQA Guidelines section 15303 for new construction, installation or conversion of a limited number of small structures, facilities or equipment.

STAFFING IMPACT (# OF POSITIONS): The proposed action will not create any permanent positions in the OIAA.

IMPACT ON OPERATIONS: This action will impact ONT operations very minimally as the consultant will perform a field survey, remote sensing and photogrammetry, and Airports GIS services to create data that meets FAA Advisory Circulars 150/5300-16A, 150/5300-17C and 150/5300-18B.

SCHEDULE: N/A

EXHIBITS & ATTACHMENTS:

N/A

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This Agenda Report has been reviewed by OIAA General Counsel.



DATE: SEPTEMBER 25, 2018

SECTION: CONSENT CALENDAR

SUBJECT: APPROVE THE FIRST ONE-YEAR EXTENSION OPTION WITH SECURITAS SECURITY USA INC., FOR AS-NEEDED SECURITY SERVICES AT ONTARIO INTERNATIONAL AIRPORT AND AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXECUTE THE SECOND ONE-YEAR EXTENSION OPTION FOR THE THIRD AND FINAL CONTRACT YEAR

RELEVANT STRATEGIC OBJECTIVE: Maintain Safe and Secure Operations for airline tenants and the traveling public at ONT.

RECOMMENDED ACTION(S): That the Ontario International Airport Authority (OIAA) approve the first one-year extension (second contract year), including a 3.9% increase for security personnel, for an annual amount not to exceed \$470,000, and authorize the Chief Executive Officer to execute the second extension option (third/final contract year), and associated staff percentage increase, for an amount not to exceed \$1,410,000 over the term of contract.

FISCAL IMPACT SUMMARY: Funding for this contract is approved under the Operations and Maintenance Fiscal Year 2019 Budget. Funding for subsequent years will be requested through the annual budget process.

BACKGROUND: On September 28, 2017, the Ontario International Airport Authority approved the Interim Chief Executive Officer to contract with Securitas Aviation Security USA Inc. for security personnel to staff airfield access points, concessionaire loading docks, and lost and found offices at ONT for an amount not to exceed \$450,000. The one-year agreement with two, one-year extension options, became effective on November 1, 2017. Section 2 of the agreement allows Securitas Security Services USA Inc. to request a percentage increase not to exceed the Consumer Price Index (CPI) percentage for the County of San Bernardino at each proposed extension option (Year 2 and 3). Securitas Security Services USA Inc. has requested a 3.9% increase for security personnel with a new rate of \$24.97 for regular Officers and \$27.23 for Post Commanders for the first extension/second contract year.

STAFF MEMBER PRESENTING: Bruce Atlas, Chief Operations Officer

Department: Operations

Submitted to OIAA: September 25, 2018

Approved: _____

Continued to: _____

Denied: _____

Chief Executive Officer Approval: *Mark A. Hoyle*

STAFF MEMBER PRESENTING: Chief Operations Officer, Bruce Atlas
PROCUREMENT: N/A

CEQA COMPLIANCE AND LAND USE APPROVALS: The proposed staffing services decision is not a “project” under CEQA and does not require environmental review.

STAFFING IMPACT (# OF POSITIONS): The proposed action will not create any permanent positions in the OIAA.

IMPACT ON OPERATIONS: This Action will not impact ONT operations.

SCHEDULE: The first one-year extension (second contract year) will be effective November 1, 2018.

ATTACHMENTS: Attachment A: First extension execution letter dated September 25, 2018
Attachment B: Securitas Security Services USA, Inc. adjusted personnel rate schedule

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This Agenda Report has been reviewed by OIAA General Counsel.



Ontario International Airport Administration Offices

1923 E. Avion Street, 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

Atif Elkadi
Interim Treasurer

September 25, 2018

Mr. David Coventry
Securitas Security Services USA, Inc.
402 South Milliken Avenue
Ontario, CA 91761

Subject: First Extension of Contract No. SCONT-000068 between the Ontario International Airport Authority and Securitas Security Services USA, Inc.

Dear Mr. Coventry:

Please be advised that pursuant to Contract No. SCONT-000068, the Ontario International Airport Authority hereby exercises its first option under said agreement, to extend the term thereof for a second contract year through October 31, 2019.

The option period for the second contract year will commence November 1, 2018, and includes the attached adjusted hourly rate schedule, for an amount not to exceed \$470,000 annually, for as-needed security services at ONT. All other contract terms and conditions of the original agreement remain the same. This letter will be attached to, and made part of, Contract No. SCONT-000068.

Sincerely,

Mark Thorpe
Chief Executive Officer

MT:SSC

cc: Bruce Atlas, Chief Operating Officer
Nick Bottini, Director of Finance

www.FlyOntario.com



DATE: SEPTEMBER 25, 2018

SECTION: CONSENT CALENDAR

SUBJECT: APPROVE THE FIRST ONE-YEAR EXTENSION OPTION WITH GROUP & WANG ASSOCIATES FOR DEVELOPMENT OF AN AIR SERVICE MARKETING STRATEGY FOR RECRUITMENT OF AIRLINES FROM THE PEOPLE'S REPUBLIC OF CHINA (PRC) AND AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXECUTE THE SECOND ONE-YEAR EXTENSION OPTION FOR THE THIRD AND FINAL CONTRACT YEAR

RELEVANT STRATEGIC OBJECTIVE: Expand Air Service

RECOMMENDED ACTION(S): That the Ontario International Airport Authority (OIAA) approve the first one-year extension (second contract year) for an annual amount not to exceed \$300,000 and an overall amount not to exceed \$900,000 over the contract term, and authorize the Chief Executive Officer to execute the second extension option (third/final contract year).

FISCAL IMPACT SUMMARY: Funding for this contract is approved under the Fiscal Year 2019 budget. Funding for subsequent years will be requested through the annual budget process.

BACKGROUND: 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 is 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-restrictive "open skies" agreement, like those which the U.S. government has reached with 123 other nations since 1992.

The GCW's consulting team are uniquely qualified to support the OIAA having 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). GCW will assist OIAA with an air service marketing strategy for ONT and develop

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

Department: Administration Submitted to OIAA: September 25, 2018
Approved:
Continued to:
Denied:
Chief Executive Officer Approval: [Signature]

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.

PROCUREMENT: N/A – Renewal of existing contract

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): No Impact.

IMPACT ON OPERATIONS: No Impact

SCHEDULE: The first one-year extension (second contract year) will be effective September 28, 2018.

ATTACHMENTS: Attachment A – Letter of Extension between OIAA and Group & Wang Associates, LLC

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This Agenda Report has been reviewed by OIAA General Counsel.



Ontario International Airport Administration Offices

1923 E. Avion Street, Ontario, CA 91761

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MARK A. THORPE
Chief Executive Officer

LORI D. BALLANCE
General Counsel

ATIF ELKADI
Interim Treasurer

September 25, 2018

Mr. Xianping Wang
Group & Wang Associates, LLC
6301 Timarron Cove
Burke, Virginia, 22015

RE: NOTICE TO PROCEED – CONTRACT SCONT – 000042
1st Renewal Option (September 25, 2018 – September 24, 2019)

Dear Mr. Wang,

The Ontario International Airport Authority (OIAA) has authorized the second year of Contract SCONT-000042, effective September 25, 2018, for the assistance of the OIAA in its effort of recruiting airlines from the People's Republic of China (PRC) to establish direct passenger, cargo or combination flights from any point within the PRC to the Ontario International Airport (ONT). Per contract requirements, no work shall commence until proof of insurances is on file and approved by the OIAA. All other terms and conditions of the existing contract remain the same.

Should you have questions, or require additional information, please contact Charlene Haley at (909) 544-5251.

Respectfully,

Mark A. Thorpe
Chief Executive Officer
Ontario International Airport Authority



DATE: SEPTEMBER 25, 2018

SECTION: CONSENT CALENDAR

SUBJECT: APPROVE THE FIRST ONE-YEAR EXTENSION OPTION WITH GUGE MARKETING FOR ADVERTISING, MARKETING, CREATIVE DEVELOPMENT, MEDIA BUYS AND OTHER RELATED SERVICES AND AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXECUTE THE SECOND ONE-YEAR EXTENSION OPTION FOR THE THIRD AND FINAL CONTRACT YEAR

RELEVANT STRATEGIC OBJECTIVE: Develop Airport Related Business, Expand Air Service & Promote Customer Friendly Facilities and Services

RECOMMENDED ACTION(S): That the Ontario International Airport Authority (OIAA) approve the first one-year extension (second contract year) for an amount not to exceed \$300,000 and an overall amount not to exceed \$900,000 over the contract term, and authorize the Chief Executive Officer to execute the second extension option for the third/final contract year.

FISCAL IMPACT SUMMARY: Funding for this contract is approved under the Fiscal Year 2019 budget. Funding for subsequent years will be requested through the annual budget process.

BACKGROUND: On September 28, 2017, the OIAA entered into an agreement with Guge Marketing for advertising, marketing, creative development, media buys and other related services for one-year with two, one-year extension options. The initial term of contract has developed the necessary media buys for all airline partners at ONT and is needed to continue to provide aggressive relevant advertising and marketing in support of ONT.

PROCUREMENT: N/A – Renewal of existing contract

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

Department: Marketing & Communication Submitted to OIAA: September 25, 2018
Approved:
Continued to:
Denied:
Chief Executive Officer Approval: [Signature]

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 on an as-needed, on-call basis.

STAFFING IMPACT (# OF POSITIONS): No Impact

IMPACT ON OPERATIONS: No Impact

SCHEDULE: The first one-year extension (second contract year) will be effective September 28, 2018.

ATTACHMENTS: Attachment A – Professional Services Agreement between OIAA and Guge Marketing.

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 Administration Offices

1923 E. Avion Street, Ontario, CA 91761

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JULIA GOUW
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MARK A. THORPE
Chief Executive Officer

LORI D. BALLANCE
General Counsel

ATIF ELKADI
Interim Treasurer

September 25, 2018

Miss Gail Guge
1781 Wilson Avenue
Upland, CA 91784

RE: NOTICE TO PROCEED – CONTRACT XXXXXXX
1st Renewal Option (September 25, 2018 – September 24, 2019)

Dear Miss Guge,

The Ontario International Airport Authority (OIAA) has authorized the second year of Contract XXXX, effective September 25, 2018, for the assistance of the OIAA in its effort of marketing, advertising, creative development and media buys. Per contract requirements, no work shall commence until proof of insurances is on file and approved by the OIAA. All other terms and conditions of the existing contract remain the same.

Should you have questions, or require additional information, please contact Charlene Haley at (909) 544-5251.

Respectfully,

Mark A. Thorpe
Chief Executive Officer
Ontario International Airport Authority



DATE: SEPTEMBER 25, 2018
SECTION: ADMINISTRATIVE REPORT/DISCUSSION/ACTION
SUBJECT: A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY TO EXTEND THE DURATION OF INCENTIVES UNDER THE OIAA INTERNATIONAL AIR CARRIER INCENTIVES POLICY

RELEVANT STRATEGIC OBJECTIVE: Grow Airline Service, Reduce Airline Costs

RECOMMENDED ACTION(S): That the Ontario International Airport Authority (OIAA) amend the OIAA's Air Carrier Incentives Policy (ACIP), originally adopted on by Resolution No. 2017-11 on September 28, 2017, to extend the duration of incentive benefits for passenger airlines offering qualifying international services at ONT from its current length of 12 months to the earlier of 24 months or the commencement of operations at the replacement U.S. Customs and Border Protection (USCBP) Federal Inspection Station (FIS) in Terminal 2 at ONT.

FISCAL IMPACT AND SOURCE OF FUNDS: If approved, the ACIP is expected to continue to contribute to increased trans-oceanic international air service at ONT. Additional international air services will result in additional passengers arriving and departing at ONT, producing additional concessions, parking and duty-free sales revenue. The amount of incremental revenue generated will depend on the frequency of air service scheduled, the seating capacity of aircraft flown and the percentage of seats occupied by passengers. No cash outlays will be required to fund the ACIP; the program will merely forego certain aeronautical revenue for landing aircraft and utilizing existing ticket counter and passenger hold-room space for the period of an airline's qualifying operations at ONT.

BACKGROUND: On September 28, 2017, the OIAA Commission adopted the ACIP policy for qualifying international passenger air services at ONT. The ACIP provides for airport cost abatements, for a period not to exceed 12 months, as outlined in the table below.

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

Department: Administration Department Submitted to OIAA: September 25, 2018
Approved:
Continued to:
Denied:
Chief Executive Officer Approval: [Signature]

CURRENT OIAA AIR CARRIER INCENTIVES POLICY

Incremental Rates and Charges Eligible for Incentive	Incentive (Percentage Waiver)	Incentive Period	
		Year-round Daily or Less-than-Daily	Seasonal Daily or Less-than-daily
Terminal Rentals	100%	1 year	1 season
Terminal Use Fees	100%		
Landing Fees	100%		

1- Waivers will apply against amounts due in the same month as the ACIP Qualifying Service is flown, only against fees or rentals that would otherwise have been incurred to support ACIP Qualifying Service

If approved, the amended ACIP will increase the period of eligibility for incentives by qualifying international passenger services from 12 months to the earlier of the completion of the replacement USCBP FIS for international arrivals in Terminal 2 at ONT, or 24 months.

This proposed change to the OIAA ACIP is supported by the fact that the OIAA has, since the commencement of trans-oceanic services at ONT earlier this year, determined that airlines arriving at the existing FIS facility incur increased operational costs, due to the split nature of a flight that arrives at the current facility, unloads passengers and freight at that facility, and then must tow its aircraft to gates at Terminal 2 for the later departure of the flight.

The revised terms of the ACIP are outlined (*in italics*) in the table below.

AMENDED OIAA AIR CARRIER INCENTIVES POLICY

Incremental Rates and Charges Eligible for Incentive	Incentive (Percentage Waiver)	Incentive Period	
		Year-round Daily or Less-than-Daily	Seasonal Daily or Less-than-daily
Terminal Rentals	100%	<i>Earlier of 24 months or completion of replacement USCBP FIS at Terminal 2</i>	1 season
Terminal Use Fees	100%		
Landing Fees	100%		

1- Waivers will apply against amounts due in the same month as the ACIP Qualifying Service is flown, only against fees or rentals that would otherwise have been incurred to support ACIP Qualifying Service

CEQA COMPLIANCE: The proposed staffing services decision is not a "project" under CEQA and does not require environmental review.

STAFFING IMPACT (# OF POSITIONS): The proposed action will not create any permanent positions in the OIAA.

IMPACT ON OPERATIONS: This action would not impact ONT operations.

SCHEDULE: N/A |

EXHIBITS & ATTACHMENTS: Attachment A – A Resolution Amending the OIAA Air Carrier Incentives Policy, as established by Resolution No. 2017-11 on September 28, 2017.

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 TO EXTEND THE DURATION OF INCENTIVES UNDER THE OIAA INTERNATIONAL AIR CARRIER INCENTIVES POLICY

WHEREAS, the Ontario International Airport Authority (OIAA) was established for the purpose of operating, maintaining, managing, and developing the Ontario International Airport ("Airport"), including developing air commerce and transportation; and

WHEREAS, the OIAA originally adopted an Air Carrier Incentives Policy (ACIP) by way of Resolution No. 2017-11 on September 28, 2017 for qualifying international passenger air services at the Airport; and

WHEREAS, the current ACIP allows for a 12-month period of eligibility of incentives to qualifying international air passenger service providers; and

WHEREAS, OIAA wishes to amend the ACIP to increase the period of eligibility for incentives to qualifying air carriers to the earlier of completion of the Airport's U.S. Customs and Border Protection Facility Inspection Service at Terminal 2 for international arrivals, or twenty-four (24) months;

WHEREAS, the proposed change will assist airlines in defraying increased operational costs due to international arrivals and departures occurring from currently separated facilities at the Airport.

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

SECTION 1. The ACIP Incentive Period be amended to increase the period of eligibility for incentives to qualifying air carriers to the earlier of completion of the Airport's U.S. Customs and Border Protection Facility Inspection Service in Terminal 2 for international arrivals, or twenty-four (24) months.

SECTION 2. 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 Adjourned Meeting this 25th day of September, 2018.

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 regular adjourned meeting held on September 25, 2018 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 regular adjourned meeting held September 25, 2018.

SECRETARY/ASSISTANT SECRETARY

(SEAL)

EXHIBIT A

A summary of the benefits offered under the ACIP is presented in the table below:

Incremental Rates and Charges Eligible for Incentive	Incentive (Percentage Waiver ¹)	Incentive Period	
		Year-round Daily or Less-than-daily	Seasonal Daily or Less-than-daily
Terminal Rentals	100%	<i>Earlier of 24 months or completion of replacement USCBP FIS at Terminal 2</i>	1 season
Terminal Use Fees	100%		
Landing Fees	100%		

1 Waivers will be applied against amounts due in the same month as the ACIP Qualifying Service is flown, only against Fees or Rentals that would otherwise have been incurred to support ACIP Qualifying Service



DATE: SEPTEMBER 25, 2018

SECTION: CONSENT CALENDAR

SUBJECT: RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY ADOPTING A TICKET DISTRIBUTION POLICY

RELEVANT STRATEGIC OBJECTIVE: Promotion and Development of Airport Related Business

RECOMMENDED ACTION(S): That the Ontario International Airport Authority (OIAA) adopt a ticket distribution policy in accordance with state law.

FISCAL IMPACT AND SOURCE OF FUNDS: None.

BACKGROUND: As part of the OIAA's development and marketing strategies, the OIAA cultivates opportunities to showcase Ontario International Airport's unique attributes including being one of the most competitive, efficient, innovative and customer-friendly passenger, cargo, and business airports in the United States. From time to time, the OIAA receives "tickets or passes" from third party sources, both public and private to allow OIAA public officials to conduct outreach and promotional activities. Under Title 2 of the California Code of Regulations, Section 18944.1, tickets and/or passes are defined as an admission to a facility, event, show or performance for an entertainment, amusement, recreational, or similar purpose. The Fair Political Practices Commission (FPPC) adopted regulations that set up the circumstances under which the receipt of tickets and passes by a public official require disclosure and the circumstances under which they may be distributed.

The purpose of adopting this ticket distribution policy is to ensure that all tickets and/or passes provided to the OIAA are to be distributed in furtherance of OIAA and/or public purposes as is required under Section 18944.1.

CEQA COMPLIANCE: The proposed policy adoption is not a "project" under CEQA and does not require environmental review.

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

Department: Administration Department

Submitted to OIAA: September 25, 2018

Approved: _____

Continued to: _____

Denied: _____

Chief Executive Officer Approval: *Mark A. Thorpe*

STAFFING IMPACT (# OF POSITIONS): The proposed action will not create any permanent positions in the OIAA.

IMPACT ON OPERATIONS: This action would not impact ONT operations.

SCHEDULE: N/A |

EXHIBITS & ATTACHMENTS: Attachment A – A Resolution Adopting Ticket Distribution Policy.

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 A TICKET DISTRIBUTION POLICY

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, as part of the OIAA's development and marketing strategies, the OIAA cultivates opportunities to showcase the Airport's unique attributes including being one of the most competitive, efficient, innovative and customer-friendly passenger, cargo, and business airports in the United States; and

WHEREAS, from time to time OIAA receives event tickets and/or passes from public and private entities and individuals or purchases event tickets and/or passes for events; and

WHEREAS, under Title 2 of the California Code of Regulations, Section 18944.1 ("Section 18944.1") these tickets and/or passes are defined as an admission to a facility, event, show or performance for an entertainment, amusement, recreational, or similar purpose; and

WHEREAS, the Fair Political Practices Commission ("FPPC") Regulations requires that receipt of tickets and passes by a public official would need to be disclosed by the OIAA and the circumstances they would be distributed to public officials and not trigger disclosure requirements for the purposes of the public official's Statement of Economic Interests ("Form 700"); and

WHEREAS, the OIAA finds that the receipt of all such tickets and/or passes are public resources; and

WHEREAS, the OIAA desires to distribute these public resources in a manner that furthers the OIAA's purposes as reasonably described herein, such as the promotion of the Airport, its resources, facilities, and importance to the region;

WHEREAS, according to Section 18944.1, these tickets and/or passes are not gifts to public officials if the OIAA distributes these tickets and/or passes in accordance with a duly adopted written policy, when distributed under Section 18944.1, subdivision (b)(2); and

WHEREAS, the FPPC has clearly stated that it recognizes the discretion of the legislative or governing body of an agency to determine whether the distribution of tickets and/or passes serves a legitimate public purpose, provided that the determination is consistent with state law.

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

THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY TICKETS AND/OR PASSES DISTRIBUTION POLICY

SECTION 1: Purpose of Policy. The purpose of this policy is to ensure that all tickets and/or passes provided to the OIAA shall be distributed in furtherance of governmental and/or public purposes as required under Section 18944.1.

SECTION 2: Limitation. This Policy shall only apply to the OIAA's distribution of tickets and/or passes to, a public official or at the request of a public official, for which no consideration of equal or greater value is provided by the public official. Consideration of equal or greater value shall be presumed if the tickets and/or passes are distributed pursuant to this policy.

SECTION 3: Official Duties: Ceremonial Roles. Tickets provided to public officials as part of their official duties, or tickets provided so that the public official may perform a ceremonial role or function on behalf of the OIAA shall not be subject to this Tickets and/or Passes Distribution Policy. These tickets are exempt from any disclosure or reporting requirements.

SECTION 4: Public Purpose. The OIAA shall only provide a ticket and/or pass to or at the request of a public official, under any of the following OIAA public and governmental purposes:

- a. Promotion of the Airport, its operation, maintenance, management, administration, development, and marketing.
- b. Promotion of OIAA-controlled or sponsored events, activities, or programs.
- c. Promotion of programs and resources, including nonprofit organizations and youth programs.
- d. Marketing promotions highlighting the achievements of the Airport, its business partners, facilities, and functions.
- e. Promotion and marketing of private facilities available for the traveling public, including charitable and nonprofit facilities.
- f. Promotion of public facilities available for the traveling public and other public use.
- g. Promotion of Airport growth and development, including economic development and job creation opportunities.
- h. Promotion of City of Ontario and County of San Bernardino landmarks and/or community events.
- i. Promotion of special events in accordance with any OIAA contract.
- j. Exchange programs with foreign officials and dignitaries.
- k. Promotion of Airport's recognition, visibility, and/or profile on a local, state, national or worldwide scale.

l. Promotion of open government by public official appearances, participation and/or availability at business or community events.

m. Sponsorship agreements involving private events where the OIAA specifically seeks to enhance the Airport's reputation both locally and regionally by serving as hosts providing the necessary opportunities to meet and greet visitors, dignitaries, public officials, residents, and their guests.

n. All written contracts where the OIAA as a form of consideration has required that a certain number of tickets or suites be made available for OIAA use.

o. Employment retention programs.

p. Special outreach programs for veterans, teachers, emergency services, medical personnel and other civil service occupations.

q. Spouses of or immediate dependents of public officials in order to accompany or represent him or her to any of the items listed above.

r. Any purpose similar to above included in any OIAA contract.

SECTION 5: Return of Tickets and/or Passes. Any public official or any member of the public official's immediate family may return any ticket and/or pass unused to the OIAA for redistribution pursuant to this policy. Government Code Section 82029 has defined immediate family to mean spouse and dependent children. Under no circumstances may either the public official or a member of his or her immediate family sell or further transfer any ticket and/or pass provided under this policy.

SECTION 6. OIAA Chief Executive Officer. The OIAA delegates the authority to distribute any tickets and/or passes in accordance with this policy to the OIAA's Chief Executive Officer ("CEO") or his or her designee. In such case, where the CEO desires to obtain a ticket or pass, the OIAA authorizes the CEO to exercise the OIAA's sole discretion in determining whether the OIAA's use or behest of tickets and/or passes is in accordance to the terms of this policy.

SECTION 7: Transfer Prohibition. The transfer by any public official of any tickets and/or passes distributed pursuant to this policy to any other person, except to members of the public official's immediate family for their personal use, is prohibited. Government Code Section 82029 has defined immediate family to mean spouse and dependent children.

SECTION 8: Website Posting. This policy shall be posted on the OIAA's website in a prominent fashion. These forms shall be posted for 12 months and may be removed at the OIAA's discretion anytime thereafter.

SECTION 9: Website Disclosure. The distribution of tickets or passes pursuant to this policy shall be posted on the OIAA's website in a prominent fashion within 30 days after the ticket distribution and shall include all the information as required under Section 18944.1. Any such posting shall use FPPC Form 802 or such alternative form as may be approved or amended from time to time.

SECTION 10: Effective Date. OIAA President shall sign this Resolution and the OIAA Clerk shall attest hereto, and this Resolution shall take effect and be in force effective September 1, 2018.

PASSED, APPROVED, AND ADOPTED this ____ day of September 2018.

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 September ____, 2018 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 September ____, 2018.

CLAUDIA Y. ISBELL, ASSISTANT SECRETARY

(SEAL)



DATE: SEPTEMBER 25, 2018

SECTION: ADMINISTRATIVE REPORT/DISCUSSION/ACTION

SUBJECT: A RESOLUTION OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY APPROVING FULL COST RECOVERY OF SERVICES PROVIDED TO ACCOMMODATE IRREGULAR FLIGHT OPERATIONS DIVERTED TO ONTARIO INTERNATIONAL AIRPORT

RELEVANT STRATEGIC OBJECTIVE: Maintain Operational Safety and Efficiency, Reduce Airline Costs

RECOMMENDED ACTION(S): That the Ontario International Airport Authority (OIAA) authorize the Chief Executive Officer (CEO) to establish and assess full-cost recovery rates for the accommodation of irregular diverted flight operations at Ontario International Airport (ONT).

FISCAL IMPACT AND SOURCE OF FUNDS: If approved, OIAA staff will assess full-cost recovery rates on irregular diverted flight operations at ONT by passenger or cargo airlines, which cannot be accommodated at exclusive-use passenger terminal jet bridges or cargo ramp parking positions at a rate of approximately \$206 for a minimum of three-hours, and an additional \$185 per hour or part thereof.

The surcharge amount assessed for irregular diverted flight operations at ONT is equal to the labor cost incurred by the OIAA to identify available remote aircraft parking positions, provide operational escort services to remote parking positions, and monitor aircraft at remote positions until these flights depart from ONT. For many decades, signatory and non-signatory airlines providing regular, scheduled services at ONT have absorbed the costs related to irregular diverted flight operations beyond mere landing fee charges.

BACKGROUND: "Irregular flight operations" is a flight other than one regularly conducted and scheduled by an air carrier or other operator (passenger and/or cargo) that lands at ONT. These events require actions and/or capabilities beyond those considered usual by ONT. Examples of irregular flight operations include causes associated with extreme weather, natural disasters, reduction of destination airport facility capacity, aircraft mechanical problems, labor issues, or other causes. For many years, ONT has accommodated hundreds of irregular diverted passenger and cargo flight operations from airports across

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

Department: Administration Department

Submitted to OIAA: September 25, 2018

Approved: _____

Continued to: _____

Denied: _____

Chief Executive Officer Approval:

California and the Southwestern U.S. Accommodating these irregular operations continues to be costly for the OIAA, for two reasons.

First, unlike scheduled and charter passenger and cargo services by signatory and non-signatory airlines, which both the OIAA and local U.S. Federal Aviation Administration (FAA) staff are aware of and plan for, diverted flights come with very short notice, requiring the allocation of limited resources to accommodate these flights, and the diversion of these staff resources from necessary, day-to-day airport operations. Because OIAA operations staff cannot plan and budget for the accommodation of diverted flights, the OIAA typically incurs overtime labor costs because of these irregular operations, as previously scheduled and planned day-to-day staff activities must be taken care of after diverted flights have departed.

Second, diverted flights require a significant amount of resources from OIAA operations staff, which results in significant overtime costs with each flight. Each arriving diverted flight requires OIAA operations staff to work with local FAA staff to identify a remote parking location. Once such a remote parking spot has been identified, OIAA staff must escort each diverted aircraft to its designated parking position, and then remain at that location to monitor the aircraft, until it departs from ONT. Diverted flights typically remain at ONT for several hours, but it is not uncommon for some flights to remain on the ground at the airport for much longer stretches of time.

With this policy action, the OIAA CEO will be permitted to establish and assess overtime hourly rates for the actual number of hours that OIAA staff spends accommodating each individual flight that is parked at a remote parking position. In so doing, the OIAA will end the decades-old practice of having ONT's signatory and non-signatory airline partners absorb the higher cost of these irregular operations.

To apply this policy in a non-discriminatory manner, signatory and non-signatory airlines providing scheduled services at ONT will also be assessed these higher rates if they operate irregular diverted flights that must be parked at non-exclusive remote positions.

Available jet bridge gates at ONT's two passenger terminals will be allocated to irregular diverted flight operations by signatory and non-signatory airlines in the following order of priority:

- Signatory airlines in the terminal from which they operate scheduled services;
- Non-signatory airlines in the terminal from which they operate scheduled services;
- Signatory airlines in the terminal from which it does not operate scheduled services; and
- Non-signatory airlines in the terminal from which it does not operate scheduled services

CEQA COMPLIANCE: The proposed staffing services decision is not a "project" under CEQA and does not require environmental review.

STAFFING IMPACT (# OF POSITIONS): The proposed action will not create any permanent positions in the OIAA.

IMPACT ON OPERATIONS: This action would not impact ONT operations.

SCHEDULE: N/A

EXHIBITS & ATTACHMENTS: Attachment A – A Resolution Establishing Rates for Diverted Flights.

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
APPROVING FULL COST RECOVERY OF SERVICES PROVIDED TO
ACCOMMODATE IRREGULAR FLIGHT OPERATIONS DIVERTED TO
ONTARIO INTERNATIONAL AIRPORT

WHEREAS, the Ontario International Airport Authority (“Authority” or “OIAA”) was formed through the Joint Exercise of Power Agreement by and between the City of Ontario (the “City”) and the County of San Bernardino (the “County”) and;

WHEREAS, for many years, Ontario International Airport (“Airport”) has accommodated hundreds of irregular diverted passenger and cargo flight operations from airports across California and the Southwestern U.S. These irregular operations are costly to the OIAA; and

WHEREAS, operations staff diverts their time and productivity from their day-to-day duties, which leads to overtime expenditures by the OIAA for those day-to-day duties to be performed after diverted flights are accommodated; and

WHEREAS, unlike scheduled and charter passenger and cargo services by signatory and non-signatory airlines, all of which are planned, diverted flights come with very short notice, requiring the allocation of limited resources to accommodate these flights. OIAA incurs significant overtime labor costs because of these irregular operations; and

WHEREAS, the OIAA wishes to establish and assess overtime hourly rates for the actual number of hours that OIAA staff spends accommodating each individual flight that is parked at a remote parking position. In so doing, the OIAA will end the decades-old practice of having the Airport’s signatory and non-signatory airline partners absorb the higher cost of these irregular operations; and

WHEREAS, to apply this policy in a non-discriminatory manner, signatory and non-signatory airlines providing scheduled services at the Airport will also be assessed these higher rates if they operate irregular diverted flights that must be parked at non-exclusive remote positions.

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

SECTION 1. The Commission authorizes the Chief Executive Officer to establish and assess full-cost recovery rates and charges for accommodating irregular diverted flight operations at Ontario International Airport (ONT).

SECTION 2. The Commission further establishes that available jet bridge gates at ONT’s two passenger terminals will be allocated to irregular diverted flight operations by signatory and non-signatory airlines in the following order of priority:

- Signatory airlines in the terminal from which they operate scheduled services;
- Non-signatory airlines in the terminal from which they operate scheduled services;

- Signatory airlines in the terminal from which it does not operate scheduled services; and
- Non-signatory airlines in the terminal from which it does not operate scheduled services.

SECTION 3. The Commission authorizes the Chief Executive Officer to execute any future changes in the “order of priority” as necessary.

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

PASSED, APPROVED, AND ADOPTED this 25th day of September 2018.

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. 2018- was duly passed and adopted by the Commission of the Ontario International Airport Authority at their regular meeting held August 28, 2018 by the following roll call vote, to wit:

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSENT: COMMISSIONERS:

CLAUDIA Y. ISBELL, CLERK TO THE BOARD/
ASSISTANT SECRETARY

(SEAL)

The foregoing is the original of Resolution No. 2018- duly passed and adopted by the Commission of the Ontario International Airport Authority at their regular meeting held August 28, 2018.

CLAUDIA Y. ISBELL, CLERK TO THE BOARD/
ASSISTANT SECRETARY

(SEAL)