

Aviation Committee Summary

Monday, August 2, 2004

The Aviation Committee was called to order at 6:02pm. All Committee members and appropriate staff were in attendance. The following items were covered:

1. Terminal 2 Expansion Concession Policy-Staff reviewed current concession practices and the goals to be achieved with the award of new concession opportunities as part of the Terminal 2 Expansion Program. The Committee discussed in detail the various forms of concession management and the role to be played by national firms and local/DBE firms. The Committee felt it was important to use the knowledge of the national firms to produce the best quality program while at the same time giving the program a local flavor by incorporating local and DBE firms. While the new concessions will come on line in 2006, all the remaining concessions will be available again in 2008. The Committee asked the staff to investigate what it would take to end the current CA1 lease in 2006 to coincide with the new concessions and potentially maximize revenue. Should this not be feasible, staff will proceed with a process to award the new concessions under two contracts, one for food and beverage and another for retail. The RFP evaluation process will weight each of the criteria appropriately and create a balanced approach to meeting the Port's goals. There were four public speakers on this item some of whom encouraged the Port to include labor peace provisions in the new contracts.
2. Terminal Expansion Update-Frank Lobedon, the project director for the Terminal Expansion Program, provided an update on construction activities related to the Terminal 2 Renovation Project. Work is concluding on a fuel vault project and pile driving has begun. While the project is 13 days behind schedule, primarily due to a late start by the contractor, the project team is confident that those days can be made up and at this time there is no additional cost to the Port associated with this delay. On the garage project, Turner Construction, the Prime Builder, is

currently out to bid on a number of construction packages and the design of the revised curbside and roadway system continues.

3. Local Business Utilization Update-Bernida Reagan, Director of Social Responsibility gave an update on where the project stands with regard to the use of local firms. SRD calculates that 64% of the awarded contracts have been given to local firms. The numbers for small and very small firms as well as minority and woman owned businesses are also exceeding the Port's expectations. While the numbers may not remain as high as they are now, the final totals should still meet or exceed the Port's requirements. Ms. Reagan also updated the Committee on the variety of outreach efforts that Turner and her staff have undertaken to ensure that the program is successful.

4. August Aviation Board Agenda Items-The Committee reviewed and recommended for approval all items on the August 3 Board calendar. The Pilot Limousine program was discussed and staff will evaluate the results of the 18 month program and if successful, conduct a process for a longer term operator.

There was one speaker in open forum and the Committee went into closed session at 7:04pm and subsequently adjourned at 7:52pm.