



MELBOURNE AIRPORT AUTHORITY BOARD MEETING

AGENDA - Revised

October 23, 2019 at 8:30 AM

Orlando Melbourne International Airport Board Room

Pledge of Allegiance

Airport Announcements

Action Items

Approval of the minutes of the August 28, 2019 and September 25, 2019 meetings in the Orlando Melbourne International Airport Board Room.

Item A-1 Recommendation to Approve the Purchase of Two Vehicles for \$47,324 through the Florida Sheriff's Association State Contract Number FSA19VEL27.0 for the Airport Police Department.

The approved FY2020 budget includes the replacement of two police vehicles. The vehicles being replaced will be removed from service and auctioned. As a reminder, the funds generated from the auction will go into airport funds for future purchases.

The vehicle pricing with additional up fitting costs are within the approved budget:

Police Vehicle Purchase				
Vehicle	Quoted Vehicle Price	Upfitting Quote	Budget	Under/(Over)
2020 Dodge Charger	\$ 22,280.00	\$ 6,893.00	\$ 27,777.03	\$ (1,395.97)
2020 Ford F-250 Super Duty XL 4X4	\$ 25,044.00	\$ 3,714.00	\$ 31,222.97	\$ 2,464.97
Total	\$ 47,324.00	\$ 10,607.00	\$ 59,000.00	\$ 1,069.00

Staff recommends the approval to purchase two vehicles for the Police Department and authorization for the Executive Director to execute all necessary documents.

Item A-2 Recommendation to Approve the Sole-Source Purchase of 12 L3Harris Corporation Two-Way Radios from Communications International for the Police Department for \$52,557.

In FY2017, the Police Department purchased 13 of 25 radios in order to comply with the U.S. Department of Homeland Security's Project 25 (P25). Project 25 enables the interoperability among digital two-way land mobile radio communications products created by and for public safety officials. Current non-P25 compliant radios are not reprogrammable to meet the P25 standard, which requires an 800 MHz system. In order to meet established deadline, the Police Department must purchase the remaining 12 required radios. Communications International is the sole Public Safety and Professional Communications Channel Partner authorized to provide regional sales and service for L3Harris Corporation equipment. Staff posted the

“Intent to Sole-Source” on the Authority website for 7 days as required. The quoted price of \$52,557 is included in the approved FY2020 budget.

Staff recommends approval to purchase 12 P25-compliant police radios from Communications International for \$52,557 and authorization for the Executive Director to execute all necessary documents.

Item A-3 Recommendation to Approve a Single-Source Purchase Order with ABA-CON, INC., for Required Monthly, Quarterly, and Annual Avgas and Jet-A Fuel Tank Inspections, Cleaning, and Repairs.

The airport maintains four 50,000 gallon Jet-A fuel tanks and one 30,000 gallon Avgas tank for the safety and proper operations for fueling vendors on airport property. The maintenance, inspections, and repairs are essential for the quality of aviation fuel being delivered to aircraft.

Since the cost of these services exceeds \$35,000, Staff solicited six companies in an attempt to secure additional inspection/repair/cleaning sources for Avgas and Jet-A fuel tank companies with the following results:

- No Response to emails/voicemails: 2
- Only Clean Tanks: 1
- Melbourne outside of Service Area: 2
- Doesn't do aviation fuel tanks: 1

As a result, ABA-CON is currently the only viable option for these services. The purchase order amount (\$41,795) is based on average costs of the past three years (inspections are fixed-price while repair costs fluctuate). Staff posted the “Intent to Single-Source” on the Authority website for 7 days as required.

Staff recommends approval of the ABA-CON, Inc., Single-Source Purchase Order for Avgas/Jet-A Fuel Tank Inspection, Cleaning, and Repairs for \$41,795, and authorization for the Executive Director to execute all necessary documents.

Item A-4 Recommendation to Approve the Extension of Consulting Agreement with Aeropandion.

This is to extend the Consulting Agreement with Mr. Bill Johnson through his company, Aeropandion from October 1, 2019 through September 30, 2021. This is an annual “not to exceed” amount of \$42,995 which includes labor and expenses (this is the amount approved in the FY 2020 budget). Mr. Johnson is an integral part of the airport’s executive team by leading our governmental affairs projects and acting as a liaison with the Florida Department of Transportation and other governmental entities.

Staff recommends approval to extend the Aeropandion Consulting Agreement and authorization for the Executive Director to execute said Agreement.

Item A-5 Recommendation to Approve a General Terms Agreement with Tango 2.

As the Airport Authority Board is aware, Airport staff has been engaged in negotiations with an entity known as “Tango 2”. This project name is being used to protect its anonymity.

Tango 2 anticipates operating internationally at the Airport and expects to transport approximately 192,000 passengers per year beginning in 2022. Tango 2 also expects to increase future annual passenger volume from its ancillary operations.

The salient points of the General Terms Agreement (GTA) are as follows:

- Term: Seven Years commencing on April 1, 2022. Airport and Tango 2 may agree to extend the GTA beyond the base term. During an extension period Tango 2 may terminate the agreement with 120 days advance written notice. During the initial seven year period, Tango 2 is required to operate at least one route. The Airport will be its exclusive destination for all of its international and domestic flights in Florida with the exception of Miami.
- Rates, Charges, and Fees: Excluding incentives as outlined in the Airport’s Board approved Airline Service Incentive Plan (ASIP), Tango 2 shall pay the Airport’s signatory Rates and Charges, which vary by aircraft size. The estimated rate and charge is \$1,270.00 per international turn.
- Tango 2 is responsible for collecting all Passenger Facility Charges (PFCs).
- Ground handling services will be provided by Airport through its ground handling contract.
- Incentives per the ASIP:
 - Airport will waive the International Turn Charge for a period of two years for all new routes.
 - Marketing Assistance:
 - Year 1: Up to \$300,000 in Marketing Assistance Incentives for Tango 2’s first route. Up to \$200,000 in Marketing Assistance Incentives for each additional, new route beyond the first route. One-time up to \$50,000 reimbursement for station start-up costs and terminal improvements. Up to \$200,000 reimbursement for Ground Transportation. Twenty-Five percent of Net Duty Free Revenues generated by Tango 2 operations.
 - Year 2: Up to \$25,000 in Marketing Assistance for each recurring route that commenced in year 1. Up to \$200,000 in Marketing Assistance Incentives for each additional new route. Up to \$200,000 reimbursement for Ground Transportation. Twenty-Five percent of Net Duty Free Revenues generated by Tango 2 operations.
 - Years 3-7: Up to \$25,000 in Marketing Assistance for each recurring route that commenced in any preceding year. Up to \$200,000 in Marketing Assistance Incentive during the first year of each new, additional route. Twenty percent of Net Duty Free Revenues generated by Tango 2 operations.
 - Airport’s yearly maximum out of pocket expenditures including Marketing Assistance Incentives, Ground Transportation Provider costs and start-up costs is \$1,000,000. If service levels in a given year cause Marketing Assistance Incentive(s) to exceed the \$1,000,000, it will be carried forward to the next year without surpassing this cap.

- Liquidated damages: If Tango 2 violates its exclusivity and/or it discontinues all of its routes from the Airport, Tango 2 will pay to Airport the estimated international turn rates that would have been due to the Airport based on the nature and timing of the breach of contract.

Staff recommends approval of the General Terms Agreement with Tango 2, and authorization for the Executive Director to execute said Agreement on behalf of the Authority.

Discussion Items

Item D-1 Combined November/December Board Meeting December 4, 2019.

Information Items

Item I-1 Financial Update

Item I-2 Operations Update

Item I-3 Construction Projects Update

Item I-4 Business Development and Marketing Update

Public Speakers

Adjournment

Pursuant to 286.0105, Florida Statutes, the Airport hereby advises the public that if a person decides to appeal any decision made by the Airport Authority with respect to any matter considered at its meeting or hearing, he will need a record of the proceedings, and that for such purpose, affected persons may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

In accordance with the Americans with Disabilities Act and Section 286.26, Florida Statutes, persons with disabilities needing special accommodation to participate in this meeting should contact the Airport (723-6227) at least 48 hours prior to the meeting.