



## BOARD OF DIRECTORS MEETING

Minutes of March 4, 2009

The regular monthly meeting was held in the Board Conference Room at 1 Aviation Circle and was called to order by the Chairman at 9:10 a.m. The following Directors were present during the meeting:

H.R. Crawford, Chairman  
Robert Clarke Brown  
William W. Cobey Jr.  
Anne Crossman  
Michael David Epstein

Jack A. Garson  
Michael L. O'Reilly  
Mame Reiley  
Charles D. Snelling  
David G. Speck

The Secretary and the following Officers were present:

James E. Bennett, President and Chief Executive Officer  
Margaret E. McKeough, Executive Vice President and Chief Operating Officer

### I. MINUTES OF THE FEBRUARY 4, 2009 BOARD MEETING

The Chairman called for approval of the minutes of the February 4, 2009 meeting. However, a quorum was not present.

### II. COMMITTEE REPORTS

#### a. Business Administration Committee

Mr. Manning chaired the Business Administration Committee on February 18, 2009; however, Mr. Cobey presented the Committee report on behalf of Mr. Manning.

Monthly Contracting Report. Steve Baker presented the monthly contracting report for January 2009. He stated that the total non-federally assisted contracts, including all contracts awarded or modifications to existing contracts, totaled \$71.9 million. Fifteen percent of the contracts were awarded to LDBE firms; 23 percent to MBE firms and 1.7 percent to WBE firms. There were no federally assisted contracts awarded or modified for January.

Recommendation to Award a Refuse and Recycling Removal Services contract at Dulles. Chris Browne requested the Business Administration Committee approve staff's recommendation to award a contract to Con-Serve Industries (CSI) for refuse removal and recycling services at Dulles Airport. The proposed contract base period will be one year, with two one-year options. The three-year value of the contract will exceed \$3 million and includes a 25 percent LDBE requirement. A motion was made and accepted to send the Committee's recommendation to the Board, and will be a part of today's new business.

Jurisdictional Information on Terminal Concessionaires at Dulles International and Reagan National Airports. Mr. Baker presented a detailed report, by jurisdictions, on the concession operations at both Airports. This report was prepared at the request of Mr. Manning and consists of information on businesses participating in the Airports Authority's concession programs, including their principal place of business and summary breakdowns of awards by geographical jurisdiction.

Pre-Solicitation Terms for Information Technology Services Contract. George Ellis presented a Request for Proposals (RFP) for a firm to provide Information Technology supporting both Airports. Mr. Ellis stated that the current contract with BAE Systems is scheduled to expire in July 2009, and that the contract is divided into two major areas of technical support: 1) Basic Services for Administrative Support and 2) Supplemental Services. Mr. Garson reported that he represents BAE Systems and recused himself from discussions and voting. Mrs. Crossman inquired about contract incentives and suggested that such incentives be included in the Statement of Work. Mr. Ellis responded that a contract performance metrics program is being implemented. The Committee concurred with staff's recommendation.

b. Dulles Corridor Committee

Mr. O'Reilly chaired the Dulles Corridor Committee on February 18, 2009. Ms. Reiley thanked him for chairing the Committee and proceeded with the report.

In executive session, the Committee discussed interim operating models for the Dulles Toll Road. The following five operating models were discussed: In House; Multiple Operating Contracts; Turnkey Operating Contract; Program Management; and Concession Contract.

The Committee agreed to recommend the Multiple Operating Contracts model to the Board. A motion was made and accepted. The Board will decide on the interim operating model as part of new business later today.

c. Finance Committee

The Finance Committee met on February 18, 2009.

Aviation Enterprise

Mr. Brown chaired the Committee meeting and received a report from the Aviation Enterprise financial advisors (FAs). The FAs noted that Congress passed a stimulus bill which allowed the Airports Authority to issue non-AMT debt. This bill should help the Airports Authority save money and make it favorable to issue the proposed Series 2009A Bonds. The Committee approved increasing the size of the bonds from \$300 to \$400 million in order to improve liquidity based on staff's recommendation. The \$400 million deal is set to occur later this month.

Mr. Brown asked the Chairman and Vice Chairman to remain for the due diligence meeting scheduled after the Board meeting.

The Finance Committee approved the assignment of the Bear Stearns Swap Financial Products to JP Morgan Chase who acquired Bear Stearns. The FAs and bond counsel noted that they have received the required documentation to facilitate this assignment.

Lynn Hampton provided highlights of the year-end Aviation Enterprise preliminary financial reports ending in December 2008. The preliminary report indicated the Airports Authority lost \$135 million for the year due to a \$158 million non-cash charge reflecting the decline in the value of the Airports Authority's swaps. In January 2009, the Airports Authority's swap position showed a positive \$50 million improvement. The report also noted the slowing of aviation activity during the month of January.

Dulles Corridor Enterprise

The Finance Committee recommended that the Board appoint Citi and Morgan Stanley as co-senior bookrunning managers for the inaugural Dulles Toll Road financing. A separate RFP for co-managers has been developed and is awaiting response. This selection of co-managers will complete the underwriting syndicate for the Toll Road financing program.

The credit rating process continues to move ahead for the Dulles Corridor financing program. Following meetings held with credit rating agencies in New York, Standard & Poor's toured the Toll Road with Airports Authority staff. Staff scheduled a date for Moody's to tour the site, but it was canceled due to weather conditions. Standard & Poor's provided the rating evaluation letter requested by

the Federal Transit Administration (FTA) that established that the Dulles Toll Road credit will be rated investment grade.

The Finance Committee reviewed preliminary year-end 2008 financial reports for the Dulles Corridor Enterprise, covering a two-month period, including revenue and grant dollars transferred for the Metro-rail work in progress to the Airports Authority in 2008. Net income from the Dulles Toll Road was \$340 million.

#### Investment Program

Mr. Brown reported that the investment portfolio is divided into two programs: 1) Aviation Enterprise and 2) Dulles Corridor Enterprise. The total size of the investment portfolio on the Aviation Enterprise is \$880 million, which includes cash, restricted bond proceeds and debt service funds, with approximately 300 days of cash on hand. The total size of the Dulles Corridor portfolio is \$124 million.

In response to questions from the Chairman and Mr. Brown regarding the public hearings on the Dulles Toll Road, Mr. Bennett explained that a minimum of two hearings would be held, each requiring a 10-day notice. Mr. Bennett noted the following steps would occur for the public hearings: 1) a public meeting would be held with the Dulles Corridor Advisory Committee, which consists of representatives from Fairfax and Loudon Counties and the Airports Authority; 2) a meeting with the Board would then occur to provide information discussed by the Advisory Committee; 3) the Board would request management to hold a series of public hearings on the Dulles Corridor; 4) management will provide the Board with the results of the public hearings and present a final recommendation to the appropriate Board Committee(s); and 5) the Committee will make a recommendation to the full Board. The Board Chairman suggested that Committee Chairs or their designees attend the public hearings.

#### d. Information Technology Committee

The Information Technology Committee met on February 18, 2009 and was chaired by Mrs. Crossman. In executive session, Margaret McKeough and George Ellis presented a status report on the solicitation of the Enterprise Resource Planning (ERP) initiative. She congratulated Ms. McKeough and Mr. Ellis on their effort.

Ms. McKeough reviewed the solicitation process and staff's recommendation regarding the selection of a firm to implement the ERP. Mr. Ellis addressed the technical, software implementation, and capabilities of all three firms.

The Committee questioned staff on the technical review, and the Committee discussed the budget, current proposed costs, and project consultant's implementation and oversight fees. The Committee further discussed the availability of resources and the timing of implementing this initiative.

In regular session, the Information Technology Committee concurred with staff's recommendation to select International Business Machines Corporation to provide software deployment and implementation goods and services in connection with the ERP initiative. A motion was made and thereupon accepted. Mrs. Crossman stated that a modified resolution will be presented as part of today's new business.

e. Planning and Construction Committee

Mr. Epstein reported that the Planning and Construction Committee met on February 18, 2009.

Monthly Capital Construction Program (CCP) Cost Report. Frank Holly presented the CCP cost report noting that the Airports Authority continues to build projects on budget and deliver on time. There were no significant program cost increases since the last report, and budget variances for both Airports remain minimal.

Parsons Management Consultants CCP Quarterly Report. Bruce Swanson presented a report on the CCP and reviewed the status of design and construction projects at both Airports. Mr. Bennett noted that staff is working to schedule a Board tour of the CCC Computer Aided Dispatch Center, the Airport Rescue and Fire Fighting Facility, and Terminal A at Reagan National.

Recommendation Regarding Easements Needed for Installation of a Water Main Under the Dulles Airport Access Highway and the Dulles Toll Road. Phil Sunderland stated that staff's recommendation involved the widening of an easement provided by the Federal Aviation Administration (FAA) to Fairfax Water to accommodate the installation of a new water main under the Dulles Airport Access Highway and the Dulles Toll Road. Jana Phillips outlined the details of the request and explained that a one-quarter acre of the Airport Authority's property is needed for expansion. A motion was made and accepted on the easement request.

Impact of I-495 Hot Lanes Project on the Dulles International Airport Access Highway. In executive session, Steve Smith and Mr. Bennett discussed VDOT's Hot Lanes Project and its impact on the Dulles Toll Road Project.

Upon completion of the Committee reports, the Chairman noting a quorum was present called for approval of the February 4, 2009 Board Meeting minutes, which were unanimously accepted.

All Committee reports were accepted.

### III. INFORMATION ITEMS

#### a. President's Report

Mr. Bennett reported that progress continued on the Dulles rail project. Three letters of no prejudice were recently received, which allows the Airports Authority to begin certain aspects of the construction prior to receiving the executed full funding grant agreement (FFGA) from the FTA. As a result of the letters, the Airports Authority can proceed with 1) building a precast yard at Dulles Airport on Routes 28 and 606, where the contractor will manufacture the precast beams to support the elevated sections of the rail project, thereby saving money since they will not need to be shipped from out of state; 2) starting work on a pier on Route 123, which had to be coordinated with Virginia's Hot Lanes Project, and for which approval has already been received; and 3) mobilizing for full construction in anticipation of receiving the FFGA within the coming weeks. Mr. Bennett noted that the 60-day Congressional review period would expire next week, and the Airports Authority anticipates executing the FFGA shortly thereafter, at which time a full notice to proceed will be issued to the contractors. A short-term interim agreement with the contractors has been negotiated to avoid an escalation in contract prices while the Airports Authority awaits the execution of the FFGA. Mr. Bennett noted that once the final schedule of the FFGA execution is confirmed, the Board will be notified.

As a part of the FAA reauthorization process, the issues of slots at Reagan National and changes to the perimeter rule continue to be an issue. The newest proposal from the airlines involves reallocating slots not currently being used in the early morning and late evening, to peak times during the day. This proposal would not add slots, but could potentially contribute to congestion during prime hours of the day, which is contrary to the purpose of the slot rule. The Chairman and Mr. Bennett attended meetings on Capitol Hill on February 26, 2009 to discuss the slot issue with local representatives to confirm the Airports Authority's position – to make no changes to the slot rule at Reagan National.

Mr. Bennett reported that two public hearings were held regarding the Airports Authority's proposed hotel/motel shuttle fee, as well as the proposed increase of the taxi dispatch fee from \$1.75 to \$2.50 at Reagan National, to match the fee currently imposed at Dulles. Separate reports, including an analysis of the

comments received at both hearings with recommendations on the hotel/motel shuttle and taxi dispatch fees, will be presented to the Business Administration Committee.

On February 19, 2009, the Airport Authority's Police Department received accreditation from the Virginia Law Enforcement Professional Standards Commission. This concludes a three-year process involving updating the Department's policy and procedures, as well as on-site assessments. The Commission will conduct inspections of the Police Department every four years to maintain its accreditation. The Chairman commended the Police Department on its accreditation.

The Chairman directed staff to provide a report to the Board on the February incident occurring at Reagan National involving an Airports Authority police vehicle.

Last week, the Chairman and Mr. Bennett appeared before the DC City Council for the annual oversight hearing of the Committee of the Whole chaired by Chairman Gray. Chairman Gray expressed the need for the Airports Authority to increase its business with District firms, as well as, to insure that District residents have adequate access to information about job opportunities at the Airports Authority. Mr. Bennett stated that report will be submitted to the Council identifying the Airports Authority's outreach efforts to District businesses and residents.

Mr. Bennett thanked the Vice Chairman and Mr. Manning for attending the Airports Authority Black History Month celebration, which featured a speech by Reverend Walter Fauntroy and performances by Ballou High School's ROTC and marching band.

b. Executive Vice President's Report

Ms. McKeough reported that passenger traffic activity during the month of January 2009 was affected by the inaugural activities. The U.S. aviation industry experienced a 10 percent decline in passenger traffic; both Reagan National and Dulles performed better than the industry's benchmark.

Reagan National serviced 1.2 million passengers in January 2009, which was a decline of just under 2 percent compared to January 2008 results.

Dulles serviced 1.7 million passengers in January 2009, which was a decline of about 4 percent compared to January 2008 results. At Dulles, the decline was driven by a decrease in domestic activity, decreasing about 6 percent in January

2009. However, international activity increased 2 percent in January 2009 over January 2008. Total cargo activity continued to decline, marking a decrease of 21 percent.

Ms. McKeough reported that preliminary forecasts of February and March 2009 schedules indicate a further decline in terms of numbers of seats sold at both Airports. Mr. Epstein and Mr. Garson inquired about the impact of declining airport activities on revenue. Mr. Bennett stated that the report prepared for the March Finance Committee meeting will include information on activity indicators and their impact on concessional revenues.

#### IV. NEW BUSINESS

a. Recommendation Regarding Easements Needed for Installation of Water Main under the Dulles Airport Access Highway and Dulles Toll Road

Mr. Epstein moved the adoption of the following resolution, which was unanimously adopted:

WHEREAS, in 1979 the Federal Aviation Administration (FAA) granted a permanent license to the Fairfax County Water Authority to construct a 48-inch water line under the Dulles Airport Access Highway just east of the Fairfax County Parkway;

WHEREAS, increases in demand for potable water in Fairfax and Loudoun Counties necessitate an expansion of the water line capacity;

WHEREAS, to address this need, the Fairfax County Water Authority is constructing a second water line that will connect the Corbalis Water Treatment Plant on the Potomac River with the Fox Mill Pumping Station;

WHEREAS, the Fairfax County Water Authority has requested permission to install a portion of this new water line next to the water line located within the property covered by the 1979 FAA permanent license;

WHEREAS, the width of the existing license property is insufficient to accommodate both the existing 48-inch water line and the proposed 42-inch water line which will be encompassed in an approximately 96-inch wide tunnel, and Fairfax County Water has requested easements for an additional 0.2193 acres on the east side of the existing license property and an additional 0.2195 acres on the west side of the existing license property;



WHEREAS, the Planning and Construction Committee has reviewed the proposed easements, as presented by management, and recommended that they should be granted in the public interest;

NOW, THEREFORE, BE IT RESOLVED

1. That the President and Chief Executive Officer is authorized and directed to grant the easements to the Fairfax County Water Authority as identified in detail in the documents presented to the Board of Directors at its March 4, 2009, meeting; and
2. That the resolution shall be effective upon its adoption.

The final resolution filed in the Board of Directors Office includes a copy of the staff recommendation paper.

b. Approval of the Dulles Toll Road Operating Model

Ms. Reiley moved the adoption of the following resolution, which was unanimously adopted:

WHEREAS, effective November 1, 2008, the Commonwealth of Virginia transferred the authority and responsibility to operate the Dulles Toll Road (Toll Road) to the Metropolitan Washington Airports Authority;

WHEREAS, effective November 1, 2008, the Airports Authority retained the Virginia Department of Transportation (VDOT), on an interim basis, to operate Toll Road on its behalf;

WHEREAS, under agreements with the Commonwealth of Virginia, the Airports Authority may continue to retain VDOT to operate the Toll Road on its behalf for up to one year following execution of a Full Funding Grant Agreement providing federal New Starts funds for construction of the Dulles Corridor Metrorail project, at which time the Airports Authority must have put into effect its own operating system;

WHEREAS, in August 2006, the Board of Directors received a staff presentation on a number of alternative models that the Airports Authority could utilize in operating the Toll Road;

WHEREAS, between October 2008 and February 2009, the Dulles Corridor Committee received four separate staff briefings and engaged in

substantial discussion on these alternative models for operating the Toll Road;

WHEREAS, the alternative operational models presented to the Dulles Corridor Committee included the following: (1) an "In House" model under which all operating responsibilities would be performed by Airports Authority staff; (2) A "Multiple Operating Contracts" model under which the Airports Authority would enter multiple contracts to secure the services required to operate the Toll Road, and Airports Authority staff would manage these contracts; (3) A "Turnkey Operating Contract" model under which the Airports Authority would contract with a single entity to provide, either with its own staff or through subcontracts, the services required to operate the Toll Road; (4) A "Program Management" model under which the Airports Authority would enter multiple contracts to secure the services required to operate the Toll Road and, in addition, would contract with a single entity for the management of these contracts; and (5) A "Concession Contract" model under which the Airports Authority would enter a concession contract for the operation of the Toll Road and, pursuant to this contract, the concessionaire would assume responsibility either for the complete operation of the Toll Road or for certain defined operational functions with the remainder being performed by Airports Authority staff;

WHEREAS, in its evaluation of the different operational models, the Dulles Corridor Committee identified and utilized three criteria: the seamlessness of the transition from VDOT's to the Airports Authority's operation of the Toll Road; maximization of operational efficiencies; and reasonableness of operating costs;

WHEREAS, at its February 18, 2009, meeting, the Dulles Corridor Committee determined that the second operational model identified above in the fifth Whereas paragraph (Operational Model 2) best satisfied the above-identified criteria, and recommended that the Board approve Operational Model 2 for use by the Airports Authority initially in operating the Toll Road;

**NOW, THEREFORE, BE IT RESOLVED**

- 1 That Operating Model 2, as described above and as more fully described in the staff paper presented to the Board of Directors at its March 4, 2009, meeting, is hereby approved as the model to be used initially by the Airports Authority in operating the Dulles Toll Road; and
2. That this resolution shall be effective upon its adoption.

The final resolution filed in the Board of Directors Office includes a copy of the staff recommendation paper.

c. Recommendation to Award a Refuse and Recycling Removal Services Contract at Dulles

On behalf of Mr. Manning, Mr. Cobey moved the adoption of the following resolution, which was unanimously adopted:

WHEREAS, the Business Administration Committee in October 2008 reviewed and concurred in a pre-solicitation paper for the procurement of Refuse and Recycling Removal Services at Washington Dulles International Airport;

WHEREAS, a Request for Proposals for these services (RFP) was issued on October 23, 2008;

WHEREAS, a staff Evaluation Committee has reviewed the responses to this RFP and recommended the selection of Con-Serve Industries to provide the services for one year, with two one-year options; and

WHEREAS, the Business Administration Committee is satisfied with the results of the competitive procurement and has recommended that the Board approve the selection of Con-Serve;

NOW, THEREFORE, BE IT RESOLVED

1. That Con-Serve Industries is hereby selected to provide refuse and recycling services at Washington Dulles International Airport, consistent with the terms outlined in the staff paper presented to the Business Administration Committee at its February 18, 2009 meeting, including that the Local Disadvantaged Business Enterprise share of the contract shall not be less than 25 percent; and

2. That this resolution shall be effective upon its adoption.

The final resolution filed in the Board of Directors Office includes a copy of the staff recommendation paper.

d. Recommendation for the Assignment of the Bear Stearns Financial Products Swap Agreements to JP Morgan Chase Bank

Mr. Brown moved the adoption of the following resolution, which was unanimously adopted:

WHEREAS, the Metropolitan Washington Airports Authority (the "Airports Authority") and Bear Stearns Financial Products Inc. ("BSFP") have executed the Master Agreement dated as of June 15, 2006, including the Schedule thereto, as may have been amended (the "BSFP Master Agreement"), and have entered into a forward starting interest rate swap agreement with an effective date of October 1, 2009 (the "BSFP Swap Transaction"), relating to the Airports Authority's future Airport Revenue Bonds;

WHEREAS, JPMorgan Chase Bank, N.A. ("JPMorgan Chase") has acquired The Bear Stearns Companies, Inc., the parent corporation of BSFP;

WHEREAS, BSFP proposes to assign its rights and obligations under the Master Agreement and BSFP Swap Transaction to JPMorgan Chase;

WHEREAS, if the Airports Authority accepts the BSFP proposal, JPMorgan Chase will assume the rights and obligations of BSFP under the BSFP Master Agreement and the BSFP Swap Transaction pursuant to an Assignment Agreement by and among the Airports Authority, JPMorgan Chase and BSFP (the "Assignment Agreement") which Assignment Agreement and related Credit Support Annex have been submitted to the Board of Directors;

WHEREAS, the Airports Authority and Bank of America, N.A. ("BoA") have executed the Master Agreement dated as of June 15, 2006, including the Schedule thereto, as may have been amended (the "BoA Master Agreement"), and have entered into a forward starting interest rate swap agreement with an effective date of October 1, 2009 (the "BoA Swap Transaction" and together with the BSFP Swap Transaction, the "Swap Transactions"), relating to the Airports Authority's future Airport Revenue Bonds;

WHEREAS, it may be beneficial to the Airports Authority to accelerate or defer the effective date of all or a portion of either Swap Transaction taking into consideration the timing and size of the Airports Authority's future debt issuances to finance or refinance capital improvements at Ronald Reagan Washington National Airport and Washington Dulles International Airport;

NOW, THEREFORE, BE IT RESOLVED

1. That the Airports Authority approves the assignment by BSFP of its rights and obligations under the BSFP Master Agreement and the BSFP Swap Transaction to JP Morgan Chase;

2. That the Chairman or Vice Chairman is authorized and directed to execute, by manual or facsimile signature, the Assignment Agreement and Credit Support Annex relating thereto, in substantially the forms submitted to the Board of Directors, which forms are hereby approved, with such changes, insertions, completions and deletions as are necessary to reflect the final terms of the Assignment Agreement and Credit Support Annex, and the execution of the Assignment Agreement and Credit Support Annex by the Chairman or Vice Chairman shall constitute conclusive evidence of their approval by the Board of Directors;

3. That the Chairman, or Vice Chairman, and the Chairman of the Finance Committee (and if timing and schedule permit, with the advice and consent of the Finance Committee) (the "Authority Representatives") are authorized until May 31, 2009, and directed to jointly determine, as to each Swap Transaction, whether to accelerate or defer the effective date of all or a portion of the Swap Transaction and, in the event the Authority Representatives determine to accelerate or defer all or a portion of a Swap Transaction, to approve the final revised terms and conditions of the applicable Master Agreement, Schedule and Confirmation, including, but not limited to, the notional principal amount, amortization schedule, nominal effective date, final maturity date, pricing and the designation of the series of Bonds to which the revised Swap Transaction relates; and

4. That this Resolution shall be effective upon its adoption.

The final resolution filed in the Board of Directors Office includes a copy of the staff recommendation paper.

e. Recommendation to Increase the Size of the Series 2009A Bonds from \$300 Million up to \$400 Million

Mr. Brown moved the adoption of the following resolution, which was unanimously adopted by all ten Directors present:

WHEREAS, on January 7, 2009, the Board of Directors of the Metropolitan Washington Airports Authority ("Airports Authority") adopted Resolution No. 09-02 authorizing the issuance of Airport System Revenue Bonds, Series 2009A (the "Series 2009A Bonds") in the authorized amount of \$300,000,000 to finance and refinance certain capital improvements at

Ronald Reagan Washington National Airport and Washington Dulles International Airport;

WHEREAS, recent changes to federal law concerning tax-exempt bonds are expected to improve the pricing of the Series 2009A Bonds and lower the Airports Authority's borrowing costs for financing or refinancing capital improvements through the issuance of the Series 2009A Bonds; and

WHEREAS, the Airports Authority will take into consideration the recent changes to federal law in determining the amount, purpose and structure for the Series 2009A Bonds and, as a result, may determine to increase the amount of Series 2009A Bonds to be issued;

NOW, THEREFORE, BE IT RESOLVED

1. That the principal amount of Series 2009A Bonds authorized to be issued is increased to an amount not to exceed \$400,000,000;
2. Except as modified by the foregoing, Resolution No. 09-02 is otherwise ratified and confirmed; and
3. That this Resolution shall be effective upon its adoption.

The final resolution filed in the Board of Directors Office includes a copy of the staff recommendation paper.

V. UNFINISHED BUSINESS

There was not any unfinished business.

VI. OTHER BUSINESS & ADJOURNMENT

The Chairman reported that Mr. Horton's appointment to the Airports Authority Board had been delayed. Once DC City Council Chairman Gray's concerns are satisfied, the Council will make a final decision in April.

The Chairman also noted upcoming events that he recommended Directors attend, including the Airports Council International – North America's annual conference in April and a one-day program of the National Association of Corporate Directors. A dinner to acknowledge outgoing Directors is also being planned.

Mr. O'Reilly congratulated the Airports Authority Police Department for its accreditation and noted the positive feedback that he has received from the hospitality sector regarding the proposed hotel/motel shuttle fees. Mr. Snelling concurred that the shuttle system is a worthwhile endeavor.

With respect to Chairman Gray's issues regarding DC's poor representation of businesses participating in airport activities and its residents being under-represented in the Airport Authority's workforce, the Chairman suggested that an independent consultant be hired to offer recommendations. As an immediate remedy, the District allocated funds for about 40 high school and college students to participate in summer internships with the Airports Authority. A job fair will be held in Northeast and Southeast DC.

#### IV. NEW BUSINESS (continued)

f. Recommendation to Award a Contract for Software Deployment and Implementation Services of the Enterprise Resource Planning (ERP) Initiative

After all Directors received copies of the amendments to be considered, Mrs. Crossman moved the adoption of the following modified resolution:

WHEREAS, the Airports Authority-wide Enterprise Resource Planning Initiative has reached the stage of software selection and implementation;

WHEREAS, in February 2008, the Information Technology Committee, as part of its continuing oversight of this Initiative, concurred in the staff proposal for the competitive procurement of software deployment and implementation;

WHEREAS, in March 2008, a Request for Proposals was issued for this software deployment and implementation (RFP);

WHEREAS, a staff Technical Evaluation Committee has analyzed the initial responses to the RFP, conducted interviews with three firms submitting responses, undertaken two days of software evaluation for each such firm, and received and reviewed best and final offers from the firms, and has recommended that International Business Machines Corporation be selected to provide the goods and services covered by the RFP; and

WHEREAS, the Information Technology Committee is satisfied with the competitive process and the resulting staff recommendation, and has recommended that the Board adopt it;

NOW, THEREFORE, BE IT RESOLVED

1. That the International Business Machines Corporation is hereby selected to provide software deployment and implementation goods and services, in connection with the Airports Authority's Enterprise Resource Planning Initiative, for a base period of two years, with six option clauses exercisable at the Authority's option, all in accordance with the terms outlined in the staff paper submitted to the Information Technology Committee at its February 18, 2009, meeting, including the requirement that Local Disadvantaged Business Enterprise participation in the contract shall not be less than 30 percent; provided, that the decision to exercise any option shall be made by the Board of Directors following receipt of a recommendation from management;
2. That, within 30 days from the adoption of this Resolution, management shall meet with representatives of the airlines to discuss their views on this procurement of goods and services, and shall provide a report on this meeting to the Chairman of the Board of Directors and the Chairman of the IT Committee; and
3. That this resolution shall be effective upon its adoption.

Mr. O'Reilly commended the Information Technology Committee, particularly Mrs. Crossman, for their hard work. He did express concerns about how quickly the Board acted on the item. With the additional discussion that occurred and the airline industry representatives' input, which he believed was a good opportunity to promote active dialogue, his concerns were satisfied. He would have preferred to delay the action, but all things considered, it was a great program that needed to begin so he supported it.

The modified resolution was thereupon unanimously adopted, with the inclusion of all three amendments.

The Chairman commended Mrs. Crossman, noting that she put a great deal of effort into the ERP initiative. He stated that she was a first-class technology expert, and he applauded her for her patience in moving forward. The Chairman also commended and applauded George Ellis, who had proven his ability.

VI. OTHER BUSINESS & ADJOURNMENT (continued)

The meeting ended with comments from Mr. O'Reilly and Mr. Snelling regarding their attendance at the 23<sup>rd</sup> Annual Aviation Issues Conference in Hawaii.



