



REVISED AGENDA

Greater Asheville Regional Airport Authority Regular Meeting
Friday, December 11, 2020, 8:30 a.m.
Hilton Hotel Biltmore Park – Mitchell Room A and B

NOTICE TO THE PUBLIC: The Airport Authority welcomes comments from the public on any agenda item. Comments are received prior to the Board's discussion of the agenda item. Comments are limited to five minutes. In compliance with the state-wide mandate for COVID-19, members of the public may attend the Authority Board meeting at 8:30 a.m. on Friday, December 11, 2020 via Webex: 1-408-418-9388; Meeting Number (access code): 132 987 3951

- I. CALL TO ORDER
- II. PRESENTATIONS: None
- III. FINANCIAL REPORT ([document](#))
- IV. CONSENT ITEMS:
 - A. Approve the Greater Asheville Regional Airport Authority October 9, 2020 Regular Meeting Minutes ([document](#))
 - B. Approve Agreement Amendment between The Paradies Shops, LLC., and the Greater Asheville Regional Airport Authority ([document](#))
 - C. Approve Waterline Easement with City of Asheville for New Waterline ([document](#))
 - D. Approve Resolution for Retirement of Chief Kevan Smith ([document](#))
 - E. Authorize Donation of Surplus Property ([document](#))
 - F. Approve the Greater Asheville Regional Airport Authority October 9, 2020 Closed Session Minutes



V. OLD BUSINESS: None

VI. NEW BUSINESS:

- A. Presentation of Annual Audited Financial Report for Fiscal Year 2019/2020 ([document](#))
- B. Approve CM at Risk Contract and Pre-construction Services Fee with Hensel Phelps Construction for the Terminal Building Phase 2 Modernization Project ([document](#))
- C. Approve Task Order No. 2 Part B with GS&P N.C. an Affiliate of Gresham Smith and Partners for Terminal Building Phase 2 Modernization Design Services ([document](#))
- D. Adoption of the Asheville Regional Airport Five-Year Capital Improvement Plan (CIP) for FY 2022-2026 ([document](#))
- E. Approve Additional Reimbursable Agreement with the Federal Aviation Administration to Continue Necessary Airfield Work ([document](#))
- F. Approval of Amendment to the FY20/21 Budget ([document](#))

VII. DIRECTOR'S REPORT:

- A. Paradies Refurbishment
- B. Golf Course Update
- C. Extra Day Off

VIII. INFORMATION SECTION:

(Staff presentations will not be made on these items. Staff will be available to address questions from the Board.)

- A. October 2020 Traffic Report ([document](#))
- B. October 2020 Monthly Financial Report ([document](#))
- C. December 2020 Development/Project Status Report ([document](#))



D. Potential Board Items for the Next Regular Meeting:

- None identified at this time

IX. PUBLIC AND TENANTS' COMMENTS

In compliance with the state-wide mandate for COVID-19, Public and Tenant Comments will be as follows:

1. Please fill out a Comment Card located on the airport website here: <https://flyavl.com/boardcomment> by 3:00 pm on Thursday, December 10, 2020
2. Comments received, as specified above, shall be read during this Agenda period.

X. CALL FOR NEXT MEETING: January 8, 2021

XI. CLOSED SESSION:

Pursuant to Subsections 143-318.11 (a) (3), (4), and (6) of the General Statutes of North Carolina to Consult with Legal Counsel in Order to Preserve the Attorney-Client Privilege, to Discuss Matters Relating to the Location and/or Expansion of Industries or Other Businesses in the Area Served by the Authority, Including Agreement on a Tentative List of Economic Development Incentives that may be Offered by the Authority in Negotiations, and to Consider Personnel Matters.

XII. EXECUTIVE DIRECTOR EVALUATION

XIII. AUTHORITY MEMBER REPORTS:

- A. Key Strategic Elements ([document](#))

XIV. ADJOURNMENT

This agenda of the Greater Asheville Regional Airport Authority is provided as a matter of convenience to the public. It is not the official agenda. Although every effort is made to provide complete and accurate information in this agenda, the Greater Asheville Regional Airport Authority does not warrant or guarantee its accuracy or completeness for any purpose. The agenda is subject to change before and/or during the Board meeting.

**Asheville Regional Airport
Executive Summary
October-20**

AIRPORT ACTIVITY

	Month	Variance to Prior Year	Calendar Year to Date	Variance to Prior Year
Passenger Enplanements	38,732	(52.5%)	290,061	(56.7%)
Aircraft Operations				
Commercial	1,927	(23.2%)	13,651	(33.1%)
Scheduled Flights	707	(37.4%)		
Flight Cancellations	90			
Seats	62,639	(38.3%)	509,402	(40.4%)
Load Factor	61.8%	(22.9%)	56.9%	(27.3%)
General Aviation	3,683	(9.0%)	32,294	(19.9%)
Military	264	0.4%	1,713	(31.9%)

FINANCIAL RESULTS

	Month	Variance to Budget	Fiscal Year to Date	Variance to Budget
Operating Revenues	\$ 926,512	(1.7%)	\$ 3,048,652	(19.1%)
Operating Expenses	625,891	(31.1%)	2,684,283	(31.3%)
Net Operating Revenues before Depreciation	<u>\$ 300,621</u>		<u>\$ 364,369</u>	
Net Non-Operating Revenues *	<u>\$ 976,577</u>	321.1%	<u>\$ 3,061,673</u>	251.6%
* includes CARES Act funding \$570,407				
Broadmoor Net Income	\$ 26,868		\$ 167,177	
Grants:				
FAA AIP Grants	\$ 3,070,909		\$ 5,127,495	
NC Dept of Transportation Grants	-		885,270	
Total	<u>\$ 3,070,909</u>		<u>\$ 6,012,765</u>	

CASH

Restricted	\$ 10,011,585
Designated for O&M Reserve	5,384,122
Designated for Emergency Repair	650,000
Unrestricted, Undesignated	5,976,524
Total	<u>\$ 22,022,231</u>
Broadmoor Cash Balance	<u>\$ 221,689</u>

RECEIVABLES PAST DUE

	Total	1-30 Days	31-60 Days	Over 60 Days
Advertising Customers	19,228	2,870	3,095	13,263
Allegiant	78,587	-	63,656	14,930
Elite	280	-	280	-
FAA	14,441	14,074	-	367
TSA	31,671	9,975	11,085	10,611
Paradies	1,079	1,079	-	-
Signature	227	190	-	37
Skywest	9,197	-	142	9,055
Spirit	13,181	-	1,625	11,555
United	14,130	-	14,130	-
Worldwide	9,265	-	-	9,265
Miscellaneous	23,653	1,128	262	22,263
Total	<u>\$ 214,937</u>	<u>\$ 29,316</u>	<u>\$ 94,275</u>	<u>\$ 91,346</u>
% of Total Receivables	18.36%			

Note: Excludes balances paid subsequent to month-end.

Also excludes Board-approved deferred rents of \$265,414 for August and September

REVENUE BONDS PAYABLE

	Original Amount	Current Balance
Parking Garage Revenue Bond, Series 2016A	\$ 15,750,000	\$ 15,750,000
Parking Garage Taxable Revenue Bond, Series 2016B	5,250,000	555,000
	<u>\$ 21,000,000</u>	<u>\$ 16,305,000</u>

CAPITAL EXPENDITURES

Annual Budget	\$ 71,195,660
Year-to-Date Spending	\$ 17,134,445

**REGULAR MEETING
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
October 9, 2020**

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, October 9, 2020 at 8:30 a.m. in Room Pisgah A at the Hilton Hotel Biltmore Park, 43 Town Square Blvd., Asheville, NC 28803.

MEMBERS PRESENT: Matthew C. Burrell, Chair; Brad Galbraith, Vice-Chair; George H. Erwin, Jr.; Carl H. Ricker, Jr.; Thomas M. Apodaca; Susan Russo Klein; and Britt Lovin

MEMBERS ABSENT: None

STAFF AND LEGAL COUNSEL PRESENT IN PERSON: Cindy Rice, Authority Legal Counsel; Lew Bleiweis, Executive Director; Michael Reisman, Deputy Executive Director; Kevan Smith, Chief of Public Safety; Shane Stockman, IT Director; Jared Merrill, Airport Planning Manager; Michael Merideth, Systems Administrator; Lt. Kelly Smith, Public Safety; and Ellen Heywood, Clerk to the Board

STAFF PRESENT VIA VIDEO: Tina Kinsey, Director of Marketing and Public Relations; Janet Burnette, Director of Finance and Accounting; John Coon, Director of Operations and Maintenance; Lisa Jump, Director of Administration and Human Resources; and Christina Madsen, Properties and Contracts Manager

ALSO PRESENT IN PERSON: Chuck McGrady, NCDOT; David King, Gresham Smith; Brad Sucher, Gresham Smith

ALSO PRESENT VIA TELEPHONE: John Kasuda, Siemens; Jeff Kirby, Parrish & Partners; Jon McCalmont, Parrish & Partners; James Moose, Avcon; Jason Sandford, Ashvegas; Nick Loder, RS&H

CALL TO ORDER: The Chair called the meeting to order at 8:30 a.m. The Chair thanked Biltmore Farms for their help in coordinating the meeting and for the use of the meeting room.

EMPLOYEE RECOGNITION: The Director asked for a moment to recognize Lt. Kelly Smith of the Public Safety Department. Lt. Smith is the third member of Public Safety to complete the Western North Carolina Law Enforcement Leadership Academy. Chief Kevan Smith described the course requirements and the commitment necessary to complete the program. The Board congratulated Lt. Smith for this significant achievement.

WELCOME AND SWEARING IN OF NEW BOARD MEMBER: The Chair welcomed Susan Russo Klein to the Board. Ms. Russo Klein was sworn in by the Clerk to the Board.

CHUCK MCGRADY VISIT: Chuck McGrady appeared before the Board to thank the Board and staff for support while he was a state representative. Mr. McGrady stated that he had accepted a position on the Board of the NCDOT. Mr. McGrady spoke of the importance of building relationships with legislators and urged the Board and staff to continue with this practice. The Board thanked Mr. McGrady for his assistance with the issue with Duke Energy and the Department of Environmental Quality as well as other matters over the years and wished him well in his new position.

PRESENTATIONS:

A. Terminal Expansion Project Update: The Director introduced Brad Sucher with Gresham Smith, the architecture firm contracted for the design of the expanded terminal building. Mr. Sucher reviewed the approach used to arrive at the spirit that makes up the region and gave examples of how that will be brought into the design of the terminal building. Passenger statistical information was shared as well as descriptors for the design reached by the Gresham Smith team following meetings held with staff, some of the Board members, tenants, and members of the community. Preliminary renderings and concepts were shown to the Board. Following the presentation, a discussion took place that included growth predictions, the use of a concession consultant, the location of the central energy plant, the use of materials for the exterior of the building, the security checkpoint, and the assistance that a construction manager at risk will provide on this project. The Board thanked Mr. Sucher for his presentation.

FINANCIAL REPORT: A review of enplanements, aircraft operations, and general aviation activity for the month of August was provided by the Director. The Director also highlighted some statistics from a few of the ten largest airports in the world. Janet Burnette reported on the financial activity for the month of August. The Director also advised the Board that the airport had four years to draw down the funding from the CARES Act.

CONSENT ITEMS: The Chair stated that Consent Items C, D, E, F and G would be pulled for review in Closed Session.

A. Approve the Greater Asheville Regional Airport Authority August 14, 2020 Regular Meeting Minutes: Mr. Erwin moved to approve the Greater Asheville Regional Airport Authority August 14, 2020 Regular Meeting minutes. Mr. Galbraith seconded the motion and it carried unanimously.

B. Approve Amendment to the FY 20/21 Budget for Capital Carry-Over: Mr. Apodaca moved to amend the FY20/21 Budget by adopting the following budget ordinance amendment. Mr. Ricker seconded the motion and it carried unanimously.

BE IT ORDAINED by the Greater Asheville Regional Airport Authority that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2021:

Section 1. To amend the appropriations as follows:

EXPENDITURES:

	<u>Decrease</u>	<u>Increase</u>
Carry-over Capital Expenditures		\$16,246,123
Totals	<hr/>	<hr/> \$16,246,123

This will result in a net increase of \$16,246,123 in the appropriations. Revenues will be revised as follows:

REVENUES:

	<u>Decrease</u>	<u>Increase</u>
Federal Funds – AIP Funds		\$8,780,215
NC DOT Funds		\$8,451,791
PFC Funds		\$574,588
Transfer to GARAA Cash	\$1,560,471	
Totals	<hr/> \$1,560,471	<hr/> \$17,806,594

Section 2. Copies of this budget amendment shall be furnished to the Clerk to the Greater Asheville Regional Airport Authority, and to the Budget Officer and to the Finance Officer for their direction.

Adopted this 9th day of October, 2020.

Matthew Burrell, Chair

Attested by:

Ellen Heywood, Clerk to the Board

OLD BUSINESS:

A. Update on Short-Term Funding: Janet Burnette reported that staff met with the Local Government Commission (LGC) a few weeks ago to inquire about obtaining short-term funding should a development opportunity present itself to the Authority. Staff learned about the two short-term funding options available to the airport, however, staff is not able to move forward with either option at the present time.

B. Duke Energy Progress, LLC and North Carolina Department of Environmental Quality Settlement Agreement: The Chair requested an update on the issues with Duke Energy Progress, LLC (Duke) and the NC Department of Environmental Quality (DEQ). Cindy Rice reminded the Board that negotiations have been taking place with the DEQ and Duke with regard to the notices of violation issued by DEQ with respect to Area 1 of the coal ash fill project, and also to reach a long-term agreement with respect to ongoing responsibility for coal ash monitoring and maintenance given that Duke's permit was expiring. The other piece tied to the violation notice was negotiating with Duke and DEQ regarding the addition of a cap to Area 1. Ms. Rice reminded the Board that the Executive Director was given the authority to resolve the matter and with the assistance of environmental legal counsel and many other parties, a settlement agreement was reached and executed. Ms. Rice stated that the agreement does resolve the notices of violation from the DEQ and it is very much in line with the prior draft agreement the Board has seen. The key points of the agreement include: Duke's obligation to install an engineered cap on Area 1 at their expense; defines the future responsibilities of the Authority, DEQ and Duke with respect to Area 1, Area 3 and Area 4; the Authority will have the ability to review Duke's plans and that any plans that will be put in place take into account the Authority's need for possible future development of Area 1. Duke and DEQ will not need to approve any future development in Area 1 and some standards were put in place for the process to notify Duke and DEQ of potential development. Ms. Rice advised the Board that the one piece the Authority had to agree on was that the Authority will have to name Duke as an additional insured on the Authority's insurance coverage and the policy must be kept for a period of 30 years.

Ms. Rice stated that because the Board had asked that Duke not be named an additional insured on the Authority's insurance coverage, the Board is being asked to ratify approval of the settlement agreement and a copy of the settlement agreement will be attached to the official minutes of the meeting.

Mr. Apodaca moved to ratify approval of the Settlement Agreement between Duke Energy Progress, LLC, the Greater Asheville Regional Airport Authority, and the North Carolina Department of Environmental Quality. Mr. Ricker seconded the motion and it carried unanimously.

SETTLEMENT AGREEMENT

The parties to this Settlement Agreement (this “Agreement”) are Duke Energy Progress, LLC (“DEP”), the Greater Asheville Regional Airport Authority (“GARAA”), and the North Carolina Department of Environmental Quality (“DEQ”) (individually “a Party” and collectively “the Parties”). This Agreement shall be effective as of October 2, 2020.

1. WHEREAS on September 2, 2015, the North Carolina Department of the Environment and Natural Resources, the predecessor to DEQ, issued Permit No. WQ0000020, attached as **Exhibit A**, in connection with three structural fills located at the Asheville Airport. The structural fills are known as “Area 1,” “Area 3,” and “Area 4.”
2. WHEREAS, on February 29, 2016, DEP and GARAA entered into an agreement (“Access Agreement”) regarding the structural fills.
3. WHEREAS DEQ’s Division of Water Resources issued a Notice of Violation dated November 17, 2017 (“November 2017 NOV”) to DEP and the continuing Notice of Violation dated April 11, 2018 (“April 2018 NOV”) to DEP and GARAA (collectively “NOVs”) for discharge from the Area 1 structural fill.
4. WHEREAS, the Parties entered into a term sheet dated September 18, 2020 (“Term Sheet”) reflecting their intent to resolve certain disputed issues between and among them, including the NOVs. This Agreement is the “Definitive Agreement” contemplated in the Term Sheet and reflects the terms agreed upon therein.

Obligations of Duke Energy Progress (DEP)

5. Engineered Cap. DEP shall install an engineered cap on Area 1 according to a design reviewed and approved by DEQ, subject to any modifications necessary to ensure the

abatement of the violations listed in the NOV's. On the top surface of Area 1, the engineered cap shall provide a minimum of three feet of soil cover and for an appropriate tie-in to the stormwater improvements completed by GARAA in or around December 2019.

6. Construction of the Cap. DEP shall commence substantial construction of the engineered cap within 90 days of the latter of (a) execution of this Agreement, (b) approval of the cap design by DEQ, or (c) the issuance of all necessary permits by applicable regulatory authorities. For the purposes of this Agreement "commencement of substantial construction" includes, but is not limited to, the occurrence of any one or more of the following: issuance of construction contracts, mobilization of equipment on-site, and construction activities, including installation of sedimentation and erosion control structures.
7. Closure of Area 1. DEP shall notify GARAA and DEQ upon completion of all closure requirements in Area 1 and submit certification of completion sealed by a professional engineer with as-built drawings to both GARAA and DEQ. Upon DEQ's determination that all closure requirements have been met, DEQ shall issue a certificate of closure with copies provided to each of DEP and GARAA. Upon issuance of the certificate of closure for Area 1, closure shall be complete, and, with respect to Area 1, DEP shall commence water quality monitoring in accordance with Paragraphs 8 through 13 hereof, and GARAA shall commence post-closure care in accordance with Paragraphs 18a, 19, and 23 hereof.
8. Performance Monitoring Protocol. Within ninety (90) days of execution of this Agreement, DEP shall, propose a testing protocol, including proposed testing

locations, for DEQ approval to determine whether discharge is occurring from Area 1 (“Performance Monitoring Protocol”). At a minimum, the Performance Monitoring Protocol shall propose surface water testing for the first 5 years following installation of the cap (“Performance Monitoring Period”) with quarterly testing for at least the first 3 years of the Performance Monitoring Period. At least one out of every four tests must be conducted using the criteria for hardness-dependent freshwater metals outlined in 15A NCAC 02B .0211(11). The approved testing protocol will be conducted at DEP’s expense.

- a. Frequency of Sampling. If, during the Performance Monitoring Period, DEP demonstrates to DEQ that discharges from Area 1 are not occurring for 2 consecutive years, (i) DEP may move to semi-annual surface water testing of SW2-A1 (background location of 60-inch RCP corridor) and SW9-A1 (downgradient location at 15-inch RCP discharge), and SW3-A1 (furthest downstream sampling point on GARAA property) and (ii) cease surface water testing at all other locations established in the Performance Monitoring Protocol, provided that DEP shall resume quarterly sampling at the locations approved in the Performance Monitoring Protocol if DEQ subsequently determines that a discharge is occurring.
- b. Extension of Performance Monitoring Period. If DEQ determines that discharge from Area 1 occurs during the final 2 years of the Performance Monitoring Period (*i.e.*, the initial 5-year testing period), DEQ may require that DEP extend quarterly testing conducted pursuant to this Paragraph 8 beyond the initial 5-year period. DEQ may require that this quarterly testing continue until this testing

shows that no surface water discharge is occurring for a period of 2 consecutive years.

9. Additional Measures. If, at any time after 3 years of testing has been completed under the Performance Monitoring Protocol, DEQ determines that discharges are occurring from Area 1, DEQ shall so notify DEP, and DEP shall propose additional measures for DEQ approval to address such discharges. Upon DEQ approval, DEP shall implement those additional measures.
10. Post-Closure Water Quality Monitoring Plan. Within 90 days of execution of this Agreement, DEP shall, at DEP's expense, submit for DEQ approval a post-closure monitoring plan proposing semi-annual groundwater and quarterly surface water monitoring, notification, and reporting for Areas 1, 3, and 4.
11. Post-Closure Water Quality Monitoring Period. DEP shall, at DEP's expense, conduct post-closure water quality monitoring and reporting for a thirty-year period unless DEQ determines that a shorter period is sufficient to protect public health, safety, and welfare; the environment; and natural resources.
12. Annual Monitoring Reports. DEP shall submit annual water quality monitoring reports within the first quarter of the year following the annual monitoring period to DEQ and GARAA, except that DEP will provide GARAA with a copy of any report indicating that action may be needed by GARAA within forty-eight (48) hours of the report's receipt by DEP.
13. Monitoring Permit. The requirements set forth in Paragraphs 8 through 12 hereof shall be memorialized in a permit issued by DEQ, a new application for which was submitted by DEP on September 15, 2020.

14. Financial Assurance. DEP will ensure that sufficient funds are available to satisfy any corrective action required by DEQ and any potential liability, if that corrective action by DEQ or potential liability results in costs in excess of the policy limits described in Paragraph 21 below, for Area 1 only. In the event that a sudden or non-sudden occurrence results in costs or liability in excess of the applicable policy limits (\$3.5 million per occurrence; \$15 million aggregate over the 10-year policy term) pursuant to this Paragraph 14 and Paragraph 21 below, DEP shall be liable for all such costs and liabilities in excess of the applicable policy limits for a period of no less than thirty (30) years. DEP's financial assurance obligations as described above shall not extend to occurrences to the extent that such occurrences arise out of or are related to the intentional or negligent acts of GARAA or any of its respective successors, assigns, agents, or contractors of any tier.
15. Revised Drawings. DEP previously provided to GARAA revised drawings incorporating a minimum of three feet of soil cover and the tie-in to the stormwater improvements completed by GARAA in or around December 2019 for GARAA's initial review. These same features will be included in the final drawing set upon DEP's receipt of DEQ's final required modifications to the Area 1 cap. At such time DEP submits this final drawing set to DEQ, DEP will contemporaneously provide GARAA with a copy of same. GARAA shall expeditiously review such drawings, and DEP shall consider GARAA's reasonable comments thereon, but GARAA shall not add any new obligations that will delay DEP's ability to commence substantial construction of the engineered cap as provided in Paragraph 6 hereof. Provided any changes requested by GARAA do not delay DEP's ability to commence substantial

construction of the engineered cap, DEP will consider such changes in good faith, but any such changes shall be at GARAA's sole cost and expense.

Obligations of the Greater Asheville Regional Airport Authority (GARAA)

16. Access. GARAA shall provide DEP and its contractors any access to the site necessary to complete the installation of the cap on Area 1 as well as any access reasonably necessary to comply with DEP's obligations to conduct groundwater and surface water monitoring pursuant to this Agreement. GARAA shall cooperate with, including granting necessary access to, DEP and its contractors to conduct a wetlands assessment in the Area 1 vicinity; provided, however, DEP and its consultants shall coordinate with GARAA personnel as to times and dates. GARAA shall provide DEQ access to the site for inspection of Area 1, Area 3, and Area 4.
17. Cooperation Regarding Permits. In its capacity as property owner, GARAA shall secure any permits, including an erosion and sediment control permit, required as a prerequisite to DEP's installation of the cap; provided, however, DEP shall assist in preparation of the permit applications for ultimate signature by GARAA, and DEP will pay any filing or other fees associated with the permit applications.
18. Operation and maintenance. Subject to the provisions of Paragraphs 9, 14, 21, and 22 herein, GARAA expressly accepts the obligation to, at GARAA's sole cost and expense, properly operate and maintain the structural fills covered by former Permit No. WQ0000020 so that (a) they are maintained in proper condition, (b) there is no discharge to waters of the State, (c) there is no contravention of groundwater or surface water standards, and (d) where applicable, cap integrity is maintained, as follows:

- a. Subject to Paragraph 9 above, upon issuance of the certificate of closure for Area 1, GARAA shall be solely responsible for proper operation and maintenance of the structural fill (Area 1), and for any corrective action that becomes necessary to ensure that (a) Area 1 is maintained in proper condition, (b) there is no discharge to waters of the State, (c) there is no contravention of groundwater or surface water standards, and (d) cap integrity is maintained.
- b. For Areas 3 and 4, GARAA is solely responsible for proper operation and maintenance of the structural fills (Areas 3 and 4), and for any corrective action that becomes necessary to ensure that (a) Areas 3 and 4 are maintained in proper condition, (b) there is no discharge to waters of the State, (c) there is no contravention of groundwater or surface water standards, and (d) cap integrity is maintained.
- c. DEP shall not be responsible for damage to the extent that the damage results from GARAA's improper or negligent maintenance of Area 1, including the cap installed thereon.
- d. DEP shall not be responsible for actions taken by GARAA, its successor or assigns or their respective agents or contractors of any tier to the extent those actions compromise the integrity of Area 1, including the cap thereon, resulting from development of the fill and modifications made to the cap to accommodate such development.
- e. Except for DEP's obligations under Paragraphs 10 through 13 hereof, DEP shall have no obligations or liability of any kind respecting Area 3 and Area 4.

19. Operation and Maintenance Plan. Within one hundred twenty (120) days of execution of this Agreement, or such longer period as may reasonably be required by GARAA, GARAA will prepare, with DEP's assistance, and submit for DEQ approval an Operation and Maintenance (O & M) Plan for properly operating and maintaining Area 1, Area 3, and Area 4, including ensuring cap integrity. The O & M Plan shall include maintenance schedules, safety measures, and a response plan in case of a spill, slough, discharge, or other event with the potential to result in a spill, slough, or discharge.
20. Future Development. GARAA shall keep DEQ and DEP apprised of any development within Area 1 that has the potential to alter the operation of the approved cap, and complete the development in accordance with the specifications provided in the attached **Exhibit B**. For the avoidance of doubt, the provisions of Paragraph 18(d) above will apply without regard to whether or not such notice of development is provided pursuant to this Paragraph 20.
21. Insurance. GARAA shall obtain pollution liability insurance coverage, naming DEP as an additional insured, with a per occurrence policy limit of at least \$3.5 million and an aggregate limit for the 10-year policy period of at least \$15 million for Area 1 to satisfy any corrective action required by DEQ and any potential liability with respect thereto. GARAA shall make a good faith effort to maintain such insurance for a period of no less than thirty years. For clarity, if liability and/or corrective action costs exceed the applicable policy limits as described above, DEP shall pay the cost in excess of those applicable amounts pursuant to Paragraph 14 above. In the event of a claim or occurrence that has the potential to trigger the insurance coverage

required under this Paragraph 21, GARAA shall promptly notify DEP upon receipt of such claims or at such time it has knowledge of such occurrence. DEP shall be copied on any notices GARAA makes to the insurer.

22. Expiration of Insurance Policy. No less than 150 days prior to expiration of any policy required under this Agreement, GARAA shall commence discussions with a broker to secure subsequent pollution liability insurance coverage for Area 1. If, after 60 days (*i.e.*, 90 days prior to expiration of the then in-force policy), GARAA is unable to secure insurance coverage that is substantially similar to the then in-force policy, and consistent with the obligations and limits set forth in Paragraph 21 hereof, GARAA shall notify DEP, and DEP shall assist GARAA with securing insurance coverage with substantially similar terms and conditions; provided, however, GARAA shall be solely responsible for payment of the premium thereon.
23. O&M Permit. Within one hundred fifty (150) days of execution of this Agreement, or such longer period as may reasonably be required by GARAA, GARAA shall submit a permit application incorporating the applicable terms of this Agreement.

Obligations of DEP and GARAA

24. Joint Responsibility for Area 1 until Closure. Subject to Paragraph 9 above, until the certificate of closure is issued for Area 1, DEP and GARAA shall be jointly and severally responsible for the proper operation and maintenance of Area 1 of the structural fill, and for any corrective action that becomes necessary to ensure that (a) Area 1 is maintained in proper condition, (b) there is no discharge to waters of the State, and (c) there is no contravention of groundwater or surface water standards.

Obligations and Representations of the Department of Environmental Quality (DEQ)

25. Expedited Cap Review. DEQ shall expeditiously review the engineered cap proposal submitted by DEP on March 6, 2020 and any updates to that proposal.
26. Closure of Area 1. DEQ agrees that once an approved cap design is installed to the satisfaction of DEQ such that the violations listed in the NOV's are being abated, Area 1 will be closed.
27. Closure of Area 3 and Area 4. DEQ agrees that Area 3 and Area 4, which have a base liner and geosynthetic cap, are currently closed.

General Terms

28. Binding Agreement. This Agreement shall apply to, and be binding on, the Parties and their respective agents, successors, and assigns, except that neither GARAA nor DEP shall voluntarily assign this Agreement and/or any rights, duties, obligations, and remedies with respect thereto, to the extent that any may exist, without DEP's or GARAA's, respectively and as applicable, prior written approval, which approval shall not be unreasonably withheld, conditioned, or delayed, provided that GARAA shall give DEP and DEQ prompt notice upon learning of any actual or proposed assignment by the General Assembly of GARAA's rights and responsibilities hereunder. No third party shall be deemed a beneficiary of, or as having the right to enforce, this Agreement.
29. Superseding Agreement. This Agreement is the complete agreement between the Parties and hereby replaces and supersedes in entirety any other agreement or agreements, oral or written, that DEP or its predecessors may have with GARAA

with respect to the subject matter covered by this Agreement, including, without limitation, the Access Agreement.

30. Modification of this Agreement. This Agreement may not be modified, altered or changed except by written agreement of all Parties, specifically referring to this Agreement. Consent shall not be unreasonably withheld.
31. Counterpart Originals. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.
32. Authorization to Sign. The undersigned representatives of the Parties certify that they are fully authorized by the respective Parties whom they represent to enter into the terms and conditions of this Agreement and to legally bind such Parties to it.
33. Force Majeure. The Parties agree that it will not be a violation of this Agreement if that Party's performance of any of the obligations set forth herein is delayed by an extraordinary event that is beyond the control of that Party, or any entity controlled by that Party or their contractors, despite best efforts to fulfill the obligation. Such causes include, but are not limited to, war, civil unrest, acts of terrorists, epidemics or pandemics, or an act of God. The Party seeking to invoke this provision shall bear the burden of proving by a preponderance of the evidence the existence of such circumstances. Such circumstances shall not include the financial inability to complete the work, increased cost of performance, or changes in business or economic circumstances.
34. No Limitation on Administrative Process and Judgment. The Parties recognize that DEQ is a governmental agency with statutory rights or obligations and must abide by

- all applicable procedural and substantive laws and regulations in the exercise of such authority during the implementation of this Agreement. No provision in this Agreement shall diminish, modify, or otherwise affect the statutory or regulatory authorities of DEQ. Similarly, the Parties recognize that GARAA is a government entity, created by statute, and must abide by those statutes in the exercise of its authority. Except as provided herein, no provision in this Agreement shall diminish, modify, or otherwise affect the statutory authorities of GARAA.
35. Governing Law. The Parties agree that this Agreement shall be governed under and controlled by the law of the state of North Carolina.
36. Joint Negotiation. This Agreement shall be considered for all purposes as prepared through the joint efforts of all Parties hereto and shall not be construed or interpreted more favorably or against any Party as the result of the preparation, submittal, drafting, or execution of this Agreement or the Term Sheet.
37. Severability. Should any term, covenant, condition, or provision of this Agreement be held to be invalid or unenforceable by a court of competent jurisdiction, the (i) balance of this Agreement that is not so affected will remain in full force and effect and will stand as if such unenforceable term, covenant, condition, provisions, transfer, or modification did not exist, and (ii) each of DEP, GARAA, and DEQ will work together in good faith effort to revise any such term, covenant, condition, or provision so as to give effect as closely as possible to the original intention of the Parties.
38. Headings. The Paragraph headings of this Agreement are for the sake of reference and convenience only and will not have any interpretive value or be considered in the interpretation of this Agreement.

39. Notice. Whenever notice is required to be given or a document is required to be sent by one Party to another under the terms of this Agreement, it shall be provided to the individuals at the addresses specified below, unless those individuals or their successors give notice of a change to the other Parties in writing. Notice or submission by electronic mail is acceptable.

a. As to DEQ:

Sheila Holman
Assistant Secretary for the Environment
1601 Mail Service Center
Raleigh, NC 27699-1601
sheila.holman@ncdenr.gov

Cc: William F. Lane
General Counsel
1601 Mail Service Center
Raleigh, NC 27699-1601
Bill.Lane@ncdenr.gov

b. As to Duke Energy:

Paul Draovitch
Senior Vice President
Environmental Health & Safety and Project Management & Construction
526 South Church Street
Charlotte, NC 28202
Paul.Draovitch@duke-energy.com

c. As to GARAA:

Lew Bleiweis
Executive Director
61 Terminal Drive, Suite 1
Fletcher NC 28732
lbleiweis@flyavl.com

Cc: Cindy M. Rice
Patla, Straus, Robinson & Moore, P.A.
29 N. Market Street, Suite 300
Asheville NC 28802
cmr@psrmlaw.com

[signatures on separate pages]

Accepted and Agreed:

Duke Energy Progress, LLC

Title: SVP EHS + P&E

Date: 10/2/2020

Greater Asheville Regional Airport Authority

Title: EXECUTIVE DIRECTOR

Date: 10-2-2020

North Carolina Department of Environmental Quality

Title:

Date:

Accepted and Agreed:

Duke Energy Progress, LLC

Title:

Date:

Greater Asheville Regional Airport Authority

Title:

Date:

North Carolina Department of Environmental Quality



Title: Assistant Secretary for the Environment

Date: October 2, 2020



North Carolina Department of Environment and Natural Resources

Pat McCrory
Governor

Donald R. van der Vaart
Secretary

September 2, 2015

MR. HARRY K. SIDERIS – SVP, ENVIRONMENTAL, HEALTH & SAFETY
DUKE ENERGY
526 SOUTH CHURCH STREET, EC3XP
CHARLOTTE, NC 28202

Subject: Permit No. WQ0000020
Asheville Regional Airport
Coal Combustion Products
Structural Fill Projects
Buncombe County

Dear Mr. Sideris:

In accordance with your permit renewal request received August 7, 2014, we are forwarding herewith Permit No. WQ0000020 dated September 2, 2015, to Duke Energy Progress, Inc. for the continued operation and monitoring of the subject structural fill project.

This permit shall be effective from the date of issuance until August 31, 2020, shall void Permit No. WQ0000020 issued February 17, 2006, and shall be subject to the conditions and limitations as specified therein. Please pay particular attention to the groundwater monitoring requirements listed in Attachments C for they may differ from the previous permit issuance. Failure to establish an adequate system for collecting and maintaining the required operational information shall result in non-compliance problems.

Please note that on September 20, 2014, Senate Bill 729 – Coal Ash Management Act of 2014 became law (attached SL 2014-122). Accordingly, this act superseded the 02T requirements for structural fill, which would include use as a base or subbase under a paved road, parking lot, sidewalk, or similar structure; therefore, any future CCP structural fill projects must comply with this new law and all required permit application or documentation shall be submitted to the Division of Waste Management. However, the following activities are still deemed permitted under 15A NCAC 02T .1203:

- ◆ Use of CCPs as fuel for combustion in boilers, furnaces, etc. for energy recovery.
- ◆ Use of CCPs as material for manufacturing concrete products, asphalt products, brick products, lightweight aggregate roofing materials, insulation products, plastics, paints, bowling balls, cosmetics and other manufactured products in which the ash are encapsulated in the manufactured product.
- ◆ Use or disposal of CCPs in a solid waste facility permitted by the Division of Waste Management that is approved to receive the CCPs.

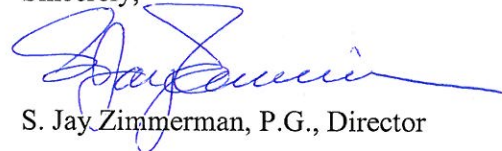
Non-Discharge Permitting Unit
1617 Mail Service Center, Raleigh, North Carolina 27699-1617
Phone: 919-807-6464 \ Internet: <http://portal.ncdenr.org/web/wq>

- ◆ Use of CCPs as material for traction control during snow and ice events, provided that the CCPs do not exceed the leachate concentrations of concern as stipulated in 15A NCAC 02T .1205(a).
- ◆ Use of CCPs as a substitute for blasting grit, roofing granules, and filter cloth precoat for residuals dewatering, provided that the CCPs do not exceed the leachate concentrations of concern as stipulated in 15A NCAC 02T .1205(a).
- ◆ Use of CCPs in flowable fill for backfill of trenches for potable water mains as approved by the Division of Environmental Health, sanitary sewers, storm drainage structures, and other trenching uses provided that the CCPs do not exceed the leachate concentrations of concern as stipulated in 15A NCAC 02T .1205(a).
- ◆ Use of CCPs as a raw product for the stabilization of residuals.
- ◆ Land application sites onto which CCPs are land applied, provided that the CCPs meet the pollutant limits as stipulated in 15A NCAC 02T .1205(a) and the land application activities meet all applicable conditions stipulated in 15A NCAC 02T .1108(b)(1) and 02T .1109(b)(1).

If any parts, requirements or limitations contained in this permit are unacceptable, the Permittee has the right to request an adjudicatory hearing upon written request within 30 days following receipt of this permit. This request shall be in the form of a written petition, conforming to Chapter 150B of the North Carolina General Statutes, and filed with the Office of Administrative Hearings at 6714 Mail Service Center, Raleigh, NC 27699-6714. Unless such demands are made, this permit shall be final and binding.

If you need additional information concerning this matter, please contact Chonticha McDaniel at (919) 807-6337 or chonticha.mcdaniel@ncdenr.gov.

Sincerely,



S. Jay Zimmerman, P.G., Director

cc: Buncombe County Health Department
John Toepfer, P.E., Senior Environmental Specialist – Duke Energy Progress (Electronic Copy)
Asheville Regional Office, Water Quality Regional Operations Section (Electronic Copy)
Digital Permit Archive (Electronic Copy)
Central Files

NORTH CAROLINA
ENVIRONMENTAL MANAGEMENT COMMISSION
DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES
RALEIGH
COAL COMBUSTION PRODUCTS (CCP) STRUCTURAL FILL PERMIT

In accordance with the provisions of Article 21 of Chapter 143, General Statutes of North Carolina as amended, and other applicable Laws, Rules, and Regulations

PERMISSION IS HEREBY GRANTED TO

Duke Energy Progress, Inc.
Buncombe County

FOR THE

continued operation and monitoring of a coal combustion products (CCPs) management for Duke Energy Progress, Inc. and consisting of the structural fill of CCP residuals generated from a wastewater treatment facility listed in Attachment A to the approved Asheville Regional Airport sites listed in Attachment B and regulated under 15A NCAC 02T .1200, with no discharge of wastes to surface waters, pursuant to the application received August 7, 2014, and in conformity with other supporting data subsequently filed and approved by the Department of Environment and Natural Resources and considered a part of this permit.

This permit shall be effective from the date of issuance until August 31, 2020, shall void Permit No. WQ0000020 issued February 17, 2006, and shall be subject to the following specified conditions and limitations:

I. SCHEDULES

1. No later than six months prior to the expiration of this permit, the Permittee shall request renewal of this permit in writing. Upon receipt of the request, the Division will review the adequacy of the facilities described therein, and if warranted, will renew the permit for such period of time and under such conditions and limitations as it may deem appropriate. Please note Rule 15A NCAC 02T .0105(d) requires an updated site map including sites approved for structural fill to be submitted with the permit renewal application. [15A NCAC 02T .0108(b)(2), 02T .105(d), 02T .0109]
2. Within 60 days of this permit issuance, the Permittee shall submit two copies of an 11X17-inch site map that includes the following information for each structural fill site listed under the Attachment B:
 - a. The location of major components of the waste disposal system.
 - b. The location and identity of each monitoring well.
 - c. The location of property boundaries.
 - d. The location of compliance and review boundaries.

The map and any supporting documentation shall be sent to the Division of Water Resources, Aquifer Protection Section, 1636 Mail Service Center, Raleigh, NC 27699-1636

[15A NCAC 02T .0108(b)(2), 02C .0105(f)]

- The permittee shall submit the Operation and Maintenance (O&M) plan as required in Condition III.2. to the Division within 60 days of this permit issuance. [15A NCAC 02T .0108(b)(2)]

II. PERFORMANCE STANDARDS

- The subject CCP structural fill facilities shall be effectively maintained and operated at all times so there is no discharge to surface waters, nor any contravention of groundwater or surface water standards. In the event the facilities fail to perform satisfactorily, including the creation of nuisance conditions due to improper operation and maintenance, the Permittee shall contact the Asheville regional office supervisor, and take any immediate corrective actions. [G.S. 143-215.1]
- This permit shall not relieve the Permittee of their responsibility for damages to groundwater or surface water resulting from the operation of the CCP structural fill facilities. [15A NCAC 02B .0200, 02L .0100]
- Only CCPs generated by the facility listed in Attachment A are approved for structural fill in accordance with this permit. [G.S. 143-215.1]
- Only the sites listed in Attachment B are approved for structural fill. [G.S. 143-215.1]
- Concentration of pollutant during the performance of a Toxicity Characteristic Leaching Procedure (TCLP) of the CCP used at the structural fill sites shall not exceed the following limits:

Parameter	Leachate Concentration of Concern (milligrams per liter)
Arsenic	5.0
Barium	100.0
Cadmium	1.0
Chromium	5.0
Lead	5.0
Mercury	0.2
Selenium	1.0
Silver	5.0

[15A NCAC 02T .1205(a)]

- Pollutant concentrations in CCP used at the structural fill sites shall not exceed the following **Ceiling Concentrations** or **Monthly Average Concentrations** (i.e., dry weight basis):

Parameter	Ceiling Concentration (milligrams per kilogram)	Monthly Average Concentration (milligrams per kilogram)
Arsenic	75	41
Cadmium	85	39
Copper	4,300	1,500
Lead	840	300
Mercury	57	17
Molybdenum	75	75
Nickel	420	420
Selenium	100	100
Zinc	7,500	2,800

[15A NCAC 02T .1205(b) and (c)]

7. The compliance boundary for all structural fill sites listed in Attachment B shall be specified in accordance with 15A NCAC 02L .0107(b). These sites were individually permitted on or after December 30, 1983; therefore, the compliance boundary is established at either 250 feet from the CCP fill area boundary, or 50 feet within the property boundary, whichever is closest to the CCP fill area boundary. An exceedance of groundwater standards at or beyond the compliance boundary is subject to remediation action according to 15A NCAC 02L .0106(d)(2) as well as enforcement actions in accordance with North Carolina General Statute 143-215.6A through 143-215.6C. Any approved relocation of the COMPLIANCE BOUNDARY will be noted in Attachment B. [15A NCAC 02L .0107(a)]
8. In accordance with 15A NCAC 02L .0108, the review boundary for all structural fill sites listed in Attachment B shall be established midway between the compliance boundary and the CCP fill area boundary . Any exceedance of groundwater standards at the review boundary shall require action in accordance with 15A NCAC 02L .0106. [15A NCAC 02L .0108]
7. All wells constructed for purposes of groundwater monitoring shall be constructed in accordance with 15A NCAC 02C .0108 (Standards of Construction for Wells Other than Water Supply), and any other jurisdictional laws and regulations pertaining to well construction. [15A NCAC 02C .0108]
8. Except as provided for in 15A NCAC 02L .0107(g), the Permittee shall ensure any landowner who is not the Permittee and owns land within the compliance boundary shall execute and file with the appropriate County Register of Deeds an easement running with the land containing the following items:
 - a) A notice of the permit and number or other description as allowed in 15A NCAC 02L .0107(f)(1);
 - b) Prohibits construction and operation of water supply wells within the compliance boundary; and
 - c) Reserves the right of the Permittee and the State to enter the property within the compliance boundary for purposes related to the permit.

The Director may terminate the easement when its purpose has been fulfilled or is no longer needed.
[15A NCAC 02L .0107(f)]

III. OPERATION AND MAINTENANCE REQUIREMENTS

1. The CCP structural fill facilities shall be properly maintained and operated at all times. The program shall be effectively maintained and operated as a non-discharge system to prevent any contravention of surface water or groundwater standards. [15A NCAC 02T .1207]
2. The Permittee shall maintain an Operation and Maintenance Plan (O&M Plan) pursuant to 15A NCAC 02T .1208. The O&M Plan, at the minimum, shall include:
 - a) Operational functions
 - b) Maintenance schedules
 - c) Safety measures
 - d) Spill response plan
 - e) Sampling and monitoring plan

[15A NCAC 02T .1208]

3. For the storage areas of CCPs and sites where CCPs are used for structural fill and bedding, where the bedding is applied at a depth greater than 2 feet underneath the structure, the following minimum setbacks (i.e., in feet) shall be adhered to:
 - a. Private or public water supply sources: 100 feet
 - b. Surface waters (streams – intermittent and perennial, lakes, perennial water bodies, and wetlands): 50 feet
 - c. Wells with exception to monitoring wells: 100 feet
 - d. Seasonal high water table: 2 feet

All distances are horizontal distances except for the distance from a seasonal high water table which is measured as a vertical distance.

[15A NCAC 02T .1206]

IV. MONITORING AND REPORTING REQUIREMENTS

1. Any Division required monitoring (including groundwater, plant tissue, soil, slope structural integrity, cap maintenance, permanent cap completion, leachate collection, surface water analyses, etc.) necessary to ensure groundwater and surface water protection shall be established, and an acceptable sample reporting schedule shall be followed. Monitoring requirements for permitted structural fill sites can be found in attachment C. [15A NCAC 02T .0108(c)]
2. CCPs shall be analyzed for toxicity characteristic leaching procedure (TCLP) at the frequency specified in Attachment A, and the Permittee shall maintain these results for a minimum of five years. Any exceptions from the requirements in this condition shall be specified in Attachment A. The TCLP analysis shall include the following parameters:

Arsenic (5.0)	Chromium (5.0)	Selenium (1.0)
Barium (100.0)	Lead (5.0)	Silver (5.0)
Cadmium (1.0)	Mercury (0.2)	

[15A NCAC 02T .1205(a)]

3. An analysis shall be conducted on CCP from each source generating facility at the frequency specified in Attachment A, and the Permittee shall maintain the results for a minimum of five years. The analysis shall include the following parameters:

Arsenic	Lead	Nickel
Cadmium	Mercury	Selenium
Copper	Molybdenum	Zinc

[15A NCAC 02T .1205(b)]

4. Laboratory parameter analyses shall be performed on the CCP as they are distributed, and shall be in accordance with the monitoring requirements in 15A NCAC 02B .0505. [15A NCAC 02B .0505, 02T .0105(m)]

5. The Permittee shall maintain records tracking all CCP distribution activities. At a minimum, these records shall include the following:
 - a. Source of CCP;
 - b. Receiver of CCP.
 - c. Intended use of CCP; and
 - d. Date and Volume of CCP distributed.

[15A NCAC 02T .0109(a)]

6. The Permittee shall maintain records of monitoring results to demonstrate compliance with specific requirements as stipulated under 15A NCAC 02T .1203 for CCP distributed for deemed permitted activities.
7. Three copies of an annual report shall be submitted on or before March 1st. The annual report shall include summary of sampling, analytical results, and record keeping as required in Conditions IV.1 through IV.6. The annual report shall be submitted to the following address:

Division of Water Resources
Information Processing Unit
1617 Mail Service Center
Raleigh, North Carolina 27699-1617

[15A NCAC 02T .1111(a)]

8. Any emergency requiring immediate reporting (e.g., discharges to surface waters, imminent failure of a storage structure, etc.) outside normal business hours shall be reported to the Division's Emergency Response personnel at telephone number (800) 662-7956, (800) 858-0368, or (919) 733-3300. Persons reporting such occurrences by telephone shall also file a written report in letter form within five days following first knowledge of the occurrence. This report shall outline the actions taken or proposed to be taken to ensure that the problem does not recur. [15A NCAC 02T .0105(l), 02T .0108(b)(1)]
9. Monitoring wells at each structural fill site listed under Attachment B shall be sampled at the frequencies and for the parameters specified in Attachment C. All mapping, well construction forms, well abandonment forms and monitoring data shall refer to the permit number and the well nomenclature as provided in Attachment B. [15A NCAC 02T .0105(m)]
10. For initial sampling of monitoring wells, the Permittee shall submit a Compliance Monitoring Form (GW-59CCR) and a Well Construction Record Form (GW-1) listing this permit number and the appropriate monitoring well identification number. Initial Compliance Monitoring Forms (GW-59CCR) without copies of the Well Construction Record Forms (GW-1) are deemed incomplete, and may be returned to the Permittee without being processed. [15A NCAC 02T .0105(m)]
11. Two copies of the monitoring well sampling and analysis results shall be submitted on a Compliance Monitoring Form (GW-59CCR), along with attached copies of laboratory analyses, on or before the last working day of the month following the sampling month. The Compliance Monitoring Form (GW-59CCR) shall include this permit number and the appropriate well identification number. All information shall be submitted to the following address:

Division of Water Resources
Information Processing Unit
1617 Mail Service Center
Raleigh, North Carolina 27699-1617

[15A NCAC 02T .0105(m)]

12. Noncompliance and Incident Notification

The Permittee shall report by telephone to the Asheville Regional Office, as soon as possible, but in no case more than 24 hours or on the next working day following the occurrence or first knowledge of the occurrence of any of the following:

- a. Any failure of the CCP structural fill facilities resulting in a release of material to surface waters.
- b. Any time self-monitoring indicates the facility has gone out of compliance with its permit limitations.
- c. Any spill or discharge from a vehicle or piping system during residuals transportation.
- d. Any groundwater standard violation detected at a compliance boundary.
- e. Any incident involving breach of the liner system, excavations within 3 feet of the liner system, severe erosion, slope failure, changes in leachate quantity or quality, and damage to groundwater monitoring wells.

[15A NCAC 02T .0105(l), 02T .0108(b)(1)]

V. INSPECTIONS

1. The Permittee shall provide adequate inspection and maintenance to ensure proper operation of the subject structural fill facilities and shall be in accordance with the approved O&M Plan. Inspection and maintenance of approved structural fill sites shall include, but not be limited to, integrity of intermediary and permanent caps, structural integrity, erosion, liner systems, stormwater collection systems, condition of monitoring wells, etc. [15A NCAC 02T .0108(b)]
2. The post-closure inspection shall be conducted **quarterly** on all structural fill sites listed under Attachment B. The Permittee shall maintain an inspection log and report that include, at a minimum:
 - a. Date and time of inspection;
 - b. Name and title of person who conducted the inspection;
 - c. Observation results on structural integrity, erosion, liner systems, integrity of the cap system, stormwater collection systems, condition of monitoring wells, settlement, subsidence, seepage, and presence of woody vegetation;
 - d. Description and photo documentation of any pertinent issues such as a breach in the liner system, excavations within 3 feet of the liner system, erosion, development of depressions, slope movement, damage to monitoring wells, and groundwater seepage;
 - e. Any maintenance, repairs, or corrective actions taken;
 - f. An annual engineer's certification of the evaluation on the structural integrity and stability of the ash fill areas.

An annual inspection report containing items a. through f. shall be submitted to the Asheville Regional office on or before December 31st.

[15A NCAC 02T .0108(b)]

3. Any duly authorized Division representative may, upon presentation of credentials, enter and inspect any property, premises or place on or related to the structural fill sites permitted herein at any reasonable time for the purpose of determining compliance with this permit; may inspect or copy any records required to be maintained under the terms and conditions of this permit; and may collect groundwater, surface water or leachate samples. [G.S. 143-215.3(a)(2)]

VI. GENERAL CONDITIONS

1. Failure to comply with the conditions and limitations contained herein may subject the Permittee to an enforcement action by the Division in accordance with North Carolina General Statutes 143-215.6A to 143-215.6C. [G.S. 143-215.6A to 143-215.6C]
2. This permit shall become voidable if the CCP management are not carried out in accordance with the conditions of this permit. [15A NCAC 02T .0110]
3. This permit is effective only with respect to the nature and volume of CCP described in the permit application and other supporting documentation. [G.S. 143-215.1]
4. The issuance of this permit does not exempt the Permittee from complying with any and all statutes, rules, regulations, or ordinances, which may be imposed by other jurisdictional government agencies (e.g., local, state, and federal). Of particular concern to the Division are applicable river buffer rules in 15A NCAC 02B .0200; erosion and sedimentation control requirements in 15A NCAC Chapter 4 and under the Division's General Permit NCG010000; any requirements pertaining to wetlands under 15A NCAC 02B .0200 and 02H .0500; and documentation of compliance with Article 21 Part 6 of Chapter 143 of the General Statutes. [15A NCAC 02T .0105(c)(6)]
5. In the event the approved structural fill sites change ownership or the Permittee changes their name, a formal permit modification request shall be submitted to the Division. This request shall be made in writing, and shall include appropriate documentation from the parties involved and other supporting documentation as necessary. The Permittee of record shall remain fully responsible for maintaining and operating the structural fill sites permitted herein until a permit is issued to the new owner. [15A NCAC 02T .0104]
6. The Permittee shall maintain this permit until all permitted facilities herein are properly closed or permitted under another permit issued by the appropriate permitting authority pursuant to 15A NCAC 02T .0105(j). [15A NCAC 02T .0105(j)]
7. This permit is subject to revocation or unilateral modification upon 60 days notice from the Division Director, in whole or part for the requirements listed in 15A NCAC 02T .0110. [15A NCAC 02T .0110]
8. Unless the Division Director grants a variance, expansion of the permitted residuals program contained herein shall not be granted if the Permittee exemplifies any of the criteria in 15A NCAC 02T .0120(b). [15A NCAC 02T .0120]
9. The Permittee shall pay the annual fee within 30 days after being billed by the Division. Failure to pay the annual fee accordingly shall be cause for the Division to revoke this permit pursuant to 15A NCAC 02T .0105(e)(3). [15A NCAC 02T .0105(e)(3)]

Permit issued this the 2nd day of September 2015

NORTH CAROLINA ENVIRONMENTAL MANAGEMENT COMMISSION



S. Jay Zimmerman, P.G., Director
Division of Water Resources
By Authority of the Environmental Management Commission

Permit Number WQ0000020

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CCPs Source-Generating Facilities

Owner	Facility Name	County	Permit Number	Monitoring Frequency for Non-hazardous Characteristics ¹	Monitoring Frequency for Metals ²
Duke Energy Progress, Inc	Asheville Steam Electric Power Plant	Buncombe	NC0000396	Annually	Once Per Month

1. TCLP Analysis as stipulated under permit Condition IV.2 and will not be required once Area III is complete.

2. Testing of metals as stipulated under permit Condition IV.3 and will not be required once Area III is complete.

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Site	Source-Generating Facility	Structural Fill Project	County	Total Distribution Amount (tons)	Recipient of the ash	Site Location		Groundwater and Surface Water Monitoring	Project Status
						Latitude	Longitude		
1	Asheville Steam Electric Power Plant (ponded ash) ^a	Area 1 - Asheville Regional Airport General Aviation Expansion, Asheville	Buncombe	732,408	Charah Inc./ Asheville Airport Authority	35.445561	-82.541978	MW1A - A1 MW2A - A1 MW4A - A1 MW5 - A1 SW1 - A1 ^e SW2 - A1 ^e	Completed ^c
2	Asheville Steam Electric Power Plant (ponded ash) ^a	Area 3 - Asheville Regional Airport General Aviation Expansion, Asheville	Buncombe	1,000,000 ^b	Charah Inc./ Asheville Airport Authority	35.443409	-82.547168	MW1 - A3 MW2 - A3 MW3 - A3 MW4 - A3 MW5 - A3 MW6 - A3	In progress ^{c, d}
3	Asheville Steam Electric Power Plant (ponded ash) ^a	Area 4 - Asheville Regional Airport General Aviation Expansion, Asheville	Buncombe	2,000,000 ^b	Charah Inc./ Asheville Airport Authority	35.428536	-82.541947	MW1A - A4 MW2 - A4 MW5 - A4 MW5D - A4 MW6 - A4 MW7 - A4 MW9 - A4	Completed ^c

^a This Structural fill facility was permitted under Section IV.1 of the previous permit dated February 17, 2006.

^b Estimated coal ash tonnage

^c Project status as of September 2, 2015

^d Please be advised that expansion to Area 3 site and Area 2 will require an individual permit from the Division of Waste Management in accordance with SL 2014-122.

^e Surface water sampling (piped stream that flows underneath the fill area) shall be conducted at the culvert's outfall (SW1 coordinates; 35.447233, -82.543005) and an upstream location (SW2) for the same frequency and parameters (excluding water level) as the groundwater monitoring in Attachment C.

In the event the site condition/utilization of any of the approved structural fill sites change (ex. development occurs atop the field, etc.), the Permittee shall provide a written notification to the Division. [G.S. 143-215.1]

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ATTACHMENT C – Groundwater Monitoring and Limitations for all monitoring wells

Permit Number: WQ0000020 Version: 3.0

Duke Energy Progress, Inc.

GROUNDWATER CHARACTERISTICS		MONITORING REQUIREMENTS		
PCS Code	Parameter Description	Frequency Measurement	Sample Type	Footnotes
00410	Alkalinity, Total (as CaCO ₃)	2 X year	Grab	
01105	Aluminum, Total (as Al)	2 X year	Grab	
01097	Antimony, Total (as Sb)	2 X year	Grab	
01002	Arsenic, Total (as As)	2 X year	Grab	
01007	Barium, Total (as Ba)	2 X year	Grab	
01012	Beryllium, Total (as Be)	2 X year	Grab	
00440	Bicarbonate Ion (as HCO ₃)	2 X year	Grab	
01022	Boron, Total (as B)	2 X year	Grab	
00445	Carbonate Ion (as CO ₃)	2 X year	Grab	
01027	Cadmium, Total (as Cd)	2 X year	Grab	
00916	Calcium, Total (as Ca)	2 X year	Grab	
00940	Chloride (as Cl)	2 X year	Grab	
01034	Chromium, Total (as Cr)	2 X year	Grab	
01037	Cobalt	2 X year	Grab	
01042	Copper, Total (as Cu)	2 X year	Grab	
00300	DO, Oxygen, Dissolved	2 X year	Grab	
01045	Iron, Total (as Fe)	2 X year	Grab	
01051	Lead, Total (as Pb)	2 X year	Grab	
00927	Magnesium, Total (as Mg)	2 X year	Grab	
01055	Manganese, Total (as Mn)	2 X year	Grab	
71900	Mercury, Total (as Hg)	2 X year	Grab	
01062	Molybdenum, Total (as Mo)	2 X year	Grab	
01067	Nickel, Total (as Ni)	2 X year	Grab	
46480	Oxidation Reduction Potential (ORP, Redox, Eh)	2 X year	Grab	

ATTACHMENT C – Groundwater Monitoring and Limitations for all monitoring wells

Permit Number: WQ0000020 Version: 3.0

Duke Energy Progress, Inc.

GROUNDWATER CHARACTERISTICS		MONITORING REQUIREMENTS		
PCS Code	Parameter Description	Frequency Measurement	Sample Type	Footnotes
00400	pH	2 X year	Grab	1
00937	Potassium, Total (as K)	2 X year	Grab	
01147	Selenium, Total (as Se)	2 X year	Grab	
00929	Sodium, Total (as Na)	2 X year	Grab	
70300	Solids, Total Dissolved- 180 Deg.C	2 X year	Grab	
00530	Solids, Total Suspended	2 X year	Grab	
00095	Specific Conductance	2 X year	Grab	
01082	Strontium, Total (as Sr)	2 X year	Grab	
00945	Sulfate, Total (as SO4)	2 X year	Grab	
01059	Thallium, Total (As Tl)	2 X year	Grab	
01087	Vanadium, Total (as V)	2 X year	Grab	
82546	Water level, distance from measuring point	2 X year	Calculated	1, 2
01092	Zinc, Total (as Zn)	2 X year	Grab	

1. The measurement of water levels shall be made prior to purging the wells. The depth to water in each well shall be measured from the surveyed point on the top of the casing. The measurement of pH shall be made after purging and prior to sampling for the remaining parameters.

2. The measuring points (top of well casing) of all monitoring wells shall be surveyed to provide the relative elevation of the measuring point for each monitoring well. The measuring points (top of casing) of all monitoring wells shall be surveyed relative to a common datum.

**Exhibit B to Settlement Agreement
Asheville Regional Airport
Area 1 CCP Structural Fill Project
Criteria for development**

These criteria for development are applicable to the Coal Combustion Products (“CCP”) structural fill project at the Asheville Regional Airport referred to as Area 1. The composite cap system proposed by DEP for Area 1 shall consist of a 40-mil thick linear-low density polyethylene (LLDPE) geomembrane cap liner overlain by a geocomposite drainage layer, a soil layer of at least 3 feet of soil, and vegetative cover. The proposed geomembrane cap system will not be bonded to the underlying geosynthetic clay liner (GCL).

1. At least 60 days prior to making any change in the use of Area 1, including but not limited to, residential, commercial, industrial, agricultural, or recreational use, the owner or operator shall submit its plan for the proposed change to the Department of Environmental Quality (“DEQ”) for review and approval. DEQ will approve any such change only if the owner or operator of Area 1 demonstrates to DEQ that the change will not (a) impair the performance of the composite cap system,¹ (b) threaten the structural integrity of Area 1, or (c) increase any potential threat to human health or the environment including but not limited to any threatened impacts to groundwater or surface water. GARAA may commence making the proposed change in use to Area 1 upon approval by DEQ. Approval under this paragraph will require the submittal of a post-construction statement certifying that the composite cap system has been inspected and its performance has not been impaired.
2. If the owner or operator of Area 1 plans to make any post-installation changes to the installed geomembrane cap liner, including exposure of the geomembrane cap liner and/or breach of the geomembrane cap liner, it shall submit its proposal to DEQ for review and approval. At a minimum, the proposal shall:
 - a. Be prepared by a Professional Engineer licensed to practice engineering in accordance with G.S. 89C. The professional design engineer must incorporate a statement certifying this fact and bearing his or her seal of registration;
 - b. Be submitted to DEQ for review and approval at least 90 days prior to the date scheduled for commencing construction. GARAA may commence making the proposed change in use to Area 1 upon approval by DEQ.
 - c. Include the following:
 - i. An engineering report with a summary of the proposed design that includes: a discussion of the analytical methods used to evaluate the design, definition of the critical conditions evaluated and assumptions made, a list of technical references used in the evaluation, a description of the materials and construction practices that conform to acceptable engineering practices, and drawings showing any proposed disturbance or modification of the cap system, and

¹ The composite cap system includes the geomembrane cap liner, geocomposite drainage layer, the soil cover, and the vegetative cover.

- ii. A construction quality assurance (CQA) plan that includes a description of all field observations, tests and equipment that will be used to ensure that the construction meets or exceeds all design criteria.
 - d. Identify any structure that will be added, removed or altered including any building foundation, subsurface utility (e.g., water, sewer, electricity), hangar, runway, road, parking lot, fences, or stormwater conveyance, and provide drawings showing the location of each structure including whether the owner intends to permanently construct or leave any structure below the geomembrane cap liner.
 - e. Demonstrate to DEQ that:
 - i. Subject to subparagraph 2.e.iii, any proposed disturbance of the geomembrane cap liner will not (a) impair the performance of the composite cap system, (b) threaten the structural integrity of Area 1, or (c) increase any potential threat to human health or the environment including but not limited to any threatened impacts to groundwater or surface water;
 - ii. Any breach of the geomembrane cap liner is unavoidable to complete the proposed project and will be permanently repaired in accordance with subparagraphs 2(c), 2(e)(i) and 3. Such a showing shall be supported by detailed engineering plans;
 - iii. Any exposed CCP fill will be stabilized and appropriate measures will be employed to limit stormwater infiltration during the period of construction;
 - iv. Proposed structures and construction/repair activities occurring directly above the geomembrane cap liner will not impair the performance of the composite cap system following completion of the proposed project;
 - v. Any modification to the geomembrane cap liner provides equal or better protection of the groundwater and surface water resources as the original geomembrane cap liner and does not impair the performance of the composite cap system;
 - vi. Any proposed changes to the CCP structural fill slopes continue to achieve a slope stability factor of 1.5 or greater; and
 - vii. Any proposed changes to the function and shape of the geomembrane cap liner, drainage layer, soil layer, and/or vegetative layer will maintain positive drainage away from the CCP structural fill.
 - f. For any removal of CCP fill, include detailed plans on material handling, storage, and disposal.
- 3. Upon completion of the proposed project, the owner will submit to DEQ a CQA report that contains the results of all the construction quality assurance and construction quality control testing including documentation of any failed test results, descriptions of procedures used to correct any improperly installed material, and results of all retesting performed. The CQA report must contain as-built drawings noting any deviation from the approved engineering plans and must also contain a comprehensive narrative including, but not limited to, daily reports from the project engineer, a series of color photographs of major project features, and documentation of proceedings of all progress and troubleshooting meetings. The report must

also certify that any modification to the geomembrane cap liner provides equal or better protection of the groundwater and surface water resources as the original geomembrane cap liner and does not impair the performance of the composite cap system. For changes made under Paragraph 2, this certification shall be prepared by a Professional Engineer licensed to practice engineering in accordance with G.S. 89C.

4. All forms, reports, maps, plans, and data submitted to DEQ must include an electronic (pdf) copy.

NEW BUSINESS:

A. Approve the Greater Asheville Regional Airport Authority Board 2021

Schedule: The Director remarked that the proposed scheduled for 2021 Board meetings was included in the agenda package. There were a few changes in the schedule from the normal second Friday of the month meeting schedule.

Mr. Erwin moved to approve the Greater Asheville Regional Airport Authority Board 2021 Schedule as presented by staff. Mr. Lovin seconded the motion and it carried unanimously.

B. Approve a Budget Amendment to Add an Additional Maintenance

Employee: John Coon informed the Board that under the rental car agreements, the Authority is obligated to take over the maintenance of the rental car facilities by January 1, 2021. The addition of a Maintenance Tech IV position is necessary for the Authority to meet these obligations. With a December hiring date, the cost for this position for the remainder of the fiscal year is anticipated to be \$49,901. Mr. Coon further stated that while the rental car companies will be responsible for 100% of the cost of the maintenance of the facilities through the collection of CFC's or direct billing, the following amendment to the Authority's FY20/21 budget will be necessary:

BE IT ORDAINED by the Greater Asheville Regional Airport Authority that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2021:

Section 1. To amend the appropriations as follows:

EXPENDITURES:

	<u>Decrease</u>	<u>Increase</u>
Operations Department	_____	\$49,901.00
Total	_____	\$49,901.00

This will result in a net increase of \$49,901.00 in the appropriations. Revenues will be revised as follows:

REVENUES:

	<u>Decrease</u>	<u>Increase</u>
Terminal	_____	\$49,901.00
Totals	_____	\$49,901.00

Section 2. Copies of this budget amendment shall be furnished to the Clerk to the Greater Asheville Regional Airport Authority, and to the Budget Officer and to the Finance Officer for their direction.

Adopted this 9th day of October 2020.

Matthew Burrell, Chair

Attested by:

Ellen Heywood, Clerk to the Board

Mr. Lovin moved to approve the additional maintenance position and amend the FY2020/2021 Budget by adopting the budget ordinance amendment as presented by staff. Mr. Galbraith seconded the motion and it carried unanimously.

C. Approve the Relocation and Distribution for Handicap Parking in the Paid Parking Facilities at the Asheville Regional Airport and Eliminate Discounted Pricing:

John Coon reminded the Board that the Authority transitioned to credit card only in the paid parking facilities due to the COVID pandemic. Any payment issues are relayed to airport communications via the intercom system at each payment device at the exit plaza since all cashiers have been placed on furlough. Handicap spaces are located in the Hourly and Garage parking areas and the current rate is \$9.00 per day. This rate must be adjusted manually due to the bar scan technology used to calculate fees based on lot selection as well as date and time entering and exiting the parking facilities, and a refund is either sent by check or credit on their credit card. To eliminate the manual process, approximately 15 handicap spaces will need to be removed from the Hourly Lot and 21 handicap spaces added to the Daily Lot. The total count of handicap spaces will be 5 in Hourly, 21 in Daily, and 25 in the Garage.

Mr. Erwin moved to approve the relocation and distribution of Handicap Parking spaces and eliminate the discounted pricing in the paid parking facilities at the Asheville Regional Airport, and authorize the Executive Director to make the necessary changes. Mr. Lovin seconded the motion and it carried unanimously.

DIRECTOR'S REPORT: The Director advised the Board that he had a few additional items to include that were not on the agenda.

A. Sale of Snow Plow Equipment: With new equipment received this past spring, the Director stated that the 20+ year old equipment was put out for bid to other airports in the state. Two bids were received, and the Authority received \$90,000 for two pieces of the equipment sold.

B. FAA Grant Receipt and Acceptance: In September, the Authority received \$4.2 million and then \$5.6 million for a total of \$9.8 million in federal grants for the runway project.

C. Employee Recognition: The Director recognized Tina Kinsey for her work on air service development and the creation of a microsite on the airport's website for airline use during the COVID-19 pandemic. The Director received a letter from the Authority's air service consultant praising Ms. Kinsey's work and passing on the airlines' appreciation for the information included on the microsite.

D. Property Sold to State: The Director stated that the Authority recently received a check in the amount of \$880,000 from the NCDOT for the sale of property sold to the state for the diverging diamond/I26 construction project.

E. Security Checkpoint Equipment: Updated equipment was received for the security checkpoint that helps speed the process, and TSA also upgraded the baggage screening equipment behind the ticket counters.

F. Airport Property Plan: The Director reported that staff had a meeting with LandDesign for the land planning of airport property and were very impressed with the preliminary plans for potential development. More information will be brought to the Board in the near future.

G. ACI World Health Accreditation: ACI World has created a health accreditation process that is certified by the International Civil Aviation Organization (ICAO). This new process is being put into place to reassure the traveling public that airports are taking precautions to keep everyone safe during the pandemic. The Authority is going through the process to become accredited. The Director further stated that ACI World is also working with governments of other countries to try to create a standard on testing rather than requiring quarantine, especially with travel between countries with similar infection rates. All of the governments involved in the creation of the testing standards have representatives on the board of ICAO.

H. Update on Runway: Michael Reisman provided a brief update on the work progressing on the runway project and stated that the FAA completed a flight check and have plans for a follow-up flight check on October 27th. The runway is scheduled for opening on November 5th. A ribbon-cutting event will be held for the Board, employees, and a few consultants on October 23rd.

I. CMR Ranking and ATCT Ranking: Michael Reisman reported that 10 responses were received for the request for qualifications for the Construction Manager at Risk (CMR) for the terminal expansion project. Interviews were conducted with four of the firms and Hensel Phelps was selected as the CMR. Staff is working with Hensel Phelps

on the contract documents and fee negotiation for the pre-construction phase and hope to bring this to the Board for approval in November.

Michael Reisman also reported that four architecture firms submitted statements of qualifications for the design of the air traffic control tower. The top two firms were interviewed, and Pond & Company was selected for this project. Staff is also planning on bringing these contract documents to the Board in November. Mr. Reisman also gave a brief update on the site selection process for the air traffic control tower.

INFORMATION SECTION: No comments

PUBLIC AND TENANTS COMMENTS: None

CALL FOR NEXT MEETING: The Chair stated that the next regular meeting of the Authority Board will be held on November 20, 2020.

AUTHORITY MEMBER REPORTS: None

CLOSED SESSION: At 11:08 a.m. Mr. Erwin moved to go into Closed Session Pursuant to Subsections 143-318.11 (a)(3) and (4) of the General Statutes of North Carolina to Consult with Legal Counsel in Order to Preserve the Attorney-Client Privilege and to Discuss Matters Relating to the Location and/or Expansion of Industries or Other Businesses in the Area Served by the Greater Asheville Regional Airport Authority, Including Agreement on a Tentative List of Economic Development Incentives that may be Offered by the Greater Asheville Regional Airport Authority in Negotiations. Mr. Apodaca seconded the motion and it carried unanimously.

The Chair indicated they would break for five minutes at which time the Board would resume in closed session.

Open Session resumed at 11:46 a.m.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY OCTOBER 9, 2020

CLOSED SESSION MINUTES: Mr. Erwin moved to seal the minutes for the Closed Session just completed and to withhold such Closed Session minutes from public inspection so long as public inspection would frustrate the purpose or purposes thereof. Mr. Ricker seconded the motion and it carried unanimously.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY MARCH 13, 2020, APRIL 3, 2020, MAY 8, 2020, JUNE 12, 2020, AND JULY 10, 2020 CLOSED

SESSION MINUTES: Mr. Erwin moved to approve the minutes for the March 13, 2020, April 3, 2020, May 8, 2020, June 12, 2020, and July 10, 2020 Closed Sessions, and to seal and withhold the minutes for the March 13, 2020, April 3, 2020, May 8, 2020, June 12, 2020 and July 10, 2020 Closed Sessions from public inspection so long as public

inspection would frustrate the purpose or purposes thereof. Mr. Apodaca seconded the motion and it carried unanimously.

ADJOURNMENT: Mr. Apodaca moved to adjourn the meeting at 11:51 a.m. Mr. Erwin seconded the motion and it carried unanimously.

Respectfully submitted,

Ellen Heywood
Clerk to the Board

Approved:

Matthew C. Burrell
Chair



MEMORANDUM

TO: Members of the Airport Authority

FROM: Christina M. Madsen, Airport Properties and Contracts Manager

DATE: December 11, 2020

ITEM DESCRIPTION – Consent Item B

Approve an Agreement Amendment between The Paradies Shops, LLC., (“Paradies”) and the Greater Asheville Regional Airport Authority (“Authority”).

BACKGROUND

The Paradies Shops, LLC., (“Paradies”) entered into the Food and Beverage/Sundries/Vending/Gift Concession Agreement (“Agreement”) at the Asheville Regional Airport in 2010. The Agreement was amended in 2018 to provide additional food offerings and concession space with the addition of the Auntie Anne’s Pretzel and Cinnabon concept.

In February 2020, the Board approved adding 923 square feet of space to be added to Paradies leasehold to construct a new wine and craft beer location within the terminal. Unfortunately, as a result of the national pandemic, it no longer makes financial sense to introduce this concept into the airport, prior to the new terminal construction.

Therefore, it is recommended that the Agreement be amended to remove the obligations to construct a wine and craft beer location at the Asheville Regional Airport. Paradies would no longer be required to invest over \$425,000 and the Authority would no longer be obligated to contribute a tenant allowance in the amount of \$75,000; and contribute to buy-out Paradies unamortized investment up to \$150,000.

The Amendment is attached.

ISSUES

None.



ALTERNATIVES

The Board could deny the request to amend the concession agreement.

FISCAL IMPACT

Authority will be released from its financial commitments to contribute \$75,000 for a tenant allowance, as well as the buyout obligation of up to \$150,000 for Paradies capital investment.

RECOMMENDED ACTION

It is respectfully requested that the Greater Asheville Regional Airport Authority Board resolve to (1) approve the agreement amendment as described above with The Paradies Shops, LLC., and (2) authorize the Executive Director to execute the necessary documents.

AMENDMENT No. 5

**TO FOOD AND BEVERAGE/SUNDRIES/VENDING/GIFT
CONCESSION AGREEMENT
ASHEVILLE REGIONAL AIRPORT**

This Amendment No. 5 to Food and Beverage/Sundries/Vending/Gift Concession Agreement ("Amendment") is made and entered into to be effective on this 20th day of November 2020, by and between the GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY, (the "GARAA"), and THE PARADIES SHOPS, LLC, a Georgia limited liability company (the "Company").

WITNESSETH:

WHEREAS, GARAA and Company entered into that certain Food and Beverage/Sundries/Vending/Gift Concession Agreement dated December 31, 2010 (the "Concession Agreement"); and,

WHEREAS, GARAA and Company entered into Amendment No. 1 to the Concession Agreement, effective June 1, 2012, to allow Company to be reimbursed by the GARAA for additional equipment; and,

WHEREAS, The Greater Asheville Regional Airport Authority ("GARAA") was created pursuant to Session Law 2012-121 by the General Assembly of North Carolina on June 28, 2012; and,

WHEREAS, GARAA and Company entered into Amendment No. 2 to the Concession Agreement, effective November 7, 2018 to add additional concession space and food offerings; and,

WHEREAS, GARAA and Company entered into Amendment No. 3 to the Concession Agreement, effective September 6, 2019 to modify the revenue sharing from the vending machine sales, and assigned the Concession Agreement between Company and Authority to GARAA; and,

WHEREAS, GARAA and Company entered into Amendment No. 4 to the Concession Agreement, effective February 14, 2020 to add additional concession space and food offerings, and,

WHEREAS, the parties desire to modify the Agreement to remove concession space as more particularly set forth herein.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the parties hereby agree that the Concession Agreement be amended, effective upon execution, as follows:

1. **ARTICLE 2 – RIGHTS AND PRIVILEGES GRANTED TO COMPANY**, Paragraph A, Section 1. Rights and Premises is hereby amended to remove 923 square feet of Airside Space A4 (Exhibit "A-4) in its entirety. The remaining leases premises will consist of approximately 7,963 square feet of space within the Terminal Complex.
2. **ARTICLE 4 – TERM**, is hereby amended to remove Paragraph C in its entirety.
3. **ARTICLE 5 – CONCESSION FEES AND ACCOUNTING RECORDS**, is hereby amended by deleting Paragraph A.2 Annual Concession Fee for Leased Space A4 in its entirety.
4. **ARTICLE 6 – IMPROVEMENTS TO PREMISES**, is hereby amended to delete Paragraph A.1.i.; and Paragraph B.5 in their entirety.

All other terms of this Food and Beverage/Sundries/Vending/Gift Concession Agreement not specifically amended shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto by their duly authorized officers have caused this Amendment to be executed effective as of the day and year first above written.

PARADIES SHOPS, LLC

**GREATER ASHEVILLE REGIONAL AIRPORT
AUTHORITY**

BY:

**Gregg S. Paradies
President and CEO**

BY:

**Low Bleiweis, A.A.E.
Executive Director**



MEMORANDUM

TO: Members of the Airport Authority

FROM: Jared Merrill
Planning Manager

DATE: December 11, 2020

ITEM DESCRIPTION – Consent Item C

Approve Waterline Easement with City of Asheville for New Waterline

BACKGROUND

As part of the Terminal Project Phase 1 – Utility Modernization the new waterline and sewer lines have been installed. The sewer line has been completed and active since July. To activate the new waterline, the City of Asheville requires an easement for the two new master meter locations. These easements are described and shown on the attached easement document and drawing.

ISSUES

None.

ALTERNATIVES

None. This work is required to complete this project.

FISCAL IMPACT

This easement does not require any additional costs to the contract.

RECOMMENDED ACTION

It is respectfully requested that the Airport Authority Board resolve to (1) approve the proposed waterline easement; and (2) authorize the Executive Director to execute the necessary documents.

Consent – Item C

PREPARED BY: Asheville City Attorney's Office

AFTER EASEMENT HAS BEEN RECORDED, PLEASE SEND ORIGINAL TO:
City of Asheville Water Department; P. O. Box 7148; Asheville, NC 28802.

Project Name: Greater Asheville Regional Airport Sanitary Sewer and waterline upgrades.
Project No: WPFY-18-19-098
Project Location: Asheville Regional Airport

STATE OF NORTH CAROLINA
COUNTY OF BUNCOMBE

WATERLINE EASEMENT

THIS WATERLINE EASEMENT, made and entered into this _____ day of _____, 20____, by and between Greater Asheville Regional Airport Authority, a body corporate and politic in the State of North Carolina, herein "Grantor," and the City of Asheville, a North Carolina Municipal Corporation, herein "Grantee." (The designations Grantor and Grantee as used herein shall include said parties, their heirs, successors and assigns and shall include singular, plural, masculine, feminine and neuter as required by context).

WITNESSETH:

WHEREAS, Grantor has constructed a 8" waterline, crossing the lands of Grantor as described in Deed Book 5565 Page 1196 of the Buncombe County Registry, and now wishes to convey said waterline to the Grantee; and

WHEREAS, as a condition of acceptance, Grantee desires a perpetual easement for ingress, egress, and regress to said waterline for the purpose of constructing, laying, replacing, enlarging and continuing general maintenance of said waterline; and

WHEREAS, the Grantor shall have the continuing right to cultivate and use the property subject to the waterline easement, provided that said use in no way interferes with the ability of said waterline to conduct water nor with the right of the Grantee, its successors and assigns to construct and maintain said waterline as set forth below.

NOW, THEREFORE, for valuable consideration, the adequacy and sufficiency of which is hereby acknowledged, the Grantor hereby grants, dedicates and conveys unto the Grantee, its successors and assigns, a Waterline and Easement located as set forth below, said waterline easement being more particularly described as follows:

Being all of the Waterline and Easement Area as set forth in Plat Book 211, at Page 38, recorded in the Buncombe County Register of Deeds Office.

Further, Grantor hereby agrees and accepts all of the conditions required by Grantee as part of this acceptance as shown on said plat, and as set forth below:

CONDITIONS

- A. The Grantee shall have the right to construct, operate, maintain, repair, enlarge, inspect and reconstruct within the permanent easement described above, waterlines for the transmission of water for public use, together with the right to do all things necessary or convenient thereto.
- B. The Grantee, its officers, agents and employees shall have the right to go to and from the permanent easement at all times across the Real Property by such route or routes as shall cause Grantor the least practicable inconvenience, as determined in Grantee's sole discretion, including the use of private roads and ways then existing thereon, on foot or by conveyance, with materials, machinery, supplies, and equipment as may be desirable to Grantee; provided such right of ingress, egress, and regress shall not extend to any portions of the Real Property which are separated from the permanent easement by any public road now or hereafter crossing the Real Property. Provided further, that except in emergencies, existing roads and ways thereon shall be used to the extent that they afford ingress, egress and regress to and from said permanent easement.
- C. The Grantee shall have the right to clear the permanent easement and keep the same cleared at all times, and to remove therefrom all buildings, structures, improvements, fixtures, brush, trees and other obstructions.
- D. The Grantee shall have the right to erect and maintain below ground structures for access to the waterlines and for controlling water flowing through said waterline and the right to install, operate and maintain other equipment necessary for transmitting water.
- E. The Grantor shall at all times, have the right to use said permanent easement for all purposes not inconsistent with the rights acquired hereto and use thereof by Grantee. Provided however, the Grantor shall not: (1) cause the waterline to be undermined in any way; (2) cause electric, telephone or television cable lines to be constructed within the permanent easement; (3) cause any buildings, wells, septic tanks, absorption pits, underground or overhead storage tanks or burial ground to be placed on or within the permanent easement; or (4) cause Grantee's facilities or use of said permanent easement to be interfered with or endangered by Grantor, its heirs, successors and assigns.
- F. The Grantor hereby releases and forever discharges, the Grantee, its successors and assigns, from any and all claims associated with Grantee's use of the permanent easement crossing the Real Property, said use to include all purposes for which the Grantee is authorized to utilize the easement contained therein and provided by law.
- G. The easement, covenants, terms and conditions contained herein are intended to and shall run with the Real Property and shall be binding on Grantee and Grantor and their respective successors, heirs and assigns. Grantor warrants that Grantor has good title to the Real Property and warrants Grantee's quiet enjoyment of the easement.

TO HAVE AND TO HOLD said permanent easement unto said Grantee, its successors and assigns, upon the terms and for the time periods set forth above.

IN WITNESS WHEREOF, the Grantor has hereunto caused this waterline easement to be duly executed by its authorized officials on the day and year set forth below:

Greater Asheville Regional Airport Authority
(Grantor)

By: _____ (SEAL)

Name:
Title:

STATE OF: _____

COUNTY OF: _____

I, _____, a Notary Public for said County and State do hereby certify that

_____, of Greater Asheville Regional Airport Authority,
(Name)

a _____, personally appeared before me this day and
(Title)

executed the foregoing instrument on behalf of the company.

Witness my hand and notarial seal this _____ day of _____, 20 _____

Notary Public: _____

Type or Print Name: _____

My Commission Expires: _____

State of North Carolina Buncombe County

I, Mark A. Parry, certify that this map was drawn under my supervision from an actual survey made under my direct supervision from reference deed recorded in Deed Book 5565, Page 1196; that the ratio of precision as calculated by latitudes and departures is 1:10,000; that this map was prepared in accordance with G.S. 47-30 as amended. Witness my hand and seal this 10th day of September, 2020.

Professional Land Surveyor: Mark A. Parry, L-4529, Reg # 11570C85C7248A, Date 9/10/2020

The intent of this plot is to convey a twenty (20) foot wide waterline easement, ten (10) feet each side of the existing lines and structures to the City of Asheville for the maintenance of the water system. The City of Asheville shall also have the right to access all publicly owned water meters.

G.S. 47-30 F(1)d. - This survey is a survey of another category, such as the recombination of existing parcels, a court-ordered survey, or other exception to the definition of subdivision; i.e., this is an easement survey.

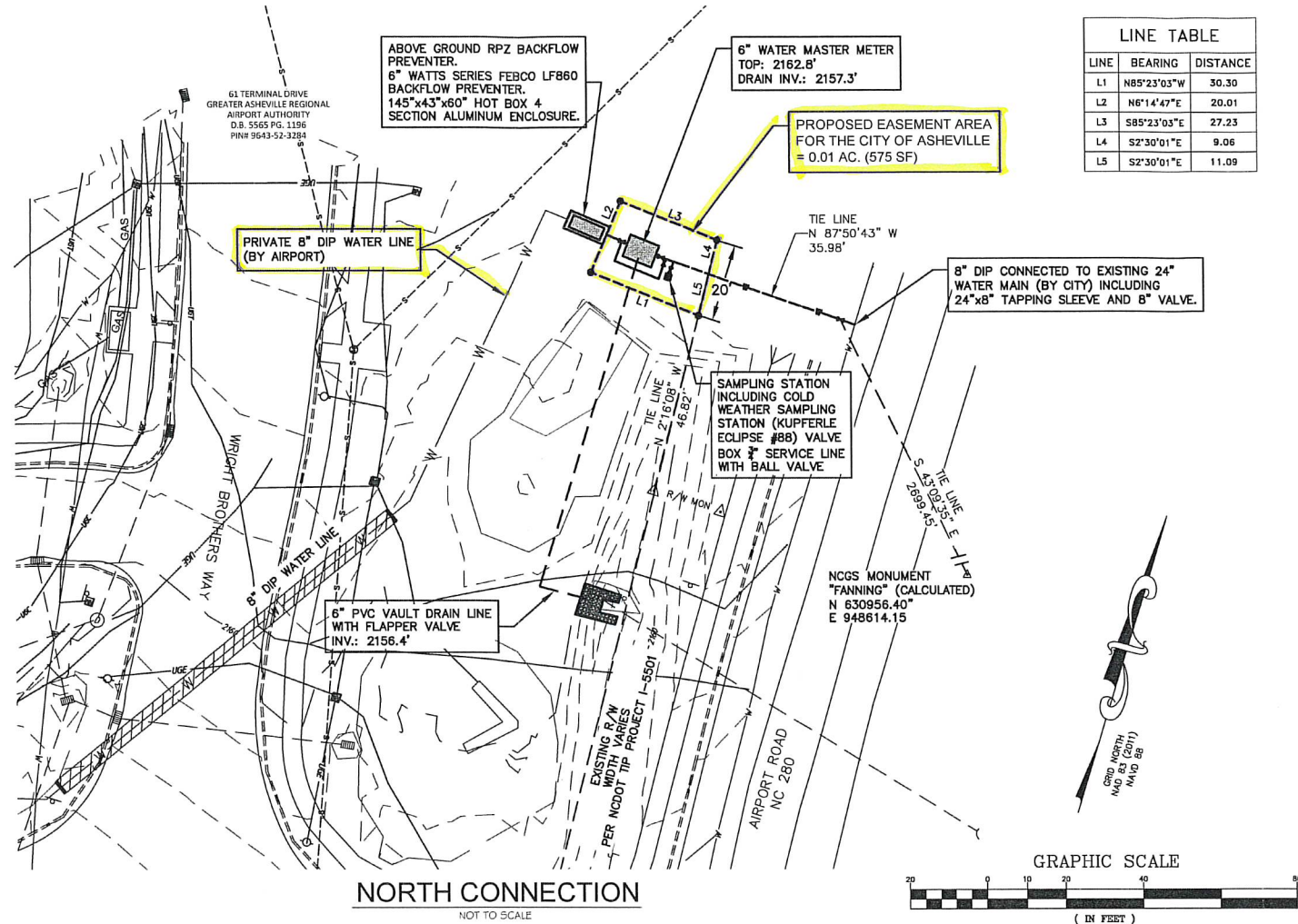
Professional Land Surveyor: Mark A. Parry, L-4529, Reg # 11570C85C7248A, Date 09/10/2020

State of North Carolina Buncombe County Registered this the 10th day of September, 2017

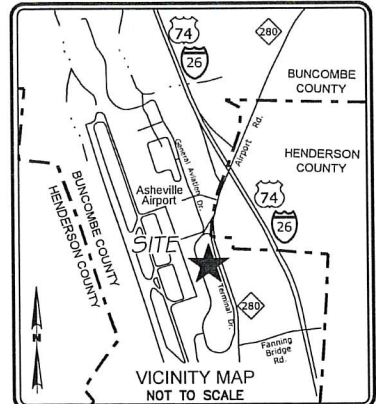
at M. Recorded in Book Page Register of Deeds By Deputy/Assistant

State of North Carolina County of Buncombe I, Shannon Capezallo, Review Officer of Buncombe County, certify that the map or plot to which this certification is affixed meets all statutory requirements for recording. 9/11/2020

Review Officer: Shannon Capezallo, Date 9/11/2020



LINE	BEARING	DISTANCE
L1	N85°23'03\"W	30.30
L2	N6°14'47\"E	20.01
L3	S85°23'03\"E	27.23
L4	S2°30'01\"E	9.06
L5	S2°30'01\"E	11.09



Type: CONSOLIDATED REAL PROPERTY
Recorded: 9/11/2020 9:59:19 AM
Fee Amt: \$21.00 Page 1 of 1
Buncombe County, NC
Drew Reisinger Register of Deeds
BK 211 PG 38

NO.	DATE	REVISIONS DESCRIPTION



- N. Charleston, SC 843-560-0085
 - Charlotte, NC 704-357-0488
 - 1310-F Patton Ave. Asheville, NC 828-253-2796
 - Knoxville, TN 865-546-5800
 - Boone, NC 828-355-9933
 - Middleboro, KY 606-249-6600
 - Spartanburg, SC 864-574-4775
- www.vaughnandmelton.com
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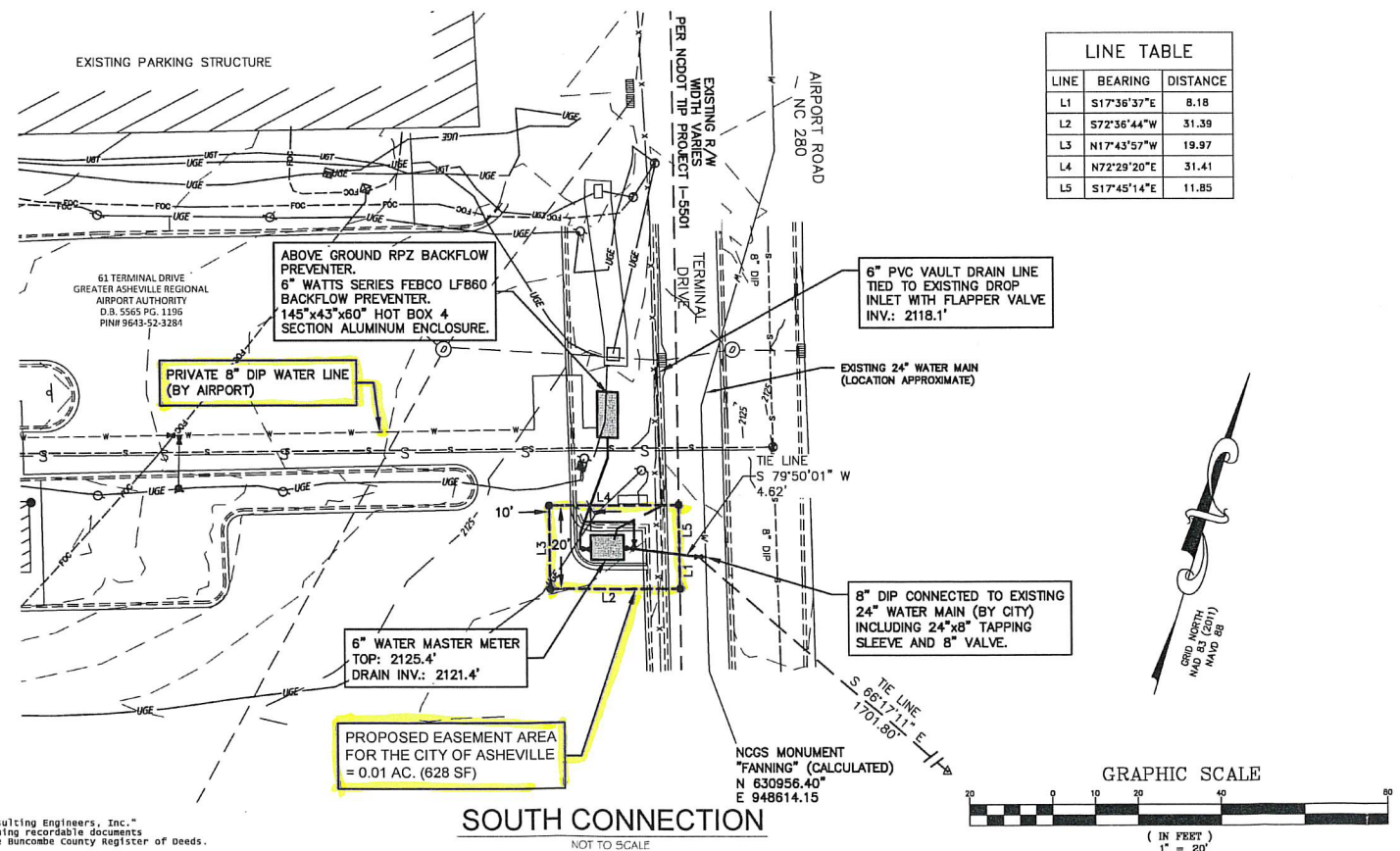
DRAWN:	BA5
CHECKED:	MAP
JOB NO.:	31950-01
SCALE:	1" = 20'
DATE:	9/10/2020
SHEET:	1 OF 1
DRAWING TITLE:	31950_01_WaterAsphalt.dwg

LEGEND

- #5 REBAR, SET
- DRAINAGE STRUCTURE
- STORM MANHOLE
- ELECTRIC BOX
- ELECTRIC MANHOLE
- TELEPHONE MANHOLE
- HAND HOLE
- BOLLARD
- SEWER MANHOLE
- UTILITY POLE
- SEWER CLEANOUT
- WATER METER
- WATER VALVE
- FIRE HYDRANT
- WATER BLOW OFF HYDRANT
- RIGHT OF WAY MONUMENT
- SIGN
- SUBJECT PROPERTY LINE
- TIE LINE ONLY
- ADJONER PROPERTY LINE
- NCDOT RIGHT OF WAY
- MARGIN OF NEW DRIVE EASEMENT
- FENCE
- TYPICAL BUILDING SETBACK LINE
- OVERHEAD UTILITY LINE
- SEWER LINE
- WATER LINE
- FOC --- UNDERGROUND FIBEROPTIC
- UGE --- UNDERGROUND ELECTRIC
- GAS --- UNDERGROUND GAS
- UGT --- UNDERGROUND TELEPHONE
- PAINT STRIPE
- HANDRAIL

- NOTES:
- ALL DISTANCES ARE UNADJUSTED HORIZONTAL GROUND MEASUREMENTS UNLESS OTHERWISE NOTED.
 - ALL CORNERS ARE AS NOTED.
 - AREAS DETERMINED BY COORDINATE METHOD.
 - ALL BEARINGS ARE BASED ON N.C. GRID BEARINGS, NAD 83 (2011), VERITCAL DATUM NAVD 88.
 - GRID NORTH DERIVED FROM APPROVED GPS CONTROL PROCEDURES. AVERAGE COMBINED GRID FACTOR FOR THIS PROJECT IS 0.999775. V&M PANEL POINT 607 USED AS BASIS FOR PROJECT; PANEL GRID COORDINATES ARE: N=703478.9118 E=953518.3791, ELEVATION 2460.26'.
 - AREAS SHOWN ARE SUBJECT TO EASEMENTS OF RECORD.
 - CERTIFICATION HEREON CERTIFIES THE EASEMENTS SHOWN ONLY. OTHER ELEMENTS FOR GRAPHICAL PURPOSES ONLY.
 - FLOOD INFORMATION PER FLOOD RISK INFORMATION SYSTEM: FLOOD ZONE X, PANEL 9643, MAP NUMBER 3700964300K, EFFECTIVE DATE 1/6/2010.

Submitted electronically by "Vaughn & Melton Consulting Engineers, Inc." in compliance with North Carolina statutes governing recordable documents and the terms of the submitter agreement with the Buncombe County Register of Deeds.



LINE	BEARING	DISTANCE
L1	S17°36'37\"E	8.18
L2	S72°36'44\"W	31.39
L3	N17°43'57\"W	19.97
L4	N72°29'20\"E	31.41
L5	S17°45'14\"E	11.85

CITY OF ASHEVILLE PROJECT NO. WPFY-18-19-098
ESTOPPEL CERTIFICATE REQUIRED YES ___ NO ___X

WATERLINE EASEMENT FOR THE CITY OF ASHEVILLE
ACROSS THE PROPERTY OF:
ASHEVILLE REGIONAL AIRPORT

BEING THE PROPERTY DESCRIBED IN:
DEED BOOK 5565 PAGE 1196
PIN # 9643-52-3284
CITY OF ASHEVILLE TOWNSHIP
BUNCOMBE COUNTY, NORTH CAROLINA
SEPTEMBER 2, 2020

Greater Asheville Regional Airport Authority

~ Resolution ~

WHEREAS, the Greater Asheville Regional Airport Authority (the “Authority”) was created for the purpose of maintaining, operating, regulating, developing, and improving the Asheville Regional Airport; and

WHEREAS, M. Kevan Smith served the Authority from April, 1991 through December, 2020, and during his tenure with the airport, held the ranks of Public Safety Officer (1991-2000), Training Officer (2000-2004), Captain (2004-2014), and Chief of Public Safety (2014-2020); and

WHEREAS, during his period of service to the Authority, M. Kevan Smith performed his duties with diligence and conscientiousness, and contributed to the positive perception of the Asheville Regional Airport and its mission of providing an exceptional airport experience for Western North Carolina; and

WHEREAS, during his tenure as Chief of Public Safety, M. Kevan Smith was responsible for numerous improvements to the Greater Asheville Regional Airport Authority’s Department of Public Safety, which contributed to the reputation of professionalism for which the department is now known for throughout Western North Carolina; and

WHEREAS, M. Kevan Smith will be retiring from the Greater Asheville Regional Airport Authority on December 31st, 2020.

NOW, THEREFORE, BE IT RESOLVED that N.C. General Statute 20-187.2 authorizes the governing body of a law enforcement agency, to award a retiring officer meeting certain criteria with their service side arm upon retiring, which is the practice of the Greater Asheville Regional Airport Authority, and that such side arm, a Glock 17, Serial No. BDBC580 has been requested, and is hereby presented to M. Kevan Smith, at no cost, as a token of the Greater Asheville Regional Airport Authority’s appreciation for his service to this organization, and also, that he is authorized to purchase from the Authority his issued plain clothes side arm, a Glock 26, Serial No. BELK898, at its current used market value.

BE IT FURTHER RESOLVED, that the Greater Asheville Regional Airport Authority expresses its sincere gratitude to M. Kevan Smith for his dedication and service to the Greater Asheville Regional Airport Authority, and for his commitment to the safety and security of the travelling public throughout Western North Carolina.

Adopted this 11th day of December, 2020.

Greater Asheville Regional Airport Authority

By: _____

Matthew C. Burrell, Board Chair



MEMORANDUM

TO: Members of the Airport Authority

FROM: Michael A. Reisman, A.A.E.
Deputy Executive Director, Development and Operations

DATE: December 11, 2020

ITEM DESCRIPTION – Consent Item E

Authorize Donation of Surplus Property

BACKGROUND

The final phase of the Airfield Re-development Project includes the removal and salvage of existing airfield lighting equipment that was in service on the temporary runway. This equipment includes, but is not limited to, runway and taxiway light fixtures, transformers, guidance signs, regulators and visual approach aids. This equipment, while considered obsolete for continued use at the Asheville Regional Airport, has value to, and is typically sought after by small airports in the region which cannot afford to purchase such equipment new. It is the desire of staff to make this equipment available to such airports at no cost, as the equipment has little to no value for re-sale otherwise. The equipment would be donated either directly to one or more North Carolina general aviation airports, or to the North Carolina Division of Aviation for distribution to other airports that do not possess the financial resources to purchase it. In the event that the equipment cannot be fully or adequately distributed in this manner, other options for distribution to airports throughout the southeast region (both inside and outside of North Carolina) would be undertaken, including notification through the North Carolina Airports Association, and/or the Southeast Chapter of the American Association of Airport Executives.

The disposal of personal property by the Authority falls under NC General Statutes. A donation to another Governmental Unit requires approval by the governing body. In this case, a public notice was published at least five days prior to the scheduled Airport Board meeting.

Consent – Item E



ISSUES

None.

ALTERNATIVES

In lieu of donation, the Authority can choose to dispose of the equipment as trash. In the event that a commercial service airport expresses interest, a nominal fee would be negotiated in accordance with the NC Statutes.

FISCAL IMPACT

There is no cost associated with this action.

RECOMMENDED ACTION

It is respectfully requested that the Greater Asheville Regional Airport Authority Board resolve to authorize the donation of surplus airfield lighting equipment to other Governmental Units in accordance with NC General Statutes.

Greater Asheville Regional Airport Authority

~ Resolution ~

RESOLUTION AUTHORIZING DONATION OF SURPLUS PROPERTY

WHEREAS, the Greater Asheville Regional Airport Authority (“Authority”) owns certain items of personal property that are no longer functional for the Authority’s purposes, and a list of such property is found on the attached Exhibit A;

WHEREAS, the Authority Board desires to declare the personal property surplus and authorize the disposition of the personal property in accordance with the provisions of North Carolina General Statutes, Chapter 160A, Article 12, and Federal Aviation Administration Regulations;

WHEREAS, the Authority Board desire to donate the surplus personal property to another governmental unit in accordance with N.C. Gen. Stat. Section 160A-280; and

WHEREAS, in accordance with N.C. Gen. Stat. Section 160A-280, a public notice of the proposed donation was posted at least five days prior to the adoption of this resolution by the Authority Board.

NOW THEREFORE, BE IT RESOLVED, by the Greater Asheville Regional Airport Authority Board as follows:

1. The personal property identified on the attached Exhibit A is hereby declared to be surplus property.
2. The personal property identified on the attached Exhibit A shall be donated, in accordance with the provisions of N.C. Gen. Stat. Section 160A-280, to another governmental entity or nonprofit organization, and, if possible, to one or more NC general aviation airports or to the North Carolina Division of Aviation for distribution to other airports that do not have the financial resources to acquire such personal property.
3. To the extent that any of the personal property identified on the attached Exhibit A cannot be donated as described above, it shall be donated to airports in the southeast region and/or disposed of through the North Carolina Airports Association or Southeast Chapter of the American Association of Airport Executives, using any method authorized in North Carolina General Statutes, Chapter 160A, Article 12.

Adopted this the 11th day of December, 2020.

Greater Asheville Regional Airport Authority

By: _____
Matthew C. Burril, Board Chair

EXHIBIT A

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY SURPLUS AIRFIELD LIGHTING EQUIPMENT

1. Medium intensity runway edge light fixtures.
2. Runway edge light transformers.
3. Runway threshold light fixtures.
4. Precision Approach Path Indicators.
5. Guidance signs and transformers.



MEMORANDUM

TO: Members of the Airport Authority

FROM: Janet Burnette, Director of Finance and Accounting

DATE: December 11, 2020

ITEM DESCRIPTION – New Business Item A

Presentation of the Annual Audited Financial Report for Fiscal Year 2019/2020

BACKGROUND

The annual audit for the fiscal year ended June 30, 2020 was performed by the auditing firm, Gould Killian CPA Group, P.A., and the findings are hereby submitted for the Board's review and acceptance. The audited financial statements being provided to you have been submitted to the Local Government Commission ("LGC").

ISSUES

None. An unmodified opinion was issued by the auditors.

RECOMMENDED ACTION

It is respectfully requested that the Greater Asheville Regional Airport Authority Board resolve to accept the 2019/2020 Audit Report as presented.



**GOULD KILLIAN
CPA GROUP, P.A.**

CERTIFIED PUBLIC ACCOUNTANTS

**GREATER ASHEVILLE REGIONAL
AIRPORT AUTHORITY**
2020 Annual Financial Report

Audit Summary

- Thank you for allowing us to serve as your auditors
- We issued an unmodified (clean) opinions; reasonable assurance that the financial statements are free from material misstatement
- We reported no material weaknesses in internal control
- We reported no material noncompliance with laws and regulations
- Special thanks to Janet, Karen and staff for their hard work and cooperation in completing the audit



Recently Issued Accounting Pronouncements

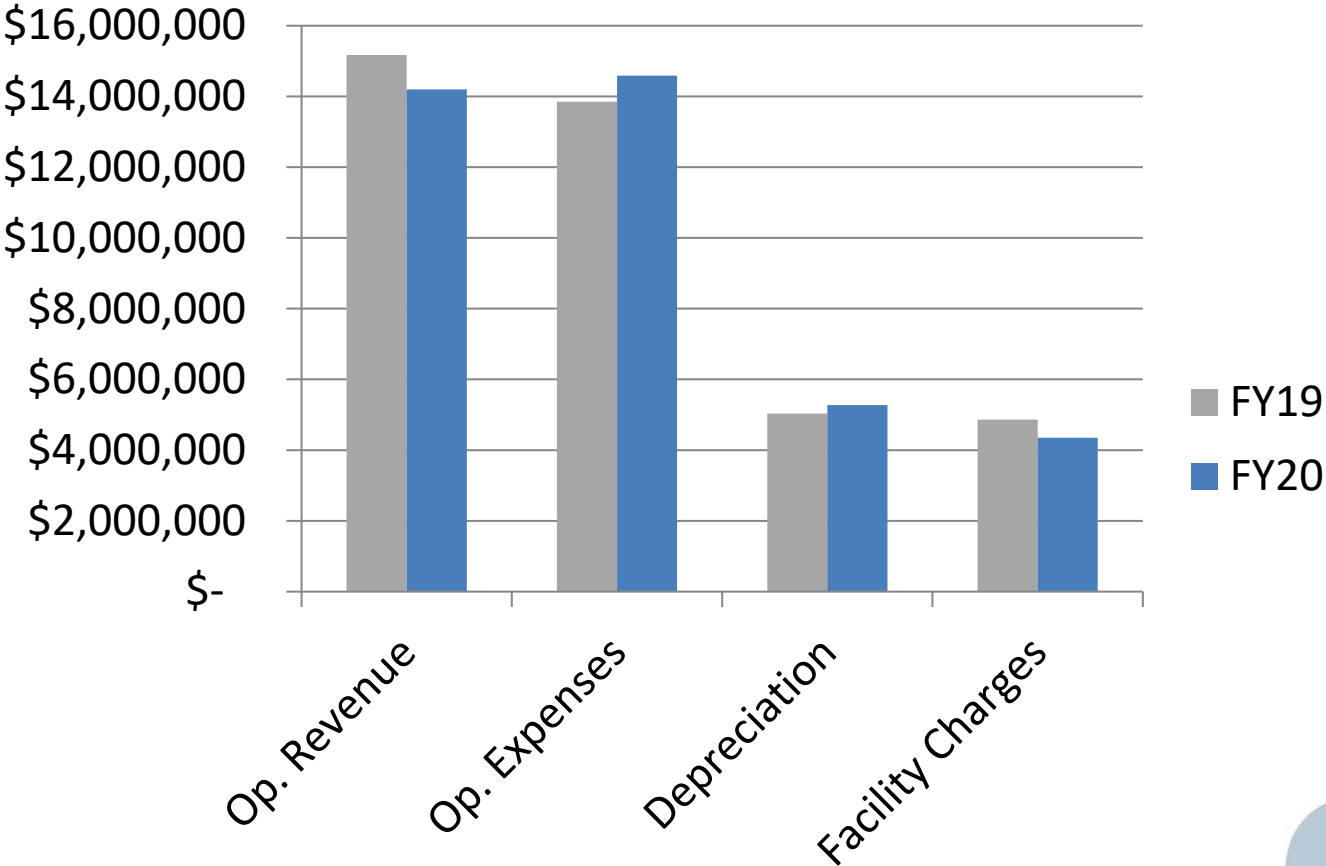
- **HUGE DEAL!!! A TON OF WORK**
- **GASB No. 87 LEASES** – Implementation requires the Authority to recognize certain lease assets and liabilities for leases that previously were classified as operating leases. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Effective beginning fiscal year 2022.
- For lessors — A lessor should recognize a lease receivable and a deferred inflow of resources. A lease receivable should initially be measured at the present value of lease payments expected to be received during the lease term, which is initially offset by the deferred inflow for the value of the lease liability. The lessor should not derecognize the asset underlying the lease and continue to record depreciation, as applicable.
- Considerations for implementation – lease terms including renewal options, incentives, discounts, scheduled rate changes or variable rates, etc.

Key Statistics for FY20

- Cash and investments totaled \$26.9M at 06/30/2020 (\$12.3M unrestricted)
- Net Position for FY20 is \$169.1M (an overall increase of \$14.3M)
 - Net investment in capital assets of \$149M (+31M)
 - \$9M is unrestricted (-\$15M)
 - \$10.7M is restricted (-\$1.7M)
- Operating loss of \$389k in FY20 (compared to a net operating gain of \$1.3 million in FY19)
- Debt service paid of \$1.7M



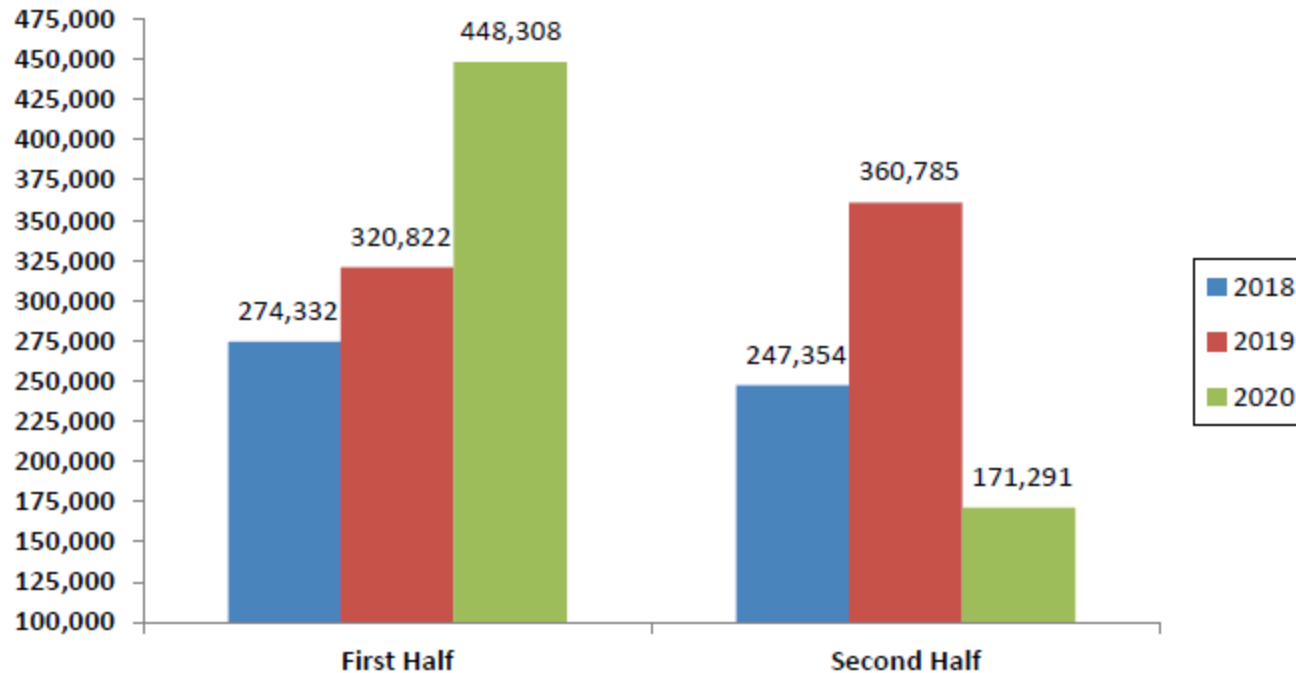
Revenue and Expense Comparison



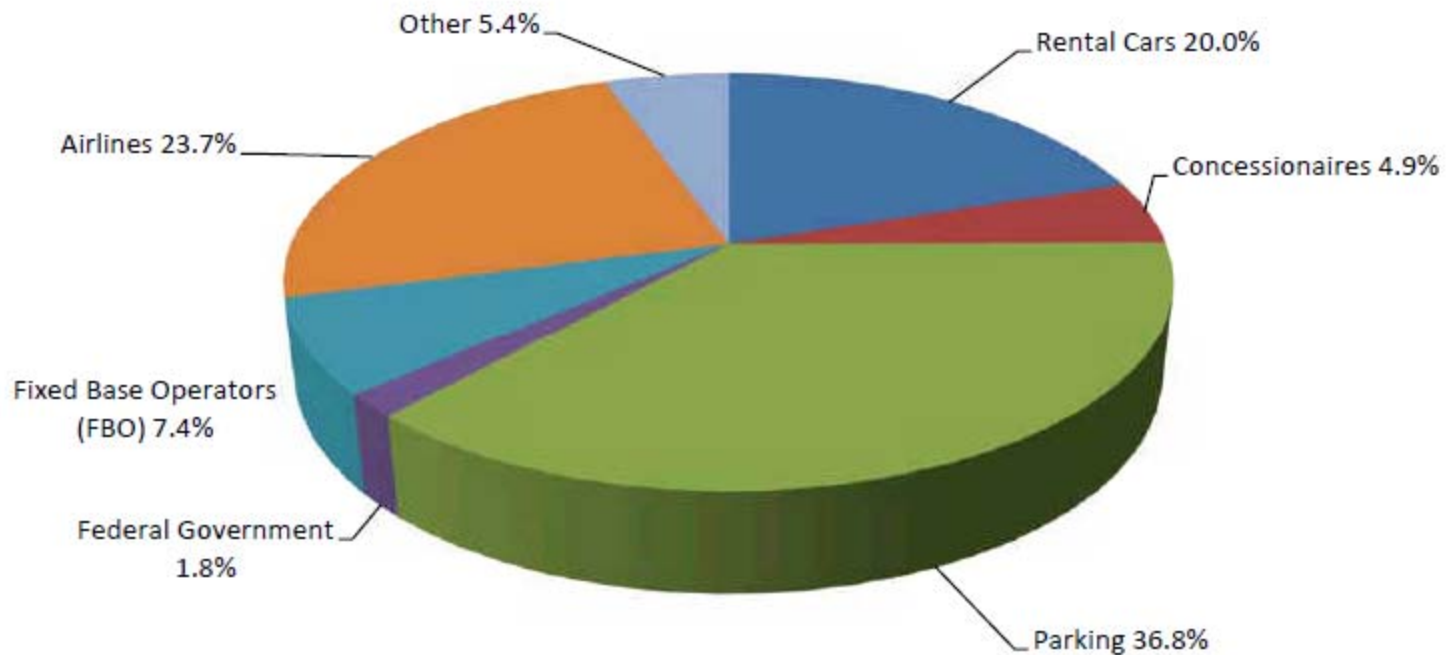
Pandemic Impact on Passenger Enplanements

Overall Decrease of 9.1% from FY 2019

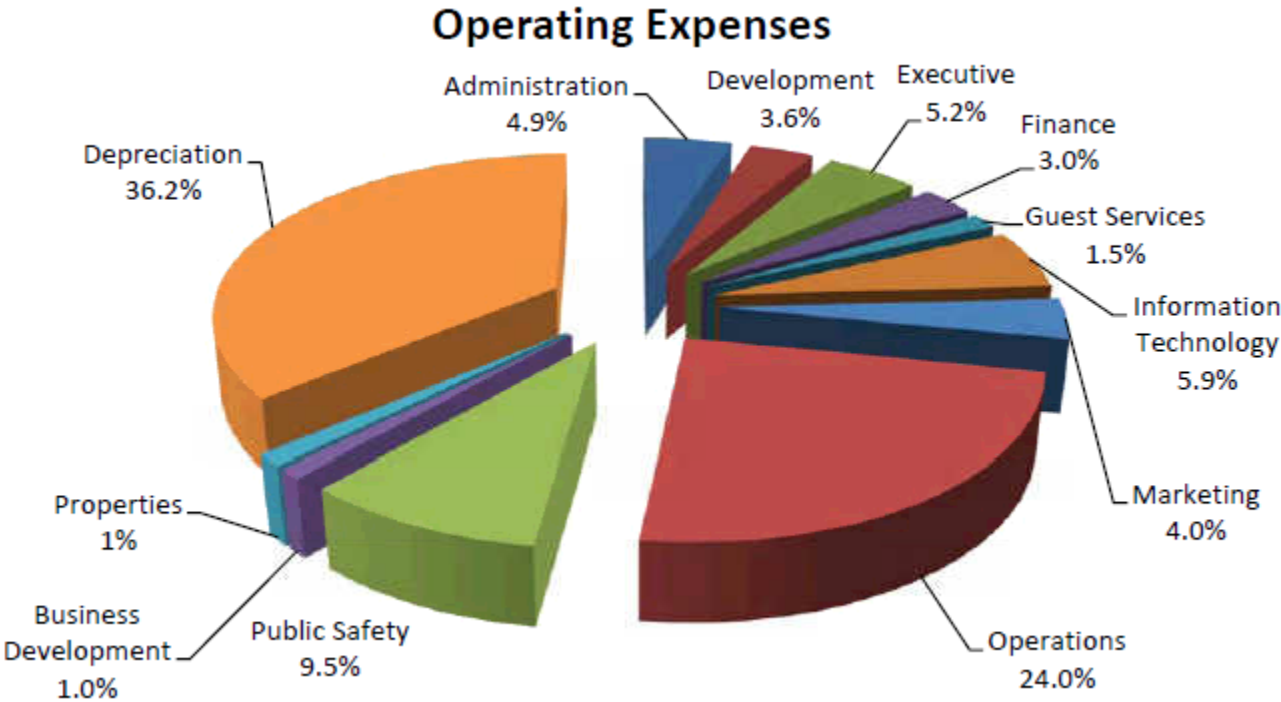
Passenger Enplanements for Fiscal Year



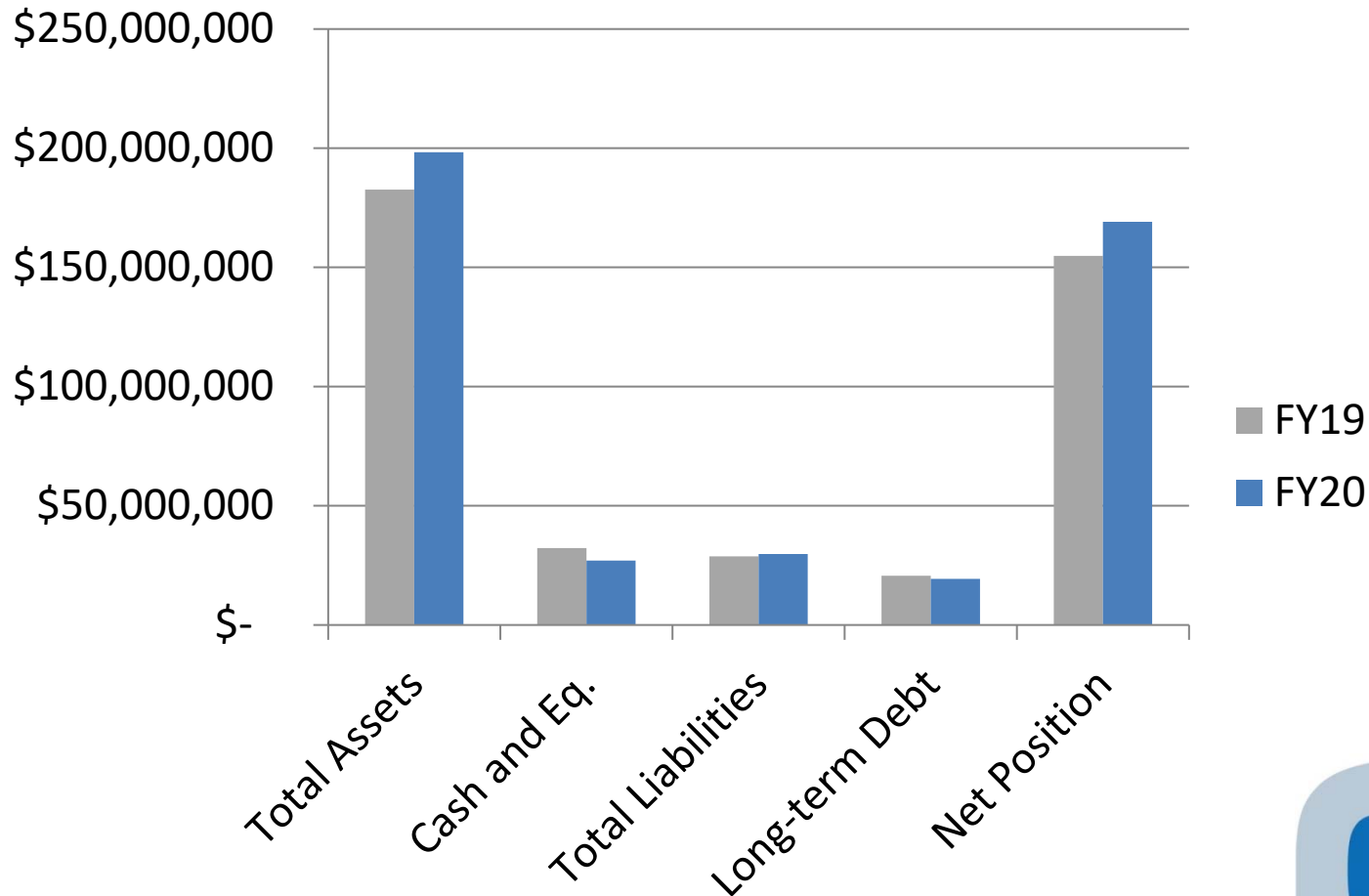
Operating Revenues of \$14.2M



Operating Expenses of \$14.6M



Balance Sheet Summary



Capital Projects

Capital Assets (gross) increased by \$35 million in FY2020

- \$22.2 million on the Airfield Redevelopment
- \$1.9 million on Terminal Building Infrastructure Improvements
- \$816,000 on snow removal equipment
- \$3.3 million on South Apron Expansion
- \$1.7 million on Parking Lot Construction
- \$1.5 million on terminal design
- \$2.4 million on security project



Cash Flow FY 2020

+ Operations Generated Cash Flow	\$ + 6.6 M
- Construction of Capital Assets	(33.7 M)
+ Passenger Facility Charges	+ 3.1 M
+ Customer Facility Charges	+ 1.8 M
- Debt Payments	(1.7 M)
+ Grant Cash In	+ 18.2 M
+ Other	<u>+ .5 M</u>
OVERALL CASH NET DECREASE	\$ (5.2 M)



Key Comparisons Summary

	FY20	FY19	FY10
Working capital	6.3 M	20.9 M	10.8 M
Working capital in months operating expenses (excl. depreciation)	8.1 months	28.4 months	7.1 months
Number of enplanements	619,599	681,607	319,692
Change in net position	14.3 M	16.5 M	8.5 M
Cash flows from operations	6.6 M	5.3 M	1.0 M
Cash out for capital expenditures	(33.7) M	(12.5) M	(11.9) M
Assets Exceeding Liabilities	169.1 M	154.8 M	73.2 M



**GOULD KILLIAN
CPA GROUP, P.A.**

CERTIFIED PUBLIC ACCOUNTANTS

**GREATER ASHEVILLE REGIONAL
AIRPORT AUTHORITY**
2020 Annual Financial Report

**Greater Asheville Regional
Airport Authority
Fletcher, North Carolina**

Annual Financial Report

For The Years Ended June 30, 2020 and 2019

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

Board of Directors

Matthew Burrell, Chair
Ray Bailey, Vice-Chair

George Erwin, Jr.
Carl H. Ricker, Jr.
Thomas Apodaca
Brad Galbraith
Stephanie Brown
Cindy Rice, Attorney

Executive Director

Lew S. Bleiweis, A.A.E.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

ANNUAL FINANCIAL REPORT

June 30, 2020 and 2019

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GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

ANNUAL FINANCIAL REPORT

June 30, 2020 and 2019

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**GOULD KILLIAN
CPA GROUP, P.A.**
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Greater Asheville Regional Airport Authority
Fletcher, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the Greater Asheville Regional Airport Authority which comprise the Statements of Net Position as of June 30, 2020 and 2019, and the related Statements of Revenues, Expenses, and Changes in Net Position and Cash Flows for the years then ended, and the related Notes to the Financial Statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of the Greater Asheville Regional Airport Authority as of June 30, 2020 and 2019, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 4 – 10, the Law Enforcement Officers' Special Separation Allowance Schedules of Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll on page 40, the Other Post-Employment Benefits' Schedule of Changes in the Total OPEB Liability and Related Ratios on page 41, and the Local Governmental Employees' Retirement System's Schedules of the Authority's Proportionate Share of the Net Pension Liability (Asset) and Contributions on pages 42 – 43, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Greater Asheville Regional Airport Authority's basic financial statements. The budgetary schedules, other schedules, as well as the accompanying Schedule of Expenditures of Federal and State Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance); the State Single Audit Implementation Act, and the Passenger Facility Charge Audit Guide for Public Agencies issued by the Federal Aviation Administration; are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary schedules and the Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from, and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures; including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements, or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary schedules and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2020 on our consideration of the Greater Asheville Regional Airport Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Greater Asheville Regional Airport Authority's internal control over financial reporting and compliance.

Donald Killian CPA Group, P.A.

Asheville, North Carolina
November 20, 2020

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis (the "MD&A") of the Greater Asheville Regional Airport Authority's activities and financial performance provides the reader with an overview to the financial statements of the Greater Asheville Regional Airport Authority for the fiscal year ended June 30, 2020. The information contained in this MD&A should be considered in conjunction with the financial information contained in the various sections of this audit report.

THE REPORTING ENTITY

The Asheville Regional Airport Authority was established in 1980 by the provisions of Article 20 of Chapter 160A of the General Statutes of North Carolina and by the Agreement of November 29, 1979 by and between the County of Buncombe (the "County") and the City of Asheville (the "City"). It was organized for, and has as its sole purpose, the management, operation, and maintenance of the Asheville Regional Airport (the "Airport"). On June 28, 2012, the General Assembly of North Carolina passed Session Law 2012-121 which changed the structure of the entity to an independent airport authority with more regional representation and governance. The law also changed the official name to the Greater Asheville Regional Airport Authority (the "Authority"). Pursuant to the State statute, the agreement with Buncombe County and the City of Asheville is no longer applicable.

The Authority operates as an Enterprise Fund and is governed by seven members: two registered voters of the County, appointed by the Board of Commissioners of Buncombe County; two registered voters of the City, appointed by the Asheville City Council; two registered voters of the County of Henderson, appointed by the Board of Commissioners of Henderson County; and one member appointed by the other six members of the Authority. Members of the Authority serve four-year terms. Any member may serve a total of two consecutive terms, after which said member may not be reappointed to the Authority until four years after his or her most recent appointment.

The Authority employs a managing director (the "Executive Director"), who is the chief administrator and executive officer of the Authority. The Executive Director manages the Airport under the Authority's control with a staff of 73 full-time employees. The staff is responsible for the day-to-day financial, administration, and operational matters pertaining to the Airport and for the contractual arrangements with various aeronautical and non-aeronautical businesses at the Airport.

The Airport is a small hub airport engaged in the business of facilitating commercial and general aviation passenger, cargo, and mail transportation and is the 108th largest airport in the United States based on the number of passenger boardings during calendar year 2019.¹

As of June 30, 2020, Asheville Regional Airport had non-stop commercial flights to seventeen cities (Atlanta, Baltimore, Charlotte, Chicago, Fort Lauderdale, Newark, Dallas, Philadelphia, Washington DC, Sarasota, Sanford, West Palm Beach, Denver, Punta Gorda, St. Petersburg/Clearwater, Houston and Austin. The commercial airline carriers included Allegiant Air, American Airlines, Delta Air Lines and United Airlines.

The mission of the Greater Asheville Regional Airport Authority is to provide an exceptional airport experience with a focus on people, service, commercial and general aviation, and to contribute to the regional economy.

¹ Federal Aviation Administration, passenger boardings calendar year 2019

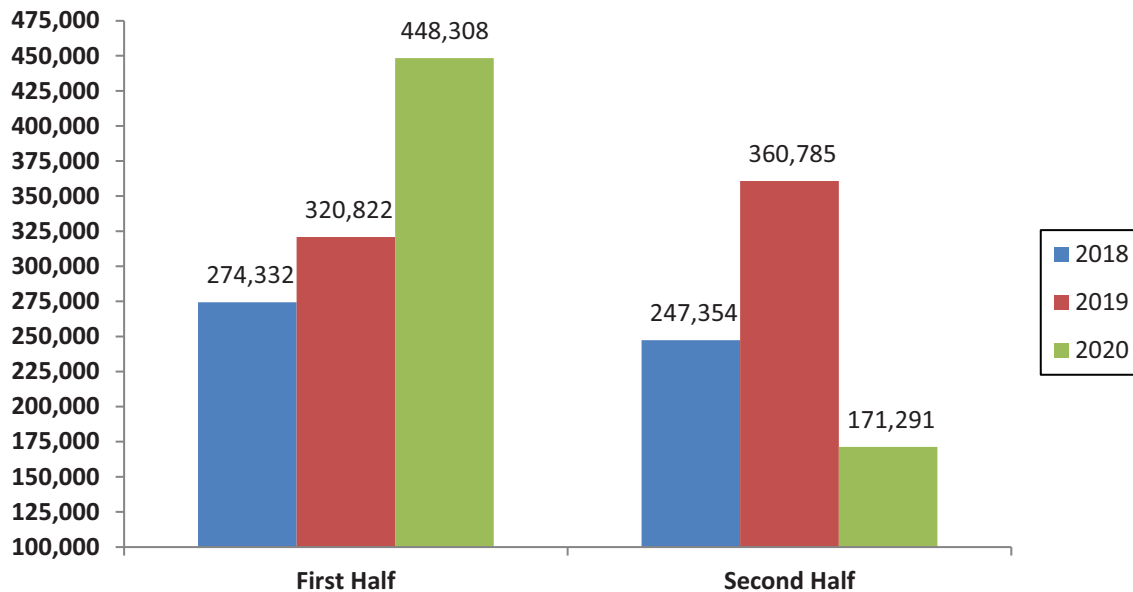
AIRPORT ACTIVITIES AND HIGHLIGHTS

For Year Ended June 30	2020	2019	2018
Enplanements	619,599	681,607	521,686
Revenues per enplanement:			
Airlines	\$ 5.43	\$ 5.17	\$ 5.90
Rental cars	4.58	4.50	5.09
Parking facility	8.44	8.66	8.59
Concessionaires	1.12	1.06	1.18

Enplanements decreased by 9.1% in fiscal year 2020.

	2020	2019	2018
<i>Aircraft Movements (Land or Takeoff):</i>			
Airline	20,939	21,842	19,036
General aviation	43,380	40,229	43,449
Military	2,390	3,101	4,168
Total	66,709	65,172	66,653

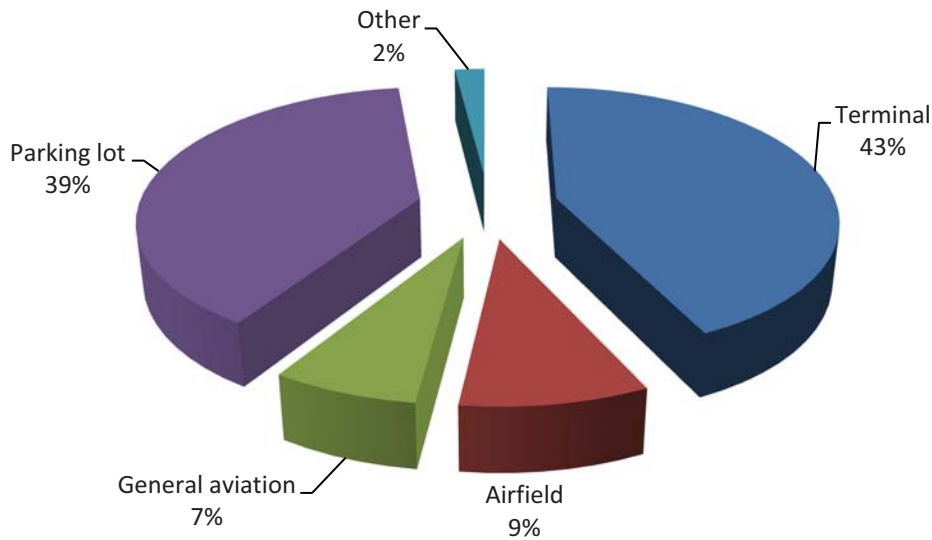
Passenger Enplanements for Fiscal Year



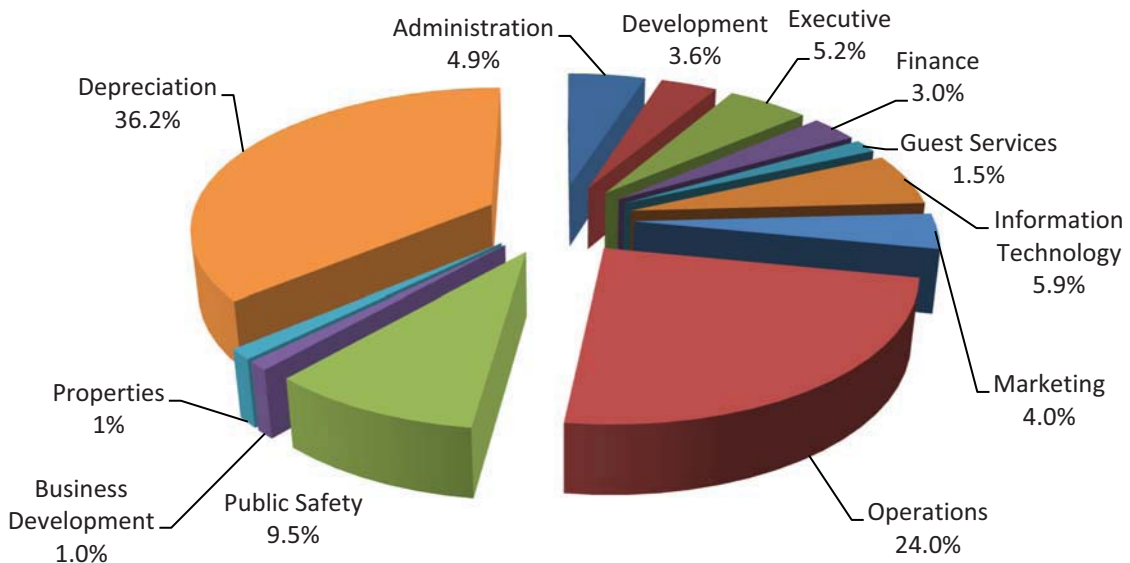
SUMMARY OF OPERATIONS AND CHANGES IN NET POSITION

For Year Ended June 30	2020	2019	(restated) 2018
Operating revenues	\$ 14,199,403	\$ 15,168,401	\$ 12,549,325
Operating expenses	14,588,104	13,851,380	13,014,654
Operating income (loss) before non-operating revenues and expenses	(388,701)	1,317,021	(465,329)
Non-operating revenues and expenses, net	4,333,348	4,976,935	3,566,124
Income before capital contributions	3,944,647	6,293,956	3,100,795
Capital contributions	10,328,288	10,184,989	6,313,483
Increase in net position	<u>\$ 14,272,935</u>	<u>\$ 16,478,945</u>	<u>\$ 9,414,278</u>

Operating Revenues



Operating Expenses



FINANCIAL POSITION SUMMARY

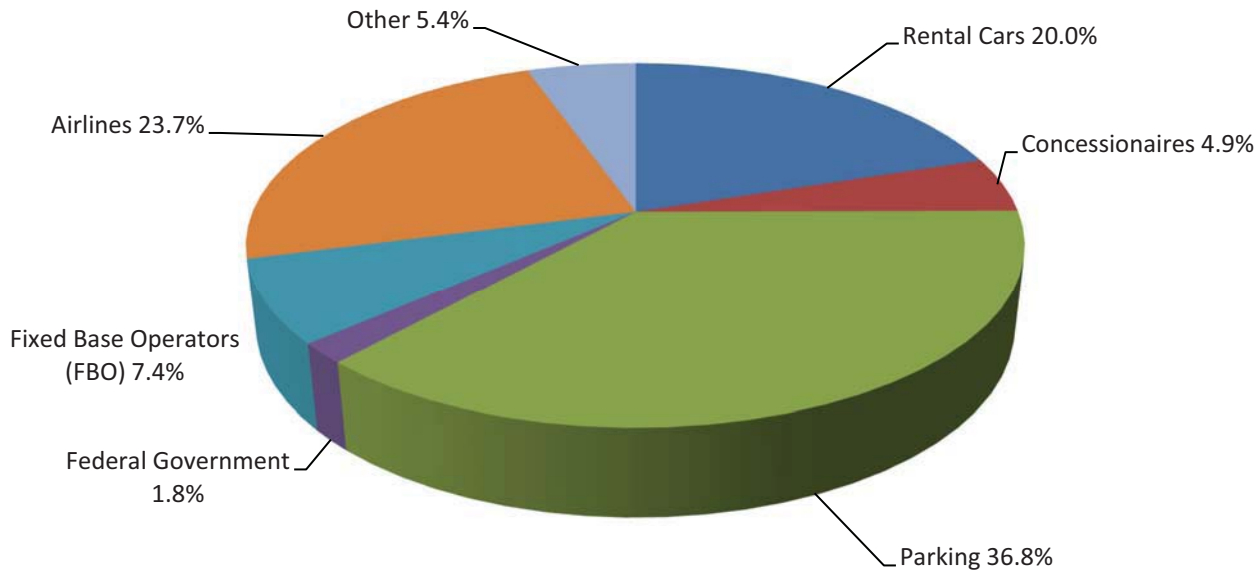
Net position may serve, over time, as a useful indicator of the Authority's financial position. The Authority's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$169,081,647 at June 30, 2020, an increase of approximately \$14.3 million from June 30, 2019, and roughly a \$30.7 million increase from June 30, 2018.

	2020	2019	(restated) 2018
Asset and Deferred Outflows of Resources:			
Current assets	\$ 16,773,027	\$ 28,971,613	\$ 24,771,402
Restricted assets	14,644,366	16,561,028	11,904,719
Capital assets	166,894,747	137,104,929	129,708,016
Deferred outflows of resources	914,393	1,035,011	683,064
Total assets and deferred outflows of resources	<u>199,226,533</u>	<u>183,672,581</u>	<u>167,067,201</u>
Liabilities and Deferred Inflows of Resources:			
Current liabilities	10,477,680	8,118,526	7,209,244
Non-current liabilities	19,279,598	20,604,462	21,434,702
Deferred inflows of resources	387,608	140,881	93,488
Total liabilities and deferred inflows of resources	<u>30,144,886</u>	<u>28,863,869</u>	<u>28,737,434</u>
Net Position:			
Net investment in capital assets	149,309,747	118,274,929	109,663,016
Restricted	10,687,520	12,381,155	9,250,474
Unrestricted	9,084,380	24,152,628	19,416,277
	<u>\$ 169,081,647</u>	<u>\$ 154,808,712</u>	<u>\$ 138,329,767</u>

REVENUES

The daily operations of the Asheville Regional Airport are funded through the collection of user fees such as parking receipts, rental car privilege fees, landing fees, space rental, and concessions fees.

The following chart shows the major sources and the percentage of operating revenues for the year ended June 30, 2020.



SUMMARY OF CASH FLOW ACTIVITIES

The following is a summary of the major sources and uses of cash and cash equivalents. Cash equivalents are considered cash-on-hand, bank deposits, and highly liquid investments with an original maturity of three months or less.

For Year Ended June 30	2020	2019	(restated) 2018
Cash flows from operating activities	\$ 6,633,975	\$ 5,315,576	\$ 4,352,156
Cash flows from capital and related financing activities	(12,253,707)	(6,083,521)	(7,977,193)
Cash flows from investing activities	374,504	510,562	122,155
Net increase (decrease) in cash and cash equivalents	(5,245,228)	(257,383)	(3,502,882)
Cash and Cash Equivalents			
Beginning of year - July 1	32,202,755	32,460,138	21,927,144
End of year - June 30	\$ 26,957,527	\$ 32,202,755	\$ 18,424,262

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

During fiscal year 2020, the Authority expended \$35 million on capital activities. This included the following major projects:

- \$22.2 million on the Airfield Redevelopment
- \$1.9 million on Terminal Building Infrastructure Improvements
- \$816,000 on snow removal equipment
- \$3.3 million on South Apron Expansion
- \$1.7 million on Parking Lot Construction
- \$1.5 million on terminal design
- \$2.4 million on security project

Acquisitions are funded using a variety of sources, including Federal and State grants, passenger facility charges, operating revenues, and net position appropriations.

**CAPITAL ASSETS
(net of accumulated depreciation)**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Land	\$ 7,796,901	\$ 7,796,901	\$ 7,796,901
Construction in progress	96,706,870	62,560,507	75,999,187
Buildings and improvements	59,087,071	63,798,491	43,649,371
Equipment	2,128,232	1,780,761	956,798
Furniture	39,371	60,040	80,180
Vehicles	1,136,302	1,108,229	1,225,579
Capital assets, net of accumulated depreciation	<u>\$ 166,894,747</u>	<u>\$ 137,104,929</u>	<u>\$ 129,708,016</u>

Long-Term Debt

As of June 30, 2020, the Authority has the following long-term debt:

LONG-TERM DEBT

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Greater Asheville Regional Airport Authority System Revenue Bonds	\$ 17,585,000	\$ 18,830,000	\$ 20,045,000

THE FUTURE

The Asheville Regional Airport has seen six consecutive years of record growth with calendar year 2019 ending with a 43% increase in passengers, making AVL one of the fastest growing airports in the United States. Six carriers served the airport. Staff continues to advocate for additional airlines. Authority management continues to seek additional non-stop service to its top 25 origin and destination markets. Allegiant Travel Company continues to grow its presence and continues to have the largest market share of the air carriers operating from the airport. Allegiant also has a maintenance base in Asheville with three overnighing aircraft, with plans to increase this number, and 75+ employees calling the Asheville area home.

Authority management continues to increase non-aeronautical revenues to sustain long-term aviation growth at the airport. Late in the fiscal year, the Authority entered into a purchase agreement for the adjacent golf course, Broadmoor Golf Links with the goal of diversifying sustainable revenues. Closing was set for August 1, 2020. Authority staff continues to work with the local economic development authorities to attract domestic and international manufacturing opportunities to the local community.

The Authority has seen success with its parking garage utilization and with the increased passenger use, the existing parking was running in short supply. To meet the needs of the traveling public, the Authority constructed a new surface parking lot across the street. The Airfield development project suffered another contractor setback early in the fiscal year but has since recovered. Construction is moving along. The runway will be commissioned in November 2020. Progression with a new terminal building has moved along in the preliminary design phase. Stakeholder and public comments were received and translated into the design process.

As with the rest of the world, COVID 19 hit the travel industry in March, and has devastated the aviation sector. Airports Council International – North America was instrumental in getting airports included in the CARES Act funding. The airport industry received \$10B, with the Authority receiving approximately \$14.4M. The majority of these funds will be used for operational expenses for FY 2021. The remaining funds will be used to continue some of the capital projects that are too far along in construction to stop.

Management will continue to improve the Airport and its facilities in a financially prudent manner, especially taking into consideration the impacts of COVID 19, maximizing Federal, State, and other revenues to minimize the Authority's internal funding commitment, thereby maximizing the Authority's return on its investments.

REQUESTS FOR INFORMATION

This report is designed to provide an overview of the Authority's finances for those with an interest in this area. Questions concerning any of the information found in this report, or requests for additional information, should be directed to the Director of Finance and Accounting, Greater Asheville Regional Airport Authority, 61 Terminal Drive, Suite 1, Fletcher, NC 28732. You may also call (828) 684-2226, visit our website www.flyavl.com, or send an email to pr@flyavl.com for more information.

BASIC FINANCIAL STATEMENTS

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

**Exhibit 1
Page 1 of 2**

STATEMENTS OF NET POSITION

June 30, 2020 and 2019

	2020	2019
Assets		
Current assets:		
Cash and cash equivalents	\$ 12,313,161	\$ 15,641,727
Accounts receivable	825,095	2,016,792
Grants receivable	2,507,069	10,584,349
Passenger facility charges receivable	75,000	600,000
Prepaid expenses	1,052,702	128,745
Total current assets	16,773,027	28,971,613
Restricted assets:		
Cash and cash equivalents	14,644,366	16,561,028
Non-current assets:		
Non-depreciable capital assets	104,503,771	70,357,408
Depreciable capital assets, net	62,390,976	66,747,521
Total non-current assets	166,894,747	137,104,929
Total assets	198,312,140	182,637,570
Deferred Outflows of Resources		
Pension deferrals	836,378	984,682
OPEB deferrals	78,015	50,329
Total deferred outflows of resources	914,393	1,035,011
Commitments and Contingencies (See Note 3)	-	-
Liabilities		
Current liabilities:		
Payable from unrestricted assets:		
Accounts payable	1,242,395	231,342
Construction contracts payable	3,108,784	2,638,787
Construction contract retainages	1,520,209	574,507
Compensated absences	301,000	251,000
Accrued liabilities	160,091	148,185
Prepaid fees	154,253	67,932
Payable from restricted assets:		
Accrued interest payable	211,976	228,099
Advance grant funding	2,498,972	2,733,674
Revenue bonds payable, current portion	1,280,000	1,245,000
Total current liabilities	10,477,680	8,118,526

The accompanying notes are an integral part of these financial statements.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

**Exhibit 1
Page 2 of 2**

STATEMENTS OF NET POSITION

June 30, 2020 and 2019

	2020	2019
Non-current liabilities:		
Total OPEB liability	1,098,901	1,259,475
Compensated absences	160,562	95,617
Total pension liability - LEOSSA	439,521	453,052
Net pension liability - LGERS	1,275,614	1,211,318
Revenue bonds payable, non-current portion	16,305,000	17,585,000
Total non-current liabilities	19,279,598	20,604,462
Total liabilities	29,757,278	28,722,988
Deferred Inflows of Resources		
Pension deferrals	100,073	58,801
OPEB deferrals	287,535	82,080
Total deferred inflows of resources	387,608	140,881
Net Position		
Net investment in capital assets	149,309,747	118,274,929
Restricted	10,687,520	12,381,155
Unrestricted	9,084,380	24,152,628
Total net position	\$ 169,081,647	\$ 154,808,712

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the years ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Operating Revenues		
Terminal	\$ 6,089,973	\$ 6,405,967
Airfield	1,298,340	1,314,480
General aviation	1,052,110	1,072,689
Parking lot	5,490,396	6,208,892
Land use	200,170	140,498
Other	<u>68,414</u>	<u>25,875</u>
Total operating revenues	<u>14,199,403</u>	<u>15,168,401</u>
Operating Expenses		
Administration	1,294,039	954,859
Development	450,254	414,908
Executive	739,261	706,206
Finance	411,641	375,930
Guest services	213,532	206,855
Information technology	827,045	762,762
Marketing	563,073	685,917
Operations	3,324,897	3,291,719
Public safety	1,174,853	1,109,616
Business development	150,000	309,205
Properties and contracts	166,334	-
Depreciation	<u>5,273,175</u>	<u>5,033,403</u>
Total operating expenses	<u>14,588,104</u>	<u>13,851,380</u>
Operating income (loss)	<u>(388,701)</u>	<u>1,317,021</u>
Non-Operating Revenues (Expenses)		
Passenger facility charges	2,598,307	3,034,177
Customer facility charges	1,752,173	1,827,348
Interest revenue	374,504	510,562
Gain on disposal of capital assets	32,315	61,045
Interest expense	<u>(423,951)</u>	<u>(456,197)</u>
Total non-operating revenues, net	<u>4,333,348</u>	<u>4,976,935</u>
Income before capital contributions	3,944,647	6,293,956
Capital contributions	<u>10,328,288</u>	<u>10,184,989</u>
Change in net position	14,272,935	16,478,945
Net position, beginning of year	<u>154,808,712</u>	<u>138,329,767</u>
Net position, end of year	<u>\$ 169,081,647</u>	<u>\$ 154,808,712</u>

The accompanying notes are an integral part of these financial statements.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

Exhibit 3
Page 1 of 2

STATEMENTS OF CASH FLOWS
For the years ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash Flows from Operating Activities:		
Cash received for providing services	\$ 15,479,815	\$ 14,794,804
Cash paid for goods and services	(3,277,616)	(4,844,142)
Cash paid to, or on behalf of, employees for services	<u>(5,568,224)</u>	<u>(4,635,086)</u>
Net cash provided by operating activities	<u>6,633,975</u>	<u>5,315,576</u>
Cash Flows from Capital and Related Financing Activities:		
Acquisition and construction of capital assets	(33,659,429)	(12,537,162)
Cash received for the sale of capital assets	44,450	61,045
Passenger facility charges	3,123,307	2,934,177
Customer facility charges	1,752,173	1,827,348
Principal payments of bond maturities	(1,245,000)	(1,215,000)
Interest paid on bond maturities	(440,074)	(471,931)
Capital contributions	<u>18,170,866</u>	<u>3,318,002</u>
Net cash used by capital and related financing activities	<u>(12,253,707)</u>	<u>(6,083,521)</u>
Cash Flows from Investing Activities:		
Interest income	<u>374,504</u>	<u>510,562</u>
Net cash provided by investing activities	<u>374,504</u>	<u>510,562</u>
Net decrease in cash and cash equivalents	(5,245,228)	(257,383)
Cash and cash equivalents, beginning of year	<u>32,202,755</u>	<u>32,460,138</u>
Cash and cash equivalents, end of year	<u>\$ 26,957,527</u>	<u>\$ 32,202,755</u>

The accompanying notes are an integral part of these financial statements.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

**Exhibit 3
Page 2 of 2**

STATEMENTS OF CASH FLOWS
For the years ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Operating income (loss)	\$ (388,701)	\$ 1,317,021
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation expense	5,273,175	5,033,403
Changes in assets, deferred outflows of resources, and liabilities:		
(Increase) decrease in accounts receivable	1,191,697	(534,368)
(Increase) decrease in prepaid items	(923,957)	(96,443)
(Increase) decrease in deferred outflows	120,618	(351,947)
Increase (decrease) in accounts payable	1,011,053	(182,885)
Increase (decrease) in accrued liabilities	11,906	4,513
Increase (decrease) in prepaid fees	86,321	(345,871)
Increase (decrease) in other post-employment benefits	(160,574)	47,763
Increase (decrease) in compensated absences	114,945	(12,594)
Increase (decrease) in net pension liabilities	50,765	389,591
Increase (decrease) in deferred inflows	246,727	47,393
Total adjustments	<u>7,022,676</u>	<u>3,998,555</u>
Net cash provided by operating activities	<u>\$ 6,633,975</u>	<u>\$ 5,315,576</u>
Supplemental Cash Flow Information:		
Net change in construction contracts and retainage payable	<u>\$ 1,415,699</u>	<u>\$ (106,846)</u>

The accompanying notes are an integral part of these financial statements.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2020 AND 2019

Note 1 – Organization and Summary of Significant Accounting Policies

The accounting policies of the Greater Asheville Regional Airport Authority conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The Asheville Regional Airport Authority (the “Authority”) was established by joint agreement between the City of Asheville and the County of Buncombe on November 29, 1979, pursuant to Article 20 of Chapter 160A of the North Carolina General Statutes. The agreement originally covered a twenty-five-year period beginning July 1, 1980. On April 19, 1988, this term was extended to April 30, 2018 by mutual agreement of the contracting parties. On January 22, 2008, the agreement was amended again with the term remaining the same, including a year-to-year extension after the term has been reached. Under the agreement, Buncombe County was responsible for funding any operating deficits of the Authority during the term of the agreement. On June 28, 2012, the General Assembly of North Carolina enacted the Greater Asheville Regional Airport Authority Act in Session Law 2012-121, making the Authority an independent airport authority and changing the official name to Greater Asheville Regional Airport Authority. Pursuant to the State statute, the agreement with Buncombe County and the City of Asheville is no longer applicable.

On June 28, 2017, the Federal Aviation Administration issued an Airport Operating Certificate in the name of the Greater Asheville Regional Airport Authority, allowing the Authority to act as the sole sponsor to operate the airport. The real property of the Authority was also deeded in the name of the Greater Asheville Regional Airport Authority. There are no outstanding liabilities, including grant reimbursements, regarding any payment to the City. Furthermore, all grant obligations incurred by the City, on behalf of the airport, were transferred in the transaction and are now the direct responsibility of the Authority. Also, the Authority is fully empowered to issue debt on behalf of the airport in support of future capital improvement needs.

B. Basis of Presentation

Fund financial statements provide information about the Authority’s funds. Statements for the proprietary fund category are presented.

Proprietary funds include the following fund type:

Enterprise Funds. Enterprise funds account for those operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Authority has one enterprise fund for airport operation.

C. Measurement Focus and Basis of Accounting

The proprietary fund financial statements are reported using the economic resources measurement focus. These statements are reported using the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority's enterprise fund are charges to customers for services.

Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Budgetary Data

The Authority's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the enterprise fund. All annual appropriations lapse at the fiscal year-end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the object level for the multi-year funds. The Budget Officer may transfer amounts between line item expenditures, within a budget ordinance line item/cost center, without limitation and without a report being required. These changes should not result in increased recurring obligations. The Budget Officer may transfer amounts up to \$60,000 from contingency to other line items within the same fund. An official report on such transfers must be made at the next regular meeting of the Board. Any other amendments must be approved by the governing board. During the year, several amendments to the original budget were made. The budget ordinance must be adopted by May 15 for the upcoming fiscal year, or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

E. Estimates

The preparation of financial statements, in conformity with U.S. generally accepted accounting principles, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. The Authority's use of estimates includes depreciation methods and useful lives, accrued expenses, deferred revenue, and pension and OPEB liabilities and deferrals. Accordingly, actual results could differ from those estimates.

F. Assets, Liabilities, and Net Position**1. Deposits and Investments**

All deposits of the Authority are made in Board-designated official depositories and are secured as required by State law [G.S. 159-31]. The Authority may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Authority may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

State law [G.S. 159-30(c)] authorizes the Authority to invest in obligations of the United States or obligations fully guaranteed, both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT).

The NCCMT Government Portfolio, a SEC-registered (2a-7) money market mutual fund, is measured at fair value. The NCCMT – Term Portfolio has a duration of .15 years. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months.

2. Cash and Cash Equivalents

The Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash and cash equivalents.

3. Restricted Assets

Restricted assets consist of monies and other resources which are legally restricted as described below:

Cash and cash equivalents. The Authority receives from the airline carriers enplaning passengers at the Greater Asheville Regional Airport a facility charge of \$4.50 per passenger. Every air carrier servicing the Airport must collect \$4.50 from passengers on all tickets sold and remit \$4.39 of these funds to the Authority. The Authority must use these funds for Federal Aviation Administration (FAA) approved capital improvement projects. Passenger facility charge collections that have been collected, but not yet disbursed on eligible projects, are restricted.

The unexpended grant proceeds are classified as restricted because their use is restricted to the purpose for which the grant was awarded.

Restricted cash and cash equivalents at June 30, 2020 and 2019 were as follows:

	2020	2019
Passenger facility charge collections, undisbursed	\$ 10,653,417	\$ 12,354,244
Debt service sinking funds - bond repayment	1,491,977	1,473,110
Unexpended grant proceeds	2,498,972	2,733,674
Total restricted cash and cash equivalents	\$ 14,644,366	\$ 16,561,028

4. Allowance for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. The Authority did not have any accounts that were considered uncollectible by management for the years ended June 30, 2020 and 2019.

5. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. Minimum capitalization cost is \$5,000. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets’ lives are not capitalized.

Capital assets are depreciated over their useful lives on a straight-line basis as follows:

Asset	Estimated Useful Lives
Buildings and improvements	5-40 years
Public safety and maintenance equipment	3-20 years
Vehicles	3-20 years
Furniture	5-10 years
Computer software	5 years
Computer equipment	5 years

6. Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Authority has two items that meets this criterion – pension and OPEB deferrals.

In addition to liabilities, the Statement of Net Position can also report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Authority has two items that meets this criterion – pension and OPEB deferrals.

7. Compensated Absences

Airport personnel policies permit an employee to earn vacation based on years of service. Accumulated annual leave in excess of 60 days will be forfeited at December 31, unless it is determined that the employee was prevented from using such leave. Excess leave, where it is determined that the employee was prevented from taking the leave, will be paid with the first payroll of the new calendar year, upon approval of the Executive Director. Employees who resign, are laid off, or otherwise separated from the Authority shall be entitled to be paid for any unused annual leave earned by them as of the date of termination, not to exceed 60 days. Accrued vacation pay amounted to \$358,224 and \$259,064 at June 30, 2020 and 2019, respectively.

A specific number of professional leave hours are available to exempt employees. Employees must be employed for 180 days of the calendar year to be eligible for professional leave for that year. The professional leave does not accrue from year to year. Unused professional leave is not paid upon termination, thus, no accrual has been made.

The Authority’s sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave is earned by regular, full-time employees at a rate of 12 days per year. All employees who properly resign, are laid off, or otherwise separated from the Authority in good standing shall be entitled to be paid for 33% of up to 240 hours of earned, but unused sick leave. Accrued sick pay amounted to \$103,338 and \$87,553 at June 30, 2020 and 2019, respectively.

The Authority has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the financial statements.

8. Net Position

Net position in proprietary fund financial statements is classified as net investment in capital assets, restricted and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, laws or regulations of other governments, or imposed by law through State statute.

9. Defined Benefit Cost-Sharing Plans

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Governmental Employees' Retirement System (LGERS) and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Authority's employer contributions are recognized when due and the Authority has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS. Investments are reported at fair value.

Note 2 – Detailed Notes On All Funds**A. Assets****1. Deposits**

All the deposits of the Authority are either insured or collateralized by the Pooling Method as required by State law [G.S. 159-31]. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Authority, these deposits are considered to be held by the Authority's agents in their names. The amount of the pledged collateral is based on an approved averaging method for non-interest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Authority or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Authority under the Pooling Method, the potential exists for undercollateralization, and this risk may increase in periods of high cash flows; however, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Authority does not have a deposit policy for custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all Pooling Method financial institutions and to monitor them for compliance. The Authority complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2020, the Authority's deposits had a carrying amount of \$7,145,303 and a bank balance of \$7,748,587. Of the bank balance, \$750,000 was covered by federal depository insurance, and \$6,998,587 was covered under the Pooling Method. The Authority maintains petty cash of \$200.

2. Investments

At June 30, 2020, the Authority's investments and maturities were as follows:

Investment Type	Valuation		Less Than 3 Months
	Measurement Method	Fair Value	
North Carolina Capital Management Trust – Government Portfolio	Fair Value Level I	\$ 18,098	\$ 18,098
North Carolina Capital Management Trust – Term Portfolio	Fair Value Level I	<u>19,793,926</u>	<u>19,793,926</u>
		<u>\$ 19,812,024</u>	<u>\$ 19,812,024</u>

* As of June 30, 2020, the NCCMT Term Portfolio had a duration of 0.15 years. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 3 months. The NCCMT Government Portfolio has an AAAM rating from S&P. The NCCMT Term Portfolio has no rating.

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

Level of fair value hierarchy: Level 1: Debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's investment policy limits at least half of the Authority's investment portfolio to maturities of less than 12 months. Also, the Authority's investment policy requires purchases of securities to be laddered with staggered maturity dates and limits all securities to a final maturity of not more than three years.

Credit Risk. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs); however, the Authority has no formal policy on managing credit risk. As of June 30, 2020, the Authority's investment in the North Carolina Capital Management Trust Government Portfolio carried a credit rating of AAAM by Standard & Poor's. The Authority's investment in North Carolina Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the US government and agencies and in high grade money market instruments as permitted under North Carolina General Statutes 159-30, as amended.

3. Accounts Receivable

The balance of accounts receivable at June 30, 2020 and 2019, consisted of the following:

	<u>2020</u>	<u>2019</u>
Trade receivables	\$ 604,583	\$ 1,798,674
Sales tax refunds receivable	<u>220,512</u>	<u>218,118</u>
Total	<u>\$ 825,095</u>	<u>\$ 2,016,792</u>

4. Capital Assets

The capital assets of the Authority at June 30, 2020 are as follows:

	<u>July 1, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2020</u>
Non-Depreciable Capital Assets:				
Land	\$ 7,796,901	\$ -	\$ -	\$ 7,796,901
Construction in progress	<u>62,752,307</u>	<u>35,013,790</u>	<u>(1,059,227)</u>	<u>96,706,870</u>
Total	<u>70,549,208</u>	<u>35,013,790</u>	<u>(1,059,227)</u>	<u>104,503,771</u>
Depreciable Capital Assets:				
Buildings and improvements	116,851,363	134,966	-	116,986,329
Equipment	4,970,156	713,444	(51,889)	5,631,711
Furniture	198,448	-	-	198,448
Vehicles	<u>3,090,116</u>	<u>272,155</u>	<u>(42,346)</u>	<u>3,319,925</u>
Total	<u>125,110,083</u>	<u>1,120,565</u>	<u>(94,235)</u>	<u>126,136,413</u>
Less Accumulated Depreciation:				
Buildings and improvements	53,244,672	4,654,586	-	57,899,258
Equipment	3,189,394	361,867	(47,782)	3,503,479
Furniture	138,410	20,668	-	159,078
Vehicles	<u>1,981,886</u>	<u>236,054</u>	<u>(34,318)</u>	<u>2,183,622</u>
Total	<u>58,554,362</u>	<u>5,273,175</u>	<u>(82,100)</u>	<u>63,745,437</u>
Depreciable capital assets, net	<u>66,555,721</u>			<u>62,390,976</u>
Total capital assets, net	<u>\$ 137,104,929</u>			<u>\$ 166,894,747</u>

Construction Commitments

The Authority has active construction projects as of June 30, 2020. At year-end, the Authority's commitments with contractors are as follows:

Project	Spent-to-date	Remaining Commitment
Airfield re-development	\$ 8,346,942	\$ 27,466,035
Terminal bldg- phase 1 design	1,795,448	248,380
Terminal bldg- phase 2	1,501,999	1,154,244
Security identity mgmt system	2,330,972	242,599
Parking lots	1,536,692	603,093
Apron expansion	3,132,789	7,678,387
Total	<u>\$ 18,644,842</u>	<u>\$ 37,392,738</u>

B. Liabilities**1. Payables**

Payables at June 30, 2020, and 2019, were as follows:

	Vendors	Salaries and Benefits	Security Deposits	Total
June 30, 2020:				
Accounts payable	\$ 1,229,610	\$ -	\$ 12,785	\$ 1,242,395
Accrued liabilities	-	160,091	-	160,091
Total	<u>\$ 1,229,610</u>	<u>\$ 160,091</u>	<u>\$ 12,785</u>	<u>\$ 1,402,486</u>
June 30, 2019:				
Accounts payable	\$ 218,557	\$ -	\$ 12,785	\$ 231,342
Accrued liabilities	-	148,185	-	148,185
Total	<u>\$ 218,557</u>	<u>\$ 148,185</u>	<u>\$ 12,785</u>	<u>\$ 379,527</u>

2. Pension Plan Obligations**a. Local Governmental Employees' Retirement System**

Plan Description. The Authority is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing, multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail

Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service. Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Authority employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Authority's contractually required contribution rate for the year ended June 30, 2020, was 9.70% of compensation for law enforcement officers and 8.95% for general employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Authority were \$338,123 for the year ended June 30, 2020. For the year ended June 30, 2019, the Authority's contractually required contribution rate was 8.50% for law enforcement officers and 7.75% for general employees. Contributions to the pension plan from the Authority were \$267,877 for the year ended June 30, 2019.

Refunds of Contributions. Authority employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By State law, refunds to members with at least five years of service include 4% interest. State law requires a 60-day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2020, the Authority reported a liability of \$1,275,614 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of

June 30, 2019, utilizing update procedures incorporating the actuarial assumptions. The Authority’s proportion of the net pension liability was based on a projection of the Authority’s long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2020, the Authority’s proportion was 0.04671% (measured as of June 30, 2019), which was a decrease of 0.00435% from its proportion as of June 30, 2019 (measured as of June 30, 2018.)

For the year ended June 30, 2020, the Authority recognized pension expense of \$564,922. At June 30, 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 218,417	\$ -
Changes in assumptions	207,904	-
Net difference between projected and actual earnings on pension plan investments	31,114	-
Changes in proportion and differences between Authority contributions and proportionate share of contributions	4,437	31,667
Authority contributions subsequent to the measurement date	338,123	-
Total	<u>\$ 799,995</u>	<u>\$ 31,667</u>

\$338,123 reported as deferred outflows of resources related to pensions resulting from Authority contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending	Amount
June 30	
2021	\$ 221,771
2022	63,859
2023	115,043
2024	29,532
2025	-
Total	<u>\$ 430,205</u>

Actuarial Assumptions. The total pension liability in the December 31, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00 percent
Salary increases	3.50 percent
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

The plan actuary currently uses mortality rates based on the *RP-2014 Total Data Set for Healthy Annuitants Mortality Table* that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2018, valuation were based on the results of an actuarial experience study as of December 31, 2014.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2020, are summarized in the following table:

Asset Class	Target Allocation	Expected Real Rate of Return
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protected	6.0%	4.0%
Total	100.0%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2016 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

Discount Rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contribution from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits payments to determine the total pension liability.

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the Authority's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Authority's proportionate share of the net pension liability (asset)	\$ 2,917,562	\$ 1,275,614	\$ (89,178)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

b. Law Enforcement Officers' Special Separation Allowance

Plan Description. The Authority administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the Authority's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time law enforcement officers of the Authority are covered by the Separation Allowance. At December 31, 2018, the Separation Allowance's membership consisted of:

Retirees receiving benefits	1
Terminated plan members entitled to, but not yet receiving, benefits	-
Active plan members	<u>11</u>
Total	<u>12</u>

Summary of Significant Accounting Policies

Basis of Accounting. The Authority has chosen to fund the Separation Allowance on a pay-as-you-go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

The Separation Allowance has no assets accumulated in a trust that meet the criteria which are outlined in GASB Statement 73.

Actuarial Assumptions

The entry age normal actuarial cost method was used in the December 31, 2018 valuation. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.50 – 7.35 percent, including inflation
Discount rate	3.26 percent, including inflation

The discount rate used to measure the TPL is the S&P Municipal Bond 20 Year High Grade Rate Index. The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an experience study completed by the Actuary for the Local Government Employees' Retirement System for the five year period ending December 31, 2014.

Deaths after retirement (healthy): RP-2014 Healthy Annuitant base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 104% for males and 100% for females.

Deaths before retirements: RP-2014 Employee base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015.

Deaths after retirement (beneficiary): RP-2014 Healthy Annuitant base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 123% for males and females.

Deaths after retirement (disabled): RP-2014 Disabled Retiree base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 103% for males and 99% for females.

Contributions. The Authority is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay-as-you-go basis through appropriations made in the operating budget. There were no contributions made by employees. The Authority's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administrative costs of the Separation Allowance are financed through investment earnings. The Authority paid \$13,662 as benefits came due for the reporting period.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2020, the Authority reported a total pension liability of \$439,521. The total pension liability was measured as of December 31, 2019 based on a December 31, 2018 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2019 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2020, the Authority recognized pension expense of \$24,123.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,785	\$ 50,817
Changes in assumptions and other inputs	24,671	17,589
Benefit payments and administrative expenses subsequent to the measurement date	-	-
	<u>7,927</u>	<u>-</u>
Total	<u>\$ 36,383</u>	<u>\$ 68,406</u>

\$7,927 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2021	\$ (7,623)
2022	(7,623)
2023	(6,849)
2024	(10,681)
2025	(7,174)
Thereafter	-
Total	<u>\$ (39,950)</u>

Sensitivity of the Authority's total pension liability to changes in the discount rate. The following presents the Authority's total pension liability calculated using the discount rate of 3.26 percent, as well as what the Authority's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.26 percent) or 1-percentage-point higher (4.26 percent) than the current rate:

	1% Decrease (2.26%)	Discount Rate (3.26%)	1% Increase (4.26%)
Total pension liability	<u>\$ 471,845</u>	<u>\$ 439,521</u>	<u>\$ 409,753</u>

Schedule of Changes in Total Pension Liability

Total pension liability as of December 31, 2018	\$ 453,052
Changes for the year:	
Service cost at end of year	14,922
Interest	16,242
Change in benefit terms	-
Difference between expected and actual experience	(42,639)
Changes of assumptions and other inputs	11,606
Benefit payments	(13,662)
Other	-
Net changes	<u>(13,531)</u>
Total pension liability as of December 31, 2019	<u>\$ 439,521</u>

Total Expense, Liabilities, and Deferred Outflows and Inflows of Resources of Related to Pensions

Following is information related to the proportionate share and pension expense for all pension plans:

	<u>LGERS</u>	<u>LEOSSA</u>	<u>Total</u>
Pension expense	\$ 564,922	\$ 24,123	\$ 589,045
Pension liability	1,275,614	439,521	1,715,135
Proportionate share of the net pension liability	37.87%	n/a	n/a

Deferred Outflows of Resources:

Differences between expected and actual experience	\$ 218,417	\$ 3,785	\$ 222,202
Changes of assumptions	207,904	24,671	232,575
Net difference between projected and actual earnings on plan investments	31,114	-	31,114
Changes in proportion and differences between contributions and proportionate share of contributions	4,437	-	4,437
Contributions and administrative costs paid subsequent to the measurement date	<u>338,123</u>	<u>7,927</u>	<u>346,050</u>
	<u>\$ 799,995</u>	<u>\$ 36,383</u>	<u>\$ 836,378</u>

Deferred Inflows of Resources:

Differences between expected and actual experience	\$ -	\$ 50,817	\$ 50,817
Changes of assumptions	-	17,589	17,589
Changes in proportion and differences between contributions and proportionate share of contributions	<u>31,667</u>	<u>-</u>	<u>31,667</u>
	<u>\$ 31,667</u>	<u>\$ 68,406</u>	<u>\$ 100,073</u>

c. Supplemental Retirement Income Plan

Plan Description. The Authority contributes to the Supplemental Retirement Income Plan (the "Plan"), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to employees of the Authority. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (the "CAFR") for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Article 12E of G.S. Chapter 143 requires the Authority to contribute each month an amount equal to 5% of each officer's salary. In addition to the required contribution for law enforcement officers, the Authority makes a monthly contribution equal to 5% of non-law enforcement officer's salary. Also, law enforcement officers and non-law enforcement officers of the Authority may make voluntary contributions to the Plan.

The Authority made contributions of \$40,115 and \$146,243 for law enforcement officers and non-law enforcement officers, respectively, for the year ended June 30, 2020. The Authority made contributions of \$37,970 and \$130,924 for law enforcement officers and non-law enforcement officers, respectively, for the year ended June 30, 2019. No amounts were forfeited in 2020 or 2019.

d. Other Employment Benefits

The Authority has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death, are eligible for death benefits. Lump-sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed \$50,000, or be less than \$25,000. Because all death benefit payments are made from the Death Benefit Plan, the Authority does not determine the number of eligible participants. The Authority has no liability beyond the payment of the monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based on rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The Authority considers these contributions to be immaterial.

The Department of State Treasurer uses funds derived from court costs to offset employer contribution rates to the LGERS Death Benefit Plan for law enforcement officers. During the fiscal year ended June 30, 2020, these offset funds matched the total contribution rate of .014%.

The Authority provides health, dental, short-term and long-term disability, life insurance, and a 457 deferred compensation plan to its regular full-time employees. Regular part-time employees, working at least 1,000 hours annually, qualify for these benefits.

e. **Other Post-Employment Benefits (OPEB)**

Healthcare Benefits

Plan Description. Under the terms of an Authority resolution, the Authority administers a single-employer defined benefit healthcare plan (the “Retiree Health Plan.”) The Authority Board has the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Benefits Provided. The Plan provides post-employment healthcare benefits to retirees of the Authority up to age 65, provided they participate in the North Carolina Local Governmental Employees’ Retirement System, were hired prior to July 1, 2011, and were covered by the Authority’s group health plan for the three years immediately preceding retirement. The Authority pays the full cost of coverage for these benefits through private insurers. Also, the Authority’s retirees can purchase coverage for their dependents at the Authority’s group rates. Employees hired on or after July 1, 2011, are not eligible for the Authority’s post-employment healthcare benefits. Retirees who qualify for coverage receive the same benefits as active employees. Coverage for all retirees who are eligible for Medicare will no longer be eligible for post-employment healthcare benefits by the Authority. The Authority Board may amend the benefit provisions. A separate report was not issued for the Plan.

Membership of the Retiree Health Plan consisted of the following at June 30, 2019, the date of the latest actuarial valuation:

Retirees receiving benefits	4
Terminated plan members entitled to, but not yet receiving, benefits	-
Active plan members	<u>22</u>
Total	<u>26</u>

Total OPEB Liability

The Authority’s total OPEB liability of \$1,098,901 was measured as of June 30, 2019 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50%
Salary increases	3.50% – 7.75%, including wage inflation
Discount rate	
Prior measurement date	3.89%
Measurement date	3.50%
Healthcare cost trends	
Pre-Medicare	7.00% for 2019 decreasing to an ultimate 4.50% by 2026

The discount rate is based on the June average of the Bond Buyer General Obligation 20 Year Municipal Bond Index published weekly by The Bond Buyer.

Mortality rates were based on the RP-2014 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2015. The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2010 - December 31, 2014, adopted by the LGERS. The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in

the June 30, 2019 valuation were based on a review of recent plan experience done concurrently with the June 30, 2019 valuation.

Schedule of Changes in Total OPEB Liability

Total OPEB liability as of June 30, 2019	\$ 1,259,475
Changes for the year:	
Service cost	73,409
Interest	48,250
Changes of benefit terms	-
Differences between expected and actual experience	(266,103)
Changes in assumptions or other inputs	22,464
Benefit payments and implicit subsidy credit	<u>(38,594)</u>
Net changes	<u>(160,574)</u>
Total OPEB liability as of June 30, 2020	<u>\$ 1,098,901</u>

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the Authority, as well as what the Authority’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease <u>(2.50)%</u>	Discount Rate <u>(3.50)%</u>	1% Increase <u>(4.50)%</u>
Total OPEB liability	\$ 1,185,422	\$ 1,098,901	\$ 1,018,754

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the Authority, as well as what the Authority’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease <u>(6.0%)</u>	Discount Rate <u>(7.0%)</u>	1% Increase <u>(8.0%)</u>
Total OPEB liability	\$ 993,628	\$ 1,098,901	\$ 1,219,708

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2020, the Authority recognized OPEB expense of \$60,058. At June 30, 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

\$59,263 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 154	\$ 220,801
Changes of assumptions	18,598	66,734
Benefit payments and administrative costs made subsequent to the measurement date	<u>59,263</u>	<u>-</u>
Total	<u>\$ 78,015</u>	<u>\$ 287,535</u>

Year Ending	Amount
<u>June 30</u>	
2021	\$ (56,745)
2020	(56,745)
2023	(56,745)
2024	(56,745)
2025	(40,960)
Thereafter	<u>(843)</u>
Total	<u>\$ (268,783)</u>

3. Long-term Debt

On September 1, 2016, the Authority issued \$21,000,000 of direct placement revenue bonds entitled Greater Asheville Regional Airport Authority System Revenue Bonds 2016A and 2016B. These bonds provide financing for the construction of a parking deck for the airport system. The bonds require sinking fund payments beginning July 1, 2017 ranging from \$955,000 to \$1,665,000 annually, including semi-annual interest ranging from 2.39% to 2.59%, until July 1, 2031.

The revenue bonds mature as follows:

Year Ended June 30	Principal	Interest
2021	\$ 1,280,000	\$ 407,376
2022	1,315,000	374,530
2023	1,345,000	342,188
2024	1,375,000	309,684
2025	1,410,000	276,404
2026-2030	7,570,000	853,947
2031-2032	3,290,000	79,109
Total	<u>\$ 17,585,000</u>	<u>\$ 2,643,238</u>

The Authority is in compliance with the covenants of the bond order. The Bond Order requires the debt service coverage ratio to be no less than 125%. The debt service coverage ratio calculation for the year ended June 30, 2020, is as follows:

Airport revenues (excluding passenger facility charges)	\$ 16,326,080
Current expenses *	<u>8,665,827</u>
Net revenues	<u>\$ 7,660,253</u>
Debt service: **	
Principal	1,280,000
Interest	<u>423,952</u>
	<u>\$ 1,703,952</u>
Debt service coverage ratio	449.56%

* excludes capital outlay, debt service, and depreciation

** Per Bond Indenture, debt service for a fiscal year ending June 30, includes amounts of principal and interest due on the following July 1

The Authority has pledged future airport system revenues, net of specified operating expenses, to repay the \$17.585 million in airport system direct placement revenue bonds issued 2016. Proceeds from the bonds provided financing for the construction of the parking deck. The bonds are payable solely from airport system net revenues and are payable through FY 2032. Annual principal and interest payments on the bonds are expected to require less than 20% of net revenues. In the event of a default, the Authority agrees to pay to the purchaser, on demand, interest on any and all amounts due and owing by the Authority under the related agreement. The total principal and interest remaining to be paid on the bonds is \$20,228,238. Principal and interest paid for the current year and total customer net revenues were \$1,703,952 and \$7,660,253 respectively.

4. Changes in Long-Term Liabilities

Changes in long-term liabilities are as follows:

	July 1, 2019	Additions	Retirements	June 30, 2020	Current
Direct placement revenue bonds	\$18,830,000	\$ -	\$ 1,245,000	\$ 17,585,000	\$ 1,280,000
Compensated absences	346,617	337,145	222,200	461,562	301,000
Total pension liability (LEO)	453,052	-	13,531	439,521	-
Net pension liability (LGERS)	1,211,318	64,296		1,275,614	-
Total OPEB liability	1,259,475	-	160,574	1,098,901	-
Total	<u>\$22,100,462</u>	<u>\$ 401,441</u>	<u>\$ 1,641,305</u>	<u>\$ 20,860,598</u>	<u>\$ 1,581,000</u>

C. Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority has property, general liability, flood, automobile, workers' compensation, crime, public officials, law enforcement, and employment practices coverage. There have been no significant reductions in insurance coverage from the previous year, and settled claims have not exceeded coverage in any of the past three fiscal years.

The Authority carries flood insurance through Federal Insurance Company in the amount of \$10,000,000.

The Authority's crime insurance covers all employees, with a limit of \$250,000 per loss. The Finance Officer is individually bonded for \$250,000.

A cyber insurance policy for up to \$1,000,000 single and aggregate limit for both first party and third party claims is carried by the Airport to insure against losses and damages and address major cyber risks such as data breach, business interruption, data theft or corruption, and cyber extortion.

D. Net Position

The Authority Board has established an operations and maintenance designation equal to six months of the Airport’s subsequent year’s operations and maintenance budget. The Board has also designated \$650,000 for emergency repairs. Unrestricted net position consists of the following:

	2020	2019
Unrestricted net position, designated for:		
Operating and maintenance	\$ 5,201,092	\$ 4,608,465
Emergency repair	650,000	650,000
Undesignated, unrestricted net position	3,233,288	18,894,152
Total	\$ 9,084,380	\$ 24,152,628

E. Revenue and Expenses

1. Leases and Other Non-Cancelable Agreements

The Authority leases land and facilities to tenants under various cancelable and non-cancelable agreements. Some agreements require a fixed monthly rent and others require a fee that is the greater of a minimum annual guarantee privilege fee or a percentage of gross sales by the tenant. The future non-cancelable minimum annual rentals and privilege fees to be received under agreements in effect at June 30, 2020, are as follows:

Year Ended	
June 30	Amount
2021	\$ 1,659,499
2022	1,642,128
2023	1,638,831
2024	1,605,779
2025	1,602,775
Thereafter	9,059,940
Total	\$ 17,208,952

2. Passenger Facility Charges

The Authority receives from the airline carriers enplaning passengers at the Greater Asheville Regional Airport a facility charge of \$4.50 per passenger. Every air carrier servicing the Airport must collect \$4.50 from passengers on all tickets sold and remit \$4.39 of these funds to the Authority. The Authority must use these funds for Federal Aviation Administration (FAA) approved capital improvement projects. Revenues from passenger facility charges totaled \$2,598,307 for the year ended June 30, 2020, and \$3,034,177 for the year ended June 30, 2019.

Note 3 – Commitments and Contingencies (Including Litigation)

A. Construction Contract Commitments

The Authority has commitments of approximately \$37.4 million for the construction/renovation of facilities. These projects are to be funded through Federal grants, State grants, passenger facility charges, customer facility charges and Authority funding.

The underlying contracts have termination provisions. The contract with an architectural/engineering consulting firm representing approximately \$1.2 million of the commitment amount allows either party to terminate the agreement with a seven-day written notice and the consultant is entitled to payment for work executed and costs incurred by reason of such termination.

The contract with the construction firm representing approximately \$1.1 million of the commitment amount allows the Authority to suspend or terminate the agreement upon any violation or breach of terms of the contract. Authority will provide contractor written notice of breach and corrective actions contractor must undertake to avoid termination of contract, including specific date by which the breach must be corrected. Authority reserves the right to withhold payments to contractor until such time the contractor corrects the breach or the Authority elects to terminate the contract.

The contract with the construction firm representing \$35.1 million of the commitment amount allows the attachment of surety bond for the faithful performance of work specified in strict conformity with specifications set forth. If said work is not completed within the time stated, the contractor shall be liable to pay the Authority liquidated damages in the amount of \$3,000 per calendar day for each day thereafter that said work remains substantially incomplete.

B. Federal and State Assisted Programs

The Authority has received proceeds from several Federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

C. Contingent Liabilities

The Authority is presently a defendant in various lawsuits and is also subject to potential claims which may arise out of the ordinary conduct of its affairs. The Authority is also involved in general disputes with contractors as an ongoing matter. The Authority is involved in the following:

General Disputes

The Authority is involved in several general disputes with contractors involving the Authority's capital projects. These ongoing issues are not pending litigation. The Authority is working with the surety on one project in order to resolve a particular dispute. The other disputes are not pending any litigation. Management does not believe that these matters require a provision for a future loss as of June 30, 2020.

Pending Matter – Notice of Violation

The Authority has received a Notice of Violation (NOV) from the North Carolina Department of Environmental Quality (DEQ) alleging violations of North Carolina's water pollution control law. The NOV involves the Authority, the DEQ, and another party. At this time management takes the position that the other party is legally, contractually, and financially responsible. Legal counsel has confirmed that they are unable to form a judgement of the matter at this time. Given management's stance, and consultation with legal counsel, the Authority has not made a provision for contingent liabilities related to this matter.

The Authority faces additional costs in the form of legal and professional fees, costs, and potential settlement payments involving the matters noted above. However, it is the opinion of the Authority's management that the additional costs, including the possibility of settlement of these matters, if any, will not have a material adverse effect on the Authority's financial position.

Note 4– Covid-19 Impact

The COVID-19 pandemic in the United States, including Buncombe County, North Carolina, where the Authority is located, has caused severe business disruptions as state and local governments have declared states of emergency and issued stay-at-home orders for all but the most essential activities. As a result, economic uncertainties have arisen which are likely to negatively impact the Authority in various ways.

Fiscal year 2019-2020 was on track to be another record-breaking year for the Greater Asheville Regional Airport until the impacts of COVID-19 devastated air travel during the last quarter of the fiscal year. Estimated lost revenue was approximately \$3.5 million dollars between April and June 2020. Fortunately, because the previous three quarters were so strong, total revenue and net income still exceeded budget for the year.

The first quarter of FY2020-2021 is showing a slow, but steady recovery. Passenger traffic for this quarter is approximately 33% of the same period last year. As a response to reduced revenue, significant budget reductions have been made and several capital projects are being delayed. Economic forecasts are being closely monitored with airport planning adjusted accordingly.

Note 5– Subsequent Events – Broadmoor Golf Course

The Authority agreed to purchase the Broadmoor Golf Course for \$2,825,000 in fiscal year 2021. The Authority decided to purchase this property to protect the Authority from non-compliance of land uses adjacent to the airport. The Authority will also use the purchase of the golf course to diversify future revenue sources. The Authority will hire an outside management company to operate the golf course.

**REQUIRED SUPPLEMENTARY
INFORMATION**

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
 REQUIRED SUPPLEMENTARY INFORMATION
 Last Four Fiscal Years*

Schedule of Changes in Total Pension Liability

	2020	2019	2018	2017
Beginning balance	\$ 453,052	\$ 474,558	\$ 441,122	\$ 446,133
Changes for the year:				
Service cost at end of year	14,922	21,066	18,349	21,843
Interest	16,242	14,748	16,298	15,375
Change in benefit terms	-	-	-	-
Difference between expected and actual experience	(42,639)	(22,507)	7,343	-
Changes of assumptions and other inputs	11,606	(19,141)	29,226	(11,280)
Benefit payments	(13,662)	(15,672)	(37,780)	(30,949)
Other	-	-	-	-
Net changes	<u>(13,531)</u>	<u>(21,506)</u>	<u>33,436</u>	<u>(5,011)</u>
Ending balance of the total pension liability	<u>\$ 439,521</u>	<u>\$ 453,052</u>	<u>\$ 474,558</u>	<u>\$ 441,122</u>

Schedule of Total Pension Liability as a Percentage of Covered Payroll

Total Pension Liability	\$ 439,521	\$ 453,052	\$ 474,558	\$ 441,122
Covered Payroll	621,433	731,825	740,566	740,566
Total pension liability as a percentage of covered payroll	70.73%	61.91%	64.08%	59.57%

Notes to the schedule:

The Authority has no assets accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement 73 to pay related benefits.

* The amounts presented for each fiscal year were determined as of the prior calendar year ending December 31.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

OTHER POST-EMPLOYMENT BENEFITS
 REQUIRED SUPPLEMENTARY INFORMATION
 Last Three Fiscal Years

Schedule of Changes in the Total OPEB Liability and Related Ratios

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 73,409	\$ 75,000	\$ 79,544
Interest	48,250	42,614	35,421
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(266,103)	(693)	265
Changes of assumptions	22,464	(39,497)	(65,963)
Benefit payments and implicit subsidy credit	<u>(38,594)</u>	<u>(29,661)</u>	<u>(28,486)</u>
Net change in total OPEB liability	<u>(160,574)</u>	<u>47,763</u>	<u>20,781</u>
Total OPEB liability - beginning	<u>1,259,475</u>	<u>1,211,712</u>	<u>1,190,931</u>
Total OPEB liability - ending	<u>\$ 1,098,901</u>	<u>\$ 1,259,475</u>	<u>\$ 1,211,712</u>
Covered payroll	\$ 1,525,141	\$ 1,794,239	\$ 1,794,239
Total OPEB liability as a percentage of covered payroll	72.05%	70.20%	67.53%

Notes to the schedule:

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period. The following are the discount rates used in each period:

<u>Fiscal year</u>	<u>Rate</u>
2018	3.56%
2019	3.89%
2020	3.50%

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

AUTHORITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
 REQUIRED SUPPLEMENTARY INFORMATION
 Last Seven Fiscal Years*

Local Governmental Employees' Retirement System

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Authority's proportion of the net pension liability (asset) (%)	0.04671%	0.05106%	0.05238%	0.05093%	0.05042%	0.04853%	0.05120%
Authority's proportion of the net pension liability (asset) (\$)	\$ 1,275,614	\$ 1,211,318	\$ 800,221	\$ 1,080,905	\$ 226,282	\$ (286,204)	\$ 617,157
Authority's covered payroll	3,368,784	3,206,342	3,226,530	3,067,020	2,861,908	2,699,905	2,574,058
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	37.87%	37.78%	24.80%	35.24%	7.91%	(10.60%)	23.98%
Plan fiduciary net position as a percentage of the total pension liability (asset)	90.86%	92.00%	94.18%	91.47%	98.09%	102.64%	94.35%

* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

SCHEDULE OF AUTHORITY'S CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION

Last Seven Fiscal Years

Local Governmental Employees' Retirement System

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 338,123	\$ 267,877	\$ 247,476	\$ 241,459	\$ 210,066	\$ 204,511	\$ 192,190
Contributions in relation to the contractually required contribution	<u>338,123</u>	<u>267,877</u>	<u>247,476</u>	<u>241,459</u>	<u>210,066</u>	<u>204,511</u>	<u>192,190</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered payroll	3,701,694	3,368,784	3,206,342	\$ 3,226,530	\$ 3,067,020	\$ 2,861,908	\$ 2,699,905
Contributions as a percentage of covered payroll	9.13%	7.95%	7.72%	7.48%	6.85%	7.15%	7.12%

SUPPLEMENTARY INFORMATION

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)

For the year ended June 30, 2020

With comparative actual amounts for the year ended June 30, 2019

	2020			2019
	Final		Variance	
	Budget	Actual	Positive (Negative)	Actual
Revenues:				
Operating Revenues:				
Terminal	\$ 5,632,571	\$ 6,089,973	\$ 457,402	\$ 6,405,967
Airfield	1,177,046	1,298,340	121,294	1,314,480
General aviation	1,056,304	1,052,110	(4,194)	1,072,689
Parking lot	4,688,500	5,490,396	801,896	6,208,892
Land Use	-	200,170	200,170	140,498
Interest income	250,000	374,504	124,504	510,562
Other	180,319	68,414	(111,905)	25,875
Customer facility charges	1,719,913	1,752,173	32,260	1,827,348
Total operating revenues	<u>14,704,653</u>	<u>16,326,080</u>	<u>1,621,427</u>	<u>17,506,311</u>
Non-operating Revenues:				
State grant reimbursements	2,521,955	2,764,597	242,642	1,165,869
Federal airport improvement program grants	2,321,538	7,563,691	5,242,153	9,019,120
Passenger facility charges	2,250,000	2,598,307	348,307	3,034,177
Total non-operating revenues	<u>7,093,493</u>	<u>12,926,595</u>	<u>5,833,102</u>	<u>13,219,166</u>
Total revenues	<u>21,798,146</u>	<u>29,252,675</u>	<u>7,454,529</u>	<u>30,725,477</u>
Expenditures:				
Administration	777,581	644,936	132,645	489,274
Development	499,205	450,254	48,951	414,908
Executive	774,572	739,261	35,311	706,206
Finance	468,692	411,641	57,051	375,930
Guest services	249,430	213,532	35,898	206,855
Information technology	1,003,830	827,045	176,785	762,762
Marketing	754,995	563,073	191,922	685,917
Operations	4,248,600	3,601,519	647,081	3,637,098
Public safety	1,859,573	1,174,853	684,720	1,109,616
Business development	500,000	150,000	350,000	309,205
Debt service - principal	1,245,000	1,245,000	-	1,215,000
Debt service - interest	440,074	440,074	-	471,931
Emergency repair	50,000	-	50,000	-
Properties and contracts	201,263	166,334	34,929	-
Contingency	33,700	-	33,700	-
Equipment and small capital outlay	-	-	-	830,881
Carry-over capital expenditures from prior year	58,201,141	29,901,363	28,299,778	-
Renewal and replacement capital outlay	506,221	433,770	72,451	1,137,516
Capital project expenditures	<u>16,050,188</u>	<u>4,739,995</u>	<u>11,310,193</u>	<u>10,461,920</u>
Total expenditures	<u>87,864,065</u>	<u>45,702,650</u>	<u>42,161,415</u>	<u>22,815,019</u>

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)

For the year ended June 30, 2020

With comparative actual amounts for the year ended June 30, 2019

	2020			2019
	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues over (under) expenditures	<u>(66,065,919)</u>	<u>(16,449,975)</u>	<u>49,615,944</u>	<u>7,910,458</u>
Other Financing Sources:				
Proceeds on sale of assets	-	44,450	44,450	61,045
Funded by future revenues	<u>66,065,919</u>	<u>-</u>	<u>(66,065,919)</u>	<u>-</u>
Total other financing sources	<u>66,065,919</u>	<u>44,450</u>	<u>(66,021,469)</u>	<u>61,045</u>
Revenues and other financing sources over expenditures	<u>\$ -</u>	<u>(16,405,525)</u>	<u>\$ (16,405,525)</u>	<u>7,971,503</u>
Reconciliation From Budgetary Basis (Modified Accrual) to Full Accrual:				
Capital outlay expenditures		30,335,133		1,968,396
Capital project expenditures		4,739,995		10,461,920
Principal payments of bond maturities		1,245,000		1,215,000
Increase (decrease) in deferred outflows of resources		(120,618)		351,947
(Increase) decrease in accrued interest payable		16,123		15,735
(Increase) decrease in accrued compensated absences		(114,945)		12,594
(Increase) decrease in net total pension liability (LEOSSA)		13,531		21,506
(Increase) decrease in net pension liability (LGERS)		(64,296)		(411,097)
(Increase) decrease in total OPEB liability		160,574		(47,763)
(Increase) decrease in deferred inflows of resources		(246,727)		(47,393)
Book value of disposed assets		(12,135)		-
Depreciation		<u>(5,273,175)</u>		<u>(5,033,403)</u>
Change in net position		<u>\$ 14,272,935</u>		<u>\$ 16,478,945</u>

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

CAPITAL IMPROVEMENTS SUPPLEMENTAL SCHEDULE
 SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
 From inception and for the year ended June 30, 2020

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Federal airport improvement program grants	\$ 67,458,404	\$ 53,365,581	\$ 7,563,691	\$ 60,929,272	\$ (6,529,132)
Passenger facility charges	11,683,636	5,127,137	980,416	6,107,553	(5,576,083)
State grants	4,852,662	2,021,538	2,831,124	4,852,662	-
Total operating revenues	<u>83,994,702</u>	<u>60,514,256</u>	<u>11,375,231</u>	<u>71,889,487</u>	<u>(12,105,215)</u>
Expenditures:					
Airfield Re-Development - Bid Package 1	11,868,128	10,446,912	-	10,446,912	1,421,216
Airfield Re-Development - Bid Package 2	13,956,089	13,912,380	-	13,912,380	43,709
Airfield Re-Development - Bid Package 3	16,338,255	15,398,151	560,369	15,958,520	379,735
Airfield Re-Development - Bid Package 4	72,837,528	21,860,137	21,587,974	43,448,111	29,389,417
South Apron Expansion Construction	10,664,537	-	2,831,233	2,831,233	7,833,304
Terminal Design	2,000,000	-	1,557,860	1,557,860	442,140
Parking Lots Construction	2,188,794	-	1,407,791	1,407,791	781,003
Security Project	2,605,672	177,433	2,385,108	2,562,541	43,131
Terminal Bldg Infrastructure Improvements	2,000,000	63,030	1,919,012	1,982,042	17,958
Other	9,094,047	871,242	2,787,465	3,658,707	5,435,340
Total expenditures	<u>143,553,050</u>	<u>62,729,285</u>	<u>35,036,812</u>	<u>97,766,097</u>	<u>45,786,953</u>
Revenues under expenditures	<u>(59,558,348)</u>	<u>(2,215,029)</u>	<u>(23,661,581)</u>	<u>(25,876,610)</u>	<u>33,681,738</u>
Other Financing Sources (Uses):					
Transfers (to)/from operating cash	<u>59,558,348</u>	<u>2,215,029</u>	<u>23,661,581</u>	<u>25,876,610</u>	<u>(33,681,738)</u>
Total other financing sources (uses)	<u>59,558,348</u>	<u>2,215,029</u>	<u>23,661,581</u>	<u>25,876,610</u>	<u>(33,681,738)</u>
Revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note: Schedule represents cumulative activity for active capital improvement projects. Budget and actual activity is accounted for in the Operating Fund; not a separate fund. This schedule is for additional detail of active capital improvement projects.

COMPLIANCE SECTION



**GOULD KILLIAN
CPA GROUP, P.A.**
CERTIFIED PUBLIC ACCOUNTANTS

**Report on Internal Control over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards***

Independent Auditors' Report

To the Board of Directors
Greater Asheville Regional Airport Authority
Fletcher, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the Greater Asheville Regional Airport Authority, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Greater Asheville Regional Airport Authority's basic financial statements, and have issued our report, thereon, dated November 20, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Greater Asheville Regional Airport Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Donald Killian CPA Group, P.A.

Asheville, North Carolina
November 20, 2020



**GOULD KILLIAN
CPA GROUP, P.A.**
CERTIFIED PUBLIC ACCOUNTANTS

Report on Compliance for Each Major Federal Program and Passenger Facility Charge (PFC) Program; Report on Internal Control Over Compliance; With Uniform Guidance and the State Single Audit Implementation Act

Independent Auditors' Report

To the Board of Directors
Greater Asheville Regional Airport Authority
Fletcher, North Carolina

Report on Compliance for Each Major Federal Program

We have audited the Greater Asheville Regional Airport Authority's compliance with the types of compliance requirements described in the OMB *Compliance Supplement*; the *Audit Manual for Governmental Auditors in North Carolina* issued by the Local Government Commission; and with the compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration, that could have a direct and material effect on each of the Greater Asheville Regional Airport Authority's major federal programs and passenger facility charge (PFC) program for the year ended June 30, 2020. The Greater Asheville Regional Airport Authority's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs and the PFC program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Greater Asheville Regional Airport Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); the State Single Audit Implementation Act; and the *Passenger Facility Charge Audit Guide for Public Agencies* (Audit Guide) issued by the Federal Aviation Administration. Those standards, the Uniform Guidance, the State Single Audit Implementation Act, and the Audit Guide require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program, or the PFC program, occurred. An audit includes examining, on a test basis, evidence about the Greater Asheville Regional Airport Authority's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program and the passenger facility charge (PFC) program. However, our audit does not provide a legal determination of the Greater Asheville Regional Airport Authority's compliance.

Opinion on Each Major Federal Program and PFC Program

In our opinion, the Greater Asheville Regional Airport Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program and the PFC program for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the Greater Asheville Regional Airport Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program and the PFC program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the major federal program and the PFC program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the Audit Guide, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a federal program or the PFC program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a federal program or the PFC program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or the PFC program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the Audit Guide. Accordingly, this report is not suitable for any other purpose.

Donald Killian CPA Group, P.A.

Asheville, North Carolina
November 20, 2020



**Report on Compliance for Each Major State Program; Report on Internal
Control over Compliance; In Accordance with Uniform Guidance
and the State Single Audit Implementation Act**

Independent Auditors' Report

To the Board of Directors
Greater Asheville Regional Airport Authority
Fletcher, North Carolina

Report on Compliance for Each Major State Program

We have audited the Greater Asheville Regional Airport Authority's compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on the Greater Asheville Regional Airport Authority's major State program for the year ended June 30, 2020. The Greater Asheville Regional Airport Authority's major State program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its State programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Greater Asheville Regional Airport Authority's major State programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and applicable sections of Title 2 US Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about the Greater Asheville Regional Airport Authority's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major State program. However, our audit does not provide a legal determination of the Greater Asheville Regional Airport Authority's compliance.

Opinion on Each Major State Program

In our opinion, the Greater Asheville Regional Airport Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major State program for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the Greater Asheville Regional Airport Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on a major State program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major State program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a State program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a State program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a State program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Donald Killian CPA Group, P.A.

Asheville, North Carolina
November 20, 2020

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2020

1. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements were prepared in accordance to GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No

- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X None reported

- Non-compliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major federal program:

- Material weakness(es) identified? _____ Yes X No

- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X None reported

Type of auditor's report issued on compliance for major federal program Unmodified

- Any findings disclosed that are required to be reported in accordance with 2 CFR 500.516(a)? _____ Yes X No

Identification of major federal program:

<u>Name of Federal Program or Cluster</u>	<u>CFDA #</u>
Airport Improvement Program	20.106
Dollar threshold used to distinguish between Type A and Type B Programs	\$750,000
Auditee qualified as low-risk auditee?	_____ Yes <u> X </u> No

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended June 30, 2020

1. Summary of Auditor's Results (continued)

State Awards

Internal control over major State program:

- Material weakness(es) identified? _____ Yes X No

- Significant deficiency(ies) identified
that are not considered to be material
weaknesses? _____ Yes X None reported

Type of auditor's report issued on
compliance for major state program Unmodified

- Any findings disclosed that are required
to be reported in accordance with the
State Single Audit Implementation Act? _____ Yes X No

Identification of major State program:

Name of State Program

CSU Grants

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended June 30, 2020

2. Findings Related to the Audit of the Basic Financial Statements of the Greater Asheville Regional Airport Authority

None reported.

3. Federal Award Findings and Questioned Costs

None reported.

4. State Award Findings and Questioned Costs

None reported.

SUMMARY SCHEDULE OF PRIOR YEAR'S AUDIT FINDINGS
For the year ended June 30, 2020

Finding 2019-001

Status: This finding has been corrected.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the year ended June 30, 2020

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal (Direct and Pass-Through) Expenditures	State Expenditures	Local Expenditures
Federal Awards:				
<u>U.S. Department of Transportation</u>				
Federal Aviation Administration				
Direct Program:				
Airport Improvement Program	20.106	\$ 7,980,718	\$ -	\$ 21,251,710
Total federal awards		<u>7,980,718</u>	<u>-</u>	<u>21,251,710</u>
State Awards:				
<u>N.C. Department of Transportation</u>				
CSU Grant		<u>-</u>	<u>2,816,598</u>	<u>-</u>
STIP Grants - Runway Construction and South Apron Expansion		<u>-</u>	<u>49,865</u>	<u>-</u>
Total state awards		<u>-</u>	<u>2,866,463</u>	<u>-</u>
Total federal and state awards		<u>\$ 7,980,718</u>	<u>\$ 2,866,463</u>	<u>\$ 21,251,710</u>
Passenger Facility Charges:				
Capital improvements				
Application approved number		11-05-C-00-AVL		
Beginning balance, unliquidated Passenger Facility Charges		\$ 6,755,382		
Passenger Facility Charges collected		3,123,307		
Interest earned		175,179		
Expenditures		<u>(980,416)</u>		
Ending balance, unliquidated Passenger Facility Charges		<u>\$ 9,073,452</u>		

Notes to the Schedule of Expenditures of Federal Awards:

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of the Greater Asheville Regional Airport Authority and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; the Passenger Facility Charge Audit Guide for Public Agencies; and the State Single Audit Implementation Act. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

The Greater Asheville Regional Airport Authority has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.



MEMORANDUM

TO: Members of the Airport Authority

FROM: Jared Merrill
Planning Manager

DATE: December 11, 2020

ITEM DESCRIPTION – New Business Item B

Approve Construction Manager at Risk Contract and Pre-Construction Services Fee with Hensel Phelps Construction for the Terminal Building Phase 2 Modernization Project

BACKGROUND

The Authority recently completed the selection process for a Construction Manager at Risk firm to complete the Terminal Modernization & Expansion Project. A request for proposals was published in May of 2020 and the Authority received 10 statements of qualifications in July 2020. Upon review and scoring, 4 firms were shortlisted, and interviews set up. Subsequently, GARAA selected Hensel Phelps Construction on October 5, 2020 and has been in negotiations with them for the contract and pre-construction services.

Under the Construction Manager at Risk process, the cost of the contract will not be determined until the Final Guaranteed Maximum Price (FGMP) is established and agreed upon by the Authority and Hensel Phelps. This will be established at the end of the design process. However, to keep the project on schedule under this process the Pre-Construction Services Fee needs to be approved.

The Pre-Construction Services are necessary for Hensel Phelps to assist the project in design, estimating, and constructability reviews throughout the design process. This will be key in keeping the project on budget and phased properly to maintain schedule. These Pre-Construction services are set to begin right away with the Schematic Design and continue until completion of the design in approximately 18 months. The total cost for these services has been negotiated with Hensel Phelps to be a total of \$1,088,270. Hensel Phelps will work in conjunction with the design team and this cost is in addition to the design fee with Gresham Smith.

New Business - B



ISSUES

None.

ALTERNATIVES

The Board could elect to not move forward with this approval. However, this would delay the project.

FISCAL IMPACT

The contract cost for construction will be established when the Final Guaranteed Maximum Price is completed and approved by the Board. The total cost for the Pre-Construction Services Fee is \$1,088,270. Presently, \$656,226 will be paid for utilizing FAA Grants and the remaining \$432,044 with NCDOT Commercial Service Funds.

RECOMMENDED ACTION

It is respectfully requested that the Airport Authority Board resolve to (1) approve the contract for the Construction Manager at Risk and the Pre-Construction Services Fee with Hensel Phelps in the amount of \$1,088,270; and (2) authorize the Executive Director to execute the necessary documents.



Contract Documents

Terminal Building Modernization Project

Construction Manager at Risk

December 2020

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AIA A-133 – 2019

AIA A-133 – 2019 EXHIBIT B

AIA A-201 – 2017

AIA E-203 – 2013

EXHIBIT C – FEDERAL AVIATION ADMINISTRATION (FAA) MANDATORY CONTRACT PROVISIONS

EXHIBIT D – CONSTRUCTION MANAGERS PRE-CONSTRUCTION PHASE BASIS OF FEE

EXHIBIT E – CONSTRUCTION MANAGERS HOME OFFICE PERSONNEL BILLING RATES
AND TIME ALLOCATION

EXHIBIT F – BUILDING INFORMATION MODELING (BIM) EXECUTION PLAN

EXHIBIT G – OWNERS CONTRACTOR PREQUALIFICATION POLICY

EXHIBIT H – REQUEST FOR QUALIFICATION (RFQ) FOR CONSTRUCTION MANAGER AT RISK
SERVICES FOR TERMINAL MODERNIZATION PROJECT (INCLUDING ADDENDUM 1)

EXHIBIT I – CONSTRUCTION MANAGERS (HENSEL PHELPS) GENERAL PROPOSAL

EXHIBIT J – DESIGN SCHEDULE (SUBJECT TO MODIFICATIONS)

 **AIA** Document A133™ – 2019**Standard Form of Agreement Between Owner and Construction Manager as Constructor** where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price

AGREEMENT made as of the 11th day of December in the year 2020
(In words, indicate day, month, and year.)

BETWEEN the Owner:
(Name, legal status, address, and other information)

Greater Asheville Regional Airport Authority
61 Terminal Drive, Suite 1
Fletcher, NC 28732

and the Construction Manager:
(Name, legal status, address, and other information)

Hensel Phelps Construction Company
6557 Hazeltine National Drive, Suite 1
Orlando, FL 32822

for the following Project:
(Name, location, and detailed description)

Terminal Building Modernization and Expansion Project

The Architect:
(Name, legal status, address, and other information)

Gresham Smith
201 South College Street
Charlotte, NC 28244

The Owner and Construction Manager agree as follows.

ADDITIONS AND DELETIONS:

The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information and where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

AIA Document A201™–2017, General Conditions of the Contract for Construction, is adopted in this document by reference. Do not use with other general conditions unless this document is modified.

TABLE OF ARTICLES

- 1 INITIAL INFORMATION
- 2 GENERAL PROVISIONS
- 3 CONSTRUCTION MANAGER'S RESPONSIBILITIES
- 4 OWNER'S RESPONSIBILITIES
- 5 COMPENSATION AND PAYMENTS FOR PRECONSTRUCTION PHASE SERVICES
- 6 COMPENSATION FOR CONSTRUCTION PHASE SERVICES
- 7 COST OF THE WORK FOR CONSTRUCTION PHASE
- 8 DISCOUNTS, REBATES, AND REFUNDS
- 9 SUBCONTRACTS AND OTHER AGREEMENTS
- 10 ACCOUNTING RECORDS
- 11 PAYMENTS FOR CONSTRUCTION PHASE SERVICES
- 12 DISPUTE RESOLUTION
- 13 TERMINATION OR SUSPENSION
- 14 MISCELLANEOUS PROVISIONS
- 15 SCOPE OF THE AGREEMENT

EXHIBIT A GUARANTEED MAXIMUM PRICE AMENDMENT
EXHIBIT B INSURANCE AND BONDS

ARTICLE 1 INITIAL INFORMATION

§ 1.1 This Agreement is based on the Initial Information set forth in this Section 1.1.

(For each item in this section, insert the information or a statement such as "not applicable" or "unknown at time of execution.")

§ 1.1.1 The Owner's program for the Project, as described in Section 4.1.1:

(Insert the Owner's program, identify documentation that establishes the Owner's program, or state the manner in which the program will be developed.)

Program was determined during the Terminal Area Assessment and defined by Gresham Smith in conceptual design as show in the RFQ for this project.

§ 1.1.2 The Project's physical characteristics:

(Identify or describe pertinent information about the Project's physical characteristics, such as size; location; dimensions; geotechnical reports; site boundaries; topographic surveys; traffic and utility studies; availability of public and private utilities and services; legal description of the site, etc.)

Information describing the site, which includes initial geo-technical and survey information, was performed under the Architect's scope of work and transferred to the Construction Manager during pre-construction for their responsibilities. Any additional efforts are to be completed by the Construction Manager and identified as pre-construction services under article 3.1.14.

Init.

§ 1.1.3 The Owner's budget for the Guaranteed Maximum Price, as defined in Article 6:
(Provide total and, if known, a line item breakdown.)

To be determined during pre-construction and defined in future amendment(s).

§ 1.1.4 The Owner's anticipated design and construction milestone dates:

.1 Design phase milestone dates, if any:

Reference latest design schedule, subject to modifications, included as Exhibit J.

.2 Construction commencement date:

.3 Substantial Completion date or dates:

.4 Other milestone dates:

§ 1.1.5 The Owner's requirements for accelerated or fast-track scheduling, or phased construction, are set forth below:
(Identify any requirements for fast-track scheduling or phased construction.)

Early release packages are to be established and determined by the Construction Manager during preconstruction services.

§ 1.1.6 The Owner's anticipated Sustainable Objective for the Project:
(Identify and describe the Owner's Sustainable Objective for the Project, if any.)

Sustainable design will be integrated into the project as much as the budget will allow.

§ 1.1.6.1 If the Owner identifies a Sustainable Objective, the Owner and Construction Manager shall complete and incorporate AIA Document E234™-2019, Sustainable Projects Exhibit, Construction Manager as Constructor Edition, into this Agreement to define the terms, conditions and services related to the Owner's Sustainable Objective. If E234-2019 is incorporated into this agreement, the Owner and Construction Manager shall incorporate the completed E234-2019 into the agreements with the consultants and contractors performing services or Work in any way associated with the Sustainable Objective.

§ 1.1.7 Other Project information:
(Identify special characteristics or needs of the Project not provided elsewhere.)

§ 1.1.8 The Owner identifies the following representative in accordance with Section 4.2:
(List name, address, and other contact information.)

Jared Merrill
Greater Asheville Regional Airport Authority
61 Terminal Drive, Ste 1
Fletcher, NC 28732
(828) 779-0088

§ 1.1.9 The persons or entities, in addition to the Owner's representative, who are required to review the Construction Manager's submittals to the Owner are as follows:

(List name, address and other contact information.)

§ 1.1.10 The Owner shall retain the following consultants and contractors:
(List name, legal status, address, and other contact information.)

.1 Geotechnical Engineer:

.2 Civil Engineer:

.3 Other, if any:
(List any other consultants retained by the Owner, such as a Project or Program Manager.)

§ 1.1.11 The Architect's representative:
(List name, address, and other contact information.)

Brad Sucher
Gresham Smith
919 East Main Street, Ste 1200
Richmond, VA 23219
(248) 505-8976

§ 1.1.12 The Construction Manager identifies the following representative in accordance with Article 3:
(List name, address, and other contact information.)

Brandon Rutterford
Hensel Phelps Construction Company
6557 Hazeltine National Drive, Suite 1
Orlando, FL 32822
(443) 838-7223

§ 1.1.13 The Owner's requirements for the Construction Manager's staffing plan for Preconstruction Services, as required under Section 3.1.9:
(List any Owner-specific requirements to be included in the staffing plan.)

§ 1.1.14 The Owner's requirements for subcontractor procurement for the performance of the Work:
(List any Owner-specific requirements for subcontractor procurement.)

First tier Sub-contractors shall be prequalified in accordance with Owners prequalification requirements, which have been provided to the Construction Manager.

§ 1.1.15 Other Initial Information on which this Agreement is based:

§ 1.2 The Owner and Construction Manager may rely on the Initial Information. Both parties, however, recognize that such information may materially change and, in that event, the Owner and the Construction Manager shall appropriately adjust the Project schedule, the Construction Manager's services, and the Construction Manager's compensation. The Owner shall adjust the Owner's budget for the Guaranteed Maximum Price and the Owner's anticipated design and construction milestones, as necessary, to accommodate material changes in the Initial Information.

§ 1.3 Neither the Owner's nor the Construction Manager's representative shall be changed without ten days' prior notice to the other party.

ARTICLE 2 GENERAL PROVISIONS

§ 2.1 The Contract Documents

The Contract Documents consist of this Agreement, Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to execution of this Agreement, other documents listed in this Agreement, and Modifications issued after execution of this Agreement, all of which form the Contract and are as fully a part of the Contract as if attached to this Agreement or repeated herein. Upon the Owner's acceptance of the Construction Manager's Guaranteed Maximum Price proposal, the Contract Documents will also include the documents described in Section 3.2.3 and identified in the Guaranteed Maximum Price Amendment and revisions prepared by the Architect and furnished by the Owner as described in Section 3.2.8. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral. If anything in the other Contract Documents, other than a Modification, is inconsistent with this Agreement, this Agreement shall govern. An enumeration of the Contract Documents, other than a Modification, appears in Article 15.

§ 2.2 Relationship of the Parties

The Construction Manager accepts the relationship of trust and confidence established by this Agreement and covenants with the Owner to cooperate with the Architect and exercise the Construction Manager's skill and judgment in furthering the interests of the Owner to furnish efficient construction administration, management services, and supervision; to furnish at all times an adequate supply of workers and materials; and to perform the Work in an expeditious and economical manner consistent with the Owner's interests. The Owner agrees to furnish or approve, in a timely manner, information required by the Construction Manager and to make payments to the Construction Manager in accordance with the requirements of the Contract Documents. The Construction Manager shall perform throughout the project in an open book collaborative process with the Owner making available to Owner at all times all details, correspondence, documentation and transactions related to the project, in a timely manner.

§ 2.3 General Conditions

§ 2.3.1 For the Preconstruction Phase, AIA Document A201™-2017, General Conditions of the Contract for Construction, shall apply as follows as modified and agreed to by the Owner and the Construction Manager: Section 1.5, Ownership and Use of Documents; Section 1.7, Digital Data Use and Transmission; Section 1.8, Building Information Model Use and Reliance; Section 2.2.4, Confidential Information; Section 3.12.10, Professional Services; Section 10.3, Hazardous Materials; Section 13.1, Governing Law. The term "Contractor" as used in A201-2017 shall mean the Construction Manager.

§ 2.3.2 For the Construction Phase, the general conditions of the contract shall be as set forth in A201-2017, which document is incorporated herein by reference. The term "Contractor" as used in A201-2017 shall mean the Construction Manager.

ARTICLE 3 CONSTRUCTION MANAGER'S RESPONSIBILITIES

The Construction Manager's Preconstruction Phase responsibilities are set forth in Sections 3.1 and 3.2, and in the applicable provisions of A201-2017 referenced in Section 2.3.1. The Construction Manager's Construction Phase responsibilities are set forth in Section 3.3. The Owner and Construction Manager may agree, in consultation with the Architect, for the Construction Phase to commence prior to completion of the Preconstruction Phase, in which case, both

phases will proceed concurrently. The Construction Manager shall identify a representative authorized to act on behalf of the Construction Manager with respect to the Project. The Construction Manager's staff at minimum, shall include a Project Manager and Superintendent, who shall be committed to the project full time for its duration, and shall not be re-assigned without the Owners written approval. The initial assignment of a Project Manager and Superintendent, and subsequent assignment of any replacements, shall be subject to the Owners approval.

§ 3.1 Preconstruction Phase

§ 3.1.1 Extent of Responsibility

The Construction Manager shall exercise reasonable care in performing its Preconstruction Services. The Owner and Architect shall be entitled to rely on, and shall not be responsible for, the accuracy, completeness, and timeliness of services and information furnished by the Construction Manager. The Construction Manager, however, does not warrant or guarantee estimates and schedules except as may be included as part of the Guaranteed Maximum Price. The Construction Manager is not required to ascertain that the Drawings and Specifications are in accordance with applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, but the Construction Manager shall promptly report to the Architect and Owner any nonconformity discovered by or made known to the Construction Manager as a request for information in such form as the Architect may require.

§ 3.1.2 The Construction Manager shall provide a preliminary evaluation of the Owner's program, schedule and construction budget requirements, each in terms of the other.

§ 3.1.3 Consultation

§ 3.1.3.1 The Construction Manager shall schedule and conduct meetings with the Architect and Owner to discuss such matters as procedures, progress, coordination, and scheduling of the Work.

§ 3.1.3.2 The Construction Manager shall advise the Owner and Architect on proposed site use and improvements, selection of materials, building systems, and equipment. The Construction Manager shall also provide recommendations to the Owner and Architect, consistent with the Project requirements, on constructability; availability of materials and labor; time requirements for procurement, installation and construction; prefabrication; and factors related to construction cost including, but not limited to, costs of alternative designs or materials, preliminary budgets, life-cycle data, and possible cost reductions. The Construction Manager shall consult with the Architect regarding professional services to be provided by the Construction Manager during the Construction Phase.

§ 3.1.3.3 The Construction Manager shall assist the Owner and Architect in establishing building information modeling and digital data protocols for the Project, using AIA Document E203™–2013, Building Information Modeling and Digital Data Exhibit, to establish the protocols for the development, use, transmission, and exchange of digital data.

§ 3.1.4 Project Schedule

When Project requirements in Section 4.1.1 have been sufficiently identified, the Construction Manager shall prepare and periodically update a Project schedule for the Architect's review and the Owner's acceptance. The Construction Manager shall obtain the Architect's approval for the portion of the Project schedule relating to the performance of the Architect's services. The Project schedule shall coordinate and integrate the Construction Manager's services, the Architect's services, other Owner consultants' services, and the Owner's responsibilities; and identify items that affect the Project's timely completion. The updated Project schedule shall include the following: submission of the Guaranteed Maximum Price proposal; components of the Work; times of commencement and completion required of each Subcontractor; ordering and delivery of products, including those that must be ordered in advance of construction; and the occupancy requirements of the Owner.

§ 3.1.4.0 In the event that the Construction Manager presents a Project schedule that does not provide for Substantial Completion to be achieved within the Contract Time, the Construction Manager shall present a recovery plan and recovery schedule that will permit the Construction Manager to achieve Substantial Completion within the Contract Time for the Owners review and approval in writing. Submission of revised schedules to the Owner does not equate to the Owners acceptance of such revised schedules. Revisions to the Project schedule must be approved by the Owner in writing.

§ 3.1.5 Phased Construction

The Construction Manager, in consultation with the Architect, shall provide recommendations with regard to accelerated or fast-track scheduling, procurement, and sequencing for phased construction. The Construction Manager shall take into

consideration cost reductions, cost information, constructability, provisions for temporary facilities, and procurement and construction scheduling issues.

§ 3.1.6 Cost Estimates

§ 3.1.6.1 Based on the preliminary design and other design criteria prepared by the Architect, the Construction Manager shall prepare, for the Architect's review and the Owner's approval, preliminary estimates of the Cost of the Work or the cost of program requirements using area, volume, or similar conceptual estimating techniques. If the Architect or Construction Manager suggests alternative materials and systems, the Construction Manager shall provide cost evaluations of those alternative materials and systems.

§ 3.1.6.2 As the Architect progresses with the preparation of the Schematic Design, Design Development and Construction Documents, the Construction Manager shall prepare and update, at appropriate intervals agreed to by the Owner, Construction Manager and Architect, an estimate of the Cost of the Work with increasing detail and refinement. The Construction Manager shall include in the estimate those costs to allow for the further development of the design, price escalation, and market conditions, until such time as the Owner and Construction Manager agree on a Guaranteed Maximum Price for the Work. The estimate shall be provided for the Architect's review and the Owner's approval. The Construction Manager shall inform the Owner and Architect in the event that the estimate of the Cost of the Work exceeds the latest approved Project budget, and make recommendations for corrective action.

§ 3.1.6.3 If the Architect is providing cost estimating services as a Supplemental Service, and a discrepancy exists between the Construction Manager's cost estimates and the Architect's cost estimates, the Construction Manager and the Architect shall work together to reconcile the cost estimates.

§ 3.1.7 As the Architect progresses with the preparation of the Schematic Design, Design Development and Construction Documents, the Construction Manager shall consult with the Owner and Architect and make recommendations regarding constructability and schedules, for the Architect's review and the Owner's approval.

§ 3.1.8 The Construction Manager shall provide recommendations and information to the Owner and Architect regarding equipment, materials, services, and temporary Project facilities.

§ 3.1.9 The Construction Manager shall provide a staffing plan for Preconstruction Phase services for the Owner's review and approval.

§ 3.1.10 If the Owner identified a Sustainable Objective in Article 1, the Construction Manager shall fulfill its Preconstruction Phase responsibilities as required in AIA Document E234™–2019, Sustainable Projects Exhibit, Construction Manager as Constructor Edition, attached to this Agreement.

§ 3.1.11 Subcontractors and Suppliers

§ 3.1.11.1 If the Owner has provided requirements for subcontractor procurement in section 1.1.14, the Construction Manager shall provide a subcontracting plan, addressing the Owner's requirements, for the Owner's review and approval.

§ 3.1.11.2 The Construction Manager shall develop bidders' interest in the Project.

§ 3.1.11.3 The processes described in Article 9 shall apply if bid packages will be issued during the Preconstruction Phase.

§ 3.1.12 Procurement

The Construction Manager shall prepare, for the Architect's review and the Owner's acceptance, a procurement schedule for items that must be ordered in advance of construction. The Construction Manager shall expedite and coordinate the ordering and delivery of materials that must be ordered in advance of construction. If the Owner agrees to procure any items prior to the establishment of the Guaranteed Maximum Price, the Owner shall procure the items on terms and conditions acceptable to the Construction Manager. Upon the establishment of the Guaranteed Maximum Price, the Owner shall assign all contracts for these items to the Construction Manager and the Construction Manager shall thereafter accept responsibility for them.

§ 3.1.13 Compliance with Laws

The Construction Manager shall comply with all applicable laws, statutes, ordinances, codes, rules and regulations, and Owner promulgated policies and procedures applicable to its performance under this Contract, and with equal

employment opportunity programs, and other programs as may be required by governmental and quasi-governmental authorities, including the Owner. Such applicable laws, rules and regulations, include, but are not limited to, local permitting requirements; local and State building codes; State bidding and procurement requirements; and Federal contracting requirements; including, but not limited to those Mandatory Federal Contract Provisions attached hereto and incorporated herein by reference as Exhibit C.

§ 3.1.14 Other Preconstruction Services

Insert a description of any other Preconstruction Phase services to be provided by the Construction Manager, or reference an exhibit attached to this document

(Describe any other Preconstruction Phase services, such as providing cash flow projections, development of a project information management system, early selection or procurement of subcontractors, etc.)

Not limited to, but shall include, coordination with Design Team and Master Service Integrator, constructability review throughout design process, existing systems review in consideration to phasing, milestone design drawing reviews, including scheduled page turns, participation in regular Design Team meetings at the discretion of the Owner, additional geo-technical, survey or laser scan as determined by the Construction Manager.

§ 3.2 Guaranteed Maximum Price Proposal

§ 3.2.1 At a time to be mutually agreed upon by the Owner and the Construction Manager, the Construction Manager shall prepare a Guaranteed Maximum Price proposal for the Owner's and Architect's review, and the Owner's acceptance. The Guaranteed Maximum Price in the proposal shall be the sum of the Construction Manager's estimate of the Cost of the Work, the Construction Manager's contingency described in Section 3.2.4, and the Construction Manager's Fee described in Section 6.1.2.

§ 3.2.2 To the extent that the Contract Documents are anticipated to require further development, the Guaranteed Maximum Price includes the costs attributable to such further development consistent with the Contract Documents and reasonably inferable therefrom. Such further development does not include changes in scope, systems, kinds and quality of materials, finishes, or equipment, all of which, if required, shall be incorporated by Change Order.

§ 3.2.3 The Construction Manager shall include with the Guaranteed Maximum Price proposal a written statement of its basis, which shall include the following:

- .1 A list of the Drawings and Specifications, including all Addenda thereto, and the Conditions of the Contract;
- .2 A list of the clarifications and assumptions made by the Construction Manager in the preparation of the Guaranteed Maximum Price proposal, including assumptions under Section 3.2.2;
- .3 A statement of the proposed Guaranteed Maximum Price, including a statement of the estimated Cost of the Work organized by trade categories or systems, including allowances; the Construction Manager's contingency set forth in Section 3.2.4; and the Construction Manager's Fee;
- .4 The anticipated date of Substantial Completion upon which the proposed Guaranteed Maximum Price is based; and
- .5 A date by which the Owner must accept the Guaranteed Maximum Price (GMP) shall be no less than 60 days from the date it is submitted to the Owner.
- .6 A schedule of the Construction Documents issuance dates upon which the date of Substantial Completion is based.

§ 3.2.4 In preparing the Construction Manager's Guaranteed Maximum Price proposal, the Construction Manager shall include a contingency for the Construction Manager's exclusive use to cover those costs that are included in the Guaranteed Maximum Price but not otherwise allocated to another line item or included in a Change Order. The contingency is an uncommitted, mutually agreed upon, sum of money allocated within the Guaranteed Maximum Price for the purpose of defraying the expenses due to unforeseen circumstances relating to the Project's construction. The contingency may be used to cover costs for construction items such as, without limitation, unanticipated conditions that do not constitute a concealed or unknown condition under § 3.7.4, inclement weather, and other unforeseen events. The Construction Manager will be required to receive a Contingency Authorization, which shall not be unreasonably withheld by the Owner, prior to using any of the contingency. The Contingency Authorization is a written instrument prepared by the Owner and signed by the Owner and Contractor, documenting the expenditure of the contingency. The Contingency Authorization shall be submitted to the Owner with a complete cost breakdown showing computation of the cost, together with a written explanation of the change and the reason for the change. If the Owner does not object to the Contingency

Authorization within seven (7) days of the submittal by the Construction Manager, the Construction Manager may use the contingency as if the request had been approved by the Owner.

§ 3.2.4.1 In preparing the Construction Manager's Guaranteed Maximum Price proposal, the Construction Manager shall include a contingency for the Owner's exclusive use in funding changes in scope, such as changes in systems or types and quantities of materials, finishes or equipment approved by the Owner through a Contingency Authorization. The Owners contingency is an uncommitted, mutually agreed upon, sum of money allocated within the Guaranteed Maximum Price for the purpose of funding Owner directed changes beyond the scope of the project.

§ 3.2.5 The Construction Manager shall meet with the Owner and Architect to review the Guaranteed Maximum Price proposal. In the event that the Owner or Architect discover any inconsistencies or inaccuracies in the information presented, they shall promptly notify the Construction Manager, who shall make appropriate adjustments to the Guaranteed Maximum Price proposal, its basis, or both.

§ 3.2.6 If the Owner notifies the Construction Manager that the Owner has accepted the Guaranteed Maximum Price proposal in writing before the date specified in the Guaranteed Maximum Price proposal, the Guaranteed Maximum Price proposal shall be deemed effective without further acceptance from the Construction Manager. Following acceptance of a Guaranteed Maximum Price, the Owner and Construction Manager shall execute the Guaranteed Maximum Price Amendment amending this Agreement, a copy of which the Owner shall provide to the Architect. The Guaranteed Maximum Price Amendment shall set forth the agreed upon Guaranteed Maximum Price with the information and assumptions upon which it is based. If the Guaranteed Maximum Price proposal is not accepted by the Owner, the Owner shall so notify the Construction Manager in writing. The Construction Manager shall then recommend adjustments to the Work through changes in the means and methods, value engineering, alternative or other appropriate methods to reduce the overall cost of the Project. The Construction Manager, Owner and Architect will discuss and negotiate these adjustments in the Work for no more than 30 days, unless extension is granted in writing by the Owner. If an acceptable Guaranteed Maximum Price is not agreed to during the 30 days, negotiations may be terminated, and the Owner may initiate negotiations with another construction management firm.

§ 3.2.7 The Construction Manager shall not incur any cost to be reimbursed as part of the Cost of the Work prior to the execution of the Guaranteed Maximum Price Amendment, unless the Owner provides prior written authorization for such costs.

§ 3.2.8 The Owner shall authorize the Architect to prepare revisions to the Contract Documents that incorporate the agreed-upon assumptions and clarifications contained in the Guaranteed Maximum Price Amendment. The Owner shall promptly furnish such revised Contract Documents to the Construction Manager. The Construction Manager shall promptly notify the Owner and Architect of any inconsistencies between the agreed-upon assumptions and clarifications contained in the Guaranteed Maximum Price Amendment and the revised Contract Documents.

§ 3.2.9 The Construction Manager shall include in the Guaranteed Maximum Price all sales, consumer, use and similar taxes for the Work provided by the Construction Manager that are legally enacted, whether or not yet effective, at the time the Guaranteed Maximum Price Amendment is executed.

§ 3.2.10 Upon acceptance of the Guaranteed Maximum Price proposal by the Owner, the Guaranteed Maximum Price and its basis shall be set forth in the Guaranteed Maximum Price Amendment. The Guaranteed Maximum Price Amendment will establish the Guaranteed Maximum Price, Contract Time and Liquidated Damages associated with the Construction Manager's failure to substantially complete the Work by the Substantial Completion, as may be adjusted in accordance with the Contract Documents. Performance and Payment Bonds on the Owners standard forms will be executed simultaneously with the Guaranteed Maximum Price Amendment.

§ 3.3 Construction Phase

§ 3.3.1 General

§ 3.3.1.1 For purposes of Section 8.1.2 of A201-2017, the date of commencement of the Work shall mean the date of commencement of the Construction Phase.

§ 3.3.1.2 The Construction Phase shall commence upon the Owner's execution of the Guaranteed Maximum Price Amendment or, prior to acceptance of the Guaranteed Maximum Price proposal, by written agreement of the parties. The written agreement shall set forth a description of the Work to be performed by the Construction Manager, and any

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insurance and bond requirements for Work performed prior to execution of the Guaranteed Maximum Price Amendment. The Owner will issue a Notice to Proceed, prior to Work beginning in connection with the Construction Phase. The Owner shall also issue separate Notices to Proceed, as are necessary, for each designated phase or portion of Work.

§ 3.3.2 Administration

§ 3.3.2.1 The Construction Manager shall schedule and conduct meetings to discuss such matters as procedures, progress, coordination, scheduling, and status of the Work. The Construction Manager shall prepare and promptly distribute minutes of the meetings to the Owner and Architect.

§ 3.3.2.2 Upon the execution of the Guaranteed Maximum Price Amendment, the Construction Manager shall prepare and submit to the Owner and Architect a construction schedule for the Work and a submittal schedule in accordance with Section 3.10 of A201–2017.

§ 3.3.2.3 Monthly Report

The Construction Manager shall record the progress of the Project. On a monthly basis, or otherwise as agreed to by the Owner, the Construction Manager shall submit written progress reports to the Owner and Architect, showing percentages of completion and other information required by the Owner.

§ 3.3.2.4 Daily Logs

The Construction Manager shall keep, and make available to the Owner and Architect, a daily log containing a record for each day of weather, portions of the Work in progress, number of workers on site, identification of equipment on site, problems that might affect progress of the work, accidents, injuries, and other information required by the Owner.

§ 3.3.2.5 Cost Control

The Construction Manager shall develop a system of cost control for the Work, including regular monitoring of actual costs for activities in progress and estimates for uncompleted tasks and proposed changes. The Construction Manager shall identify variances between actual and estimated costs and report the variances to the Owner and Architect, and shall provide this information in its monthly reports to the Owner and Architect, in accordance with Section 3.3.2.3 above.

ARTICLE 4 OWNER'S RESPONSIBILITIES

§ 4.1 Information and Services Required of the Owner

§ 4.1.1 The Owner shall provide information with reasonable promptness, regarding requirements for and limitations on the Project, including a written program which shall set forth the Owner's objectives, constraints, and criteria, including schedule, space requirements and relationships, flexibility and expandability, special equipment, systems, sustainability and site requirements.

§ 4.1.2 Prior to the execution of the Guaranteed Maximum Price Amendment, the Construction Manager may request in writing that the Owner provide reasonable evidence that the Owner has made financial arrangements to fulfill the Owner's obligations under the Contract. After execution of the Guaranteed Maximum Price Amendment, the Construction Manager may request such information as set forth in A201–2017 Section 2.2.

§ 4.1.3 The Owner shall establish and periodically update the Owner's budget for the Project, including (1) the budget for the Cost of the Work as defined in Article 7, (2) the Owner's other costs, and (3) reasonable contingencies related to all of these costs. If the Owner significantly increases or decreases the Owner's budget for the Cost of the Work, the Owner shall notify the Construction Manager and Architect. The Owner and the Architect, in consultation with the Construction Manager, shall thereafter agree to a corresponding change in the Project's scope and quality.

§ 4.1.4 Structural and Environmental Tests, Surveys and Reports. Paragraph is deleted in its entirety.

(Paragraphs deleted)

§ 4.1.5 During the Construction Phase, the Owner shall furnish information or services required of the Owner by the Contract Documents with reasonable promptness. The Owner shall also furnish any other information or services under the Owner's control and relevant to the Construction Manager's performance of the Work with reasonable promptness after receiving the Construction Manager's written request for such information or services.

§ 4.1.6 If the Owner identified a Sustainable Objective in Article 1, the Owner shall fulfill its responsibilities as required in AIA Document E234™–2019, Sustainable Projects Exhibit, Construction Manager as Constructor Edition, attached to this Agreement.

§ 4.2 Owner's Designated Representative

The Owner shall identify a representative authorized to act on behalf of the Owner with respect to the Project. The Owner's representative shall render decisions promptly and furnish information expeditiously, so as to avoid unreasonable delay in the services or Work of the Construction Manager. Except as otherwise provided in Section 4.2.1 of A201–2017, the Architect does not have such authority. The term "Owner" means the Owner or the Owner's authorized representative.

§ 4.2.1 **Legal Requirements.** The Owner shall furnish all legal, insurance and accounting services, including auditing services, that may be reasonably necessary at any time for the Project to meet the Owner's needs and interests.

§ 4.3 Architect

The agreement between the Owner and Architect shall be a separate agreement document outside any AIA example documents.

ARTICLE 5 COMPENSATION AND PAYMENTS FOR PRECONSTRUCTION PHASE SERVICES

§ 5.1 Compensation

§ 5.1.1 For the Construction Manager's Preconstruction Phase services, the Owner shall compensate the Construction Manager a not-to-exceed flat fee of \$1,088,270.00 (one million, eighty-eight thousand, two hundred seventy dollars), which shall be billable to the Owner on a monthly pro-rata basis, based upon the amount of actual Pre-Construction Phase services performed during that period.

(Insert amount of, or basis for, compensation and include a list of reimbursable cost items, as applicable.)

See Exhibit D – Construction Managers Pre-Construction Phase Basis of Fee

§ 5.1.2 The hourly or lump sum billing rates for Preconstruction Phase services of the Construction Manager and the Construction Manager's Consultants and Subcontractors, if any, are set forth below and shall be billable to the Owner on a monthly pro-rata basis, based upon the amount of actual Pre-Construction Phase services performed during that period. *(If applicable, attach an exhibit of hourly billing rates or insert them below.)*

See Exhibit D – Construction Managers Pre-Construction Phase Basis of Fee

Individual or Position	Rate
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§ 5.1.2.1 Hourly billing rates for Preconstruction Phase services include all costs to be paid or incurred by the Construction Manager, as required by law or collective bargaining agreements, for taxes, insurance, contributions, assessments and benefits and, for personnel not covered by collective bargaining agreements, customary benefits such as sick leave, medical and health benefits, holidays, vacations and pensions, and shall remain unchanged unless the parties execute a Modification.

§ 5.1.3 If the Preconstruction Phase services covered by this Agreement have not been completed within () months of the date of this Agreement, through no fault of the Construction Manager, the Construction Manager's compensation for Preconstruction Phase services shall be equitably adjusted.

§ 5.2 Payments

§ 5.2.1 Unless otherwise agreed, payments for services shall be made monthly in proportion to services performed.

§ 5.2.2

(Paragraphs deleted)

The Construction Manager shall submit an invoice for Pre-Construction Phase services provided for the prior calendar months billing period by the 5th day of each month, which invoice shall be paid by the Owner on a "net 30 day" basis, provided the amounts billed are for an accurate pro-rata percentage of services actually performed and accepted by the Owner, and further provide all supporting documentation required by the Owner or Architect is submitted with the

invoice. The Owner shall have no obligation to process the Construction Manager's invoice if such invoice is incorrect, incomplete, or is not submitted with all of the supporting documentation required by the Owner, Architect, the FAA or the Owners funding agencies.

ARTICLE 6 COMPENSATION FOR CONSTRUCTION PHASE SERVICES

§ 6.1 Contract Sum

§ 6.1.1 The Owner shall pay the Construction Manager the Contract Sum in current funds for the Construction Manager's performance of the Contract after execution of the Guaranteed Maximum Price Amendment. The Contract Sum is the Cost of the Work as defined in Article 7 plus the Construction Manager's Fee.

§ 6.1.2 The Construction Manager's

(Paragraphs deleted)

Fee shall be calculated as a percent of the Cost of the Work, including but not limited to allowances. This fee shall be the entire fee the Construction Manager shall receive for the project. The Construction Manager shall not include fee or administrative mark-ups directly within hourly billing rates, rental rates, on insurance, bond premiums or on permit fees.

§ 6.1.3 The method of adjustment of the Construction Manager's Fee for changes in the Work:

§ 6.1.4 Limitations, if any, on a Subcontractor's overhead and profit for increases in the cost of its portion of the Work:

§ 6.1.5 The total rental cost of any Construction Manager owned item may not exceed the purchase price of any comparable item. Rates of Construction Manager owned equipment and quantities of equipment shall be subject to the Owners prior approval. Rental rates for Construction Manager owned equipment shall not exceed the standard rental rate paid at the place of project.

§ 6.1.6 Liquidated damages, if

(Paragraphs deleted)

any, at the rate of \$3,000.00 per calendar day to the date of Substantial Completion shall be deducted by a Construction Change Directive from the Contract Sum and shall be withheld from progress payments, from the Substantial Completion payment or from Final Payment at the Owner's discretion. Liquidated Damages shall not exceed the Construction Managers fee.

§ 6.1.7 Other:

(Insert provisions for bonus, cost savings or other incentives, if any, that might result in a change to the Contract Sum.)

§ 6.2 Guaranteed Maximum Price

The Construction Manager guarantees that the Contract Sum shall not exceed the Guaranteed Maximum Price set forth in the Guaranteed Maximum Price Amendment, subject to additions and deductions by Change Order as provided in the Contract Documents. Costs which would cause the Guaranteed Maximum Price to be exceeded shall be paid by the Construction Manager without reimbursement by the Owner. All savings between the actual Final Contract Sum and the Final Guaranteed Maximum Price shall revert 100 percent to the Owner.

§ 6.3 Changes in the Work

§ 6.3.1 The Owner may, without invalidating the Contract, order changes in the Work within the general scope of the Contract consisting of additions, deletions or other revisions. The Owner shall issue such changes in writing. The Construction Manager may be entitled to an equitable adjustment in the Contract Time as a result of changes in the Work.

§ 6.3.1.1 The Architect may order minor changes in the Work as provided in Article 7 of AIA Document A201-2017, General Conditions of the Contract for Construction.

§ 6.3.2 Adjustments to the Guaranteed Maximum Price on account of changes in the Work subsequent to the execution of the Guaranteed Maximum Price Amendment may be determined by any of the methods listed in Article 7 of AIA Document A201–2017, General Conditions of the Contract for Construction.

§ 6.3.3 Adjustments to subcontracts awarded on the basis of a stipulated sum shall be determined in accordance with Article 7 of A201–2017, as they refer to "cost" and "fee," and not by Articles 6 and 7 of this Agreement. Adjustments to subcontracts awarded with the Owner's prior written consent on the basis of cost plus a fee shall be calculated in accordance with the terms of those subcontracts.

§ 6.3.4 In calculating adjustments to the Guaranteed Maximum Price, the terms "cost" and "costs" as used in Article 7 of AIA Document A201–2017 shall mean the Cost of the Work as defined in Article 7 of this Agreement and the term "fee" shall mean the Construction Manager's Fee as defined in Section 6.1.2 of this Agreement.

§ 6.3.5 If no specific provision is made in Section 6.1.3 for adjustment of the Construction Manager's Fee in the case of changes in the Work, or if the extent of such changes is such, in the aggregate, that application of the adjustment provisions of Section 6.1.3 will cause substantial inequity to the Owner or Construction Manager, the Construction Manager's Fee shall be equitably adjusted on the same basis that was used to establish the Fee for the original Work, and the Guaranteed Maximum Price shall be adjusted accordingly.

ARTICLE 7 COST OF THE WORK FOR CONSTRUCTION PHASE

§ 7.1 Costs to Be Reimbursed

§ 7.1.1 The term Cost of the Work shall mean costs necessarily incurred by the Construction Manager in the proper performance of the Work. The Cost of the Work shall include only the items set forth in Sections 7.1 through 7.7.

§ 7.1.2 Where, pursuant to the Contract Documents, any cost is subject to the Owner's prior approval, the Construction Manager shall obtain such approval in writing prior to incurring the cost.

§ 7.1.3 Costs shall be at rates not higher than the standard rates paid at the place of the Project, except with prior approval of the Owner.

§ 7.2 Labor Costs

§ 7.2.1 Wages or salaries of construction workers directly employed by the Construction Manager to perform the construction of the Work at the site or, with the Owner's prior approval, at off-site workshops.

§ 7.2.2 Wages or salaries of the Construction Manager's supervisory and administrative personnel when stationed at the site and performing Work, with the Owner's prior approval.

§ 7.2.2.1 Wages or salaries of the Construction Manager's supervisory and administrative personnel when performing Work and stationed at a location other than the site, but only for that portion of time required for the Work, and limited to the personnel and activities listed below:

(Identify the personnel, type of activity and, if applicable, any agreed upon percentage of time to be devoted to the Work.)

See Exhibit E – Construction Managers Home Office Personnel Billing Rates and Time Allocation.

§ 7.2.3 Wages and salaries of the Construction Manager's supervisory or administrative personnel engaged at factories, workshops or while traveling, in expediting the production or transportation of materials or equipment required for the Work, but only for that portion of their time required for the Work.

§ 7.2.4 Costs paid or incurred by the Construction Manager, as required by law or collective bargaining agreements, for taxes, insurance, contributions, assessments and benefits and, for personnel not covered by collective bargaining agreements, customary benefits such as sick leave, medical and health benefits, holidays, vacations and pensions, provided such costs are based on wages and salaries included in the Cost of the Work under Sections 7.2.1 through 7.2.3.

§ 7.2.5 If agreed rates for labor costs, in lieu of actual costs, are provided in this Agreement, the rates shall remain unchanged throughout the duration of this Agreement, unless the parties execute a Modification.

§ 7.2.6 Labor costs must be supported through certified payrolls. Under no circumstances shall salaried employees be compensated for overtime without the Owners prior written approval.

§ 7.2.7 Davis-Bacon Wage Rates shall apply as appropriate for this project.

§ 7.3 Subcontract Costs

Payments made by the Construction Manager to Subcontractors in accordance with the requirements of the subcontracts and this Agreement.

§ 7.4 Costs of Materials and Equipment Incorporated in the Completed Construction

§ 7.4.1 Costs, including transportation and storage at the site, of materials and equipment incorporated, or to be incorporated, in the completed construction.

§ 7.4.2 Costs of materials described in the preceding Section 7.4.1 in excess of those actually installed to allow for reasonable waste and spoilage. Unused excess materials, if any, shall become the Owner's property at the completion of the Work or, at the Owner's option, shall be sold by the Construction Manager. Any amounts realized from such sales shall be credited to the Owner as a deduction from the Cost of the Work.

§ 7.5 Costs of Other Materials and Equipment, Temporary Facilities and Related Items

§ 7.5.1 Costs of transportation, storage, installation, dismantling, maintenance, and removal of materials, supplies, temporary facilities, machinery, equipment and hand tools not customarily owned by construction workers that are provided by the Construction Manager at the site and fully consumed in the performance of the Work. Costs of materials, supplies, temporary facilities, machinery, equipment, and tools, that are not fully consumed, shall be based on the cost or value of the item at the time it is first used on the Project site less the value of the item when it is no longer used at the Project site. Costs for items not fully consumed by the Construction Manager shall mean fair market value.

§ 7.5.2 Rental charges for temporary facilities, machinery, equipment, and hand tools not customarily owned by construction workers that are provided by the Construction Manager at the site, and the costs of transportation, installation, dismantling, minor repairs, and removal of such temporary facilities, machinery, equipment, and hand tools. Rates and quantities of equipment owned by the Construction Manager, or a related party as defined in Section 7.8, shall be subject to the Owner's prior approval. The total rental cost of any such equipment may not exceed the purchase price of any comparable item.

§ 7.5.3 Costs of removal of debris from the site of the Work and its proper and legal disposal.

§ 7.5.4 Costs of the Construction Manager's site office, including general office equipment and supplies.

§ 7.5.5 Costs of materials and equipment suitably stored off the site at a mutually acceptable location, subject to the Owner's prior approval.

§ 7.6 Miscellaneous Costs

§ 7.6.1 Premiums for that portion of insurance and bonds required by the Contract Documents that can be directly attributed to this Contract.

§ 7.6.1.1 Costs for self-insurance, for either full or partial amounts of the coverages required by the Contract Documents, with the Owner's prior approval.

§ 7.6.1.2 Costs for insurance through a captive insurer owned or controlled by the Construction Manager, with the Owner's prior approval.

§ 7.6.2 Sales, use, or similar taxes, imposed by a governmental authority, that are related to the Work and for which the Construction Manager is liable.

§ 7.6.3 Fees and assessments for the building permit, and for other permits, licenses, and inspections, for which the Construction Manager is required by the Contract Documents to pay.

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§ 7.6.4 Fees of laboratories for tests required by the Contract Documents; except those related to defective or nonconforming Work for which reimbursement is excluded under Article 13 of AIA Document A201–2017 or by other provisions of the Contract Documents, and which do not fall within the scope of Section 7.7.3.

§ 7.6.5 Royalties and license fees paid for the use of a particular design, process, or product, required by the Contract Documents.

§ 7.6.5.1 The cost of defending suits or claims for infringement of patent rights arising from requirements of the Contract Documents, payments made in accordance with legal judgments against the Construction Manager resulting from such suits or claims, and payments of settlements made with the Owner's consent, unless the Construction Manager had reason to believe that the required design, process, or product was an infringement of a copyright or a patent, and the Construction Manager failed to promptly furnish such information to the Architect as required by Article 3 of AIA Document A201–2017. The costs of legal defenses, judgments, and settlements shall not be included in the Cost of the Work used to calculate the Construction Manager's Fee or subject to the Guaranteed Maximum Price.

§ 7.6.6 Costs for communications services, electronic equipment, and software, directly related to the Work and located at the site, with the Owner's prior approval.

§ 7.6.7 Costs of document reproductions and delivery charges.

§ 7.6.8 Deposits lost for causes other than the Construction Manager's negligence or failure to fulfill a specific responsibility in the Contract Documents.

§ 7.6.9 Legal, mediation and arbitration costs, including attorneys' fees, other than those arising from disputes between the Owner and Construction Manager, reasonably incurred by the Construction Manager after the execution of this Agreement in the performance of the Work and with the Owner's prior approval, which shall not be unreasonably withheld.

§ 7.6.10 Expenses incurred in accordance with the Construction Manager's standard written personnel policy for relocation and temporary living allowances of the Construction Manager's personnel required for the Work, with the Owner's prior approval.

§ 7.6.11 That portion of the reasonable expenses of the Construction Manager's supervisory or administrative personnel incurred while traveling in discharge of duties connected with the Work. Payment for travel expenses shall be reimbursed at actual cost without markups. Travel expenses for the Construction Manager's Executives and Officers are not reimbursable unless they are assigned full time to the project and work onsite.

§ 7.7 Other Costs and Emergencies

§ 7.7.1 Other costs incurred in the performance of the Work, with the Owner's prior approval.

§ 7.7.2 Costs incurred in taking action to prevent threatened damage, injury, or loss, in case of an emergency affecting the safety of persons and property, as provided in Article 10 of AIA Document A201–2017.

§ 7.7.3 Costs of repairing or correcting damaged or nonconforming Work executed by the Construction Manager, Subcontractors, or suppliers, provided that such damaged or nonconforming Work was not caused by the negligence of, or failure to fulfill a specific responsibility by, the Construction Manager, and only to the extent that the cost of repair or correction is not recovered by the Construction Manager from insurance, sureties, Subcontractors, suppliers, or others.

§ 7.7.4 The costs described in Sections 7.1 through 7.7 shall be included in the Cost of the Work, notwithstanding any provision of AIA Document A201–2017 or other Conditions of the Contract which may require the Construction Manager to pay such costs, unless such costs are excluded by the provisions of Section 7.9.

§ 7.8 Related Party Transactions

§ 7.8.1 For purposes of this Section 7.8, the term "related party" shall mean (1) a parent, subsidiary, affiliate, or other entity having common ownership of, or sharing common management with, the Construction Manager; (2) any entity in which any stockholder in, or management employee of, the Construction Manager holds an equity interest in excess of ten percent in the aggregate; (3) any entity which has the right to control the business or affairs of the Construction Manager;

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or (4) any person, or any member of the immediate family of any person, who has the right to control the business or affairs of the Construction Manager.

§ 7.8.2 If any of the costs to be reimbursed arise from a transaction between the Construction Manager and a related party, the Construction Manager shall notify the Owner of the specific nature of the contemplated transaction, including the identity of the related party and the anticipated cost to be incurred, before any such transaction is consummated or cost incurred. If the Owner, after such notification, authorizes the proposed transaction in writing, then the cost incurred shall be included as a cost to be reimbursed, and the Construction Manager shall procure the Work, equipment, goods, or service, from the related party, as a Subcontractor, according to the terms of Article 9. If the Owner fails to authorize the transaction in writing, the Construction Manager shall procure the Work, equipment, goods, or service from some person or entity other than a related party according to the terms of Article 9.

§ 7.9 Costs Not To Be Reimbursed

§ 7.9.1 The Cost of the Work shall not include the items listed below:

- .1 Salaries and other compensation of the Construction Manager's personnel stationed at the Construction Manager's principal office or offices other than the site office, except as specifically provided in Section 7.2, or as may be provided in Article 14;
- .2 Bonuses, profit sharing, incentive compensation, and any other discretionary payments, paid to anyone hired by the Construction Manager or paid to any Subcontractor or vendor, unless the Owner has provided prior approval;
- .3 Expenses of the Construction Manager's principal office and offices other than the site office;
- .4 Overhead and general expenses, except as may be expressly included in Sections 7.1 to 7.7;
- .5 The Construction Manager's capital expenses, including interest on the Construction Manager's capital employed for the Work;
- .6 Except as provided in Section 7.7.3 of this Agreement, costs due to the negligence of, or failure to fulfill a specific responsibility of the Contract by, the Construction Manager, Subcontractors, and suppliers, or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable;
- .7 Any cost not specifically and expressly described in Sections 7.1 to 7.7;
- .8 Costs, other than costs included in Change Orders approved by the Owner, that would cause the Guaranteed Maximum Price to be exceeded; and
- .9 Costs for services incurred during the Preconstruction Phase.

ARTICLE 8 DISCOUNTS, REBATES, AND REFUNDS

§ 8.1 Cash discounts obtained on payments made by the Construction Manager shall accrue to the Owner if (1) before making the payment, the Construction Manager included the amount to be paid, less such discount, in an Application for Payment and received payment from the Owner, or (2) the Owner has deposited funds with the Construction Manager with which to make payments; otherwise, cash discounts shall accrue to the Construction Manager. Trade discounts, rebates, refunds, and amounts received from sales of surplus materials and equipment shall accrue to the Owner, and the Construction Manager shall make provisions so that they can be obtained.

§ 8.2 Amounts that accrue to the Owner in accordance with the provisions of Section 8.1 shall be credited to the Owner as a deduction from the Cost of the Work.

ARTICLE 9 SUBCONTRACTS AND OTHER AGREEMENTS

§ 9.1 Those portions of the Work that the Construction Manager does not customarily perform with the Construction Manager's own personnel shall be performed under subcontracts or other appropriate agreements with the Construction Manager. The Owner may designate specific persons from whom, or entities from which, the Construction Manager shall obtain bids. The Construction Manager shall obtain bids from Subcontractors, and from suppliers of materials or equipment fabricated especially for the Work, who are qualified to perform that portion of the Work in accordance with the requirements of the Contract Documents. The Construction Manager shall deliver such bids to the Architect and Owner with an indication as to which bids the Construction Manager intends to accept. The Owner then has the right to review the Construction Manager's list of proposed subcontractors and suppliers in consultation with the Architect and, subject to Section 9.1.1, to object to any subcontractor or supplier. Any advice of the Architect, or approval or objection by the Owner, shall not relieve the Construction Manager of its responsibility to perform the Work in accordance with the Contract Documents. The Construction Manager shall not be required to contract with anyone to whom the Construction Manager has reasonable objection.

§ 9.1.1 When a specific subcontractor or supplier (1) is recommended to the Owner by the Construction Manager; (2) is qualified to perform that portion of the Work; and (3) has submitted a bid that conforms to the requirements of the Contract Documents without reservations or exceptions, but the Owner requires that another bid be accepted, then the Construction Manager may require that a Change Order be issued to adjust the Guaranteed Maximum Price by the difference between the bid of the person or entity recommended to the Owner by the Construction Manager and the amount of the subcontract or other agreement actually signed with the person or entity designated by the Owner.

§ 9.2 Subcontracts or other agreements shall conform to the applicable payment provisions of this Agreement, and shall not be awarded on the basis of cost plus a fee without the Owner's prior written approval. If a subcontract is awarded on the basis of cost plus a fee, the Construction Manager shall provide in the subcontract for the Owner to receive the same audit rights with regard to the Subcontractor as the Owner receives with regard to the Construction Manager in Article 10.

§ 9.3 Self-Perform Work means direct work performed by the Construction Manager's own forces. The Construction Manager may not perform direct work with its own forces without the Owners approval, which shall be in the Owners sole and absolute discretion. The Owner may require the work to be performed by a Subcontractor regardless of whether it appears that the Construction Manager can self-perform the work in accordance with the contract documents. There may be limited scope of work the Owner may approve to be performed by the Construction Manager that are not secured through a "competitive process." The Owners ability to authorize the Construction Manager to self-perform any work shall be subject to the appropriate FAA requirements, or North Carolina General Statutes, whichever are determined to be applicable.

§ 9.4 The Construction Manager shall administer and account for all costs, management and financial tracking of any self-performed work as though it were being performed under separate subcontract. If limited self-performed work is authorized by the Owner without competitive bidding, such work shall be billed at the Construction Manager's actual direct cost, exclusive of any further markups for profit, overhead, General Conditions costs or other fees, other than the Construction Manager's overall fee as stated in this contract.

ARTICLE 10 ACCOUNTING RECORDS

The Construction Manager shall keep full and detailed records and accounts related to the Cost of the Work, and exercise such controls, as may be necessary for proper financial management under this Contract and to substantiate all costs incurred. The accounting and control systems shall be satisfactory to the Owner. The Owner and the Owner's auditors shall, during regular business hours and upon reasonable notice, be afforded access to, and shall be permitted to audit and copy, the Construction Manager's records and accounts, including complete documentation supporting accounting entries, books, job cost reports, correspondence, instructions, drawings, receipts, subcontracts, Subcontractor's proposals, Subcontractor's invoices, purchase orders, vouchers, memoranda, and other data relating to this Contract. The Construction Manager shall preserve these records for a period of three years after final payment, or for such longer period as may be required by law.

ARTICLE 11 PAYMENTS FOR CONSTRUCTION PHASE SERVICES

§ 11.1 Progress Payments

§ 11.1.1 Based upon Applications for Payment submitted to the Architect by the Construction Manager, and Certificates for Payment issued by the Architect, the Owner shall make progress payments on account of the Contract Sum, to the Construction Manager, as provided below and elsewhere in the Contract Documents.

§ 11.1.2 The period covered by each Application for Payment shall be one calendar month ending on the last day of the month, or as follows:

§ 11.1.3 The Construction Manager shall submit an invoice for Construction Phase services provided for the prior calendar months billing period by the 5th day of each month, which invoice shall be paid by the Owner on a "net 30 day" basis, provided the amounts billed are for an accurate pro-rata percentage of services actually performed and accepted by the Owner, and further provide all supporting documentation required by the Owner or Architect is submitted with the invoice. The Owner shall have no obligation to process the Construction Manager's invoice if such invoice is incorrect, incomplete, or is not submitted with all of the supporting documentation required by the Owner, Architect, the FAA or the Owners funding agencies.

§ 11.1.4 With each Application for Payment, the Construction Manager shall submit payrolls, petty cash accounts, receipted invoices or invoices with check vouchers attached, and any other evidence required by the Owner or Architect to demonstrate that payments already made by the Construction Manager on account of the Cost of the Work equal or exceed progress payments already received by the Construction Manager, plus payrolls for the period covered by the present Application for Payment, less that portion of the progress payments attributable to the Construction Manager's Fee.

§ 11.1.5 Each Application for Payment shall be based on the most recent schedule of values submitted by the Construction Manager in accordance with the Contract Documents. The schedule of values shall allocate the entire Guaranteed Maximum Price among: (1) the various portions of the Work; (2) any contingency for costs that are included in the Guaranteed Maximum Price but not otherwise allocated to another line item or included in a Change Order; and (3) the Construction Manager's Fee.

§ 11.1.5.1 The schedule of values shall be prepared in such form and supported by such data to substantiate its accuracy as the Architect may require. The schedule of values shall be used as a basis for reviewing the Construction Manager's Applications for Payment.

§ 11.1.5.2 The allocation of the Guaranteed Maximum Price under this Section 11.1.5 shall not constitute a separate guaranteed maximum price for the Cost of the Work of each individual line item in the schedule of values.

§ 11.1.5.3 When the Construction Manager allocates costs from a contingency to another line item in the schedule of values, the Construction Manager shall submit supporting documentation to the Architect in accordance with Article 3.2.4 above.

§ 11.1.6 Applications for Payment shall show the percentage of completion of each portion of the Work as of the end of the period covered by the Application for Payment. The percentage of completion shall be the lesser of (1) the percentage of that portion of the Work which has actually been completed, or (2) the percentage obtained by dividing (a) the expense that has actually been incurred by the Construction Manager on account of that portion of the Work and for which the Construction Manager has made payment or intends to make payment prior to the next Application for Payment, by (b) the share of the Guaranteed Maximum Price allocated to that portion of the Work in the schedule of values.

§ 11.1.7 In accordance with AIA Document A201–2017 and subject to other provisions of the Contract Documents, the amount of each progress payment shall be computed as follows:

§ 11.1.7.1 The amount of each progress payment shall first include:

- .1 That portion of the Guaranteed Maximum Price properly allocable to completed Work as determined by multiplying the percentage of completion of each portion of the Work by the share of the Guaranteed Maximum Price allocated to that portion of the Work in the most recent schedule of values;
- .2 That portion of the Guaranteed Maximum Price properly allocable to materials and equipment delivered and suitably stored at the site for subsequent incorporation in the completed construction or, if approved in writing in advance by the Owner, suitably stored off the site at a location agreed upon in writing;
- .3 That portion of Construction Change Directives that the Architect determines, in the Architect's professional judgment, to be reasonably justified; and
- .4 The Construction Manager's Fee, computed upon the Cost of the Work described in the preceding Sections 11.1.7.1.1 and 11.1.7.1.2 at the rate stated in Section 6.1.2 or, if the Construction Manager's Fee is stated as a fixed sum in that Section, an amount that bears the same ratio to that fixed-sum fee as the Cost of the Work included in Sections 11.1.7.1.1 and 11.1.7.1.2 bears to a reasonable estimate of the probable Cost of the Work upon its completion.

§ 11.1.7.2 The amount of each progress payment shall then be reduced by:

- .1 The aggregate of any amounts previously paid by the Owner;
- .2 The amount, if any, for Work that remains uncorrected and for which the Architect has previously withheld a Certificate for Payment as provided in Article 9 of AIA Document A201–2017;
- .3 Any amount for which the Construction Manager does not intend to pay a Subcontractor or material supplier, unless the Work has been performed by others the Construction Manager intends to pay;
- .4 For Work performed or defects discovered since the last payment application, any amount for which the Architect may withhold payment, or nullify a Certificate of Payment in whole or in part, as provided in Article 9 of AIA Document A201–2017;

- .5 The shortfall, if any, indicated by the Construction Manager in the documentation required by Section 11.1.4 to substantiate prior Applications for Payment, or resulting from errors subsequently discovered by the Owner's auditors in such documentation; and
- .6 Retainage withheld pursuant to Section 11.1.8.

§ 11.1.7.3 Nothing in this Agreement shall require the Owner to process or make payment on a progress payment application if such application is incorrect, incomplete, or is not submitted with all of the supporting documentation required by the Owner or Architect to satisfy the Owner's requirements, FAA requirements and those requirements of other funding agencies. Furthermore, the Owner shall have no obligation to make payment for incomplete work, work that has not been accepted, or work, the satisfactory completion of which is in dispute.

§ 11.1.8 Retainage

§ 11.1.8.1 For each progress payment made prior to Substantial Completion of the Work, the Owner may withhold the following amount, as retainage, from the payment otherwise

(Paragraphs deleted)

due. Retainage amount to be withheld by the Owner prior to Substantial Completion is ten (10) percent. The Owner shall release retainage associated with each individual phase of construction as each phase individually achieves Substantial Completion and all other requirements are subsequently met.

§ 11.1.8.1.1 The following items are not subject to retainage:

(Insert any items not subject to the withholding of retainage, such as general conditions, insurance, etc.)

§ 11.1.8.2 Reduction or limitation of retainage, if any, shall be as follows:

(If the retainage established in Section 11.1.8.1 is to be modified prior to Substantial Completion of the entire Work, insert provisions for such modification.)

§ 11.1.8.3 Except as set forth in this Section 11.1.8.3, upon Substantial Completion of the Work, the Construction Manager may submit an Application for Payment that includes the retainage withheld from prior Applications for Payment pursuant to this Section 11.1.8.

(Paragraphs deleted)

Upon Substantial Completion, retainage shall be reduced to no less than 2 percent, until Final Payment is made.

§ 11.1.9 If final completion of the Work is materially delayed through no fault of the Construction Manager, the Owner shall pay the Construction Manager any additional amounts in accordance with Article 9 of AIA Document A201-2017.

§ 11.1.10 Except with the Owner's prior written approval, the Construction Manager shall not make advance payments to suppliers for materials or equipment which have not been delivered and suitably stored at the site.

§ 11.1.11 The Owner and the Construction Manager shall agree upon a mutually acceptable procedure for review and approval of payments to Subcontractors, and the percentage of retainage held on Subcontracts, and the Construction Manager shall execute subcontracts in accordance with those agreements.

§ 11.1.12 In taking action on the Construction Manager's Applications for Payment the Architect shall be entitled to rely on the accuracy and completeness of the information furnished by the Construction Manager, and such action shall not be deemed to be a representation that (1) the Architect has made a detailed examination, audit, or arithmetic verification, of the documentation submitted in accordance with Section 11.1.4 or other supporting data; (2) that the Architect has made exhaustive or continuous on-site inspections; or (3) that the Architect has made examinations to ascertain how or for what purposes the Construction Manager has used amounts previously paid on account of the Contract. Such examinations, audits, and verifications, if required by the Owner, will be performed by the Owner's auditors acting in the sole interest of the Owner.

§ 11.2 Final Payment

§ 11.2.1 Final payment, constituting the entire unpaid balance of the Contract Sum, shall be made by the Owner to the Construction Manager when

- .1 the Construction Manager has fully performed the Contract, except for the Construction Manager's responsibility to correct Work as provided in Article 12 of AIA Document A201–2017, and to satisfy other requirements, if any, which extend beyond final payment;
- .2 the Construction Manager has submitted a final accounting for the Cost of the Work and a final Application for Payment; and
- .3 a final Certificate for Payment has been issued by the Architect in accordance with Section 11.2.2.2.

§ 11.2.2 Within 30 days of the Owner's receipt of the Construction Manager's final accounting for the Cost of the Work, the Owner shall conduct an audit of the Cost of the Work or notify the Architect that it will not conduct an audit.

§ 11.2.2.1 If the Owner conducts an audit of the Cost of the Work, the Owner shall, within 10 days after completion of the audit, submit a written report based upon the auditors' findings to the Architect.

§ 11.2.2.2 Within seven days after receipt of the written report described in Section 11.2.2.1, or receipt of notice that the Owner will not conduct an audit, and provided that the other conditions of Section 11.2.1 have been met, the Architect will either issue to the Owner a final Certificate for Payment with a copy to the Construction Manager, or notify the Construction Manager and Owner in writing of the Architect's reasons for withholding a certificate as provided in Article 9 of AIA Document A201–2017. The time periods stated in this Section 11.2.2 supersede those stated in Article 9 of AIA Document A201–2017. The Architect is not responsible for verifying the accuracy of the Construction Manager's final accounting.

§ 11.2.2.3 If the Owner's auditors' report concludes that the Cost of the Work, as substantiated by the Construction Manager's final accounting, is less than claimed by the Construction Manager, the Construction Manager shall be entitled to request mediation of the disputed amount without seeking an initial decision pursuant to Article 15 of AIA Document A201–2017. A request for mediation shall be made by the Construction Manager within 30 days after the Construction Manager's receipt of a copy of the Architect's final Certificate for Payment. Failure to request mediation within this 30-day period shall result in the substantiated amount reported by the Owner's auditors becoming binding on the Construction Manager. Pending a final resolution of the disputed amount, the Owner shall pay the Construction Manager the amount certified in the Architect's final Certificate for Payment.

§ 11.2.3 The Owner's final payment to the Construction Manager shall be made no later than 30 days after the issuance of the Architect's final Certificate for Payment, or as follows:

§ 11.2.4 If, subsequent to final payment, and at the Owner's request, the Construction Manager incurs costs, described in Sections 7.1 through 7.7, and not excluded by Section 7.9, to correct defective or nonconforming Work, the Owner shall reimburse the Construction Manager for such costs, and the Construction Manager's Fee applicable thereto, on the same basis as if such costs had been incurred prior to final payment, but not in excess of the Guaranteed Maximum Price. If adjustments to the Contract Sum are provided for in Section 6.1.7, the amount of those adjustments shall be recalculated, taking into account any reimbursements made pursuant to this Section 11.2.4 in determining the net amount to be paid by the Owner to the Construction Manager.

§ 11.3 Interest

Payments due and unpaid under the Contract shall bear interest from the date payment is due at the rate stated below, or in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located.

(Insert rate of interest agreed upon, if any.)

%

ARTICLE 12 DISPUTE RESOLUTION

§ 12.1 Initial Decision Maker

§ 12.1.1 Any Claim between the Owner and Construction Manager shall be resolved in accordance with the provisions set forth in this Article 12 and Article 15 of A201–2017. However, for Claims arising from or relating to the Construction

Manager's Preconstruction Phase services, no decision by the Initial Decision Maker shall be required as a condition precedent to mediation or binding dispute resolution, and Section 12.1.2 of this Agreement shall not apply.

§ 12.1.2 The Architect will serve as the Initial Decision Maker pursuant to Article 15 of AIA Document A201–2017 for Claims arising from or relating to the Construction Manager's Construction Phase services, unless the parties appoint below another individual, not a party to the Agreement, to serve as the Initial Decision Maker.

(If the parties mutually agree, insert the name, address and other contact information of the Initial Decision Maker, if other than the Architect.)

§ 12.2 Binding Dispute Resolution

For any Claim subject to, but not resolved by mediation pursuant to Article 15 of AIA Document A201–2017, the method of binding dispute resolution shall be as follows:

(Check the appropriate box.)

- Arbitration pursuant to Article 15 of AIA Document A201–2017
- Litigation in a court of competent jurisdiction
- Other: *(Specify)*

If the Owner and Construction Manager do not select a method of binding dispute resolution, or do not subsequently agree in writing to a binding dispute resolution method other than litigation, Claims will be resolved by litigation in a court of competent jurisdiction.

ARTICLE 13 TERMINATION OR SUSPENSION

§ 13.1 Termination Prior to Execution of the Guaranteed Maximum Price Amendment

§ 13.1.1 If the Owner and the Construction Manager do not reach an agreement on the Guaranteed Maximum Price, the Owner may terminate this Agreement upon not less than seven days' written notice to the Construction Manager, and the Construction Manager may terminate this Agreement, upon not less than seven days' written notice to the Owner.

§ 13.1.2 In the event of termination of this Agreement pursuant to Section 13.1.1, the Construction Manager shall be compensated for Preconstruction Phase services and Work performed prior to receipt of a notice of termination, in accordance with the terms of this Agreement. In no event shall the Construction Manager's compensation under this Section exceed the compensation set forth in Section 5.1.

§ 13.1.3 Prior to the execution of the Guaranteed Maximum Price Amendment, the Owner may terminate this Agreement upon not less than seven days' written notice to the Construction Manager for the Owner's convenience and without cause, and the Construction Manager may terminate this Agreement, upon not less than seven days' written notice to the Owner, for the reasons set forth in Article 14 of A201–2017.

§ 13.1.4 In the event of termination of this Agreement pursuant to Section 13.1.3, the Construction Manager shall be equitably compensated for Preconstruction Phase services and Work performed prior to receipt of a notice of termination. In no event shall the Construction Manager's compensation under this Section exceed the compensation set forth in Section 5.1.

§ 13.1.5 If the Owner terminates the Contract pursuant to Section 13.1.3 after the commencement of the Construction Phase but prior to the execution of the Guaranteed Maximum Price Amendment, the Owner shall pay to the Construction Manager an amount calculated as follows, which amount shall be in addition to any compensation paid to the Construction Manager under Section 13.1.4:

- .1 Take the Cost of the Work incurred by the Construction Manager to the date of termination;

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- .2 Add the Construction Manager's Fee computed upon the Cost of the Work to the date of termination at the rate stated in Section 6.1 or, if the Construction Manager's Fee is stated as a fixed sum in that Section, an amount that bears the same ratio to that fixed-sum Fee as the Cost of the Work at the time of termination bears to a reasonable estimate of the probable Cost of the Work upon its completion; and
- .3 Subtract the aggregate of previous payments made by the Owner for Construction Phase services.

§ 13.1.6 The Owner shall also pay the Construction Manager fair compensation, either by purchase or rental at the election of the Owner, for any equipment owned by the Construction Manager that the Owner elects to retain and that is not otherwise included in the Cost of the Work under Section 13.1.5.1. To the extent that the Owner elects to take legal assignment of subcontracts and purchase orders (including rental agreements), the Construction Manager shall, as a condition of receiving the payments referred to in this Article 13, execute and deliver all such papers and take all such steps, including the legal assignment of such subcontracts and other contractual rights of the Construction Manager, as the Owner may require for the purpose of fully vesting in the Owner the rights and benefits of the Construction Manager under such subcontracts or purchase orders. All Subcontracts, purchase orders and rental agreements entered into by the Construction Manager will contain provisions allowing for assignment to the Owner as described above.

§ 13.1.6.1 If the Owner accepts assignment of subcontracts, purchase orders or rental agreements as described above, the Owner will reimburse or indemnify the Construction Manager for all costs arising under the subcontract, purchase order or rental agreement, if those costs would have been reimbursable as Cost of the Work if the contract had not been terminated. If the Owner chooses not to accept assignment of any subcontract, purchase order or rental agreement that would have constituted a Cost of the Work had this agreement not been terminated, the Construction Manager will terminate the subcontract, purchase order or rental agreement and the Owner will pay the Construction Manager the costs necessarily incurred by the Construction Manager because of such termination.

§ 13.2 Termination or Suspension Following Execution of the Guaranteed Maximum Price Amendment

§ 13.2.1 Termination

The Contract may be terminated by the Owner or the Construction Manager as provided in Article 14 of AIA Document A201–2017.

§ 13.2.2 Termination by the Owner for Cause

§ 13.2.2.1 If the Owner terminates the Contract for cause as provided in Article 14 of AIA Document A201–2017, the amount, if any, to be paid to the Construction Manager under Article 14 of AIA Document A201–2017 shall not cause the Guaranteed Maximum Price to be exceeded, nor shall it exceed an amount calculated as follows:

- .1 Take the Cost of the Work incurred by the Construction Manager to the date of termination;
- .2 Add the Construction Manager's Fee, computed upon the Cost of the Work to the date of termination at the rate stated in Section 6.1 or, if the Construction Manager's Fee is stated as a fixed sum in that Section, an amount that bears the same ratio to that fixed-sum Fee as the Cost of the Work at the time of termination bears to a reasonable estimate of the probable Cost of the Work upon its completion;
- .3 Subtract the aggregate of previous payments made by the Owner; and
- .4 Subtract the costs and damages incurred, or to be incurred, by the Owner under Article 14 of AIA Document A201–2017.

§ 13.2.2.2 The Owner shall also pay the Construction Manager fair compensation, either by purchase or rental at the election of the Owner, for any equipment owned by the Construction Manager that the Owner elects to retain and that is not otherwise included in the Cost of the Work under Section 13.2.2.1.1. To the extent that the Owner elects to take legal assignment of subcontracts and purchase orders (including rental agreements), the Construction Manager shall, as a condition of receiving the payments referred to in this Article 13, execute and deliver all such papers and take all such steps, including the legal assignment of such subcontracts and other contractual rights of the Construction Manager, as the Owner may require for the purpose of fully vesting in the Owner the rights and benefits of the Construction Manager under such subcontracts or purchase orders.

§ 13.2.3 Termination by the Owner for Convenience

If the Owner terminates the Contract for convenience in accordance with Article 14 of AIA Document A201–2017, then the Owner shall pay the Construction Manager a termination fee as follows:

(Insert the amount of or method for determining the fee, if any, payable to the Construction Manager following a termination for the Owner's convenience.)

Construction Manager shall only be paid for pro-rated services performed to the date of Termination. No additional fee shall be due.

§ 13.3 Suspension

The Work may be suspended by the Owner as provided in Article 14 of AIA Document A201–2017; in such case, the Guaranteed Maximum Price and Contract Time shall be increased as provided in Article 14 of AIA Document A201–2017, except that the term "profit" shall be understood to mean the Construction Manager's Fee as described in Sections 6.1 and 6.3.5 of this Agreement.

ARTICLE 14 MISCELLANEOUS PROVISIONS

§ 14.1 Terms in this Agreement shall have the same meaning as those in A201–2017. Where reference is made in this Agreement to a provision of AIA Document A201–2017 or another Contract Document, the reference refers to that provision as amended or supplemented by other provisions of the Contract Documents.

§ 14.2 Successors and Assigns

§ 14.2.1 The Owner and Construction Manager, respectively, bind themselves, their partners, successors, assigns and legal representatives to covenants, agreements, and obligations contained in the Contract Documents. Except as provided in Section 14.2.2 of this Agreement, and in Section 13.2.2 of A201–2017, neither party to the Contract shall assign the Contract as a whole without written consent of the other. If either party attempts to make an assignment without such consent, that party shall nevertheless remain legally responsible for all obligations under the Contract.

§ 14.2.2 The Owner may, without consent of the Construction Manager, assign the Contract to a lender providing construction financing for the Project, if the lender assumes the Owner's rights and obligations under the Contract Documents. The Construction Manager shall execute all consents reasonably required to facilitate the assignment.

§ 14.3 Insurance and Bonds

§ 14.3.1 Preconstruction Phase

The Construction Manager shall maintain the following insurance for the duration of the Preconstruction Services performed under this Agreement. If any of the requirements set forth below exceed the types and limits the Construction Manager normally maintains, the Owner shall reimburse the Construction Manager for any additional cost.

§ 14.3.1.1 Commercial General Liability with policy limits of not less than One Million Dollars (\$ 1,000,000.00) for each occurrence and Two Million Dollars (\$ 2,000,000.00) in the aggregate for bodily injury and property damage.

§ 14.3.1.2 Automobile Liability covering vehicles owned, and non-owned vehicles used, by the Construction Manager with policy limits of not less than One Million Dollars (\$ 1,000,000.00) per accident for bodily injury, death of any person, and property damage arising out of the ownership, maintenance and use of those motor vehicles, along with any other statutorily required automobile coverage.

§ 14.3.1.3 The Construction Manager may achieve the required limits and coverage for Commercial General Liability and Automobile Liability through a combination of primary and excess or umbrella liability insurance, provided that such primary and excess or umbrella liability insurance policies result in the same or greater coverage as the coverages required under Sections 14.3.1.1 and 14.3.1.2, and in no event shall any excess or umbrella liability insurance provide narrower coverage than the primary policy. The excess policy shall not require the exhaustion of the underlying limits only through the actual payment by the underlying insurers.

§ 14.3.1.4 Workers' Compensation at statutory limits and Employers Liability with policy limits not less than One Million Dollars (\$ 1,000,000.00) each accident, One Million Dollars (\$ 1,000,000.00) each employee.

§ 14.3.1.5 Professional Liability covering negligent acts, errors and omissions in the performance of professional services, with policy limits of not less than Five Million Dollars (\$ 5,000,000.00) per claim and Ten Million Dollars (\$ 10,000,000.00) in the aggregate.

§ 14.3.1.6 Other Insurance

(List below any other insurance coverage to be provided by the Construction Manager and any applicable limits.)

Init.

Coverage

Limits

§ 14.3.1.7 Additional Insured Obligations. To the fullest extent permitted by law, the Construction Manager shall cause the primary and excess or umbrella policies for Commercial General Liability and Automobile Liability to include the Owner as an additional insured for claims caused in whole or in part by the Construction Manager’s negligent acts or omissions. The additional insured coverage shall be primary and non-contributory to any of the Owner’s insurance policies and shall apply to both ongoing and completed operations.

§ 14.3.1.8 The Construction Manager shall provide certificates of insurance to the Owner that evidence compliance with the requirements in this Section 14.3.1.

§ 14.3.2 Construction Phase

After execution of the Guaranteed Maximum Price Amendment, the Owner and the Construction Manager shall purchase and maintain insurance as set forth in AIA Document A133™–2019, Standard Form of Agreement Between Owner and Construction Manager as Constructor where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price, Exhibit B, Insurance and Bonds, and elsewhere in the Contract Documents.

§ 14.3.2.1 The Construction Manager shall provide bonds as set forth in AIA Document A133™–2019 Exhibit B, and elsewhere in the Contract Documents.

§ 14.4 Notice in electronic format, pursuant to Article 1 of AIA Document A201–2017, may be given in accordance with AIA Document E203™–2013, Building Information Modeling and Digital Data Exhibit, if completed, or as otherwise set forth below:

(If other than in accordance with AIA Document E203–2013, insert requirements for delivering notice in electronic format such as name, title, and email address of the recipient and whether and how the system will be required to generate a read receipt for the transmission.)

§ 14.5 Other provisions:

ARTICLE 15 SCOPE OF THE AGREEMENT

§ 15.1 This Agreement represents the entire and integrated agreement between the Owner and the Construction Manager and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both Owner and Construction Manager.

§ 15.2 The following documents comprise the Agreement:

- .1 AIA Document A133™–2019, Standard Form of Agreement Between Owner and Construction Manager as Constructor where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price
- .2 AIA Document A133™–2019, Exhibit A, Guaranteed Maximum Price Amendment, if executed
- .3 AIA Document A133™–2019, Exhibit B, Insurance and Bonds
- .4 AIA Document A201™–2017, General Conditions of the Contract for Construction
- .5 AIA Document E203™–2013, Building Information Modeling and Digital Data Exhibit, dated as indicated below:
(Insert the date of the E203-2013 incorporated into this Agreement.)

December 11, 2020

- .6 Other Exhibits:
(Check all boxes that apply.)

AIA Document E234™–2019, Sustainable Projects Exhibit, Construction Manager as Constructor Edition, dated as indicated below:

Init.

(Insert the date of the E234-2019 incorporated into this Agreement.)

Supplementary and other Conditions of the Contract:

Document	Title	Date	Pages
.7	Other documents, if any, listed below: <i>(List here any additional documents that are intended to form part of the Contract Documents. AIA Document A201-2017 provides that the advertisement or invitation to bid, Instructions to Bidders, sample forms, the Construction Manager's bid or proposal, portions of Addenda relating to bidding or proposal requirements, and other information furnished by the Owner in anticipation of receiving bids or proposals, are not part of the Contract Documents unless enumerated in this Agreement. Any such documents should be listed here only if intended to be part of the Contract Documents.)</i>		
	Exhibit C – Federal Aviation Administration (FAA) Mandatory Contract Provisions		
	Exhibit D – Construction Managers Pre-Construction Phase Basis of Fee		
	Exhibit E – Construction Managers Home Office Personnel Billing Rates and Time Allocation		
	Exhibit F – Building Information Modeling (BIM) Execution Plan (Subject to revisions through mutual agreement.)		
	Exhibit G – Owners Contractor Prequalification Policy		
	Exhibit H – Request for Qualifications (RFQ) for Construction Manager at Risk Services for Terminal Modernization Project (including Addendum 1)		
	Exhibit I – Construction Manager (Hensel Phelps) General Proposal		
	Exhibit J – Design Schedule (Subject to Modifications)		

This Agreement is entered into as of the day and year first written above.

OWNER *(Signature)*

Lew Bleiweis, A.A.E. Executive Director
(Printed name and title)

CONSTRUCTION MANAGER *(Signature)*

Kirk Hazen, Vice President
(Printed name and title)

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

Finance Officer

Date



AIA[®] Document A133™ – 2019 Exhibit B

Insurance and Bonds

This Insurance and Bonds Exhibit is part of the Agreement, between the Owner and the Construction Manager, dated the 11th day of December in the year 2020
(In words, indicate day, month and year.)

for the following **PROJECT**:
(Name and location or address)

Terminal Building Modernization and Expansion Project
61 Terminal Drive, Ste 1, Fletcher, NC 28732

THE OWNER:
(Name, legal status, and address)

Greater Asheville Regional Airport Authority
61 Terminal Drive, Suite 1
Fletcher, NC 28732

THE CONSTRUCTION MANAGER:
(Name, legal status, and address)

Hensel Phelps Construction Company
6557 Hazeltine National Drive, Suite 1
Orlando, FL 32822

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ARTICLE B.1 GENERAL

The Owner and Construction Manager shall purchase and maintain insurance, and provide bonds, as set forth in this Exhibit. As used in this Exhibit, the term General Conditions refers to AIA Document A201™–2017, General Conditions of the Contract for Construction.

ARTICLE B.2 OWNER'S INSURANCE

§ B.2.1 General

Prior to commencement of the Work, the Owner shall secure the insurance, and provide evidence of the coverage, required under this Article B.2 and, upon the Construction Manager's request, provide a copy of the property insurance policy or policies required by Section B.2.3. The copy of the policy or policies provided shall contain all applicable conditions, definitions, exclusions, and endorsements.

ADDITIONS AND DELETIONS:

The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information and where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

This document is intended to be used in conjunction with AIA Document A201™–2017, General Conditions of the Contract for Construction. Article 11 of A201™–2017 contains additional insurance provisions.

§ B.2.2 Liability Insurance

The Owner shall be responsible for purchasing and maintaining the Owner's usual general liability insurance.

§ B.2.3 Required Property Insurance

§ B.2.3.1 Unless this obligation is placed on the Construction Manager pursuant to Section B.3.3.2.1, the Owner shall purchase and maintain, from an insurance company or insurance companies lawfully authorized to issue insurance in the jurisdiction where the Project is located, property insurance written on a builder's risk "all-risks" completed value or equivalent policy form and sufficient to cover the total value of the entire Project on a replacement cost basis. The Owner's property insurance coverage shall be no less than the amount of the initial Contract Sum, plus the value of subsequent Modifications and labor performed and materials or equipment supplied by others. The property insurance shall be maintained until Substantial Completion and thereafter as provided in Section B.2.3.1.3, unless otherwise provided in the Contract Documents or otherwise agreed in writing by the parties to this Agreement. This insurance shall include the interests of the Owner, Construction Manager, Subcontractors, and Sub-subcontractors in the Project as insureds. This insurance shall include the interests of mortgagees as loss payees.

§ B.2.3.1.1 Causes of Loss. The insurance required by this Section B.2.3.1 shall provide coverage for direct physical loss or damage, and shall not exclude the risks of fire, explosion, theft, vandalism, malicious mischief, collapse, earthquake, flood, or windstorm. The insurance shall also provide coverage for ensuing loss or resulting damage from error, omission, or deficiency in construction methods, design, specifications, workmanship, or materials. Sub-limits, if any, are as follows:

(Indicate below the cause of loss and any applicable sub-limit.)

Cause of Loss	Sub-Limit
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§ B.2.3.1.2 Specific Required Coverages. The insurance required by this Section B.2.3.1 shall provide coverage for loss or damage to falsework and other temporary structures, and to building systems from testing and startup. The insurance shall also cover debris removal, including demolition occasioned by enforcement of any applicable legal requirements, and reasonable compensation for the Architect's and Construction Manager's services and expenses required as a result of such insured loss, including claim preparation expenses. Sub-limits, if any, are as follows:

(Indicate below type of coverage and any applicable sub-limit for specific required coverages.)

Coverage	Sub-Limit
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§ B.2.3.1.3 Unless the parties agree otherwise, upon Substantial Completion, the Owner shall continue the insurance required by Section B.2.3.1 or, if necessary, replace the insurance policy required under Section B.2.3.1 with property insurance written for the total value of the Project that shall remain in effect until expiration of the period for correction of the Work set forth in Section 12.2.2 of the General Conditions.

§ B.2.3.1.4 Deductibles and Self-Insured Retentions. If the insurance required by this Section B.2.3 is subject to deductibles or self-insured retentions, the Owner shall be responsible for all loss not covered because of such deductibles or retentions.

§ B.2.3.2 Occupancy or Use Prior to Substantial Completion. The Owner's occupancy or use of any completed or partially completed portion of the Work prior to Substantial Completion shall not commence until the insurance company or companies providing the insurance under Section B.2.3.1 have consented in writing to the continuance of coverage. The Owner and the Construction Manager shall take no action with respect to partial occupancy or use that would cause cancellation, lapse, or reduction of insurance, unless they agree otherwise in writing.

§ B.2.3.3 Insurance for Existing Structures

If the Work involves remodeling an existing structure or constructing an addition to an existing structure, the Owner shall purchase and maintain, until the expiration of the period for correction of Work as set forth in Section 12.2.2 of the General Conditions, "all-risks" property insurance, on a replacement cost basis, protecting the existing structure against direct physical loss or damage from the causes of loss identified in Section B.2.3.1, notwithstanding the undertaking of the Work. The Owner shall be responsible for all co-insurance penalties.

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§ B.2.4 Optional Extended Property Insurance.

The Owner shall purchase and maintain the insurance selected and described below.

(Select the types of insurance the Owner is required to purchase and maintain by placing an X in the box(es) next to the description(s) of selected insurance. For each type of insurance selected, indicate applicable limits of coverage or other conditions in the fill point below the selected item.)

- § B.2.4.1 Loss of Use, Business Interruption, and Delay in Completion Insurance**, to reimburse the Owner for loss of use of the Owner's property, or the inability to conduct normal operations due to a covered cause of loss.

- § B.2.4.2 Ordinance or Law Insurance**, for the reasonable and necessary costs to satisfy the minimum requirements of the enforcement of any law or ordinance regulating the demolition, construction, repair, replacement or use of the Project.

- § B.2.4.3 Expediting Cost Insurance**, for the reasonable and necessary costs for the temporary repair of damage to insured property, and to expedite the permanent repair or replacement of the damaged property.

- § B.2.4.4 Extra Expense Insurance**, to provide reimbursement of the reasonable and necessary excess costs incurred during the period of restoration or repair of the damaged property that are over and above the total costs that would normally have been incurred during the same period of time had no loss or damage occurred.

- § B.2.4.5 Civil Authority Insurance**, for losses or costs arising from an order of a civil authority prohibiting access to the Project, provided such order is the direct result of physical damage covered under the required property insurance.

- § B.2.4.6 Ingress/Egress Insurance**, for loss due to the necessary interruption of the insured's business due to physical prevention of ingress to, or egress from, the Project as a direct result of physical damage.

- § B.2.4.7 Soft Costs Insurance**, to reimburse the Owner for costs due to the delay of completion of the Work, arising out of physical loss or damage covered by the required property insurance: including construction loan fees; leasing and marketing expenses; additional fees, including those of architects, engineers, consultants, attorneys and accountants, needed for the completion of the construction, repairs, or reconstruction; and carrying costs such as property taxes, building permits, additional interest on loans, realty taxes, and insurance premiums over and above normal expenses.

§ B.2.5 Other Optional Insurance.

The Owner shall purchase and maintain the insurance selected below.

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(Select the types of insurance the Owner is required to purchase and maintain by placing an X in the box(es) next to the description(s) of selected insurance.)

§ B.2.5.1 **Cyber Security Insurance** for loss to the Owner due to data security and privacy breach, including costs of investigating a potential or actual breach of confidential or private information. (Indicate applicable limits of coverage or other conditions in the fill point below.)

§ B.2.5.2 **Other Insurance**
(List below any other insurance coverage to be provided by the Owner and any applicable limits.)

Coverage

Limits

ARTICLE B.3 CONSTRUCTION MANAGER'S INSURANCE AND BONDS

§ B.3.1 General

§ B.3.1.1 **Certificates of Insurance.** The Construction Manager shall provide certificates of insurance acceptable to the Owner evidencing compliance with the requirements in this Article B.3 at the following times: (1) prior to commencement of the Work; (2) upon renewal or replacement of each required policy of insurance; and (3) upon the Owner's written request. An additional certificate evidencing continuation of commercial liability coverage, including coverage for completed operations, shall be submitted with the final Application for Payment and thereafter upon renewal or replacement of such coverage until the expiration of the periods required by Section B.3.2.1 and Section B.3.3.1. The certificates will show the Owner as an additional insured on the Construction Manager's Commercial General Liability and excess or umbrella liability policy or policies.

§ B.3.1.2 **Deductibles and Self-Insured Retentions.** The Construction Manager shall disclose to the Owner any deductible or self-insured retentions applicable to any insurance required to be provided by the Construction Manager.

§ B.3.1.3 **Additional Insured Obligations.** To the fullest extent permitted by law, the Construction Manager shall cause the commercial general liability coverage to include (1) the Owner, the Architect, and the Architect's consultants as additional insureds for claims caused in whole or in part by the Construction Manager's negligent acts or omissions during the Construction Manager's operations; and (2) the Owner as an additional insured for claims caused in whole or in part by the Construction Manager's negligent acts or omissions for which loss occurs during completed operations. The additional insured coverage shall be primary and non-contributory to any of the Owner's general liability insurance policies and shall apply to both ongoing and completed operations. To the extent commercially available, the additional insured coverage shall be no less than that provided by Insurance Services Office, Inc. (ISO) forms CG 20 10 07 04, CG 20 37 07 04, and, with respect to the Architect and the Architect's consultants, CG 20 32 07 04.

§ B.3.2 Construction Manager's Required Insurance Coverage

§ B.3.2.1 The Construction Manager shall purchase and maintain the following types and limits of insurance from an insurance company or insurance companies lawfully authorized to issue insurance in the jurisdiction where the Project is located. The Construction Manager shall maintain the required insurance until the expiration of the period for correction of Work as set forth in Section 12.2.2 of the General Conditions, unless a different duration is stated below: (If the Construction Manager is required to maintain insurance for a duration other than the expiration of the period for correction of Work, state the duration.)

§ B.3.2.2 Commercial General Liability

§ B.3.2.2.1 Commercial General Liability insurance for the Project written on an occurrence form with policy limits of not less than one million dollars (\$ 1,000,000.00) each occurrence, two million dollars (\$ 2,000,000.00) general aggregate, and two million dollars (\$ 2,000,000.00) aggregate for products-completed operations hazard, providing coverage for claims including

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- .1 damages because of bodily injury, sickness or disease, including occupational sickness or disease, and death of any person;
- .2 personal injury and advertising injury;
- .3 damages because of physical damage to or destruction of tangible property, including the loss of use of such property;
- .4 bodily injury or property damage arising out of completed operations; and
- .5 the Construction Manager's indemnity obligations under Section 3.18 of the General Conditions.

§ B.3.2.2.2 The Construction Manager's Commercial General Liability policy under this Section B.3.2.2 shall not contain an exclusion or restriction of coverage for the following:

- .1 Claims by one insured against another insured, if the exclusion or restriction is based solely on the fact that the claimant is an insured, and there would otherwise be coverage for the claim.
- .2 Claims for property damage to the Construction Manager's Work arising out of the products-completed operations hazard where the damaged Work or the Work out of which the damage arises was performed by a Subcontractor.
- .3 Claims for bodily injury other than to employees of the insured.
- .4 Claims for indemnity under Section 3.18 of the General Conditions arising out of injury to employees of the insured.
- .5 Claims or loss excluded under a prior work endorsement or other similar exclusionary language.
- .6 Claims or loss due to physical damage under a prior injury endorsement or similar exclusionary language.
- .7 Claims related to residential, multi-family, or other habitational projects, if the Work is to be performed on such a project.
- .8 Claims related to roofing, if the Work involves roofing.
- .9 Claims related to exterior insulation finish systems (EIFS), synthetic stucco or similar exterior coatings or surfaces, if the Work involves such coatings or surfaces.
- .10 Claims related to earth subsidence or movement, where the Work involves such hazards.
- .11 Claims related to explosion, collapse and underground hazards, where the Work involves such hazards.

§ B.3.2.3 Automobile Liability covering vehicles owned, and non-owned vehicles used, by the Construction Manager, with policy limits of not less than one million dollars (\$ 1,000,000.00) per accident, for bodily injury, death of any person, and property damage arising out of the ownership, maintenance and use of those motor vehicles along with any other statutorily required automobile coverage.

§ B.3.2.4 The Construction Manager may achieve the required limits and coverage for Commercial General Liability and Automobile Liability through a combination of primary and excess or umbrella liability insurance, provided such primary and excess or umbrella insurance policies result in the same or greater coverage as the coverages required under Section B.3.2.2 and B.3.2.3, and in no event shall any excess or umbrella liability insurance provide narrower coverage than the primary policy. The excess policy shall not require the exhaustion of the underlying limits only through the actual payment by the underlying insurers.

§ B.3.2.5 Workers' Compensation at statutory limits.

§ B.3.2.6 Employers' Liability with policy limits not less than one million dollars (\$ 1,000,000.00) each accident, one million dollars (\$ 1,000,000.00) each employee.

§ B.3.2.7 Jones Act, and the Longshore & Harbor Workers' Compensation Act, as required, if the Work involves hazards arising from work on or near navigable waterways, including vessels and docks

§ B.3.2.8 If the Construction Manager is required to furnish professional services as part of the Work, the Construction Manager shall procure Professional Liability insurance covering performance of the professional services, with policy limits of not less than five million dollars (\$ 5,000,000.00) per claim and ten million dollars (\$ 10,000,000.00) in the aggregate.

§ B.3.2.9 If the Work involves the transport, dissemination, use, or release of pollutants, the Construction Manager shall procure Pollution Liability insurance, with policy limits of not less than five million dollars (\$ 5,000,000.00) per claim and ten million dollars (\$ 10,000,000.00) in the aggregate.

§ B.3.2.10 Coverage under Sections B.3.2.8 and B.3.2.9 may be procured through a Combined Professional Liability and Pollution Liability insurance policy, with combined policy limits of not less than (\$) per claim and (\$) in the aggregate.

§ B.3.2.11 Insurance for maritime liability risks associated with the operation of a vessel, if the Work requires such activities, with policy limits of not less than (\$) per claim and (\$) in the aggregate.

§ B.3.2.12 Insurance for the use or operation of manned or unmanned aircraft, if the Work requires such activities, with policy limits of not less than (\$) per claim and (\$) in the aggregate.

§ B.3.3 Construction Manager's Other Insurance Coverage

§ B.3.3.1 Insurance selected and described in this Section B.3.3 shall be purchased from an insurance company or insurance companies lawfully authorized to issue insurance in the jurisdiction where the Project is located. The Construction Manager shall maintain the required insurance until the expiration of the period for correction of Work as set forth in Section 12.2.2 of the General Conditions, unless a different duration is stated below:

(If the Construction Manager is required to maintain any of the types of insurance selected below for a duration other than the expiration of the period for correction of Work, state the duration.)

§ B.3.3.2 The Construction Manager shall purchase and maintain the following types and limits of insurance in accordance with Section B.3.3.1.

(Select the types of insurance the Construction Manager is required to purchase and maintain by placing an X in the box(es) next to the description(s) of selected insurance. Where policy limits are provided, include the policy limit in the appropriate fill point.)

§ B.3.3.2.1 Property insurance of the same type and scope satisfying the requirements identified in Section B.2.3, which, if selected in this Section B.3.3.2.1, relieves the Owner of the responsibility to purchase and maintain such insurance except insurance required by Section B.2.3.1.3 and Section B.2.3.3. The Construction Manager shall comply with all obligations of the Owner under Section B.2.3 except to the extent provided below. The Construction Manager shall disclose to the Owner the amount of any deductible, and the Owner shall be responsible for losses within the deductible. Upon request, the Construction Manager shall provide the Owner with a copy of the property insurance policy or policies required. The Owner shall adjust and settle the loss with the insurer and be the trustee of the proceeds of the property insurance in accordance with Article 11 of the General Conditions unless otherwise set forth below:

(Where the Construction Manager's obligation to provide property insurance differs from the Owner's obligations as described under Section B.2.3, indicate such differences in the space below. Additionally, if a party other than the Owner will be responsible for adjusting and settling a loss with the insurer and acting as the trustee of the proceeds of property insurance in accordance with Article 11 of the General Conditions, indicate the responsible party below.)

§ B.3.3.2.2 Railroad Protective Liability Insurance, with policy limits of not less than (\$) per claim and (\$) in the aggregate, for Work within fifty (50) feet of railroad property.

§ B.3.3.2.3 Asbestos Abatement Liability Insurance, with policy limits of not less than (\$) per claim and (\$) in the aggregate, for liability arising from the encapsulation, removal, handling, storage, transportation, and disposal of asbestos-containing materials.

§ B.3.3.2.4 Insurance for physical damage to property while it is in storage and in transit to the

construction site on an "all-risks" completed value form.

§ B.3.3.2.5 Property insurance on an "all-risks" completed value form, covering property owned by the Construction Manager and used on the Project, including scaffolding and other equipment.

§ B.3.3.2.6 Other Insurance
(List below any other insurance coverage to be provided by the Construction Manager and any applicable limits.)

Coverage	Limits
Umbrella Excess Liability Insurance	Not less than \$50,000,000.00 (fifty million dollars)

§ B.3.4 Performance Bond and Payment Bond

The Construction Manager shall provide surety bonds, from a company or companies lawfully authorized to issue surety bonds in the jurisdiction where the Project is located, as follows:
(Specify type and penal sum of bonds.)

Type	Penal Sum (\$0.00)
Payment Bond	Full contract amount
Performance Bond	Full contract amount

Payment and Performance Bonds shall be AIA Document A312™, Payment Bond and Performance Bond, or contain provisions identical to AIA Document A312™, current as of the date of this Agreement. The Performance Bond issued by the Construction Manager's Surety Company shall include a provision that prohibits the Surety, in the event of a claim by the Owner, from re-hiring the Construction Manager to complete the project, without the Owners written consent.

ARTICLE B.4 SPECIAL TERMS AND CONDITIONS

Special terms and conditions that modify this Insurance and Bonds Exhibit, if any, are as follows:

All Subcontractors are subject to the same insurance requirements as required of the Contractor/Construction Manager for Commercial General Liability, Automobile Liability and Workers Compensation coverages. Subcontractors performing Mechanical, Electrical, Plumbing, Roofing, and Structural services must also maintain Umbrella Excess insurance policies in the amount of not less than ten million dollars (\$10,000,000.00) per occurrence. For purposes of clarity, Subcontractors do not need to purchase or maintain Pollution Liability or Professional Liability insurance. Subcontractors not performing Mechanical, Electrical, Plumbing, Roofing and Structural services do not need to maintain Umbrella Excess Liability insurance policies in excess of one million dollars (\$1,000,000.00).



AIA® Document A201® – 2017

General Conditions of the Contract for Construction

for the following PROJECT:

(Name and location or address)

Terminal Building Modernization and Expansion Project
61 Terminal Drive, Ste 1, Fletcher, NC 28732

THE OWNER:

(Name, legal status and address)

Greater Asheville Regional Airport Authority
61 Terminal Drive, Suite 1, Fletcher, NC 28732

THE ARCHITECT:

(Name, legal status and address)

Gresham Smith Brad Sucher
919 East Main Street, Ste 1200, Richmond, VA 23219

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ADDITIONS AND DELETIONS:

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This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

For guidance in modifying this document to include supplementary conditions, see AIA Document A503™, Guide for Supplementary Conditions.

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User Notes:

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ARTICLE 1 GENERAL PROVISIONS

§ 1.1 Basic Definitions

§ 1.1.1 The Contract Documents

The Contract Documents are enumerated in the Agreement between the Owner and Contractor (hereinafter the Agreement) and consist of the Agreement, Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to execution of the Contract, other documents listed in the Agreement, and Modifications issued after execution of the Contract. A Modification is (1) a written amendment to the Contract signed by both parties, (2) a Change Order, (3) a Construction Change Directive, or (4) a written order for a minor change in the Work issued by the Architect. Unless specifically enumerated in the Agreement, the Contract Documents do not include the advertisement or invitation to bid, Instructions to Bidders, sample forms, other information furnished by the Owner in anticipation of receiving bids or proposals, the Contractor's bid or proposal, or portions of Addenda relating to bidding or proposal requirements.

§ 1.1.2 The Contract

The Contract Documents form the Contract for Construction. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations, or agreements, either written or oral. The Contract may be amended or modified only by a Modification. The Contract Documents shall not be construed to create a contractual relationship of any kind (1) between the Contractor and the Architect or the Architect's consultants, (2) between the Owner and a Subcontractor or a Sub-subcontractor, (3) between the Owner and the Architect or the Architect's consultants, or (4) between any persons or entities other than the Owner and the Contractor. The Architect shall, however, be entitled to performance and enforcement of obligations under the Contract intended to facilitate performance of the Architect's duties.

§ 1.1.3 The Work

The term "Work" means the construction and services required by the Contract Documents, whether completed or partially completed, and includes all other labor, materials, equipment, and services provided or to be provided by the Contractor to fulfill the Contractor's obligations. The Work may constitute the whole or a part of the Project.

§ 1.1.4 The Project

The Project is the total construction of which the Work performed under the Contract Documents may be the whole or a part and which may include construction by the Owner and by Separate Contractors.

§ 1.1.5 The Drawings

The Drawings are the graphic and pictorial portions of the Contract Documents showing the design, location and dimensions of the Work, generally including plans, elevations, sections, details, schedules, and diagrams.

§ 1.1.6 The Specifications

The Specifications are that portion of the Contract Documents consisting of the written requirements for materials, equipment, systems, standards and workmanship for the Work, and performance of related services.

§ 1.1.7 Instruments of Service

Instruments of Service are representations, in any medium of expression now known or later developed, of the tangible and intangible creative work performed by the Architect and the Architect's consultants under their respective professional services agreements. Instruments of Service may include, without limitation, studies, surveys, models, sketches, drawings, specifications, and other similar materials.

§ 1.1.8 Initial Decision Maker

The Initial Decision Maker is the person identified in the Agreement to render initial decisions on Claims in accordance with Section 15.2. The Initial Decision Maker shall not show partiality to the Owner or Contractor and shall not be liable for results of interpretations or decisions rendered in good faith.

§ 1.1.9 Inconsistencies in Contract Documents – In the event of any conflict, inconsistency or other discrepancy between any of the terms of the Contract Documents and the mandatory Federal contract provisions incorporated into the Contract Documents, the mandatory Federal contract provisions shall be given priority and control.

§ 1.2 Correlation and Intent of the Contract Documents

§ 1.2.1 The intent of the Contract Documents is to include all items necessary for the proper execution and completion of the Work by the Contractor. The Contract Documents are complementary, and what is required by one shall be as binding as if required by all; performance by the Contractor shall be required only to the extent consistent with the Contract Documents and reasonably inferable from them as being necessary to produce the indicated results.

§ 1.2.1.1 The invalidity of any provision of the Contract Documents shall not invalidate the Contract or its remaining provisions. If it is determined that any provision of the Contract Documents violates any law, or is otherwise invalid or unenforceable, then that provision shall be revised to the extent necessary to make that provision legal and enforceable. In such case the Contract Documents shall be construed, to the fullest extent permitted by law, to give effect to the parties' intentions and purposes in executing the Contract.

§ 1.2.2 Organization of the Specifications into divisions, sections and articles, and arrangement of Drawings shall not control the Contractor in dividing the Work among Subcontractors or in establishing the extent of Work to be performed by any trade.

§ 1.2.3 Unless otherwise stated in the Contract Documents, words that have well-known technical or construction industry meanings are used in the Contract Documents in accordance with such recognized meanings.

§ 1.3 Capitalization

Terms capitalized in these General Conditions include those that are (1) specifically defined, (2) the titles of numbered articles, or (3) the titles of other documents published by the American Institute of Architects.

§ 1.4 Interpretation

In the interest of brevity the Contract Documents frequently omit modifying words such as "all" and "any" and articles such as "the" and "an," but the fact that a modifier or an article is absent from one statement and appears in another is not intended to affect the interpretation of either statement.

§ 1.5 Ownership and Use of Drawings, Specifications, and Other Instruments of Service

§ 1.5.1 The Architect and the Architect's consultants shall be deemed the authors of their respective Instruments of Service, including the Drawings and Specifications. Ownership of the Architects Instruments of Services that are produced for this Project shall be the property of the Owner in accordance with the terms of the contract between the Owner and Architect. The Contractor, Subcontractors, Sub-subcontractors, and suppliers shall not own or claim a copyright in the Instruments of Service. Submittal or distribution to meet official regulatory requirements or for other purposes in connection with the Project is not to be construed as publication in derogation of the Architect's or Architect's consultants' reserved rights.

§ 1.5.2 The Contractor, Subcontractors, Sub-subcontractors, and suppliers are authorized to use and reproduce the Instruments of Service provided to them, subject to any protocols established pursuant to Sections 1.7 and 1.8, solely and exclusively for execution of the Work. All copies made under this authorization shall bear the copyright notice, if any, shown on the Instruments of Service. The Contractor, Subcontractors, Sub-subcontractors, and suppliers may not use the Instruments of Service on other projects or for additions to the Project outside the scope of the Work without the specific written consent of the Owner, Architect, and the Architect's consultants.

§ 1.6 Notice

§ 1.6.1 Except as otherwise provided in Section 1.6.2, where the Contract Documents require one party to notify or give notice to the other party, such notice shall be provided in writing to the designated representative of the party to whom the notice is addressed and shall be deemed to have been duly served if delivered in person, by mail, by courier, or by electronic transmission if a method for electronic transmission is set forth in the Agreement.

§ 1.6.2 Notice of Claims as provided in Section 15.1.3 shall be provided in writing and shall be deemed to have been duly served only if delivered to the designated representative of the party to whom the notice is addressed by certified or registered mail, or by courier providing proof of delivery.

§ 1.7 Digital Data Use and Transmission

The parties shall agree upon protocols governing the transmission and use of Instruments of Service or any other information or documentation in digital form. The parties will use AIA Document E203™-2013, Building

Information Modeling and Digital Data Exhibit, to establish the protocols for the development, use, transmission, and exchange of digital data.

§ 1.8 Building Information Models Use and Reliance

Any use of, or reliance on, all or a portion of a building information model without agreement to protocols governing the use of, and reliance on, the information contained in the model and without having those protocols set forth in AIA Document E203™–2013, Building Information Modeling and Digital Data Exhibit, and the requisite AIA Document G202™–2013, Project Building Information Modeling Protocol Form, shall be at the using or relying party's sole risk and without liability to the other party and its contractors or consultants, the authors of, or contributors to, the building information model, and each of their agents and employees.

ARTICLE 2 OWNER

§ 2.1 General

§ 2.1.1 The Owner is the person or entity identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The Owner shall designate in writing a representative who shall have express authority to bind the Owner with respect to all matters requiring the Owner's approval or authorization. Except as otherwise provided in Section 4.2.1, the Architect does not have such authority. The term "Owner" means the Owner or the Owner's authorized representative.

§ 2.1.2 The Owner shall furnish to the Contractor, within fifteen days after receipt of a written request, information necessary and relevant for the Contractor to evaluate, give notice of, or enforce mechanic's lien rights. Such information shall include a correct statement of the record legal title to the property on which the Project is located, usually referred to as the site, and the Owner's interest therein.

§ 2.2 Evidence of the Owner's Financial Arrangements

§ 2.2.1 Prior to commencement of the Work and upon written request by the Contractor, the Owner shall furnish to the Contractor reasonable evidence that the Owner has made financial arrangements to fulfill the Owner's obligations under the Contract. The Contractor shall have no obligation to commence the Work until the Owner provides such evidence. If commencement of the Work is delayed under this Section 2.2.1, the Contract Time shall be extended appropriately.

§ 2.2.2 Following commencement of the Work and upon written request by the Contractor, the Owner shall furnish to the Contractor reasonable evidence that the Owner has made financial arrangements to fulfill the Owner's obligations under the Contract only if (1) the Owner fails to make payments to the Contractor as the Contract Documents require; (2) the Contractor identifies in writing a reasonable concern regarding the Owner's ability to make payment when due; or (3) a change in the Work materially changes the Contract Sum. If the Owner fails to provide such evidence, as required, within fourteen days of the Contractor's request, the Contractor may immediately stop the Work and, in that event, shall notify the Owner that the Work has stopped. However, if the request is made because a change in the Work materially changes the Contract Sum under (3) above, the Contractor may immediately stop only that portion of the Work affected by the change until reasonable evidence is provided.

§ 2.2.3 After the Owner furnishes evidence of financial arrangements under this Section 2.2, the Owner shall not materially vary such financial arrangements without prior notice to the Contractor.

§ 2.2.4 Where the Owner has designated information furnished under this Section 2.2 as "confidential," the Contractor shall keep the information confidential and shall not disclose it to any other person. However, the Contractor may disclose "confidential" information, after seven (7) days' notice to the Owner, where disclosure is required by law, including a subpoena or other form of compulsory legal process issued by a court or governmental entity, or by court or arbitrator(s) order. The Contractor may also disclose "confidential" information to its employees, consultants, sureties, Subcontractors and their employees, Sub-subcontractors, and others who need to know the content of such information solely and exclusively for the Project and who agree to maintain the confidentiality of such information. The Contractor's right to disclose confidential information under this paragraph extends only to financial information referenced in Article 2.2, and shall not include any confidential information about the project, its features, systems, or other attributes that are part of any security system, practice, protocol, or any other information that is considered "sensitive security information," knowledge of which is protected and/or limited to those with a need to know, under Federal regulations, requirements, and plans which are approved by Federal agencies with jurisdiction for the safety and security of the Airport or which is otherwise not considered to be public record under North Carolina law.

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§ 2.3 Information and Services Required of the Owner

§ 2.3.1 Except for permits and fees that are the responsibility of the Contractor under the Contract Documents, including those required under Section 3.7.1, the Owner shall secure and pay for necessary approvals, easements, assessments and charges required for construction, use or occupancy of permanent structures or for permanent changes in existing facilities.

§ 2.3.2 The Owner shall retain an architect lawfully licensed to practice architecture, or an entity lawfully practicing architecture, in the jurisdiction where the Project is located. That person or entity is identified as the Architect in the Agreement and is referred to throughout the Contract Documents as if singular in number.

§ 2.3.3 If the employment of the Architect terminates, the Owner shall employ a successor and whose status under the Contract Documents shall be that of the Architect.

§ 2.3.4 The Owner shall furnish surveys describing physical characteristics, legal limitations and utility locations for the site of the Project, and a legal description of the site. The Contractor shall be entitled to rely on the accuracy of information furnished by the Owner but shall exercise proper precautions relating to the safe performance of the Work. This information shall only be provided by Owner if determined to be necessary in the sole discretion of the Owner.

§ 2.3.5 The Owner shall furnish information or services required of the Owner by the Contract Documents with reasonable promptness. The Owner shall also furnish any other information or services under the Owner's control and relevant to the Contractor's performance of the Work with reasonable promptness after receiving the Contractor's written request for such information or services.

§ 2.3.6 Unless otherwise provided in the Contract Documents, the Owner shall furnish to the Contractor one copy of the Contract Documents for purposes of making reproductions pursuant to Section 1.5.2.

§ 2.4 Owner's Right to Stop the Work

If the Contractor fails to correct Work that is not in accordance with the requirements of the Contract Documents as required by Section 12.2 or repeatedly fails to carry out Work in accordance with the Contract Documents, the Owner may issue a written order to the Contractor to stop the Work, or any portion thereof, until the cause for such order has been eliminated; however, the right of the Owner to stop the Work shall not give rise to a duty on the part of the Owner to exercise this right for the benefit of the Contractor or any other person or entity, except to the extent required by Section 6.1.3.

§ 2.5 Owner's Right to Carry Out the Work

If the Contractor defaults or neglects to carry out the Work in accordance with the Contract Documents and fails within a ten-day period after receipt of notice from the Owner to commence and continue correction of such default or neglect with diligence and promptness, the Owner may, without prejudice to other remedies the Owner may have, correct such default or neglect. Such action by the Owner and amounts charged to the Contractor are both subject to prior approval of the Architect and the Architect may, pursuant to Section 9.5.1, withhold or nullify a Certificate for Payment in whole or in part, to the extent reasonably necessary to reimburse the Owner for the reasonable cost of correcting such deficiencies, including Owner's expenses and compensation for the Architect's additional services made necessary by such default, neglect, or failure. If current and future payments are not sufficient to cover such amounts, the Contractor shall pay the difference to the Owner. If the Contractor disagrees with the actions of the Owner or the Architect, or the amounts claimed as costs to the Owner, the Contractor may file a Claim pursuant to Article 15. The Contractor's right to cure within a 10 day period only applies to work or conditions that do not create an immediate negative impact on the Owners operation of the building. Negative impact on the Owners operation of the building includes, but is not limited to, the efficient and unobstructed processing of passengers to board and de-board (de-plane) aircraft, to park and service aircraft, and to provide adequate office and public space for the operation of the Owner, its tenants and passengers utilizing the building and all of their equipment and belongings. In such case, the Contractor shall correct such condition immediately as directed by the Owner and shall not be entitled to any payment or compensation for such immediate correction.

ARTICLE 3 CONTRACTOR

§ 3.1 General

§ 3.1.1 The Contractor is the person or entity identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The Contractor shall be lawfully licensed, if required in the jurisdiction where the Project is located. The Contractor shall designate in writing a representative who shall have express authority to bind the Contractor with respect to all matters under this Contract. The term "Contractor" means the Contractor or the Contractor's authorized representative.

§ 3.1.2 The Contractor shall perform the Work in accordance with the Contract Documents.

§ 3.1.3 The Contractor shall not be relieved of its obligations to perform the Work in accordance with the Contract Documents either by activities or duties of the Architect in the Architect's administration of the Contract, or by tests, inspections or approvals required or performed by persons or entities other than the Contractor.

§ 3.2 Review of Contract Documents and Field Conditions by Contractor

§ 3.2.1 Execution of the Contract by the Contractor is a representation that the Contractor has visited the site, become generally familiar with local conditions under which the Work is to be performed, and correlated personal observations with requirements of the Contract Documents.

§ 3.2.2 Because the Contract Documents are complementary, the Contractor shall, before starting each portion of the Work, carefully study and compare the various Contract Documents relative to that portion of the Work, as well as the information furnished by the Owner pursuant to Section 2.3.4, shall take field measurements of any existing conditions related to that portion of the Work, and shall observe any conditions at the site affecting it. These obligations are for the purpose of facilitating coordination and construction by the Contractor and are not for the purpose of discovering errors, omissions, or inconsistencies in the Contract Documents; however, the Contractor shall promptly report to the Architect any errors, inconsistencies or omissions discovered by or made known to the Contractor as a request for information in such form as the Architect may require. It is recognized that the Contractor's review is made in the Contractor's capacity as a contractor and not as a licensed design professional, unless otherwise specifically provided in the Contract Documents.

§ 3.2.3 The Contractor is not required to ascertain that the Contract Documents are in accordance with applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, but the Contractor shall promptly report to the Architect any nonconformity discovered by or made known to the Contractor as a request for information in such form as the Architect may require.

§ 3.2.4 If the Contractor believes that additional cost or time is involved because of clarifications or instructions the Architect issues in response to the Contractor's notices or requests for information pursuant to Sections 3.2.2 or 3.2.3, the Contractor shall submit Claims as provided in Article 15. If the Contractor fails to perform the obligations of Sections 3.2.2 or 3.2.3, the Contractor shall pay such costs and damages to the Owner, subject to Section 15.1.7, as would have been avoided if the Contractor had performed such obligations. If the Contractor performs those obligations, the Contractor shall not be liable to the Owner or Architect for damages resulting from errors, inconsistencies or omissions in the Contract Documents, for differences between field measurements or conditions and the Contract Documents, or for nonconformities of the Contract Documents to applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities.

§ 3.3 Supervision and Construction Procedures

§ 3.3.1 The Contractor shall supervise and direct the Work, using the Contractor's best skill and attention. The Contractor shall be solely responsible for, and have control over, construction means, methods, techniques, sequences, and procedures, and for coordinating all portions of the Work under the Contract. If the Contract Documents give specific instructions concerning construction means, methods, techniques, sequences, or procedures, the Contractor shall evaluate the jobsite safety thereof and shall be solely responsible for the jobsite safety of such means, methods, techniques, sequences, or procedures. If the Contractor determines that such means, methods, techniques, sequences or procedures may not be safe, the Contractor shall give timely notice to the Owner and Architect, and shall propose alternative means, methods, techniques, sequences, or procedures. The Architect shall evaluate the proposed alternative solely for conformance with the design intent for the completed construction. Unless the Architect objects to the Contractor's proposed alternative, the Contractor shall perform the Work using its alternative means, methods, techniques, sequences, or procedures.

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§ 3.3.2 The Contractor shall be responsible to the Owner for acts and omissions of the Contractor's employees, Subcontractors and their agents and employees, and other persons or entities performing portions of the Work for, or on behalf of, the Contractor or any of its Subcontractors.

§ 3.3.3 The Contractor shall be responsible for inspection of portions of Work already performed to determine that such portions are in proper condition to receive subsequent Work.

§ 3.4 Labor and Materials

§ 3.4.1 Unless otherwise provided in the Contract Documents, the Contractor shall provide and pay for labor, materials, equipment, tools, construction equipment and machinery, water, heat, utilities, transportation, and other facilities and services necessary for proper execution and completion of the Work, whether temporary or permanent and whether or not incorporated or to be incorporated in the Work.

§ 3.4.2 Except in the case of minor changes in the Work approved by the Architect in accordance with Section 3.12.8 or ordered by the Architect in accordance with Section 7.4, the Contractor may make substitutions only with the consent of the Owner, after evaluation by the Architect and in accordance with a Change Order or Construction Change Directive.

§ 3.4.3 The Contractor shall enforce strict discipline and good order among the Contractor's employees and other persons carrying out the Work. The Contractor shall not permit employment of unfit persons or persons not properly skilled in tasks assigned to them.

§ 3.4.4 The Contractor acknowledges its understanding that work on this Project will take place within a public airport environment, access to which is governed by certain Federal, State and/or Local security and safety regulations and procedures. The Contractor and all of its Subcontractors shall not employ on the Project, nor permit to be present on the Project site, any employee who has not met, or is unable to meet and pass all of the criminal history background checks and investigations that are required under such Federal, State or Local requirements. Furthermore, the Owner reserves the right, in its sole discretion, to refuse to permit access privileges to the job site to any employee or worker who does not meet or pass the required criminal history background investigation, or, who has violated the Owners required security and safety regulations, procedures and/or protocols. Employees or workers who violate the Owners security and/or safety regulations, procedures or protocols may be immediately and permanently removed from the Project and prohibited from providing services on this Project in the Owners sole discretion. In such circumstance, the Contractor shall comply and immediately remove such employee or worker from the Project and shall not be entitled to any claim of expense or delay as a result of that person's removal from the Project. The Contractor, at all times, shall provide an adequate number of workers on the job site who have been trained and authorized to work inside the secure and restricted areas of the Project, and further trained and authorized to provide escort and oversight of other workers without such authorization to work in secure or restricted areas of the Project, as a condition of working on the Project. The Contractor shall not be entitled to additional compensation or any extension of the Contract Time as a result of Contractors or any Subcontractors employees being unable to work in such areas due to a lack of an adequate number of trained and authorized personnel with escort and oversight privileges for other employees without such privileges.

§ 3.5 Warranty

§ 3.5.1 The Contractor warrants to the Owner and Architect that materials and equipment furnished under the Contract will be of good quality and new unless the Contract Documents require or permit otherwise. The Contractor further warrants that the Work will conform to the requirements of the Contract Documents and will be free from defects, except for those inherent in the quality of the Work the Contract Documents require or permit. Work, materials, or equipment not conforming to these requirements may be considered defective. The Contractor's warranty excludes remedy for damage or defect caused by abuse, alterations to the Work not executed by the Contractor, improper or insufficient maintenance, improper operation, or normal wear and tear and normal usage. If required by the Architect, the Contractor shall furnish satisfactory evidence as to the kind and quality of materials and equipment.

§ 3.5.2 All material, equipment, or other special warranties required by the Contract Documents shall be issued in the name of the Owner, or shall be transferable to the Owner, and shall commence in accordance with Section 9.8.4.

§ 3.6 Taxes

The Contractor shall pay sales, consumer, use and similar taxes for the Work provided by the Contractor that are legally enacted when bids are received or negotiations concluded, whether or not yet effective or merely scheduled to go into effect.

§ 3.7 Permits, Fees, Notices and Compliance with Laws

§ 3.7.1 Unless otherwise provided in the Contract Documents, the Contractor shall secure and pay for the building permit as well as for other permits, fees, licenses, and inspections by government agencies necessary for proper execution and completion of the Work that are customarily secured after execution of the Contract and legally required at the time bids are received or negotiations concluded.

§ 3.7.2 The Contractor shall comply with and give notices required by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities applicable to performance of the Work.

§ 3.7.3 If the Contractor performs Work knowing it to be contrary to applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, the Contractor shall assume appropriate responsibility for such Work and shall bear the costs attributable to correction.

§ 3.7.4 Concealed or Unknown Conditions

If the Contractor encounters conditions at the site that are (1) subsurface or otherwise concealed physical conditions that differ materially from those indicated in the Contract Documents or (2) unknown physical conditions of an unusual nature that differ materially from those ordinarily found to exist and generally recognized as inherent in construction activities of the character provided for in the Contract Documents, the Contractor shall promptly provide notice to the Owner and the Architect before conditions are disturbed and in no event later than 14 days after first observance of the conditions. The Architect will promptly investigate such conditions and, if the Architect determines that they differ materially and cause an increase or decrease in the Contractor's cost of, or time required for, performance of any part of the Work, will recommend that an equitable adjustment be made in the Contract Sum or Contract Time, or both. If the Architect determines that the conditions at the site are not materially different from those indicated in the Contract Documents and that no change in the terms of the Contract is justified, the Architect shall promptly notify the Owner and Contractor, stating the reasons. If either party disputes the Architect's determination or recommendation, that party may submit a Claim as provided in Article 15.

§ 3.7.5 If, in the course of the Work, the Contractor encounters human remains or recognizes the existence of burial markers, archaeological sites or wetlands not indicated in the Contract Documents, the Contractor shall immediately suspend any operations that would affect them and shall notify the Owner and Architect. Upon receipt of such notice, the Owner shall promptly take any action necessary to obtain governmental authorization required to resume the operations. The Contractor shall continue to suspend such operations until otherwise instructed by the Owner but shall continue with all other operations that do not affect those remains or features. Requests for adjustments in the Contract Sum and Contract Time arising from the existence of such remains or features may be made as provided in Article 15.

§ 3.8 Allowances

§ 3.8.1 The Contractor shall include in the Contract Sum all allowances stated in the Contract Documents. Items covered by allowances shall be supplied for such amounts and by such persons or entities as the Owner may direct, but the Contractor shall not be required to employ persons or entities to whom the Contractor has reasonable objection.

§ 3.8.2 Unless otherwise provided in the Contract Documents,

- .1 allowances shall cover the cost to the Contractor of materials and equipment delivered at the site and all required taxes, less applicable trade discounts;
- .2 Contractor's costs for unloading and handling at the site, labor, installation costs, overhead, profit, and other expenses contemplated for stated allowance amounts shall be included in the Contract Sum but not in the allowances; and
- .3 whenever costs are more than or less than allowances, the Contract Sum shall be adjusted accordingly by Change Order. The amount of the Change Order shall reflect (1) the difference between actual costs and the allowances under Section 3.8.2.1 and (2) changes in Contractor's costs under Section 3.8.2.2.

§ 3.8.3 Materials and equipment under an allowance shall be selected by the Owner with reasonable promptness.

§ 3.9 Superintendent

§ 3.9.1 The Contractor shall employ a competent superintendent and necessary assistants who shall be in attendance at the Project site during performance of the Work. The superintendent shall represent the Contractor, and communications given to the superintendent shall be as binding as if given to the Contractor.

§ 3.9.2 The Contractor, as soon as practicable after award of the Contract, shall notify the Owner and Architect of the name and qualifications of a proposed superintendent. Within 14 days of receipt of the information, the Architect may notify the Contractor, stating whether the Owner or the Architect (1) has reasonable objection to the proposed superintendent or (2) requires additional time for review. Failure of the Architect to provide notice within the 14-day period shall constitute notice of no reasonable objection.

§ 3.9.3 The Contractor shall not employ a proposed superintendent to whom the Owner or Architect has made reasonable and timely objection. The Contractor shall not change the superintendent without the Owner's consent, which shall not unreasonably be withheld or delayed.

§ 3.9.4 During the course of the Project, if in the opinion of the Owner and/or Architect, the Contractor's Project Manager and/or Superintendent, become unfit to continue on the Project, or, the Owner and/or Architect feels that it's in the best interest of the Project that an individual needs to be removed and replaced, the Owner and/or Architect may direct the Contractor to remove such individual from the Project and Contractor shall promptly do so.

§ 3.10 Contractor's Construction and Submittal Schedules

§ 3.10.1 The Contractor, promptly after being awarded the Contract, shall submit for the Owner's and Architect's information a Contractor's construction schedule for the Work. The schedule shall contain detail appropriate for the Project, including (1) the date of commencement of the Work, interim schedule milestone dates, and the date of Substantial Completion; (2) an apportionment of the Work by construction activity; and (3) the time required for completion of each portion of the Work. The schedule shall provide for the orderly progression of the Work to completion and shall not exceed time limits current under the Contract Documents. The schedule shall be revised at appropriate intervals as required by the conditions of the Work and Project.

§ 3.10.1.1 In the event that Contractor ever presents a schedule that does not provide for substantial completion to be achieved by the Contract Time, the Contractor shall also present a recovery plan and schedule that will permit the Contractor to achieve substantial completion by the contract time. The Owner will determine if the recovery plan or schedule is acceptable. Receiving revised schedules at regularly scheduled meetings between the Owner, Architect and Contractor, or, in another format shall not be construed as acceptance by the Owner. Any revision to the approved construction schedule requires the Owners written approval.

§ 3.10.2 The Contractor, promptly after being awarded the Contract and thereafter as necessary to maintain a current submittal schedule, shall submit a submittal schedule for the Architect's approval. The Architect's approval shall not be unreasonably delayed or withheld. The submittal schedule shall (1) be coordinated with the Contractor's construction schedule, and (2) allow the Architect reasonable time to review submittals. If the Contractor fails to submit a submittal schedule, or fails to provide submittals in accordance with the approved submittal schedule, the Contractor shall not be entitled to any increase in Contract Sum or extension of Contract Time based on the time required for review of submittals.

§ 3.10.3 The Contractor shall perform the Work in general accordance with the most recent schedules submitted to the Owner and Architect.

§ 3.11 Documents and Samples at the Site

The Contractor shall make available, at the Project site, the Contract Documents, including Change Orders, Construction Change Directives, and other Modifications, in good order and marked currently to indicate field changes and selections made during construction, and the approved Shop Drawings, Product Data, Samples, and similar required submittals. These shall be in electronic form or paper copy, available to the Architect and Owner, and delivered to the Architect for submittal to the Owner upon completion of the Work as a record of the Work as constructed.

§ 3.12 Shop Drawings, Product Data and Samples

§ 3.12.1 Shop Drawings are drawings, diagrams, schedules, and other data specially prepared for the Work by the Contractor or a Subcontractor, Sub-subcontractor, manufacturer, supplier, or distributor to illustrate some portion of the Work.

§ 3.12.2 Product Data are illustrations, standard schedules, performance charts, instructions, brochures, diagrams, and other information furnished by the Contractor to illustrate materials or equipment for some portion of the Work.

§ 3.12.3 Samples are physical examples that illustrate materials, equipment, or workmanship, and establish standards by which the Work will be judged.

§ 3.12.4 Shop Drawings, Product Data, Samples, and similar submittals are not Contract Documents. Their purpose is to demonstrate how the Contractor proposes to conform to the information given and the design concept expressed in the Contract Documents for those portions of the Work for which the Contract Documents require submittals. Review by the Architect is subject to the limitations of Section 4.2.7. Informational submittals upon which the Architect is not expected to take responsive action may be so identified in the Contract Documents. Submittals that are not required by the Contract Documents may be returned by the Architect without action.

§ 3.12.5 The Contractor shall review for compliance with the Contract Documents, approve, and submit to the Architect, Shop Drawings, Product Data, Samples, and similar submittals required by the Contract Documents, in accordance with the submittal schedule approved by the Architect or, in the absence of an approved submittal schedule, with reasonable promptness and in such sequence as to cause no delay in the Work or in the activities of the Owner or of Separate Contractors.

§ 3.12.6 By submitting Shop Drawings, Product Data, Samples, and similar submittals, the Contractor represents to the Owner and Architect that the Contractor has (1) reviewed and approved them, (2) determined and verified materials, field measurements and field construction criteria related thereto, or will do so, and (3) checked and coordinated the information contained within such submittals with the requirements of the Work and of the Contract Documents.

§ 3.12.7 The Contractor shall perform no portion of the Work for which the Contract Documents require submittal and review of Shop Drawings, Product Data, Samples, or similar submittals, until the respective submittal has been approved by the Architect.

§ 3.12.8 The Work shall be in accordance with approved submittals except that the Contractor shall not be relieved of responsibility for deviations from the requirements of the Contract Documents by the Architect's approval of Shop Drawings, Product Data, Samples, or similar submittals, unless the Contractor has specifically notified the Architect of such deviation at the time of submittal and (1) the Architect has given written approval to the specific deviation as a minor change in the Work, or (2) a Change Order or Construction Change Directive has been issued authorizing the deviation. The Contractor shall not be relieved of responsibility for errors or omissions in Shop Drawings, Product Data, Samples, or similar submittals, by the Architect's approval thereof.

§ 3.12.9 The Contractor shall direct specific attention, in writing or on resubmitted Shop Drawings, Product Data, Samples, or similar submittals, to revisions other than those requested by the Architect on previous submittals. In the absence of such notice, the Architect's approval of a resubmission shall not apply to such revisions.

§ 3.12.10 The Contractor shall not be required to provide professional services that constitute the practice of architecture or engineering unless such services are specifically required by the Contract Documents for a portion of the Work or unless the Contractor needs to provide such services in order to carry out the Contractor's responsibilities for construction means, methods, techniques, sequences, and procedures. The Contractor shall not be required to provide professional services in violation of applicable law.

§ 3.12.10.1 If professional design services or certifications by a design professional related to systems, materials, or equipment are specifically required of the Contractor by the Contract Documents, the Owner and the Architect will specify all performance and design criteria that such services must satisfy. The Contractor shall be entitled to rely upon the adequacy and accuracy of the performance and design criteria provided in the Contract Documents. The Contractor shall cause such services or certifications to be provided by an appropriately licensed design professional,

whose signature and seal shall appear on all drawings, calculations, specifications, certifications, Shop Drawings, and other submittals prepared by such professional. Shop Drawings, and other submittals related to the Work, designed or certified by such professional, if prepared by others, shall bear such professional's written approval when submitted to the Architect. The Owner and the Architect shall be entitled to rely upon the adequacy and accuracy of the services, certifications, and approvals performed or provided by such design professionals, provided the Owner and Architect have specified to the Contractor the performance and design criteria that such services must satisfy. Pursuant to this Section 3.12.10, the Architect will review and approve or take other appropriate action on submittals only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents.

§ 3.12.10.2 If the Contract Documents require the Contractor's design professional to certify that the Work has been performed in accordance with the design criteria, the Contractor shall furnish such certifications to the Architect at the time and in the form specified by the Architect.

§ 3.13 Use of Site

The Contractor shall confine operations at the site to areas permitted by applicable laws, statutes, ordinances, codes, rules and regulations, lawful orders of public authorities, and the Contract Documents and shall not unreasonably encumber the site with materials or equipment.

§ 3.14 Cutting and Patching

§ 3.14.1 The Contractor shall be responsible for cutting, fitting, or patching required to complete the Work or to make its parts fit together properly. All areas requiring cutting, fitting, or patching shall be restored to the condition existing prior to the cutting, fitting, or patching, unless otherwise required by the Contract Documents.

§ 3.14.2 The Contractor shall not damage or endanger a portion of the Work or fully or partially completed construction of the Owner or Separate Contractors by cutting, patching, or otherwise altering such construction, or by excavation. The Contractor shall not cut or otherwise alter construction by the Owner or a Separate Contractor except with written consent of the Owner and of the Separate Contractor. Consent shall not be unreasonably withheld. The Contractor shall not unreasonably withhold, from the Owner or a Separate Contractor, its consent to cutting or otherwise altering the Work.

§ 3.15 Cleaning Up

§ 3.15.1 The Contractor shall keep the premises and surrounding area free from accumulation of waste materials and rubbish caused by operations under the Contract. At completion of the Work, the Contractor shall remove waste materials, rubbish, the Contractor's tools, construction equipment, machinery, and surplus materials from and about the Project.

§ 3.15.2 If the Contractor fails to clean up as provided in the Contract Documents, the Owner may do so and the Owner shall be entitled to reimbursement from the Contractor.

§ 3.16 Access to Work

The Contractor shall provide the Owner and Architect with access to the Work in preparation and progress wherever located.

§ 3.17 Royalties, Patents and Copyrights

The Contractor shall pay all royalties and license fees. The Contractor shall defend suits or claims for infringement of copyrights and patent rights and shall hold the Owner and Architect harmless from loss on account thereof, but shall not be responsible for defense or loss when a particular design, process, or product of a particular manufacturer or manufacturers is required by the Contract Documents, or where the copyright violations are contained in Drawings, Specifications, or other documents prepared by the Owner or Architect. However, if an infringement of a copyright or patent is discovered by, or made known to, the Contractor, the Contractor shall be responsible for the loss unless the information is promptly furnished to the Architect.

§ 3.18 Indemnification

§ 3.18.1 To the fullest extent permitted by law, the Contractor shall indemnify and hold harmless the Owner, Architect, Architect's consultants, and agents and employees of any of them from and against claims, damages, losses, and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the Work,

provided that such claim, damage, loss, or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself), but only to the extent caused by the negligent acts or omissions of the Contractor, a Subcontractor, anyone directly or indirectly employed by them, or anyone for whose acts they may be liable, regardless of whether or not such claim, damage, loss, or expense is caused in part by a party indemnified hereunder. Such obligation shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity that would otherwise exist as to a party or person described in this Section 3.18.

§ 3.18.2 In claims against any person or entity indemnified under this Section 3.18 by an employee of the Contractor, a Subcontractor, anyone directly or indirectly employed by them, or anyone for whose acts they may be liable, the indemnification obligation under Section 3.18.1 shall not be limited by a limitation on amount or type of damages, compensation, or benefits payable by or for the Contractor or a Subcontractor under workers' compensation acts, disability benefit acts, or other employee benefit acts.

ARTICLE 4 ARCHITECT

§ 4.1 General

§ 4.1.1 The Architect is the person or entity retained by the Owner pursuant to Section 2.3.2 and identified as such in the Agreement.

§ 4.1.2 Duties, responsibilities, and limitations of authority of the Architect as set forth in the Contract Documents shall not be restricted, modified, or extended without written consent of the Owner, Contractor, and Architect. Consent shall not be unreasonably withheld.

§ 4.2 Administration of the Contract

§ 4.2.1 The Architect will provide administration of the Contract as described in the Contract Documents and will be an Owner's representative during construction until the date the Architect issues the final Certificate for Payment. The Architect will have authority to act on behalf of the Owner only to the extent provided in the Contract Documents.

§ 4.2.2 The Architect will visit the site at intervals appropriate to the stage of construction, or as otherwise agreed with the Owner, to become generally familiar with the progress and quality of the portion of the Work completed, and to determine in general if the Work observed is being performed in a manner indicating that the Work, when fully completed, will be in accordance with the Contract Documents. However, the Architect will not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the Work. The Architect will not have control over, charge of, or responsibility for the construction means, methods, techniques, sequences or procedures, or for the safety precautions and programs in connection with the Work, since these are solely the Contractor's rights and responsibilities under the Contract Documents.

§ 4.2.3 On the basis of the site visits, the Architect will keep the Owner reasonably informed about the progress and quality of the portion of the Work completed, and promptly report to the Owner (1) known deviations from the Contract Documents, (2) known deviations from the most recent construction schedule submitted by the Contractor, and (3) defects and deficiencies observed in the Work. The Architect will not be responsible for the Contractor's failure to perform the Work in accordance with the requirements of the Contract Documents. The Architect will not have control over or charge of, and will not be responsible for acts or omissions of, the Contractor, Subcontractors, or their agents or employees, or any other persons or entities performing portions of the Work.

§ 4.2.4 Communications

The Owner and Contractor shall include the Architect in all communications that relate to or affect the Architect's services or professional responsibilities. The Owner shall promptly notify the Architect of the substance of any direct communications between the Owner and the Contractor otherwise relating to the Project. Communications by and with the Architect's consultants shall be through the Architect. Communications by and with Subcontractors and suppliers shall be through the Contractor. Communications by and with Separate Contractors shall be through the Owner. The Contract Documents may specify other communication protocols.

§ 4.2.5 Based on the Architect's evaluations of the Contractor's Applications for Payment, the Architect will review and certify the amounts due the Contractor and will issue Certificates for Payment in such amounts.

§ 4.2.6 The Architect has authority to reject Work that does not conform to the Contract Documents. Whenever the Architect considers it necessary or advisable, the Architect will have authority to require inspection or testing of the

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Work in accordance with Sections 13.4.2 and 13.4.3, whether or not the Work is fabricated, installed or completed. However, neither this authority of the Architect nor a decision made in good faith either to exercise or not to exercise such authority shall give rise to a duty or responsibility of the Architect to the Contractor, Subcontractors, suppliers, their agents or employees, or other persons or entities performing portions of the Work.

§ 4.2.7 The Architect will review and approve, or take other appropriate action upon, the Contractor's submittals such as Shop Drawings, Product Data, and Samples, but only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. The Architect's action will be taken in accordance with the submittal schedule approved by the Architect or, in the absence of an approved submittal schedule, with reasonable promptness while allowing sufficient time in the Architect's professional judgment to permit adequate review. Review of such submittals is not conducted for the purpose of determining the accuracy and completeness of other details such as dimensions and quantities, or for substantiating instructions for installation or performance of equipment or systems, all of which remain the responsibility of the Contractor as required by the Contract Documents. The Architect's review of the Contractor's submittals shall not relieve the Contractor of the obligations under Sections 3.3, 3.5, and 3.12. The Architect's review shall not constitute approval of safety precautions or of any construction means, methods, techniques, sequences, or procedures. The Architect's approval of a specific item shall not indicate approval of an assembly of which the item is a component.

§ 4.2.8 The Architect will prepare Change Orders and Construction Change Directives, and may order minor changes in the Work as provided in Section 7.4. The Architect will investigate and make determinations and recommendations regarding concealed and unknown conditions as provided in Section 3.7.4.

§ 4.2.9 The Architect will conduct inspections to determine the date or dates of Substantial Completion and the date of final completion; issue Certificates of Substantial Completion pursuant to Section 9.8; receive and forward to the Owner, for the Owner's review and records, written warranties and related documents required by the Contract and assembled by the Contractor pursuant to Section 9.10; and issue a final Certificate for Payment pursuant to Section 9.10.

§ 4.2.10 If the Owner and Architect agree, the Architect will provide one or more Project representatives to assist in carrying out the Architect's responsibilities at the site. The Owner shall notify the Contractor of any change in the duties, responsibilities and limitations of authority of the Project representatives.

§ 4.2.11 The Architect will interpret and decide matters concerning performance under, and requirements of, the Contract Documents on written request of either the Owner or Contractor. The Architect's response to such requests will be made in writing within any time limits agreed upon or otherwise with reasonable promptness.

§ 4.2.12 Interpretations and decisions of the Architect will be consistent with the intent of, and reasonably inferable from, the Contract Documents and will be in writing or in the form of drawings. When making such interpretations and decisions, the Architect will endeavor to secure faithful performance by both Owner and Contractor, will not show partiality to either, and will not be liable for results of interpretations or decisions rendered in good faith.

§ 4.2.13 The Architect's decisions on matters relating to aesthetic effect will be final if consistent with the intent expressed in the Contract Documents.

§ 4.2.14 The Architect will review and respond to requests for information about the Contract Documents. The Architect's response to such requests will be made in writing within any time limits agreed upon or otherwise with reasonable promptness. If appropriate, the Architect will prepare and issue supplemental Drawings and Specifications in response to the requests for information.

ARTICLE 5 SUBCONTRACTORS

§ 5.1 Definitions

§ 5.1.1 A Subcontractor is a person or entity who has a direct contract with the Contractor to perform a portion of the Work at the site. The term "Subcontractor" is referred to throughout the Contract Documents as if singular in number and means a Subcontractor or an authorized representative of the Subcontractor. The term "Subcontractor" does not include a Separate Contractor or the subcontractors of a Separate Contractor.

§ 5.1.2 A Sub-subcontractor is a person or entity who has a direct or indirect contract with a Subcontractor to perform a portion of the Work at the site. The term "Sub-subcontractor" is referred to throughout the Contract Documents as if singular in number and means a Sub-subcontractor or an authorized representative of the Sub-subcontractor.

§ 5.2 Award of Subcontracts and Other Contracts for Portions of the Work

§ 5.2.1 Unless otherwise stated in the Contract Documents, the Contractor, as soon as practicable after award of the Contract, shall notify the Owner and Architect of the persons or entities proposed for each principal portion of the Work, including those who are to furnish materials or equipment fabricated to a special design. Within 14 days of receipt of the information, the Architect may notify the Contractor whether the Owner or the Architect (1) has reasonable objection to any such proposed person or entity or (2) requires additional time for review. Failure of the Architect to provide notice within the 14-day period shall constitute notice of no reasonable objection.

§ 5.2.2 The Contractor shall not contract with a proposed person or entity to whom the Owner or Architect has made reasonable and timely objection. The Contractor shall not be required to contract with anyone to whom the Contractor has made reasonable objection.

§ 5.2.3 If the Owner or Architect has reasonable objection to a person or entity proposed by the Contractor, the Contractor shall propose another to whom the Owner or Architect has no reasonable objection. If the proposed but rejected Subcontractor was reasonably capable of performing the Work, the Contract Sum and Contract Time shall be increased or decreased by the difference, if any, occasioned by such change, and an appropriate Change Order shall be issued before commencement of the substitute Subcontractor's Work. However, no increase in the Contract Sum or Contract Time shall be allowed for such change unless the Contractor has acted promptly and responsively in submitting names as required.

§ 5.2.4 The Contractor shall not substitute a Subcontractor, person, or entity for one previously selected if the Owner or Architect makes reasonable objection to such substitution.

§ 5.3 Subcontractual Relations

By appropriate written agreement, the Contractor shall require each Subcontractor, to the extent of the Work to be performed by the Subcontractor, to be bound to the Contractor by terms of the Contract Documents, and to assume toward the Contractor all the obligations and responsibilities, including the responsibility for safety of the Subcontractor's Work that the Contractor, by these Contract Documents, assumes toward the Owner and Architect, including but not limited to, Subcontractor's written agreement to comply with all mandatory Federal contract provisions. Each subcontract agreement shall preserve and protect the rights of the Owner and Architect under the Contract Documents with respect to the Work to be performed by the Subcontractor so that subcontracting thereof will not prejudice such rights, and shall allow to the Subcontractor, unless specifically provided otherwise in the subcontract agreement, the benefit of all rights, remedies, and redress against the Contractor that the Contractor, by the Contract Documents, has against the Owner. Where appropriate, the Contractor shall require each Subcontractor to enter into similar agreements with Sub-subcontractors. The Contractor shall make available to each proposed Subcontractor, prior to the execution of the subcontract agreement, copies of the Contract Documents to which the Subcontractor will be bound, and, upon written request of the Subcontractor, identify to the Subcontractor terms and conditions of the proposed subcontract agreement that may be at variance with the Contract Documents. Subcontractors will similarly make copies of applicable portions of such documents available to their respective proposed Sub-subcontractors.

§ 5.4 Contingent Assignment of Subcontracts

§ 5.4.1 Each subcontract agreement for a portion of the Work is assigned by the Contractor to the Owner, provided that

- .1 assignment is effective only after termination of the Contract by the Owner for cause pursuant to Section 14.2 and only for those subcontract agreements that the Owner accepts by notifying the Subcontractor and Contractor; and
- .2 assignment is subject to the prior rights of the surety, if any, obligated under bond relating to the Contract.

When the Owner accepts the assignment of a subcontract agreement, the Owner assumes the Contractor's rights and obligations under the subcontract.

(Paragraph deleted)

§ 5.4.3 Upon assignment to the Owner under this Section 5.4, the Owner may further assign the subcontract to a successor contractor or other entity. If the Owner assigns the subcontract to a successor contractor or other entity, the Owner shall nevertheless remain legally responsible for all of the successor contractor's obligations under the subcontract.

ARTICLE 6 CONSTRUCTION BY OWNER OR BY SEPARATE CONTRACTORS

§ 6.1 Owner's Right to Perform Construction and to Award Separate Contracts

§ 6.1.1 The term "Separate Contractor(s)" shall mean other contractors retained by the Owner under separate agreements. The Owner reserves the right to perform construction or operations related to the Project with the Owner's own forces, and with Separate Contractors retained under Conditions of the Contract substantially similar to those of this Contract, including those provisions of the Conditions of the Contract related to insurance and waiver of subrogation.

§ 6.1.2 When separate contracts are awarded for different portions of the Project or other construction or operations on the site, the term "Contractor" in the Contract Documents in each case shall mean the Contractor who executes each separate Owner-Contractor Agreement.

§ 6.1.3 The Owner shall provide for coordination of the activities of the Owner's own forces and of each Separate Contractor with the Work of the Contractor, who shall cooperate with them. The Contractor shall participate with any Separate Contractors and the Owner in reviewing their construction schedules. The Contractor shall make any revisions to its construction schedule deemed necessary after a joint review and mutual agreement. The construction schedules shall then constitute the schedules to be used by the Contractor, Separate Contractors, and the Owner until subsequently revised.

§ 6.1.4 Unless otherwise provided in the Contract Documents, when the Owner performs construction or operations related to the Project with the Owner's own forces or with Separate Contractors, the Owner or its Separate Contractors shall have the same obligations and rights that the Contractor has under the Conditions of the Contract, including, without excluding others, those stated in Article 3, this Article 6, and Articles 10, 11, and 12.

§ 6.2 Mutual Responsibility

§ 6.2.1 The Contractor shall afford the Owner and Separate Contractors reasonable opportunity for introduction and storage of their materials and equipment and performance of their activities, and shall connect and coordinate the Contractor's construction and operations with theirs as required by the Contract Documents.

§ 6.2.2 If part of the Contractor's Work depends for proper execution or results upon construction or operations by the Owner or a Separate Contractor, the Contractor shall, prior to proceeding with that portion of the Work, promptly notify the Architect of apparent discrepancies or defects in the construction or operations by the Owner or Separate Contractor that would render it unsuitable for proper execution and results of the Contractor's Work. Failure of the Contractor to notify the Architect of apparent discrepancies or defects prior to proceeding with the Work shall constitute an acknowledgment that the Owner's or Separate Contractor's completed or partially completed construction is fit and proper to receive the Contractor's Work. The Contractor shall not be responsible for discrepancies or defects in the construction or operations by the Owner or Separate Contractor that are not apparent.

§ 6.2.3 The Contractor shall reimburse the Owner for costs the Owner incurs that are payable to a Separate Contractor because of the Contractor's delays, improperly timed activities or defective construction. The Owner shall be responsible to the Contractor for costs the Contractor incurs because of a Separate Contractor's delays, improperly timed activities, damage to the Work or defective construction.

§ 6.2.4 The Contractor shall promptly remedy damage that the Contractor wrongfully causes to completed or partially completed construction or to property of the Owner or Separate Contractor as provided in Section 10.2.5.

§ 6.2.5 The Owner and each Separate Contractor shall have the same responsibilities for cutting and patching as are described for the Contractor in Section 3.14.

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§ 6.3 Owner's Right to Clean Up

If a dispute arises among the Contractor, Separate Contractors, and the Owner as to the responsibility under their respective contracts for maintaining the premises and surrounding area free from waste materials and rubbish, the Owner may clean up and the Architect will allocate the cost among those responsible.

ARTICLE 7 CHANGES IN THE WORK

§ 7.1 General

§ 7.1.1 Changes in the Work may be accomplished after execution of the Contract, and without invalidating the Contract, by Change Order, Construction Change Directive or order for a minor change in the Work, subject to the limitations stated in this Article 7 and elsewhere in the Contract Documents.

§ 7.1.2 A Change Order shall be based upon agreement among the Owner, Contractor, and Architect. A Construction Change Directive requires agreement by the Owner and Architect and may or may not be agreed to by the Contractor. An order for a minor change in the Work may be issued by the Architect alone.

§ 7.1.3 Changes in the Work shall be performed under applicable provisions of the Contract Documents. The Contractor shall proceed promptly with changes in the Work, unless otherwise provided in the Change Order, Construction Change Directive, or order for a minor change in the Work.

§ 7.2 Change Orders

§ 7.2.1 A Change Order is a written instrument prepared by the Architect and signed by the Owner, Contractor, and Architect stating their agreement upon all of the following:

- .1 The change in the Work;
- .2 The amount of the adjustment, if any, in the Contract Sum; and
- .3 The extent of the adjustment, if any, in the Contract Time.

§ 7.2.2 Change Orders must be in a form designated by the Owner. Unless expressly stated in the Change Order, the Contractor waives all rights to claim additional time or money for Work performed pursuant to the Change Order.

§ 7.3 Construction Change Directives

§ 7.3.1 A Construction Change Directive is a written order prepared by the Architect and signed by the Owner and Architect, directing a change in the Work prior to agreement on adjustment, if any, in the Contract Sum or Contract Time, or both. The Owner may by Construction Change Directive, without invalidating the Contract, order changes in the Work within the general scope of the Contract consisting of additions, deletions, or other revisions, the Contract Sum and Contract Time being adjusted accordingly.

§ 7.3.2 A Construction Change Directive shall be used in the absence of total agreement on the terms of a Change Order.

§ 7.3.3 If the Construction Change Directive provides for an adjustment to the Contract Sum, the adjustment shall be based on one of the following methods:

- .1 Mutual acceptance of a lump sum properly itemized and supported by sufficient substantiating data to permit evaluation;
- .2 Unit prices stated in the Contract Documents or subsequently agreed upon;
- .3 Cost to be determined in a manner agreed upon by the parties and a mutually acceptable fixed or percentage fee; or
- .4 As provided in Section 7.3.4.

§ 7.3.4 If the Contractor does not respond promptly or disagrees with the method for adjustment in the Contract Sum, the Architect shall determine the adjustment on the basis of reasonable expenditures and savings of those performing the Work attributable to the change, including, in case of an increase in the Contract Sum, an amount for overhead and profit as set forth in the Agreement, or if no such amount is set forth in the Agreement, a reasonable amount. In such case, and also under Section 7.3.3.3, the Contractor shall keep and present, in such form as the Architect may prescribe, an itemized accounting together with appropriate supporting data. Unless otherwise provided in the Contract Documents, costs for the purposes of this Section 7.3.4 shall be limited to the following:

- .1 Costs of labor, including applicable payroll taxes, fringe benefits required by agreement or custom, workers' compensation insurance, and other employee costs approved by the Architect;

- .2 Costs of materials, supplies, and equipment, including cost of transportation, whether incorporated or consumed;
- .3 Rental costs of machinery and equipment, exclusive of hand tools, whether rented from the Contractor or others;
- .4 Costs of premiums for all bonds and insurance, permit fees, and sales, use, or similar taxes, directly related to the change; and
- .5 Costs of supervision and field office personnel directly attributable to the change.

§ 7.3.5 If the Contractor disagrees with the adjustment in the Contract Time, the Contractor may make a Claim in accordance with applicable provisions of Article 15.

§ 7.3.6 Upon receipt of a Construction Change Directive, the Contractor shall promptly proceed with the change in the Work involved and advise the Architect of the Contractor's agreement or disagreement with the method, if any, provided in the Construction Change Directive for determining the proposed adjustment in the Contract Sum or Contract Time.

§ 7.3.7 A Construction Change Directive signed by the Contractor indicates the Contractor's agreement therewith, including adjustment in Contract Sum and Contract Time or the method for determining them. Such agreement shall be effective immediately and shall be recorded as a Change Order.

§ 7.3.8 The amount of credit to be allowed by the Contractor to the Owner for a deletion or change that results in a net decrease in the Contract Sum shall be actual net cost as confirmed by the Architect. When both additions and credits covering related Work or substitutions are involved in a change, the allowance for overhead and profit shall be figured on the basis of net increase, if any, with respect to that change.

§ 7.3.9 Pending final determination of the total cost of a Construction Change Directive to the Owner, the Contractor may request payment for Work completed under the Construction Change Directive in Applications for Payment. The Architect will make an interim determination for purposes of monthly certification for payment for those costs and certify for payment the amount that the Architect determines, in the Architect's professional judgment, to be reasonably justified. The Architect's interim determination of cost shall adjust the Contract Sum on the same basis as a Change Order, subject to the right of either party to disagree and assert a Claim in accordance with Article 15.

§ 7.3.10 When the Owner and Contractor agree with a determination made by the Architect concerning the adjustments in the Contract Sum and Contract Time, or otherwise reach agreement upon the adjustments, such agreement shall be effective immediately and the Architect will prepare a Change Order. Change Orders may be issued for all or any part of a Construction Change Directive.

§ 7.4 Minor Changes in the Work

The Architect may order minor changes in the Work that are consistent with the intent of the Contract Documents and do not involve an adjustment in the Contract Sum or an extension of the Contract Time. The Architect's order for minor changes shall be in writing. If the Contractor believes that the proposed minor change in the Work will affect the Contract Sum or Contract Time, the Contractor shall notify the Architect and shall not proceed to implement the change in the Work. If the Contractor performs the Work set forth in the Architect's order for a minor change without prior notice to the Architect that such change will affect the Contract Sum or Contract Time, the Contractor waives any adjustment to the Contract Sum or extension of the Contract Time.

ARTICLE 8 TIME

§ 8.1 Definitions

§ 8.1.1 Unless otherwise provided, Contract Time is the period of time, including authorized adjustments, allotted in the Contract Documents for Substantial Completion of the Work.

§ 8.1.2 The date of commencement of the Work is the date established in the Agreement.

§ 8.1.3 The date of Substantial Completion is the date certified by the Architect in accordance with Section 9.8.

§ 8.1.4 The term "day" as used in the Contract Documents shall mean calendar day unless otherwise specifically defined.

§ 8.2 Progress and Completion

§ 8.2.1 Time limits stated in the Contract Documents are of the essence of the Contract. By executing the Agreement, the Contractor confirms that the Contract Time is a reasonable period for performing the Work.

§ 8.2.2 The Contractor shall not knowingly, except by agreement or instruction of the Owner in writing, commence the Work prior to the effective date of insurance required to be furnished by the Contractor and Owner.

§ 8.2.3 The Contractor shall proceed expeditiously with adequate forces and shall achieve Substantial Completion within the Contract Time.

§ 8.3 Delays and Extensions of Time

§ 8.3.1 If the Construction Manager is delayed such that the critical path is impacted due to an act or neglect of the Owner, Architect, employees or agents of either, or of a Separate Contractor, then the Construction Manager may be entitled to an equitable adjustment in the Contract Time and/or Contract Sum.

§ 8.3.2 Claims relating to time shall be made in accordance with applicable provisions of Article 15.

§ 8.3.3 This Section 8.3 does not preclude recovery of damages for delay by either party under other provisions of the Contract Documents.

§ 8.3.4 The parties recognize that the recent events concerning the COVID-19 pandemic are unprecedented, and that the Contract may not fully address the unusual circumstances created by various applicable governmental orders concerning the COVID-19 pandemic or the impacts that COVID-19 is having on economic conditions relevant to the Project, including labor, materials, equipment, safety, and other impacts. The Contract Sum and Contract Time do not include, and do not contemplate, cost impacts or schedule impacts associated with COVID-19 or any other virus, disease, epidemic, or pandemic (collectively, an "Epidemic") occurring after submission of Contractor's Guaranteed Maximum Price proposal. If the Contractor's work is significantly impacted by COVID-19 or an Epidemic, then the Contractor may be entitled to an equitable adjustment of the Contract Time for all such impacts.

ARTICLE 9 PAYMENTS AND COMPLETION

§ 9.1 Contract Sum

§ 9.1.1 The Contract Sum is stated in the Agreement and, including authorized adjustments, is the total amount payable by the Owner to the Contractor for performance of the Work under the Contract Documents.

§ 9.1.2 If unit prices are stated in the Contract Documents or subsequently agreed upon, and if quantities originally contemplated are materially changed so that application of such unit prices to the actual quantities causes substantial inequity to the Owner or Contractor, the applicable unit prices shall be equitably adjusted.

§ 9.2 Schedule of Values

Where the Contract is based on a stipulated sum or Guaranteed Maximum Price, the Contractor shall submit a schedule of values to the Architect before the first Application for Payment, allocating the entire Contract Sum to the various portions of the Work. The schedule of values shall be prepared in the form, and supported by the data to substantiate its accuracy, required by the Architect. This schedule, unless objected to by the Architect, shall be used as a basis for reviewing the Contractor's Applications for Payment. Any changes to the schedule of values shall be submitted to the Architect and supported by such data to substantiate its accuracy as the Architect may require, and unless objected to by the Architect, shall be used as a basis for reviewing the Contractor's subsequent Applications for Payment.

§ 9.3 Applications for Payment

§ 9.3.1 At least five days before the date established for each progress payment, the Contractor shall submit to the Architect an itemized preliminary draft of the Application for Payment with complete supporting data on the form prescribed by the Owner. Upon approval of the preliminary draft, the Contractor shall submit the Application for Payment to the Architect for final approval and prepared in accordance with the schedule of values, if required under Section 9.2, for completed portions of the Work. The application shall be notarized, if required, and supported by all data substantiating the Contractor's right to payment that the Owner or Architect require, such as copies of requisitions, and releases and waivers of liens from Subcontractors and suppliers, and shall reflect retainage if provided for in the Contract Documents.

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§ 9.3.1.1 As provided in Section 7.3.9, such applications may include requests for payment on account of changes in the Work that have been properly authorized by Construction Change Directives, or by interim determinations of the Architect, but not yet included in Change Orders.

§ 9.3.1.2 Applications for Payment shall not include requests for payment for portions of the Work for which the Contractor does not intend to pay a Subcontractor or supplier, unless such Work has been performed by others whom the Contractor intends to pay.

§ 9.3.2 Unless otherwise provided in the Contract Documents, payments shall be made on account of materials and equipment delivered and suitably stored at the site for subsequent incorporation in the Work. If approved in advance by the Owner, payment may similarly be made for materials and equipment suitably stored off the site at a location agreed upon in writing. Payment for materials and equipment stored on or off the site shall be conditioned upon compliance by the Contractor with procedures satisfactory to the Owner to establish the Owner's title to such materials and equipment or otherwise protect the Owner's interest, and shall include the costs of applicable insurance, storage, and transportation to the site, for such materials and equipment stored off the site.

§ 9.3.3 The Contractor warrants that title to all Work covered by an Application for Payment will pass to the Owner no later than the time of payment. The Contractor further warrants that upon submittal of an Application for Payment all Work for which Certificates for Payment have been previously issued and payments received from the Owner shall, to the best of the Contractor's knowledge, information, and belief, be free and clear of liens, claims, security interests, or encumbrances, in favor of the Contractor, Subcontractors, suppliers, or other persons or entities that provided labor, materials, and equipment relating to the Work.

§ 9.4 Certificates for Payment

§ 9.4.1 The Architect will, within seven days after receipt of the Contractor's Application for Payment, either (1) issue to the Owner a Certificate for Payment in the full amount of the Application for Payment, with a copy to the Contractor; or (2) issue to the Owner a Certificate for Payment for such amount as the Architect determines is properly due, and notify the Contractor and Owner of the Architect's reasons for withholding certification in part as provided in Section 9.5.1; or (3) withhold certification of the entire Application for Payment, and notify the Contractor and Owner of the Architect's reason for withholding certification in whole as provided in Section 9.5.1.

§ 9.4.2 The issuance of a Certificate for Payment will constitute a representation by the Architect to the Owner, based on the Architect's evaluation of the Work and the data in the Application for Payment, that, to the best of the Architect's knowledge, information, and belief, the Work has progressed to the point indicated, the quality of the Work is in accordance with the Contract Documents, and that the Contractor is entitled to payment in the amount certified. The foregoing representations are subject to an evaluation of the Work for conformance with the Contract Documents upon Substantial Completion, to results of subsequent tests and inspections, to correction of minor deviations from the Contract Documents prior to completion, and to specific qualifications expressed by the Architect. However, the issuance of a Certificate for Payment will not be a representation that the Architect has (1) made exhaustive or continuous on-site inspections to check the quality or quantity of the Work; (2) reviewed construction means, methods, techniques, sequences, or procedures; (3) reviewed copies of requisitions received from Subcontractors and suppliers and other data requested by the Owner to substantiate the Contractor's right to payment; or (4) made examination to ascertain how or for what purpose the Contractor has used money previously paid on account of the Contract Sum.

§ 9.5 Decisions to Withhold Certification

§ 9.5.1 The Architect may withhold a Certificate for Payment in whole or in part, to the extent reasonably necessary to protect the Owner, if in the Architect's opinion the representations to the Owner required by Section 9.4.2 cannot be made. If the Architect is unable to certify payment in the amount of the Application, the Architect will notify the Contractor and Owner as provided in Section 9.4.1. If the Contractor and Architect cannot agree on a revised amount, the Architect will promptly issue a Certificate for Payment for the amount for which the Architect is able to make such representations to the Owner. The Architect may also withhold a Certificate for Payment or, because of subsequently discovered evidence, may nullify the whole or a part of a Certificate for Payment previously issued, to such extent as may be necessary in the Architect's opinion to protect the Owner from loss for which the Contractor is responsible, including loss resulting from acts and omissions described in Section 3.3.2, because of

- .1 defective Work not remedied;

- .2 third party claims filed or reasonable evidence indicating probable filing of such claims, unless security acceptable to the Owner is provided by the Contractor;
- .3 failure of the Contractor to make payments properly to Subcontractors or suppliers for labor, materials or equipment;
- .4 reasonable evidence that the Work cannot be completed for the unpaid balance of the Contract Sum;
- .5 damage to the Owner or a Separate Contractor;
- .6 reasonable evidence that the Work will not be completed within the Contract Time, and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay; or
- .7 repeated failure to carry out the Work in accordance with the Contract Documents.

§ 9.5.2 When either party disputes the Architect's decision regarding a Certificate for Payment under Section 9.5.1, in whole or in part, that party may submit a Claim in accordance with Article 15.

§ 9.5.3 When the reasons for withholding certification are removed, certification will be made for amounts previously withheld.

§ 9.5.4 If the Architect withholds certification for payment under Section 9.5.1.3, the Owner may, at its sole option, issue joint checks to the Contractor and to any Subcontractor or supplier to whom the Contractor failed to make payment for Work properly performed or material or equipment suitably delivered. If the Owner makes payments by joint check, the Owner shall notify the Architect and the Contractor shall reflect such payment on its next Application for Payment.

§ 9.5.5 The Owner shall not be deemed in default by reason of withholding payment, to the extent necessary, in the Owner's reasonable opinion to protect the Owner while any of the conditions described in 9.5.1.1 through 9.5.1.7 remain.

§ 9.6 Progress Payments

§ 9.6.1 After the Architect has issued a Certificate for Payment, the Owner shall make payment in the manner and within the time provided in the Contract Documents, and shall so notify the Architect.

§ 9.6.2 The Contractor shall pay each Subcontractor, no later than seven days after receipt of payment from the Owner, the amount to which the Subcontractor is entitled, reflecting percentages actually retained from payments to the Contractor on account of the Subcontractor's portion of the Work. The Contractor shall, by appropriate agreement with each Subcontractor, require each Subcontractor to make payments to Sub-subcontractors in a similar manner.

§ 9.6.3 The Architect will, on request, furnish to a Subcontractor, if practicable, information regarding percentages of completion or amounts applied for by the Contractor and action taken thereon by the Architect and Owner on account of portions of the Work done by such Subcontractor.

§ 9.6.4 The Owner has the right to request written evidence from the Contractor that the Contractor has properly paid Subcontractors and suppliers amounts paid by the Owner to the Contractor for subcontracted Work. If the Contractor fails to furnish such evidence within seven days, the Owner shall have the right to contact Subcontractors and suppliers to ascertain whether they have been properly paid. Neither the Owner nor Architect shall have an obligation to pay, or to see to the payment of money to, a Subcontractor or supplier, except as may otherwise be required by law.

§ 9.6.5 The Contractor's payments to suppliers shall be treated in a manner similar to that provided in Sections 9.6.2, 9.6.3 and 9.6.4.

§ 9.6.6 A Certificate for Payment, a progress payment, or partial or entire use or occupancy of the Project by the Owner shall not constitute acceptance of Work not in accordance with the Contract Documents.

§ 9.6.7 Unless the Contractor provides the Owner with a payment bond in the full penal sum of the Contract Sum, payments received by the Contractor for Work properly performed by Subcontractors or provided by suppliers shall be held by the Contractor for those Subcontractors or suppliers who performed Work or furnished materials, or both, under contract with the Contractor for which payment was made by the Owner. Nothing contained herein shall require money to be placed in a separate account and not commingled with money of the Contractor, create any fiduciary

liability or tort liability on the part of the Contractor for breach of trust, or entitle any person or entity to an award of punitive damages against the Contractor for breach of the requirements of this provision.

§ 9.6.8 Provided the Owner has fulfilled its payment obligations under the Contract Documents, the Contractor shall defend and indemnify the Owner from all loss, liability, damage or expense, including reasonable attorney's fees and litigation expenses, arising out of any lien claim or other claim for payment by any Subcontractor or supplier of any tier. Upon receipt of notice of a lien claim or other claim for payment, the Owner shall notify the Contractor. If approved by the applicable court, when required, the Contractor may substitute a surety bond for the property against which the lien or other claim for payment has been asserted.

§ 9.7 Failure of Payment

If the Architect does not issue a Certificate for Payment, through no fault of the Contractor, within seven days after receipt of the Contractor's Application for Payment, or if the Owner does not pay the Contractor within seven days after the date established in the Contract Documents, the amount certified by the Architect or awarded by binding dispute resolution, then the Contractor may, upon seven additional days' notice to the Owner and Architect, stop the Work until payment of the amount owing has been received. The Contract Time shall be extended appropriately and the Contract Sum shall be increased by the amount of the Contractor's reasonable costs of shutdown, delay and start-up, plus interest as provided for in the Contract Documents.

§ 9.8 Substantial Completion

§ 9.8.1 Substantial Completion is the stage in the progress of the Work when the Work or designated portion thereof is sufficiently complete in accordance with the Contract Documents so that the Owner can occupy or utilize the Work for its intended use.

§ 9.8.2 When the Contractor considers that the Work, or a portion thereof which the Owner agrees to accept separately, is substantially complete, the Contractor shall prepare and submit to the Architect a comprehensive list of items to be completed or corrected prior to final payment. Failure to include an item on such list does not alter the responsibility of the Contractor to complete all Work in accordance with the Contract Documents.

§ 9.8.3 Upon receipt of the Contractor's list, the Architect will make an inspection to determine whether the Work or designated portion thereof is substantially complete. If the Architect's inspection discloses any item, whether or not included on the Contractor's list, which is not sufficiently complete in accordance with the Contract Documents so that the Owner can occupy or utilize the Work or designated portion thereof for its intended use, the Contractor shall, before issuance of the Certificate of Substantial Completion, complete or correct such item upon notification by the Architect. In such case, the Contractor shall then submit a request for another inspection by the Architect to determine Substantial Completion.

§ 9.8.4 When the Work or designated portion thereof is substantially complete, the Architect will prepare a Certificate of Substantial Completion that shall establish the date of Substantial Completion; establish responsibilities of the Owner and Contractor for security, maintenance, heat, utilities, damage to the Work and insurance; and fix the time within which the Contractor shall finish all items on the list accompanying the Certificate. Warranties required by the Contract Documents shall commence on the date of Substantial Completion of the Work or designated portion thereof unless otherwise provided in the Certificate of Substantial Completion.

§ 9.8.5 The Certificate of Substantial Completion shall be submitted to the Owner and Contractor for their written acceptance of responsibilities assigned to them in the Certificate. Upon such acceptance, and consent of surety if any, the Owner shall make payment of retainage applying to the Work or designated portion thereof. Such payment shall be adjusted for Work that is incomplete or not in accordance with the requirements of the Contract Documents.

§ 9.9 Partial Occupancy or Use

§ 9.9.1 The Owner may occupy or use any completed or partially completed portion of the Work at any stage when such portion is designated by separate agreement with the Contractor, provided such occupancy or use is consented to by the insurer and authorized by public authorities having jurisdiction over the Project. Such partial occupancy or use may commence whether or not the portion is substantially complete, provided the Owner and Contractor have accepted in writing the responsibilities assigned to each of them for payments, retainage, if any, security, maintenance, heat, utilities, damage to the Work and insurance, and have agreed in writing concerning the period for correction of the Work and commencement of warranties required by the Contract Documents. When the Contractor considers a

portion substantially complete, the Contractor shall prepare and submit a list to the Architect as provided under Section 9.8.2. Consent of the Contractor to partial occupancy or use shall not be unreasonably withheld. The stage of the progress of the Work shall be determined by written agreement between the Owner and Contractor or, if no agreement is reached, by decision of the Architect.

§ 9.9.2 Immediately prior to such partial occupancy or use, the Owner, Contractor, and Architect shall jointly inspect the area to be occupied or portion of the Work to be used in order to determine and record the condition of the Work.

§ 9.9.3 Unless otherwise agreed upon, partial occupancy or use of a portion or portions of the Work shall not constitute acceptance of Work not complying with the requirements of the Contract Documents.

§ 9.10 Final Completion and Final Payment

§ 9.10.1 Upon receipt of the Contractor's notice that the Work is ready for final inspection and acceptance and upon receipt of a final Application for Payment, the Architect will promptly make such inspection. When the Architect finds the Work acceptable under the Contract Documents and the Contract fully performed, the Architect will promptly issue a final Certificate for Payment stating that to the best of the Architect's knowledge, information and belief, and on the basis of the Architect's on-site visits and inspections, the Work has been completed in accordance with the Contract Documents and that the entire balance found to be due the Contractor and noted in the final Certificate is due and payable. The Architect's final Certificate for Payment will constitute a further representation that conditions listed in Section 9.10.2 as precedent to the Contractor's being entitled to final payment have been fulfilled.

§ 9.10.2 Neither final payment nor any remaining retained percentage shall become due until the Contractor submits to the Architect (1) an affidavit that payrolls, bills for materials and equipment, and other indebtedness connected with the Work for which the Owner or the Owner's property might be responsible or encumbered (less amounts withheld by Owner) have been paid or otherwise satisfied, (2) a certificate evidencing that insurance required by the Contract Documents to remain in force after final payment is currently in effect, (3) a written statement that the Contractor knows of no reason that the insurance will not be renewable to cover the period required by the Contract Documents, (4) consent of surety, if any, to final payment, (5) documentation of any special warranties, such as manufacturers' warranties or specific Subcontractor warranties, (6) if required by the Owner, other data establishing payment or satisfaction of obligations, such as receipts and releases and waivers of liens, claims, security interests, or encumbrances arising out of the Contract, to the extent and in such form as may be designated by the Owner and (7) the number of designated sets of Owner's manuals, operating instructions for all equipment, required training of Owner's employees on all equipment, final reports as required for calibration of equipment (HVAC balancing reports, etc), and final Certificate of Occupancy. If a Subcontractor refuses to furnish a release or waiver required by the Owner, the Contractor may furnish a bond satisfactory to the Owner to indemnify the Owner against such lien, claim, security interest, or encumbrance. If a lien, claim, security interest, or encumbrance remains unsatisfied after payments are made, the Contractor shall refund to the Owner all money that the Owner may be compelled to pay in discharging the lien, claim, security interest, or encumbrance, including all costs and reasonable attorneys' fees.

§ 9.10.3 If, after Substantial Completion of the Work, final completion thereof is materially delayed through no fault of the Contractor or by issuance of Change Orders affecting final completion, and the Architect so confirms, the Owner shall, upon application by the Contractor and certification by the Architect, and without terminating the Contract, make payment of the balance due for that portion of the Work fully completed, corrected, and accepted. If the remaining balance for Work not fully completed or corrected is less than retainage stipulated in the Contract Documents, and if bonds have been furnished, the written consent of the surety to payment of the balance due for that portion of the Work fully completed and accepted shall be submitted by the Contractor to the Architect prior to certification of such payment. Such payment shall be made under terms and conditions governing final payment, except that it shall not constitute a waiver of Claims.

§ 9.10.4 The making of final payment shall constitute a waiver of Claims by the Owner except those arising from

- .1 liens, Claims, security interests, or encumbrances arising out of the Contract and unsettled;
- .2 failure of the Work to comply with the requirements of the Contract Documents;
- .3 terms of special warranties required by the Contract Documents; or
- .4 audits performed by the Owner, if permitted by the Contract Documents, after final payment.

§ 9.10.5 Acceptance of final payment by the Contractor, a Subcontractor, or a supplier, shall constitute a waiver of claims by that payee except those previously made in writing and identified by that payee as unsettled at the time of final Application for Payment.

ARTICLE 10 PROTECTION OF PERSONS AND PROPERTY

§ 10.1 Safety Precautions and Programs

The Contractor shall be responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the performance of the Contract.

§ 10.2 Safety of Persons and Property

§ 10.2.1 The Contractor shall take reasonable precautions for safety of, and shall provide reasonable protection to prevent damage, injury, or loss to

- .1 employees on the Work and other persons who may be affected thereby;
- .2 the Work and materials and equipment to be incorporated therein, whether in storage on or off the site, under care, custody, or control of the Contractor, a Subcontractor, or a Sub-subcontractor; and
- .3 other property at the site or adjacent thereto, such as trees, shrubs, lawns, walks, pavements, roadways, structures, and utilities not designated for removal, relocation, or replacement in the course of construction.

§ 10.2.2 The Contractor shall comply with, and give notices required by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities, bearing on safety of persons or property or their protection from damage, injury, or loss.

§ 10.2.3 The Contractor shall implement, erect, and maintain, as required by existing conditions and performance of the Contract, reasonable safeguards for safety and protection, including posting danger signs and other warnings against hazards; promulgating safety regulations; and notifying the owners and users of adjacent sites and utilities of the safeguards.

§ 10.2.4 When use or storage of explosives or other hazardous materials or equipment, or unusual methods are necessary for execution of the Work, the Contractor shall exercise utmost care and carry on such activities under supervision of properly qualified personnel.

§ 10.2.5 The Contractor shall promptly remedy damage and loss (other than damage or loss insured under property insurance required by the Contract Documents) to property referred to in Sections 10.2.1.2 and 10.2.1.3 caused in whole or in part by the Contractor, a Subcontractor, a Sub-subcontractor, or anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable and for which the Contractor is responsible under Sections 10.2.1.2 and 10.2.1.3. The Contractor may make a Claim for the cost to remedy the damage or loss to the extent such damage or loss is attributable to acts or omissions of the Owner or Architect or anyone directly or indirectly employed by either of them, or by anyone for whose acts either of them may be liable, and not attributable to the fault or negligence of the Contractor. The foregoing obligations of the Contractor are in addition to the Contractor's obligations under Section 3.18.

§ 10.2.6 The Contractor shall designate a responsible member of the Contractor's organization at the site whose duty shall be the prevention of accidents. This person shall be the Contractor's superintendent unless otherwise designated by the Contractor in writing to the Owner and Architect.

§ 10.2.7 The Contractor shall not permit any part of the construction or site to be loaded so as to cause damage or create an unsafe condition.

§ 10.2.8 Injury or Damage to Person or Property

If either party suffers injury or damage to person or property because of an act or omission of the other party, or of others for whose acts such party is legally responsible, notice of the injury or damage, whether or not insured, shall be given to the other party within a reasonable time not exceeding 21 days after discovery. The notice shall provide sufficient detail to enable the other party to investigate the matter.

§ 10.3 Hazardous Materials and Substances

§ 10.3.1 The Contractor is responsible for compliance with any requirements included in the Contract Documents regarding hazardous materials or substances. If the Contractor encounters a hazardous material or substance not addressed in the Contract Documents and if reasonable precautions will be inadequate to prevent foreseeable bodily injury or death to persons resulting from a material or substance, including but not limited to asbestos or polychlorinated biphenyl (PCB), encountered on the site by the Contractor, the Contractor shall, upon recognizing the condition, immediately stop Work in the affected area and notify the Owner and Architect of the condition.

§ 10.3.2 Upon receipt of the Contractor's notice, the Owner shall obtain the services of a licensed laboratory to verify the presence or absence of the material or substance reported by the Contractor and, in the event such material or substance is found to be present, to cause it to be rendered harmless. Unless otherwise required by the Contract Documents, the Owner shall furnish in writing to the Contractor and Architect the names and qualifications of persons or entities who are to perform tests verifying the presence or absence of the material or substance or who are to perform the task of removal or safe containment of the material or substance. The Contractor and the Architect will promptly reply to the Owner in writing stating whether or not either has reasonable objection to the persons or entities proposed by the Owner. If either the Contractor or Architect has an objection to a person or entity proposed by the Owner, the Owner shall propose another to whom the Contractor and the Architect have no reasonable objection. When the material or substance has been rendered harmless, Work in the affected area shall resume upon written agreement of the Owner and Contractor. By Change Order, the Contract Time shall be extended appropriately, and the Contract Sum shall be increased by the amount of the Contractor's reasonable additional costs of shutdown, delay, and start-up.

§ 10.3.3 Hazardous materials or substances, including those containing asbestos if discovered in small amounts, shall be properly mitigated, removed and disposed of from the Owners property by the Contractor in a lawful manner, at no additional cost to the Owner. The Owners obligations under Section 10.3.2 shall only apply in the event of the discovery of a significant amount of hazardous materials or substances including those containing asbestos. Otherwise, for small amounts of hazardous materials or substances, the Contractor shall be responsible for carrying out all the requirements of Section 10.3.2.

§ 10.3.4 The Owner shall not be responsible under this Section 10.3 for hazardous materials or substances the Contractor brings to the site unless such materials or substances are required by the Contract Documents. The Owner shall be responsible for hazardous materials or substances required by the Contract Documents, except to the extent of the Contractor's fault or negligence in the use and handling of such materials or substances.

§ 10.3.5 The Contractor shall reimburse the Owner for the cost and expense the Owner incurs (1) for remediation of hazardous materials or substances the Contractor brings to the site and negligently handles, or (2) where the Contractor fails to perform its obligations under Section 10.3.1, except to the extent that the cost and expense are due to the Owner's fault or negligence.

§ 10.3.6 If, without negligence on the part of the Contractor, the Contractor is held liable by a government agency for the cost of remediation of a hazardous material or substance solely by reason of performing Work as required by the Contract Documents, the Owner shall reimburse the Contractor for all cost and expense thereby incurred.

§ 10.4 Emergencies

In an emergency affecting safety of persons or property, the Contractor shall act, at the Contractor's discretion, to prevent threatened damage, injury, or loss. Additional compensation or extension of time claimed by the Contractor on account of an emergency shall be determined as provided in Article 15 and Article 7.

ARTICLE 11 INSURANCE AND BONDS

§ 11.1 Contractor's Insurance and Bonds

§ 11.1.1 The Contractor shall purchase and maintain insurance of the types and limits of liability, containing the endorsements, and subject to the terms and conditions, as described in the Agreement or elsewhere in the Contract Documents. The Contractor shall purchase and maintain the required insurance from an insurance company or insurance companies lawfully authorized to issue insurance in the jurisdiction where the Project is located. The Owner, Architect, and Architect's consultants shall be named as additional insureds under the Contractor's commercial general liability policy or as otherwise described in the Contract Documents.

§ 11.1.2 The Contractor shall provide surety bonds of the types, for such penal sums, and subject to such terms and conditions as required by the Contract Documents. The Contractor shall purchase and maintain the required bonds from a company or companies lawfully authorized to issue surety bonds in the jurisdiction where the Project is located.

§ 11.1.3 Upon the request of any person or entity appearing to be a potential beneficiary of bonds covering payment of obligations arising under the Contract, the Contractor shall promptly furnish a copy of the bonds or shall authorize a copy to be furnished.

§ 11.1.4 **Notice of Cancellation or Expiration of Contractor's Required Insurance.** Within three (3) business days of the date the Contractor becomes aware of an impending or actual cancellation or expiration of any insurance required by the Contract Documents, the Contractor shall provide notice to the Owner of such impending or actual cancellation or expiration. Upon receipt of notice from the Contractor, the Owner shall, unless the lapse in coverage arises from an act or omission of the Owner, have the right to stop the Work until the lapse in coverage has been cured by the procurement of replacement coverage by the Contractor. The furnishing of notice by the Contractor shall not relieve the Contractor of any contractual obligation to provide any required coverage.

§ 11.2 Owner's Insurance

§ 11.2.1 The Owner shall purchase and maintain insurance of the types and limits of liability, containing the endorsements, and subject to the terms and conditions, as described in the Agreement or elsewhere in the Contract Documents. The Owner shall purchase and maintain the required insurance from an insurance company or insurance companies lawfully authorized to issue insurance in the jurisdiction where the Project is located.

§ 11.2.2 **Failure to Purchase Required Property Insurance.** If the Owner fails to purchase and maintain the required property insurance, with all of the coverages and in the amounts described in the Agreement or elsewhere in the Contract Documents, the Owner shall inform the Contractor in writing prior to commencement of the Work. Upon receipt of notice from the Owner, the Contractor may delay commencement of the Work and may obtain insurance that will protect the interests of the Contractor, Subcontractors, and Sub-Subcontractors in the Work. When the failure to provide coverage has been cured or resolved, the Contract Sum and Contract Time shall be equitably adjusted. In the event the Owner fails to procure coverage, the Owner waives all rights against the Contractor, Subcontractors, and Sub-subcontractors to the extent the loss to the Owner would have been covered by the insurance to have been procured by the Owner. The cost of the insurance shall be charged to the Owner by a Change Order. If the Owner does not provide written notice, and the Contractor is damaged by the failure or neglect of the Owner to purchase or maintain the required insurance, the Owner shall reimburse the Contractor for all reasonable costs and damages attributable thereto.

§ 11.2.3 **Notice of Cancellation or Expiration of Owner's Required Property Insurance.** Within three (3) business days of the date the Owner becomes aware of an impending or actual cancellation or expiration of any property insurance required by the Contract Documents, the Owner shall provide notice to the Contractor of such impending or actual cancellation or expiration. Unless the lapse in coverage arises from an act or omission of the Contractor: (1) the Contractor, upon receipt of notice from the Owner, shall have the right to stop the Work until the lapse in coverage has been cured by the procurement of replacement coverage by either the Owner or the Contractor; (2) the Contract Time and Contract Sum shall be equitably adjusted; and (3) the Owner waives all rights against the Contractor, Subcontractors, and Sub-subcontractors to the extent any loss to the Owner would have been covered by the insurance had it not expired or been cancelled. If the Contractor purchases replacement coverage, the cost of the insurance shall be charged to the Owner by an appropriate Change Order. The furnishing of notice by the Owner shall not relieve the Owner of any contractual obligation to provide required insurance.

§ 11.3 Waivers of Subrogation

§ 11.3.1 The Owner and Contractor waive all rights against (1) each other and any of their subcontractors, sub-subcontractors, agents, and employees, each of the other and (2) the Architect, Architect's consultants, separate contractors described in Article 6, if any, and any of their subcontractors, sub-subcontractors, agents and employees, for damages caused by fire or other causes of loss, to the extent covered by Builder's Risk insurance obtained pursuant to this Section 11.3 or other property insurance applicable to the Work, except such rights as they have to proceeds of such insurance held by the Owner as fiduciary. The Owner or Contractor, as appropriate, shall require of the Architect, Architect's consultants, Separate Contractors described in Article 6, if any, and the subcontractors, and sub-subcontractors agents and employees of any of them, by appropriate agreements, written where legally required

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for validity, similar waivers each in favor of other parties enumerated herein. The policies shall provide such waivers of subrogation by endorsement or otherwise. A waiver of subrogation shall be effective as to a person or entity (1) even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, (2) did not pay the insurance premium directly or indirectly, and (3) whether or not the person or entity had an insurable interest in the property damaged.

§ 11.3.2 If during the Project construction period the Owner insures properties, real or personal or both, at or adjacent to the site by property insurance under policies separate from those insuring the Project, or if after final payment property insurance is to be provided on the completed Project through a policy or policies other than those insuring the Project during the construction period, to the extent permissible by such policies, the Owner waives all rights in accordance with the terms of Section 11.3.1 for damages caused by fire or other causes of loss covered by this separate property insurance.

§ 11.4 Loss of Use, Business Interruption, and Delay in Completion Insurance

The Owner, at the Owner's option, may purchase and maintain insurance that will protect the Owner against loss of use of the Owner's property, or the inability to conduct normal operations, due to fire or other causes of loss. The Owner waives all rights of action against the Contractor and Architect for loss of use of the Owner's property, due to fire or other hazards however caused.

§11.5 Adjustment and Settlement of Insured Loss

§ 11.5.1 A loss insured under the property insurance required by the Agreement shall be adjusted by the Owner as fiduciary and made payable to the Owner as fiduciary for the insureds, as their interests may appear, subject to requirements of any applicable mortgagee clause and of Section 11.5.2. The Owner shall pay the Architect and Contractor their just shares of insurance proceeds received by the Owner, and by appropriate agreements the Architect and Contractor shall make payments to their consultants and Subcontractors in similar manner.

§ 11.5.2 Prior to settlement of an insured loss, the Owner shall notify the Contractor of the terms of the proposed settlement as well as the proposed allocation of the insurance proceeds. The Contractor shall have 14 days from receipt of notice to object to the proposed settlement or allocation of the proceeds. If the Contractor does not object, the Owner shall settle the loss and the Contractor shall be bound by the settlement and allocation. Upon receipt, the Owner shall deposit the insurance proceeds in a separate account and make the appropriate distributions. Thereafter, if no other agreement is made or the Owner does not terminate the Contract for convenience, the Owner and Contractor shall execute a Change Order for reconstruction of the damaged or destroyed Work in the amount allocated for that purpose. If the Contractor timely objects to either the terms of the proposed settlement or the allocation of the proceeds, the Owner may proceed to settle the insured loss, and any dispute between the Owner and Contractor arising out of the settlement or allocation of the proceeds shall be resolved pursuant to Article 15. Pending resolution of any dispute, the Owner may issue a Construction Change Directive for the reconstruction of the damaged or destroyed Work.

ARTICLE 12 UNCOVERING AND CORRECTION OF WORK

§ 12.1 Uncovering of Work

§ 12.1.1 If a portion of the Work is covered contrary to the Architect's request or to requirements specifically expressed in the Contract Documents, it must, if requested in writing by the Architect, be uncovered for the Architect's examination and be replaced at the Contractor's expense without change in the Contract Time.

§ 12.1.2 If a portion of the Work has been covered that the Architect has not specifically requested to examine prior to its being covered, the Architect may request to see such Work and it shall be uncovered by the Contractor. If such Work is in accordance with the Contract Documents, the Contractor shall be entitled to an equitable adjustment to the Contract Sum and Contract Time as may be appropriate. If such Work is not in accordance with the Contract Documents, the costs of uncovering the Work, and the cost of correction, shall be at the Contractor's expense.

§ 12.2 Correction of Work

§ 12.2.1 Before Substantial Completion

The Contractor shall promptly correct Work rejected by the Architect or failing to conform to the requirements of the Contract Documents, discovered before Substantial Completion and whether or not fabricated, installed or completed. Costs of correcting such rejected Work, including additional testing and inspections, the cost of uncovering and

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replacement, and compensation for the Architect's services and expenses made necessary thereby, shall be at the Contractor's expense.

§ 12.2.2 After Substantial Completion

§ 12.2.2.1 In addition to the Contractor's obligations under Section 3.5, if, within one year after the date of Substantial Completion of the Work or designated portion thereof or after the date for commencement of warranties established under Section 9.9.1, or by terms of any applicable special warranty required by the Contract Documents, any of the Work is found to be not in accordance with the requirements of the Contract Documents, the Contractor shall correct it promptly after receipt of notice from the Owner to do so, unless the Owner has previously given the Contractor a written acceptance of such condition. The Owner shall give such notice promptly after discovery of the condition. During the one-year period for correction of Work, if the Owner fails to notify the Contractor and give the Contractor an opportunity to make the correction, the Owner waives the rights to require correction by the Contractor and to make a claim for breach of warranty. If the Contractor fails to correct nonconforming Work within a reasonable time during that period after receipt of notice from the Owner or Architect, the Owner may correct it in accordance with Section 2.5.

§ 12.2.2.2 The one-year period for correction of Work shall be extended with respect to portions of Work first performed after Substantial Completion by the period of time between Substantial Completion and the actual completion of that portion of the Work.

§ 12.2.2.3 The one-year period for correction of Work shall not be extended by corrective Work performed by the Contractor pursuant to this Section 12.2.

§ 12.2.3 The Contractor shall remove from the site portions of the Work that are not in accordance with the requirements of the Contract Documents and are neither corrected by the Contractor nor accepted by the Owner.

§ 12.2.4 The Contractor shall bear the cost of correcting destroyed or damaged construction of the Owner or Separate Contractors, whether completed or partially completed, caused by the Contractor's correction or removal of Work that is not in accordance with the requirements of the Contract Documents.

§ 12.2.5 Nothing contained in this Section 12.2 shall be construed to establish a period of limitation with respect to other obligations the Contractor has under the Contract Documents. Establishment of the one-year period for correction of Work as described in Section 12.2.2 relates only to the specific obligation of the Contractor to correct the Work, and has no relationship to the time within which the obligation to comply with the Contract Documents may be sought to be enforced, nor to the time within which proceedings may be commenced to establish the Contractor's liability with respect to the Contractor's obligations other than specifically to correct the Work.

§ 12.3 Acceptance of Nonconforming Work

If the Owner prefers to accept Work that is not in accordance with the requirements of the Contract Documents, the Owner may do so instead of requiring its removal and correction, in which case the Contract Sum will be reduced as appropriate and equitable. Such adjustment shall be effected whether or not final payment has been made.

ARTICLE 13 MISCELLANEOUS PROVISIONS

§ 13.1 Governing Law

The Contract shall be governed by the law of the place where the Project is located, excluding that jurisdiction's choice of law rules. If the parties have selected arbitration as the method of binding dispute resolution, the Federal Arbitration Act shall govern Section 15.4.

§ 13.2 Successors and Assigns

§ 13.2.1 The Owner and Contractor respectively bind themselves, their partners, successors, assigns, and legal representatives to covenants, agreements, and obligations contained in the Contract Documents. Except as provided in Section 13.2.2, neither party to the Contract shall assign the Contract as a whole without written consent of the other. If either party attempts to make an assignment without such consent, that party shall nevertheless remain legally responsible for all obligations under the Contract.

§ 13.2.2 The Owner may, without consent of the Contractor, assign the Contract to a lender providing construction financing for the Project, if the lender assumes the Owner's rights and obligations under the Contract Documents. The Contractor shall execute all consents reasonably required to facilitate the assignment.

§ 13.3 Rights and Remedies

§ 13.3.1 Duties and obligations imposed by the Contract Documents and rights and remedies available thereunder shall be in addition to and not a limitation of duties, obligations, rights, and remedies otherwise imposed or available by law.

§ 13.3.2 No action or failure to act by the Owner, Architect, or Contractor shall constitute a waiver of a right or duty afforded them under the Contract, nor shall such action or failure to act constitute approval of or acquiescence in a breach thereunder, except as may be specifically agreed upon in writing.

§ 13.4 Tests and Inspections

§ 13.4.1 Tests, inspections, and approvals of portions of the Work shall be made as required by the Contract Documents and by applicable laws, statutes, ordinances, codes, rules, and regulations or lawful orders of public authorities. Unless otherwise provided, the Contractor shall make arrangements for such tests, inspections, and approvals with an independent testing laboratory or entity acceptable to the Owner, or with the appropriate public authority, and shall bear all related costs of tests, inspections, and approvals. The Contractor shall give the Architect timely notice of when and where tests and inspections are to be made so that the Architect may be present for such procedures. The Owner shall bear costs of tests, inspections, or approvals that do not become requirements until after bids are received or negotiations concluded. The Owner shall directly arrange and pay for tests, inspections, or approvals where building codes or applicable laws or regulations so require.

§ 13.4.2 If the Architect, Owner, or public authorities having jurisdiction determine that portions of the Work require additional testing, inspection, or approval not included under Section 13.4.1, the Architect will, upon written authorization from the Owner, instruct the Contractor to make arrangements for such additional testing, inspection, or approval, by an entity acceptable to the Owner, and the Contractor shall give timely notice to the Architect of when and where tests and inspections are to be made so that the Architect may be present for such procedures. Such costs, except as provided in Section 13.4.3, shall be at the Owner's expense.

§ 13.4.3 If procedures for testing, inspection, or approval under Sections 13.4.1 and 13.4.2 reveal failure of the portions of the Work to comply with requirements established by the Contract Documents, all costs made necessary by such failure, including those of repeated procedures and compensation for the Architect's services and expenses, shall be at the Contractor's expense.

§ 13.4.4 Required certificates of testing, inspection, or approval shall, unless otherwise required by the Contract Documents, be secured by the Contractor and promptly delivered to the Architect.

§ 13.4.5 If the Architect is to observe tests, inspections, or approvals required by the Contract Documents, the Architect will do so promptly and, where practicable, at the normal place of testing.

§ 13.4.6 Tests or inspections conducted pursuant to the Contract Documents shall be made promptly to avoid unreasonable delay in the Work.

§ 13.5 Interest

Payments due and unpaid under the Contract Documents shall bear interest from the date payment is due at the rate the parties agree upon in writing or, in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located.

ARTICLE 14 TERMINATION OR SUSPENSION OF THE CONTRACT

§ 14.1 Termination by the Contractor

§ 14.1.1 The Contractor may terminate the Contract if the Work is stopped for a period of 30 consecutive days through no act or fault of the Contractor, a Subcontractor, a Sub-subcontractor, their agents or employees, or any other persons or entities performing portions of the Work, for any of the following reasons:

- .1 Issuance of an order of a court or other public authority having jurisdiction that requires all Work to be stopped;

- .2 An act of government, such as a declaration of national emergency, that requires all Work to be stopped;
- .3 Because the Architect has not issued a Certificate for Payment and has not notified the Contractor of the reason for withholding certification as provided in Section 9.4.1, or because the Owner has not made payment on a Certificate for Payment within the time stated in the Contract Documents; or
- .4 The Owner has failed to furnish to the Contractor reasonable evidence as required by Section 2.2.

§ 14.1.2 The Contractor may terminate the Contract if, through no act or fault of the Contractor, a Subcontractor, a Sub-subcontractor, their agents or employees, or any other persons or entities performing portions of the Work, repeated suspensions, delays, or interruptions of the entire Work by the Owner as described in Section 14.3, constitute in the aggregate more than 100 percent of the total number of days scheduled for completion, or 120 days in any 365-day period, whichever is less.

§ 14.1.3 If one of the reasons described in Section 14.1.1 or 14.1.2 exists, the Contractor may, upon seven days' notice to the Owner and Architect, terminate the Contract and recover from the Owner payment for Work executed, as well as reasonable overhead and profit on Work not executed, and costs incurred by reason of such termination.

§ 14.1.4 If the Work is stopped for a period of 60 consecutive days through no act or fault of the Contractor, a Subcontractor, a Sub-subcontractor, or their agents or employees or any other persons or entities performing portions of the Work because the Owner has repeatedly failed to fulfill the Owner's obligations under the Contract Documents with respect to matters important to the progress of the Work, the Contractor may, upon seven additional days' notice to the Owner and the Architect, terminate the Contract and recover from the Owner as provided in Section 14.1.3.

§ 14.2 Termination by the Owner for Cause

§ 14.2.1 The Owner may terminate the Contract if the Contractor

- .1 repeatedly refuses or fails to supply enough properly skilled workers or proper materials;
- .2 fails to make payment to Subcontractors or suppliers in accordance with the respective agreements between the Contractor and the Subcontractors or suppliers;
- .3 repeatedly disregards applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of a public authority; or
- .4 otherwise is guilty of substantial breach of a provision of the Contract Documents.

§ 14.2.2 When any of the reasons described in Section 14.2.1 exist, and upon certification by the Architect that sufficient cause exists to justify such action, the Owner may, without prejudice to any other rights or remedies of the Owner and after giving the Contractor and the Contractor's surety, if any, seven days' notice, terminate employment of the Contractor and may, subject to any prior rights of the surety:

- .1 Exclude the Contractor from the site and take possession of all materials, equipment, tools, and construction equipment and machinery thereon owned by the Contractor;
- .2 Accept assignment of subcontracts pursuant to Section 5.4; and
- .3 Finish the Work by whatever reasonable method the Owner may deem expedient. Upon written request of the Contractor, the Owner shall furnish to the Contractor a detailed accounting of the costs incurred by the Owner in finishing the Work.

§ 14.2.3 When the Owner terminates the Contract for one of the reasons stated in Section 14.2.1, the Contractor shall not be entitled to receive further payment until the Work is finished.

§ 14.2.4 If the unpaid balance of the Contract Sum exceeds costs of finishing the Work, including compensation for the Architect's services and expenses made necessary thereby, and other damages incurred by the Owner and not expressly waived, such excess shall be paid to the Contractor. If such costs and damages exceed the unpaid balance, the Contractor shall pay the difference to the Owner. The amount to be paid to the Contractor or Owner, as the case may be, shall be certified by the Initial Decision Maker, upon application, and this obligation for payment shall survive termination of the Contract.

§ 14.3 Suspension by the Owner for Convenience

§ 14.3.1 The Owner may, without cause, order the Contractor in writing to suspend, delay or interrupt the Work, in whole or in part for such period of time as the Owner may determine.

§ 14.3.2 The Contract Sum and Contract Time shall be adjusted for increases in the cost and time caused by suspension, delay, or interruption under Section 14.3.1. Adjustment of the Contract Sum shall include profit. No adjustment shall be made to the extent

- .1 that performance is, was, or would have been, so suspended, delayed, or interrupted, by another cause for which the Contractor is responsible; or
- .2 that an equitable adjustment is made or denied under another provision of the Contract.

§ 14.4 Termination by the Owner for Convenience

§ 14.4.1 The Owner may, at any time, terminate the Contract for the Owner's convenience and without cause.

§ 14.4.2 Upon receipt of notice from the Owner of such termination for the Owner's convenience, the Contractor shall

- .1 cease operations as directed by the Owner in the notice;
- .2 take actions necessary, or that the Owner may direct, for the protection and preservation of the Work; and
- .3 except for Work directed to be performed prior to the effective date of termination stated in the notice, terminate all existing subcontracts and purchase orders and enter into no further subcontracts and purchase orders.

§ 14.4.3 In case of such termination for the Owner's convenience, the Owner shall pay the Contractor for Work properly executed; costs incurred by reason of the termination, including costs attributable to termination of Subcontracts; and the termination fee, if any, set forth in the Agreement.

ARTICLE 15 CLAIMS AND DISPUTES

§ 15.1 Claims

§ 15.1.1 Definition

A Claim is a demand or assertion by one of the parties seeking, as a matter of right, payment of money, a change in the Contract Time, or other relief with respect to the terms of the Contract. The term "Claim" also includes other disputes and matters in question between the Owner and Contractor arising out of or relating to the Contract. The responsibility to substantiate Claims shall rest with the party making the Claim. This Section 15.1.1 does not require the Owner to file a Claim in order to impose liquidated damages in accordance with the Contract Documents.

§ 15.1.2 Time Limits on Claims

The Owner and Contractor shall commence all Claims and causes of action against the other and arising out of or related to the Contract, whether in contract, tort, breach of warranty or otherwise, in accordance with the requirements of the binding dispute resolution method selected in the Agreement and within the period specified by applicable law, but in any case not more than 10 years after the date of Substantial Completion of the Work. The Owner and Contractor waive all Claims and causes of action not commenced in accordance with this Section 15.1.2.

§ 15.1.3 Notice of Claims

§ 15.1.3.1 Claims by either the Owner or Contractor, where the condition giving rise to the Claim is first discovered prior to expiration of the period for correction of the Work set forth in Section 12.2.2, shall be initiated by notice to the other party and to the Initial Decision Maker with a copy sent to the Architect, if the Architect is not serving as the Initial Decision Maker. Claims by either party under this Section 15.1.3.1 shall be initiated within 21 days after occurrence of the event giving rise to such Claim or within 21 days after the claimant first recognizes the condition giving rise to the Claim, whichever is later.

§ 15.1.3.2 Claims by either the Owner or Contractor, where the condition giving rise to the Claim is first discovered after expiration of the period for correction of the Work set forth in Section 12.2.2, shall be initiated by notice to the other party. In such event, no decision by the Initial Decision Maker is required.

§ 15.1.4 Continuing Contract Performance

§ 15.1.4.1 Pending final resolution of a Claim, except as otherwise agreed in writing or as provided in Section 9.7 and Article 14, the Contractor shall proceed diligently with performance of the Contract and the Owner shall continue to make payments in accordance with the Contract Documents.

§ 15.1.4.2 The Contract Sum and Contract Time shall be adjusted in accordance with the Initial Decision Maker's decision, subject to the right of either party to proceed in accordance with this Article 15. The Architect will issue Certificates for Payment in accordance with the decision of the Initial Decision Maker.

§ 15.1.5 Claims for Additional Cost

If the Contractor wishes to make a Claim for an increase in the Contract Sum, notice as provided in Section 15.1.3 shall be given before proceeding to execute the portion of the Work that is the subject of the Claim. Prior notice is not required for Claims relating to an emergency endangering life or property arising under Section 10.4.

§ 15.1.6 Claims for Additional Time

§ 15.1.6.1 If the Contractor wishes to make a Claim for an increase in the Contract Time, notice as provided in Section 15.1.3 shall be given. The Contractor's Claim shall include an estimate of cost and of probable effect of delay on progress of the Work. In the case of a continuing delay, only one Claim is necessary.

§ 15.1.6.2 If adverse weather conditions are the basis for a Claim for additional time, such Claim shall be documented by data substantiating that weather conditions were abnormal for the period of time, could not have been reasonably anticipated, and had an adverse effect on the scheduled construction.

§ 15.1.7 Waiver of Claims for Consequential Damages

The Contractor and Owner waive Claims against each other for consequential damages arising out of or relating to this Contract. This mutual waiver includes

- .1 damages incurred by the Owner for rental expenses, for losses of use, income, profit, financing, business and reputation, and for loss of management or employee productivity or of the services of such persons; and
- .2 damages incurred by the Contractor for principal office expenses including the compensation of personnel stationed there, for losses of financing, business and reputation, and for loss of profit, except anticipated profit arising directly from the Work.

This mutual waiver is applicable, without limitation, to all consequential damages due to either party's termination in accordance with Article 14. Nothing contained in this Section 15.1.7 shall be deemed to preclude assessment of liquidated damages, when applicable, in accordance with the requirements of the Contract Documents.

§ 15.2 Initial Decision

§ 15.2.1 Claims, excluding those where the condition giving rise to the Claim is first discovered after expiration of the period for correction of the Work set forth in Section 12.2.2 or arising under Sections 10.3, 10.4, and 11.5, shall be referred to the Initial Decision Maker for initial decision. The Architect will serve as the Initial Decision Maker, unless otherwise indicated in the Agreement. Except for those Claims excluded by this Section 15.2.1, an initial decision shall be required as a condition precedent to mediation of any Claim. If an initial decision has not been rendered within 30 days after the Claim has been referred to the Initial Decision Maker, the party asserting the Claim may demand mediation and binding dispute resolution without a decision having been rendered. Unless the Initial Decision Maker and all affected parties agree, the Initial Decision Maker will not decide disputes between the Contractor and persons or entities other than the Owner.

§ 15.2.2 The Initial Decision Maker will review Claims and within ten days of the receipt of a Claim take one or more of the following actions: (1) request additional supporting data from the claimant or a response with supporting data from the other party, (2) reject the Claim in whole or in part, (3) approve the Claim, (4) suggest a compromise, or (5) advise the parties that the Initial Decision Maker is unable to resolve the Claim if the Initial Decision Maker lacks sufficient information to evaluate the merits of the Claim or if the Initial Decision Maker concludes that, in the Initial Decision Maker's sole discretion, it would be inappropriate for the Initial Decision Maker to resolve the Claim.

§ 15.2.3 In evaluating Claims, the Initial Decision Maker may, but shall not be obligated to, consult with or seek information from either party or from persons with special knowledge or expertise who may assist the Initial Decision Maker in rendering a decision. The Initial Decision Maker may request the Owner to authorize retention of such persons at the Owner's expense.

§ 15.2.4 If the Initial Decision Maker requests a party to provide a response to a Claim or to furnish additional supporting data, such party shall respond, within ten days after receipt of the request, and shall either (1) provide a

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response on the requested supporting data, (2) advise the Initial Decision Maker when the response or supporting data will be furnished, or (3) advise the Initial Decision Maker that no supporting data will be furnished. Upon receipt of the response or supporting data, if any, the Initial Decision Maker will either reject or approve the Claim in whole or in part.

§ 15.2.5 The Initial Decision Maker will render an initial decision approving or rejecting the Claim, or indicating that the Initial Decision Maker is unable to resolve the Claim. This initial decision shall (1) be in writing; (2) state the reasons therefor; and (3) notify the parties and the Architect, if the Architect is not serving as the Initial Decision Maker, of any change in the Contract Sum or Contract Time or both. The initial decision shall be final and binding on the parties but subject to mediation and, if the parties fail to resolve their dispute through mediation, to binding dispute resolution.

§ 15.2.6 Either party may file for mediation of an initial decision at any time, subject to the terms of Section 15.2.6.1.

§ 15.2.6.1 Either party may, within 30 days from the date of receipt of an initial decision, demand in writing that the other party file for mediation. If such a demand is made and the party receiving the demand fails to file for mediation within 30 days after receipt thereof, then both parties waive their rights to mediate or pursue binding dispute resolution proceedings with respect to the initial decision.

§ 15.2.7 In the event of a Claim against the Contractor, the Owner may, but is not obligated to, notify the surety, if any, of the nature and amount of the Claim. If the Claim relates to a possibility of a Contractor's default, the Owner may, but is not obligated to, notify the surety and request the surety's assistance in resolving the controversy.

§ 15.2.8 If a Claim relates to or is the subject of a mechanic's lien, the party asserting such Claim may proceed in accordance with applicable law to comply with the lien notice or filing deadlines.

§ 15.3 Mediation

§ 15.3.1 Claims, disputes, or other matters in controversy arising out of or related to the Contract, except those waived as provided for in Sections 9.10.4, 9.10.5, and 15.1.7, shall be subject to mediation as a condition precedent to binding dispute resolution.

§ 15.3.2 The parties shall endeavor to resolve their Claims by mediation which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Mediation Procedures in effect on the date of the Agreement. A request for mediation shall be made in writing, delivered to the other party to the Contract, and filed with the person or entity administering the mediation. The request may be made concurrently with the filing of binding dispute resolution proceedings but, in such event, mediation shall proceed in advance of binding dispute resolution proceedings, which shall be stayed pending mediation for a period of 60 days from the date of filing, unless stayed for a longer period by agreement of the parties or court order. If an arbitration is stayed pursuant to this Section 15.3.2, the parties may nonetheless proceed to the selection of the arbitrator(s) and agree upon a schedule for later proceedings.

§ 15.3.3 Either party may, within 30 days from the date that mediation has been concluded without resolution of the dispute or 60 days after mediation has been demanded without resolution of the dispute, demand in writing that the other party file for binding dispute resolution. If such a demand is made and the party receiving the demand fails to file for binding dispute resolution within 60 days after receipt thereof, then both parties waive their rights to binding dispute resolution proceedings with respect to the initial decision.

§ 15.3.4 The parties shall share the mediator's fee and any filing fees equally. The mediation shall be held in the place where the Project is located, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

§ 15.3.5 The Owner shall not be obligated to mediate disputes, claims, questions or disagreements involving monetary claims of fifteen thousand dollars (\$15,000.00) or less, but may voluntarily agree to mediate such disputes, claims, questions or disagreements.

§ 15.4 Arbitration

§ 15.4.1 If the parties have selected arbitration as the method for binding dispute resolution in the Agreement, any Claim subject to, but not resolved by, mediation shall be subject to arbitration which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Arbitration Rules in effect on the date of the Agreement. The Arbitration shall be conducted in the place where the Project is located, unless another location is mutually agreed upon. A demand for arbitration shall be made in writing, delivered to the other party to the Contract, and filed with the person or entity administering the arbitration. The party filing a notice of demand for arbitration must assert in the demand all Claims then known to that party on which arbitration is permitted to be demanded.

§ 15.4.1.1 A demand for arbitration shall be made no earlier than concurrently with the filing of a request for mediation, but in no event shall it be made after the date when the institution of legal or equitable proceedings based on the Claim would be barred by the applicable statute of limitations. For statute of limitations purposes, receipt of a written demand for arbitration by the person or entity administering the arbitration shall constitute the institution of legal or equitable proceedings based on the Claim.

§ 15.4.2 The award rendered by the arbitrator or arbitrators shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

§ 15.4.3 The foregoing agreement to arbitrate and other agreements to arbitrate with an additional person or entity duly consented to by parties to the Agreement, shall be specifically enforceable under applicable law in any court having jurisdiction thereof.

§ 15.4.4 Consolidation or Joinder

§ 15.4.4.1 Subject to the rules of the American Arbitration Association or other applicable arbitration rules, either party may consolidate an arbitration conducted under this Agreement with any other arbitration to which it is a party provided that (1) the arbitration agreement governing the other arbitration permits consolidation, (2) the arbitrations to be consolidated substantially involve common questions of law or fact, and (3) the arbitrations employ materially similar procedural rules and methods for selecting arbitrator(s).

§ 15.4.4.2 Subject to the rules of the American Arbitration Association or other applicable arbitration rules, either party may include by joinder persons or entities substantially involved in a common question of law or fact whose presence is required if complete relief is to be accorded in arbitration, provided that the party sought to be joined consents in writing to such joinder. Consent to arbitration involving an additional person or entity shall not constitute consent to arbitration of any claim, dispute or other matter in question not described in the written consent.

§ 15.4.4.3 The Owner and Contractor grant to any person or entity made a party to an arbitration conducted under this Section 15.4, whether by joinder or consolidation, the same rights of joinder and consolidation as those of the Owner and Contractor under this Agreement.



AIA® Document E203™ – 2013

Building Information Modeling and Digital Data Exhibit

This Exhibit dated the 11th day of December in the year 2020 is incorporated into the agreement (the "Agreement") between the Parties for the following Project:
(Name and location or address of the Project)

Terminal Building Modernization and Expansion Project
Greater Asheville Regional Airport Authority
61 Terminal Drive, Suite 1
Fletcher, NC 28732

TABLE OF ARTICLES

- 1 GENERAL PROVISIONS
- 2 TRANSMISSION AND OWNERSHIP OF DIGITAL DATA
- 3 DIGITAL DATA PROTOCOLS
- 4 BUILDING INFORMATION MODELING PROTOCOLS
- 5 OTHER TERMS AND CONDITIONS

ARTICLE 1 GENERAL PROVISIONS

§ 1.1 This Exhibit provides for the establishment of protocols for the development, use, transmission, and exchange of Digital Data for the Project. If Building Information Modeling will be utilized, this Exhibit also provides for the establishment of the protocols necessary to implement the use of Building Information Modeling on the Project, including protocols that establish the expected Level of Development for Model Elements at various milestones of the Project, and the associated Authorized Uses of the Building Information Models.

§ 1.2 The Parties agree to incorporate this Exhibit into their agreements with any other Project Participants that may develop or make use of Digital Data on the Project. Prior to transmitting or allowing access to Digital Data, a Party may require any Project Participant to provide reasonable evidence that it has incorporated this Exhibit into its agreement for the Project, and agreed to the most recent Building Information Modeling (BIM) Execution Plan attached as Exhibit F.

§ 1.2.1 The Parties agree that each of the Project Participants utilizing Digital Data on the Project is an intended third party beneficiary of the Section 1.2 obligation to incorporate this Exhibit into agreements with other Project Participants, and any rights and defenses associated with the enforcement of that obligation. This Exhibit does not create any third-party beneficiary rights other than those expressly identified in this Section 1.2.1.

§ 1.3 Adjustments to the Agreement

§ 1.3.1 If a Party believes that protocols established pursuant to BIM Execution Plan, will result in a change in the Party's scope of work or services warranting an adjustment in compensation, contract sum, schedule or contract time, the Party shall notify the other Party. Failure to provide notice as required in this Section 1.3 shall result in a Party's

ADDITIONS AND DELETIONS:

The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information and where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

This document is intended to be incorporated into an agreement between the parties and used in conjunction with AIA Documents G201™–2013, Project Digital Data Protocol Form, and G202™–2013, Building Information Modeling Protocol Form. It is anticipated that other Project Participants will incorporate a project specific E203–2013 into their agreements, and that the Parties and other Project Participants will set forth the agreed-upon protocols in AIA Documents G201–2013 and G202–2013.

waiver of any claims for adjustments in compensation, contract sum, schedule or contract time as a result of the established protocols.

§ 1.3.2 Upon such notice, the Parties shall discuss and negotiate revisions to the protocols or discuss and negotiate any adjustments in compensation, contract sum, schedule or contract time in accordance with the terms of the Agreement.

§ 1.3.3 Notice required under this Section 1.3 shall be provided within thirty days of receipt of the protocols, unless otherwise indicated below:

(If the Parties require a notice period other than thirty days from receipt of the protocols, indicate the notice period below.)

N/A

§ 1.4 Definitions

§ 1.4.1 **Building Information Model.** A Building Information Model is a digital representation of the Project, or a portion of the Project, and is referred to in this Exhibit as the "Model," which term may be used herein to describe a Model Element, a single model or multiple models used in the aggregate, as well as other data sets identified in BIM Execution Plan and Project Information Exchange Worksheet, subject to revisions through mutual agreement.

§ 1.4.2 **Building Information Modeling.** Building Information Modeling or Modeling means the process used to create the Model.

§ 1.4.3 **Model Element.** A Model Element is a portion of the Model representing a component, system or assembly within a building or building site.

§ 1.4.4 **Level of Development.** The Level of Development (LOD) describes the minimum dimensional, spatial, quantitative, qualitative, and other data included in a Model Element to support the Authorized Uses associated with such LOD. See BIM Forum 2019 level of development at <https://bimforum.org/lof>.

§ 1.4.5 **Authorized Uses.** The term "Authorized Uses" refers to the permitted uses of Digital Data authorized in the Digital Data and/or Building Information Modeling protocols established pursuant to the terms of this Exhibit.

§ 1.4.6 **Model Element Author.** The Model Element Author is the entity (or individual) responsible for managing and coordinating the development of a specific Model Element to the LOD required for an identified Project milestone, regardless of who is responsible for providing the content in the Model Element. Model Element Authors are to be identified in BIM Execution Plan and Information Exchange Worksheet.

§ 1.4.7 **Digital Data.** Digital Data is information, including communications, drawings, specifications and designs, created or stored for the Project in digital form. Unless otherwise stated, the term Digital Data includes the Model.

§ 1.4.8 **Confidential Digital Data.** Confidential Digital Data is Digital Data containing confidential or business proprietary information that the transmitting party designates and clearly marks as "confidential."

§ 1.4.9 **Written or In Writing.** In addition to any definition in the Agreement to which this Exhibit is attached, for purposes of this Exhibit and the Agreement, "written" or "in writing" shall mean any communication prepared and sent using a transmission method set forth in this Exhibit, or the protocols developed pursuant to this Exhibit, that permits the recipient to print the communication.

§ 1.4.10 **Written Notice.** In addition to any terms in the Agreement to which this Exhibit is attached, for purposes of this Exhibit and the Agreement, "written notice" shall be deemed to have been duly served if transmitted electronically to an address provided in this Exhibit or the Agreement using a transmission method set forth in this Exhibit that permits the recipient to print the communication.

§ 1.4.11 **Party and Parties.** The terms "Party" and "Parties" refer to the signing parties to the Agreement.

§ 1.4.12 **Project Participant.** A Project Participant is an entity (or individual) providing services, work, equipment or materials on the Project and includes the Parties.

ARTICLE 2 TRANSMISSION AND OWNERSHIP OF DIGITAL DATA

§ 2.1 The transmission of Digital Data constitutes a warranty by the Party transmitting Digital Data to the Party receiving Digital Data that the transmitting Party is the copyright owner of the Digital Data, or otherwise has permission to transmit the Digital Data for its use on the Project in accordance with the Authorized Uses of Digital Data established pursuant to the terms of this Exhibit.

§ 2.2 If a Party transmits Confidential Digital Data, the transmission of such Confidential Digital Data constitutes a warranty to the Party receiving such Confidential Digital Data that the transmitting Party is authorized to transmit the Confidential Digital Data. If a Party receives Confidential Digital Data, the receiving Party shall keep the Confidential Digital Data strictly confidential and shall not disclose it to any other person or entity except as set forth in Section 2.2.1. All project data shall be used solely for project development and coordination.

§ 2.2.1 The receiving Party may disclose Confidential Digital Data as required by law or court order, including a subpoena or other form of compulsory legal process issued by a court or governmental entity. The receiving Party may also disclose the Confidential Digital Data to its employees, consultants or contractors in order to perform services or work solely and exclusively for the Project, provided those employees, consultants and contractors are subject to the restrictions on the disclosure and use of Confidential Digital Data as set forth in this Exhibit.

§ 2.3 By transmitting Digital Data, the transmitting Party does not convey any ownership right in the Digital Data or in the software used to generate the Digital Data. Unless otherwise granted in a separate license, the receiving Party's right to use, modify, or further transmit Digital Data is specifically limited to designing, constructing, using, maintaining, altering and adding to the Project consistent with the terms of this Exhibit, and nothing contained in this Exhibit conveys any other right to use the Digital Data.

§ 2.4 Where a provision in this Article 2 conflicts with a provision in the Agreement into which this Exhibit is incorporated, the provision in this Article 2 shall prevail.

§ 2.5 When transmitting Digital Data, the transmitting party makes no representations as to long term compatibility, usability, or readability of data resulting from the use of software application packages, operating systems or computer hardware different from those used by the data creator.

§ 2.6 The Architect's fee and schedule of performance of services are based on the use of Newforma software as the primary transmission method for the Project.

ARTICLE 3 DIGITAL DATA PROTOCOLS

§ 3.1 Anticipated Types of Digital Data. The anticipated types of Digital Data to be used on the Project are as follows:
(Paragraph deleted)

Digital Data	Data Format	Transmission Type	Authorized Use
3.1.1 Project Agreements and Modifications	PDFV	EMA	R
3.1.2 Project Communications			
General Communications	PDFV	EM, EMA	R
Meeting Notices	PDFV	EMA	R
Agenda's	PDFV	EMA	R
Contractors Request for Information	W	IFX	I
Architect's Supplemental Instructions	PDFS		R
3.1.3 Architect's Pre-Construction Submittals			
Schematic Design Documents	PDFV	IFX	R
Design Development Documents	PDFV	IFX	R
Construction Documents	PDFV	IFX	R

3.1.4 Contract Documents			
Specifications	PDFS	IFX	R
Models (Design Team)	RVT	IFX, CLD	R, I
Individual Drawings Files	PDFS	IFX	R, I
Navisworks (Limited use for clash detection)	NWC	IFX, CLD	I
3.1.5 Contractor's Submittals	AC, RVT	IFX	
Product Data	PDF	IFX, EMA	R
Submittal by Contractor	PDFS	IFX	R
Return by Architect	PDFS	IFX	R, M
Shop Drawings			
Submitted by Contractor	PDFS	IFX	R
Submitted by Architect	PDFS	IFX	R
3.1.6 Modifications			R, M
Request for Proposal	PDFV	EMA	R
Architect Order for Minor Changes in Work	PDFS	EMA	R
Proposal	PDFS	EMA	R
Construction Change Directives	PDFS	EMA	R
Change Orders	PDFS	EMA	R
3.1.7 Project Payment Documents	PDFS	EMA	R
3.1.8 Notices and Claims	PDFS	EMA	R
3.1.9 Closeout Documents	PDFV	EMA	R
Record Documents	PDFV	IFX	R
Operations and Maintenance Manual	PDFV	IFX	R
Final Delivery to Owner	PDFS	IFX	R
Digital Data Protocol Table Definitions and Notes			
Digital Data Format	Definition		
W	Microsoft Word.docx		
PDFS	Vector or scanned PDF file		
PDFV	Vector portable document format file		
MS	Bentley Systems MicroStation		
AC	Autodesk Auto CAD.DWG		
RVT	Autodesk Revit		
BB	Blue Beam		
Transmission Method			
Abbreviation	Definition		
EM	e-Mail		
EMA	Attachment to an e-Mail		
IFX	Newforma/Info Exchange		
CLD	Cloud Service	(Subscription may be required.)	
Authorized Use of Data			
I	Integrate	(Attach and use as instruments of service, IE Lights from the electrical model for RCP)	
M	Modify as required to fulfill obligations	(Change and Update)	

	for the project.		
R	Reproduce and distribute.	(Copy and sent to other team members.)	
S	Store and View Only		

§ 3.1.1 Insert a detailed description of the anticipated Digital Data identified in Section 3.1, if not further described in an attachment to this Exhibit.

Document Management System will be Newforma – Information Exchange, please see attached BIM Execution Plan.

§ 3.2 As soon as practical following execution of the Agreement, the Parties shall further describe the uses of Digital Data, and establish necessary protocols governing the transmission and Authorized Uses of Digital Data, in consultation with the other Project Participants that are expected to utilize Digital Data on the Project.

§ 3.2.1 Unless another Project Participant is identified below, the Architect shall prepare and distribute to the other Project Participants Digital Data protocols for review, revision and approval.
(If a Project Participant other than the Architect shall be responsible for preparing draft and final Digital Data protocols, identify that Project Participant.)

N/A

§ 3.2.2 The agreed upon Digital Data protocols shall be set forth in BIM Execution Plan in Transmission and Use of Digital Data and each Project Participant shall memorialize their agreement in writing to such Digital Data protocols.

§ 3.2.3 The Parties, together with the other Project Participants, shall review and, if necessary, revise the Digital Data protocols at appropriate intervals as required by the conditions of the Project.

§ 3.3 The Parties shall transmit, use, store and archive Digital Data in accordance with the Digital Data protocols set forth in the latest version of BIM Execution Plan agreed to by the Project Participants.

§ 3.4 Unauthorized Use

§ 3.4.1 Prior to Establishment of Digital Data Protocols

If a Party receives Digital Data prior to the agreement to, and documentation of, the Digital Data protocols in BIM Execution Plan, that Party is not authorized to use or rely on the Digital Data. Any use of, or reliance on, such Digital Data is at that Party's sole risk and without liability to the other Party and its contractors, consultants, agents and employees.

§ 3.4.2 Following Establishment of Digital Data Protocols

Following agreement to, and documentation of, the Digital Data protocols in BIM Execution Plan, if a Party uses Digital Data inconsistent with the Authorized Uses identified in the Digital Data protocols, that use shall be at the sole risk of the Party using the Digital Data.

§ 3.5 Digital Data Management

§ 3.5.1 Centralized electronic document management system use on the Project shall be:

(Check the appropriate box. If the Parties do not check one of the boxes below, the default selection shall be that the Parties will not utilize a centralized electronic document management system on the Project.)

- The Design Team, including Consultants, intend to use Autodesk, BIM 360 collaboration for Revit and Newforma for document management. Contractor shall have limited access to the Design BIM 360 collaboration and shall setup a corresponding cloud for collaboration in agreement to the construction BIM Execution Plan. All other digital data transmission are through the use of the Architects Newforma site.

§ 3.5.2 If the Project Participants intend to utilize a centralized electronic document management system on the Project, the Project Participants identified in Section 3.5.3 shall be responsible for managing and maintaining such

system. The Project Participants responsible for managing and maintaining the centralized electronic document management system shall facilitate the establishment of protocols for transmission, use, storage and archiving of the centralized Digital Data and assist the Project Participants BIM Execution Plan for details.

§ 3.5.3 Unless responsibility is assigned to another Project Participant, the Architect shall be responsible for managing and maintaining the centralized electronic document management system. If the responsibility for management and maintenance will be assigned to another Project Participant at an identified Project milestone, indicate below the Project Participant who shall assume that responsibility, and the Project milestone. See BIM Execution Plan. *(Identify the Project Participant responsible for management and maintenance only if the Parties intend to utilize a centralized electronic document management system on the Project.)*

Responsible Project Participant	Project Milestone
Hensel Phelps	Start of construction contract administration.

ARTICLE 4 BUILDING INFORMATION MODELING PROTOCOLS

§ 4.1 If the Parties indicate in Section 3.1 that Building Information Modeling will be used on the Project, specify below the extent to which the Parties intend to utilize Building Information Modeling and identify the provisions of this Article 4 governing such use:

- The Parties shall utilize Building Information Modeling on the Project for the sole purpose of fulfilling the obligations set forth in the Agreement without an expectation that the Model will be relied upon by the other Project Participants. Unless otherwise agreed in writing, any use of, transmission of, or reliance on the Model is at the receiving Party's sole risk. The remaining sections of this Article 4 shall have no force or effect.
- The Parties shall develop, share, use and rely upon the Model in accordance with Sections 4.2 through 4.10 of this Exhibit.

§ 4.2 **Anticipated Building Information Modeling Scope.** Indicate below the portions of the Project for which Modeling will be used and the anticipated Project Participant responsible for that Modeling. See Design BIM Execution Plan.

Project Portion for Modeling	Responsible Project Participant
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§ 4.3 **Anticipated Model Authorized Uses.** Indicate below the anticipated Authorized Uses of the Model for the Project, which Authorized Uses will be agreed upon by the Project Participants and further described for each LOD in BIM Execution Plan.

Reference Design BIM Execution Plan.

§ 4.4 **Ancillary Modeling Activities.** Indicate additional Modeling activities agreed upon by the Parties, but not to be included in BIM Execution Plan, if any. *(Describe any Modeling activities, such as renderings, animations, performance simulations, or other similar use, including the anticipated amount and scope of any such Modeling activities.)*

N/A

§ 4.5 **Modeling Protocols.** As soon as practical following execution of the Agreement, the Parties shall, in consultation with the other Project Participants that are expected to utilize Building Information Modeling on the Project, further describe the Authorized Uses of the Model and establish necessary protocols governing the development of the Model utilizing BIM Execution Plan.

§ 4.5.1 The Modeling protocols shall address the following:

- .1 Identification of the Model Element Authors;
- .2 Definition of the various LOD for the Model Elements and the associated Authorized Uses for each defined LOD;
- .3 Identification of the required LOD of each Model Element at each identified Project milestone;

- .4 Identification of the construction classification systems to be used on the Project;
- .5 The process by which Project Participants will exchange and share the Model at intervals not reflected in Information Exchange Worksheet;
- .6 The process by which the Project Participants will identify, coordinate and resolve changes to the Model;
- .7 Details regarding any anticipated as-designed or as-constructed Authorized Uses for the Model, if required on the Project;
- .8 Anticipated Authorized Uses for facilities management or otherwise, following completion of the Project; and
- .9 Other topics to be addressed by the Modeling protocols: *(Identify additional topics to be addressed by the Modeling Protocols.)*

N/A

§ 4.5.2 Unless responsibility is assigned to another Project Participant identified below, the Architect shall prepare and distribute Modeling protocols to the other Project Participants for review, revision and approval.
(If a Project Participant other than the Architect shall be responsible for preparing draft and final Modeling protocols, identify that Project Participant.)

Hensel Phelps shall prepare a BIM Execution Plan that will cover from the start of the pre-construction through project close-out. This plan shall be in conjunction with the Design BIM Execution Plan, subject to revision through mutual agreement.

§ 4.5.3 The agreed upon Modeling protocols shall be set forth in BIM Execution Plan and each Project Participant shall memorialize their agreement in writing to such Modeling protocols.

§ 4.5.4 The Parties, together with the other Project Participants, shall review, and if necessary, revise the Modeling protocols at appropriate intervals as required by the conditions of the Project.

§ 4.6 The Parties shall develop, use and rely on the Model in accordance with the Modeling protocols set forth in the latest version of BIM Execution Plan, which document shall be included in or attached to the Model in a manner clearly accessible to the Project Participants.

§ 4.7 Unauthorized Use

§ 4.7.1 Prior to Establishment of Modeling Protocols

If a Party receives any Model prior to the agreement to, and documentation of, the Modeling protocols in BIM Execution Plan, that Party is not authorized to use, transmit, or rely on the Model. Any use, transmission or reliance is at that Party's sole risk and without liability to the other Party and its contractors, consultants, agents and employees.

§ 4.7.2 Following Establishment of Modeling Protocols

Following agreement to, and documentation of, the Modeling protocols in BIM Execution Plan, if a Party uses or relies on the Model inconsistent with the Authorized Uses identified in the Modeling protocols, such use or reliance shall be at the sole risk of the Party using or relying on the Model. A Party may rely on the Model Element only to the extent consistent with the minimum data required for the identified LOD, even if the content of a specific Model Element includes data that exceeds the minimum data required for the identified LOD.

§ 4.8 Model Management

§ 4.8.1 The requirements for managing the Model include the duties set forth in this Section 4.8. Unless assigned to another Project Participant, the Architect shall manage the Model from the inception of the Project. If the responsibility for Model management will be assigned to another Project Participant, or change at an identified Project milestone, indicate below the identity of the Project Participant who will assume that responsibility, and the Project milestone. See BIM Execution Plan for key Project Contacts and role assignments.

Responsible Project Participant

Project Milestone

Init.

§ 4.8.2 Model Management Protocol Establishment. The Project Participant responsible for managing the Model, in consultation with the other Project Participants that are expected to utilize Building Information Modeling on the Project, shall facilitate the establishment and revision of Model management protocols, including the following:

- .1 Model origin point, coordinate system, precision, file formats and units
- .2 Model file storage location(s)
- .3 Processes for transferring and accessing Model files
- .4 Naming conventions
- .5 Processes for aggregating Model files from varying software platforms
- .6 Model access rights
- .7 Identification of design coordination and clash detection procedures.
- .8 Model security requirements
- .9 Other: *(Identify additional Model management protocols to be addressed.)*

See BIM Execution Plan for detailed information.

§ 4.8.3 Ongoing Responsibilities. The Project Participant responsible for managing the Model shall do so consistent with the Model management protocols, which shall also include the following ongoing responsibilities:

- .1 Collect incoming Models:
 - .1 Coordinate submission and exchange of Models
 - .2 Create and maintain a log of Models received
 - .3 Review Model files for consistency with Sections 4.8.2.1 through 4.8.2.5
 - .4 Maintain a record copy of each Model file received
- .2 Aggregate Model files and make them available for Authorized Uses
- .3 Maintain Model Archives and backups consistent with the requirements of Section 4.8.4 below
- .4 Manage Model access rights
- .5 Other: *(Identify additional responsibilities.)*

N/A

§ 4.8.4 Model Archives. The individual or entity responsible for Model management as set forth in this Section 4.8 shall compile a Model Archive at the end of each Project milestone and shall preserve it without alteration as a record of Model completion as of that Project milestone.

§ 4.8.4.1 Additional Model Archive requirements, if any, are as follows:

N/A

§ 4.8.4.2 The procedures for storing and preserving the Model(s) upon final completion of the Project are as follows:

N/A

§ 4.9 Post-Construction Model. The services associated with providing a Model for post-construction use shall only be required if specifically designated in the table below as a Party's responsibility.

(Designate below any anticipated post-construction Model and related requirements, the Project Participant responsible for creating or adapting the Model to achieve such uses, and the location of a detailed description of the anticipated scope of services to create or adapt the Model as necessary to achieve such uses.)

Post-Construction Model	Applicability to Project <i>(Applicable or Not Applicable)</i>	Responsible Project Participant	Location of Detailed Description of Requirements and Services <i>(Section 4.10 below or in an attachment to this exhibit and identified below)</i>
§ 4.9.1 Remodeling			
§ 4.9.2 Wayfinding and Mapping			
§ 4.9.3 Asset/FF & E Management			
§ 4.9.4 Energy Management			
§ 4.9.5 Space Management			
§ 4.9.6 Maintenance Management			

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§ 4.10 Insert a detailed description of the requirements for each Post-Construction Model identified in the Information Exchange Worksheet and the anticipated services necessary to create each Post-Construction Model, if not further described in an attachment to this Exhibit.

N/A

ARTICLE 5 OTHER TERMS AND CONDITIONS

Other terms and conditions related to the transmission and use of Digital Data are as follows:

N/A

EXHIBIT C

FEDERAL AVIATION ADMINISTRATION (FAA) MANDATORY CONTRACT PROVISIONS

Required Federal Contract Provisions

This project will be funded in part with Federal and/or State grant monies which are conditional upon the mandatory inclusion of the following Federal Contract Provisions.

The following mandatory federal contract provisions shall be a part of the final contract for Construction Manager at Risk services and shall be incorporated into same as contract terms and conditions/provisions. Should there be any conflict between the standard terms of the AIA contract agreement and these mandatory federal contract provisions, the mandatory federal contract provisions shall be superior and shall apply instead of the terms and conditions of the standard AIA contract document.

ACCESS TO RECORDS AND REPORTS

(49 CFR Part 18.36(i), 49 CFR Part 18.42)

The Contractor must maintain an acceptable cost accounting system. The Contractor agrees to provide the Sponsor, the Federal Aviation Administration, and the Comptroller General of the United States or any of their duly authorized representatives access to any books, documents, papers, and records of the contractor which are directly pertinent to the specific contract for the purpose of making audit, examination, excerpts and transcriptions. The Contractor agrees to maintain all books, records and reports required under this contract for a period of not less than three years after final payment is made and all pending matters are closed.

AFFIRMATIVE ACTION REQUIREMENT
(41 CFR Part 60-4, Executive Order 11246)

NOTICE OF REQUIREMENT FOR AFFIRMATIVE ACTION TO ENSURE EQUAL EMPLOYMENT OPPORTUNITY

1. The Offeror's or Bidder's attention is called to the "Equal Opportunity Clause" and the "Standard Federal Equal Employment Opportunity Construction Contract Specifications" set forth herein.
2. The goals and timetables for minority and female participation, expressed in percentage terms for the contractor's aggregate workforce in each trade on all construction work in the covered area, are as follows:

Timetables

Goals for minority participation for each trade	tbd
Goals for female participation in each trade	tbd

These goals are applicable to all of the contractor's construction work (whether or not it is Federal or federally-assisted) performed in the covered area. If the contractor performs construction work in a geographical area located outside of the covered area, it shall apply the goals established for such geographical area where the work is actually performed. With regard to this second area, the contractor is also subject to the goals for both federally funded and non-federally funded construction regardless of the percentage of federal participation in funding.

The contractor's compliance with the Executive Order and the regulations in 41 CFR Part 60-4 shall be based on its implementation of the Equal Opportunity Clause, specific affirmative action obligations required by the specifications set forth in 41 CFR 60-4.3(a), and its efforts to meet the goals. The hours of minority and female employment and training shall be substantially uniform throughout the length of the contract, and in each trade, and the contractor shall make a good faith effort to employ minorities and women evenly on each of its projects. The transfer of minority or female employees or trainees from contractor to contractor or from project to project, for the sole purpose of meeting the contractor's goals, shall be a violation of the contract, the Executive Order, and the regulations in 41 CFR Part 60-4. Compliance with the goals will be measured against the total work hours performed.

3. The contractor shall provide written notification to the Director, Office of Federal Contract Compliance Programs (OFCCP), within 10 working days of award of any construction subcontract in excess of \$10,000 at any tier for construction work under the contract resulting from this solicitation. The notification shall list the name, address, and telephone number of the subcontractor; employer identification number of the subcontractor; estimated dollar amount of the subcontract; estimated starting and completion dates of subcontract; and the geographical area in which the subcontract is to be performed.
4. As used in this notice and in the contract resulting from this solicitation, the "covered area" is **Asheville, NC**.

BREACH OF CONTRACT TERMS

(49 CFR Part 18.36(i)(1))

Any violation or breach of terms of this contract on the part of the contractor or its subcontractors may result in the suspension or termination of this contract or such other action that may be necessary to enforce the rights of the parties of this agreement.

Owner will provide Contractor written notice that describes the nature of the breach and corrective actions the Contractor must undertake in order to avoid termination of the contract. Owner reserves the right to withhold payments to Contractor until such time the Contractor corrects the breach or the Owner elects to terminate the contract. The Owner's notice will identify a specific date by which the Contractor must correct the breach. Owner may proceed with termination of the contract if the Contractor fails to correct the breach by deadline indicated in the Owner's notice.

The duties and obligations imposed by the Contract Documents and the rights and remedies available thereunder are in addition to, and not a limitation of, any duties, obligations, rights and remedies otherwise imposed or available by law.

BUY AMERICAN CERTIFICATION

(49 USC § 50101)

The contractor agrees to comply with 49 USC § 50101, which provides that Federal funds may not be obligated unless all steel and manufactured goods used in AIP-funded projects are produced in the United States, unless the FAA has issued a waiver for the product; the product is listed as an Excepted Article, Material Or Supply in Federal Acquisition Regulation subpart 25.108; or is included in the FAA Nationwide Buy American Waivers Issued list.

A bidder or offeror must submit the appropriate Buy America certification (see proposal forms) with all bids or offers on AIP funded projects. Bids or offers that are not accompanied by a completed Buy America certification must be rejected as nonresponsive.

CIVIL RIGHTS - GENERAL
(49 USC § 47123)

General Civil Rights Provisions

The contractor agrees to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance.

This provision binds the contractor and subtier contractors from the bid solicitation period through the completion of the contract. This provision is in addition to that required of Title VI of the Civil Rights Act of 1964.

CIVIL RIGHTS – TITLE VI ASSURANCES

(49 USC § 47123)

Title VI Solicitation Notice

(Appendix 4, FAA Order 1400.11, Nondiscrimination in Federally-Assisted Programs at the Federal Aviation Administration)

The Greater Asheville Regional Airport Authority, in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§ 2000d to 2000d-4) and the Regulations, hereby notifies all bidders that it will affirmatively ensure that any contract entered into pursuant to this advertisement, disadvantaged business enterprises will be afforded full and fair opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award.

Title VI Clauses for Compliance with Nondiscrimination Requirements

(Appendix A of Appendix 4 of FAA Order 1400.11, Nondiscrimination in Federally-Assisted Programs at the Federal Aviation Administration)

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the “contractor”) agrees as follows:

1. **Compliance with Regulations:** The contractor (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Statutes and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.
2. **Non-discrimination:** The contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor will not participate directly or indirectly in the discrimination prohibited by the Acts and the Regulations, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.
3. **Solicitations for Subcontracts, Including Procurements of Materials and Equipment:** In all solicitations, either by competitive bidding, or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the contractor of the contractor’s obligations under this contract and the Acts and the Regulations relative to Non-discrimination on the grounds of race, color, or national origin.
4. **Information and Reports:** The contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Acts, Regulations, and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the contractor will so certify to the sponsor or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.
5. **Sanctions for Noncompliance:** In the event of a contractor’s noncompliance with the Non-

discrimination provisions of this contract, the sponsor will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

- a. Withholding payments to the contractor under the contract until the contractor complies; and/or
- b. Cancelling, terminating, or suspending a contract, in whole or in part.

6. **Incorporation of Provisions:** The contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. The contractor will take action with respect to any subcontract or procurement as the sponsor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the contractor may request the sponsor to enter into any litigation to protect the interests of the sponsor. In addition, the contractor may request the United States to enter into the litigation to protect the interests of the United States.

**Title VI List of Pertinent Nondiscrimination Authorities
(Appendix E of Appendix 4 of FAA Order 1400.11, Nondiscrimination in Federally-Assisted Programs at the Federal Aviation Administration)**

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the “contractor”) agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq., 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Non-discrimination In Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 et seq.), as amended, (prohibits discrimination on the basis of disability); and 49 CFR part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 et seq.), (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs

or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);

- Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;
- The Federal Aviation Administration’s Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq).

CLEAN AIR AND WATER POLLUTION CONTROL
(49 CFR § 18.36(i)(12))

Contractor agrees to comply with all applicable standards, orders, and regulations issued pursuant to the Clean Air Act (42 U.S.C. § 740-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. § 1251-1387). The Contractor agrees to report any violation to the Owner immediately upon discovery. The Owner assumes responsibility for notifying the Environmental Protection Agency (EPA) and the Federal Aviation Administration.

Contractor must include this requirement in all subcontracts that exceeds \$150,000.

CONTRACT WORKHOURS AND SAFETY STANDARDS ACT REQUIREMENTS

(49 CFR § 18.36(i)(6))

1. Overtime Requirements.

No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic, including watchmen and guards, in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

2. Violation; Liability for Unpaid Wages; Liquidated Damages.

In the event of any violation of the clause set forth in paragraph (1) above, the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph 1 above, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph 1 above.

3. Withholding for Unpaid Wages and Liquidated Damages.

The Federal Aviation Administration or the Sponsor shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any monies payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other Federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph 2 above.

4. Subcontractors.

The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraphs 1 through 4 and also a clause requiring the subcontractor to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs 1 through 4 of this section.

COPELAND “ANTI-KICKBACK” ACT
(49 CFR § 18.36(i)(4), 29 CFR Parts 3 & 5)

Contractor must comply with the requirements of the Copeland “Anti-Kickback” Act (18 U.S.C. 874 and 40 U.S.C. 3145), as supplemented by Department of Labor regulation 29 CFR part 3. Contractor and subcontractors are prohibited from inducing, by any means, any person employed on the project to give up any part of the compensation to which the employee is entitled. The Contractor and each Subcontractor must submit to the Owner, a weekly statement on the wages paid to each employee performing on covered work during the prior week. Owner must report any violations of the Act to the Federal Aviation Administration.

DAVIS BACON REQUIREMENTS

(49 CFR § 18.36(i)(5))

1. Minimum Wages

(i) All laborers and mechanics employed or working upon the site of the work will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by the Secretary of Labor under the Copeland Act (29 CFR Part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalent thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics.

Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph (1)(iv) of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR Part 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, That the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under (1)(ii) of this section) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can easily be seen by the workers.

(ii)(A) The contracting officer shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The contracting officer shall approve an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

- (1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and
- (2) The classification is utilized in the area by the construction industry; and
- (3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(B) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the contracting officer agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by the contracting officer to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, D.C. 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(C) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the contracting officer do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits where appropriate), the contracting officer shall refer the questions, including the views of all interested parties and the recommendation of the contracting officer, to the Administrator for determination. The Administrator, or an authorized representative, will issue a

determination within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(D) The wage rate (including fringe benefits where appropriate) determined pursuant to subparagraphs (1)(ii) (B) or (C) of this paragraph, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

2. Withholding.

The Federal Aviation Administration or the Sponsor shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other Federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of work, all or part of the wages required by the contract, the Federal Aviation Administration may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

3. Payrolls and basic records.

(i) Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual costs incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

(ii)(A) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to the (write in name of appropriate federal agency) if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant, sponsor, or owner, as the case may be, for transmission to the (write in name of agency). The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except

that full social security numbers and home addresses shall not be included on weekly transmittals. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g. , the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at <http://www.dol.gov/esa/whd/forms/wh347instr.htm> or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to the (write in name of appropriate federal agency) if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit them to the applicant, sponsor, or owner, as the case may be, for transmission to the (write in name of agency), the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the sponsoring government agency (or the applicant, sponsor, or owner).

(B) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be provided under § 5.5(a)(3)(ii) of Regulations, 29 CFR part 5, the appropriate information is being maintained under § 5.5(a)(3)(i) of Regulations, 29 CFR part 5, and that such information is correct and complete;

(2) That each laborer and mechanic (including each helper, apprentice and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in Regulations 29 CFR Part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(C) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph (3)(ii)(B) of this section.

(D) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under Section 1001 of Title 18 and Section 231 of Title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under paragraph (3)(i) of this section available for inspection, copying or transcription by authorized representatives of the Sponsor, the Federal Aviation Administration or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the Federal agency may, after written notice to the contractor, sponsor, applicant or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

4. Apprentices and Trainees.

(i) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Bureau of Apprenticeship and Training, or with a State Apprenticeship Agency recognized by the Bureau, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an

apprenticeship program, who is not individually registered in the program, but who has been certified by the Bureau of Apprenticeship and Training or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Bureau of Apprenticeship and Training, or a State Apprenticeship Agency recognized by the Bureau, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal Employment Opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR Part 30.

5. Compliance With Copeland Act Requirements.

The contractor shall comply with the requirements of 29 CFR Part 3, which are incorporated by reference in this contract.

6. Subcontracts.

The contractor or subcontractor shall insert in any subcontracts the clauses contained in 29 CFR Part

5.5(a)(1) through (10) and such other clauses as the Federal Aviation Administration may by appropriate instructions require, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR Part 5.5.

7. Contract Termination: Debarment.

A breach of the contract clauses in paragraph 1 through 10 of this section may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

8. Compliance With Davis-Bacon and Related Act Requirements.

All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR Parts 1, 3, and 5 are herein incorporated by reference in this contract.

9. Disputes Concerning Labor Standards.

Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR Parts 5, 6 and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and the contracting agency, the U.S. Department of Labor, or the employees or their representatives.

10. Certification of Eligibility.

(i) By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

DEBARMENT AND SUSPENSION (NON-PROCUREMENT)

(2 CFR part 180 (Subpart C), 2 CFR part 1200, DOT Order 4200.5 DOT Suspension & Debarment Procedures & Ineligibility)

CERTIFICATE REGARDING DEBARMENT AND SUSPENSION (BIDDER OR OFFEROR)

By submitting a bid/proposal under this solicitation, the bidder or offeror certifies that at the time the bidder or offeror submits its proposal that neither it nor its principals are presently debarred or suspended by any Federal department or agency from participation in this transaction.

CERTIFICATION REGARDING DEBARMENT AND SUSPENSION (SUCCESSFUL BIDDER REGARDING LOWER TIER PARTICIPANTS)

The successful bidder, by administering each lower tier subcontract that exceeds \$25,000 as a “covered transaction”, must verify each lower tier participant of a “covered transaction” under the project is not presently debarred or otherwise disqualified from participation in this federally assisted project. The successful bidder will accomplish this by:

1. Checking the System for Award Management at website: <http://www.sam.gov>
2. Collecting a certification statement similar to the Certificate Regarding Debarment and Suspension (Bidder or Offeror), above.
3. Inserting a clause or condition in the covered transaction with the lower tier contract

If the FAA later determines that a lower tier participant failed to disclose to a higher tier participant that it was excluded or disqualified at the time it entered the covered transaction, the FAA may pursue any available remedies, including suspension and debarment of the non-compliant participant.

DISADVANTAGED BUSINESS ENTERPRISE

(49 CFR Part 26)

The Owner's award of this contract is conditioned upon Bidder or Offeror satisfying the good faith effort requirements of 49 CFR §26.53.

As a condition of bid responsiveness, the Bidder or Offeror must submit the following information with their proposal on the forms provided herein:

- (1) The names and addresses of Disadvantaged Business Enterprise (DBE) firms that will participate in the contract;
- (2) A description of the work that each DBE firm will perform;
- (3) The dollar amount of the participation of each DBE firm listed under (1)
- (4) Written statement from Bidder or Offeror that attests their commitment to use the DBE firm(s) listed under (1) to meet the Owner's project goal;
- (5) If Bidder or Offeror cannot meet the advertised project DBE goal; evidence of good faith efforts undertaken by the Bidder or Offeror as described in appendix A to 49 CFR Part 26.

The successful Bidder or Offeror must provide written confirmation of participation from each of the DBE firms the Bidder or Offeror lists in their commitment. This Bidder or Offeror must submit the DBE's written confirmation of participation within 5 days after bid opening.

The requirements of 49 CFR part 26 apply to this contract. It is the policy of the Greater Asheville Regional Airport Authority to practice nondiscrimination based on race, color, sex or national origin in the award or performance of this contract. The Owner encourages participation by all firms qualifying under this solicitation regardless of business size or ownership.

Contract Assurance (§ 26.13) - The contractor or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy, as the recipient deems appropriate.

Prompt Payment (§26.29) - The prime contractor agrees to pay each subcontractor under this prime contract for satisfactory performance of its contract no later than 7 days from the receipt of each payment the prime contractor receives from the Greater Asheville Regional Airport Authority. The prime contractor agrees further to return retainage payments to each subcontractor within 7 days after the subcontractor's work is satisfactorily completed. Any delay or postponement of payment from the above referenced time frame may occur only for good cause following written approval of the Greater Asheville Regional Airport Authority. This clause applies to both DBE and non-DBE subcontractors.

ENERGY CONSERVATION REQUIREMENTS

(49 CFR Part 18.36(i)(13))

Contractor and Subcontractor agree to comply with mandatory standards and policies relating to energy efficiency as contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (42 U.S.C. 6201et seq).

EQUAL OPPORTUNITY CLAUSE AND SPECIFICATIONS

(41 CFR § 60-1.4, Executive Order 11246)

EQUAL OPPORTUNITY CLAUSE

During the performance of this contract, the contractor agrees as follows:

(1) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, or national origin. such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive considerations for employment without regard to race, color, religion, sex, or national origin.

(3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(5) The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(6) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(7) The contractor will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, That in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency the contractor may request the United States to enter into such litigation to protect the interests of the United States.

**STANDARD FEDERAL EQUAL EMPLOYMENT OPPORTUNITY
CONSTRUCTION CONTRACT SPECIFICATIONS**

1. As used in these specifications:

- a. "Covered area" means the geographical area described in the solicitation from which this contract resulted;
- b. "Director" means Director, Office of Federal Contract Compliance Programs (OFCCP), U.S. Department of Labor, or any person to whom the Director delegates authority;
- c. "Employer identification number" means the Federal social security number used on the Employer's Quarterly Federal Tax Return, U.S. Treasury Department Form 941;

d. "Minority" includes:

- (1) Black (all) persons having origins in any of the Black African racial groups not of Hispanic origin);
- (2) Hispanic (all persons of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish culture or origin regardless of race);
- (3) Asian and Pacific Islander (all persons having origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent, or the Pacific Islands); and
- (4) American Indian or Alaskan native (all persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification).

2. Whenever the contractor, or any subcontractor at any tier, subcontracts a portion of the work involving any construction trade, it shall physically include in each subcontract in excess of \$10,000 the provisions of these specifications and the Notice which contains the applicable goals for minority and female participation and which is set forth in the solicitations from which this contract resulted.

3. If the contractor is participating (pursuant to 41 CFR 60-4.5) in a Hometown Plan approved by the U.S. Department of Labor in the covered area either individually or through an association, its affirmative action obligations on all work in the Plan area (including goals and timetables) shall be in accordance with that Plan for those trades which have unions participating in the Plan. Contractors shall be able to demonstrate their participation in and compliance with the provisions of any such Hometown Plan. Each contractor or subcontractor participating in an approved plan is individually required to comply with its obligations under the EEO clause and to make a good faith effort to achieve each goal under the Plan in each trade in which it has employees. The overall good faith performance by other contractors or subcontractors toward a goal in an approved Plan does not excuse any covered contractor's or subcontractor's failure to take good faith efforts to achieve the Plan goals and timetables.

4. The contractor shall implement the specific affirmative action standards provided in paragraphs

18.7a through 18.7p of these specifications. The goals set forth in the solicitation from which this contract resulted are expressed as percentages of the total hours of employment and training of minority and female utilization the contractor should reasonably be able to achieve in each construction trade in which it has employees in the covered area. Covered construction contractors performing construction work in a geographical area where they do not have a Federal or federally assisted construction contract shall apply the minority and female goals established for the geographical area where the work is being performed. Goals are published periodically in the Federal Register in notice form, and such notices may be obtained from any Office of Federal Contract Compliance Programs office or from Federal procurement contracting officers. The contractor is expected to make substantially uniform progress in meeting its goals in each craft during the period specified.

5. Neither the provisions of any collective bargaining agreement nor the failure by a union with whom the contractor has a collective bargaining agreement to refer either minorities or women shall excuse the contractor's obligations under these specifications, Executive Order 11246 or the regulations promulgated pursuant thereto.
6. In order for the non-working training hours of apprentices and trainees to be counted in meeting the goals, such apprentices and trainees shall be employed by the contractor during the training period and the contractor shall have made a commitment to employ the apprentices and trainees at the completion of their training, subject to the availability of employment opportunities. Trainees shall be trained pursuant to training programs approved by the U.S. Department of Labor.
7. The contractor shall take specific affirmative actions to ensure equal employment opportunity. The evaluation of the contractor's compliance with these specifications shall be based upon its effort to achieve maximum results from its actions. The contractor shall document these efforts fully and shall implement affirmative action steps at least as extensive as the following:
 - a. Ensure and maintain a working environment free of harassment, intimidation, and coercion at all sites, and in all facilities at which the contractor's employees are assigned to work. The contractor, where possible, will assign two or more women to each construction project. The contractor shall specifically ensure that all foremen, superintendents, and other onsite supervisory personnel are aware of and carry out the contractor's obligation to maintain such a working environment, with specific attention to minority or female individuals working at such sites or in such facilities.
 - b. Establish and maintain a current list of minority and female recruitment sources, provide written notification to minority and female recruitment sources and to community organizations when the contractor or its unions have employment opportunities available, and maintain a record of the organizations' responses.
 - c. Maintain a current file of the names, addresses, and telephone numbers of each minority and female off-the-street applicant and minority or female referral from a union, a recruitment source, or community organization and of what action was taken with respect to each such individual. If such individual was sent to the union hiring hall for referral and was not referred back to the contractor by the union or, if referred, not employed by the contractor, this shall be documented in the file with the reason therefore along with whatever additional actions the contractor may have taken.

- d. Provide immediate written notification to the Director when the union or unions with which the contractor has a collective bargaining agreement has not referred to the contractor a minority person or female sent by the contractor, or when the contractor has other information that the union referral process has impeded the contractor's efforts to meet its obligations.
- e. Develop on-the-job training opportunities and/or participate in training programs for the area which expressly include minorities and women, including upgrading programs and apprenticeship and trainee programs relevant to the contractor's employment needs, especially those programs funded or approved by the Department of Labor. The contractor shall provide notice of these programs to the sources compiled under 7b above.
- f. Disseminate the contractor's EEO policy by providing notice of the policy to unions and training programs and requesting their cooperation in assisting the contractor in meeting its EEO obligations; by including it in any policy manual and collective bargaining agreement; by publicizing it in the company newspaper, annual report, etc.; by specific review of the policy with all management personnel and with all minority and female employees at least once a year; and by posting the company EEO policy on bulletin boards accessible to all employees at each location where construction work is performed.
- g. Review, at least annually, the company's EEO policy and affirmative action obligations under these specifications with all employees having any responsibility for hiring, assignment, layoff, termination, or other employment decisions including specific review of these items with onsite supervisory personnel such as superintendents, general foremen, etc., prior to the initiation of construction work at any job site. A written record shall be made and maintained identifying the time and place of these meetings, persons attending, subject matter discussed, and disposition of the subject matter.
- h. Disseminate the contractor's EEO policy externally by including it in any advertising in the news media, specifically including minority and female news media, and providing written notification to and discussing the contractor's EEO policy with other contractors and subcontractors with whom the contractor does or anticipates doing business.
- i. Direct its recruitment efforts, both oral and written, to minority, female, and community organizations, to schools with minority and female students; and to minority and female recruitment and training organizations serving the contractor's recruitment area and employment needs. Not later than one month prior to the date for the acceptance of applications for apprenticeship or other training by any recruitment source, the contractor shall send written notification to organizations, such as the above, describing the openings, screening procedures, and tests to be used in the selection process.
- j. Encourage present minority and female employees to recruit other minority persons and women and, where reasonable provide after school, summer, and vacation employment to minority and female youth both on the site and in other areas of a contractor's workforce.
- k. Validate all tests and other selection requirements where there is an obligation to do so under 41 CFR Part 60-3.
- l. Conduct, at least annually, an inventory and evaluation at least of all minority and female

personnel, for promotional opportunities and encourage these employees to seek or to prepare for, through appropriate training, etc., such opportunities.

- m. Ensure that seniority practices, job classifications, work assignments, and other personnel practices do not have a discriminatory effect by continually monitoring all personnel and employment related activities to ensure that the EEO policy and the contractor's obligations under these specifications are being carried out.
 - n. Ensure that all facilities and company activities are non-segregated except that separate or single user toilet and necessary changing facilities shall be provided to assure privacy between the sexes.
 - o. Document and maintain a record of all solicitations of offers for subcontracts from minority and female construction contractors and suppliers, including circulation of solicitations to minority and female contractor associations and other business associations.
 - p. Conduct a review, at least annually, of all supervisor's adherence to and performance under the contractor's EEO policies and affirmative action obligations.
8. Contractors are encouraged to participate in voluntary associations, which assist in fulfilling one or more of their affirmative action obligations (18.7a through 18.7p). The efforts of a contractor association, joint contractor union, contractor community, or other similar groups of which the contractor is a member and participant, may be asserted as fulfilling any one or more of its obligations under 18.7a through 18.7p of these specifications provided that the contractor actively participates in the group, makes every effort to assure that the group has a positive impact on the employment of minorities and women in the industry, ensures that the concrete benefits of the program are reflected in the contractor's minority and female workforce participation, makes a good faith effort to meet its individual goals and timetables, and can provide access to documentation which demonstrates the effectiveness of actions taken on behalf of the contractor. The obligation to comply, however, is the contractor's and failure of such a group to fulfill an obligation shall not be a defense for the contractor's noncompliance.
9. A single goal for minorities and a separate single goal for women have been established. The contractor, however, is required to provide equal employment opportunity and to take affirmative action for all minority groups, both male and female, and all women, both minority and non-minority. Consequently, if the particular group is employed in a substantially disparate manner (for example, even though the contractor has achieved its goals for women generally,) the contractor may be in violation of the Executive Order if a specific minority group of women is underutilized.
10. The contractor shall not use the goals and timetables or affirmative action standards to discriminate against any person because of race, color, religion, sex, or national origin.
11. The contractor shall not enter into any subcontract with any person or firm debarred from Government contracts pursuant to Executive Order 11246.
12. The contractor shall carry out such sanctions and penalties for violation of these specifications and of the Equal Opportunity Clause, including suspension, termination, and cancellation of existing subcontracts as may be imposed or ordered pursuant to Executive Order 11246, as amended, and its implementing regulations, by the Office of Federal Contract Compliance Programs. Any

contractor who fails to carry out such sanctions and penalties shall be in violation of these specifications and Executive Order 11246, as amended.

13. The contractor, in fulfilling its obligations under these specifications, shall implement specific affirmative action steps, at least as extensive as those standards prescribed in paragraph 18.7 of these specifications, so as to achieve maximum results from its efforts to ensure equal employment opportunity. If the contractor fails to comply with the requirements of the Executive Order, the implementing regulations, or these specifications, the Director shall proceed in accordance with 41 CFR 60-4.8.
14. The contractor shall designate a responsible official to monitor all employment related activity to ensure that the company EEO policy is being carried out, to submit reports relating to the provisions hereof as may be required by the Government, and to keep records. Records shall at least include for each employee, the name, address, telephone number, construction trade, union affiliation if any, employee identification number when assigned, social security number, race, sex, status (e.g., mechanic, apprentice, trainee, helper, or laborer), dates of changes in status, hours worked per week in the indicated trade, rate of pay, and locations at which the work was performed. Records shall be maintained in an easily understandable and retrievable form; however, to the degree that existing records satisfy this requirement, contractors shall not be required to maintain separate records.
15. Nothing herein provided shall be construed as a limitation upon the application of other laws which establish different standards of compliance or upon the application of requirements for the hiring of local or other area residents (e.g., those under the Public Works Employment Act of 1977 and the Community Development Block Grant Program).

FEDERAL FAIR LABOR STANDARDS ACT (FEDERAL MINIMUM WAGE)
(29 USC § 201, et seq.)

All contracts and subcontracts that result from this solicitation incorporate by reference the provisions of 29 CFR part 201, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text. The FLSA sets minimum wage, overtime pay, recordkeeping, and child labor standards for full and part time workers.

The contractor has full responsibility to monitor compliance to the referenced statute or regulation. The [contractor must address any claims or disputes that arise from this requirement directly with the U.S. Department of Labor – Wage and Hour Division

LOBBYING AND INFLUENCING FEDERAL EMPOLYEEES
(49 CFR Part 20, Appendix A)

The bidder or offeror certifies by signing and submitting this bid or proposal, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the Bidder or Offeror, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- (3) The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

NONSEGREGATED FACILITIES REQUIREMENT

(41 CFR § 60-1.8)

PROHIBITION of SEGREGATED FACILITIES

(a) The Contractor agrees that it does not and will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not and will not permit its employees to perform their services at any location under its control where segregated facilities are maintained. The Contractor agrees that a breach of this clause is a violation of the Equal Opportunity clause in this contract.

(b) “Segregated facilities,” as used in this clause, means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees, that are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, sex, or national origin because of written or oral policies or employee custom. The term does not include separate or single-user rest rooms or necessary dressing or sleeping areas provided to assure privacy between the sexes.

(c) The Contractor shall include this clause in every subcontract and purchase order that is subject to the Equal Opportunity clause of this contract.

OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970
(20 CFR part 1910)

All contracts and subcontracts that result from this solicitation incorporate by reference the requirements of 29 CFR Part 1910 with the same force and effect as if given in full text. Contractor must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee. The Contractor retains full responsibility to monitor its compliance and their subcontractor's compliance with the applicable requirements of the Occupational Safety and Health Act of 1970 (20 CFR Part 1910). Contractor must address any claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration.

PROCUREMENT OF RECOVERED MATERIALS
(2 CFR Section 200.322, 40 CFR Part 247)

Contractor and subcontractor agree to comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, and the regulatory provisions of 40 CFR Part 247. In the performance of this contract and to the extent practicable, the Contractor and subcontractors are to use of products containing the highest percentage of recovered materials for items designated by the Environmental Protection Agency (EPA) under 40 CFR Part 247 whenever:

- a) The contract requires procurement of \$10,000 or more of a designated item during the fiscal year;
or,

The contractor has procured \$10,000 or more of a designated item using Federal funding during the previous fiscal year.

The list of EPA-designated items is available at www.epa.gov/epawaste/consERVE/tools/cpg/products/.

Section 6002(c) establishes exceptions to the preference for recovery of EPA-designated products if the contractor can demonstrate the item is:

- a) Not reasonably available within a timeframe providing for compliance with the contract performance schedule;
- b) Fails to meet reasonable contract performance requirements; or
- c) Is only available at an unreasonable price.

RIGHT TO INVENTIONS
(49 CFR part 18.36(i)(8))

All rights to inventions and materials generated under this contract are subject to requirements and regulations issued by the FAA and the Sponsor of the Federal grant under which this contract is executed.

TERMINATION OF CONTRACT

(49 CFR part 18.36(i)(2))

Termination for Convenience (Construction & Equipment Contracts)

The Owner may terminate this contract in whole or in part at any time by providing written notice to the Contractor. Such action may be without cause and without prejudice to any other right or remedy of Owner. Upon receipt of a written notice of termination, except as explicitly directed by the Owner, the Contractor shall immediately proceed with the following obligations regardless of any delay in determining or adjusting amounts due under this clause:

1. Contractor must immediately discontinue work as specified in the written notice.
2. Terminate all subcontracts to the extent they relate to the work terminated under the notice.
3. Discontinue orders for materials and services except as directed by the written notice.
4. Deliver to the owner all fabricated and partially fabricated parts, completed and partially completed work, supplies, equipment and materials acquired prior to termination of the work and as directed in the written notice.
5. Complete performance of the work not terminated by the notice.
6. Take action as directed by the owner to protect and preserve property and work related to this contract that Owner will take possession.

Owner agrees to pay Contractor for:

- a) completed and acceptable work executed in accordance with the contract documents prior to the effective date of termination;
- b) documented expenses sustained prior to the effective date of termination in performing work and furnishing labor, materials, or equipment as required by the contract documents in connection with uncompleted work;
- c) reasonable and substantiated claims, costs and damages incurred in settlement of terminated contracts with Subcontractors and Suppliers; and
- d) reasonable and substantiated expenses to the contractor directly attributable to Owner's termination action

Owner will not pay Contractor for loss of anticipated profits or revenue or other economic loss arising out of or resulting from the Owner's termination action.

The rights and remedies this clause provides are in addition to any other rights and remedies provided by law or under this contract.

Termination for Default (Construction)

Section 80-09 of FAA Advisory Circular 150/5370-10 establishes conditions, rights and remedies associated with Owner termination of this contract due default of the Contractor.

TRADE RESTRICTION

(49 CFR part 30)

Trade Restriction Clause

By submission of an offer, the Offeror certifies that with respect to this solicitation and any resultant contract, the Offeror -

- a. is not owned or controlled by one or more citizens of a foreign country included in the list of countries that discriminate against U.S. firms as published by the Office of the United States Trade Representative (U.S.T.R.);
- b. has not knowingly entered into any contract or subcontract for this project with a person that is a citizen or national of a foreign country included on the list of countries that discriminate against U.S. firms as published by the U.S.T.R.; and
- c. has not entered into any subcontract for any product to be used on the Federal on the project that is produced in a foreign country included on the list of countries that discriminate against U.S. firms published by the U.S.T.R.

This certification concerns a matter within the jurisdiction of an agency of the United States of America and the making of a false, fictitious, or fraudulent certification may render the maker subject to prosecution under Title 18, United States Code, Section 1001.

The Offeror/Contractor must provide immediate written notice to the Owner if the Offeror/Contractor learns that its certification or that of a subcontractor was erroneous when submitted or has become erroneous by reason of changed circumstances. The Contractor must require subcontractors provide immediate written notice to the Contractor if at any time it learns that its certification was erroneous by reason of changed circumstances.

Unless the restrictions of this clause are waived by the Secretary of Transportation in accordance with 49 CFR 30.17, no contract shall be awarded to an Offeror or subcontractor:

- (1) who is owned or controlled by one or more citizens or nationals of a foreign country included on the list of countries that discriminate against U.S. firms published by the U.S.T.R. or
- (2) whose subcontractors are owned or controlled by one or more citizens or nationals of a foreign country on such U.S.T.R. list or
- (3) who incorporates in the public works project any product of a foreign country on such U.S.T.R. list;

Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by this provision. The knowledge and information of a contractor is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

The Offeror agrees that, if awarded a contract resulting from this solicitation, it will incorporate this provision for certification without modification in all lower tier subcontracts. The contractor may rely on the certification of a prospective subcontractor that it is not a firm from a foreign country included on the list of countries that discriminate against U.S. firms as published by U.S.T.R, unless the Offeror has knowledge that the certification is erroneous.

This certification is a material representation of fact upon which reliance was placed when making an award. If it is later determined that the Contractor or subcontractor knowingly rendered an erroneous certification, the Federal Aviation Administration may direct through the Owner cancellation of the contract or subcontract for default at no cost to the Owner or the FAA.

VETERAN'S PREFERENCE

(49 USC § 47112(c))

In the employment of labor (excluding executive, administrative, and supervisory positions), the contractor and all sub-tier contractors must give preference to covered veterans as defined within Title 49 United States Code Section 47112. Covered veterans include Vietnam-era veterans, Persian Gulf veterans, Afghanistan-Iraq war veterans, disabled veterans, and small business concerns (as defined by 15 U.S.C. 632) owned and controlled by disabled veterans. This preference only applies when there are covered veterans readily available and qualified to perform the work to which the employment relates.

TEXTING WHILE DRIVING

(Executive Order 13513, DOT Order 3902.10)

In accordance with Executive Order 13513, "Federal Leadership on Reducing Text Messaging While Driving" (10/1/2009) and DOT Order 3902.10 "Text Messaging While Driving" (12/30/2009), the FAA encourages recipients of Federal grant funds to adopt and enforce safety policies that decrease crashes by distracted drivers, including policies to ban text messaging while driving when performing work related to a grant or sub-grant.

In support of this initiative, the Owner encourages the Contractor to promote policies and initiatives for its employees and other work personnel that decrease crashes by distracted drivers, including policies that ban text messaging while driving motor vehicles while performing work activities associated with the project. The Contractor must include the substance of this clause in all sub-tier contracts exceeding \$3,500 and involve driving a motor vehicle in performance of work activities associated with the project.

EXHIBIT D

CONSTRUCTION MANAGERS

PRE-CONSTRUCTION PHASE BASIS OF FEE

Construction Managers Pre-Construction Phase Basis of Fee Exhibit D



Precon Estimate

HP Estimate Detail Backup Report
 Project: Asheville Airport Terminal Modernization

Report Date: 11/24/2020
 3:15:23 PM

Revision:

		Description	Quantity	Unit cost	Amount
					Total
Executive Oversight					
Executive Oversight Subtotal					
Project Management and Planning Staff					
01-10-10.00 - HP1015		Project Manager (Rutherford)	10.00	mo	\$207,290
01-10-10.00 - HP1020		Project Superintendent (McMillan)	2.00	mo	\$39,496
01-10-10.00 - HP1020		Preconstruction Superintendent (Miller)	6.00	mo	\$132,420
					\$379,206
Project Management and Planning Staff Subtotal					
Budget Management and Purchasing Staff					
01-10-10.00 - HP1115		Senior Estimator (Davis)	6.00	mo	\$123,084
					\$123,084
Budget Management and Purchasing Staff Subtotal					
Trade Partner Outreach, DBE Programs, and Prequalification					
01-10-10.00 - HP1115		Manager of Supplier Diversity (Harper)	2.00	mo	\$42,810
01-10-10.00 - HP1075		Office Engineer (Prequal Support per GARAA Plan)	3.00	mo	\$45,231
01-10-10.00 - HP1130		Admin / Secretary	2.00	mmth	\$23,864
01-10-10.00 - HP1155		Vannoy Precon Support - Trade Partner Outreach / Current Market Conditions	1.00	ls	\$100,000
					\$211,905
Trade Partner Outreach, DBE Programs, and Prequalification Subtotal					
MSI Trade Partner					
01-10-10.00 - HP1155		Master Services Integrator - Faith Group	1.00	ls	\$153,007
					\$153,007
MSI Trade Partner Subtotal					
Other Trade Partners					
01-10-10.00 - HP1155		Existing systems trace out for phasing/ERP planning	1.00	ls	\$25,000
01-10-10.00 - HP1155		Surveying (By Owner)	1.00	ls	\$30,000
01-10-10.00 - HP1155		Third Party Envelope / Water Consultant	1.00	ls	\$25,000
01-10-10.00 - HP1155		Camera 30" Storm Line Below Existing Bldg - Not to Exceed	1.00	ls	\$30,000
01-10-10.00 - HP1155		SUE / Utility Investigations (with Early Work Package if required)	1.00	ls	\$25,000
					\$80,000
Other Trade Partners Subtotal					
Travel and Temporary Facilities					
01-10-20.00 - HP1015		Precon Travel (2/Month BM, TD, BR @ 10 Months)	60.00	trip	\$48,000
01-10-20.00 - HP1015		Employee Relocation (PM/PS) - Not to Exceed	2.00	ls	\$36,000
01-10-20.00 - HP1015		Employee Relocation (PE)	16.00	ls	\$16,000
01-10-20.00 - HP1015		Employee Relocation (OE)	14.00	ls	\$14,000
01-10-20.00 - HP1015		Precon PM Temp Apartment (Furnished, All Inclusive)	7.00	mo	\$17,500
01-10-30.00 - HP1005		Project Plans / Printing	8.00	set	\$3,200
01-10-50.00 - HP1005		Temporary Office Space (Including Water, Sewer, Electric)	4.50	mo	\$4,500
01-10-50.00 - HP1065		Temp Office Furniture	7.50	ea	\$7,500
01-10-50.00 - HP1065		Temp Office Network and Server	1.00	ls	\$2,000
01-10-50.00 - HP1065		Temp Office Copier	1.00	ls	\$2,000
01-10-50.00 - HP1065		Temp Office Internet	1.00	ls	\$500
01-10-50.00 - HP1080		Temp Office Supplies & Equipment	10.00	mo	\$300
01-10-50.00 - HP1090		Jobsite Computers	29.00	mo	\$75
01-10-50.00 - HP1090		Drone Usage (existing conditions photos, BIM support)	1.00	ls	\$2,500
01-10-50.00 - HP1170		Phone Purchases (1 per 24 man months)	2.00	ea	\$1,500
01-10-90.00 - HP1295		Company Vehicle with Gas (w/ Wage Rates)	1.00	ls	\$1,500
01-10-90.00 - HP1300		Vehicle Allowance (w/ Wage Rates)	1.00	ls	\$1,500

Precon Estimate

HP Estimate Detail Backup Report
Project: Asheville Airport Terminal Modernization

Report Date: 11/24/2020
3:15:23 PM

		Revision:	
Description	Quantity	Unit cost	Total Amount
Travel and Temporary Facilities Subtotal			\$122,875
Subtotal			\$1,070,077
Markups			
Sales Tax 7% Equipment and Materials			\$18,193
	Total Markups		\$18,193
ESTIMATE TOTAL			\$1,088,270



HENSEL PHELPS
Plan. Build. Manage.

Salaried Billing Rate Calculator 2020

Project Asheville Airport Terminal Modernization - Precon Services Only

Location Asheville, NC

Duration 18

Mos

Position Description	Base Rate/Mo	Cost of Living Adjustment	Payroll Taxes	Worker's Comp Ins	IT	Benefit Health Insurance	Benefit Salaried Bonus	Benefit Retirement Plan	Benefit Qualified Retirement Plan	Benefit Vehicle + Fuel	Phone	Total Burdens	OH	Profit	Total Rate/Mo	Hourly Rate
Operations Manager	15,087	-	2,114	8	300	1,764	-	-	2,263	1,200	143	7,791	-	-	22,878	142.99
General Superintendent	14,979	-	2,099	64	300	1,764	-	-	2,247	1,500	143	8,116	-	-	23,096	144.35
Project Manager	13,422	-	1,880	7	300	1,764	-	-	2,013	1,200	143	7,307	-	-	20,729	129.56
Project Superintendent	12,393	-	1,736	53	300	1,764	-	-	1,859	1,500	143	7,355	-	-	19,748	123.43
Area Superintendent	11,422	-	1,600	49	300	1,764	-	-	1,713	1,500	143	7,069	-	-	18,491	115.57
Project Engineer	10,059	-	1,409	5	300	1,764	-	-	1,509	700	143	5,830	-	-	15,889	99.31
Safety Manager	11,639	-	1,631	50	300	1,764	-	-	1,746	700	143	6,333	-	-	17,972	112.32
Safety Engineer	8,945	-	1,253	38	300	1,764	-	-	1,342	-	143	4,840	-	-	13,784	86.15
COQ Manager	12,609	-	1,766	54	300	1,764	-	-	1,891	1,500	143	7,418	-	-	20,027	125.17
COQ Lead	10,184	-	1,427	44	300	1,764	-	-	1,528	700	143	5,905	-	-	16,089	100.55
COQ Assistant	9,376	-	1,314	40	300	1,764	-	-	1,406	-	143	4,967	-	-	14,342	89.64
Office Engineer	9,972	-	1,397	5	300	1,764	-	-	1,496	-	143	5,104	-	-	15,077	94.23
Field Engineer	9,647	-	1,352	41	300	1,764	-	-	1,447	-	143	5,047	-	-	14,694	91.84
Rodman	8,520	-	1,194	37	300	1,764	-	-	1,278	-	-	4,572	-	-	13,093	81.83
Intern*	7,113	-	997	31	300	1,764	-	-	-	-	-	3,091	-	-	10,204	63.77
Design Manager	14,461	-	2,026	7	300	1,764	-	-	2,169	1,200	143	7,609	-	-	22,070	137.94
MEP Coordinator	12,157	-	1,703	6	300	1,764	-	-	1,824	1,500	143	7,239	-	-	19,397	121.23
VDC Manager	11,639	-	1,631	6	300	1,764	-	-	1,746	1,200	143	6,789	-	-	18,427	115.17
Lead VDC Engineer	9,699	-	1,359	5	300	1,764	-	-	1,455	700	143	5,725	-	-	15,424	96.40
VDC Engineer	9,595	-	1,344	5	300	1,764	-	-	1,439	-	143	4,995	-	-	14,590	91.19
Manager of Supplier Diversif	13,422	-	1,880	7	300	1,764	-	-	2,013	1,200	143	7,982	-	-	21,405	133.78
Senior Estimator	13,255	-	1,857	7	300	1,764	-	-	1,988	1,200	143	7,258	-	-	20,514	128.21
Lead Estimator	11,628	-	1,629	6	300	1,764	-	-	1,744	700	143	6,286	-	-	17,913	111.96
Estimator	9,941	-	1,393	5	300	1,764	-	-	1,491	-	143	5,095	-	-	15,036	93.97
Scheduler	13,799	-	1,933	7	300	1,764	-	-	2,070	-	143	6,217	-	-	20,016	125.10
Office Manager	10,581	-	1,482	5	300	1,764	-	-	1,587	-	-	5,139	-	-	15,720	98.25
Admin / Secretary	7,646	-	1,071	4	300	1,764	-	-	1,147	-	-	4,286	-	-	11,932	74.57
Time Keeper / Checker	6,380	-	894	3	300	1,764	-	-	957	-	-	3,918	-	-	10,297	64.36
Job Site Accountant	7,895	-	1,106	4	300	1,764	-	-	1,184	-	-	4,358	-	-	12,253	76.58
TBD																

■ = W/C Office
■ = W/C Field

EXHIBIT E

CONSTRUCTION
MANAGERS HOME
OFFICE PERSONNEL
BILLING RATES AND
TIME ALLOCATION

Construction Managers Home Office Personnel Billing Rates and Time Allocation

Exhibit E

Department	Name	Position	\$/HR	HR/YR	Not to Exceed % of 2080 HR/YR	Not to Exceed Proj HRs
Legal	Ashley Valenzuela-Ru	Director of Human Resources	\$ 150.00	3	0.14%	10
Legal	Mellyni Murray	Paralegal	\$ 100.00	25	1.20%	82
Legal	Jon Jonson	Paralegal	\$ 100.00	25	1.20%	82
Legal	Bob Majerus	VP & General Counsel	\$ 500.00	3	0.14%	10
Legal	Scott Johnson	Assistant General Counsel	\$ 350.00	75	3.61%	246
Legal	Mike Ballentine	Corporate Counsel	\$ 350.00	25	1.20%	82
Legal	Daniel Carrico	Corporate Counsel	\$ 350.00	75	3.61%	246
Legal	Djenita Svinjar	Corporate Counsel	\$ 350.00	15	0.72%	50
LEGAL DEPARTMENT ARCHIVE DIVISION	Robin Rakowski	Archive Clerk	\$ 65.00	25	1.20%	82
LEGAL DEPARTMENT ARCHIVE DIVISION	Kati England	Archive Clerk	\$ 65.00	25	1.20%	82
SAFETY	Jenna Quinlan	Administrative Assistant	\$ 75.00	25	1.20%	82
SAFETY	Jerry Shupe	Corporate Safety Director	\$ 150.00	25	1.20%	82
SAFETY	Chris Lawhead	District Safety Director	\$ 125.00	225	10.82%	742
FRONT DESK / MAILROOM	Brenda Augustino	Administrative Assistant	\$ 65.00	25	1.20%	82
FRONT DESK / MAILROOM	Sabrina Stephens	Mailroom Clerk	\$ 65.00	25	1.20%	82
DESIGN MANAGEMENT/ BIM DEPARTMENT	Greg Gidez	Department Manager	\$ 150.00	0	0.00%	0
DESIGN MANAGEMENT/ BIM DEPARTMENT	Greg Holroyd	Director of Design Services	\$ 125.00	25	1.20%	82
DESIGN MANAGEMENT/ BIM DEPARTMENT	Jeremy Sanchez	Director of Engineering Services	\$ 125.00	25	1.20%	82
DESIGN MANAGEMENT/ BIM DEPARTMENT	Thai Nguyen	Director of VDC	\$ 125.00	49	2.36%	160
DESIGN MANAGEMENT/ BIM DEPARTMENT	Maurice Clarke	Southeast VDC Manager	\$ 125.00	225	10.82%	742
CONTINUOUS IMPROVEMENT / TRAINING	Jeni Harrison	Director of CI/T	\$ 125.00	25	1.20%	82
CONTINUOUS IMPROVEMENT / TRAINING	Robin Stanske	Training Coordinator	\$ 100.00	25	1.20%	82
CONTINUOUS IMPROVEMENT / TRAINING	Samuel Gault	Instructional Designer	\$ 75.00	25	1.20%	82
CONTINUOUS IMPROVEMENT / TRAINING	Melissa Dickman	Instructional Designer	\$ 75.00	25	1.20%	82
ACCOUNTING AND PAYROLL	Mary Suchecki	Executive Assistant	\$ 75.00	25	1.20%	82
ACCOUNTING AND PAYROLL	Jennifer Scholz	VP of Finance	\$ 250.00	25	1.20%	82
ACCOUNTING AND PAYROLL	Nick Engen	Controller	\$ 150.00	50	2.40%	164
ACCOUNTING AND PAYROLL	Ronda Wells	Senior Accountant	\$ 125.00	25	1.20%	82
ACCOUNTING AND PAYROLL	Marlene Keberlein	Senior Accountant	\$ 125.00	0	0.00%	0
ACCOUNTING AND PAYROLL	Kris Fogle	Senior Accountant	\$ 125.00	0	0.00%	0
ACCOUNTING AND PAYROLL	Lane Searle	Tax Manager	\$ 125.00	25	1.20%	82
ACCOUNTING AND PAYROLL	Jef Wilson	Asst. Tax Manager	\$ 125.00	25	1.20%	82
ACCOUNTING AND PAYROLL	Renee Kniffen	A/P - Payroll Supvsr.	\$ 125.00	25	1.20%	82
ACCOUNTING AND PAYROLL	Zach Lish	Payroll (Only for SEDO)	\$ 75.00	225	10.82%	742
ACCOUNTING AND PAYROLL	Diana Wood	Acct. Asst. Supervisor	\$ 100.00	25	1.20%	82
ACCOUNTING AND PAYROLL	Mari-Ann Lee	Accounts Payable (Only for SEC)	\$ 75.00	225	10.82%	742
SUPPORT	Darla Steel	Support Assistant	\$ 75.00	0	0.00%	0
SUPPORT	Cass Etherton	Equipment Manager	\$ 150.00	25	1.20%	82
SUPPORT	Ralph Solt	Asst. Equipment Manager	\$ 100.00	25	1.20%	82
CORPORATE IT DEPARTMENT	Dolores Mears	CIO	\$ 250.00	0	0.00%	0
CORPORATE IT DEPARTMENT	Jeremy Sibert	Director of Technology	\$ 150.00	0	0.00%	0
CORPORATE IT DEPARTMENT	Dustin Morris	IT Mgr - Corp. Dev & Central Div	\$ 125.00	25	1.20%	82
CORPORATE IT DEPARTMENT	Dawood Al-Agha	IT Mgr - Corp. Infrastructure	\$ 125.00	25	1.20%	82
CORPORATE IT DEPARTMENT	Michael Culwell	IT Manager	\$ 125.00	25	1.20%	82
CORPORATE IT DEPARTMENT	Elaine Owenby	Senior IT Engineer	\$ 115.00	25	1.20%	82
CORPORATE IT DEPARTMENT	Ian Foreman	IT Engineer	\$ 100.00	75	3.61%	246
CORPORATE IT DEPARTMENT	Chad Rossow	IT Engineer	\$ 100.00	25	1.20%	82
CORPORATE IT DEPARTMENT	Evan Grim	IT Technician	\$ 75.00	25	1.20%	82
CORPORATE IT DEPARTMENT	Ed Thomas	Southeast Senior IT Support	\$ 100.00	225	10.82%	742
CORPORATE IT DEPARTMENT	Ryan McLaughlin	Southeast IT Support	\$ 75.00	225	10.82%	742
PRODUCTION ENGINEERING	James Matthews	Project Manager	\$ 125.00	25	1.20%	82
PRODUCTION ENGINEERING	Nathan Jelenich	Production Engineering	\$ 75.00	25	1.20%	82

EXHIBIT F

BUILDING INFORMATION MODELING (BIM) EXECUTION PLAN



AVL TERMINAL MODERNIZATION PROJECT
BIM EXECUTION PLAN

Version 3

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SECTION A: Plan Overview

To successfully implement Information Modeling on this project, the team has developed this detailed execution plan. This plan will address client requirements, deliverables, workflows and standards to meet the client's needs. This plan will limit scope while communicating project requirements to efficiently and effectively design, develop and deliver a project. This plan addresses electronic deliverables to teams and/or clients specifying software, versions, workflows, schedules and roles/responsibilities.

Gresham Smith utilizes modeling to streamline the design and efficiently communicate design intent. Modeling will be used as part of an integrated process to facilitate, coordinate, and communicate the designs generated by the design teams. Gresham Smith may use modeling to design, visualize, analyze and document designs developed for the Client.

It is the intent of the design team to use Building Information Modeling (BIM) to aid in the process of design and coordination of the project. BIM models will not contain all details, notes, or elements of the design that are included in signed and sealed Contract Drawings. BIM models produced by the design team will be at a Level of Development (LOD) consistent with the production of construction documents.

The BIM Model is not to be shared with any other entity without prior written permission from Gresham Smith. The BIM Model is not to be posted to any public or company share websites. File exchanges of the BIM Model are to occur via Gresham Smith's NewForma file transfer system. File transfers should not occur with outside entities.

SECTION B: Project Information

Client Name: Asheville Regional Airport

Project Name: AVL Terminal Modernization

Project Location and Address: 61 Terminal Drive #1, Fletcher, North Carolina 28732

Contract Type / Delivery Method: CMR

Project Description: Terminal Expansion and Modernization

Project Numbers:

PROJECT INFORMATION	NUMBER
GRESHAM SMITH PROJECT NUMBER	43483.02
CLIENT PROJECT NUMBER	TBD

SECTION C: Facility Requirements

1. List Client/Agencies Requirements and Deliverables
 - a. Revit 2020 and AutoCAD 2020 files to the owner with no specific client standards.
 - b. Color PDF and color prints to AHJ Reviews.
 - c. Set of 24 x 36 Record Drawings.

SECTION D: Digital Data Management

Electronic Document Management

Newforma is a complete Project Information Management (PIM) platform designed specifically for the A/E industry that manages flow of information in all phases of the project life cycle. Info Exchange is a conduit for communication of project information with external team members such as owners, contractors, agencies, etc. Newforma shall be used for all project transfers and transmittals of archived models at set project milestones and deliverable dates. Firms not having access to Newforma should make archive copies per your firms and document retention policy. Gresham Smith will not maintain archives or backup versions for the teams outside Gresham Smith. All other exchanges and regular work will occur utilizing Autodesk BIM 360, see below.

Autodesk BIM 360 Collaboration for Revit is a pay-per-user service. To access the project on Autodesk BIM 360 Collaboration for Revit, each person/company must subscribe to the Autodesk service. The Gresham Smith BIM Manager will send an invite to all team members to join the project on BIM 360 as Project Contributor. All requests to access BIM 360 must be granted by the Gresham Smith BIM Manager or any other Administrator(s) assigned to the project prior to access the site. A Project Contributor must have an Autodesk ID account created and associated with their company email address to access the project. Company email address are required to easily associate an account to a firm. General email such as GMAIL and Yahoo will not be allowed. Each firm will obtain and maintain BIM 360 license for each team member needing access to the project. All design team native models shall live on the BIM360 platform.

Published / Issued: RVT, NWS, DWF, DWG or PDF drawings and sheets shall be stored in the outgoing transmittal area of the folder structure once formally checked, approved and authorized in accordance with Gresham Smith corporate quality procedures. Revision/Issue control shall follow the Document Control systems established for the project. A record of all issued deliverables shall be maintained in softcopy on the project's Newforma folder.

Bluebeam: Timely design feedback from project stakeholders critical for collaboration. Revu speeds up design reviews by allowing project partners to mark up and collaborate on the same documents in real time, or any time. The Bluebeam process is most successful when all parties collaborate amongst each other. Frequent Bluebeam review will ensure the process is benefiting the overall project. All design team members are expected to contribute, frequently addressing changes and markups in the drawings.

Modeling Standards: Gresham Smith will deliver a base model at the start of the project loaded with standards that are expected to be utilized throughout the duration of the project. These are not limited to: Annotation Symbols, Notes, Dimensions, Line Styles, Weights, File Naming Convention, and Revit Project Data Locations map. Standards for graphics such as Borders (a project specific family 24" x 36" title file), Keyplans, and Logos will be included. Questions about standards should be addressed with the Architect.

Technical Requirements: The technical requirements relating to the utilization of Building Information Modeling, including specific software and hardware requirements are as follows: Software and versions will not change during project development. *Design team shall request and obtain approval in writing software version upgrades from the Architect of Record and/or Engineer of Record.*

SECTION E: Model Requirements

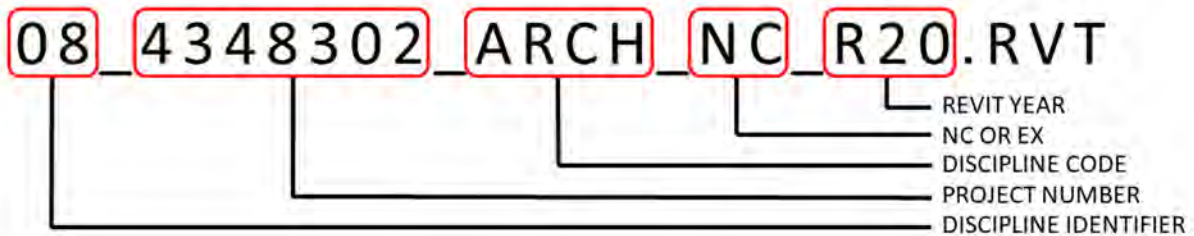
File Naming Structure:

- Civil 3D Model naming will be determined by the project team and submitted for approval by the Architect prior to implementation. Naming convention should follow a similar format as the Revit model naming identified below.
- Revit Model naming will use format: Discipline Identifier_GS ProjectNumber_DisciplineCode_Revityear.rvt

Each discipline will utilize a separate model per discipline as identified by the Architect. All modeling components and annotation will reside in these models. The models will be isolated from one another to maintain a smaller overall file size. The file structure is determined on a per discipline basis. Models with larger scope will require a separate New Construction (NC) and Existing (EX) model to maintain the file size required for the project and identified below:

NC = New Construction

EX = Existing



EXAMPLE REVIT MODEL NAMING	
General:	01_4348302_GEN_SHARED LEVELS AND GRIDS_R20.RVT
Architectural:	08_4348302_ARCH_NC_R20.RVT
	08_4348302_ARCH_EX_R20.RVT
	08_4348302_AG_R20.RVT
Baggage Handling Systems:	10_4348302_BHS_NEW_R20.RVT
	10_4348302_BHS_EX_R20.RVT

REVIT MODEL NAMING STRUCTURE		
DISCIPLINE IDENTIFIER	DISCIPLINE CODE	DISCIPLINE DESCRIPTION
01	GEN	INDEX, PROJECT INFORMATION, SPECIAL CODE REFERENCE, U.L. DESIGN, LIFE SAFETY, PHASING
02	HZ	HAZARDOUS MATERIAL
03	CIVIL	CIVIL DRAWINGS
04	LAND	LANDSCAPE & IRRIGATION DRAWINGS
07	STRUCT	STRUCTURAL; <i>*WILL REQUIRE A NEW CONSTRUCTION AND EXISTING MODEL</i>
08	ARCH	ARCHITECTURAL; <i>*WILL REQUIRE A NEW CONSTRUCTION AND EXISTING MODEL</i>
08	AG	ARCHITECTURAL GRAPHICS
09	ID	INTERIOR DESIGN - FURNITURE
10	BHS	BAGGAGE HANDLING SYSTEMS; <i>*WILL REQUIRE A NEW CONSTRUCTION AND EXISTING MODEL</i>
11	FP	FIRE PROTECTION
12	PLUMB	PLUMBING
14	MECH	MECHANICAL, WATER SERVICES MECHANICAL; <i>*WILL REQUIRE A NEW CONSTRUCTION AND EXISTING MODEL</i>
15	ELEC	ELECTRICAL DRAWINGS
16	COMM	COMMUNICATIONS
17	RC	RESOURCE, LASER SCAN DATA, CIVIL LINKS
17	RU	RESOURCE UTILITY, SURVEY

**MODELS WILL REQUIRE TO BE SPLIT AND SET UP INTO SEPARATE NEW CONSTRUCTION (NC) AND EXISTING (EX) MODEL FORMATS. CONTACT GRESHAM SMITH WITH QUESTIONS REGARDING THIS STRUCTURE REQUIREMENT.*

Model Structure:

The 01 General Model 01_4348302_GEN_R20.RVT will be distributed to the project team by Gresham Smith at the start of the project and will be used as the Template Model for all other models. Each discipline's model will use the Revit tool to Copy Monitor the Shared Levels, Grids, and Scope Boxes of the 01 General Model 01_4348302_GEN_R20.RVT to use in their specific discipline's model. Any issues or questions should be addressed with the Architect. All models are expected to be "live linked" and maintain linked models of other disciplines into Autodesk BIM360 for work sharing and coordination. Revit disciplines are to begin their individual model set up by no later than the beginning of Schematic Design following the LOD determined (see attachments).

Project Phasing will be established by the Template Model delivered by Gresham Smith at the start of the project and ultimately, the CMR will determine the phasing delivery of the project. Until Phasing is established by the CMR and communicated by Gresham Smith to the project team, all models will follow Existing and New Construction model phasing for the project. Phase mapping must follow the Template Model to maintain accuracy throughout the project. Questions should be addressed with the Architect.

The Laser Scan model 17_4348302_RC_LASERSCAN_R20.RVT will be delivered by Gresham Smith to the project team which will contain most of the Existing Conditions information. Each discipline is responsible for reviewing the Laser Scan model after receipt of the model and completing the Existing Conditions where there are gaps or discontinuities in the information shown. The Laser Scan model will be set up with individual disciplines as Worksets. The Worksets should show the entirety of the scope of the Discipline identified by the Workset. It is the responsibility of each Discipline to review, add to, and maintain their associated Workset/Worksets. The intent of the Laser Scan model is to provide as much Existing information possible for the project. All Existing Conditions content will be Phased as Existing in all models.

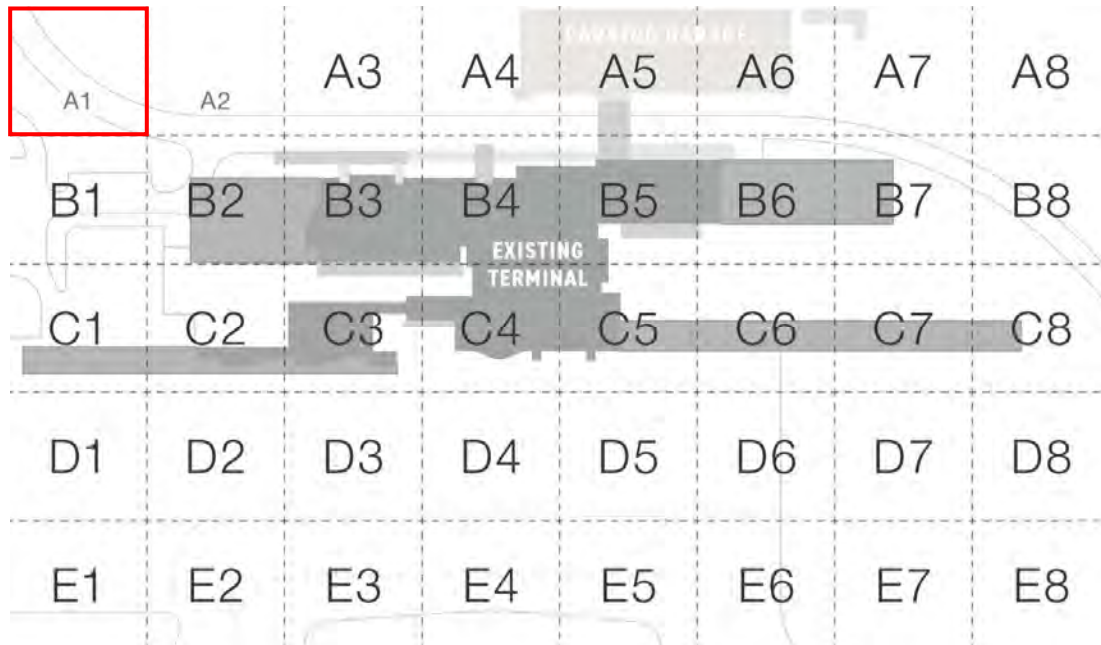
Disciplines utilizing AutoCAD will be required to use the same shared coordinates as the Revit models and will be responsible for maintaining clean models that comply with the same annotation styles as Revit models. CAD files will be uploaded to the BIM360 online platform at regular intervals. These files will be linked into a CAD links Revit model, which will then be linked into the necessary Revit models utilizing "by linked view".

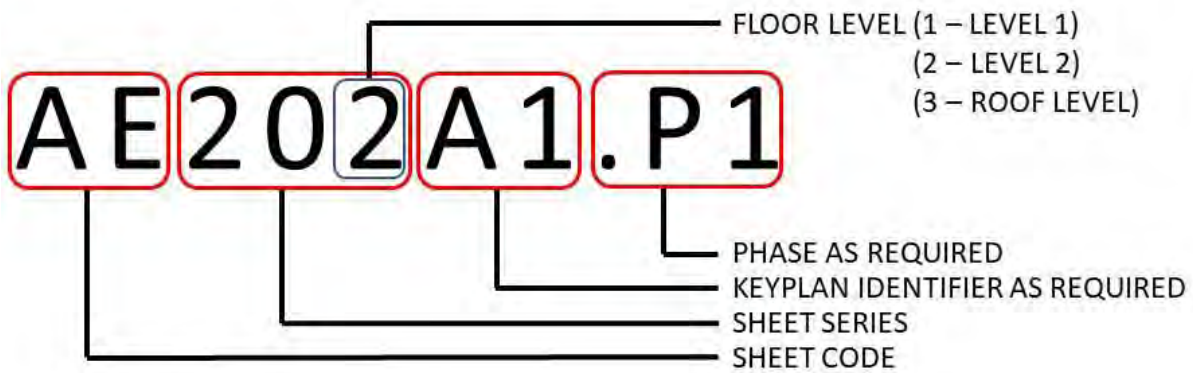
REVIT SHEET NAMING CONVENTION		
INDEX #	MODEL CODE	DISCIPLINE DESCRIPTION
1	G	GENERAL
2	H	HAZARDOUS MATERIAL
3	C	CIVIL DRAWINGS
4	L	LANDSCAPE & IRRIGATION DRAWINGS
7	S	STRUCTURAL
8	A	ARCHITECTURAL
8.5	AG	ARCHITECTURAL GRAPHICS
9	I	INTERIOR DESIGN
9.5	IF	FURNITURE
10	BHS	BAGGAGE HANDLING SYSTEMS
11	FP	FIRE PROTECTION
12	P	PLUMBING
14	M	MECHANICAL
15	E	ELECTRICAL DRAWINGS
16	T	COMMUNICATIONS

Sheet Structure:

Architect to establish the indexing and discipline naming convention for sheet organization. Parameters of sheets to follow the specified language and convention. To help with the understanding of how drawing sheets should be numbered, please see the following breakdown.

Preliminary Keyplan Identifier:





Example Sheet Naming Breakdown:

EXAMPLE SHEET NAMING	
AE202A1.P1	SHEET CODE – SHEET SERIES - KEYPLAN IDENTIFIER AS REQUIRED – PHASE AS REQUIRED LEVEL – KEYPLAN IDENTIFIER AS REQUIRED – SHEET SERIES – PHASE AS REQUIRED EXAMPLE: ARCHITECTURE – NEW CONSTRUCTION PLAN LEVEL 2 – PART A – PHASE 1 EXAMPLE: LEVEL 2 PART A1 NEW CONSTRUCTION FLOOR PLAN PHASE 1

The following is the preferred method of Sheet Structure per division. Deviations or adjustments must be submitted and approved by the Architect. This is subject to development and change throughout the course of the project.

1 - GENERAL SHEET STRUCTURE		
SHEET SERIES	SHEET CODE	GENERAL DESCRIPTION
000	GI	GENERAL
100	GI	INDEX, PROJECT INFORMATION, SPECIAL CODE REFERENCE, U.L. DESIGN, PARTITION LEGEND
200	GL	LIFE SAFETY DRAWINGS
300	GP	PHASING

2 - HAZARDOUS SHEET STRUCTURE		
SHEET SERIES	SHEET CODE	GENERAL DESCRIPTION
000	HG	GENERAL
100	HD	DEMOLITION PLANS AND NOTES
200	HE	OVERALL NEW CONSTRUCTION FLOOR PLANS
800	HE	MISCELLANEOUS DETAILS, SECTIONS, NOTES
900	HE	MISCELLANEOUS / USER DEFINED PLAN SERIES

3 - CIVIL SHEET STRUCTURE		
SHEET SERIES	SHEET CODE	GENERAL DESCRIPTION
000	CG	GENERAL
100	CD	EXISTING CONDITIONS AND DEMOLITION PLAN SERIES
200	CE	LAYOUT (SITE PLAN, STAKEOUT PLANS, ROADWAY PLAN AND PROFILE, ETC)
300	CE	GRADING (GRADING PLAN, DRAINAGE PLAN, STRUCTURE CHARTS, PROFILES, ECT.)
400	CE	EPSC
500	CE	UTILITIES (SITE UTILITIES, SANITARY AND WATER PLAN, AND PROFILES, ECT)
600	CE	MISCELLANEOUS / USER DEFINED PLAN SERIES
700	CE	MISCELLANEOUS / USER DEFINED PLAN SERIES

3 - CIVIL SHEET STRUCTURE

SHEET SERIES	SHEET CODE	GENERAL DESCRIPTION
800	CE	MISCELLANEOUS / USER DEFINED PLAN SERIES
900	CE	DETAIL SHEETS

4 - LANDSCAPE SHEET STRUCTURE

SHEET SERIES	SHEET CODE	GENERAL DESCRIPTION
000	LG	GENERAL
100	LD	EXISTING CONDITIONS OR DEMOLITION (TREE SURVEYS, ECT.)
160	LE	LANDSCAPE, PLANTING, AND SITE FURNISHINGS SERIES
200	LE	IRRIGATION SERIES, IRRIGATION ZONE PLANS
300	LE	LANDSCAPE DETAIL SHEETS
400	LE	MISCELLANEOUS / USER DEFINED PLAN SERIES
500	LE	MISCELLANEOUS / USER DEFINED PLAN SERIES
600	LE	MISCELLANEOUS / USER DEFINED PLAN SERIES

7 - STRUCTURAL SHEET STRUCTURE

SHEET SERIES	SHEET CODE	GENERAL DESCRIPTION
000	SG	GENERAL
100	SD	DEMOLITION PLANS
200	SF	NEW CONSTRUCTION PLANS
300	SF	SCHEDULES, ELEVATIONS, DETAILS
400	SF	SECTIONS
500	SF	FOUNDATION SECTIONS AND DETAILS
600	SF	FRAMING SECTIONS AND DETAILS
700	SF	SPECIAL DIAGRAMS AND LOADINGS
800	SF	MISCELLANEOUS DETAILS
900	SF	MISCELLANEOUS / USER DEFINED PLAN SERIES

8 - ARCHITECTURE SHEET STRUCTURE

SHEET SERIES	SHEET CODE	GENERAL DESCRIPTION
000	AI	GENERAL NOTES
100	AD	DEMOLITION PLANS
160	AZ	DEMOLITION REFLECTED CEILING PLANS
180	AD	DEMOLITION SECTIONS, ELEVATIONS, DETAILS
200	AE	NEW CONSTRUCTION PLANS
210	AE	DIMENSION PLANS
300	AE	BUILDING ELEVATIONS, BUILDING SECTIONS, WALL SECTIONS
400	AE	PLAN DETAILS, SECTION DETAILS
500	AE	ENLARGED PLANS, INTERIOR ELEVATIONS, CASEWORK
600	AC	REFLECTED CEILING PLANS
620	AC	ENLARGED CEILING PLANS, CELING SECTIONS, CEILING DETAILS
700	AE	VERTICAL TRANSPORTATION
800	AE	MISCELLANEOUS DETAILS, ACCESSIBILITY DETAILS
900	AE	DOORS, WINDOWS, SCHEDULES, DETAILS

8.5 - ARCHITECTURAL GRAPHICS SHEET STRUCTURE

SHEET SERIES	SHEET CODE	GENERAL DESCRIPTION
000	AG	ARCHITECTURAL GRAPHICS GENERAL NOTES
100	AG	DEMOLITION NOTES, PLANS

8.5 – ARCHITECTURAL GRAPHICS SHEET STRUCTURE

SHEET SERIES	SHEET CODE	GENERAL DESCRIPTION
200	AG	ARCHITECTURAL GRAPHICS NEW CONSTRUCTION PLANS
300	AG	ELEVATIONS, SIGN STANDARDS AND DETAILS
400	AG	MISCELLANEOUS / USER DEFINED PLAN SERIES
500	AG	MISCELLANEOUS / USER DEFINED PLAN SERIES
800	AG	SIGN STANDARDS AND DETAILS
900	AG	MESSAGE SCHEDULE

9 – INTERIOR DESIGN SHEET STRUCTURE

SHEET SERIES	SHEET CODE	GENERAL DESCRIPTION
000	IG	INTERIOR DESIGN GENERAL NOTES, FINISH LEGENDS, SYMBOLS
200	IN	NEW CONSTRUCTION FINISH PLANS
220	IN	NEW CONSTRUCTION FLOOR PATTERN PLANS
500	IN	ENLARGED FINISH PLANS
600	IN	MISCELLANEOUS/ USER DEFINED
800	IN	MISCELLANEOUS/ USER DEFINED
900	IN	MISCELLANEOUS/ USER DEFINED

9.5 – FURNITURE PACKAGE SHEET STRUCTURE

SHEET SERIES	SHEET CODE	GENERAL DESCRIPTION
000	IF	GENERAL NOTES
200	IF	NEW CONSTRUCTION PLANS
300	IF	SECTIONS AND SECTION DETAILS
400	IF	PLAN DETAILS
500	IF	ENLARGED PLANS, INTERIOR ELEVATIONS, CASEWORK

10 – BAGGAGE HANDLING SYSTEMS SHEET STRUCTURE

SHEET SERIES	SHEET CODE	GENERAL DESCRIPTION
000	BG	GENERAL NOTES, LEGENDS, AND SCHEDULE
100	BD	DEMOLITION PLANS
200	BH	NEW CONSTRUCTION EQUIPMENT PLANS
220	BM	NEW CONSTRUCTION MAINTENANCE PLANS
300	BH	DETAILS
400	BH	SECTIONS
500	BH	ENLARGED PLANS
600	BH	MISCELLANEOUS / USER DEFINED
700	BH	MISCELLANEOUS / USER DEFINED
800	BH	MISCELLANEOUS / USER DEFINED
900	BH	MISCELLANEOUS / USER DEFINED

11 – FIRE PROTECTION SHEET STRUCTURE

SHEET SERIES	SHEET CODE	GENERAL DESCRIPTION
000	FP	GENERAL NOTES, SCHEDULES, AND LEGENDS
100	FP	DEMOLITION PLANS
200	FP	NEW CONSTRUCTION PLANS
300	FP	MISCELLANEOUS/ USER DEFINED
400	FP	MISCELLANEOUS/ USER DEFINED
500	FP	ENLARGED PLANS
700	FP	FIRE PROTECTION RISERS
800	FP	MISCELLANEOUS DETAILS

11 – FIRE PROTECTION SHEET STRUCTURE

SHEET SERIES	SHEET CODE	GENERAL DESCRIPTION
900	FP	MISCELLANEOUS / USER DEFINED

12 – PLUMBING SHEET STRUCTURE

SHEET SERIES	SHEET CODE	GENERAL DESCRIPTION
000	PG	GENERAL NOTES, SCHEDULES, LEGENDS, SPECIFICATIONS
100	PD	DEMOLITION PLANS
200	PE	NEW CONSTRUCTION GRAVITY PLANS
220	PP	NEW CONSTRUCTION PRESSURE PLANS
300	PE	ISOMETRICS
400	PE	MISCELLANEOUS/ USER DEFINED
500	PE	ENLARGED PLANS
600	PE	MISCELLANEOUS/ USER DEFINED
700	PE	PLUMBING RISERS
800	PE	DETAILS
900	PE	MISCELLANEOUS / USER DEFINED

14 – MECHANICAL SHEET STRUCTURE

SHEET SERIES	SHEET CODE	GENERAL DESCRIPTION
000	MG	GENERAL NOTES, LEGENDS, STANDARDS, SCHEDULES
010	MG	HVAC SITE PLAN
100	MD	DEMOLITION PLANS
200	ME	NEW CONSTRUCTION HVAC PLANS
220	MP	NEW CONSTRUCTION PIPING PLANS
300	ME	HVAC SECTIONS, ISOMETRICS
320	MP	PIPING SECTIONS, ISOMETRICS
400	ME	MISCELLANEOUS/ USER DEFINED
500	ME	HVAC ENLARGED PLANS
520	MP	PIPING ENLARGED PLANS
600	ME	HVAC DETAILS
620	MP	PIPING DETAILS
700	ME	HVAC PIPING SCHEMATICS & AIR FLOW DIAGRAMS
800	ME	CONTROLS
900	ME	MISCELLANEOUS / USER DEFINED

15 – ELECTRICAL SHEET STRUCTURE

SHEET SERIES	SHEET CODE	GENERAL DESCRIPTION
000	EG	GENERAL NOTES, LEGENDS, FIXTURE SCHEDULES, FIRE ALARM SCHEDULES
010	EG	EXISTING ELECTRICAL SITE PLAN, GROUNDING, LIGHTING PROTECTION, POWER SYSTEMS AND SERVICES
100	ED	ELECTRICAL DEMOLITION PLAN
200	EL	LIGHTING PLANS
300	EP	POWER PLANS
400	ES	SYSTEM PLANS
500	EE	ELECTRICAL ENLARGED PLANS AND SECTIONS
600	EE	ELECTRICAL DETAILS
700	EE	ELECTRICAL RISERS, ONE LINE DIAGRAMS
800	EE	ELECTRICAL PANEL SCHEDULES, CONDUIT AND WIRE SIZING
900	EE	EQUIPMENT CONNECTION SCHEDULES, FIRE ALARM SEQUENCING

16 – COMMUNICATIONS SHEET STRUCTURE		
SHEET SERIES	SHEET CODE	GENERAL DESCRIPTION
000	TG	GENERAL NOTES, COMM & TECH LEGENDS, RESPONSIBILITIES MATRIX
100	TD	DEMOLITION PLANS
200	TN	NEW CONSTRUCTION TECHNOLOGY PLANS
300	TP	NEW CONSTRUCTION PAGING PLANS
400	TS	NEW CONSTRUCTION SECURITY PLANS
500	TN	ENLARGED PLANS
600	TN	DETAILS
700	TN	MISCELLANEOUS / USER DEFINED
800	TN	MISCELLANEOUS / USER DEFINED
900	TN	MISCELLANEOUS / USER DEFINED

Title Block Structure:

The Architect will distribute a Title Block in the transmitted Template Model as a part of the initial project setup to utilize for Sheet setup. The borders contain labels to display the project information automatically once it is entered in the Project Information. Title Blocks must maintain consistency throughout the project and no deviations are acceptable. Architect will notify the Project Team if Title Block requires updates and will transmit an update as required.

The Architect will distribute a Keyplan in the transmitted Template Model as a part of the initial project setup to utilize for sheet setup. Any changes to the Keyplan will be addressed with the design team and updated in the shared model for individual discipline coordination.

Software:

MODELING USE	DISCIPLINE / USER	SOFTWARE	VERSION
SITE ANALYSIS	CIVIL	CIVIL 3D	2020
SITE UTILIZATION PLANNING	CIVIL	CIVIL 3D	2020
EXISTING CONDITIONS MODELING	LASER SCAN	REVIT	2020
VISUALIZATION / RENDERING	ARCHITECTURAL	REVIT/ENSCAPE	2020
COST ESTIMATION	ARCHITECTURAL	N/A	N/A
DESIGN AUTHORING	CIVIL/SUE	SITEOPS	CLOUD COMPUTING
DESIGN AUTHORING	STRUCTURAL	BENTLEY SYSTEMS RAM	
DESIGN AUTHORING	ARCH, FIRE PROT, PLUMB, ELEC, MECH, TECH, BHS, WAYFIND	REVIT	2020
DESIGN AUTHORING	AIRCRAFT PLANNING	CAD	2020
3D COORDINATION/CLASH DETECTION	ALL	REVIT, NAVISWORKS	2020
STRUCTURAL ANALYSIS	STRUCTURAL	RAM	
LIGHTING ANALYSIS	ELECTRICAL	REVIT, SKM POWERTOOLS, ELMTOOLS	
POWER ANALYSIS	ELECTRICAL	SKM POWER TOOLS, REVIT	

Measurement and Coordinate System:

This project will utilize Shared Coordinates which will be initially transmitted to the project team in the Template Model and will also be applied to the 01 General Model **01_4348302_GEN_R20.RVT**. "Project Units" in Revit will be set to 1/256" tolerance and the dimension styles will round the appropriate increment depending on the scale of the view or sheet. To simplify dimensions, minimize overriding dimension values and simplify detailing styles, standard settings have been created in the Template model to use throughout the duration of the project. The following is a limited example and similar settings can be expected to be found in the Template Model:

- 1" tolerance - rounding to the nearest one-inch increment

- 1/8" tolerance - rounding to the nearest 1/8"
- Inches - dimensions in whole inches for detailing purposes to suppress zero feet
- Default - the default setting for all other styles are based on the project settings
- Model shall be in Imperial units using Shared Coordinates setup by the Architect

Worksets:

Workset naming will be different for each discipline but the naming convention needs to be consistent. It is important to establish Worksets early on in the project to allow for easy collaboration between teams to determine what is necessary for their individual view templates to display appropriately. By working with Worksets, work flow and efficiency can be maximized by optimizing control over links and visibilities. This is a process that as the project progresses, changes may have to be adaptive for the benefit of the overall design team.

Consultants must submit a list of all Worksets to Architect for approval. Below is an example of Worksets to be expected from Disciplines:

Workset 1 – This is a stock standard for Revit. This **MUST** be renamed to a required Workset.

Shared Levels & Grids – A coordination Workset for consistency between linked models. Generic items exist on this Workset so that the entire Workset can be turned off by other disciplines. “Shared Levels and Grids” Workset will contain scope boxes, live levels, matchlines and grids information. It is critical to keep all Levels and Grids under “Shared Levels and Grids” Worksets to be used for coordination purposes to ensure consistency is maintained.

XX-(User – Defined) – These are up to each discipline based on need. Example: 08-Interior_Walls

****Note:** “XX” at the beginning of each Workset stands for the discipline’s identifier code (i.e. 08 for Architecture). This allows for quick control and recognition of disciplines.

_Link - XX-LinkName – Description - These are linked models from other disciplines. The Workset should be named the same as the linked model.

Keynote Procedure:

Keynotes should be utilized by disciplines and managed independently per discipline. Consultants are expected to establish a uniform keynote procedure and maintain that throughout the course of the project.

SECTION F: Modeling Level of Detail

See attachments to this document.

SECTION G: Modeling Goals / Uses

Project Goals / Objectives:

The project goals will be discussed by the Project Team and will be determined at the Project Kick-off Meeting.

PRIORITY	GOAL / OBJECTIVE DESCRIPTION	POTENTIAL BIM USES
[HIGH]	<i>REDUCE FIELD CONFLICTS</i>	<i>3D MODELING, CLASH DETECTION SESSIONS</i>
[MEDIUM]	<i>INCREASE EFFECTIVENESS OF DESIGN</i>	<i>DESIGN AUTHORIZING, 3D COORDINATION, DESIGN REVIEWS</i>
[LOW]	<i>INCREASE EFFECTIVENESS OF SUSTAINABILITY GOALS</i>	<i>ENGINEERING ANALYSIS</i>
[HIGH]	<i>REDUCING SCOPE GAP BETWEEN DISCIPLINES</i>	<i>3D MODELING, BLUEBEAM DESIGN REVIEWS</i>
[MEDIUM]	<i>MAINTAINING NECESSARY CLEARANCES – BETTER VISUALIZATION IN 3D</i>	<i>3D MODELING, 3D COORDINATION, CLASH DETECTION SESSIONS</i>
[MEDIUM]	<i>CLEARLY SHOW PHASING</i>	<i>3D MODELING, DESIGN REVIEWS</i>
[LOW]	<i>QUICK AND LIVE UPDATING OF MODELS</i>	<i>BIM360</i>
[LOW]	<i>SPEED AND EFFICIENCY OF INFORMATION SHARING</i>	<i>BIM 360</i>
[MEDIUM]	<i>EFFECTIVE COMMUNICATION REGARDING MODEL CHANGES THAT AFFECT OTHER DISCIPLINES</i>	<i>3D COORDINATION, BLUEBEAM DESIGN REVIEWS</i>

Modeling Uses:

PLAN		DESIGN		CONSTRUCTION		OPERATION	
X	PROGRAMMING	X	DESIGN AUTHORIZING		SITE UTILIZATION PLANNING		BUILDING MAINTENANCE SCHEDULING
	SITE ANALYSIS	X	DESIGN REVIEWS		CONSTRUCTION SYSTEM DESIGN		BUILDING SYSTEMS ANALYSIS
	SITE UTILIZATION PLANNING	X	3D COORDINATION	X	3D COORDINATION		ASSET MANAGEMENT
X	EXISTING CONDITIONS MODELING		STRUCTURAL ANALYSIS		DIGITAL FABRICATION		SPACE MANAGEMENT / TRACKING
X	PHASE PLANNING	X	LIGHTING ANALYSIS	X	3D CONTROL AND PLANNING		DISASTER PLANNING
X	VISUALIZATION		POWER ANALYSIS	X	RECORD MODELING	X	RECORD MODELING
X	COST ESTIMATION		MECHANICAL ANALYSIS	X	CONSTRUCTION PHASE PLANNING		COST ESTIMATION
		X	ENERGY ANALYSIS	X	COST ESTIMATION		VISUALIZATION
			BUILDING SYSTEMS ANALYSIS	X	VISUALIZATION		
			(LEED) ANALYSIS				
			CODE VALIDATION				
		X	VISUALIZATION / RENDERING				
		X	EXISTING CONDITIONS				

SECTION H: Schedule and Deliverables

Reference latest Project Schedule as issued by the Architect for expected Deliverables and Project Milestones.

Required model cleanup and maintenance is necessary to maintain a clean model and to reduce potential issues as the Project progresses. As a part of Deliverables and Project Milestones as issued by the Architect, each discipline is required to submit a model in Newforma for Gresham Smith Archiving as defined in Electronic Document Management.

Consultants are required to clear caches on a weekly basis, clear alerts, warnings and conflicts. All BIM coordinators will be responsible for making sure that this is accomplished every week. If your team is unable to do this or has any question please contact the Gresham Smith BIM Manager.

SECTION I: Quality Control

Clash Detection:

The design team will be responsible for reducing clashes in the design intent models. Design intent models will utilize generic parts, sizes and locations of equipment and construction elements as determined by the LOD chart (see attachments). Constructed elements may be located in different places and/or relationships from design intent models, which may cause additional construction interferences, which will be the responsibility of the Construction Manager to resolve.

Clash Detection meetings are determined by the Project Schedule set by the Architect. Each clash detection meeting will be held by Gresham Smith and each discipline expected to attend. Each discipline must submit a clean .NWC file to the clash meeting leader minimum 2 days before the meeting. Disciplines are to submit the .NWC Models utilizing the same Model Naming Convention as established by the File Naming Structure. It is the responsibility of each discipline's BIM coordinator to upload the model on time and without errors. Prior to the meeting, Gresham Smith will run the clash model and generate a clash report for the following day's meeting. During the actual clash detection meeting,

the group will review each clash and discuss the strategy to resolve. Two business days after the meeting, the clash leader will post a report of each clash and the expected resolution.

Bluebeam Drawing Coordination:

Bluebeam PDFs will be uploaded to the shared site by deadline provided by the Architect following the naming convention established for browser organization. For general drawing coordination Bluebeam will be utilized, not limited to, addressing redlines and adding markups as coordination items are encountered. Alert tool will be used to notify the individual necessary. Record of receipt and completion of item shown by highlighting the element.

EXAMPLE BLUEBEAM FILE NAMING	
08202019_ARCH.PDF	MMDDYEAR (DATE OF SUBMISSION)_DISCIPLINE CODE.PDF

Quality Control During Construction:

There will be no formal Clash Detection Meetings by the Design Team during Construction. If a design change occurs after Construction Documents are submitted, it shall be the responsibility of the Discipline enacting the design change to coordinate impacts and with all other Disciplines. **Coordination shall include but not limited to, coordination with the latest construction models as produced by the Construction Manager.**

Record Modeling:

As part of the final project close-out, the Design Models will NOT be updated to include changes made during the construction process. It will be the responsibility of the Construction Manager to maintain changes to **Construction** Models during the Construction Phase **and deliver to the owner as record models. Design models will be updated along the way to facilitate changes in the documentation and permitting as needed in order to assist the Construction Manager.**

SECTION J: Organizational Roles / Staffing

Modeling Role / Key Project Contacts

This table should be used to identify Roles between Disciplines to establish points of contact for BIM coordination.

CONTACTS LIST			
Modeling Role	Company	Name	Email
Architecture Graphics Coordinator	Gresham Smith	<i>Lorelei Crockett</i>	<i>lorelei.crockett@greshamsmith.com</i>
Architectural/BIM Model Manager	Gresham Smith	<i>Sarah Reichert</i>	<i>sarah.reichert@greshamsmith.com</i>
	Gresham Smith	<i>Thomas Vick</i>	<i>thomas.vick@greshamsmith.com</i>
Baggage Handling Coordinator	JSM	<i>John Lehman</i>	<i>John.lehman@jsmairports.com</i>
Civil (Airside) Coordinator	Delta Airport Consultants	<i>Nathan McLemore</i>	<i>nmclemore@deltaairport.com</i>
Civil (Landside) Coordinator			
Communications Coordinator	Arora	<i>Earl Carter</i>	<i>ecarter@aroraengineers.com</i>
	Arora	<i>Hamilton Mateca</i>	<i>hmateca@aroraengineers.com</i>
Electrical Coordinator	AME	<i>Paul Rattenbury</i>	<i>prattenbury@ame-pc.com</i>
Fire Protection Coordinator	Arora	<i>Earl Carter</i>	<i>ecarter@aroraengineers.com</i>
	Arora	<i>Hamilton Mateca</i>	<i>hmateca@aroraengineers.com</i>
Mechanical Coordinator	AME	<i>Paul Rattenbury</i>	<i>prattenbury@ame-pc.com</i>
Plumbing Coordinator	AME	<i>Paul Rattenbury</i>	<i>prattenbury@ame-pc.com</i>
Structural Coordinator	Gresham Smith	<i>Thomas Bradbury</i>	<i>thomas.bradbury@greshamsmith.com</i>

Information Exchange Worksheet - Version 2.1

GOAL:

This worksheet was developed to aid the project team to define the information required to implement each BIM Use with maximum efficiency.

Information Exchange (IE) Tab:

The purpose of this section is to define the information needed to produce each BIM Use. Therefore, the responsible party for the use is in charge of gathering the information required, and filling out each category using the defined Model Element Breakdown (which should be customized to fit each project)

Model Definition (MOD) Tab:

The purpose of this section is to produce the progression of the model throughout the lifecycle of the project. The information for this section should be extracted from the IE Tab. Any other information that will be modeled lifecycle of the project should be added here.

Information	
A	Accurate Size & Location, include materials and object parameters
B	General Size & Location, include parameter data
C	Schematic Size & Location

Disciplines (OmniClass Table 33)	
33 11	Planning
33 21	Design
33 25	Project Management
33 31	Surveying
33 41	Construction
33 55	Facility Use Disciplines
33 81	Support Disciplines
33 99	Other Disciplines

for more detail see Disciplines Tab

Information:

This column defines the information and detail required in the model content.

Responsible Party:

This column aims to define the responsible parties for the model content of the BIM deliverables. Specifically, the responsible party in this case is the author of the content.

Stages (OmniClass Table 31)	
31 10	Conception Stage
31 15	Project Delivery Selection Stage
31 20	Design Stage
31 25	Construction Documents Stage
31 30	Procurement Stage
31 40	Execution Stage
31 50	Utilization Stage
31 60	Closure Stage

Level of Detail Worksheet

Information		Disciplines (Omniclass Table 3)	
A	Accurate Size & Location, include materials and object parameters	11	Planning
B	General Size & Location, include parameter data	21	Design
C	Schematic Size & Location	25	Project Management
		31	Surveying
		41	Construction
		55	Facility Use Disciplines
		81	Support Disciplines
		99	Other Disciplines

Model Use Title	Existing Conditions Modeled			Schematic Design			Design Development			Construction Documentation			Shop Drawings			Record Modeling		
Project Stage	Design			Design			Design			Design			Design			Operations		
Time of Exchange (SD, DD, CD, Construction)	as-needed			BIM 360 Cloud			BIM 360 Cloud			BIM 360 Cloud			When Completed			end of project		
Responsible Party (Information Receiver)																		
Receiver File Format	.RVT, .DWG			.RVT, .NWD, .DWG			.RVT, .NWD, .DWG			.RVT, .NWD, .DWG			.RVT, .NWD, .DWG			.RVT, .DWG		
Application & Version	2020 Revit, AutoCAD 2020			2020 Revit, Navisworks, Civil 3D			2020 Revit, Navisworks, Civil 3D			2020 Revit, Navisworks, Civil 3D			2020 Revit, Navisworks, Civil 3D			2020 Revit, Navisworks, Civil 3D		
Model Element Breakdown	LOD	Resp Party	Notes	LOD	Resp Party	Notes	LOD	Resp Party	Notes	LOD	Resp Party	Notes	LOD	Resp Party	Notes	LOD	Resp Party	Notes
01 SUBSTRUCTURE																		
10 Beams and Columns																		
10 Size and Attributes	300	DBS		100	GS-S		200	GS-S		300	GS-S		500	CM		500	CM	
20 Details, anchor bolts and bracing	300	DBS		100	GS-S		200	GS-S		300	GS-S		500	CM		500	CM	
20 structural Walls																		
20 Thickness	300	DBS		100	GS-S		200	GS-S		300	GS-S		500	CM		500	CM	
40 Slabs-On-Grade																		
40 Perimeter Definition			N/A			N/A			N/A			N/A						
20 Shaft Openings (greater than 12")	200	DBS		100	GS-S		200	GS-S		300	GS-S		500	CM		500	CM	
30 Thickness	200	DBS		100	GS-S		200	GS-S		300	GS-S		500	CM		500	CM	
40 Housekeeping pads	200	DBS		100	GS-S		200	GS-S		300	GS-S		500	CM		500	CM	
50 Curbs	200	DBS		100	GS-S		200	GS-S		300	GS-S		500	CM		500	CM	
02 SHELL																		
10 Superstructure																		
10 Floor Construction	300	DBS		200	GS-S		200	GS-S		300	GS-S		500	CM		500	CM	
20 Roof Construction	300	DBS		200	GS-S/A		200	GS-S/A		300	GS-S/A		500	CM		500	CM	
30 Stairs	300	DBS		200	GS-S/A		200	GS-S/A		300	GS-S/A		500	CM		500	CM	
20 Exterior Vertical Enclosures																		
10 Exterior Walls	200	GS		100	GS-A		200	GS-A		300	GS-A		500	CM		500	CM	
20 Exterior Windows	200	GS		100	GS-A		200	GS-A		300	GS-A		500	CM		500	CM	
50 Exterior Doors and Grilles	200	GS		100	GS-A		200	GS-A		300	GS-A		500	CM		500	CM	
70 Exterior Louvers and Vents	200	GS		100	GS-A		200	GS-A		300	GS-A		500	CM		500	CM	
80 Exterior Wall Appurtenances	200	GS		100	GS-A		200	GS-A		300	GS-A		500	CM		500	CM	
90 Exterior Wall Specialties	200	GS		100	GS-A		200	GS-A		300	GS-A		500	CM		500	CM	
30 Exterior Horizontal Enclosures																		
10 Roofing	200	GS		100	GS-A		200	GS-A		300	GS-A		500	CM		500	CM	
20 Roof Appurtenances	200	GS		100	GS-A		200	GS-A		300	GS-A		500	CM		500	CM	
40 Traffic Bearing Horizontal Enclosures	200	GS		100	GS-A		200	GS-A		300	GS-A		500	CM		500	CM	
60 Horizontal Openings	200	GS		100	GS-A		200	GS-A		300	GS-A		500	CM		500	CM	
80 Overhead Exterior Enclosures	200	GS		100	GS-A		200	GS-A		300	GS-A		500	CM		500	CM	
03 INTERIORS																		
10 Interior Construction																		
10 Interior Partitions	300	DBS		100	GS-A		200	GS-A		300	GS-A		500	CM		500	CM	
20 Interior Windows	300	DBS		100	GS-A		200	GS-A		300	GS-A		500	CM		500	CM	
30 Interior Doors	300	DBS		100	GS-A		200	GS-A		300	GS-A		500	CM		500	CM	
40 Interior Grilles and Gates	300	DBS		100	GS-A		200	GS-A		300	GS-A		500	CM		500	CM	
60 Raised Floor Construction	300	DBS		100	GS-A		200	GS-A		300	GS-A		500	CM		500	CM	
70 Suspended Ceiling Construction	300	DBS		100	GS-A		200	GS-A		300	GS-A		500	CM		500	CM	
90 Interior Specialties	300	DBS		100	GS-A		200	GS-A		300	GS-A		500	CM		500	CM	
20 Interior Finishes																		
10 Wall Finishes	300	DBS		100	GS-A		200	GS-A		300	GS-A		500	CM		500	CM	
20 Interior Fabrications	300	DBS		100	GS-A		200	GS-A		300	GS-A		500	CM		500	CM	
30 Flooring	300	DBS		100	GS-A		200	GS-A		300	GS-A		500	CM		500	CM	
40 Stair Finishes	200	DBS		100	GS-A		200	GS-A		300	GS-A		500	CM		500	CM	
50 Ceiling Finishes	200	DBS		100	GS-A		200	GS-A		300	GS-A		500	CM		500	CM	
04 SERVICES																		
10 Conveying																		
10 Vertical Conveying Systems	200	DBS		200	GS-A		200	GS-A		200	GS-A		500	CM		500	CM	
30 Horizontal Conveying Systems	200	DBS		200	DBS		200	DBS		300	DBS		500	CM		500	CM	
50 Material Handling			N/A			N/A			N/A			N/A			N/A			N/A
80 Operable Access Systems	200	DBS		100	GS-A		200	GS-A		300	GS-A		500	CM		500	CM	
20 Plumbing																		
10 Facility Potable Water Storage Tanks	300	DBS		100	AME		200	AME		300	AME		500	CM		500	CM	
Above ground	300	DBS		100	AME		200	AME		300	AME		500	CM		500	CM	
Underground	200	AME		100	AME		200	AME		300	AME		500	CM		500	CM	
20 Domestic Water Equipment	300	DBS		100	AME		200	AME		300	AME		500	CM		500	CM	
Booster Pumps	300	DBS		100	AME		200	AME		300	AME		500	CM		500	CM	
Water Softner	300	DBS				N/A	200	AME		300	AME		500	CM		500	CM	
Water Filtration Equipment	300	DBS				N/A	200	AME		300	AME		500	CM		500	CM	
Domestic Water Heaters	300	DBS		100	AME		200	AME		300	AME		500	CM		500	CM	
Reduced Pressure Backflow Preventers	300	DBS				N/A	200	AME		300	AME		500	CM		500	CM	
40 Domestic Water Piping	300	DBS/AME		100	AME		200	AME		300	AME		500	CM		500	CM	
Domestic Cold Water	300	DBS/AME		100	AME		200	AME		300	AME		500	CM		500	CM	
Domestic Hot Water	300	DBS/AME		100	AME		200	AME		300	AME		500	CM		500	CM	
Domestic Hot Water Recirculation	300	DBS/AME		100	AME		200	AME		300	AME		500	CM		500	CM	
Treated Water	300	DBS/AME		100	AME		200	AME		300	AME		500	CM		500	CM	
Make-up Water	300	DBS/AME		100	AME		200	AME		300	AME		500	CM		500	CM	
50 Plumbing Fixtures	300	DBS		100	AME		200	AME		300	AME		500	CM		500	CM	
Water Closets	300	DBS		100	AME		200	AME		300	AME		500	CM		500	CM	
Urinals	300	DBS		100	AME		200	AME		300	AME		500	CM		500	CM	
Lavatories	300	DBS		100	AME		200	AME		300	AME		500	CM		500	CM	
Sinks	300	DBS		100	AME		200	AME		300	AME		500	CM		500	CM	
Bathrooms	300	DBS		100	AME		200	AME		300	AME		500	CM		500	CM	
Showers			N/A			N/A			N/A			N/A			N/A			N/A
Laundry Fixtures			N/A			N/A			N/A			N/A			N/A			N/A
Shampoo Bowls			N/A			N/A			N/A			N/A			N/A			N/A
Wash Fountains			N/A			N/A			N/A			N/A			N/A			N/A
Healthcare Fixtures			N/A			N/A			N/A			N/A			N/A			N/A
Emergency Fixtures	300	DBS		100	AME		200	AME		300	AME		500	CM		500	CM	
Security Fixtures			N/A			N/A			N/A			N/A			N/A			N/A
Drinking Fixtures	300	DBS		100	AME		200	AME		300	AME		500	CM				

EXHIBIT G

OWNERS CONTRACTOR PREQUALIFICATION POLICY

OBJECTIVE To describe the procedures and process to be used in the pre-qualification of contractors, sub-contractors, and/or first-tier subcontractors (for Construction Manager at Risk contracts) when it is determined that pre-qualification of such contractors is in the best interest of the Greater Asheville Regional Airport Authority (GARAA), or when required by North Carolina Statute based on the project delivery method to be utilized for a specific project.

METHOD OF OPERATION

Act For Construction Manager at Risk contracts, North Carolina General Statutes require the pre-qualification of first-tier subcontractors. This policy shall be utilized in the selection of first-tier subcontractors on any project for which Construction Manager at Risk is being used as the method of project delivery. First-tier subcontractors are those **company's under direct contract with the Construction Manager**. For projects using other than Construction Manager at Risk as the delivery method, the utilization of these procedures for pre-qualification of contractors or subcontractors shall be determined on a case by case basis based upon what is determined to be in the best interest of the GARAA, and what is allowed under local, state and federal law.

Requirements GARAA shall utilize a **standard "Pre-Qualification for Contractors, Sub-Contractors and First Tier Sub-Contractors Under CM at Risk" form for submittal by all firms interested** in pre-qualifying for any project. A standard Scoring Matrix will be utilized to grade each submittal for pre-qualification. Points awarded for each numbered item shall be determined on a case by case basis for each project, based upon the specific needs of the project. All contractors who meet the pre-qualification criteria shall be permitted to bid on construction or repair work for the specified project only. Firms that successfully pre-qualify for a specific project, shall NOT automatically be pre-qualified for any other project, unless pre-qualification for other/additional specific projects is specifically approved by GARAA.

Review of
Application

Pre-qualification Committee – The GARAA (and Construction Manager for Construction Manager at Risk projects) shall appoint a Pre-Qualification Committee consisting of appropriate GARAA staff and Construction Manager representatives. A GARAA staff member will serve as the Committee Chair. The Pre-Qualification Committee will assign points to be awarded on the Scoring Matrix based upon project priorities and requirements, review pre-qualification **applications submitted, and determine each firm’s pre-qualification eligibility** for the project.

Review of Application – The Pre-Qualification Committee shall use an objective process based on the information submitted on the “*Pre-Qualification for Contractors, Sub-Contractors and First Tier Sub-Contractors Under CM at Risk*” form. Both the “*Pre-Qualification for Contractors, Sub-Contractors and First Tier Sub-Contractors Under CM at Risk*” form and the objective assessment process shall require that:

- There is Uniform, consistent and transparent application to all bidders;
- All bidders who meet the pre-qualification criteria to be pre-qualified are allowed to bid on the construction or repair work project.
- The criteria is rationally related to the construction or repair work.
- Bidders are not denied pre-qualification because they have not been previously awarded a construction or repair project by the GARAA.
- Bidders are permitted to submit history or experience with projects of similar size, scope or complexity.
- Assessment process of pre-qualification is outlined in this policy.
- A process for a denied bidder to protest is outlined in this policy.
- A process for notifying a denied pre-qualified bidder is outlined in this policy.

The Pre-Qualification Committee shall approve or deny the applications in accordance with the pre-qualification criteria and Scoring Matrix determined for the specific project, based on the applicant’s initial response to the solicitation for qualified bidders.

Notice of Decision – All firms that submitted applications for pre-qualification shall be notified of the Pre-Qualification **Committee’s decision**. For denied applications, the notification will include the reason for denial. Such notification will be sent via email to the address provided by the applicant. . Notice shall be provided prior to the opening of bids for the project and with sufficient time for the firm to appeal a denial of pre-qualification. At the request of any firm that is denied pre-qualification, but does not appeal the denial, an informal meeting may be requested. The informal meeting will be held in person, or via telephone or other electronic means with the GARAA and/or Construction Manager to receive feedback and suggestions for improvement.

Appeals Procedure

A firm that is denied pre-qualification for a specific project, may appeal such denial utilizing the following procedures:

Initial Protest – A firm denied pre-qualification may protest the Pre-Qualification **Committee’s decision by** filing a written appeal via hand-delivery or email to the Committee Chair within five (5) business days of notice of the Pre-Qualification **Committee’s decision**. **If emailed, it is the firm’s responsibility** to ensure that the email was actually received by the Committee Chair. The written appeal shall clearly articulate the reasons why the firm is contesting the denial, including how the firm satisfied all required criteria for pre-qualification in their initial response, and shall include all supporting **documentation supporting the firm’s position**. The Pre-Qualification Committee may contact the firm regarding the information prior to ruling on the protest. The Pre-Qualification Committee shall review the written protest within five (5) business days. If the Pre-Qualification Committee is satisfied that the firm should be pre-qualified, the firm shall be notified that it is permitted to participate in the bid process. If the Pre-Qualification Committee upholds its denial, the firm shall be notified in writing via email to the address provided by the applicant. .

Appeal – Within three (3) business days of notice of the Pre-Qualification **Committee’s written protest decision, the denied** firm may appeal the Pre-Qualification **Committee’s decision**, in writing, via hand-delivery or email to the **GARAA’s Deputy Executive Director**. **If emailed, it is the firm’s responsibility** to ensure that the email was actually received by the Deputy Executive Director. The Deputy Executive Director, in

consultation with the Executive Director, should review the appeal within five (5) business days. In the event the Deputy Executive Director is unable to review in a timely manner, he/she may designate another representative who is not a member of the Pre-Qualification Committee to handle the appeal. In the event the Deputy Executive Director participated as a member of the Pre-Qualification Committee, then this portion of the appeal process shall be carried out solely by the Executive Director.

Decision on Appeal – The decision of the Deputy Executive Director, Executive Director, or representative shall be final, and the firm shall be promptly notified of the decision in writing via email to the address provided by the applicant. .

General Rules - In the event the Pre-Qualification Committee, Deputy Executive Director, Executive Director or (representative is unable to render a decision on either the initial protest or the appeal prior to the bid date, the firm shall be permitted to submit a bid on the project subject to a final **decision on the protest or appeal. If the firm's bid is opened** prior to a final decision on the protest or appeal and it is not the lowest monetary bid for the project or portion of work, the appeal shall be terminated and rendered moot. Bids received from firms who have been ruled disqualified to bid shall not be **opened. A firm's failure to follow or comply with** any requirements of the protest and appeals procedures **outlined herein shall result in the firm's protest or appeal** being terminated and rendered moot.

APPROVAL AND
UPDATE HISTORY

Approval	June 12, 2020
Supersedes	None

Greater Asheville Regional Airport Authority
Pre-Qualification for Contractors, Sub-Contractors
And
First Tier Sub-Contractors Under CM at Risk

The Greater Asheville Regional Airport Authority (Authority) when necessary, may require the pre-qualification of contractors, sub-contractors and first-tier subcontractors on certain construction projects utilizing various delivery methods. The use of the pre-qualification process is required under North Carolina statutes for first-tier sub-contractors desiring to work on projects utilizing the Construction Manager at Risk delivery method. For projects utilizing other delivery methods, the requirement and/or need for pre-qualifying contractors and/or subcontractors shall be determined on a case by case basis based solely on the determination of what is in the best interest of the Authority.

The use of information collected in the pre-qualification process is done so in accordance with North Carolina Session Law 2014-42, House Bill 1043 which clarified G.S. 143-135.8 requiring a governmental entity to adopt an objective pre-qualification policy applicable to all construction... for which the governmental entity intends to pre-qualify bidders. Pursuant to the statute, this form gathers information about the contractor(s) seeking to qualify for work and provides a general format for the pre-qualification criteria.

Completion of this questionnaire does not guarantee pre-qualification.

PREQUALIFICATION DUE DATE AND TIME: _____ at _____
Date Time

Submitted To: **GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY**

Attention of: _____

CM at Risk Firm: _____

Address: _____

City/State/Zip: _____

Phone: _____ Email: _____

Project Name: _____

Project Owner: **GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY**

Project Location/Address: _____

Project Architect/Engineer: _____

Project Phase: _____ Project Start Date: _____

Project Phase/Duration: _____ Anticipated Bid Date: _____

Total Project Budget: _____ Phase Budget: _____

SECTION 1. GENERAL COMPANY INFORMATION

1.a Primary/Main Office Location:

Company Name: _____

Physical Address: _____

City/State/Zip: _____

Phone: _____ Email: _____

Primary Contact Name/Title: _____

Secondary Contact Name/Title: _____

1.b Business Type (Check):

Corporation Partnership LLC Sole Proprietor Joint Venture

Indicate your NC Statewide

Uniform Certification (Check): DBE MBE HBE AABE AIBE WBE SDB
 Other (Specify) _____ Certify Agency/State: _____

Is your firm registered in/with the State of North Carolina to do business? Yes No

Is your firm listed in Dun and Bradstreet? Yes No Number: _____ Rating: _____

Date founded: _____ State of Incorporation: _____ Federal ID#: _____

Is your firm owned or controlled by a parent company or other organization: Yes No

If yes, describe/name ownership: _____

List all other names your firm has operated under in the past 5 years: _____

1.c Licensing Information: (Provide all North Carolina professional licenses required for you to perform your services)

NC License No./Name of License	License Limit/Level	State/County/City Privilege License (Provide Copy)
_____	_____	_____
_____	_____	_____
_____	_____	_____

Has any license ever been denied or revoked? Yes No If yes, explain: _____

1.d Type of Work Performed on a Regular Basis:

Primary Scope of Work: _____

Secondary Scope of Work: _____

Other Scope of Work: _____

What type of work do you self-perform? _____

1.e Bonding:

Attach a letter dated within the last 30 days, from your surety company, signed by their Attorney in Fact, verifying their willingness to issue sufficient payment and performance bonds for this project, on behalf of your firm and the dollar limits of that bond commitment, both single and aggregate. Surety company bond rating shall be rated "A" or better under the A.M. Best Rating System of the Federal Treasury List.

Have you attached a surety letter? Yes No

Have any funds been expended by a Surety Company on your firm's behalf? Yes No

If Yes, explain: _____

1.f Insurance:

The minimum insurance requirements are listed in the Contract Specifications and/or Request for Qualifications. Firms must indicate that they can provide evidence of insurance coverage, should they be the successful bidder by attaching a copy of their insurance certificate.

Have you attached a copy of your insurance certificate: Yes No

Is your firm willing to participate in an OCIP/CCIP insurance program if requested by the Owner/CM? Yes No

1.g Financials:

Attach latest Balance Sheet and income statement, if available, based on company type. Audited Statements preferred. If not available, attach a copy of the latest annual renewal submission to the relevant licensing board. (Firm must submit financial data and may clearly indicate a request for confidentiality to avoid this item from becoming part of a public record.)

Have you attached a Balance Sheet: Yes No

List, on a separate sheet, any lines of credit, including the identification of the financial institution holding the line of credit, contact name and phone number at the institution, current total line of credit, current balance available, and effective date of the stated balance (must be within the past 30 days).

Have you attached a line of credit statement? Yes No

SECTION 2. GENERAL REQUIREMENTS

2.a Experience:

How many full-time employees work for the company? _____

If the firm has more than one office location, how many full-time permanent employees work for the company at the location which will serve this project? _____

2.b List the dollar value of construction work the company has performed for each of the past three calendar years.

Year: _____	Year: _____	Year: _____
Amount: _____	Amount: _____	Amount: _____

How many projects does your firm currently have under contract or in progress and what is their total dollar value?

Number of Projects: _____

Total Amount of Contracts: _____

Amount Remaining to Bill: _____

What is your firms average job size? _____ Sqft. \$ _____ Dollar Amount

What is your firms largest job completed: _____ Sqft. \$ _____ Dollar Amount

Location: _____ Year Completed: _____

Current Backlog: \$ _____ Dollar Amount

2.c Has your firm performed work in an aviation/airport environment before: Yes No

If yes, provide location, description, size and dollar value: _____

2.d List the three (3) largest contracts currently under contract or in progress, including for each, the information requested below:

Project Name	
Description of Work	
Delivery Method CM/GC	
Owner Name/Representative	
Owner Address/Phone/Email	
Architect/Engineer Name/Representative	

Architect Address/Phone/Email	
Original Contract Dollar Value or GMP	
Anticipated Dollar Value at Completion	
Percentage Complete	
Anticipated Completion Date	

Project Name	
Description of Work	
Delivery Method CM/GC	
Owner Name/Representative	
Owner Address/Phone/Email	
Architect/Engineer Name/Representative	
Architect Address/Phone/Email	
Original Contract Dollar Value or GMP	
Anticipated Dollar Value at Completion	
Percentage Complete	
Anticipated Completion Date	

Project Name	
Description of Work	
Delivery Method CM/GC	
Owner Name/Representative	
Owner Address/Phone/Email	
Architect/Engineer Name/Representative	
Architect Address/Phone/Email	
Original Contract Dollar Value or GMP	
Anticipated Dollar Value at Completion	
Percentage Complete	

Anticipated Completion Date	
-----------------------------	--

2.e Office Locations:

Will this project be managed and directed from an office in North Carolina? An office in North Carolina is defined as "The principal place from which the trade or business of the bidder is directed or managed". Yes No

If No, indicate the location from the project will be managed and directed: _____

Litigation / Claims:

2.f Has your company, or any of its parent, sister or other associated companies, been involved in any judgement, claims, arbitration, mediation or similar proceedings, or suits within the past five years, whether resolved or still pending resolution? Yes No If Yes, state the project name, year, case number and reason why: _____

2.g Are there currently any judgements, claims, arbitration, mediation or similar proceedings or suits pending or outstanding against your company, or any of its parent, sister or other associated companies, its officers, agents, or owners? Yes No If Yes, state the project name, year, case number and reason why: _____

2.h Has your company, or any of its parent, sister or other associated companies ever failed to complete work awarded to it? Yes No If Yes, provide project name, year and reason why: _____

2.i Has your company, or any of its parent, sister or other associated companies ever failed to substantially complete a project in a timely manner (more than 20% beyond the originally contracted scheduled completion date)? Yes No If Yes, provide project name, year and reason why: _____

2.j Has your company, or any of its parent, sister or other associated companies, ever paid liquidated damages on any project? Yes No If Yes, provide project name, year and reason why: _____

2.k Has the officers, owners or agents of your company, or any of its parent, sister or other associated companies, ever been convicted of charges relating to conflicts of interest, bribery, or bid rigging? Yes No If Yes, provide project name, year and reason why:

2.l Has your company, or any of its parent, sister or other associated companies, or any of their officers, owners or agents, ever been barred from bidding public projects with any entity in any State or territory? Yes No If Yes, provide project name, year and reason why:

2.m Has any officer, owner or agent of your company, or any parent, sister or other associated company, while holding the position of an officer, owner or agent of any company, past or present, been involved in any project for which any of the above questions in this Litigation/Claims section could have been answered "Yes"? Yes No If Yes, provide details the same as provided for in the relevant question above:

2.n Safety Record:

List your companies Experience Modification Rating (EMR) for the past three years. Attach OSHA 300 Log for the past three years.

Present Rate Last Rate Year Before Rate

If these rates reflect corporate performance over a number of locations, explain to the extent possible, the performance of the location serving this project: _____

List any OSHA fines and jobsite fatalities in the past three years with an explanation: _____

2.o Disadvantaged Business Enterprise Plan (DBE):

Does your company currently have a documented plan for engaging sub-contractor participation from Disadvantaged Business Enterprises? Yes No If Yes, attach your companies DBE Plan.

What has been your company's average percentage level of DBE participation for public projects in North Carolina for the past five years? _____%.

SECTION 3. PROJECT SPECIFICS

List three current or completed projects of similar type which most closely reflect the size and complexity of the type of work being requested for the currently proposed project, within the past ten years.

3.a Project Name	
Description of Work	
Delivery Method CM/GC	
Owner Name/Representative	
Owner Address/Phone/Email	
Architect/Engineer Name/Representative	
Architect Address/Phone/Email	
Original Contract Dollar Value or GMP	
Anticipated Dollar Value at Completion	
Percentage Complete	
Anticipated Completion Date	

3.b Project Name	
Description of Work	
Delivery Method CM/GC	
Owner Name/Representative	
Owner Address/Phone/Email	
Architect/Engineer Name/Representative	
Architect Address/Phone/Email	
Original Contract Dollar Value or GMP	
Anticipated Dollar Value at Completion	
Percentage Complete	
Anticipated Completion Date	

3.c Project Name	
Description of Work	
Delivery Method CM/GC	
Owner Name/Representative	
Owner Address/Phone/Email	
Architect/Engineer Name/Representative	
Architect Address/Phone/Email	
Original Contract Dollar Value or GMP	
Anticipated Dollar Value at Completion	
Percentage Complete	
Anticipated Completion Date	

SECTION 4. SIGNATURE

By signing this document, you are acknowledging that all answers are true to the best of your knowledge. Any answers found to be falsified may eliminate you from being pre-qualified on this project.

Company Name (as licensed in NC)

Physical Address

Date

Submitted by (print name and title of authorized person)

Authorized persons phone number and email

NOTARY CERTIFICATION:

NORTH CAROLINA
_____ COUNTY

I, a Notary Public of the County and State aforesaid, certify that _____
appeared before me this day and acknowledged the execution of the foregoing instrument.
Witness my hand and official seal, this _____ day of _____, 20_____.

(Official Notary Seal or Stamp)

Signature of Notary Public

My commission expires: _____, 20_____

EXHIBIT H

REQUEST FOR
QUALIFICATION (RFQ)
FOR CONSTRUCTION
MANAGER AT RISK
SERVICES FOR TERMINAL
MODERNIZATION PROJECT
(INCLUDING ADDENDUM 1)



REQUEST FOR QUALIFICATIONS

FOR

CONSTRUCTION MANAGER AT RISK SERVICES (CMR)

FOR

TERMINAL MODERNIZATION PROJECT

DATE: MAY 2020

TABLE OF CONTENTS

SECTION

1	Project Description / Scope of Work	Pg	3
2	Statement of Qualifications "Submittal and Selection Process"	Pg	5
3	CMR Selection Criteria and Statement of Qualifications Content	Pg	7
4	Representations, Conditions and Airport Requirements	Pg	12

ATTACHMENTS:

- A. Design Concept Drawings
- B. AIA A-133-2019 Agreement Documents
- C. Required Federal Contract Provisions
- D. RFQ Score Sheet Matrix

1. **PROJECT DESCRIPTION / SCOPE OF WORK**

1.1 PUBLIC NOTICE. This Request for Qualification (RFQ) is issued by the Greater Asheville Regional Airport Authority (“GARAA”), the Owner and operator of the Asheville Regional Airport (“Airport”) to acquire the services of the Construction Manager at Risk (“Firm”) for the Terminal Modernization Project (“Project”). The value of the construction is estimated to be approximately \$ 150M to \$200M.

The GARAA is accepting Statements of Qualifications (“SOQ”) from Firms (or multiple Firms comprising a project team) whose combination of experience and personnel will provide timely and effective construction management services to the GARAA for this Project.

Information related to this RFQ, including any addenda, will be posted to the Airport website, which can be found at www.flyavl.com under the “Doing Business with AVL”. Any and all inquiries and submission of information regarding this RFQ shall be sent via email to:

Planning Manager, Jared Merrill at email jmerrill@flyavl.com

It is the responsibility of each person or firm submitting questions or comments to verify the receipt by GARAA. GARAA shall not be responsible for questions that are not submitted to/or received by the Planning Manager at the email address above.

1.2 PROJECT DESCRIPTION. The purpose of this project is to provide Construction Manager at Risk (“CMR”) services to expand and modernize the existing single story, seven gate terminal building to a two story, with at least twelve gate terminal building. *The overall size of the structure will be expanded from approximately 115,000 sqft, to approximately 275,000 sqft.* This will involve:

- A. An all new second level security screening checkpoint to allow for future growth and adaptability to evolving security needs.
- B. A right sized ticket lobby providing space to accommodate new carriers while recognizing the emerging technology and check-in procedures.
- C. An enhanced curbside and entrance facade that becomes a part of the integrated overall aesthetic to the site.
- D. New baggage claim hall sized to meet the intended fleet mix and provide the necessary airline and airport support space.
- E. The consolidation of a checked baggage inspection system with supporting baggage makeup areas for outbound baggage.
- F. A new Central Energy Plant located on site to support the growing infrastructure needs while providing expandability and redundancy.
- G. A new second level boarding concourse with expanded hold rooms supporting the projected fleet mix and new amenities such as: expanded concessions, common use club, expanded restrooms and new passenger boarding bridges.

- H. A loading dock is proposed to support the dry and cold goods for concessionaires along with other sort of airport delivery supplemented by additional storage spaces.
- I. Other features determined necessary through a collaborative design effort.

The existing structure was not designed for a second level without major reinforcements to the columns and foundations. The systems infrastructure does not have enough capacity to facilitate the proposed growth. For these reasons, a substantial amount of the existing building will need to be demolished and re-built in place. This will require detailed phasing to be worked out in conjunction with the CM to maintain airport operations and a safe passenger experience in the facility while under construction.

1.3 CMR SERVICES. GARAA intends on utilizing the AIA A-133-2019 contract forms but reserves the right to use other contracts or forms if deemed appropriate at the sole discretion of GARAA.

The selected Firm shall be required to comply with the provisions of NCGS 143-128.1 including, without limitation, publicly advertising and soliciting bids as prescribed in NCGS 143-129 and prequalifying first-tier sub-contractors. The GARAA's basis for using the CMR delivery method on this Project is:

- A. Providing optimum coordination of sub-contractors under the operational constraints of construction in an active public airport terminal environment;
- B. Ensuring cost control during the schematic design, design development and construction document phases;
- C. Providing a team approach between the Owner and Construction Manager in controlling risks, costs, and schedule; and
- D. Ensuring transparency of costs.

1.4 SCOPE OF WORK OVERVIEW.

- A. Pre-Construction Services – Pre-Construction Services shall include, but are not limited to, the following:
 - 1) Constructability review of the Project construction documents and specifications as they are developed by the project Architect;
 - 2) Developing a Project schedule;
 - 3) Review of detailed cost estimates at each stage of the design;
 - 4) Collaboration with the Project team to develop the optimum approach to bidding and subcontracting the construction;
 - 5) Selecting qualified DBE firms to participate and ensuring compliance with the projects DBE goals;
 - 6) Execution of the IGMP Construction Contract;
 - 7) Prequalification of potential first-tier subcontract bidders;
 - 8) Division of the work scope into packages; and
 - 9) Management of Subcontractor bidding.

B. Construction Services – Construction Services shall generally include, but are not limited to, the following:

- 1) Division of the work scope into bid packages;
- 2) Management of Subcontract bidding;
- 3) Execution of the GMP Amendment to the IGMP Construction Contract incorporating subcontract bids;
- 4) Coordination and management of all aspects of construction;
- 5) Coordination with other vendors engaged by the Airport for the Project; and
- 6) Conduct and document regular meetings with GARAA staff.

C. Self-Performance – Self-Performance of work by the firm providing CM services shall be at the sole discretion of the Owner, and limited to those services, tasks, and procedures which are compliant with North Carolina General Statutes for Construction Manager at Risk Services. Additional information is provided in the AIA Contract Documents Revisions/Amendments included in Attachment B herein.

2. **SOQ AND SELECTON PROCESS**

2.1 RFQ SCHEDULE. Provided below is the schedule for the RFQ. GARAA reserves the right to adjust the RFQ schedule and add or remove specific events to meet the needs of this Project. Any such changes to the RFQ schedule will be explained in an addendum posted to the AVL website.

<u>Milestone Activity</u>	<u>Date</u>
Advertisement of RFQ	Week of May 25 th , 2020
Pre-Submittal Meeting*	June 18 th , 2020 @ 1 P.M
Pe-Submittal Site Visits**	June 19 th , 2020
Deadline for Questions	June 26 th , 2020
Due Date & Time for Statements of Qualifications	July 16 th , 2020 at 5 P.M.
Interviews with Shortlisted Firms	TBD
Contract Award	September 4 th , 2020

Due to the expected continuation of Covid 19 restrictions, the Pre-Submittal Meeting will be conducted virtually via a Webex meeting. Firms intending to participate in the virtual Pre-Submittal Meeting must contact **Rita Yanz, the Planning Coordinator at (828) 654-3252, or ryanz@flyavl.com in order to register and receive an invitation for the Webex Pre-Submittal Meeting.*

*****Due to the expected continuation of Covid 19 restrictions, site visits will be restricted to no more than two persons per firm. Three separate site visit periods will be scheduled on June 19th throughout the day in-order-to limit the number of people present in each group. Firms intending to participate in the site visits must contact **Rita Yanz, the Planning Coordinator at (828) 654-3252, or ryanz@flyavl.com in order to schedule a time to participate in a site visit.*****

2.2 SOQ SUBMISSION. SOQs may be delivered by mail (U.S. Postal Service, Federal Express, UPS or comparable delivery services) and shall be enclosed in a sealed envelope or package, addressed to the Airport as follows:

Mr. Jared Merrill, Planning Manager
Greater Asheville Regional Airport Authority
61 Terminal Drive, Suite 1
Fletcher, NC 28732

The name and address of the submitting Firm and Project title shall be placed on the outside of the package. All items required for a responsive SOQ shall be included. It is the responsibility of the Firm to ensure that the SOQ package is complete and received by the designated date and time. SOQs that are incomplete or received after the due date and time will not be considered. SOQs submitted by facsimile or other electronic means will not be accepted.

2.3 SELECTION COMMITTEE AND INTERVIEWS. The GARAA will convene a Selection Committee to review all SOQs submitted in response to this RFQ. The Selection Committee will shortlist two or more Firms for follow-up interviews. Shortlisted Firms will be notified of this decision in writing with interview dates, times and locations. The Selection Committee will use the interviews to clarify any questions or topics from their review of the SOQs and confirm or modify their evaluation of the SOQ. The individuals who lead the Firm's preconstruction and construction teams and will have day-to-day responsibility for each phase of the Project, will be expected to participate in the interviews.

2.4 SOQ FORMAT. Firms must submit **seven (7) Original, unbound (3 ring binders are acceptable) SOQs**, including all required forms and one USB drive containing a digital copy of the complete SOQ package in PDF format.

The SOQ is limited to a maximum of 12 sheets of paper, printed on two sides (or 24 numbered pages), excluding resumes, references and required forms. The SOQ should be printed on 8-1/2" X 11" paper, however, pages with organizational charts, matrices, or diagrams may be printed on larger sheets, folded to 8-1/2"X11". Type size should be no smaller than 11 points for narrative sections, but may be reduced for captions, footnotes, etc. while maintaining legibility. Non-conforming submissions may be removed from consideration.

Each SOQ must contain the following sections, separated by tabs, to be considered responsive:

- A. SOQ Cover Sheet;
- B. Statement of Qualifications (following the numbered selection criteria contained in Section 3 below);
- C. Resumes of key personnel; and
- D. List of references for similar type of work within last 10 years

Note: Items C and D above do not count toward the page limit restriction described in this section.

3. CMR SELECTION CRITERIA AND SOQ CONTENT.

3.1 This section below outlines the Selection Criteria GARAA will use to evaluate SOQs and the required organization of the SOQ. The intent of the RFQ is to encourage responses that clearly communicate the Firm's understanding of the GARAA's goals and requirements for this Project. Only that information which will be essential to an understanding and evaluation of the SOQ should be submitted. Items not specifically and explicitly related to the RFQ and SOQ, (i.e., brochures, marketing materials, etc), will not be considered in the evaluation.

All SOQs shall address the following criteria with headings numbered and labeled as shown.

- A. **Criteria 1** (Up to 15 points) – Firm demonstrates a history of providing CMR or similar services (where the Firm held the construction contract with the Owner) on at least 3 projects of similar size and complexity in the last 10 years, and provides satisfactory references addressing the Firm's performance on those projects. **At least 1 of the 3 projects identified must be an airport terminal project.**

Provide a brief description of the Firm's company size and corporate organizational structure. Include a discussion of the Firm's financial stability, capacity, resources and bonding capabilities. Include the information for any separate companies included in the proposed project team.

Describe at least 3 projects of similar size and complexity in the last 10 years where the Firm has provided CMR or similar services and provide references addressing the Firm's performance. All provided references should include current contact information (telephone and/or email).

- B. **Criteria 2** (Up to 10 points) – Key individuals in the proposed team, such as Preconstruction Manager, Project Engineer, and/or Lead Project Manager, demonstrate experience providing CMR or similar services on projects, and provide satisfactory references related to that experience including Aviation/Airport experience.

Describe the experience of key project team members that illustrates successful experience providing CMR or similar services on complex phased projects.

Include a project organization chart of key team members, including any sub-contractors to be assigned specifically to this project. Identify the individual who will be empowered to act on behalf of the Firm. For first tier sub-contractors and DBE sub-contractors utilized, indicate if the subcontractor is certified by the State of North Carolina Department of Transportation Office by annotating their reporting number.

Firms may provide a resume for each proposed key team member. Resumes will not be counted towards the page limit but must be limited to one page each.

C. Criteria 3 (Up to 15 points) - The Firm must include on their team, and directly contract with, an Information Technology (“IT”) sub-contractor, that will assist in providing all planning, design, and construction services for all information technology features of the overall Terminal Modernization Program.

The Information Technology sub-contractor’s primary responsibility shall be to work as an “***IT Master Systems Integrator***”, that can provide continuity throughout planning, design and construction of the building and all of its systems. The IT Master Systems Integrator must be able to provide all necessary management, supervision, labor and materials, tools, equipment and supplies, engineering, testing, and any other act or thing required to diligently and competently perform the work, including but not limited to:

- Building Management System (BMS)
- Fire Alarm and monitoring system
- Telecommunications structured cabling system (SCS)
- Telecommunications Spaces (MDF, IDF, radio rooms)
- Structured cabling equipment and components for security
- Security and Access Control systems compliant with FAA and TSA regulations
- Broadcast Television Distribution (IPTV)
- Multi-User Flight Information Display System (MUFIDS)
- Public Safety and Operations in building radio distribution (800 MHz, 900 MHz etc.)
- Distributed Antenna System (DAS)
- Wireless Network Access (WiFi)
- Common Use Systems (CUTE, CUSS, CUPPS)
- Emergency Mass Notification System
- Telephone (VOIP, traditional)
- Public Address / Audio Paging System

Separate from the information provided for other companies outlined in Criteria 1, Provide detailed information concerning the Information Technology sub-contractor, including the company’s financial stability, capacity, resources, and experience.

Include information on similar projects of similar size and complexity carried out over the past 5 (five) years, and current projects underway. Describe the company's and key individuals past and recent successes in meeting established goals of a similar nature, size and complexity. Include resumes of key individuals who will be responsible for overall, as well as daily oversight and management of this project.

D. **Criteria 4** (Up to 10 points) – Firm demonstrates success in meeting established schedules and budgets, and provides satisfactory references related to that success.

Describe the Firm and key individuals' past success in meeting established schedules and budgets for projects of similar size and complexity as Construction Manager or General Contractor, providing project examples with the GMP and final cost, and initial schedule and actual completion. Describe the methods, procedures and policies used to maintain schedules and budgets.

E. **Criteria 5** (Up to 15 points) – Firm demonstrates an understanding of the constraints that apply to the project and outlines ideas, approaches and strategies that can result in a successful project under those conditions.

Describe potential strategies for construction of the project in an efficient and cost-conscious manner taking into consideration:

- 1) Start to finish schedule logic of some tasks to be developed with and approved by GARAA in order to ensure sufficient maintenance of terminal operations;
- 2) Maintaining passenger and aircraft operations within the existing building during phased construction;
- 3) Limiting impacts to an existing number of gates;
- 4) Limited interruption to traffic on Terminal Drive;
- 5) Access to the Baggage Makeup and Claim areas must be maintained at all times;
- 6) Coordination with other Airport Contractors and tenants within the project limits;
- 7) GARAA reserves the right to alter or establish additional conditions and parameters for the construction during Project Planning with the CMR awarded the contract; and
- 8) Describe the Firm's safety program as it should be applied to this Project and provide evidence, or each Firm's safety program in the case of a joint venture proposal.

Describe the Firm's proposed CMR methodology and approach, with emphasis on how the above constraints can be addressed and deliver the Project in an effective, timely, economical and professional manner. Provide a description that illustrates the Firm(s) understands the Airport's objectives and work requirements and the Firm's ability to satisfy those objectives and requirements.

F. **Criteria 6** (Up to 10 points) – Firm demonstrates a history in the last 10 years of managing public bidding procedures and creating and implementing an effective

Disadvantaged Business Enterprise (DBE) plan for bidding, managing and monitoring subcontract awards to ensure GARAA's goal achievement; and successful overall participation for specified past projects.

To demonstrate knowledge and experience of the items listed in Criteria 6, Firm should provide a summary of at least 2 publicly bid projects with DBE participation goals, completed within the last 10 years. Each project summary should include the following information:

- 1) Name, location and cost of the project;
- 2) Brief description of the project;
- 3) The DBE participation goal(s) set for the project;
- 4) The DBE participation goal(s) achieved at the completion of the project;
- 5) Number of 1st tier packages bid out and number awarded to DBE's;
- 6) Number of DBE companies that participated in the project; and
- 7) Total dollar amount of final DBE participation on the project.

In addition, Firm should provide a brief (overall) summary of typical efforts implemented to achieve DBE participation on their projects. Firms should also identify project team members who will ensure compliance with the GARAA's participation requirements.

Firms are further required to provide a statement describing all efforts to secure DBE participation for the preconstruction phase of this Project. This statement must include, without limitation, the following:

- 1) Identify specific scopes of work to be performed by the DBE during the preconstruction phase; and
- 2) Identify DBE vendors proposed to be utilized during the preconstruction phase.

The DBE goal set for the project will need to be met through obtaining participation of NCDOT certified companies for any area of work related to this project. If the DBE goal is unable to be met, Good Faith Efforts will need to be proven and provided to GARAA.

The DBE goal for this project is yet to be determined, but will be based on pending/upcoming completion of the airports revised three year DBE goal program as required by the Federal Aviation Administration.

G. **Criteria 7** (Up to 5 points) – Firm and key individuals' bonding and litigation history over the last 10 years does not include any bond claims, or instances of proven negligence, fraud, or intentional misrepresentation or claims.

Describe any cases of litigation in the last 10 years for the Firm, a Related Entity, first tier sub-contractors, or key individuals on the proposed team, where negligence, fraud, or intentional misrepresentation were alleged, or any judgments were

assessed. Describe any unresolved claims or disputes with any department or agency of the GARAA. For purposes of this information, the term “Related Entity” means any parent, subsidiary, affiliate or guarantor of the Firm and 1st Tier Sub-contractors.

State whether there are any cases pending against the Firm, a Related Entity, or officer of either, that, if adversely resolved, would pose a material risk of insolvency to either the Firm or Guarantor, or materially affect the Firm’s or Guarantor’s ability to perform their obligations. Describe if the Firm or any related entity has a history of bankruptcy or termination of contracts for cause.

The respondent may choose not to include matters that were resolved prior to the time that a subsidiary or affiliate became associated with the parent company, as long as that subsidiary or affiliate will not be involved in the provision of Services to the Airport. GARAA reserves the right to request additional information to explain any of the above litigation matters.

Also, list and describe any and all cases in the past 10 years involving any claim against the Firms, or any first-tier subcontractors payment or performance bond. Explain the circumstances of each, and how each case was resolved, or if the surety company issuing the bond(s) acted upon or expended funds from the bond issuance to satisfy the claim.

H. **Criteria 8** (Up to 15 points) – Fee and Profit. Provide the Firms fee and profit details as they relate to this project, and all sub-contracts and other services it will perform under the scope and terms of the CM agreement if awarded.

I. **Criteria 9** (Up to 5 points) – Firm’s submitted SOQ package met all requirements of the RFQ and was presented in an orderly and succinct form.

The SOQ must comply with the format and contents requirements set forth in this RFQ in the appropriate sections.

3.2 EVALUATION CRITERIA AND PROCESS. GARAA reserves the sole right to select the most qualified Firm or Team deemed to be in the best interests of GARAA. Evaluations will focus on relative strengths, weaknesses, deficiencies and risks associated with the SOQ. GARAA reserves the right to obtain clarification or additional information from any of the submitting Firms. Firms who submit SOQs will be notified of the selection results in writing. The final recommendation of any selected Firm is subject to the approval of the Greater Asheville Regional Authority Board (“Authority Board”) via the award of the contract.

The scoring matrix is attached.

3.3 FAILURE TO COMPLY WITH INSTRUCTIONS. GARAA may choose to exercise the following options for SOQ packages that fail to comply with any requirement of this RFQ:

- A. Assign a low rating; or
- B. Deem the SOQ nonresponsive and remove the SOQ from further consideration.

3.4 MODIFICATION OR WITHDRAWAL OF SOQ. Firms may change or withdraw their SOQ at any time prior to the SOQ due date by providing written notice to the GARAA Planning Manager at the address provided in paragraph 2.2 above. Withdrawal of a SOQ will not preclude a Firm from subsequently submitting a new SOQ, so long as, that new SOQ is properly submitted and received by GARAA prior to the SOQ due date.

3.5 NEGOTIATIONS AND MODIFICATION OF CONTRACT DOCUMENTS. GARAA may, at its option, conduct negotiations with the selected Firm regarding any issues pertaining to details of contract performance, methods of construction, timing, assignment of risk in specified areas, preconstruction costs, the proposed CMR fee, and other matters that may affect cost or quality, provided that the general work scope remains the same and that the field of competition does not change as a result of material changes to the requirements stated in the RFQ. GARAA will make such modifications to the form agreements as it may determine, in the exercise of its sole discretion, to correct any inconsistencies, ambiguities, or errors that may exist in the form agreements, and to clarify contract terms, including technical requirements and specifications, if any. If, in the GARAA's sole discretion, it determines that the highest ranked Firm is not responsive to the negotiation process, or that the parties will be unable to reach a mutually acceptable agreement, the GARAA may terminate negotiations with the Firm. GARAA will then initiate negotiations with the next highest ranked Firm until GARAA either successfully negotiates an agreement or cancels the procurement.

Upon GARAA's completion of successful negotiations with a Firm, GARAA will schedule the negotiated contract agreement (AIA Document A-133-2019 or chosen contract) for review by the Authority Board. If the recommended Firm is not able to execute the CMR agreement within 30 calendar days of receipt of the negotiated agreement, or such later date as GARAA may authorize, GARAA may enter into negotiations with the next chosen Firm. The CMR agreement is not binding on either party until the agreement is awarded by the Authority Board and executed by both parties.

4. REPRESENTATIONS, CONDITIONS AND GARAA REQUIREMENTS

4.1 COMMUNICATIONS. All communications, of any nature with respect to this RFQ, shall be addressed to the Planning Manager identified earlier in this RFQ. Other than communications through the Planning Manager, Firms and their representatives are prohibited from communicating with Airport Board Members, staff or Selection Committee members, project designers or project design subconsultants regarding this RFQ or SOQ from the time the RFQ is released until the selection results are publicly announced. These restrictions include "thank you" letters, phone calls, emails and any contact that

results in the direct or indirect discussion of this RFQ and/or SOQ submitted by the Firm or Team. Violation of this provision may lead to the removal of the Firm's SOQ from consideration.

4.2 DUTIES AND OBLIGATIONS OF FIRMS IN THE RFQ PROCESS. Interested Firms are expected to fully inform themselves as to all conditions, requirements and specifications of this RFQ before submitting an SOQ. Firms must perform their own evaluation and due diligence verification of all information and data provided by the GARAA regarding this RFQ. GARAA makes no representations or warranties regarding any information or data provided. Firms are expected to promptly notify the Planning Manager in writing to report any ambiguity, inconsistency or error in this RFQ. Failure to notify will constitute a waiver of claim of ambiguity, inconsistency or error.

4.3 ADDENDA AND QUESTIONS & ANSWERS. In order to clarify or modify any part of this RFQ, addenda may be issued and posted at the GARAA's official website. Firms must submit questions or requests for clarification or information in writing to the Planning Manager by the due date for questions stated in the RFQ schedule. Questions and Answers not addressed through an addendum are solely for informational purposes and do not change any elements or aspects of the RFQ document.

4.4 NO COLLUSION, BRIBERY OR CONFLICT OF INTEREST. By responding to this RFQ, the Firm shall be deemed to have represented and warranted that its SOQ submittal is not made in connection with any competing Firm submitting a separate response to this RFQ and is in all respects fair and without collusion or fraud. Furthermore, the Firm certified that neither it, any of its affiliates or subconsultants, nor any employee of any of the foregoing, has bribed, or attempted to bribe, any GARAA Staff, Airport Board Member, or other government official at the Local, State or Federal level, in connection with this RFQ.

4.5 PUBLIC RECORDS. Upon receipt by GARAA, each SOQ becomes the property of GARAA and is considered a public record except for material that qualifies as "Trade Secret" information under North Carolina General Statute 132.1-2 and 66-152 et seq. SOQs will be reviewed by the Planning Manager, as well as other GARAA staff and members of the general public who submit public record requests. To properly designate material as a trade secret under these circumstances, each Firm must take the following precautions:

- A. Any trade secrets submitted by the Firm should be submitted in a separate, sealed envelope marked "Trade Secret – Confidential and Proprietary Information – Do Not Disclose Except for the Purpose of Evaluating this Qualification Package."; and
- B. The same trade secret / confidentiality designation should be stamped on each page of the trade secret materials contained in the envelope.

In providing an SOQ, each Firm agrees that GARAA may reveal any trade secret materials contained in such response to all GARAA staff and other individuals involved in

the evaluation process and to any outside Company or third parties who serve on the Selection Team or who are hired by GARAA to assist in the selection process. Furthermore, each Firm agrees to defend, indemnify and hold harmless GARAA and each of its employees and agents from all costs, damages and expenses incurred in connection with refusing to disclose any material that the Firm has designated as a trade secret. Any Firm that designates its entire SOQ as a trade secret may be removed from consideration.

4.6 COST OF SOQ PREPARATION. GARAA accepts no liability for the costs and expenses incurred by Firms responding to this RFQ, in preparing responses for clarification, in attending interviews, participating in contract development sessions, or in attending meetings and presentations required for the contract approval process. Each Firm that enters the procurement process shall prepare the required materials and submittals at its own expense and with the express understanding that the Firm cannot make any claims whatsoever for the reimbursement from GARAA for the costs and expenses associated with the procurement process. The RFQ does not commit GARAA to pay any costs incurred by the Firm prior to the execution of a final contract.

4.7 GARAA RESERVED RIGHTS AND OPTIONS. GARAA reserves the following rights, which may be exercised at the GARAA's sole discretion:

- A. To Supplement, amend, substitute, withdraw or otherwise modify this RFQ at any time;
- B. To request substitutions of any key team member of the selected Firm(s), including staff and subconsultants;
- C. To contact any Firm or Sub-contractor Team Member if deemed desirable by GARAA to obtain additional information, including but not limited to experience, qualifications, abilities, equipment, facilities, and financial standing;
- D. To conduct investigations with respect to the qualifications and experience of each Firm;
- E. To waive any defect or irregularity in any SOQ received, or any technicalities or informalities;
- F. To share the SOQ with GARAA employees other than the Selection Team and other third parties engaged by GARAA to participate in the selection process;
- G. To award all, none, or any part of the scope of work set forth in this RFQ, that GARAA determines to be in the best interests of GARAA with or without re-solicitation;
- H. To discuss and negotiate with the selected Firm any terms and conditions in the SOQ, including but not limited to financial terms;
- I. To enter into any agreement deemed by GARAA to be in the best interests of GARAA;
- J. To reject any or all SOQ submitted; and
- K. To re-advertise for Qualifications using this RFQ or a different RFQ or solicitation.

4.8 FINANCIAL CAPACITY & INSURANCE REQUIREMENTS. Successful Firm(s) must have the financial capacity to undertake the work and assume associated liability.

The successful Firm will be required to furnish proof of insurance coverage in the minimum amounts specified in the AIA Contract Documents Revisions/Amendments Included document which is included in Attachment B herein.

The Firm will be required to provide a payment and performance bond for the full amount of the Contract, and shall provide written proof with its SOQ of its ability to bond the project based on the expected cost contained herein.

4.9 REGISTRATION WITH SECRETARY OF STATE OF NORTH CAROLINA. Any Firm wishing to be considered for the Project must be properly registered with the Office of the Secretary of State at the time of submission of the SOQ and hold a North Carolina General Construction license. The Firm(s) selected under this RFQ will be responsible for providing all professional, technical, managerial, and administrative staff with appropriate skills and qualifications to complete the Project.

4.10 OWNERSHIP OF WORK PRODUCTS. GARAA shall have exclusive ownership of all intellectual property rights in all designs, plans and specifications, documents and other work product prepared by, for, or under the direction of the Firm pursuant to any contract under this RFQ, including without limitation, the right to copy, use, disclose, distribute, and make derivations of the work for any purpose or to assign such rights to any third party. The work shall be prepared in GARAA's name, copyright, ownership and shall be the sole and exclusive property of GARAA, whether or not the work contemplated therein is performed. GARAA will grant the Firm a royalty-free, non-exclusive license to use and copy the Work to the extent necessary to perform the contract.

4.11 NO LOBBYING. The Firm certifies that it has not and will not pay any person(s) or organization(s) to influence or attempt to influence an employee or Airport Board Member of GARAA in connection with obtaining a contract under this RFQ.

4.12 COMPLIANCE WITH ANTI-DISCRIMINATION AND EQUAL OPPORTUNITY LAWS AND REGULATIONS. Firms must comply with all applicable Federal, State and Local anti-discrimination and equal opportunity statutes, regulations and executive orders.

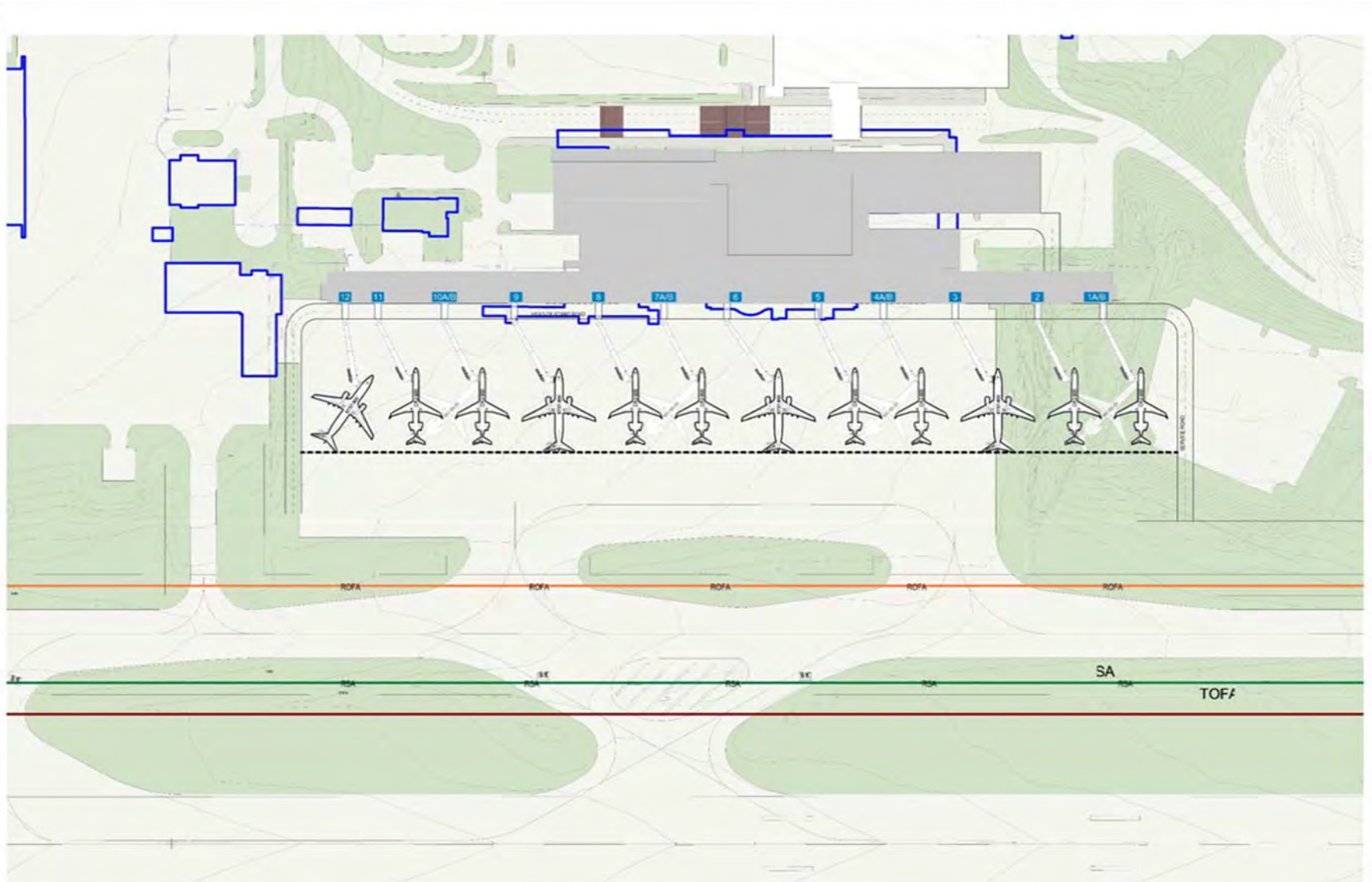
4.13 TITLE VI SOLICITATION NOTICE. GARAA, in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Statue 252 §§ 601-605, 42 U.S.C. §§ 2000d to 2000d-4) and the Regulations, hereby notifies all bidders or offerors that it will affirmatively ensure that any contract entered into pursuant to this advertisement, will be afforded full and fair opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award.

ATTACHMENT A

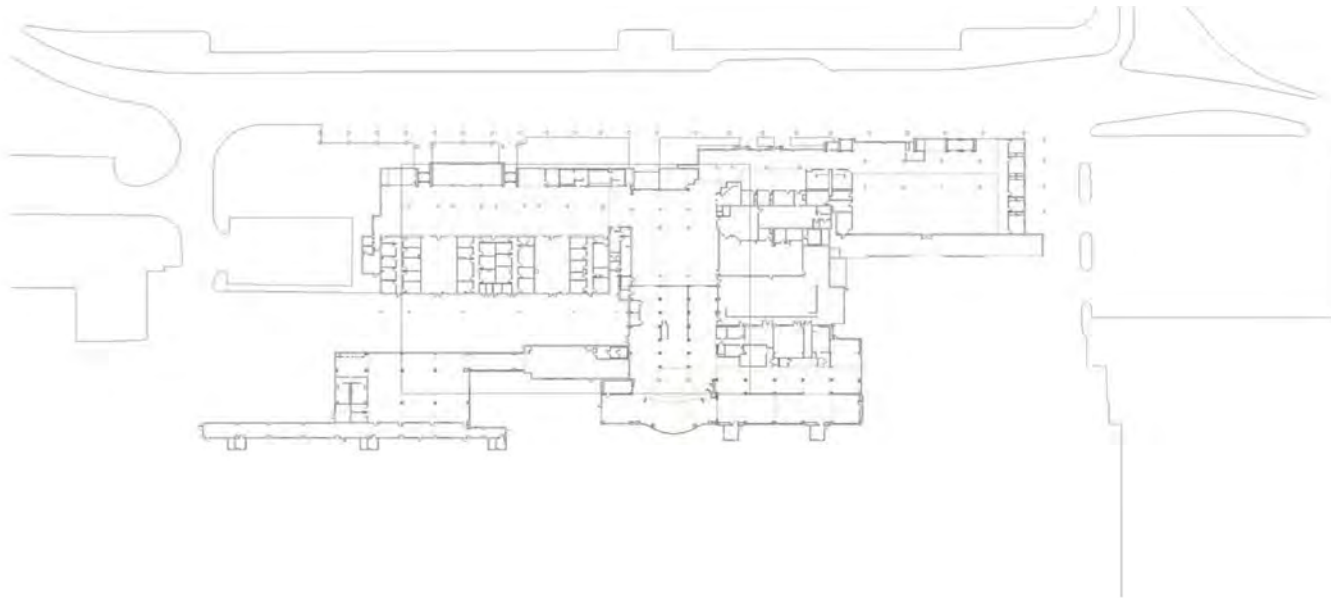
Design Concept Drawings

The drawings provided in this attachment are conceptual in nature only, and do not necessarily represent the final design of the project. GARAA reserves the right to make any changes it deems necessary in its sole judgement concerning the final design, including size, amenities, building systems and other features, which will be determined during the remaining design phase, and partly based upon available budget.

**ASHEVILLE REGIONAL AIRPORT
TERMINAL MODERNIZATION PROJECT
DESIGN CONCEPT 2 - AIRSIDE**



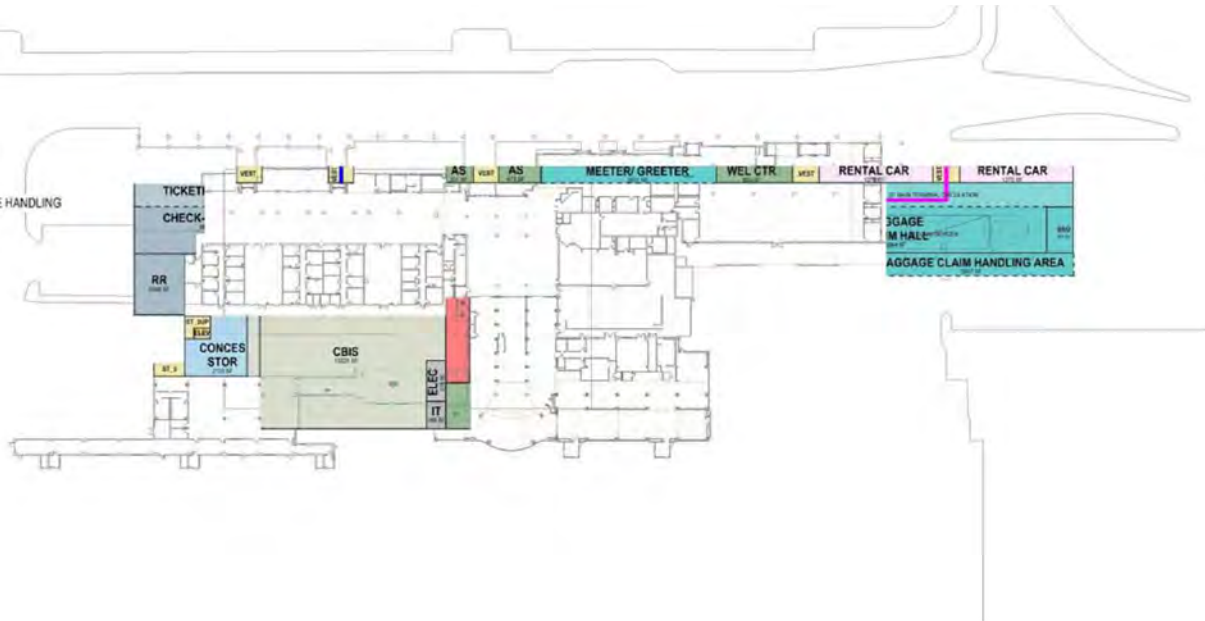
**ASHEVILLE REGIONAL AIRPORT
TERMINAL MODERNIZATION PROJECT
DESIGN CONCEPT 2 – GROUND LEVEL (EXISTING)**



ASHEVILLE REGIONAL AIRPORT TERMINAL MODERNIZATION PROJECT DESIGN CONCEPT 2 – GROUND LEVEL (PHASE I)

DEPARTMENT LEGEND

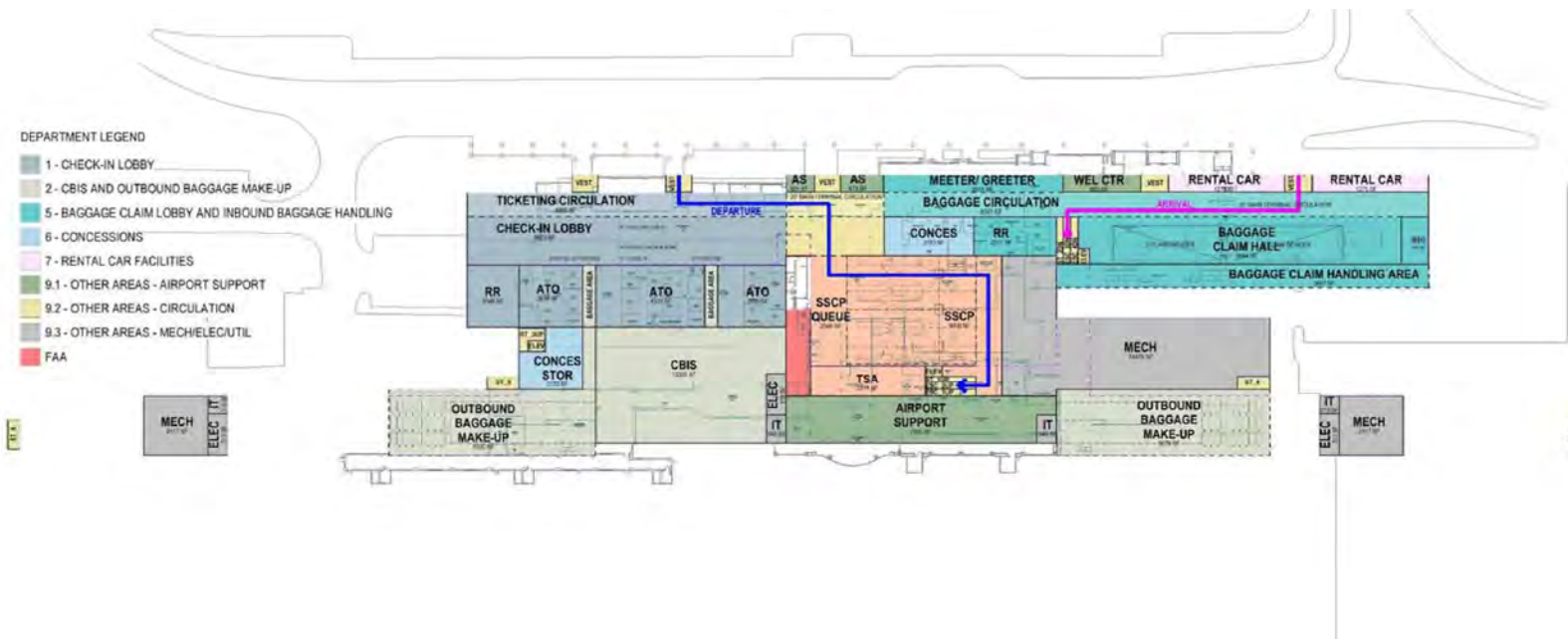
- 1 - CHECK-IN LOBBY
- 2 - CBIS AND OUTBOUND BAGGAGE MAKE-UP
- 5 - BAGGAGE CLAIM LOBBY AND INBOUND BAGGAGE HANDLING
- 6 - CONCESSIONS
- 7 - RENTAL CAR FACILITIES
- 9.1 - OTHER AREAS - AIRPORT SUPPORT
- 9.2 - OTHER AREAS - CIRCULATION
- 9.3 - OTHER AREAS - MECH/ELEC/UTIL
- FAA



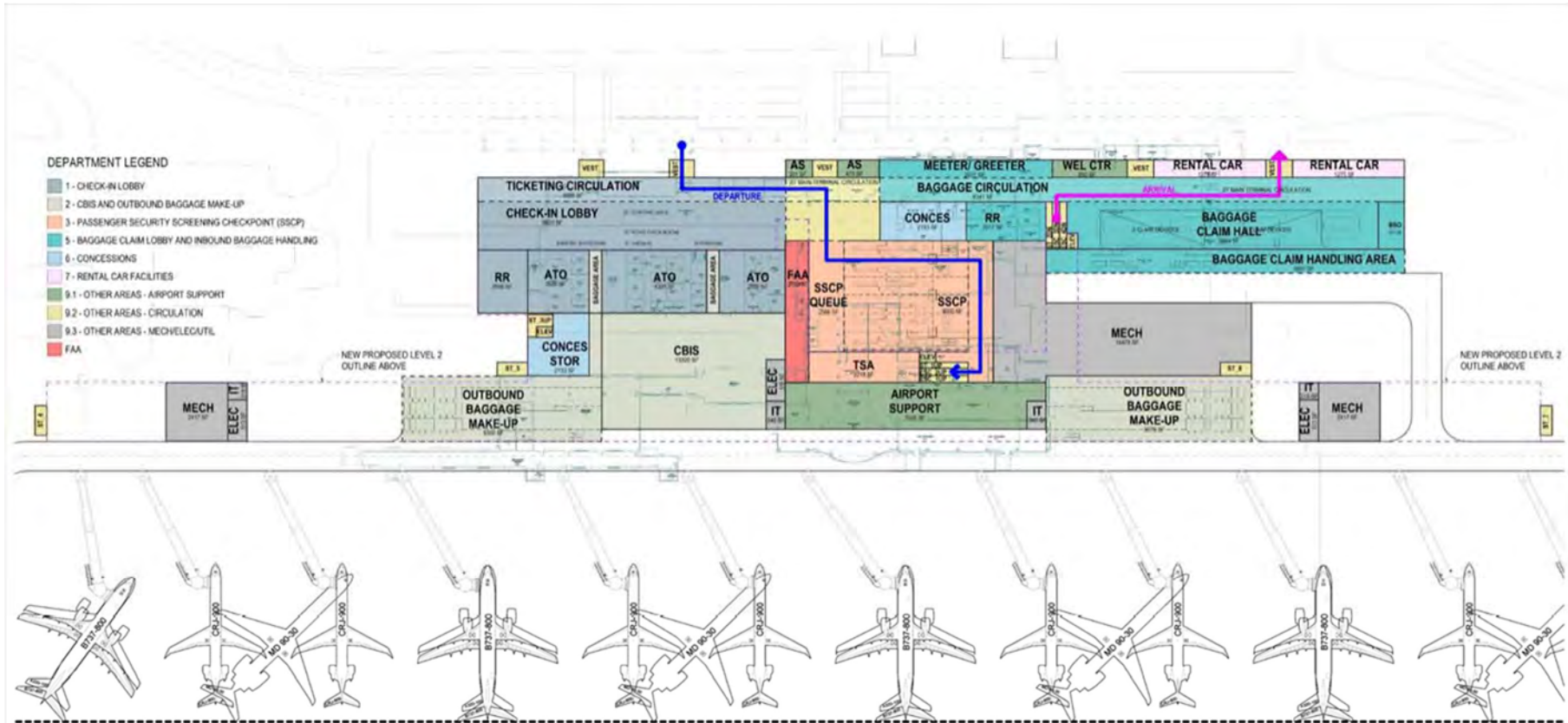
ASHEVILLE REGIONAL AIRPORT TERMINAL MODERNIZATION PROJECT DESIGN CONCEPT 2 – GROUND LEVEL (PHASE II)



ASHEVILLE REGIONAL AIRPORT TERMINAL MODERNIZATION PROJECT DESIGN CONCEPT 2 – GROUND LEVEL (PHASE III)



ASHEVILLE REGIONAL AIRPORT TERMINAL MODERNIZATION PROJECT DESIGN CONCEPT 2 – GROUND LEVEL (FINAL)



- TICKET LOBBY EXPANDED
- GROUND LEVEL SECURITY CHECKPOINT.
- BAGGAGE CLAIM IS EXPANDED
- NEW CENTRAL PLANT CONSTRUCTED
- OUTBOUND BAG MAKE-UP MOVED TO UNDER THE CONCOURSE AIRSIDE
- NEW CHECKED BAGGAGE INSPECTION SYSTEM (CBIS)

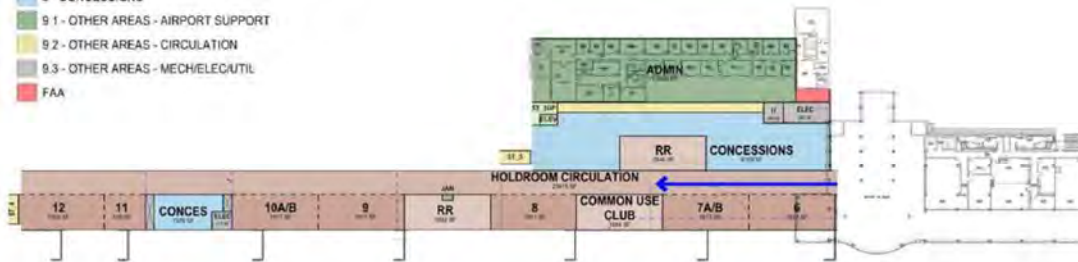
**ASHEVILLE REGIONAL AIRPORT
TERMINAL MODERNIZATION PROJECT
DESIGN CONCEPT 2 – UPPER LEVEL (EXISTING)**



ASHEVILLE REGIONAL AIRPORT TERMINAL MODERNIZATION PROJECT DESIGN CONCEPT 2 – UPPER LEVEL (PHASE I)

DEPARTMENT LEGEND

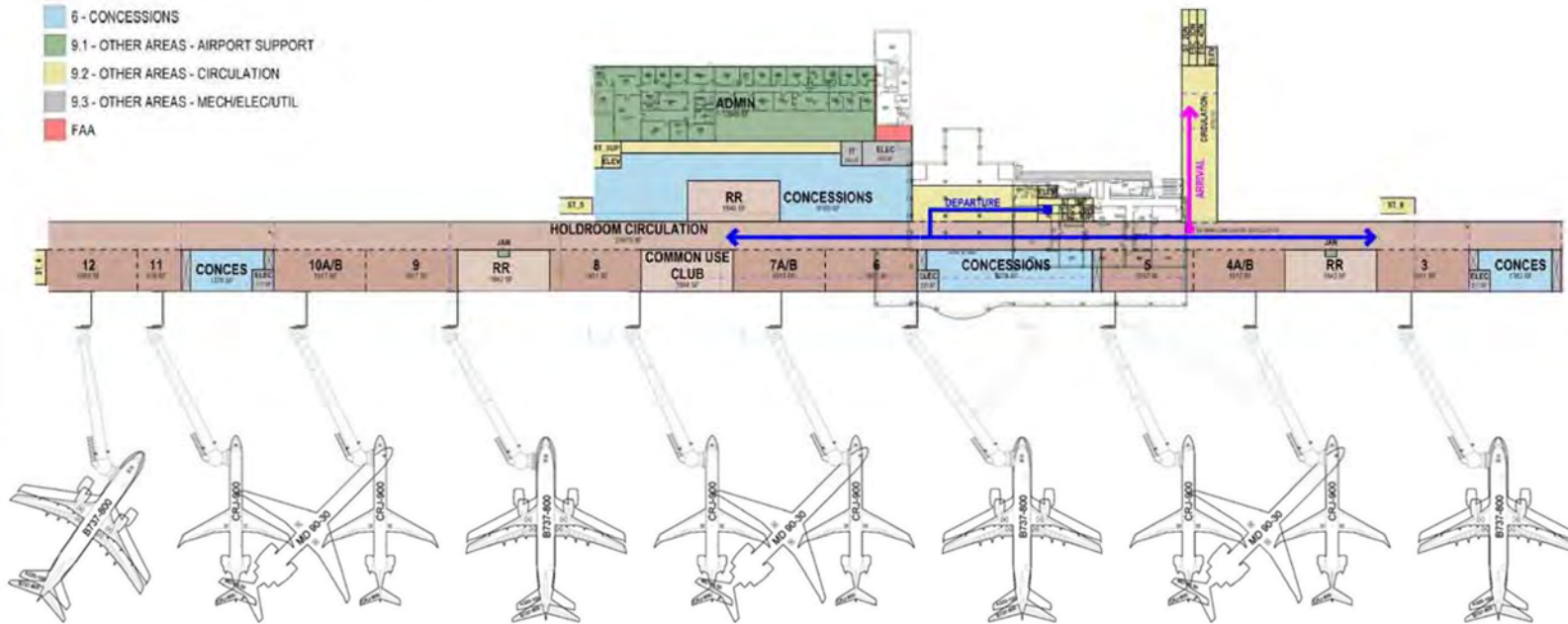
- 3 - PASSENGER SECURITY SCREENING CHECKPOINT (SSCP)
- 4 - HOLDROOMS
- 6 - CONCESSIONS
- 9.1 - OTHER AREAS - AIRPORT SUPPORT
- 9.2 - OTHER AREAS - CIRCULATION
- 9.3 - OTHER AREAS - MECH/ELEC/UTIL
- FAA



ASHEVILLE REGIONAL AIRPORT TERMINAL MODERNIZATION PROJECT DESIGN CONCEPT 2 – UPPER LEVEL (PHASE II)

DEPARTMENT LEGEND

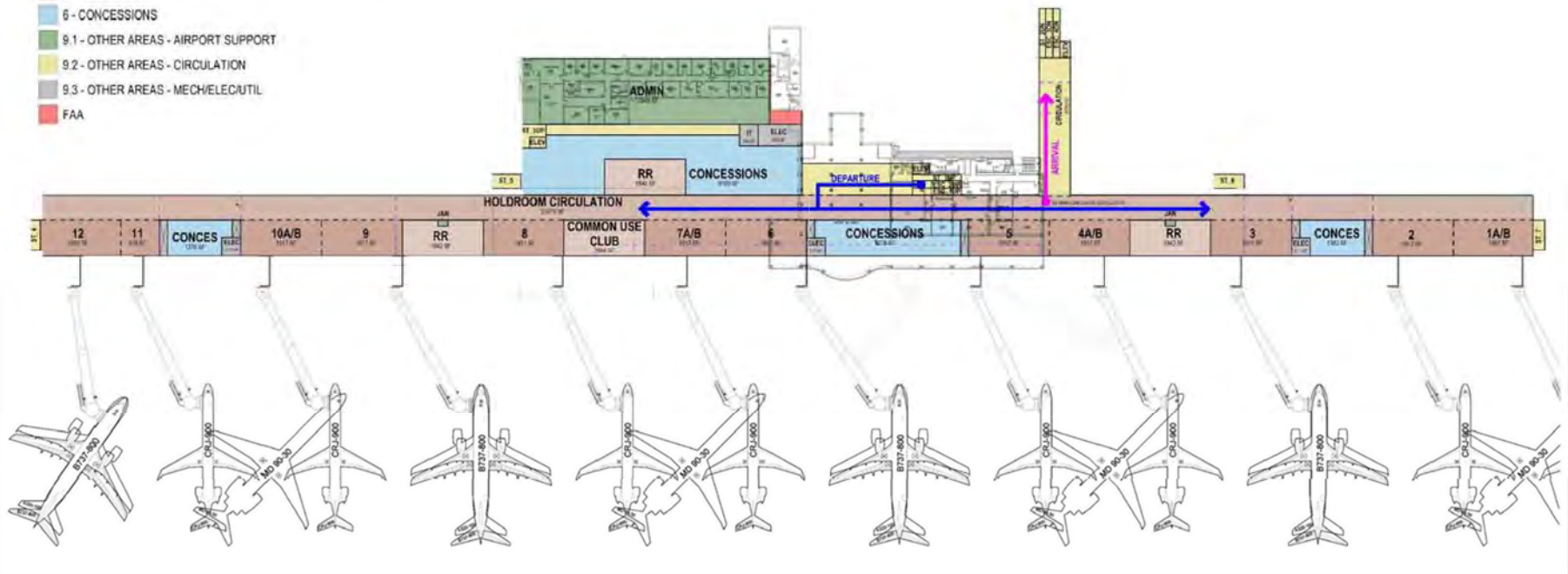
- 3 - PASSENGER SECURITY SCREENING CHECKPOINT (SSCP)
- 4 - HOLDROOMS
- 6 - CONCESSIONS
- 9.1 - OTHER AREAS - AIRPORT SUPPORT
- 9.2 - OTHER AREAS - CIRCULATION
- 9.3 - OTHER AREAS - MECH/ELEC/UTIL
- FAA



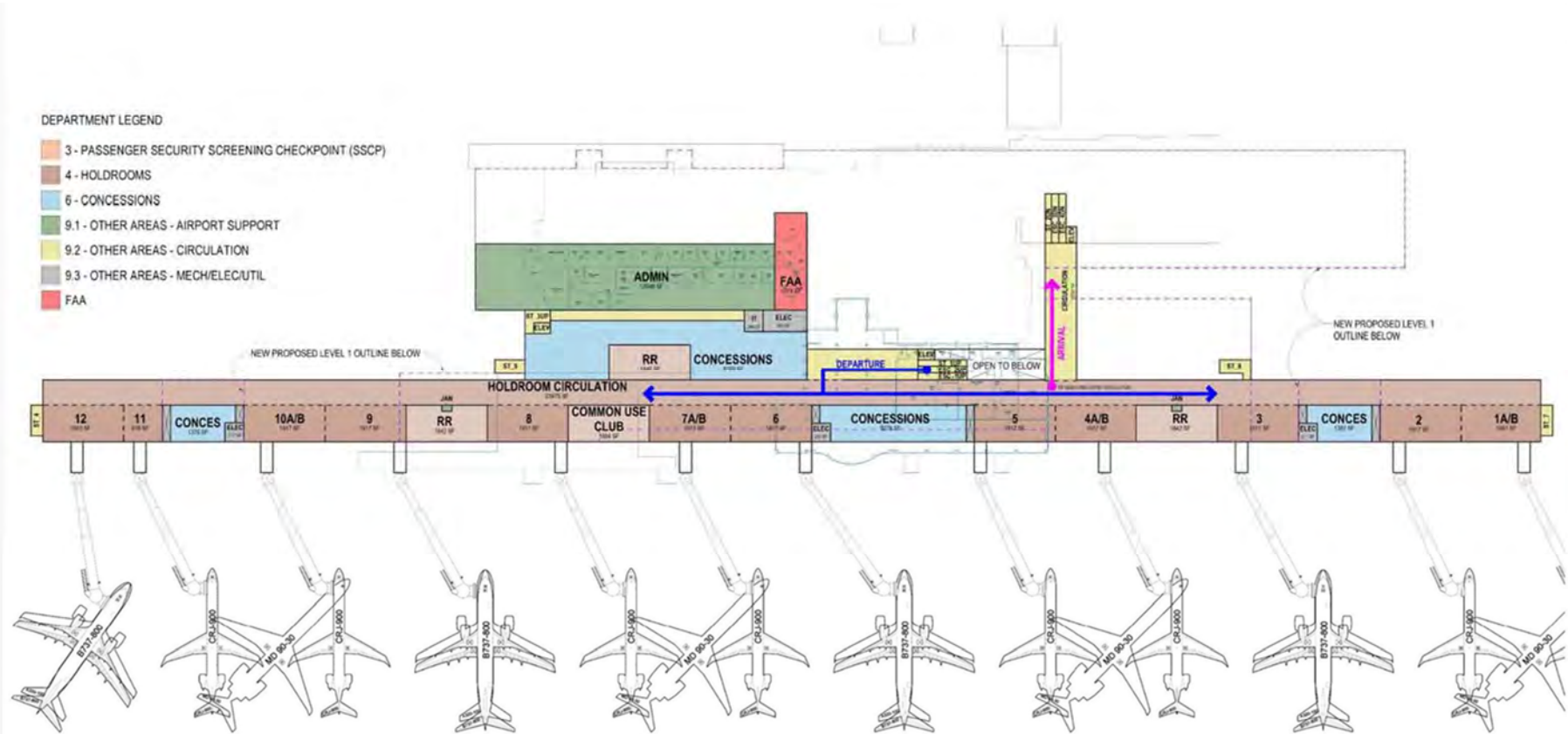
ASHEVILLE REGIONAL AIRPORT TERMINAL MODERNIZATION PROJECT DESIGN CONCEPT 2 – UPPER LEVEL (PHASE III)

DEPARTMENT LEGEND

- 3 - PASSENGER SECURITY SCREENING CHECKPOINT (SSCP)
- 4 - HOLDROOMS
- 6 - CONCESSIONS
- 9.1 - OTHER AREAS - AIRPORT SUPPORT
- 9.2 - OTHER AREAS - CIRCULATION
- 9.3 - OTHER AREAS - MECH/ELEC/UTIL
- FAA



ASHEVILLE REGIONAL AIRPORT TERMINAL MODERNIZATION PROJECT DESIGN CONCEPT 2 – UPPER LEVEL (FINAL)



- EASY ACCESS FROM ADMIN AREA TO CONCOURSE
- VISIBILITY FROM 2ND LEVEL TO GROUND LEVEL BELOW.
- DEPARTURES AND ARRIVALS CIRCULATION IS SEPARATED
- CONCESSIONS ACCESSIBLE TO EVERY GATE

ASHEVILLE REGIONAL AIRPORT TERMINAL MODERNIZATION PROJECT DESIGN CONCEPT 2 – PHASING SUMMARY

- PHASE ONE CONSTRUCTS 7 NEW 2ND LEVEL BOARDING GATES
- SOME TEMPORARY TRAILERS MAY BE NEEDED TO FACILITATE ADMIN AREA RENOVATIONS
- TEMPORARY CONSTRUCTION TO EXTEND BOARDING GATES TO THE SOUTH
- CBIS SYSTEM EQUIPMENT MAY OR MAY NOT BE INSTALLED IN PHASE 1
- BAGGAGE CLAIM AND FAÇADE CONSTRUCTED IN PHASE 1
- PHASE 2 REPLACES SOUTH CONCOURSE TO COMPLETE 3 MORE 2ND LEVEL BOARDING GATES
- PHASE 2 CONSTRUCTION OF CENTRAL PLANT
- CBIS EQUIPMENT IN PLACE BY END OF PHASE 2
- PHASE 3 COMPLETES RENOVATION OF BAGGAGE CLAIM
- PHASE 3 BUILDS OUT REMAINING 2ND LEVEL BOARDING GATES
- PHASE 3 RENOVATION OF CENTER AREA OF TERMINAL



ATTACHMENT B

AIA Contract Documents

This Attachment is included elsewhere in the Contract Documents.

AIA Contract Document Revisions/Amendments from the original RFQ are incorporated elsewhere in the contract documents in their final form.

ATTACHMENT C

Required Federal Contract Provisions

This Attachment is included as an Exhibit elsewhere in the Contract Documents.

This project will be funded in part with Federal and/or State grant monies which are conditional upon the mandatory inclusion of the following Federal Contract Provisions.

The following mandatory federal contract provisions shall be a part of the final contract for Construction Manager at Risk services and shall be incorporated into same as contract terms and conditions/provisions. Should there be any conflict between the standard terms of the AIA contract agreement and these mandatory federal contract provisions, the mandatory federal contract provisions shall be superior and shall apply instead of the terms and conditions of the standard AIA contract document.

ATTACHMENT D

RFQ Scoresheet Matrix

Greater Asheville Regional Airport Authority

**Terminal Modernization Project
Consultant Selection Score Sheet**

Name: _____

For each firm, score up to the maximum number of points identified in each column for the associated element.

Criteria	Desc.	Firm 1	Firm 2	Firm 3	Firm 4	Firm 5	Firm 6
1 15 pts.	History of CMR Svcs						
2 10 pts.	Key Individual Experience						
3 15 pts.	IT Sub Qual.						
4 10 pts.	Schedules/ Budgets						
5 15 pts.	Constraints/ Strategies						
6 10 pts.	Public Pjts/ DBE						
7 5 pts.	Bonding/ Litigation						
8 15 pts.	Fee & Profit						
9 5 pts.	Met Req.						
Total Score							

ADDENDUM NO. 1

REQUEST FOR QUALIFICATIONS

TERMINAL MODERNIZATION PROJECT

ASHEVILLE REGIONAL AIRPORT

DATE: July 7th, 2020

TO: ALL PROSPECTIVE SUBMITTING FIRMS

INCLUSIONS:

- Owner revisions, changes and supplemental information to RFQ documents (listed below).
- Questions and Answers from Pre-Submittal Webex meeting.
- Questions and Answers received subsequent to the Pre-Submittal Webex meeting by the required deadline.
- Architects IT scope of work.

Submitting firms and all interested parties are informed that the above noted Request for Qualifications, and all associated documents, are hereby revised, changed and supplemented as set forth below. Firms submitting Statements of Qualifications in response to this RFQ must acknowledge receipt of this addendum to the RFQ documents in their cover letter.

1. All references to deadlines and times, including but not limited to the public solicitation and RFQ documents, are clarified to mean Eastern Day Time (EDT). Any reference in the documents directly related to deadlines that state Eastern Standard Time (EST), are hereby changed to read Eastern Day Time (EDT). Where a submission deadline time is indicated but no other reference is made, it shall mean EDT.
2. The deadline for receipt of Statements of Qualifications from interested firms is changed to no later than **3 P.M. EDT on Friday, July 31st, 2020**. This extension in the submittal date is provided specifically to address the additional time that is expected to be needed for submitting firms to satisfactorily respond to changes in the IT Master Systems Integrator requirements which are documented in this Addendum and the Questions and Answers attachments.
3. Section 2.4, "SOQ FORMAT", is amended to limit the SOQ to a maximum of 12 sheets of paper, printed on two sides (or 24 numbered pages), except that, at the discretion of the submitting firm, one additional sheet of paper, printed on two sides (for a total of 26 numbered pages) may be added to satisfactorily document the qualification requirements of the IT Master Services Integrator CM team

member, which are outlined in Section 3.1.C (Criteria 3). If used, these pages may only be added and used in conjunction with providing the information contained in Section 3.1.C and must be in addition to the portion of the first 24 pages which also includes a portion of these qualifications.

4. Section 3.1.B (Criteria 2), third paragraph is amended to include the following statement as the last sentence... “All first-tier sub-contractors shall be required to be pre-qualified in accordance with the GARAA’s requirements for pre-qualification of first-tier sub-contractors for projects delivered through CM at Risk. Additionally, companies or firms that participated in the design process as a sub-consultant of the Architect of Record, shall not be eligible to perform any construction work on the project as a sub-contractor on any tier level”. Pre-qualification is not required prior to the SOQ submittal stage but shall be accomplished by the firm selected to perform CM services.
5. Section 3.1.C (Criteria 3) - In an effort to ensure complete understanding and provide clarity as to the role of the IT Master Systems Integrator (MSI), the participation and role of the MSI is being revised from that information disseminated during the pre-submittal meeting. The IT MSI shall now be an integral part of the CM team only and shall not be responsible for procurement of equipment or provide any installation services. The ability for the CM to self-perform any work relevant to the construction phase shall be limited to pre-approved work in compliance with any and all restrictions in accordance with NC General Statutes.

The IT MSI shall assist the CM during the pre-construction phase as it relates to all of the CM’s pre-construction phase duties, specific to all IT and special systems. Further, the IT MSI shall assist the CM during the construction phase with overall coordination of all systems sub-contractors (all tiers), equipment, work, integration, quality control, software, interoperability, networking, testing, and any other task necessary for complete and total completion of any and all IT and special systems that are included in the project.

Submitting firms are specifically informed that multiple Information Technology consulting firms exist that are capable of performing this function as part of the CM team, and which are not engaged in the manufacture or installation of such equipment, software and systems. Such firms would therefore not create conflicts of interest that would preclude the use of certain manufactured brands of equipment and systems, and/or create a potential issue over sole source design and/or self-performance of work. Submitting firms are able to utilize either such a consulting firm as the MSI, or another contracting firm for the provision of such services, subject to the limitations on self-performance of work by the CM and in accordance with the NC General Statutes.

The Architects IT subconsultant scope of work is included with this addendum to document the extent of design services for which the Architect is responsible. It

shall be the sole responsibility of the CM and its IT MSI to provide all of the necessary services to bring each of the IT and special systems included in the project to full design and completion.

6. Section 3.1.H (Criteria 8 - Fee and Profit) is deleted. Submitting firms are instructed to include this section for heading purposes only but indicate that the information required was deleted from the submittal requirements. No re-distribution of the associated points will be provided for scoring purposes.
7. AIA Contract Documents Revisions/Amendments Included, Paragraph 3, "Document AIA A201-2017", sub-paragraph u. is amended to read "Owner shall not be obligated to mediate disputes, claims, questions or disagreements involving monetary claims of \$15,000.00 or less, but may voluntarily agree to mediate such disputes, claims, questions or disagreements".
8. The Owner/Authority will provide an Owner Controlled Insurance Program (OCIP) that will include, but not necessarily be limited to the following coverages:
 - a. General Liability
 - b. Builders Risk
 - c. Excess Coverage
 - d. Professional Liability
 - e. Pollution Liability

The Construction Manager shall provide Workers Compensation, which may be provided through a Workers Compensation only CCIP.

9. Additional documents attached to and part of this Addendum No. 1 include:
 - a. *Questions and answers from pre-submittal Webex meeting.
 - b. RFQ Questions and answers received by the Q&A deadline.
 - c. Architects IT scope of work (Arora Engineers document).

**Note – Questions and answers concerning the IT MSI Integrator are provided in the Webex Q&A as presented and answered during the pre-submittal meeting. Changes in how the IT MSI shall be performed since this date are included in this Addendum No. 1 and in the subsequent Q&A provided by the original deadline.*

END OF ADDENDUM NO. 1

Asheville Regional Airport

Terminal Modernization Project – Phase II

Questions & Answers from 6/18/2020 Pre-Submittal Webex Meeting

1. Is the MSI responsible to procure the equipment or can the Prime handle it? What is AVL's expectation?

In North Carolina, the Prime on a CM at Risk project is prohibited from self-performing any work. The MSI, or its sub-contractors would therefore be responsible for procuring all equipment, materials, and software, and for performing all construction, installation, and associated tasks.

2. Will there be any hydrant fueling or piping installed for possible future pricing?

No.

3. Are there any goals for sustainability?

There are no goals for sustainability. However, as the project design progresses, any cost effective and reasonable sustainable design features will be given consideration for inclusion into the project.

4. Will the successful IT integrator be precluded from performing any actual work?

No. The MSI is intended to be a first-tier sub-contractor to the CM. The MSI may sub-contract and/or self-perform work it is qualified to perform.

5. Will an in-line BHS (Baggage Handling System) be included in the project, if so, does GARAA have a design OTA (Other Transaction Agreement) in place with TSA?

Yes. An inline BHS will be included in the project. An OTA with the TSA is not in place. TSA is aware of this project and will be involved in the design process for areas and equipment within its purview.

6. Are there any DBE/MBE requirements for this contract?

Yes. There will be DBE participation requirements for the construction phase of the project. The airport's current three-year DBE Methodology program will expire before the start of the construction phase, and the goals that are established in the next DBE program cycle will apply. For reference only, the airports current FY 20/21 DBE goal is 12.2%.

7. How will the project be funded?

The project will be funded through a combination of bonds, federal funding, and state funding.

8. Is there an overall scheduled completion date for each phase and the total program?

It is presently anticipated that construction will start in early 2022, with an approximately three-year overall construction schedule to full completion. Each phase is intended to have its own individual calendar day limits. However, it is too early in the design process to be able to make a determination on those schedules yet.

9. Given the requirements for the IT firm, can the page count be increased?

If needed, one additional sheet of paper, utilized front and back (for a total of two pages) may be added to the overall SOQ submission to document the qualifications of the MSI in conjunction with Criteria 3. All other rules for formatting contained in Section 2.4 of the RFQ must be followed. If the additional sheet is used, it may only be used for the purposes of documenting the qualifications outlined in Criteria 3 of the RFQ.

10. Has the DBE goal been established yet? If not, when is it anticipated?

See answer to Number 6 above.

11. Are firms who work on the design side allowed to team with primes on this contract?

No. This is not permitted in North Carolina under the CM at Risk delivery method.

END OF WEBEX Q&A.

Asheville Regional Airport

Terminal Modernization Project – Phase II

RFQ Questions & Answers

The following questions are those received subsequent to those asked during the Pre-Submittal Webex meeting held on June 18th, 2020.

1. Please clarify the intended role of the “IT Master Systems Integrator” during the construction portion of the project. It was noted during the pre-bid meeting Q&A period that the intent was for the IT MSI subcontractor to perform “installations” during construction.

In an effort to ensure complete understanding and provide clarity as to the role of the IT Master Systems Integrator (MSI), the participation and role of the MSI is being revised from that information disseminated during the pre-submittal meeting. The IT MSI shall now be an integral part of the CM team only and shall not be responsible for procurement of equipment or provide any installation services. The ability for the CM to self-perform any work relevant to the construction phase shall be limited to pre-approved work in compliance with any and all restrictions in accordance with NC General Statutes.

The IT MSI shall assist the CM during the pre-construction phase as it relates to all of the CM’s pre-construction phase duties, specific to all IT and special systems. Further, the IT MSI shall assist the CM during the construction phase with overall coordination of all systems sub-contractors (all tiers), equipment, work, integration, quality control, software, interoperability, networking, testing, and any other task necessary for complete and total completion of any and all IT and special systems that are included in the project.

Submitting firms are specifically informed that multiple Information Technology consulting firms exist that are capable of performing this function as part of the CM team, and which are not engaged in the manufacture or installation of such equipment, software and systems. Such firms would therefore not create conflicts of interest that would preclude the use of certain manufactured brands of equipment and systems, and/or create a potential issue over sole source design and/or self-performance of work. Submitting firms are able to utilize either such a consulting firm as the MSI, or another contracting firm for the provision of such services, subject to the limitations on self-performance of work by the CM and in accordance with the NC General Statutes.

2. Please verify the following regarding the IT MSI scope of work moving from preconstruction into construction:

Is it the intent of the RFQ to have the IT MSI stay involved in only a consultation role, during both precon and construction, performing oversight and coordination of low voltage systems as listed in the RFQ? Or, are they to perform purchasing and installation during construction as well?

See answer to Number 1 above.

3. If the response to question #1 is to have purchasing and installation by this subcontractor during construction, please clarify the subcontractor's role around NC General Statutes under the CMAR delivery method:
 - a. Is the CMAR allowed to self-perform this work under NC General Statute 143-128.1 paragraph (c) without first having a public bid opening (with specific reasoning to trigger self-perform requirements with Owner's approval)?
 - b. If we are not able to self-perform the work, under NCGS 143-129 we must publicly prequalify "subcontractors" and bid subcontractor work, so the IT MSI subcontractor selected for precon services may not be the lowest responsive bidder for the construction work.
 - c. Would the role of the IT MSI during preconstruction preclude the IT MSI subcontractor from being prequalified and/or bidding the construction period work as having an unfair advantage in design integration?

See answer to Number 1 above for a,b and c above.

4. Please clarify RFQ Section 3.1H (selection criteria #8) for Fee/Profit regarding its inclusion as a basis of CMAR selection of up to 15 points. Our understanding of CM at Risk selection under NC General Statutes 143-128.1; paragraph (b) is that at CMAR shall be selected under Article 3D (Procurement of Architectural, Engineering, and Surveying Services) of Chapter 143. Article 3D (GS 143-64.31) paragraph (a) states that a CMAR will be selected on the basis of demonstrated competence and qualification without regard to fee at this stage, and thereafter to negotiate a fair and reasonable fee with the best qualified firm.

This project will be funded in part utilizing Federal Aviation Administration (FAA) Airport Improvement Program (AIP) funds issued under one or more federal grants. As a condition of accepting federal grant funds from the FAA for this project, the airport is obligated to follow the FAA's requirements for procurement of services. In cases where the FAA requirements and State requirements may contradict each other, the FAA (federal) requirements are superior to, and override those of the State. Also, as a condition of accepting federal funds for this project, the FAA was required to review and approve the selection process for the Construction Manager at Risk delivery method. This review resulted in a conditional approval, which required the fee/profit to be a consideration in the selection of the CM in accordance with FAA AC 150/5100.

*In accordance with FAA AC 150/5100, the requirement to provide a fee with this SOQ submittal is no longer required and is being removed from the RFQ submittal requirements. However, firms that are short-listed for further consideration **will be required to submit a proposed fee** with their subsequent submittal to the Authority as a condition of continued consideration for selection of CM services associated with this project.*

5. Please confirm that the new gates will be common use. If confirmed, will the Authority be contracting with a common use integrator or will this be provided through the CMR under the MSI?

The new gates will be common use. However, the CM will be responsible for providing these systems through a subcontractor, with oversight by the MSI as part of the CM team.

6. Will the Authority be managing project grants, FAA, TSA, etc., or will this be the responsibility of the CMR?

All federal and state grants will be managed by the Airport Authority.

7. Who is the Airport currently using for Building Management?

The Airport has very little Building Management/Energy Management controls currently in place. The existing HVAC system uses WebControl from Harris Integrated Solutions for its management throughout the terminal building.

8. Who is the Emergency response system and fire alarm system provider at the airport today?

The Airport is currently using a SimplexGrinnell fire suppression system throughout the terminal building.

9. Does the airport manage their own converged network or is there a third party managing it?

The Cisco layer 2 / layer 3 data network is managed by the Airport Information Technology Staff.

10. Can you provide what software/system the Airport uses for the following:

- a. Building Management System (BMS)

See Number 5 above.

- b. Fire Alarm System

Simplex.

- c. Telecommunications Spaces (MDF, IDF, radio rooms)

This is a broad question and not understood. These spaces include equipment and systems for multiple applications.

- d. Video Management System (Cameras)

This is considered Security Sensitive Information (SSI) and is not available during this portion of the selection process.

- e. Access Control Systems

This is considered Security Sensitive Information (SSI) and is not available during this portion of the selection process.

- f. Broadcast Television Distribution (IPTV)

Atmosphere TV.

- g. Multi-User Flight Information Display System (MUFIDS)

Commnet.

- h. Public Safety and Operations in building radio distribution (800 MHz, 900 MHz etc.)

The existing terminal building complex pre-dates the requirement for an in-building radio distribution system, and therefore does not have one. However, for reference purposes only, the airport currently has infrastructure and equipment in service for the following radio systems:

- NXDN VHF trunking system*
- City/County 700/800 MHz trunking system*
- NC State VIPR P-25 Phase II 700/800 MHz trunking system*

- i. Distributed Antenna System (DAS)

Erickson Dot provided by American Tower.

- j. Common Use System (CUTE, CUSS, CUPPS)

Amadeus (formerly Air IT)

- k. Emergency Mass Notification System

Everbridge.

- l. Telephone (VOIP, traditional)

Cisco Call Manager/Unity

- m. Public Address / Audio Paging System

Commnet.

11. Criteria 6 requests information regarding Disadvantaged Business Enterprise (DBE) to achieve GARAA's goals. The 2nd to last paragraph of section 6 states the "DBE goal for the project will need to be met through obtaining participation of **NCDOT certified companies** for any area of work related to this project". Looking at the doing business with AVL website, specifically the DBE program page, also refers to firms that have been certified through North Carolina's Unified Certification Program. Will the airport recognize or include firms that have been certified by the State of North Carolina Office for Historically Underutilized Businesses? Will State certified "HUB" firms contribute to the airport's DBE program goals?

No. Due to the inclusion of federal funding on this project, and in accordance with the FAA requirements followed by the airport, only recognized DBE firms are able to contribute to the airports overall DBE participation goal. The airport generally recognizes and accepts any firms that are on the state's list of certified DBE's as satisfactory in contributing to meeting this goal.

12. Is there a preference for the CMR Firm to be organized as a single contracting entity with sub tier teammates or a Joint Venture? Please advise.

No preference.

13. What ability would the CMR have to self-perform work? The North Carolina Statutes seem to be extremely limited on the circumstances which a CMR can self-perform work on a project.

- a. Would GARAA's requirements to self-perform work be more restrictive than the North Carolina Statutes?

No. The Authority will follow the NC state statutes relating to the restrictions on self-performance of work under the CM delivery method.

- b. Would CMR be able to perform specific activities/services like layout, dumpsters, temporary toilets, cleaning services, temporary partitions, etc. or would they need to be subcontracted as well? We have seen this type of work be included in the CMR's scope and this to be much more efficient than the alternative.

The CM would be permitted to self-perform this work if permitted in the NC statutes.

- c. If not able to self-perform work, does that impact the need of the CMR to have an IT Master Integrator on the team? If it is still required, would the IT Master Integrator be able to self-perform the work or any work?

See answer to Number 1 above.

- d. If the CMR wishes to compete as a subcontractor bidder for certain work packages and was the competitively bid best value, could they be awarded certain lump sum work packages?

As noted, NC statute generally prohibits the CM from self-performing work except with strict limitations. Only work permitted and approved under the NC state statutes would be considered, and then only, if competitively bid.

14. How many will comprise the selection committee? Who will make up the selection committee? Can any specifics be released about the selection committee?

The selection committee will be comprised of up to seven (7) members of the airport's senior and Planning Department staff, possibly including one person from outside the organization with experience in delivering projects utilizing the CM method. The project architect may participate as an observer but will not be a voting member of the committee.

15. What are the funding sources for the project?

The project will be funded with a combination of federal and state grants, and local cash and bonds.

- a. Has the funding already been received?

Certain state funds have already been received for a portion of this project.

- b. Has the funding already been committed?

The FAA has committed certain federal funds for a portion of the project, and additional funding from the state is also available for the airports use in this project.

- c. If grants are a source of funding, can grant agreements be provided for review?

Since grant funds to be provided will be made available to the airport on a phased basis each year of the project, grant agreements for all of the expected funds do not yet exist. Once in place, those documents are a matter of public record and available through public record requests. There are no grant agreements currently in place that are considered relevant to the solicitation of this proposal however.

16. Is there any current specific bid process by which first tier subcontractors will be procured that the CMR will need to follow? If so, please provide details?

First tier sub-contractors will be required to pre-qualify in accordance with the Authority's policy for same. A typical sealed competitive bid process will be followed for the receipt of all bids, with such sealed bids being opened and read aloud at the scheduled bid opening.

17. The excess insurance requirements (Article B.4) are much higher than market expectations and would negatively impact subcontractor interest in the project and project cost. Is GARAA open to reducing these requirements for certain subcontractors at the CMR's recommendation to a more typical value to not negatively impact subcontractor interest or project cost?

Since the pre-submittal meeting, the Authority has determined that an Owner Controlled Insurance Policy (OCIP) is in its best interest. The Authority will therefore provide an OCIP, subject to the details provided elsewhere in Addendum No. 1 to the RFQ.

18. We are attempting to determine a level of effort of preconstruction services. The preconstruction services indicate a "review of detailed cost estimates at each stage of the design"? Will these cost estimates be developed by others and reviewed by the CMR?

It is the responsibility of the submitting party to identify the necessary preconstruction services needed to complete the project. At a minimum, those would include constructability reviews, phasing, cost estimates, consideration for early work packages, scheduling, sub-contractor (market) engagement and

necessary site investigation at each major design deliverable. The CMR is planned to be engaged in the early schematic design window and will start to provide this information with the SD deliverable. This would also include design development and to be defined milestones in construction documents, however, anticipated to be a 90% and then 100% submission. The design team has a cost estimator on board and will utilize those services or a ROM estimate at SD, detailed estimate at DD and pricing evaluations in the CD window.

- a. If developed by the CMR, can GARAA provide any clarity to the preconstruction scope of services regarding how many stages and at what stages will constructability reviews and updates to the cost estimates and schedule will be required?

See answer above.

19. Please confirm that any delay not caused by the CMR would entitle the CMR to an extension of the Contract Time.

No. Extensions of time would be granted if changes in the scope of work were implemented which warranted such time extension.

20. Please confirm that a delay caused by the Owner, Architect, or Separate Contractor would entitle the CMR to an increase in the GMP and extension of the Contract Time.

No. Extension of time and any changes to the GMP would be tied directly to any changes in the scope of work that warranted such time extension or change (increase or decrease) in the GMP.

21. Please confirm that any insurance provided by the Owner will include a waiver of subrogation against the CMR.

A mutual waiver of subrogation will be in place for B risk coverage procured by the Auth.

22. Please confirm that Builder's Risk Insurance is to be provided by the Owner and the CMR will be able to include cost of DIC insurance as a cost of the work.

Yes, Owner will provide Builder's Risk coverage. However, the CM will NOT be able to include a DIC cost. Winning bidder will be involved in the placement of B Risk to ensure adequacy of limits and sub-limits for the benefit of all project participants. CMAR and all subcontractors, as their interest appears, will be named as insured on the B Risk policy.

23. Our understanding of North Carolina Statute 143-64.31(a) is that selection of a Construction Manager at Risk shall be made "without regard to fee other than unit price information at this stage and thereafter to negotiate a contract for those services at a fair and reasonable fee with the best qualified firm." Can you please elaborate on what you would like to see provided for Criteria 8?

See answer to Number 2 above.

24. There will be necessary leadership team members who are part of the CMAR team who will need to visit the jobsite frequently to ensure project success but will not be onsite full time. Would travel reimbursement be acceptable per GSA guidelines/per diem rates?

No, only necessary onsite supervision.

25. Please confirm the CMAR will be allowed to utilize a Contractor Controlled Insurance Policy.

The CM will be allowed to utilize a Workers Compensation Only CCIP if it so chooses. The Authority has elected to procure a General Liability only CCIP.

26. Please confirm if the CMAR will be allowed to utilize a subcontractor default insurance policy in lieu of each trade providing a P&P Bond. These programs provide ownership with a superior risk mitigation model, better rates, and allows for more trade contractor participation.

The CM may propose an SDI policy as an alternative to P&P bonds, but CM and any other primes with direct contracts with the Authority shall provide P&P bonds. It is still to be determined if an SDI policy will be acceptable. If proposed by the selected firm, costs shall be provided for both options.

27. Will Davis Bacon Wages be required for the entire project or just the portion of the project that is funded with federal money?

Davis-Bacon wage rates will apply to the whole project.

28. Item 3(b) of the Revisions/Amendments indicates that the Owner has added a "Disclaimer of Warranty" of the Drawings and Specifications prepared by Architect as Article 1.1.9 of the A201-2017. Because the Contractor is not hiring the design professionals, will the Owner be willing to recognize in the Agreement that the Contractor is not liable for deficiencies in the Drawings and Specifications?

The CM shall not be liable for deficiencies in the Architects drawings. However, this does not release the CM from liability associated with constructability, means and methods, and other requirements that the CM would reasonably and typically

be responsible for under the CM delivery method.

29. Please clarify the Owner's preference on which party is to carry the Builder's Risk (BR) insurance?

Owner/Authority will provide builder's risk.

30. If the Owner elects to provide the Builder's Risk insurance, will the Owner provide its policy for review and be willing to revert back to an industry standard mutual waiver of subrogation clause in the Agreement so that the Contractor can rely on this coverage (Item 3(t) of the Revisions/Amendments deleted the Owner's waiver of subrogation, which would expose the Contractor to claims by the Owner's carriers in the event of a covered loss)?

The Owner/Authority will procure Builder's Risk Insurance. CM and all subcontractors, as their interest appears, will be insureds under this policy.

31. In order to achieve more competitive pricing, would the Owner be willing to agree that delays caused outside the control of Contractor (or by Owner and those for whom Owner is responsible) are compensable and/or would Owner be willing to discuss reaching an agreement on a stipulated rate for extended general conditions for such delays?

No. Compensable work that changes the GMP or contract time shall be tied to changes in the scope of work that warrant such changes.

32. It is not industry standard for the Contractor to have to indemnify the Architect and Architect's consultants, agents and employees. Has the Architect likewise agreed to do the same for the selected Contractor or would the Owner be willing to modify this requirement (in Section 3.18.1 of the A201)?

A mutual indemnification will be sought in the final contract document to the extent practical given that the architect's services are provided under a separate contract not subject to A201.

33. The Sample A133-2019 Exhibit B at Section B.3.1.3 indicates that Contractor is to include Architect and its consultants as additional insureds on Contractor's commercial general liability (CGL) coverage, which is not industry standard. Does the Architect include Contractor as an additional insured on its CGL coverage or is Owner willing to remove this obligation?

See answer to Number 17 above.

34. Will the Owner be willing to have a Construction Contingency and an Owner's Contingency (if it desires), with the CMAR having exclusive use over its Contingency in order for Contractor to better manage the Guaranteed Maximum

Price?

No.

35. Is the Owner willing to discuss having stipulated rates for insurance, personnel, and equipment or rates based on a multiplier which is consistent with CMAR procurement/execution?

The intent of this question is unclear and unable to be answered.

36. The RFQ states that SOQ submissions may be delivered by mail (U.S. Postal Service, Federal Express, UPS or comparable delivery services). Are hand-delivered SOQ submissions permitted? And if so, where should they be delivered to?

Yes. Submittals that are hand delivered will be received at the Administrative Office of the Authority, which is located on the second floor of the main terminal building over the ticket lobby. The physical address is the same as that for submittals that are mailed. Hand delivered submittals must be turned into the Administrative Office receptionist by the same deadline as those that are received by mail.

37. Section 2.4 states "The SOQ is limited to a maximum of 12 sheets of paper . . . "We assume the page count does not include the required tabs used to separate the sections. Please confirm.

Yes. This is stated in the RFQ.

38. Section 3.1 A requests "satisfactory references addressing the Firm's performance on those projects." We assume the references are to be listed by name including contact information (telephone and/or email) as noted. Please clarify if additional information or written statements from references is required.

These requirements are stated in the RFQ.

39. On Page 7 of the RFQ it states that "Each SOQ must contain the following sections, separated by tabs.." and lists "**A. SOQ Cover Sheet, B. Statement of Qualifications, C. Resumes of key personnel, D. List of references**". Sections C and D are both part of section B. Is the intent to provide the information twice?

The information provided in the SOQ for Criteria 2.B should focus on the key team members qualifications and experience related to directly relevant aviation projects, but should not be the team members resume, and while it may reference certain projects, should not include a list of references. The resume

can be provided in section C, and the specific list of references, including points of contact, in section D.

40. Please confirm that the tabs for the binder should be:

- A. SOQ Cover Sheet
- B. Statement of Qualifications
 - a. Criteria 1 - 9
- C. Resumes of key personnel
- D. List of References

Yes.

41. On Page 7 of the RFQ it references a "SOQ Cover Sheet" please provide more detail on what this entails.

The contents of the SOQ Cover Sheet can be defined by the submitting firm, but generally is in the form of a letter of transmittal. No specific requirements exist for this.

42. In reference to Criteria 8 – Fee & Profit: Please further define information we should provide related to this Criteria?

See answer to Number 4 above.

43. Is it the intention of AVL for the CMR to have an Information Technology consultant (sub-contractor) as part of the core team throughout the planning, design, and construction of the building and of its systems or a solution provider (or product vendor) to serve as an IT Master Systems Integrator?

See answer to Number 1 above.

44. Is it the intention of AVL to identify any sole source solution providers (vendors) as part of the RFP? Sole sourcing may have an impact to the IT Master Systems Integrator role and selection.

There is no sole sourcing on this project.

45. Is it the intention of AVL to have in the CMR scope the migration of airlines? Technical coordination with the airline local stakeholders and HQ decision makers is required. If the intention, it may have an impact to the Information Technology consultant or IT Master Systems integrator requirements. Past experience with modernization projects such as AVL would have the airline migrations in the scope of the CMR.

Coordination with airlines and other stakeholders will be a joint effort that includes the CM and Authority staff, along with the MSI as part of the CM team

as outlined in Number 1 above.

46. Design-Assist was identified as a requirement on the pre-bidders presentation and Q&A. Does AVL have a specific scope of systems or will the design-assist be across all systems.? The design-assist requirements may have an impact to the Information Technology consultant or IT Master Systems Integrator requirements.

All systems.

47. Is there a project schedule available that indicates milestone dates for key design and construction activities and all identified target phasing completion established at this time?

It is presently anticipated that construction will start in early 2022, with an approximately three-year overall construction schedule to full completion. Each phase is intended to have its own individual calendar day limits. However, it is too early in the design process to be able to make a determination on those schedules yet.

48. RFQ states CMR will be required to prequalify all 1st tier subcontractors and specifically the IT Master Systems Integrator. What documents will you require and when based on our selection?

Once a firm is selected to perform CM services, the pre-qualification of first tier subcontractors is expected to begin immediately thereafter. See Number 1 above regarding the MSI role.

49. The CMR may retain firms to provide staff augmentation during the preconstruction and/or construction phase. Does AVL consider strategic partners / sub-consultants providing these services 1st tier subcontractors?

Partner firms/companies that are part of the CM team and were included/identified during the submittal and selection process will be considered part of the CM team, provided they are contributing relevant services during the pre-construction phase. Any firm/company that intends to provide construction related services during the construction phase will be considered first tier sub-contractors.

50. Will CMR respondent be able to provide a cover letter which will not be counted in the page limit?

No.

51. In order for Asheville Airport to understand the capabilities of multiple MSI's, is it acceptable for CMARs to submit multiple firms in their RFQ response?

No.

52. With the MSI role being a significant part of the project, is there a consideration for Asheville Airport to review qualifications of multiple firms? And if so, could this consideration include a direct submission of these qualifications to the Airport Project Team for visibility?

No.

END OF SUBMITTED QUESTIONS AND ANSWERS

IT Design Scope of Work



Arora Engineers, Inc.
1600 Market Street, Suite 1630
Philadelphia, PA 19103

P (215) 564-4677
F (215) 564-4678
aroraengineers.com

RE: Asheville Regional Airport (AVL) Phase 2 Terminal Modernization Project - Special Systems, Fire Protection and Code Consulting

Arora Engineers, Inc. (Arora) is pleased to offer this fee proposal for Special Systems and Fire Protection Engineering as well as Code Consulting services associated with the AVL Phase 2 Terminal Modernization Project.

Project scope of work includes following:

Arora understands to the scope of work to include the following major elements:

- ▶ The expansion and modernization of the existing single story, seven gate terminal building to a two story, twelve gate terminal building.
- ▶ New second level security screening checkpoint to allow for future growth and adaptability to evolving security needs.
- ▶ A modernization and resizing of the ticketing lobby to accommodate multiple users and growth.
- ▶ An enhanced curbside which may include dynamic signing elements.
- ▶ New baggage claim hall sized to meet the intended fleet mix and provide the necessary airline and airport support space.
- ▶ The consolidation of a checked baggage inspection system with supporting baggage makeup areas for outbound baggage.
- ▶ Central Energy Plant located on site to support the growing infrastructure needs while providing expandability and redundancy.
- ▶ A new second level boarding concourse with expanded hold rooms supporting the projected fleet mix.

Arora's design and engineering scopes of work will be all inclusive of special systems and fire protection and associated code consulting to accommodate the major scopes of work. The systems being designed include the following:

Special Systems:

- ▶ **Structured Cabling System** - The terminal structured cabling system will support all networked systems. The SCS is the backbone of all communications. Arora will coordinate, document and design all systems structured cabling requirements including MEP systems, tenants' systems, TSA, CBP, ACS, CCTV, EVIDS, CUPPS etc... such that the project requires only one structured cabling systems contractor. The structured cabling design will include fiber optic and copper cabling backbone designed to support all systems plus growth capacity, which will be confirmed meeting with stakeholders however Arora typically will assume 50% growth. Along with structured cabling Arora will provide all infrastructure design for backbone communications cables including cable tray and conduit(s) required, closely coordinate with other building systems for routing including but not limited to structural, mechanical and baggage systems. Very closely related to the SCS are the required telecommunications rooms (TR's) for termination of passive infrastructure and origination of active networking components as well as space for ACS and other systems. Arora will work closely with building architects to appropriately size TR's based on areas served and systems supported. Arora will provide all design and layout of cabinets, racks, wall fields, cable tray and telecommunications grounding systems.
- ▶ **EVIDS** - Electronic video information displays include all dynamic displays relevant to the project. EVIDS have quickly become a useful system to enhance the customer experience. Arora will investigate and propose opportunities for customer experience enhancements as appropriate. EVIDS includes traditional FIDS, BIDS, GIDS, RIDS, TIDS, Visual paging etc.. .
- ▶ **Public Address System** - Public Address/Audio Paging System - Arora will provide design and engineering for the PA system including;
 - Speaker selections and locations coordinated with architect
 - Ambient noise sensing system
 - Intelligibility calculations for all areas
 - Paging station requirements
 - Mass notification requirements including
 - Backup power requirements for PA system components
 - Network device requirements
 - Paging system zoning, coordinated with MNS design
 - Integration with common use system for automated gate boarding as required
 - Integration with EVIDS and Visual paging systems for emergency notification and mass notification
 - Wiring diagrams
 - Elevations
 - Details
- ▶ **Access Control and CCTV** -
 - Arora will design security technology and infrastructure based on regulatory need and thorough risk assessment which defines and/or references the application of these technologies within the scope of the DHS/TSA required Airport Security plan. Once the

threat assessment is complete and the access control and CCTV requirements are clear, Arora will proceed to design the systems. Arora expects that CCTV cameras will be designed using the latest in IP camera technology, connected via the SCS to secure telecommunications rooms and storage network. Arora will select CCTV camera specifications based on the camera's location, height and view. Arora expects the design to enable different terminal stakeholders to access video associated with their roles in the terminal for example, security checkpoint cameras should be made available to the TSA for viewing. CBP should have similar option.

- o CCTV cameras will also be designed as part of the baggage handling system, but part of the airports CCTV system. Arora has designed CCTV systems for check baggage inspection and baggage handling systems for many airports. Typically, Arora will identify with the BHS designer areas of potential jams and design CCTV cameras for those areas as well as monitoring of screening devices. CCTV camera views will be made available in the BHS system operation office or room as well as TSA screening rooms as required.
 - o Access control will require the design of access control doors, equipment, infrastructure, management software, integration with Fire, EVIDS, CCTV and BHS. Arora will work with the architect to identify and coordinate all access control door hardware. Arora assumes that all access control doors will also be accompanied by a CCTV camera for alarm call up. Arora will identify suggested locations for sally ports, and design appropriate access controls for security checkpoints and law enforcement office lanes.
 - o Access control will need to integrate with the baggage handling system. Access Control Integration and Procedure for BHS, FirE? Integration with Security for BHS will be part of the Arora Design. All Baggage handling systems which cross from public space to secure or sterile space will be controlled and monitored by Access / Security Surveillance System (SA/SS).
 - o Arora will provide design for all required ACS and CCTV devices required for the new checkpoints inclusive of duress systems and required.
- ▶ **Wi-Fi, DAS** - Arora will include the design of Wi-Fi and DAS systems as required and directed by the owner. Arora assumes 100% wi-fi coverage for public areas and will work with AVL for any additional coverage requirements as well as DAS requirements.
- ▶ **Passenger Processing Systems** - Arora will provide special systems design and engineering for common use systems or traditional passing reprocessing systems as required. Passenger processing is a critical piece of the customer experience. Arora will work closely with the architect regarding common use equipment selection, locations functionality and programming. Arora is prepared to provide engineering and specify requirements for self-bag tag minimally. Arora will coordinate all ticketing and gate use equipment power requirements with other consultants as required, as well as millwork coordination. Arora will specify integration requirements between the common use system, MUFIDS, baggage reconciliation systems and public address/visual paging/mass notification systems as required. The design and engineering will include all required specifications and details as well as structured cabling requirements, which will be coordinated with another consultant.

- ▶ **Fire Protection** - Arora understands to the scope of work to include the design of various fire protection systems to provide a fully sprinklered building as required by Code. These systems include standard wet and dry water-based sprinkler and standpipe systems as well as deluge sprinkler, pre-action sprinkler and gaseous suppression systems for high value or high challenge assets. The fire protection systems shall be designed in accordance with the applicable building codes and NFPA standards. Water based fire suppression systems shall be supplied by the existing water infrastructure however hydraulic calculations shall be performed to verify the existing capacity meets the proposed demand. The alteration of existing systems shall account for construction phasing to ensure fire protection protecting occupied areas always remain operational.
- ▶ **Code Consulting** - Arora's in-house design professionals shall support the team with code consulting services. These services will include occupancy classification, egress coordination, definition of fire/life safety strategies and the analysis of codes and design features.

EXHIBIT I

CONSTRUCTION
MANAGERS

(HENSEL PHELPS)

GENERAL PROPOSAL



HENSEL PHELPS
Plan. Build. Manage.

Interview ATTENDEES












NAME	TITLE	COMPANY	EMAIL
In Person Interview Attendees			
 Brandon Rutterford	Project Manager	Hensel Phelps	brutterford@henselphelps.com
 Ben McMillan	Site Superintendent	Hensel Phelps	bmcmillan@henselphelps.com
 Mark Graham	Sr. Project Manager	Intellient	mark.graham@intellient.net
WebEx Interview Attendees			
 Kirk Hazen	Vice President	Hensel Phelps	khazen@henselphelps.com
 Michael Dwight	Project Executive	Hensel Phelps	mdwight@henselphelps.com
 Scott Shelby	Operations Manager	Hensel Phelps	sshelby@henselphelps.com
 Don Shoop	General Superintendent	Hensel Phelps	dshoop@henselphelps.com
 Tim Davis	Senior Estimator	Hensel Phelps	tdavis@henselphelps.com
 James Harper	Manager of Supplier Diversity	Hensel Phelps	jharper@henselphelps.com
 Brad Miller	Preconstruction Superintendent	Hensel Phelps	cmiller@henselphelps.com
 Craig Fuller	IT Project Executive	Intellient	craig.fuller@intellient.net

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* Indicates not included in page count

WE UNDERSTAND AVIATION CONSTRUCTION.

Hensel Phelps is proud to have been shortlisted for the AVL Terminal Renovation and Expansion Project!

We are committed to partnering with the Greater Asheville Regional Airport Authority (GARAA) and the Gresham Smith design team to develop successful solutions that meet the new program needs. The AVL Terminal Modernization project is a strategic target for Hensel Phelps, due to three primary factors:

1. Where our people want to work: Our company success is the result of our proactive project management culture that reduces our client's and design / trade partners risk, builds trust, and produces long-term, sustainable, and economic building solutions. A testament to our approach is that 80% of our active contracts are for repeat clients. Our management philosophy only works when our staff is 'on the ground', living and working in the community where we are building. It is cities like Asheville that drove us to establish the Mid-South Office, because our people want to live and work in cities like Asheville that have a stable economy, a unique culture, and strong schools.

2. High probability for success: Active airport renovations are one of the most risky and complicated types of projects in our industry. Our people's extensive hands-on experience with this type of work has allowed us to be very successful at managing these risks and continue to build profitable projects and long-term client relationships in the aviation industry.

3. Supports growth in the Mid-South Region: Hensel Phelps has executed multiple projects in this region in the last two decades out of our two district offices in Tysons Corner, Virginia and Orlando, Florida. Three years ago, we established a regional office in Nashville, Tennessee that supports projects in Alabama, Kentucky, North Carolina, South Carolina, and Tennessee. This office supports over 140 salaried staff and the timing meets our resource availability.

All airport projects are unique, our formula for success is:

- ✓ Select the best qualified staff that can relocate and integrate into the community and project team
- ✓ Build a relationship based on trust by always working in an open and transparent manner with all partners
- ✓ Collaborate with all stakeholders to leverage ideas that will support the airport's goals
- ✓ Proactively support the team with decision ready information regarding the cost and schedule options to be evaluated
- ✓ Continually engage the trade partner community to ensure strong competition on pricing and treat everyone fairly
- ✓ Diligently plan, communicate, and monitor work to ensure safety and minimize disruption to daily operations

We have fun doing what we do, and we build long term relationships with our partners. 80% of our active contracts are for repeat clients. When you do what you say you are going to do, people like to hire you again.

Our airport clients typically do not have flexible budgets. The mechanisms that fund appropriations are fixed but passenger growth, technological, and security industry advances demand facility expansions. These challenges need real world solutions. These solutions take a team of designers, builders, and airport operations specialists working together to solve.

We are excited about the challenge this project presents and look forward to developing a long and successful partnership with GARAA's staff.



MICHAEL DWIGHT
Project Executive
Hensel Phelps

☎ 615.988.1115

✉ mdwight@henselphelps.com

📍 162 Rosa L. Parks Blvd., Nashville, TN 37203

2. TEAM MEMBERS

Delivering EXCELLENCE in all we do. This is not only our long-term goal but what we strive for each day. This vision sets the tone for everything that we do. Decades ago, our founders formed a company rooted in integrity, hard work, and grit. Today, Hensel Phelps recognizes that our most valuable assets are the men and women in the red, white, and gold hardhats who for decades have distinguished themselves by creating efficient processes, forging strong partnerships, and using innovative technology. Clients refer to this combination as The Hensel Phelps Way; *an uncompromising culture of safety, quality, and sustainability. It's a part of our culture to explore new markets and partnerships, to invest in diversity and our communities, and to forge new opportunities. We are dedicated to serving our people, our clients, our trade partners, and our neighbors.* Hensel Phelps is committed to continuing our legacy - not only through brick and mortar landmarks but through the integrity of our team members.

Ownership, Integrity, Builder, Diversity, and Community - these values, paired with our ambitious vision and drive to succeed, are what define Hensel Phelps. Constructed from dedication and hard work, our core values have represented our company as well as each individual that make our projects possible. **DELIVERING EXCELLENCE IN ALL WE DO**, creates a clear vision of knowing what we stand for, so we can stand a part to stand the test of time.

Our core values are our guiding principles that define our culture and guide us every day:

- ✓ **Ownership.** We take responsibility. As an employee-owned company, we have a stake in everything we do.
- ✓ **Integrity.** We work with integrity and are committed to honesty, building trust and doing the right thing. We provide a workplace free from hazards.
- ✓ **Builder.** We are builders. We safely self-perform our work while building teams, people, partnerships and legacies.
- ✓ **Diversity.** We embrace diversity. From our people, to our partners, to our projects — these differences strengthen our teams and our business.
- ✓ **Community.** We support our community. We care for our employees, colleagues, and neighbors like a family.

Delivering EXCELLENCE at AVL. In order to deliver excellence at the Asheville Regional Airport we began our approach by selecting our team for this project. We took many factors into consideration, including; *relevant project experience, tenure, and experience working together.* As you read through this proposal you will find that the Hensel Phelps Team isn't a group of strangers, they are coworkers and teammates who have done more than simply work for the same firm, but have extensive experience working together on aviation projects. **The average Hensel Phelps tenure of our key personnel listed below is 18 years!** Why is this important? When you take a look back at our project portfolio that includes 293 aviation projects at 34 airports across the country, as well as being named the #1 Aviation Contractor by multiple entities for the past 5+ years, you find yourself asking what is the special ingredient that causes this success? **It's all about having the right people on the job!** Staffing each project with tenured aviation builders who have worked together before and bring all their knowledge with them to each project assigned is our secret ingredient. There will always be challenges and complex constructability and design hurdles to overcome with any project, but the difference is the team on your side ready and capable to tackle the mission head-on.

As evident from our company core values, Hensel Phelps is committed to investing in new markets and communities. When we lay down roots in a geographic area, we aren't just flying in and out to support a project from afar. Our team jumps in whole heartedly moving employees and their families to become a part of the community.













For example, in late 2017 Hensel Phelps was awarded a design-build contract for the Nashville International Airport (BNA) Concourse D and Terminal Wings Expansion project. Three months later, we were awarded the contract for the new GSA Federal Courthouse in downtown Nashville. By the end of 2018 we had 55 staff members and their families in Nashville! At the end of 2018, we were awarded our second contract at the Nashville International Airport and two projects in Huntsville, Alabama. Today, our Nashville Regional Office supports 140 employees.

The chart on the next page highlights the recent and relevant aviation experience of each member of our team as well as the specific characteristics of each projects that are relevant to the Asheville Regional Airport Terminal Modernization Project.

Delivering

EXCELLENCE



in all we do.

Team Member & Role 	Responsibilities 	Recent Aviation Experience 	Similar Characteristics to the AVL Terminal Expansion								
			Gates / Fuel Work	TSA Security Lanes	Apron Work	Hold Rooms	Ticket Counters	Baggage Systems	IT Upgrades	Multi-Phased	CM-at-Risk
Full-Time Onsite - Asheville, NC	 Brandon Rutterford Project Manager Years of Experience: 19 Onsite in Asheville: 100%	MCO South Terminal Complex \$570M	X		X	X			X		X
		HOU International Terminal Expansion \$124M	X	X	X	X	X	X	X	X	X
		BWI Terminal A&B Expansion \$168M	X	X	X	X	X	X			
		DFW Automated People Mover Station \$195M	X		X						X
	 Ben McMillan Site Superintendent Years of Experience: 11 Onsite in Asheville: 100%	BNA Concourse D \$275M	X	X	X	X	X	X	X	X	
		MCO Airside 4 Renovation & Expansion \$93M	X	X	X	X		X	X	X	
		MCO Automated People Mover \$262M	X		X						X
	 James Oliver Lead Project Engineer Years of Experience: 6 Onsite in Asheville: 100%	BNA Terminal Lobby & IAF \$375M	X	X	X	X	X	X	X	X	
		MCO South Terminal Complex \$570M	X		X	X			X		X
Preconstruction Support - Nashville, TN	 Tim Davis Senior Estimator Years of Experience: 22 Onsite in Asheville: 50%	BNA Concourse D \$275M	X	X	X	X	X	X	X		
		BNA Terminal Lobby & IAF \$375M	X	X	X	X	X	X	X	X	
		MCO South Terminal Complex \$570M	X		X	X			X		X
 Brad Miller Precon. Superintendent Years of Experience: 43 Onsite in Asheville: 50%	BNA Concourse D \$275M	X	X	X	X	X	X	X	X		
	BNA Terminal Lobby & IAF \$375M	X	X	X	X	X	X	X	X		
 James Harper Mgr. of Supplier Diversity Years of Experience: 15 Onsite in Asheville: 50%	BNA Concourse D \$275M	X	X	X	X	X	X	X	X		
	BNA Terminal Lobby & IAF \$375M	X	X	X	X	X	X	X	X		
Executive Leadership - Nashville, TN	 Michael Dwight Project Executive Years of Experience: 31 Onsite in Asheville: 25%	BNA Concourse D \$275M	X	X	X	X	X	X	X		
		BNA Terminal Lobby & IAF \$375M	X	X	X	X	X	X	X	X	
		HOU International Terminal Expansion \$124M	X	X	X	X	X	X	X	X	X
 Scott Shelby Operations Manager Years of Experience: 25 Onsite in Asheville: 25%	BNA Concourse D \$275M	X	X	X	X	X	X	X	X		
	BNA Terminal Lobby & IAF \$375M	X	X	X	X	X	X	X	X		
	MIA Concourse J \$118M	X	X	X	X			X	X	X	
 Don Shoop General Superintendent Years of Experience: 21 Onsite in Asheville: 25%	BNA Concourse D \$275M	X	X	X	X	X	X	X	X		
	BNA Terminal Lobby & IAF \$375M	X	X	X	X	X	X	X	X		
	MIA South Terminal \$270M					X	X	X	X	X	
	MCO Airside 4 Renovation & Expansion \$93M	X	X	X	X		X	X	X		

3. INFORMATION TECHNOLOGY MASTER SERVICES INTEGRATOR

A key factor of our team's success at integrating and expanding IT systems at AVL will be to maintain an open and transparent working relationship with GARAA's IT Group, and Gresham Smith / Aurora, through all phases of the project, from design, preconstruction, construction, and commissioning. No one understands the existing systems and the intended functionality of the new systems better than the GARAA specialist. It is our job to work with Aurora to develop a design and transition plan that minimizes disruption and achieves the intended performance goals.

Intelligent has extensive MSI project management design and delivery experience from both acting as the airport Owner's technical MSI manager as well as part of the general contractor's team perspective. This dual project perspective experience has provided the Intelligent staff with a depth of understanding of the unique needs that airport renovation and expansion projects present and the ability to seamlessly integrate as a collaborative working partner with GARAA, the Gresham Smith design team, and Hensel Phelps. The lessons learned from our past projects of similar scope, detailed below, will allow us to maximize project efficiencies through innovation, collaboration, and conflict resolution.

Team Member & Role 		Responsibilities 	Recent Aviation Experience 	Similar Characteristics to the AVL Terminal Expansion																
				Building Management System	Fire Alarm and Monitoring System	Telecommunications Cabling System	Telecommunications Spaces	Structured Cabling Equipment & Components	Security and Access Control System	Broadcast Television Distribution	Multi-User Flight Information Display System	Public Safety & Operations in building radio distribution	Distributed Antenna System	Wireless Network Access	Common Use Systems	Emergency Mass Notification System	Telephone	Public Address/Audio Paging System		
Full-Time Onsite - Asheville, NC	 Mark Graham Sr. Project Manager Years of Experience: 34 Onsite in Asheville: 100%	<ul style="list-style-type: none"> Single Point / Lead for MSI Systems Technology evaluation, assessment, & collaboration Design Assist/Value Engineering Design drawings and specification review Conduct Technology Coordination Meetings Implementation/Vendor Management Safety, QA/QC, Systems Validation User Acceptance Testing/Commissioning/ORAT 	PHX Terminal 3 Modernization \$590M	X	X	X	X	X	X	X	X	X		X	X	X	X	X	X	
			PHX Airport Emergency Operations Center \$18M	X	X	X	X	X	X	X		X			X		X	X	X	X
			PHX Terminal 4 N4 FIS \$21M	X	X	X	X	X	X		X	X			X	X	X	X	X	X
			YQB Terminal Expansion \$185M			X	X	X		X	X		X	X		X	X		X	X
			GRU Terminal 3 MSI Program \$754M			X	X	X		X	X		X	X		X	X		X	X
MI Systems Support - Part Time Asheville / Remote	 Craig Fuller Project Executive Years of Experience: 31 Onsite in Asheville: 25%	<ul style="list-style-type: none"> Develop Systems Responsibility Matrix Develop Systems Integration Plan Systems Phasing Plan Development Budget, Cost and Project Controls Procurement Management Assistance User Acceptance Testing/Commissioning/ORAT 	PHX Sky Train-Phase 2 \$740M	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
			PHX Terminal 4 S1 Concourse \$310M	X	X	X	X	X	X	X	X	X		X	X	X	X	X	X	X
			PHX Terminal 3 Modernization \$590M	X	X	X	X	X	X		X	X	X	X	X	X	X	X	X	X
			PHX Airport Emergency Operations Center \$18M	X	X	X	X	X	X		X		X		X	X	X	X	X	X
			SAN Terminal 2 Parking Plaza \$128M	X	X	X	X	X	X		X	X		X	X	X	X	X	X	X
			SFO Terminal 1 IBAB \$80M			X	X	X	X		X	X		X	X		X	X	X	X
			SAN Terminal 2 West Expansion \$865M	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
	 Matthew Rhett Sr. Project Engineer Years of Experience: 12 Onsite in Asheville: 25%	<ul style="list-style-type: none"> Network scope evaluation, assessment, & collaboration Network Architecture Design Assist/Value Engineering Design drawings and specification review Network Change Review Network Deployment Management Network QA/QC User Acceptance Testing/Commissioning/ORAT 	YQB Terminal Expansion \$185M			X	X	X		X	X		X	X		X	X			
			GRU Terminal 3 MSI Program \$754M			X	X	X		X	X		X	X		X	X		X	X
			GYD New Terminal 2 \$890M			X	X	X		X	X		X	X		X	X		X	X
			Upgrades to CUPPS at JFK, MCO, PHX, SFO, TPA			X	X	X		X	X		X	X		X	X		X	X
						X	X	X		X	X		X	X		X	X		X	X

The entire Intellient team will support design development, on-site investigations, contractor selection, and quality control during installation to provide the needed continuity with GARAA stakeholders to ensure success. Intellient will maintain on-site support through testing and commissioning, End User Acceptance Testing (UAT), and Operational Acceptance and Transition (ORAT).

The chart on the previous page highlights the recent and relevant aviation experience of each Intellient team member, as well as, the specific characteristics of each projects that are relevant to the Asheville Regional Airport Terminal Modernization Project.

4. ABILITY TO PERFORM ALL ASPECTS OF WORK

Relationship with the AVL A/E. Gresham Smith performed a peer review on the 90% CD for the BNA Concourse D Terminal Wings and Expansion project. Hensel Phelps contracted with Gresham Smith to perform a comprehensive review of all disciplines. We are also currently working with Gresham Smith at the Tampa International Airport SkyCenter project.

Aurora is on our design-build team for the BNA Terminal Lobby and International Arrival Facility project where they are providing a portion of the low-voltage design.

Our firms have demonstrated effective collaborative problem solving and teamwork that is essential for success at AVL.

The three projects selected to represent our ability to perform work similar to the AVL Terminal Expansion and Renovation were selected for the following characteristics:

- ✓ Terminal / Concourse Expansion
- ✓ Required heavy preconstruction and planning with airport stakeholders and the design team
- ✓ Range in total cost from \$100M - \$275M
- ✓ Required extensive phasing
- ✓ Contained both airside and landside activities
- ✓ Key Asheville proposed staff played significant roles in the success
- ✓ Disruptions to airport operations was not an option
- ✓ IT Service Upgrades and System Expansions

CASE STUDY

Maven Construction Roofing Bidder for BNA Concourse D and Terminal Wings Expansion Project

Maven Construction & Environmental was an out of state business seeking opportunities in Nashville. We met with them several times getting to know their business plan for Nashville and sharing our available opportunities on upcoming work. After helping them get certified with the Owner, Maven Construction took the initiative to become certified with the city of Nashville and they are bidding on many projects in Nashville currently. Maven Construction serves as an example of an M/WBE firm from out of state who took advantage of the local opportunities in Nashville.

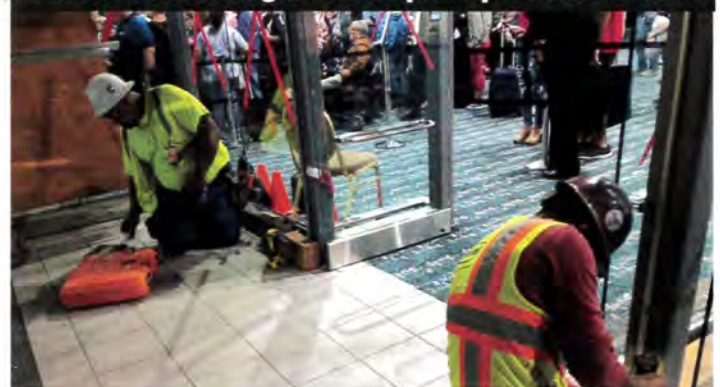
Construction During Active Airport Operations at MCO



Construction During Active Airport Operations at BNA



Construction During Active Airport Operations at MCO



BNA Concourse D & Terminal Wings Expansion (Nashville, TN)

\$275 Million | 302,400 SF | Completed July 2020 | 26 Phases | Active Airport | 28% Small Business



Curbside
Enhancements

12 TSA Security
Lanes

Baggage Claim
Ticketing / ATO

New Concourse

Central Energy
Plant

THE HENSEL PHELPS TEAM

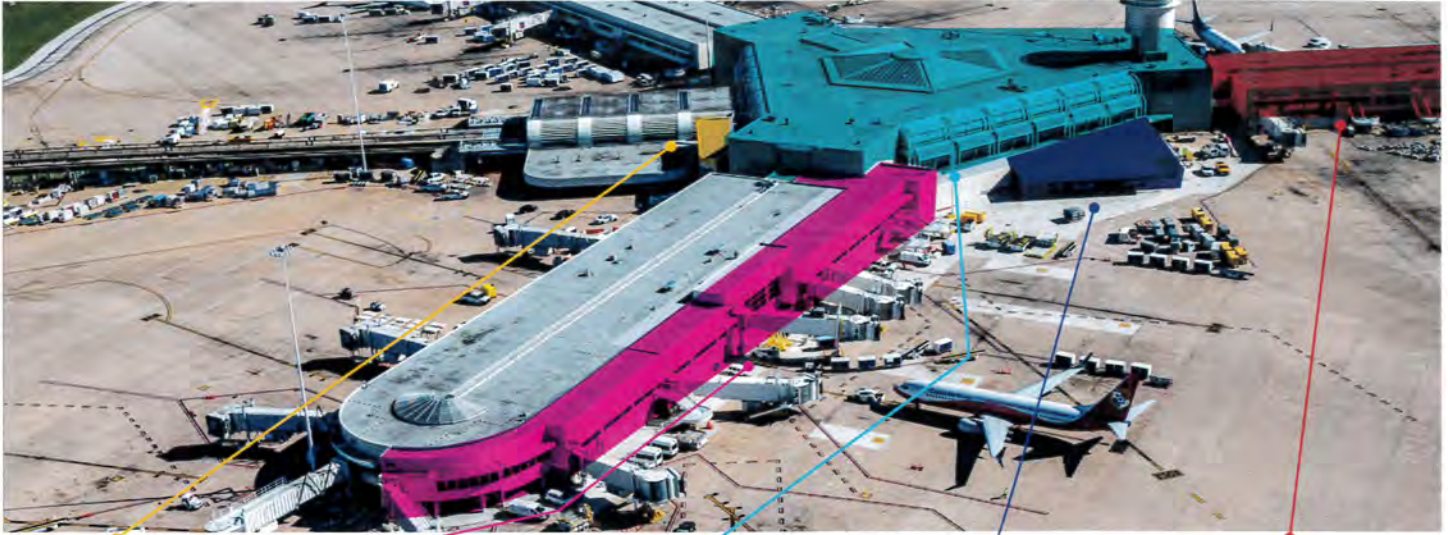
KEY INDIVIDUALS	AREAS OF SPECIALTY	
 Ben McMillan Project Superintendent	Preconstruction Phasing & Planning Schedule Development & Mgmt. Site Logistics	Public & Worker Safety Enforced Quality Assurance Maintain Uninterrupted Airport Ops
 Michael Dwight Project Executive	Ensure Proper Staffing & Resourcing of Project	Continual Internal Project Review
 Scott Shelby Operations Manager	Project Leadership Mentoring & Guidance Monthly Internal Project Review	Safety & Quality Program Compliance Issue Resolution
 Don Shoop General Superintendent	Document Constructability Reviews Field Leadership & Guidance	Design & Construction Value Mgmt. Schedule Adherence & Course Correction
 Brad Miller Preconstruction Superintendent	Document Constructability Reviews Develop fully integrated schedule	Development of Site Utilization Plan Coordination of Construction Phasing with the Design Team
 Tim Davis Senior Estimator	GMP Cost Management During Design & Construction Value Management Through Trending Process	Manage Subcontractor Bidding & Purchasing Process Subcontractor Outreach & Pre-qual
 James Harper Mgr. of Supplier Diversity	Mgmt. of DBE Participation Plan Community Program Support	Subcontractor Outreach & Pre-qual Subcontractor Purchasing Process

Similar Characteristics to the AVL Terminal Project:

- **Significant Phasing:** Myriad of phases were developed to maintain operational integrity
- **New Security Lanes:** Seamless transition coordinated with TSA from existing central security check point to two new expansion check points
- **Airside Coordination:** Maintained full operation through demolition and construction adjacent to tug route, taxiway, and adjacent C Gates
- **Central Energy Plant:** 8,000-ton plant replaced existing plant and supports all future expansion
- **Curbside Coordination:** Existing canopies were demolished and reconfigured with no disruption to curbside drop-off and ticketing
- **Baggage Reconfiguration:** Claim area and 8 curbside conveyors renovated
- **IT Service Expansion:** Integrated all new IT components with existing airport systems
- **Local Participation:** 80% of contracts awarded to local trade partners
- **DBE Participation:** Exceeded BNA goal of 19%, achieving 28%

MCO Airside Four Renovation & Wing Expansion

\$93 Million | 450,000 SF | Completed December 2018 | 42 Phases | Active Airport | 15% Small Business



TSA Checkpoint

Ramp Renovation & Upgrades

CBP Baggage Carousels
New FIS

CBP Expansion
Baggage Support

Mechanical Room Renovations

THE HENSEL PHELPS TEAM

KEY INDIVIDUALS



Ben McMillan
Project Superintendent

AREAS OF SPECIALTY

Preconstruction Phasing & Planning
Schedule Development & Mgmt.
Site Logistics

Public & Worker Safety
Enforced Quality Assurance
Maintain Uninterrupted Airport Ops



Don Shoop
General Superintendent

Schedule Development & Mgmt.
Airport Stakeholder Coordination

Equipment Selection
CBP Coordination

Similar Characteristics to the AVL Terminal Project:

- **Airside Coordination:** Ramp, gate, and underground utility renovation at and adjacent to active gates.
- **Electrical Upgrades:** Coordinated 536 utility outages to convert 26 gates from 400 hz central system to a point of use system.
- **Extensive Phasing:** Re-planned original phasing to meet airport operations needs and requirements.
- **Mechanical Upgrades:** Replaced 40 AHUs and renovated mechanical rooms without service interruption.
- **Passenger Experience:** 22 Million passengers traveled through the FIS during construction. MCO received two J.D. Edwards Large Airport Customer Experience Awards during this period.
- **Operations Coordination:** Airport Operations Manager, CBP, APD, GOAA, PM, and Hensel Phelps Project Manager and Project Superintendent performed weekly walks on site.
- **TSA Security Lanes:** Renovated security lanes and equipment without disruption.
- **IT Service Expansion:** New biometric system, new backbone, and updated communications rooms



On behalf of GOAA, I have to say Hensel Phelps worked with us, hand-in-hand, on this complicated project as a true partner!

Ksenia Merck, AIA, NCARB
Program Manager | Ticket Lobby and Airside Four
Greater Orlando Aviation Authority

HOU International Terminal Expansion

\$125 Million | 377,407 SF | October 2015 Completion | Significant Phasing | Active Airport



Central Energy Plant

New 5 Gate Terminal
Added FIS Facility

Added Baggage Handling System on 1st Floor

Relocated & Expanded Ticketing

Curbside Enhancements

Expanded & Relocated Security Screening

THE HENSEL PHELPS TEAM

KEY INDIVIDUALS

AREAS OF SPECIALTY

 <p>Brandon Rutterford Project Manager</p>	<p>Budget Management Trade Partner Purchasing</p>	<p>Execute & Manage Subcontracts Preconstruction Planning</p>
 <p>Michael Dwight Project Executive</p>	<p>Ensure Proper Staffing & Resourcing of Project</p>	<p>Continual Internal Project Reviews Management of Minority Partner</p>

Similar Characteristics to the AVL Terminal Project:

- **Security Screening Checkpoint:** A U.S. CBP international arrivals processing facility was constructed as well as security screening checkpoint improvements.
- **Ticket Lobby:** The updated ticket lobby includes additional ticket counters to accommodate international travel, and relocated drop-offs/pick-ups to simplify the flow of passenger traffic. Several self-service ticketing kiosks were also installed in the space to improve efficiency.
- **Curbside Enhancements:** The expansion constructed 300 FT of additional of curbside space, a covered canopy, and two additional travel lanes for drop-offs.
- **Baggage Claim:** Three large carousels were installed for incoming international flights with room for two more in order to prepare for future growth.
- **Boarding Concourse Amenities:** Additional gates were equipped with new seating, accessible public wifi, USB charging ports, and larger boarding areas to accommodate international flights. The terminal included multiple retail spaces as well as local dining options and gathering areas for passengers.
- **Working in an Active Airport:** The expansion project was finished in phases in order to not effect airport operations, a new terminal entrance was design so that passenger traffic flow was not impacted and apron work was scheduled to take place at night so that flights and operations on the taxiway were not interrupted.

5. FIRM'S FIRST TIER SUBCONTRACTOR'S QUALIFICATIONS & EXPERIENCE

Hensel Phelps has executed successful aviation projects at 34 different airports in the United States in small, mid, and large markets. Each of these projects, regardless of market size, have similar characteristics and the formula that we have employed for success is simple – **provide a single source for contract responsibility, provide experienced on-site staff with full authority to execute the contract, and partner with local trade partners that have the best experience and capability to perform the trade work.**

Airport expansion and renovation projects are highly dynamic, complex, and challenging. The logistical, material handling, and execution challenges that confront all large-scale construction projects are compounded by the critical needs to maintain:

- ✓ Public Safety
- ✓ SIDA Requirements
- ✓ TSA Operations
- ✓ Baggage Handling Systems
- ✓ Telecommunication Connectivity
- ✓ Airline and Vendor Operations
- ✓ Positive Passenger Experience

A key element to our success is that we provide our airport owners with a single on-site decision-making authority that a Joint Venture cannot provide. A Joint Venture does not allow for efficiency and adds layers of bureaucracy that interfere and often promote conflict. GARAA will have one contract entity (Hensel Phelps) that is responsible for value management and constructability during preconstruction, subcontract bidding and purchasing, execution of safety and quality, schedule adherence, IT integration, and systems commissioning. **Our team structure does not have barriers that delay implementing the best strategies to keep the project moving forward. Airport projects are complex enough and do not need the added confusion and multiple points of responsibilities that come with Joint Venture contracting arrangements.**

Our project team and their families will live in and become a part of the Asheville community. Project Manager, Brandon Rutterford, and Project Superintendent, Ben McMillan, have substantial airport experience. They have full-contract authority to execute all issues on-site. This company structure allows us to be as responsive as possible to our customer's needs. Asheville, like Nashville, is a



very sought-after location for our employees and we have staff members with deep roots in aviation construction, which makes this a target opportunity for Hensel Phelps.

We have chosen to pursue this project as a single entity and to bring on as many North Carolina regional trade partners, through a competitive bid packaging process. This approach has proven successful across the country, specifically close by at the Nashville International Airport Concourse D project where Hensel Phelps is utilizing 80% local trade partners to execute the work! **Keeping the project leadership small and centralized removes layers, increases efficiency, and ultimately will have the most positive impact on the Asheville community.**

6. COORDINATION & PHASING WITHIN AN OPERATIONAL AIRPORT

Planning and coordinating activities to minimize disruption, and ensure passenger safety is vital to the success of renovation and new construction in an active airport. Each component has unique risks, phasing elements, stakeholders, and trade partners. Aviation projects require dozens of these components, each of which must be addressed like a mini project within the overall mission. Planning each component well requires a disciplined approach to the five stages of the planning cycle.

Draft Plan. Plan development requires the gathering and evaluation for many points of information, balancing competing stakeholder requirements, and time / resource loading, to distill a strategy that best supports the client's goals. Components within this step that require attention include:

- ✓ Public Hazard Analysis
- ✓ Flight Schedules
- ✓ Equipment and Manpower Analysis
- ✓ Passenger Traffic Patterns
- ✓ Cost Benefit Analysis of Execution Options
- ✓ SIDA Line Integrity

Plan Evaluation. Airport stakeholders need to be included in each plan evaluation session to ensure buy-in to the plan's goals, its viability, and to garner alternatives that may not have been considered.

Communication. Once the plan is validated, it must be communicated to persons that may be impacted by the operation, such as airport and airline personnel, the public, public safety officials, security personnel, and or first responders.

Execution. The execution of the work can begin once all engineered safety solutions are in place. While diligent planning is a key to success, not every plan is perfect and in the dynamic environment of airports, unplanned risks can materialize when least expected, therefore the 5th step in the planning cycle must always be maintained.

Monitoring and Course Correction. Inevitably at airports, schedules change, weather occurs, new security protocols are enacted, existing conditions prevent the intent of the design, and ultimately what was planned needs to be reevaluated. Due to the high risk to the public, aircraft, security, airport personnel, and operations that construction imposes on an airport vigil monitoring and the course correction of a plan is a necessity to what we do.

Project Manager Brandon Rutterford, Site Superintendent Ben McMillan, Preconstruction Superintendent Brad Miller, and General Superintendent Don Shoop are well versed in the planning cycles required to be successful at active airports.

The following list describes a few of the critical components of work that were planned and executed without disruption to airport operations or deteriorating the passenger experience.

MCO Airside 4

- ✓ Directional drilling of new power feeds and the renovation of all electrical rooms on airside that serve gates 70-98.
- ✓ Renovation of 40 AHUs and mechanical rooms with no disruption to cooling.
- ✓ 14-foot excavation and installation of a new baggage tunnel adjacent to the safety envelope for the Virgin Atlantic 747.
- ✓ ADA, security, and cosmetic upgrades to the dual ramps at international gates 80-88 without taking any gate out of service.

BNA Concourse D and Terminal Expansion

- ✓ Complete renovation of baggage claim using open concept off-shift phasing to eliminate

passenger disruption or reducing capacity. We replaced 4 of 8 claim devices and all ceilings and terrazzo.

- ✓ Renovated 2 vestibules at the arrivals and departure levels and added 2 new vestibules.
- ✓ Expanded and replaced all ticket counters and ATO spaces.
- ✓ Installed new fuel line, hydrant pits, and vaults to 6 new gates and tied new system into the existing.
- ✓ Installed new 5kv service and tied into the main electrical substation.
- ✓ Recommissioned abandoned cooling towers to reroute the geothermal cooling system in lieu of installing and renting temporary cooling towers.

7. BUDGET MANAGEMENT

Our job is not to be the designer or program the vision, we are the partner that provides expertise, recommendations, information, and leadership with respect to cost, quality, schedule, constructability, safety, and other operational issues, as they relate to the project objectives. Hensel Phelps philosophy is that we are stewards of GARAA's resources, our primary goal is to manage the budget and design in a way that gets the most value for the airport for the least cost. Our philosophy and process does not change based on the size of the client. We understand that smaller airports are run with a more efficient staff. In fact, we prefer working on projects where there is a smaller more close-knit group where we can quickly and effectively communicate and manage to the team goals.

Preconstruction & estimating approach

Starting day one, Brandon Rutterford, Hensel Phelps Project Manager, will lead the preconstruction and planning effort with support from Ben McMillan, Hensel Phelps Site Superintendent and Brad Miller Preconstruction Superintendent along with the Hensel Phelps estimating department, and scheduling resources. Brandon will manage the daily communication from The Hensel Phelps Team to GARAA and the design team. In our experience, early involvement allows us to inform decision makers with information about cost, constructability, schedule and logistical considerations, and provides opportunities for meaningful collaboration and cross learning.

The integration of the design and construction team starts at the beginning of the project with a mission to close information gaps. This means listening, getting it right the first time through

focused constructability review of the design, a clear understanding of the design intent, and the documentation required to feed construction activities. Effective preconstruction will enable us to do the following:

- ✓ Establish communication and information sharing protocol.
- ✓ Understand and update the program.
- ✓ Confirm program quantity and cost.
- ✓ Validate sequence and assembly strategy.
- ✓ Develop a detailed sourcing strategy.

Open Book Approach

The Hensel Phelps Team's approach is centered on the philosophy of Open Book Estimating; building trust through transparency, open communication, and accountability. Hensel Phelps communication and collaboration plan will be implemented using many tools developed to manage and communicate status and progress with respect to all aspects of project delivery – cost, schedule, quality, and safety. Hensel Phelps will utilize these tools coupled with coordination meetings, partnering, and reporting status on a regular basis. Accurate reports will be provided which will give a complete project status.



Hensel Phelps has an astute ability to analyze, and more importantly, actively manage and control the cost of construction from project inception through final turnover and occupancy. Ultimately, we understand that it is this ability to accurately evaluate the design documents and prepare an accurate budget that is a major key to the project's success. One of our main tasks in the early stages of the preconstruction phase will be to work with GARAA, Gresham Smith, and Aurora to fully understand each other's expectations, specific project program requirements, budget constraints, and how they affect the overall design, cost, and schedule.

In order to accomplish this, we recognize the following three factors: program/scope quantities, quality of materials selections/life cycle considerations, and overall cost. All three must be prioritized against one another with

the understanding that two of these factors are fixed, with the third being the variable where the decision(s) need to be made. We will work closely with the GARAA project team to identify the "end of the day priorities" to facilitate these decisions as early as possible in the preconstruction phase.

Once these priorities are established, we will rely on a number of estimating and cost management techniques to ensure that the project is properly budgeted and ultimately delivered on or under the final GMP budget. Some of the methodologies that we will employ to develop the target, interim, and final budgets are:

- ✓ Cost modeling based on historical project data with regional adjustments.
- ✓ Conceptual estimating based on program requirements and general design criteria.

Value engineering utilizing:

- ✓ What if" scenarios tracked on Hensel Phelps' Trend Estimate Log. (Real Time Pricing)

Trade contractor input using:

- ✓ Voluntary alternates for materials, equipment, project sequencing, and workflow.

Getting the Best Value for Every Dollar Spent

As we move out of the GMP development stage and into trade contractor purchasing, we will convert the final GMP estimate into Hensel Phelps' Financial Status Report (FSR).

The FSR is used to monitor, document, manage, and communicate the established project scopes and associated budgets with the actual purchase amounts. The scopes are organized in the manner in which we intend to purchase the work (i.e. future bid packages). Once a trade contract is issued, the final trade contracted amount is reported into the FSR to compare that value against the associated budget from the final GMP estimate. The FSR will be updated and continuously shared with the GARAA project team, which creates a level of transparency and accountability for all project stakeholders by documenting and tracking every dollar committed throughout the duration of the project.

When the comprehensive approach of a fully functioning FSR and "what if" Trend Estimate Log is utilized, Hensel Phelps will be able to establish a collaborative process with the client that will provide total cost management throughout the design process.

Developed as an integral part of the preconstruction

schedule, the Hensel Phelps Bid Package Schedule will be used in conjunction with the FSR for the trade contractor purchasing stage. This provides the framework for our purchasing strategy and allows the team to prioritize the critical work items. This schedule will indicate the required dates to procure the various scopes of work and ensure adequate time is allowed for material procurement, fabrication and delivery. The development of the actual trade contractor bid packages will also be a collaborative process where we will encourage participation from GARAA and the design team.

Cost Estimating & Budget Management

Hensel Phelps has broken from the conventional method of cost as an outcome of an inefficient design estimate-then rework cycle. Our proactive budget management process, shown on the graphic at the bottom of the page, begins by working with GARAA and the design team to develop an initial budget early in the development of the design. This budget will include what is required to realize the overall project goals, not just what is currently shown on the drawings.

Project Manager, Brandon Rutterford, and Senior Estimator, Tim Davis, will collaborate with the designers in real time as decisions are made for materials, systems, and equipment selections. Using our Life Cycle Cost Analysis tool, they can evaluate whether the additional up front cost for a higher

efficiency piece of equipment or system will produce lower operating costs and a lower cost of ownership. Their ability to quickly analyze and respond will allow the design team to proceed efficiently.

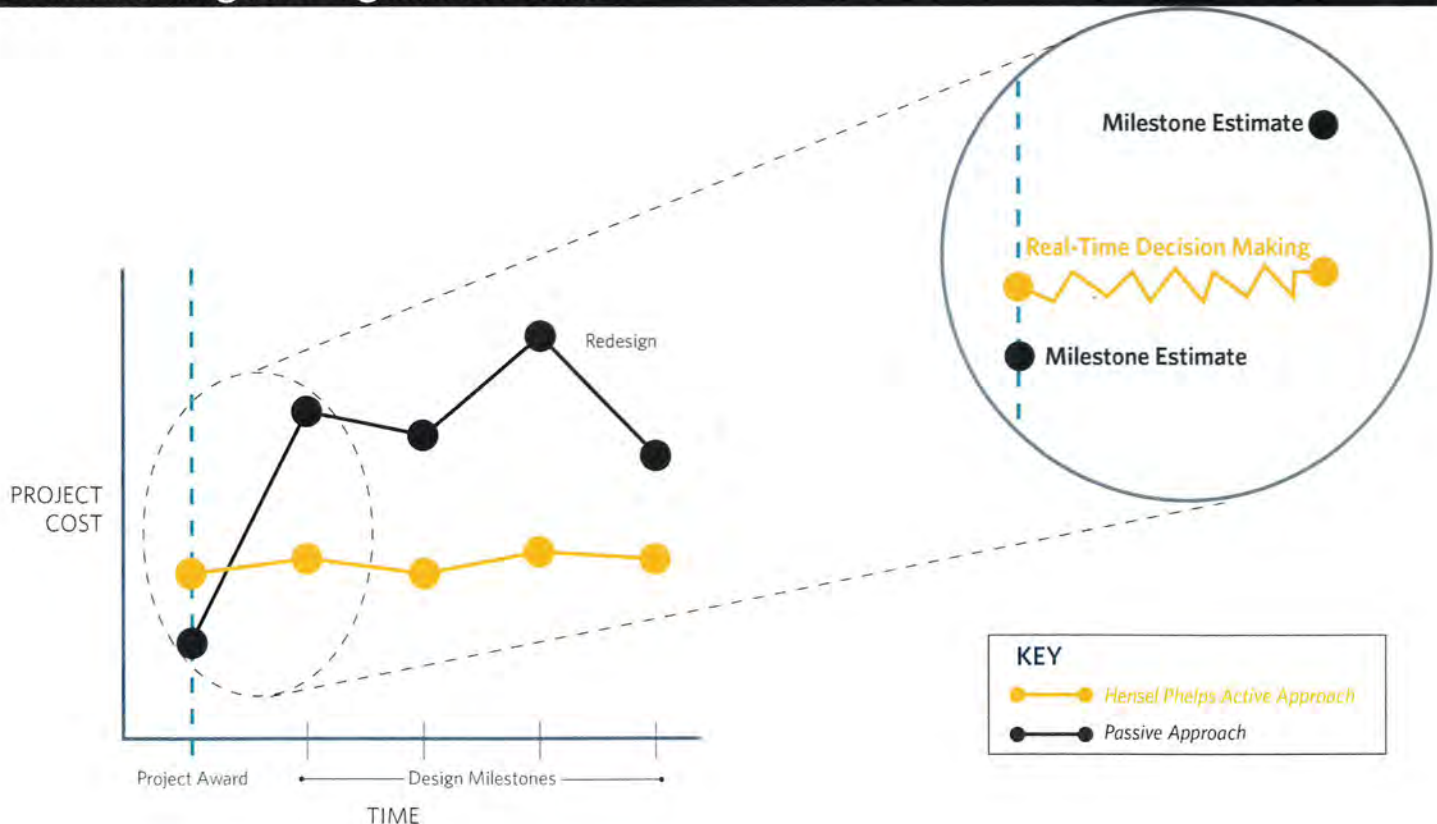
8. PROJECTS THAT EXPERIENCED SIGNIFICANT PROBLEMS

George Bush International Airport Federal Inspection Station (FIS) Renovation and Expansion



Challenge: Hensel Phelps was awarded a CM-at-Risk contract to expand the International Baggage Claim and renovate the FIS and Security Screening Checkpoint. This project was part of a \$1.4 Billion International Terminal Redevelopment Program. Houston Airport Systems was under extreme pressure to get this and other projects awarded and underway. Prior to execution of the contract, demands were put on the airport to include additional programming elements now that were originally scheduled for later program phases, due to the demands of increased passenger flows. The Airport had a concept, but the concept needed

Proactive Budget Management Process



to be put on paper, and the schedule, operational impacts, and budget needed to be developed and evaluated. The Airport had one month to determine if this new concept was viable within their budget or if the contracting process had to be canceled and re-started.

Solution: In lieu of starting over, Houston Airport Systems tasked Hensel Phelps and the Design Team (HOK+PAGE) with a 3-week effort to completely reprogram the job, create a viable budget and determine a phasing and construction plan that accounted for existing operations and passenger flows. When the challenge was requested, the response was immediate. Both Hensel Phelps and the Design Team came in force and immediately got to work on the solution. Throughout the process our Team partnered with Airport programmers and representatives to better understand the needs, wants and desires to deliver a truly one of a kind project. Each week, we would present our current vision, plan and strategies. We took key feedback through these interactions about what worked, what didn't, and what was ultimately desired. At the end of the 3-week period, we presented a full concept, with a schedule and budget that was within the Owner's overall Program and beyond their expectations of what was possible in such short order. At the end of the day, the proposal provided a path for the airport to consolidate the United Airlines and Foreign Flag Carriers into one facility with ticket counters and curbside operations within the \$350 Million budget.

William P. Hobby Southwest Airlines (SWA) International Terminal Expansion



Challenge: Southwest Airlines (SWA) had a very strict budget that could not be exceeded. Throughout the concept and design process, significant scope was added to meet the needs of the program with no additional budget that could be allocated. At the end of Design Development, the project was \$25 Million (20%) over the Construction Budget. The Teams challenge was to achieve the operational goals of the project within the budgetary constraints while not sacrificing scope and quality.

Solution: The key to success was a collaborative all

hands-on deck approach. No blame was cast for the over-runs and we quickly focused on working hand-in-hand with the design team, the Owner, and Houston Airport Operations to establish Value Engineering ideas from all parties. The idea was to evaluate more cost-effective construction methods and material selections, and evaluate desired but non-essential scope. We utilized our Trend Log as the tracking mechanism for each of the ideas and then these ideas were grouped and sorted based off of probability and acceptance. As these were reviewed, we provided supporting documentation in the form of pros and cons as well as potential schedule impacts. We provided a document that was 'Decision-Ready' so timely decisions could be made. Once the ideas were established, we could evaluate how many ideas had to be accepted in order to achieve the financial goals that were established. At the end of the process, the Team was able to meet the financial goals, while maintaining the scope and quality that was desired. The true measure of success however happened on opening day when the design team, the Owner, and Houston Airport Operations were all able to enjoy the project's success, with no scope and quality that was sacrificed to get there. Some specific examples of our efforts to keep the budget and schedule on track are:

- ✓ **Auger Cast Piers in-lieu of Slurry Displaced Piers:** We recognized if we could use auger cast piers, we could save nearly \$1.5 Million and also save 5-6 weeks off the schedule. We worked with SWA and hired an engineer to evaluate the design conditions and ultimately concluded it was possible. This simple idea did not affect quality or the overall performance of the project, but had a huge impact to the budget and schedule.
- ✓ **Revisions to the Lift Station:** The existing central concourse main sanitary crossed the new building. To facilitate the new structure, the sanitary line had to be rerouted and lowered. As a result, the initial design required a lift station that was unplanned and out of scope. The initial added cost estimates for the lift station were nearing \$1.3 Million, and there were significant schedule implications if the work was added. We worked with SWA, Airport Management, and the Design Team to review alternatives to the design. We recognized that if we altered the tie-in point and shortened the run, we could eliminate the lift station and encase the sewer line in the basement of the building. This idea although non-traditional, was a better alternative for both long term maintenances for

the airport and kept the project within budget and on schedule.

- ✓ **Micro-Bore Fuel Lines:** The initial design for the fuel system was a traditional cut and cover approach. This required gates to be shut down while a new cast-in-place vault and fuel system were installed across an active apron. With Design to Budget in mind, Value Engineering Idea the idea was to convert the system to a pre-cast fuel vault and micro-bore lines to reduce the impact to the closure of the gates and minimize the footprint in which the apron paving had to be demolished and replaced. The result was a \$500,000 savings, an improved schedule, and most importantly no impact to existing gate operations.

9. PROCESS FOR SELECTION / APPROVAL OF PROJECT MANAGER & SUPERINTENDENT

Initial Selection of Project Manager & Superintendent

As the number one airport builder in the country, Hensel Phelps has a large pool of qualified staff for complex, multiphase aviation projects. Hensel Phelps' selection process for the proposed Project Manager and Superintendent on this project evaluated personnel qualifications, availability, best and most relevant experience, and the subjective factor of who would bring the most value to the project. We also evaluated whether the individuals have ability to relocate to Asheville and remain on the project through its completion.

Brandon Rutterford was chosen as the Lead Project Manager for this project because of the wealth of knowledge he brings to the table from his portfolio of recent aviation projects from across the country. Brandon has successfully delivered multi-phased aviation terminal projects, renovation and expansion, at some of the largest airports in the United States. He would bring his lessons learned from his recent experience on projects such as the HOU International Terminal Expansion, the BWI Terminal A&B Expansion, and the MCO South Terminal Complex. Brandon is also very versed in the CM-at-Risk delivery method and is currently completing a \$570 Million CM-at-Risk aviation project.

Ben McMillan was hand picked for this project due to his extensive aviation resume totaling more than \$1 Billion. Ben has successfully completed several highly relevant terminal renovation projects while maintaining complete operations. As shown on his resume, the MCO Airside Four Improvements Program was a 42-phase renovation and expansion

of an active airside with approximately 22 Million passengers passing through the jobsite during construction! Most recently, Ben successfully completed the Concourse D and Terminal Wings Expansion project at Nashville International Airport. Ben's project experience coupled with his familiarity with the proposed project team, will allow the team to hit the ground running and bring innovative solutions to challenges that may occur.

Process for Staffing Adjustments

Should Either individual need to be changed for any reason the process of selecting a replacement will be similar to the process of initially selecting them with added involvement, communication, and input from GARAA to ensure that the proposed replacement will fit within the existing team and be acceptable to GARAA.

We prefer to see our project leadership team remain intact from start to finish, but understand that unforeseen circumstances may require adjustments to our team. Hensel Phelps has a deep bench of tenured aviation personnel. We will not have to seek candidates from outside of our company to fill any positions. If a change is required the following process is how we would propose approving the replacement candidate:

- ✓ Assess available and qualified Hensel Phelps personnel.
- ✓ Hensel Phelps will present our selection to GARAA for approval.
- ✓ Should GARAA not be satisfied by our recommended candidate, we will identify and present other personnel options.
- ✓ Upon GARAA's approval, the individual will partake in a transition period with the outgoing Project Manager or Superintendent to allow adequate time for transition with minimal disruption to the project.



10. SUPPLEMENTAL INFORMATION

What does GARAA need from a CM partner for budget certainty and project success?

- 1 People You Can Trust.
- 2 People That are Collaborative & Solution Driven.
- 3 People That Understand Airport Operations Complexities.
- 4 People Who are Committed.

How Hensel Phelps aligns with GARAA's vision.

- 1 Our key personnel have an average tenure of 18 years with Hensel Phelps.
- 2 80% of our active contracts are for repeat clients.
- 3 Our key personnel have worked at a total of 15 different airports.
- 4 Our staff will, live, work, and play in Asheville – we are all in.

Local Impact

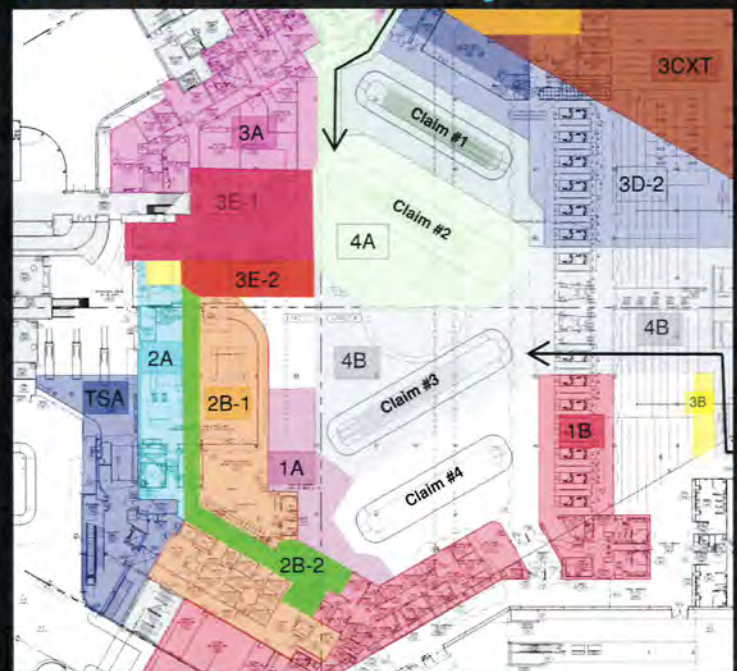
We have not teamed with a local or regional general contractor, not because we do not value their participation, but because these types of arrangements can complicate execution responsibility, over-burden the fee structure, and reduce communication and operational effectiveness of the project team. Our staff will live and work in Asheville alongside our counterparts at GARAA. With this arrangement GARAA has one point of communication, one point of decision making, and if needed, one throat to choke. The team of GARAA, Gresham Smith, and Hensel Phelps can plan and execute the project efficiently, and more of the program dollars can go toward building than the margins needed to make multiple general contractor arrangements viable.

Hensel Phelps has an award-winning local and small business participation plan that is proven to have positive economic impact on the local region keeping more than 85% of the money local. We will truly become part of the community. We will engage in local organizations such as AGC, ABC, and the Asheville Area Chamber of Commerce.

For our most recent airport projects in Nashville, we have records that show that more than 75% of the workforce comes from within 75 miles of the project site. This means that not only are 85% of the contract dollars spent locally it also means we put to work 50+ new local hires into the skilled construction workforce, employed 676 local people, making up 75% of the workforce.

We have also achieved Local Small Business participation of 28%, \$77.2 Million.

Recent Aviation Success Story at MCO



Hensel Phelps recently completed the Airside 4 Renovations & Wing Expansion at the Orlando International Airport. Substantial portions of this work occurred in public occupied spaces overnight. In order to move construction forward without being offset by the necessary utility upgrades/replacements, above ceiling work was conducted in public spaces at night to ensure safety for everyone. In this instance, the team managed to identify, remove, and install utilities in a complete fashion in the operating spaces by expanding the Customs Hall's original 4 phased plan into 22 phases. These mini phases allowed more flexibility to shut off old utilities and tie in new ones overnight while maintaining traffic flow through the FIS during the day.

11. PROPOSED FEE & PROFIT DETAILS

Hensel Phelps proposes a flat fee percentage of 3% calculated off of the total GMP amount.

12. REFERENCES

Hensel Phelps has provided the requested references below. Should additional information be necessary, please contact Project Executive, Michael Dwight, at 713.416.6932 or mdwight@henselphelps.com.

RECENT & RELEVANT PROJECT REFERENCES

BNA Concourse D & Terminal Wings Expansion - Nashville, TN

Traci Holton, Assistant Vice President Development & Engineering
traci_holton@nashintl.com | 615.275.4139

AUS Terminal / Apron Expansion & Improvements - Austin, TX

Shane Harbinson, Assistant Director | City of Austin - Aviation Dept.
shane.harbinson@austintexas.gov | 512.530.6652

DAL Modernization Program - Dallas, TX

Bob Montgomery, Vice President | Southwest Airlines
Bob.Montgomery@wnco.com | 214.792.4480

HOU International Terminal Expansion - Houston, TX

Bill Manning, Project Manager | Southwest Airlines
william.manning@houstonhobbyit.com | 817.917.3847

BWI Concourse A5 Gate Expansion - Baltimore, MD

Randall Paton, Owners Representative | Parsons Transportation Group
randall.paton@parsons.com | 410.977.7232

LAX Southwest Airlines T1.5 - Los Angeles, CA

Don Ostler, Senior Project Manager | Southwest Airlines
Don.Ostler@wnco.com | 214.707.7684



PROJECTS THAT EXPERIENCED SIGNIFICANT ISSUES REFERENCES (QUESTION 8)

IAH Federal Inspection Services Renovation & Expansion - Houston, TX

Steven Andersen, Executive Program Manager | Houston Airport Systems
steven.andersen@houstontx.gov | 917.767.1161

HOU Southwest Airlines International Terminal Expansion

Bill Manning, Project Manager | Southwest Airlines
william.manning@houstonhobbyit.com | 817.917.3847



Your attention to **safety, quality, and overall professionalism is unmatched in the industry.** Your attention to detail was paramount to your success. We appreciate your looking after our funds as though they were yours. **We are confident that we secured the best value for the work in place and this could only be achieved through your company's attitude in being part of our overall team.**



Don Ostler | Project Manager, Southwest Airlines

EXHIBIT J

DESIGN SCHEDULE
(SUBJECT TO
MODIFICATIONS)

Activity ID	Activity Name	Duration	Start	Finish	2021												2022												2023												2024												2025											
					4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44																			
RAP.100	Site Prep/Demo/UG Utilities - Approval	15	07-Oct-21	28-Oct-21	Site Prep/Demo/UG Utilities - Approval																																																											
RAP.345	Lighting Vault Structure/Enclosure - Approval	15	22-Oct-21	11-Nov-21	Lighting Vault Structure/Enclosure - Approval																																																											
RAP.355	Lighting Vault - Interior & Equipment - Approval	15	15-Nov-21	07-Dec-21	Lighting Vault - Interior & Equipment - Approval																																																											
Work Package #2 - BP#2		45	10-Jan-22	14-Mar-22																																																												
RAP.110	Foundations & UG MEP Services - Approval	15	10-Jan-22	28-Jan-22	Foundations & UG MEP Services - Approval																																																											
RAP.140	MEP Systems & Equipment - Approval	15	24-Jan-22	11-Feb-22	MEP Systems & Equipment - Approval																																																											
RAP.455	Comm & IT Systems Infrastructure Upgrades - Fabrication	15	31-Jan-22	21-Feb-22	Comm & IT Systems Infrastructure Upgrades - Fabrication																																																											
RAP.120	Superstructure - Approval	15	31-Jan-22	21-Feb-22	Superstructure - Approval																																																											
RAP.130	Exterior Enclosure - Approval	15	22-Feb-22	14-Mar-22	Exterior Enclosure - Approval																																																											
RAP.325	Interior Finishes - Approval	15	22-Feb-22	14-Mar-22	Interior Finishes - Approval																																																											
Work Package #3 - BP#3		50	08-Jun-22	17-Aug-22																																																												
RAP.200	Site Prep/Excavation/Demo/UG Utilities - Approval	15	08-Jun-22	28-Jun-22	Site Prep/Excavation/Demo/UG Utilities - Approval																																																											
RAP.210	Foundations & New US MEP Services - Approval	15	22-Jun-22	13-Jul-22	Foundations & New US MEP Services - Approval																																																											
RAP.220	Superstructure - Approval	15	28-Jul-22	17-Aug-22	Superstructure - Approval																																																											
Work Package #4 - Final BP		35	10-Oct-22	30-Nov-22																																																												
RAP.230	Exterior Enclosure & Roofing - Approval	15	10-Oct-22	31-Oct-22	Exterior Enclosure & Roofing - Approval																																																											
RAP.315	Elevators & Escalators - Approval	15	10-Oct-22	31-Oct-22	Elevators & Escalators - Approval																																																											
RAP.305	Interior Baggage Handling Systems - Approval	20	10-Oct-22	07-Nov-22	Interior Baggage Handling Systems - Approval																																																											
RAP.310	Passenger Boarding Bridges - Approval	15	18-Oct-22	07-Nov-22	Passenger Boarding Bridges - Approval																																																											
RAP.240	MEP Systems & Equipment - Approval	15	01-Nov-22	21-Nov-22	MEP Systems & Equipment - Approval																																																											
RAP.300	Interior Finishes & Systems - Approval	15	08-Nov-22	30-Nov-22	Interior Finishes & Systems - Approval																																																											
Fabrication		397	29-Oct-21	30-May-23																																																												
Work Package #1 - BP#1		85	29-Oct-21	04-Mar-22																																																												
FAB.425	Lighting Vault Underground Pathways - Fabrication	15	29-Oct-21	19-Nov-21	Lighting Vault Underground Pathways - Fabrication																																																											
FAB.100	Site Prep/Demo/UG Utility Relocation - Fabrication	25	29-Oct-21	07-Dec-21	Site Prep/Demo/UG Utility Relocation - Fabrication																																																											
FAB.435	Lighting Vault Structure/Enclosure - Fabrication	40	15-Nov-21	13-Jan-22	Lighting Vault Structure/Enclosure - Fabrication																																																											
FAB.445	Lighting Vault - Interior & Equipment - Fabrication	60	08-Dec-21	04-Mar-22	Lighting Vault - Interior & Equipment - Fabrication																																																											
Work Package #2 - BP#2		110	31-Jan-22	06-Jul-22																																																												
FAB.110	Foundations & UG MEP Services - Fabrication	35	31-Jan-22	21-Mar-22	Foundations & UG MEP Services - Fabrication																																																											
FAB.160	Comm & IT Systems Infrastructure Upgrades - Fabrication	40	22-Feb-22	18-Apr-22	Comm & IT Systems Infrastructure Upgrades - Fabrication																																																											
FAB.120	Superstructure - Fabrication	55	22-Feb-22	09-May-22	Superstructure - Fabrication																																																											
FAB.130	MEP Systems & Equipment - Fabrication	70	22-Feb-22	31-May-22	MEP Systems & Equipment - Fabrication																																																											
FAB.140	Interior Finishes - Fabrication	60	15-Mar-22	07-Jun-22	Interior Finishes - Fabrication																																																											
FAB.150	Exterior Enclosure - Fabrication	80	15-Mar-22	06-Jul-22	Exterior Enclosure - Fabrication																																																											
Work Package #3 - BP#3		85	29-Jun-22	28-Oct-22																																																												
FAB.200	Site Prep/Excavation/Demo/UG Utilities - Fabrication	15	29-Jun-22	20-Jul-22	Site Prep/Excavation/Demo/UG Utilities - Fabrication																																																											
FAB.210	Foundations & New US MEP Services - Fabrication	25	14-Jul-22	17-Aug-22	Foundations & New US MEP Services - Fabrication																																																											
FAB.220	Superstructure - Fabrication	50	18-Aug-22	28-Oct-22	Superstructure - Fabrication																																																											
Work Package #4 - Final BP		145	01-Nov-22	30-May-23																																																												
FAB.230	Exterior Enclosure & Roofing - Fabrication	90	01-Nov-22	13-Mar-23	Exterior Enclosure & Roofing - Fabrication																																																											
FAB.410	Elevators & Escalators - Fabrication	100	01-Nov-22	27-Mar-23	Elevators & Escalators - Fabrication																																																											
FAB.405	Passenger Boarding Bridges - Fabrication	110	08-Nov-22	17-Apr-23	Passenger Boarding Bridges - Fabrication																																																											
FAB.400	Interior Baggage Handling Systems - Fabrication	140	08-Nov-22	30-May-23	Interior Baggage Handling Systems - Fabrication																																																											
FAB.240	MEP Systems & Equipment - Fabrication	80	22-Nov-22	20-Mar-23	MEP Systems & Equipment - Fabrication																																																											
FAB.415	Interior Finishes & Systems - Fabrication	75	01-Dec-22	20-Mar-23	Interior Finishes & Systems - Fabrication																																																											
Construction		852	30-Sep-21	03-Mar-25																																																												
Mobilization		30	30-Sep-21	11-Nov-21																																																												
MOB.100	Establish Field Offices/Staging and Parking	30	30-Sep-21	11-Nov-21	Establish Field Offices/Staging and Parking																																																											
MOB.110	Install Construction Fence/Set Up E&S Controls	10	29-Oct-21	11-Nov-21	Install Construction Fence/Set Up E&S Controls																																																											
Enabling Projects - Phase A		130	22-Nov-21	27-May-22																																																												
Civil Demo & UG Utilities		60	22-Nov-21	18-Feb-22																																																												
CIV.120	Demo Surface Features, Clear Existing Conditions at Runway Vault	20	22-Nov-21	21-Dec-21	Demo Surface Features, Clear Existing Conditions at Runway Vault																																																											
CIV.130	Demo/Clear/Relocate Services Pathway for UG Thermal to Building	25	08-Dec-21	13-Jan-22	Demo/Clear/Relocate Services Pathway for UG Thermal to Building																																																											
CIV.110	Demo Surface Features, Clear Existing Conditions at CEP	30	08-Dec-21	20-Jan-22	Demo Surface Features, Clear Existing Conditions at CEP																																																											
CIV.140	Demo Surface Features, Clear Existing Conditions at Gen Relo	20	22-Dec-21	20-Jan-22	Demo Surface Features, Clear Existing Conditions at Gen Relo																																																											

■ Remaining Level of Effort ■ Critical Remaining Work
■ Actual Work ◆ Milestone
■ Remaining Work





MEMORANDUM

TO: Members of the Airport Authority

FROM: Jared Merrill
Planning Manager

DATE: December 11, 2020

ITEM DESCRIPTION – New Business Item C

Approve Task Order No. 2 Part B with GS&P N.C. an Affiliate of Gresham Smith and Partners for Terminal Building Phase 2 Modernization Design Services

BACKGROUND

The Authority entered into an Agreement for Professional Consulting Services with GS&P N.C. an Affiliate of Gresham Smith and Partners (Gresham Smith) on August 14, 2018. The scope of services included design and engineering services associated with the Terminal Building expansion and renovation project.

The cost proposal for Task Order No. 2 submitted by Gresham Smith for the overall project design, excluding Resident Project Representative (RPR) services, is \$12,608,794.00. This cost was validated through an Independent Fee Estimate and approved by the FAA. The FAA approved moving forward with Part B on October 26, 2020.

To ensure flexibility for the Authority in committing funds to this project, the overall design effort was presented in a manner so it can be split into two phases. The Authority Board Approved Part A on August 9, 2019 in the amount of \$3,969,904.50 which included Conceptual and Schematic Design. The design work associated with Part A is substantially complete and continued design efforts require the Board's approval for the Part B services.

ISSUES

None.

New Business - C



ALTERNATIVES

None. This work is required to complete this project.

FISCAL IMPACT

The total cost of Task Order 2 is \$12,608,794.00. Part A was already approved by the Board in the amount of \$3,969,904.50 in August 2019. The total cost of Part B is \$8,638,889.50 of which \$7,603,103 will be paid for utilizing FAA Grants and the remaining \$1,035,786.50 with NCDOT Commercial Service Funds.

RECOMMENDED ACTION

It is respectfully requested that the Airport Authority Board resolve to (1) approve Task Order 2 Part B with Gresham Smith in the amount of \$8,638,889.50; and (2) authorize the Executive Director to execute the necessary documents.

Consultant Scope of Services

Greater Asheville Regional Airport Authority TASK ORDER NO. 2, PART B

This is a Contract for Consultant's **SCOPE OF SERVICES** (as referenced in the Agreement for Professional Consulting Services between Greater Asheville Regional Airport Authority and GS&P, N.C., an Affiliate of Gresham Smith & Partners between the Authority and Consultant dated August 14, 2018 (hereinafter "Master Agreement")) **FOR TASK ORDER NO. 2, PART B ("Contract")**, made as of the ___ day of _____, 2020, between the GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY, 61 Terminal Drive, Suite 1, Fletcher, North Carolina 28732 (hereinafter "Authority") and GS-NC, P.C., f/k/a GS&P, N.C., AN AFFILIATE OF GRESHAM SMITH & PARTNERS, a Corporation with office located at 201 South College Street, Suite 1950, Charlotte, NC 28244 (hereinafter "Consultant") (hereinafter Authority and Consultant are collectively the "Parties").

Overall Project: Phase 2 Terminal Modernization

Overall Project Budget: TBD, but estimated at between \$150,000,000 to \$200,000,000.

Overall Project Scope of Work: Over the course of the Project, Consultant and its sub-consultants may be asked to provide professional consulting services, including Architectural and Engineering Design Services, from Conceptual Design through the Bidding/Permitting Phase, including, but not limited to: Overall Project Management, architecture, interior design, wayfinding, structural, mechanical, plumbing, electrical, fire protection, airside civil, landside civil, SUE, special systems, aircraft planning, geotechnical, civil survey, passenger simulations, envelope review, cost estimating, laser scanning and blast mitigation for Phase 2 Modernization (hereinafter "Professional Consulting Services").

WITNESSETH:

WHEREAS, Authority desires to engage Consultant to provide the Scope of Services necessary for the completion of Task Order No. 2, Part B of the Project, and Consultant is desirous of providing such Scope of Services to Authority.

NOW THEREFORE, in consideration of the mutual covenants hereinafter contained, and contained in the Master Agreement between the Parties, the Parties agree as follows:

Incorporated Terms and Provisions: The Parties agree that the Master Agreement, as well as the following documents, which are attached hereto as Exhibits A through C, are incorporated into this Contract by reference, as if fully set forth herein:

- 1) **Exhibit A:** Consultant's Scope of Work/Proposal Dated March 29, 2019
- 2) **Exhibit B:** Consultant's Fee Proposal for Task Order No. 2
- 3) **Exhibit C:** Mandatory Federal Contract Provisions

Task Order No. 2, Part B: Task Order No.2, Part B consists of the Design Development, Construction Documents and Bidding/Permitting phases of the Project.

Scope of Services for Task Order No. 2, Part B: The Scope of Services for Task Order No.2, Part B consists of those Professional Consulting Services necessary for the Design Development, Construction Documents and Bidding/Permitting phases of the Project, as such services are identified in the "**SCOPE OF SERVICES**", beginning on Page 3 of Exhibit A, and includes all necessary meetings and deliverables identified therein (hereinafter "Scope of Services"). Consultant hereby agrees to provide the Scope of Services in accordance with the design schedule indicated below, for the lump sum fee indicated below.

Design Schedule: The Parties agree that the design schedule for the Scope of Services shall be as specified in the "**PROPOSED DESIGN SCHEDULE**" on Page 3 of Exhibit A, and as described in the Master Agreement. The Parties further agree that **time shall be of the essence with respect to Consultant's performance of the Scope of Services.**

Fees: The Parties agree that the fees for the Scope of Services shall be a lump sum fee of **\$8,638,889.50**, which fee shall be paid in accordance with the terms of the Master Agreement. This lump sum fee is itemized on the Fee Breakdown on Page 8 of Exhibit A for Design Development ("DDI"), Construction Documents ("CD"), and Bidding/Permitting phases and includes \$8,483,556.00 in fees, plus one-half of the \$310,667.00 in reimbursable expenses to be incurred by Consultant (e.g. travel, printing, shipping and related reimbursable expenses related to the Scope of Services) (as such reimbursable expenses are identified in Exhibit B and more particularly described in Exhibit A).

Consultant's Assurances: Consultant hereby represents, acknowledges and agrees that: (1) Consultant must comply with and conform to all applicable Local, State and Federal Laws, Regulations and Ordinances in performance of the Scope of Services. (2) Consultant and its Sub-Consultants are knowledgeable as to any and all codes, rules, laws and regulations applicable in the jurisdiction where the Project is located and applicable to the funding sources for the Project, including, without limitation, the following: Buncombe County local ordinances and codes; Henderson County local ordinances and codes; North Carolina laws, rules, regulations and grant requirements; and Federal laws, rules, regulations, advisory circulars, and grant requirements; including, but not limited to the requirements of: the Federal Aviation Administration ("FAA"), Federal Transportation Security Administration ("TSA"), North Carolina Department of Transportation ("NCDOT"), and the Authority's FAA Grant Assurances. (3) In the performance of the Scope of Services Consultant and its Sub-Consultants shall comply with all such laws, codes, rules, regulations, advisory circulars, grant requirements, and assurances now in effect or as may be amended or adopted during the term of the Master Agreement between the Parties. (4) Consultant shall insert all required local, State or Federal provisions (whether FAA, TSA, NCDOT or other) in its Sub-Consultant agreements for the Project, (5) Consultant represents that it and its Sub-consultants are all experienced and fully qualified to perform the Scope of Services contemplated by this Contract and that it and its Sub-consultants are properly licensed in the State of North Carolina and pursuant to all applicable Federal, State and Local laws, rules and regulations, to perform the Scope of Services; **AND** Consultant agrees to provide, and agrees to require its Sub-Consultants to provide, a copy of each Sub-Consultant contract and each lower-tier Sub-Consultant contract to the Authority for their records.

Mandatory Federal Contract Provisions: Consultant hereby agrees to comply with the provisions contained in Exhibit C, and acknowledges that breach of any of the terms contained in Exhibit C shall constitute a material breach of this Contract and of the Master Agreement.

Indemnity: The Parties hereby agree to replace Section 7.3 of the Master Agreement by deleting Section 7.3 in its entirety and replacing it with the following: *"Consultant shall indemnify and hold harmless Authority and its present and future members, board, officers, directors, agents and employees, from and against all liabilities, claims, losses, damages, costs and expenses (including, but not limited to, attorney fees) arising out of or resulting from the sole negligence of Consultant and/or its agents, employees and/or sub-consultants, and such fault of Consultant or its derivative parties is the proximate cause of the liabilities, claims, losses, damages, costs and expense (including, but not limited to, attorneys fees). Consultant shall be directly responsible for any additional costs, above first costs, incurred by the Authority, as a result of the fault of Consultant, its agents, employees or sub-consultants. This indemnity shall survive the expiration or any early termination of the Master Agreement."*

Conflicts: In the event that any provision contained in this Contract is in conflict with, or is inconsistent with, any provision in Exhibits A through C, the provisions contained in this Contract shall govern and control over Exhibits A through C. In the event that any provision contained in this Contract is in conflict with, or is inconsistent with, any provision in Exhibit C, the provisions contained in Exhibit C shall govern and control.

Severability: If any of the terms, conditions or provisions of this Contract, the Exhibits or any portions of thereof, shall contravene or be invalid under the laws or regulations of the United States or the State of North Carolina or any of their respective agencies, departments or subdivisions, such contravention or invalidity shall not invalidate the whole Contract or Exhibit, but this Contract or the Exhibit shall be construed as if not containing the particular term, condition or provision, or portion thereof, held to be in contravention or invalid, and the rights and obligations of the Parties hereto shall be construed accordingly.

IN WITNESS WHEREOF, the Parties hereto have made an executed this Contract as of the date and year first above written.

Authority:

Greater Asheville Regional Airport Authority

By: _____
Executive Director

Date: _____

Consultant:

GS-NC, P.C., an affiliate of Gresham Smith & Partners

By: _____
Regional Vice President

Date: _____

This instrument has been pre-audited in the manner required by local government and fiscal control.

Finance Director

Date



MEMORANDUM

TO: Members of the Airport Authority

FROM: Michael A. Reisman
Deputy Executive Director

DATE: December 11, 2020

ITEM DESCRIPTION – New Business Item D

Adoption of the Asheville Regional Airport Five-Year Capital Improvement Plan (CIP) for FY 2022-2026

BACKGROUND

The Federal Aviation Administration (FAA) requires all airports to submit a Five-Year CIP to be eligible for federal project funding. The CIP is used to update the National Plan of Integrated Airport Systems (NPIAS) and allows the FAA to update the NPIAS program based upon available funding levels.

CIP priorities through FY 26 provide for the continuation of existing programs already underway or planned. This includes but is not limited to the terminal building modernization program, roadway and parking lot pavement rehabilitation, terminal apron improvements, taxiway re-habilitation, air traffic control tower construction, ARFF equipment replacement, and an update of the Airport Master Plan.

ISSUES

None.

ALTERNATIVES

None.

New Business – Item D



FISCAL IMPACT

The Five-Year CIP is considered a planning and administrative tool for authority Staff, the FAA, and the NCDOT Division of Aviation. Adopting the CIP does not approve any contracts nor provide Staff with any authorization to award design or construction projects. Staff will present individual CIP projects to the Authority Board in accordance with all applicable Authority policies.

RECOMMENDED ACTION

It is respectfully requested that the Authority Board resolve to adopt the Asheville Regional Airport Five-Year Capital Improvement Plan.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

Airport Capital Improvement Program - Fiscal Years 2022-2026

Draft December 09, 2020

Description	Total Cost	AIP		State Funds	Pay-As-You-Go PFC		Other Local Funds			Total Funding
		Entitlements	AIP Discretionary		Current Approval	Future Approvals	Airport Capital	Other	CFC	
Current Year										
FY 2021 (Oct 1, 2020 - Sept 30, 2021)										
Terminal Rehabilitation and Expansion - Phase II (Design & Construction)	\$ 14,276,944	\$ 2,015,917	\$ 10,833,333	\$ -	\$ -	\$ -	\$ 1,427,694	\$ -	\$ -	\$ 14,276,944
Air Traffic Control Tower (Design)	\$ 5,000,000	\$ 350,000	\$ -	\$ 4,650,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000,000
South GA Apron Reconstruction (Design)	\$ 1,000,000	\$ 900,000	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000
Subtotal FY 2021	\$ 20,276,944	\$ 3,265,917	\$ 10,833,333	\$ 4,750,000	\$ -	\$ -	\$ 1,427,694	\$ -	\$ -	\$ 20,276,944
FY 2022 (Oct 1, 2021 - Sept 30, 2022)										
Terminal Rehabilitation and Expansion - Phase III (Construction)	\$ 80,000,000	\$ 2,365,917	\$ -	\$ 4,750,000	\$ -	\$ 942,450	\$ -	\$ 71,941,633	\$ -	\$ 80,000,000
Airport Master Plan	\$ 1,000,000	\$ 900,000	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ 1,000,000
South GA Apron Reconstruction (Construction)	\$ 5,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000,000	\$ -	\$ -	\$ 5,000,000
Air Traffic Control Tower (Construction)	\$ 20,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,000,000	\$ -	\$ 20,000,000
Rental Car Facility Repairs and Replacement (Phase 1)	\$ 1,559,314	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,559,314	\$ 1,559,314
Subtotal FY 2022	\$ 107,559,314	\$ 3,265,917	\$ -	\$ 4,750,000	\$ -	\$ 1,042,450	\$ 5,000,000	\$ 91,941,633	\$ 1,559,314	\$ 107,559,314
FY 2023 (Oct 1, 2022 - Sept 30, 2023)										
Terminal Rehabilitation and Expansion - Phase IV (Construction)	\$ 70,000,000	\$ -	\$ -	\$ 4,750,000	\$ -	\$ -	\$ -	\$ 65,250,000	\$ -	\$ 70,000,000
GA Apron / Taxilane Rehabilitation - Phase I	\$ 3,275,648	\$ 2,265,917	\$ -	\$ -	\$ -	\$ -	\$ 1,009,731	\$ -	\$ -	\$ 3,275,648
Wright Brothers Way Extension (Phase 1 - Utilities)	\$ 1,500,000	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ -	\$ -	\$ 1,500,000
Roadway Improvements & Rehab.	\$ 2,275,648	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,275,648	\$ -	\$ -	\$ 2,275,648
Rental Car Facility Repairs and Replacement (Phase 2)	\$ 623,344	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 623,344	\$ 623,344
Subtotal FY 2023	\$ 77,674,640	\$ 3,265,917	\$ -	\$ 4,750,000	\$ -	\$ -	\$ 3,785,379	\$ 65,250,000	\$ 623,344	\$ 77,674,640
FY 2024 (Oct 1, 2023 - Sept 30, 2024)										
Terminal Rehabilitation & Expansion - Phase V	\$ 65,000,000	\$ -	\$ -	\$ 4,750,000	\$ -	\$ -	\$ -	\$ 60,250,000	\$ -	\$ 65,000,000
GA Apron / Taxilane Rehabilitation - Phase II	\$ 3,275,648	\$ 1,365,917	\$ -	\$ -	\$ -	\$ -	\$ 1,909,731	\$ -	\$ -	\$ 3,275,648
Terminal Apron Improvements (Joint & Seal)	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000
Westside Apron and Taxiway Improvements	\$ 15,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,000,000	\$ -	\$ -	\$ 15,000,000
Wright Brothers Way Extension (Phase II - Pavement)	\$ 3,000,000	\$ 1,900,000	\$ -	\$ -	\$ -	\$ -	\$ 1,100,000	\$ -	\$ -	\$ 3,000,000
Rental Car Facility Repairs and Replacement (Phase 3)	\$ 293,650	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 293,650	\$ 293,650
Subtotal FY 2024	\$ 87,569,298	\$ 3,265,917	\$ -	\$ 4,750,000	\$ -	\$ -	\$ 19,009,731	\$ 60,250,000	\$ 293,650	\$ 87,569,298
FY 2025 (Oct 1, 2024 - Sept 30, 2025)										
Taxiway A Rehabilitation	\$ 5,000,000	\$ 3,265,917	\$ -	\$ -	\$ -	\$ -	\$ 1,734,083	\$ -	\$ -	\$ 5,000,000
Runway/Taxiway Sealcoat	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000
Rental Car Facility Repairs and Replacement (Phase 4)	\$ 1,938,225	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,938,225	\$ 1,938,225
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal FY 2025	\$ 7,938,225	\$ 3,265,917	\$ -	\$ -	\$ -	\$ -	\$ 2,734,083	\$ -	\$ 1,938,225	\$ 7,938,225
FY 2026 (Oct 1, 2025 - Sept 30, 2026)										
ARFF Vehicle	\$ 1,200,000	\$ 1,080,000	\$ -	\$ -	\$ -	\$ -	\$ 120,000	\$ -	\$ -	\$ 1,200,000
Northwest Development Site Prep	\$ 8,000,000	\$ 2,185,917	\$ -	\$ -	\$ -	\$ -	\$ 5,814,083	\$ -	\$ -	\$ 8,000,000
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal FY 2026	\$ 9,200,000	\$ 3,265,917	\$ -	\$ -	\$ -	\$ -	\$ 5,934,083	\$ -	\$ -	\$ 9,200,000
Combined Totals - FY 2022 - FY 2026	\$ 310,218,421	\$ 19,595,502	\$ 10,833,333	\$ 19,000,000	\$ -	\$ 1,042,450	\$ 37,890,970	\$ 217,441,633	\$ 4,414,533	\$ 310,218,421



MEMORANDUM

TO: Members of the Airport Authority

FROM: Jared Merrill
Planning Manager

DATE: December 11, 2020

ITEM DESCRIPTION – New Business Item E

Approve Additional Reimbursable Agreement with the Federal Aviation Administration (FAA) to Continue Necessary Airfield Work

BACKGROUND

On November 12, 2020 the FAA notified the Authority they were concerned about the amount of remaining funds to complete their work on the Airfield Project. On December 8, 2020 the Authority was notified that the current funding for the necessary FAA work on the new Airfield Project is down to approximately \$50,000 and due to various reasons, the FAA will need additional funding to complete their work. Without this additional funding the FAA will stop all work once the existing funds run out. Due to such short notice, the FAA has not finalized this reimbursable agreement.

There are several factors for this additional funding, such as additional contract time required from original projections for Bid Package 4, inflation since the estimates were created in 2014, and the impacts of COVID-19. The scope of work for the remaining items includes installing and commissioning the Glide Slopes and Runway Visual Ranges, clearing Joint Acceptance Inspection items, correcting the Runway 17 localizer course width, and the remaining COVID related overtime and cleanings.

The total estimated additional cost for the FAA to complete this work is \$537,275.

ISSUES

None.

New Business – Item E



ALTERNATIVES

None. This work is required to complete this project.

FISCAL IMPACT

The total estimated cost of this additional funding is \$537,275. \$148,949 of this total is AIP Eligible, but no additional funds from the FAA have been committed. Authority Staff is working with FAA Headquarters to obtain the additional funding. Currently this funding will be utilized with Airport Funds, unless the FAA allocates additional funding.

RECOMMENDED ACTION

It is respectfully requested that the Airport Authority Board resolve to (1) approve the additional FAA Reimbursable Requirement of \$537,275; and (2) authorize the Executive Director to execute the necessary documents when they become available.



MEMORANDUM

TO: Members of the Airport Authority

FROM: Lew Bleiweis, A.A.E., Executive Director

DATE: December 11, 2020

ITEM DESCRIPTION – New Business Item F

Approval of Amendment to the FY20/21 Budget

BACKGROUND

In October 2020, a finalized settlement agreement was negotiated with Duke Energy and the NC Department of Environmental Quality for the close out of the coal ash areas on the airport. One of the terms and conditions of this agreement requires the Authority to obtain pollution liability coverage for the ash containment areas. The Authority, through its insurance broker, received quotes for this type of coverage. The insurance was obtained through Beazley Insurance Services for a term of ten years, effective December 1, 2020. The cost for this coverage is \$135,444.27 and is currently payable. A copy of the binder is attached.

We recommend that the Authority Board amend the FY20/21 budget as outlined below.

ISSUES

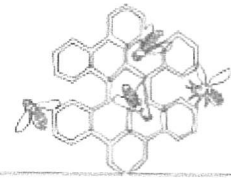
None.

ALTERNATIVES

None.

FISCAL IMPACT

The budget amendment will increase both FY20/21 budgeted revenues and expenditures by \$135,444.00.



BINDER ISSUED: 03-Dec-2020

USI Insurance Services, LLC - Huntington, WV
Todd McMahon
418 Eighth St.
Huntington, WV 25701-1418

BINDER

CC: USI Insurance Services, LLC, Charlene Washburn

Re: Greater Asheville Regional Airport Authority
Beazley ECLIPSE
ENVIRO COVERED LOCATION INSURANCE POLICY (SITE ENVIRONMENTAL)
Covered Location Pollution Liability Binder
Policy Number: W2D4E2200101

Dear Todd,

We are pleased to offer the following conditional Binder for the above captioned account as per the quotation dated 02-Dec-2020.

We are a specialist insurer with more than three decades of experience in providing clients with the highest standards of underwriting and claims service worldwide. All our insurance businesses are rated A (Excellent) by A.M. Best.

Insurer:	Syndicate 2623/623 at Lloyd's. (Non-Admitted)
Policy Form:	Beazley ECLIPSE - F00738 102019 ed.
Authority Reference Number:	B6012BUSANMSL2001
First Named Insured: Address:	Greater Asheville Regional Airport Authority 61 Terminal Dr Suite 1 Fletcher, NC 28732-6200
Policy Period:	From: 01-Dec-2020 To: 01-Dec-2030 Both dates at 12:01 AM Local Time at the First Named Insured's Address
Commission:	17.50%

This insurance is through a surplus lines insurer on whose behalf we are authorized to act. Compliance with applicable laws including filings and payment of taxes and fees is the responsibility of the insured, the insurance agent or insurance broker. If coverage is bound, please advise the license number of the surplus lines broker or surplus agent making the filing.

A condition precedent to coverage afforded by this conditional Binder is that no material change in the risk occurs and no submission is made to the Insurer of a claim or circumstances that might give rise to a claim between the date of this conditional Binder and the inception of proposed Policy Period.

Premiums must be remitted by the due date on the invoice.

This conditional Binder is valid through ninety (90) days from the date of this document.

For other questions, please speak with our underwriters.

INSURED: Greater Asheville Regional Airport Authority

Thank you for purchasing insurance with us.

Jenny Han
Beazley Insurance Services
CA License Number 0G55497
101 California Street
San Francisco, CA 94111
t: (415)263-4073
e: Jenny.Han@beazley.com

INSURED: Greater Asheville Regional Airport Authority

Premium:	\$128,505
Limits of Liability	
Each Pollution Condition:	\$3,500,000
Aggregate for the Policy Period:	\$15,000,000
Deductibles	
Each Pollution Condition Deductible:	\$100,000

Coverage	Coverage Provided?
I.A.1. New Pollution Conditions – (BI/PD and Cleanup)	Yes
I.A.2. New Pollution Conditions – 1st Party Discovery	Yes
I.B.1. Existing Pollution Conditions – (BI/PD and Cleanup)	Yes
I.B.2. Existing Pollution Conditions – 1st Party Discovery	Yes
I.C. Transportation	Yes
I.D. Non-Owned Location	Yes
I.E. Crisis and Reputation Management Expense	Yes
I.F. Business Interruption Costs	Yes

Terms and Conditions:

Period of Restoration:	0 Days
I.F. Deductible Period:	0 Days
Retroactive Date – I.B.:	N/A
Retroactive Date – I.C.:	N/A
Retroactive Date – I.D.:	N/A
Additional Claims Expense Limit:	\$0
Crisis and Reputation Expenses Coverage Each Pollution Condition Sublimit:	\$250,000
Length of Optional Extension Period:	Not available on 10 year terms
Premium for Optional Extension Period:	Not available on 10 year terms
Choice of Law:	N/A

Scheduled Covered Location(s):

This conditional binder provides coverage for the following scheduled Covered Location(s):

INSURED: Greater Asheville Regional Airport Authority

Address	City	State	Zip Code	Use
Coal Ash Impoundments Areas 1, 3, and 4 Asheville Regional Airport	Asheville	NC		Impoundments

Endorsements Effective At Inception:

1. SCHEDULE2020 Lloyd's Security Schedule 2020
2. NMA1256 Nuclear Incident Exclusion Clause-Liability-Direct (Broad) (U.S.A.)
3. NMA1477 Radioactive Contamination Exclusion Clause-Liability-Direct (U.S.A.)
4. NMA2918 War and Terrorism Exclusion Endorsement
5. E06694 082020 ed. U.S. Terrorism Risk Insurance Act of 2002 As Amended - Not Purchased Clause
6. E12411 012019 ed. Minimum Earned Premium
7. E06671 082020 ed. Policyholder Disclosure Notice of Terrorism Insurance Coverage
 - Insert Terrorism Premium: 1%
 - Insert Issuance Company:
8. E13560 112019 ed. Specified Activities Exclusion
 - Activities 1: *true*
 - Activities 2: *false*
 - Activities 3: *false*
 - Activities 4: *false*
9. E12482 012019 ed. Waiver of Subrogation
PersonOrOrganization
Entity to be reviewed and evaluated
10. E12453 012019 ed. Other Insurance-Primary Without Right of Contribution
11. E13653 122019 ed. PFC AND PFAS Exclusion
12. NMA 2868 (Env) Lloyd's Certificate
13. MANU Monitoring and Testing Exclusion

All manuscript terms are subject to review and approval of Beazley.



MEMORANDUM

TO: Members of the Airport Authority
FROM: Lew Bleiweis, A.A.E., Executive Director
DATE: December 11, 2020

ITEM DESCRIPTION – Information Section Item A

October, 2020 Traffic Report – Asheville Regional Airport

SUMMARY

With the COVID-19 pandemic continuing to affect air travel October, 2020 overall passenger traffic numbers were down 52.4% compared to the same period last year and were down by 34.7% compared to October, 2018. Passenger traffic numbers reflect a 52.5% decrease in passenger enplanements from October, 2019 and a 35.5% decrease from October, 2018. Enplanements for Fiscal Year to Date total 121,655 which is a 61.0% decrease over the same period last year

AIRLINE PERFORMANCE

Allegiant Airlines: Year over Year passenger enplanements for Allegiant in October 2020 were down by 44.0%. There were 86 flight cancellations for the month.

American Airlines: American's October 2020 passenger enplanements represent a 40.6% decrease over the same period last year. There were 2 flight cancellations for the month.

Delta Airlines: Enplanements for Delta in October 2020 decreased by 64.6%. There were no flight cancellations for the month.

United Airlines: In October 2020, United Airlines saw a decrease in enplanements by 62.8% over the same period last year. There were 2 flight cancellations for the month.

Monthly Traffic Report

Asheville Regional Airport

October 2020



Category	Oct 2020	Oct 2019	Percentage Change	*CYTD-2020	*CYTD-2019	Percentage Change	*MOV12-2020	*MOV12-2019	Percentage Change
Passenger Traffic									
Enplaned	38,732	81,495	-52.5%	290,061	669,198	-56.7%	429,956	775,697	-44.6%
Deplaned	<u>39,684</u>	<u>83,199</u>	-52.3%	<u>286,910</u>	<u>666,536</u>	-57.0%	<u>428,043</u>	<u>772,157</u>	-44.6%
Total	78,416	164,694	-52.4%	576,971	1,335,734	-56.8%	857,999	1,547,854	-44.6%
Aircraft Operations									
Airlines	1,016	1,423	-28.6%	7,376	10,841	-32.0%	9,791	12,627	-22.5%
Commuter/ Air Taxi	<u>911</u>	<u>1,087</u>	-16.2%	6,275	9,562	-34.4%	7,978	11,096	-28.1%
Subtotal	<u>1,927</u>	<u>2,510</u>	-23.2%	<u>13,651</u>	<u>20,403</u>	-33.1%	<u>17,769</u>	<u>23,723</u>	-25.1%
General Aviation	3,683	4,049	-9.0%	32,294	40,342	-19.9%	39,556	45,538	-13.1%
Military	<u>264</u>	<u>263</u>	0.4%	<u>1,713</u>	<u>2,516</u>	-31.9%	<u>2,256</u>	<u>2,957</u>	-23.7%
Subtotal	<u>3,947</u>	<u>4,312</u>	-8.5%	<u>34,007</u>	<u>42,858</u>	-20.7%	<u>41,812</u>	<u>48,495</u>	-13.8%
Total	5,874	6,822	-13.9%	47,658	63,261	-24.7%	59,581	72,218	-17.5%
Fuel Gallons									
100LL	15,864	15,456	2.6%	119,864	146,342	-18.1%	145,566	171,587	-15.2%
Jet A (GA)	185,812	133,625	39.1%	985,066	1,162,142	-15.2%	1,185,380	1,377,739	-14.0%
Subtotal	<u>201,676</u>	<u>149,081</u>	35.3%	<u>1,104,930</u>	<u>1,308,484</u>	-15.6%	<u>1,330,946</u>	<u>1,549,326</u>	-14.1%
Jet A (A/L)	<u>434,589</u>	<u>762,627</u>	-43.0%	<u>3,333,358</u>	<u>5,666,916</u>	-41.2%	<u>4,579,531</u>	<u>6,447,332</u>	-29.0%
Total	636,265	911,708	-30.2%	4,438,288	6,975,400	-36.4%	5,910,477	7,996,658	-26.1%

*CYTD = Calendar Year to Date and *Mov12 = Moving Twelve Months.

Friday, November 20, 2020

Airline Enplanements, Seats, and Load Factors

Asheville Regional Airport

October 2020



	Oct 2020	Oct 2019	Percentage Change	*CYTD-2020	*CYTD-2019	Percentage Change
Allegiant Air						
Enplanements	19,809	35,375	-44.0%	137,071	277,746	-50.6%
Seats	32,265	46,236	-30.2%	226,188	362,760	-37.6%
Load Factor	61.4%	76.5%	-19.8%	60.6%	76.6%	-20.9%
American Airlines						
Enplanements	10,386	17,472	-40.6%	80,212	143,281	-44.0%
Seats	13,848	20,717	-33.2%	137,575	171,691	-19.9%
Load Factor	75.0%	84.3%	-11.1%	58.3%	83.5%	-30.1%
Delta Air Lines						
Enplanements	5,249	14,833	-64.6%	46,106	133,064	-65.4%
Seats	10,826	16,575	-34.7%	90,017	151,144	-40.4%
Load Factor	48.5%	89.5%	-45.8%	51.2%	88.0%	-41.8%
Elite Airways						
Enplanements	0	0	#Num!	0	823	-100.0%
Seats	0	0	#Num!	0	1,640	-100.0%
Load Factor	#Num!	#Num!	#Type!	#Num!	50.2%	#Type!
Spirit Airlines						
Enplanements	0	4,978	-100.0%	5,505	43,333	-87.3%
Seats	0	7,540	-100.0%	10,614	79,708	-86.7%
Load Factor	#Num!	66.0%	#Type!	51.9%	54.4%	-4.6%
United Airlines						
Enplanements	3,288	8,837	-62.8%	21,167	70,951	-70.2%
Seats	5,700	10,518	-45.8%	45,008	87,710	-48.7%
Load Factor	57.7%	84.0%	-31.3%	47.0%	80.9%	-41.9%

Friday, November 20, 2020

*CTYD = Calendar Year to Date and *Mov12 = Moving Twelve Months.

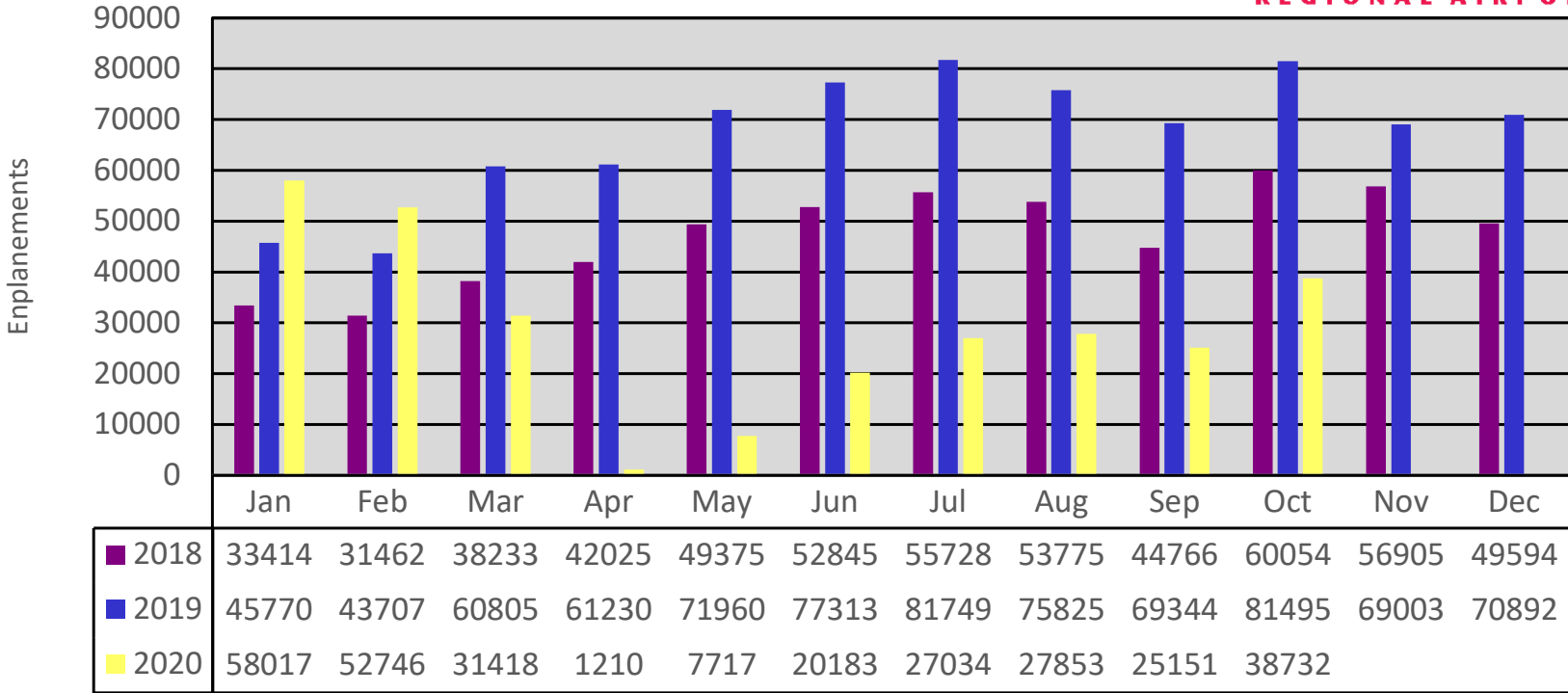
	Oct 2020	Oct 2019	Percentage Change	*CYTD-2020	*CYTD-2019	Percentage Change
Totals						
Enplanements	38,732	81,495	-52.5%	290,061	669,198	-56.7%
Seats	62,639	101,586	-38.3%	509,402	854,653	-40.4%
Load Factor	61.8%	80.2%	-22.9%	56.9%	78.3%	-27.3%

Airline Flight Completions Asheville Regional Airport October 2020

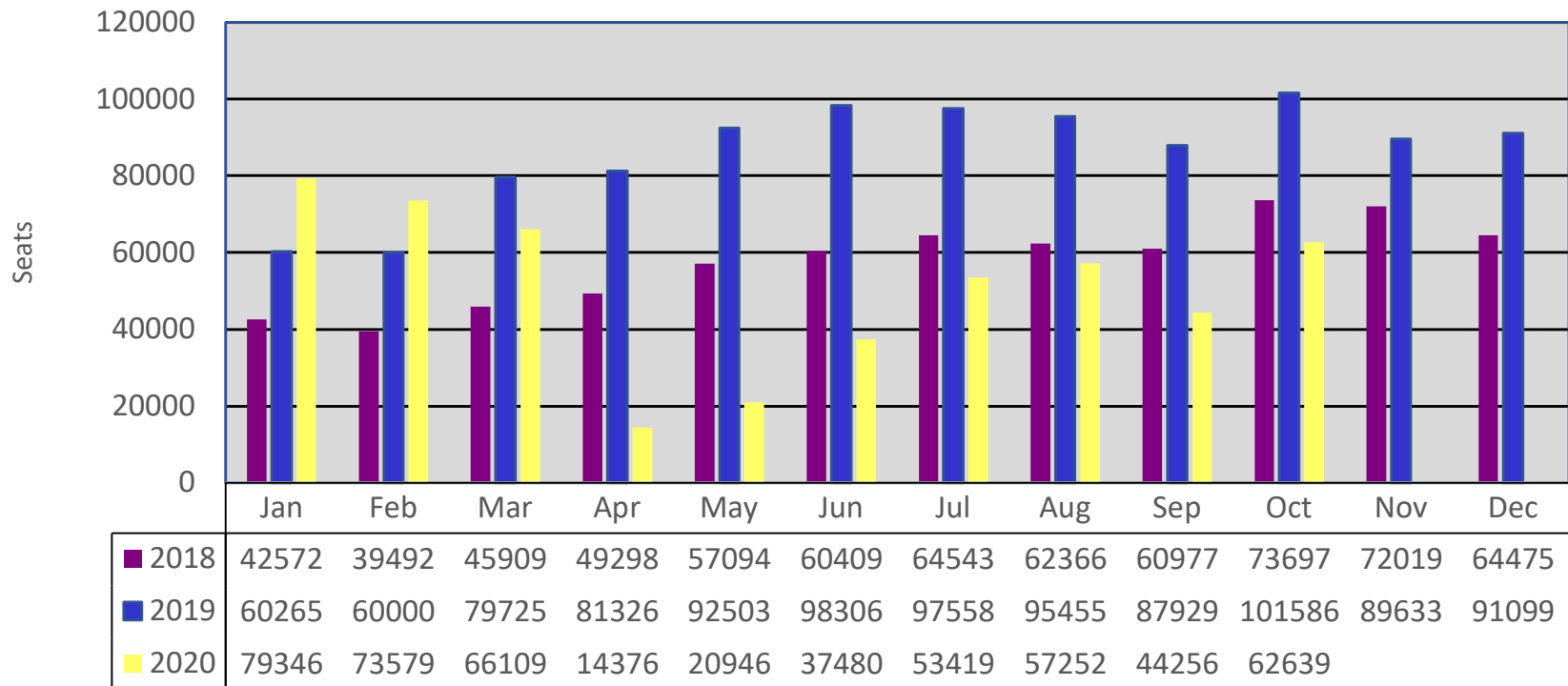


Airline	Scheduled Flights	Field	Cancellations Due To			Total Cancellations	Percentage of Completed Flights
			Mechanical	Weather	Other		
Allegiant Air	264	0	0	0	86	86	67.4%
American Airlines	186	0	0	2	0	2	98.9%
Delta Air Lines	141	0	0	0	0	0	100.0%
United Airlines	116	0	2	0	0	2	98.3%
Total	707	0	2	2	86	90	87.3%

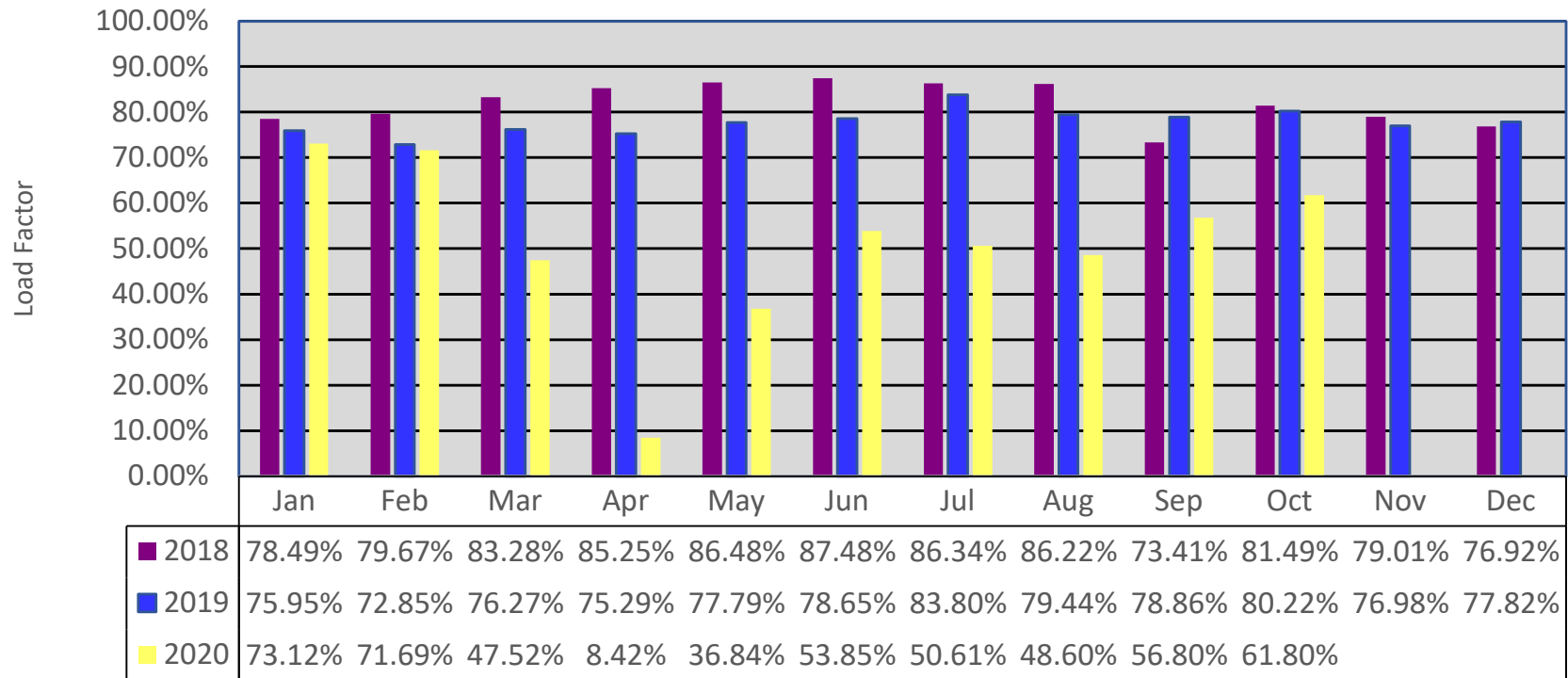
Monthly Enplanements By Year Asheville Regional Airport



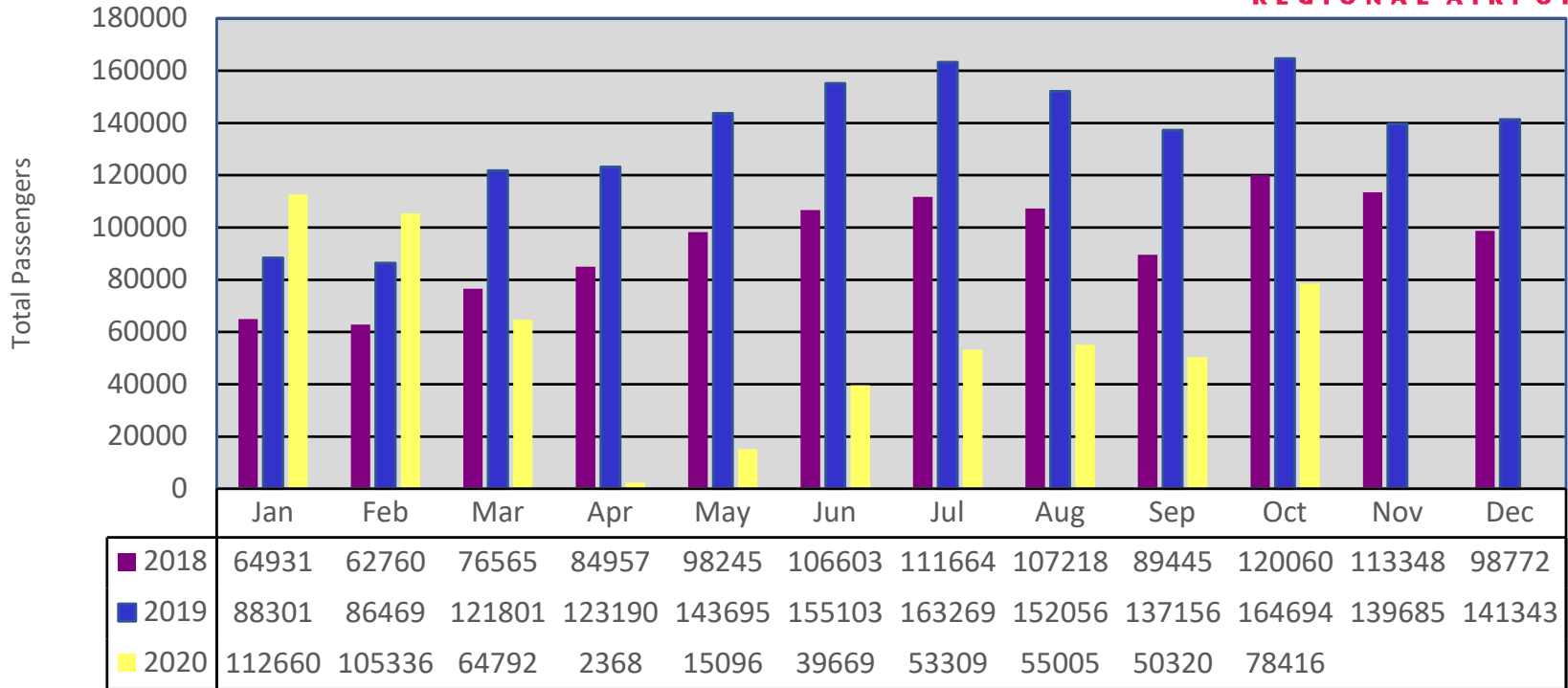
Monthly Seats By Year Asheville Regional Airport



Monthly Load Factors By Year Asheville Regional Airport

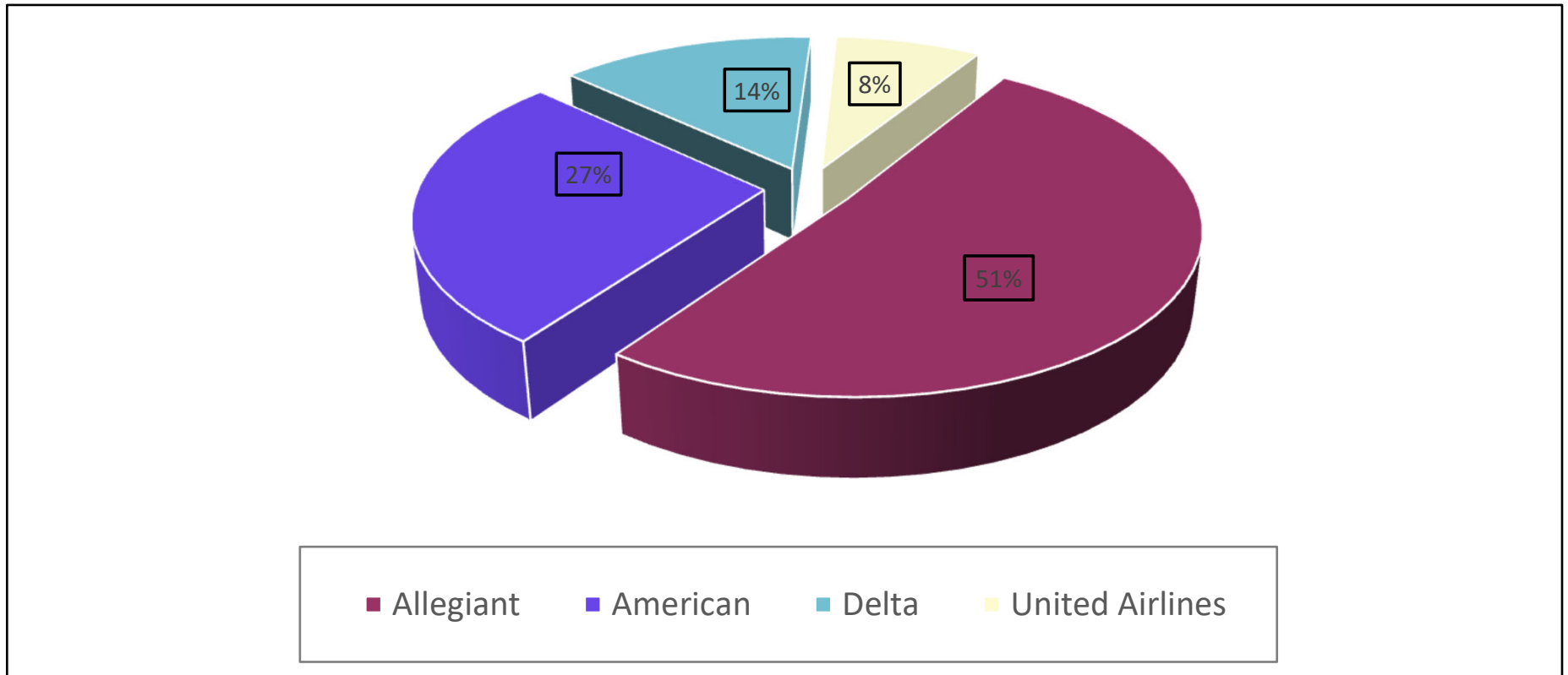


Total Monthly Passengers By Year Asheville Regional Airport



Airline Market Share Analysis (Enplanements) Asheville Regional Airport

Report Period From Oct 2020 Through Oct 2020



AVL - Three month schedule Summary Report
 December 2020 to February 2021 vs. December 2019 to February 2020

Mkt AI	Travel Period		Dec-20		Dec-19		Diff		Percent Diff	
	Orig	Dest	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats
AA	AVL	CLT	33	2,431	52	3,561	(19)	(1,130)	(36.5%)	(31.7%)
AA	CLT	AVL	33	2,431	52	3,561	(19)	(1,130)	(36.5%)	(31.7%)
AA	AVL	DFW	7	532	7	532	0	0	0.0%	0.0%
AA	DFW	AVL	7	532	7	532	0	0	0.0%	0.0%
AA	AVL	LGA	0	0	2	152	(2)	(152)	(100.0%)	(100.0%)
AA	LGA	AVL	0	0	2	152	(2)	(152)	(100.0%)	(100.0%)
AA	AVL	PHL	0	0	7	350	(7)	(350)	(100.0%)	(100.0%)
AA	PHL	AVL	0	0	7	350	(7)	(350)	(100.0%)	(100.0%)
DL	ATL	AVL	33	2,508	47	3,606	(14)	(1,098)	(29.8%)	(30.4%)
DL	AVL	ATL	33	2,508	47	3,606	(14)	(1,098)	(29.8%)	(30.4%)
G4	AVL	BWI	0	0	2	354	(2)	(354)	(100.0%)	(100.0%)
G4	BWI	AVL	0	0	2	354	(2)	(354)	(100.0%)	(100.0%)
G4	AVL	DEN	0	0	1	177	(1)	(177)	(100.0%)	(100.0%)
G4	DEN	AVL	0	0	1	177	(1)	(177)	(100.0%)	(100.0%)
G4	AVL	EWR	0	0	2	354	(2)	(354)	(100.0%)	(100.0%)
G4	EWR	AVL	0	0	2	354	(2)	(354)	(100.0%)	(100.0%)
G4	AVL	FLL	6	1,071	12	2,124	(6)	(1,053)	(50.0%)	(49.6%)
G4	FLL	AVL	6	1,071	12	2,124	(6)	(1,053)	(50.0%)	(49.6%)
G4	AVL	HOU	2	354	0	0	2	354	0.0%	0.0%
G4	HOU	AVL	2	354	0	0	2	354	0.0%	0.0%
G4	AVL	PBI	2	354	2	354	0	0	0.0%	0.0%
G4	PBI	AVL	2	354	2	354	0	0	0.0%	0.0%
G4	AVL	PGD	2	372	2	354	0	18	0.0%	5.1%
G4	PGD	AVL	2	372	2	354	0	18	0.0%	5.1%
G4	AVL	PIE	4	735	11	1,947	(7)	(1,212)	(63.6%)	(62.2%)
G4	PIE	AVL	4	735	11	1,947	(7)	(1,212)	(63.6%)	(62.2%)
G4	AVL	SFB	4	708	13	2,301	(9)	(1,593)	(69.2%)	(69.2%)
G4	SFB	AVL	4	708	13	2,301	(9)	(1,593)	(69.2%)	(69.2%)
G4	AVL	SRQ	2	354	2	354	0	0	0.0%	0.0%
G4	SRQ	AVL	2	354	2	354	0	0	0.0%	0.0%
NK	AVL	MCO	0	0	7	1,274	(7)	(1,274)	(100.0%)	(100.0%)
NK	MCO	AVL	0	0	7	1,274	(7)	(1,274)	(100.0%)	(100.0%)
UA	AVL	IAD	12	600	14	700	(2)	(100)	(14.3%)	(14.3%)
UA	IAD	AVL	12	600	14	700	(2)	(100)	(14.3%)	(14.3%)
UA	AVL	ORD	10	500	21	1,050	(11)	(550)	(52.4%)	(52.4%)
UA	ORD	AVL	10	500	21	1,050	(11)	(550)	(52.4%)	(52.4%)
Total			234	21,038	408	39,088	(174)	(18,050)	(42.6%)	(46.2%)

Mkt AI	Travel Period		Jan-21		Jan-20		Diff		Percent Diff	
	Orig	Dest	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats
AA	AVL	CLT	39	2,887	54	3,358	(15)	(471)	(27.8%)	(14.0%)
AA	CLT	AVL	39	2,898	53	3,325	(14)	(427)	(26.4%)	(12.8%)
AA	AVL	DFW	7	532	9	684	(2)	(152)	(22.2%)	(22.2%)
AA	DFW	AVL	7	532	9	652	(2)	(120)	(22.2%)	(18.4%)
AA	AVL	LGA	0	0	2	152	(2)	(152)	(100.0%)	(100.0%)
AA	LGA	AVL	0	0	2	152	(2)	(152)	(100.0%)	(100.0%)
AA	AVL	PHL	0	0	7	521	(7)	(521)	(100.0%)	(100.0%)
AA	PHL	AVL	0	0	7	521	(7)	(521)	(100.0%)	(100.0%)
DL	ATL	AVL	32	2,276	47	3,134	(15)	(858)	(31.9%)	(27.4%)
DL	AVL	ATL	32	2,276	47	3,100	(15)	(824)	(31.9%)	(26.6%)
G4	AVL	BWI	0	0	1	177	(1)	(177)	(100.0%)	(100.0%)
G4	BWI	AVL	0	0	1	177	(1)	(177)	(100.0%)	(100.0%)
G4	AVL	EWR	3	531	2	354	1	177	50.0%	50.0%
G4	EWR	AVL	3	531	2	354	1	177	50.0%	50.0%
G4	AVL	FLL	7	1,239	12	2,124	(5)	(885)	(41.7%)	(41.7%)
G4	FLL	AVL	7	1,239	12	2,124	(5)	(885)	(41.7%)	(41.7%)
G4	AVL	HOU	2	354	0	0	2	354	0.0%	0.0%
G4	HOU	AVL	2	354	0	0	2	354	0.0%	0.0%
G4	AVL	PBI	2	354	2	354	0	0	0.0%	0.0%
G4	PBI	AVL	2	354	2	354	0	0	0.0%	0.0%
G4	AVL	PGD	2	354	2	354	0	0	0.0%	0.0%
G4	PGD	AVL	2	354	2	354	0	0	0.0%	0.0%
G4	AVL	PIE	4	708	11	1,947	(7)	(1,239)	(63.6%)	(63.6%)
G4	PIE	AVL	4	708	11	1,947	(7)	(1,239)	(63.6%)	(63.6%)
G4	AVL	SFB	5	885	13	2,301	(8)	(1,416)	(61.5%)	(61.5%)
G4	SFB	AVL	5	885	13	2,301	(8)	(1,416)	(61.5%)	(61.5%)
G4	AVL	SRQ	3	531	2	354	1	177	50.0%	50.0%
G4	SRQ	AVL	3	531	2	354	1	177	50.0%	50.0%
NK	AVL	MCO	0	0	5	910	(5)	(910)	(100.0%)	(100.0%)
NK	MCO	AVL	0	0	5	910	(5)	(910)	(100.0%)	(100.0%)
UA	AVL	EWR	6	300	0	0	6	300	42.9%	42.9%
UA	EWR	AVL	6	300	0	0	6	300	42.9%	42.9%
UA	AVL	IAD	20	1,000	14	700	6	300	78.6%	95.7%
UA	IAD	AVL	20	1,000	14	700	6	300	78.6%	95.7%
UA	AVL	ORD	25	1,370	14	700	11	670	78.6%	95.7%
UA	ORD	AVL	25	1,370	14	700	11	670	78.6%	95.7%
Total			314	26,653	393	36,149	(79)	(9,496)	(20.1%)	(26.3%)

Mkt AI	Travel Period		Feb-21		Feb-20		Diff		Percent Diff	
	Orig	Dest	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats
AA	AVL	CLT	39	2,920	54	3,342	(15)	(422)	(27.8%)	(12.6%)
AA	CLT	AVL	39	2,920	54	3,342	(15)	(422)	(27.8%)	(12.6%)
AA	AVL	DFW	7	532	7	532	0	0	0.0%	0.0%
AA	DFW	AVL	7	532	7	532	0	0	0.0%	0.0%
AA	AVL	LGA	0	0	2	152	(2)	(152)	(100.0%)	(100.0%)
AA	LGA	AVL	0	0	2	152	(2)	(152)	(100.0%)	(100.0%)
AA	AVL	PHL	0	0	7	532	(7)	(532)	(100.0%)	(100.0%)
AA	PHL	AVL	0	0	7	532	(7)	(532)	(100.0%)	(100.0%)
DL	ATL	AVL	32	2,250	47	2,952	(15)	(702)	(31.9%)	(23.8%)
DL	AVL	ATL	32	2,250	47	2,952	(15)	(702)	(31.9%)	(23.8%)
G4	AVL	EWR	2	354	2	354	0	0	0.0%	0.0%
G4	EWR	AVL	2	354	2	354	0	0	0.0%	0.0%
G4	AVL	FLL	6	1,062	12	2,124	(6)	(1,062)	(50.0%)	(50.0%)
G4	FLL	AVL	6	1,062	12	2,124	(6)	(1,062)	(50.0%)	(50.0%)
G4	AVL	HOU	2	354	0	0	2	354		
G4	HOU	AVL	2	354	0	0	2	354		
G4	AVL	PBI	2	354	2	354	0	0	0.0%	0.0%
G4	PBI	AVL	2	354	2	354	0	0	0.0%	0.0%
G4	AVL	PGD	2	354	2	354	0	0	0.0%	0.0%
G4	PGD	AVL	2	354	2	354	0	0	0.0%	0.0%
G4	AVL	PIE	4	708	11	1,947	(7)	(1,239)	(63.6%)	(63.6%)
G4	PIE	AVL	4	708	11	1,947	(7)	(1,239)	(63.6%)	(63.6%)
G4	AVL	SFB	4	708	13	2,310	(9)	(1,602)	(69.2%)	(69.4%)
G4	SFB	AVL	4	708	13	2,310	(9)	(1,602)	(69.2%)	(69.4%)
G4	AVL	SRQ	2	354	2	354	0	0	0.0%	0.0%
G4	SRQ	AVL	2	354	2	354	0	0	0.0%	0.0%
NK	AVL	MCO	0	0	5	910	(5)	(910)	(100.0%)	(100.0%)
NK	MCO	AVL	0	0	5	910	(5)	(910)	(100.0%)	(100.0%)
UA	AVL	EWR	7	350	0	0	7	350		
UA	EWR	AVL	7	350	0	0	7	350		
UA	AVL	IAD	21	1,050	14	700	7	350	50.0%	50.0%
UA	IAD	AVL	21	1,050	14	700	7	350	50.0%	50.0%
UA	AVL	ORD	28	1,540	14	700	14	840	100.0%	120.0%
UA	ORD	AVL	28	1,540	14	700	14	840	100.0%	120.0%
Total			316	25,780	388	35,234	(72)	(9,454)	(18.6%)	(26.8%)



MEMORANDUM

TO: Members of the Airport Authority
FROM: Janet Burnette, Director of Finance & Accounting
DATE: December 11, 2020

ITEM DESCRIPTION – Information Section Item B

Greater Asheville Regional Airport – Explanation of Extraordinary Variances
Month of October 2020

SUMMARY

Operating Revenues for the month of October were \$926,512, 1.7% under budget. Operating Expenses for the month were \$625,891, 31.1% under budget. As a result, Net Operating Revenues before Depreciation were \$300,621. Net Non-Operating Revenues were \$976,577, 321.1% over budget, which includes CARES Act funding of \$570,407.

Year-to-date Operating Revenues were \$3,048,652, 19.1% under budget. Year-to-date Operating Expenses were \$2,684,283, 31.3% under budget. Year-to-date Net Operating Revenues before Depreciation were \$364,369. Net Non-Operating Revenues for the year were \$3,061,672, 251.6% over budget

REVENUES

Significant variations to budget for October were:

Terminal rent – Airlines	(\$20,254)	(12.45%)	Enplanements under budget
Auto parking	(\$85,727)	(29.23%)	Enplanements under budget
Rental car-car rentals	\$85,818	55.71%	Rentals exceeded budget
Ground transportation	(\$11,046)	(60.37%)	Enplanements under budget

Information Section – Item B



EXPENSES

Significant variations to budget for October were:

Contractual services	(\$31,870)	(29.73%)	Parking mgmt invoices less than budget
Professional services	\$22,200	72.15%	Legal and auditing fees
Utility services	(\$22,767)	(50.12%)	No water invoicing and low electricity
Promotional activities	(\$18,895)	(83.12%)	Limited activities
Operating supplies	(\$24,169)	(67.41%)	Low supply costs for month
Publications/memberships	\$12,223	184.48%	Executive memberships – Vistage Worldwide

STATEMENT OF NET ASSETS

Significant variations to prior month were:

Cash and Cash Equivalents – Cash and Cash Equivalents decreased by \$754K due to airfield redevelopment project.

Construction in Progress – Construction in Progress increased by \$8.9MM due to the airfield redevelopment, terminal design and south apron construction projects.

Property and Equipment, Net – Property and Equipment, Net decreased by \$439K due to depreciation.

**ASHEVILLE REGIONAL AIRPORT
INVESTMENT AND INTEREST INCOME SUMMARY
As of October 31, 2020**

<u>Institution:</u>	<u>Interest Rate</u>	<u>Investment Amount</u>	<u>Monthly Interest</u>
Bank of America - Operating Account	0.80%	\$ 5,526,394	1,041
NC Capital Management Trust - Cash Portfolio		18,100	1
NC Capital Management Trust - Term Portfolio		6,465,951	73
Petty Cash		200	
 <u>Restricted Cash:</u>			
BNY Mellon		568,601	
Bank of America - PFC Revenue Account	0.80%	611,197	101
NC Capital Management Trust - Term Port - PFC		8,831,788	99
Total		<u>\$ 22,022,231</u>	<u>\$ 1,315</u>

Investment Diversification:

Banks	30%
NC Capital Management Trust	70%
Commercial Paper	0%
Federal Agencies	0%
US Treasuries	0%
	<u>100%</u>

**ASHEVILLE REGIONAL AIRPORT
STATEMENT OF CHANGES IN FINANCIAL POSITION
For the Month Ended October 31, 2020**

	Current Month	Prior Period
Cash and Investments Beginning of Period	\$ 22,776,762	\$ 23,123,598
Net Income/(Loss) Before Capital Contributions	837,767	766,989
Depreciation	439,431	439,431
Decrease/(Increase) in Receivables	(280,837)	(260,876)
Increase/(Decrease) in Payables	4,089,669	12,690
Decrease/(Increase) in Prepaid Expenses	-	-
Decrease/(Increase) in Fixed Assets	(8,911,470)	(3,728,212)
Principal Payments of Bond Maturities	-	-
Capital Contributions	3,070,909	2,423,142
Fund Balance Adjustment - Forfeiture funds	-	-
Increase(Decrease) in Cash	(754,531)	(346,836)
Cash and Investments End of Period	\$ 22,022,231	\$ 22,776,762

**ASHEVILLE REGIONAL AIRPORT
STATEMENT OF FINANCIAL POSITION
As of October 31, 2020**

	Current Month	Last Month
<u>ASSETS</u>		
Current Assets:		
Unrestricted Net Assets:		
Cash and Cash Equivalents	\$12,010,646	\$13,028,098
Investments	0	0
Accounts Receivable	1,170,651	956,008
Passenger Facility Charges Receivable	350,000	200,000
Refundable Sales Tax Receivable	55,773	41,577
Grants Receivable	524,869	622,871
Prepaid Expenses	1,052,702	1,052,702
Total Unrestricted Assets	15,164,641	15,901,256
Restricted Assets:		
Cash and Cash Equivalents	10,011,585	9,748,665
Total Restricted Assets	10,011,585	9,748,665
Total Current Assets	25,176,226	25,649,921
Noncurrent Assets:		
Construction in Progress	113,841,315	104,929,845
Net Pension Asset - LGERS	(1,239,231)	(1,239,232)
Benefit Payment - OPEB	78,015	78,015
Contributions in Current Year	799,995	799,995
Property and Equipment - Net	67,550,153	67,989,584
Total Noncurrent Assets	181,030,247	172,558,207
	\$206,206,473	\$198,208,128
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Payable from Unrestricted Assets:		
Accounts Payable & Accrued Liabilities	\$4,049,380	(\$21,327)
Customer Deposits	12,785	12,785
Unearned Revenue	145,760	159,365
Unearned Revenue - Constr	4,892,752	4,892,752
Construction Contracts Payable	0	0
Construction Contract Retainages	1,520,209	1,520,209
Revenue Bond Payable - Current	1,315,000	1,315,000
Interest Payable	130,266	97,699
Total Payable from Unrestricted Assets	12,066,152	7,976,483
Total Current Liabilities	12,066,152	7,976,483
Noncurrent Liabilities:		
Pension Deferrals - OPEB	287,535	287,535
Other Postemployment Benefits	1,198,974	1,198,974
Compensated Absences	461,562	461,562
Net Pension Obligation-LEO Special Separation Allowance	439,521	439,521
Revenue Bond Payable - Noncurrent	14,990,000	14,990,000
Total Noncurrent Liabilities	17,377,592	17,377,592
Total Liabilities	29,443,744	25,354,075
Net Assets:		
Invested in Capital Assets	165,086,468	156,614,429
Restricted	10,011,585	9,748,665
Unrestricted	1,664,676	6,490,959
Total Net Assets	176,762,729	172,854,053
	\$206,206,473	\$198,208,128



Income Statement

Through 10/31/20

Summary Listing

Classification	MTD Actual Amount	YTD Actual Amount	YTD Budget Amount	YTD Variance	Annual Budget Amount	Budget Less YTD Actual
Fund Category Governmental Funds						
Fund Type General Fund						
Fund 10 - General Fund						
<i>Operating revenues</i>						
Terminal space rentals - non airline	21,738.28	86,110.54	87,021.00	(910.46)	261,063.00	174,952.46
Terminal space rentals - airline	142,466.49	475,296.95	650,883.33	(175,586.38)	1,952,650.00	1,477,353.05
Landing fees	76,588.11	290,432.69	281,886.00	8,546.69	845,658.00	555,225.31
Concessions	45,306.26	143,353.29	172,558.00	(29,204.71)	517,674.00	374,320.71
Auto parking	207,528.11	720,422.19	1,173,021.67	(452,599.48)	3,519,065.00	2,798,642.81
Rental car - car rentals	239,859.34	705,853.08	616,164.67	89,688.41	1,848,494.00	1,142,640.92
Rental car - facility rent	52,004.87	156,014.61	220,519.33	(64,504.72)	661,558.00	505,543.39
Commerce ground transportation	7,251.09	30,811.29	73,190.33	(42,379.04)	219,571.00	188,759.71
FBOs	93,136.96	280,105.35	348,332.67	(68,227.32)	1,044,998.00	764,892.65
Building leases	9,965.58	39,799.98	39,779.00	20.98	119,337.00	79,537.02
Land leases	8,798.15	36,561.35	24,261.67	12,299.68	72,785.00	36,223.65
Other leases and fees	21,869.22	83,891.17	81,266.67	2,624.50	243,800.00	159,908.83
<i>Operating revenues Totals</i>	<u>\$926,512.46</u>	<u>\$3,048,652.49</u>	<u>\$3,768,884.33</u>	<u>(\$720,231.84)</u>	<u>\$11,306,653.00</u>	<u>\$8,258,000.51</u>
<i>Non-operating revenue and expense</i>						
Customer facility charges	166,850.75	523,680.75	466,666.67	57,014.08	1,400,000.00	876,319.25
Passenger facility charges	270,570.32	562,167.24	716,666.67	(154,499.43)	2,150,000.00	1,587,832.76
Cares Act grant	570,406.97	2,003,346.29	.00	2,003,346.29	.00	(2,003,346.29)
Interest revenue	1,315.00	8,098.13	33,333.33	(25,235.20)	100,000.00	91,901.87
Interest expense	(32,566.49)	(130,265.96)	.00	(130,265.96)	.00	130,265.96
Reimbursable cost expenses	.00	4,645.97	.00	4,645.97	.00	(4,645.97)
Gain or loss on disposal of assets	.00	90,000.00	.00	90,000.00	.00	(90,000.00)
P-card rebate	.00	.00	.00	.00	.00	.00
<i>Non-operating revenue and expense Totals</i>	<u>\$976,576.55</u>	<u>\$3,061,672.42</u>	<u>\$1,216,666.67</u>	<u>\$1,845,005.75</u>	<u>\$3,650,000.00</u>	<u>\$588,327.58</u>
Capital contributions	3,070,909.21	6,012,765.16	.00	6,012,765.16	.00	(6,012,765.16)
<i>Operating expenses</i>						



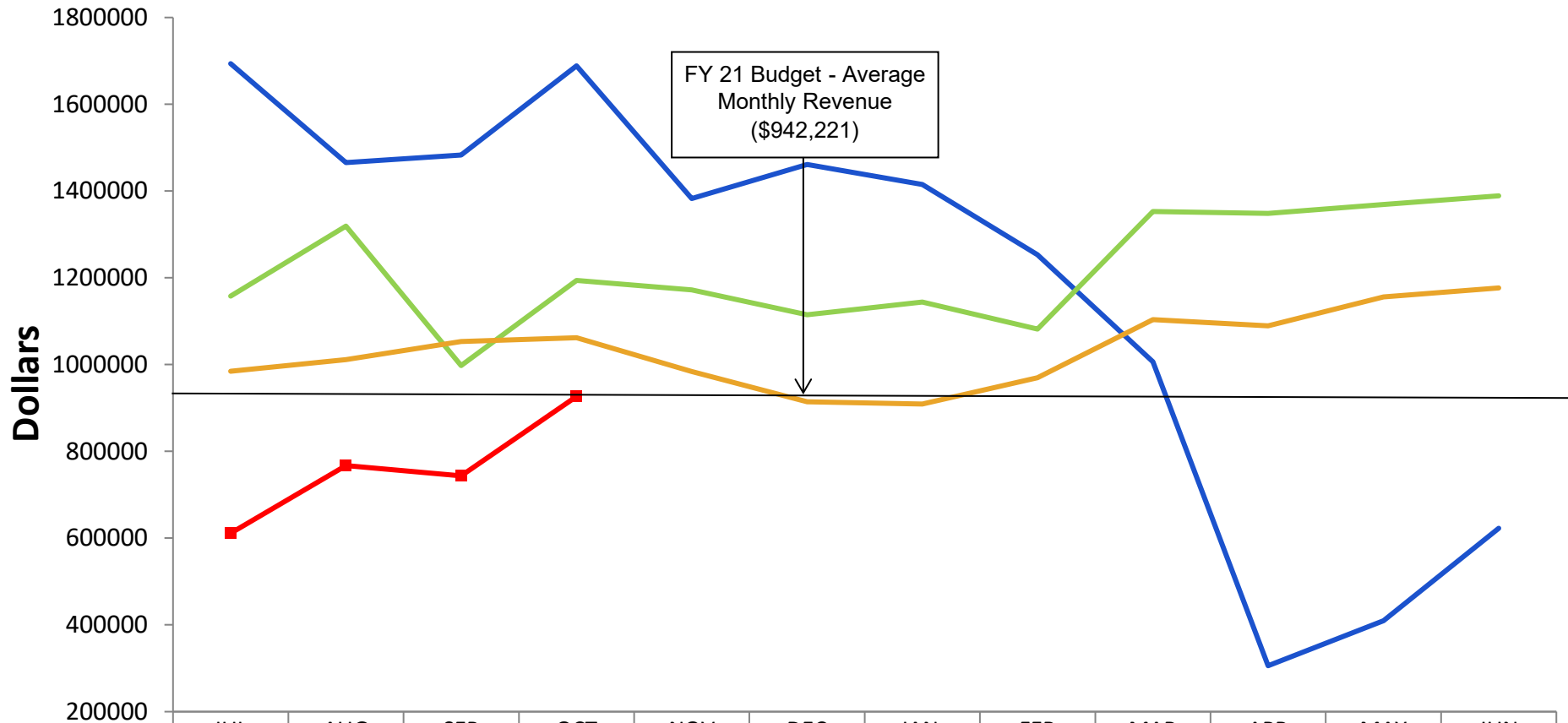
Income Statement

Through 10/31/20

Summary Listing

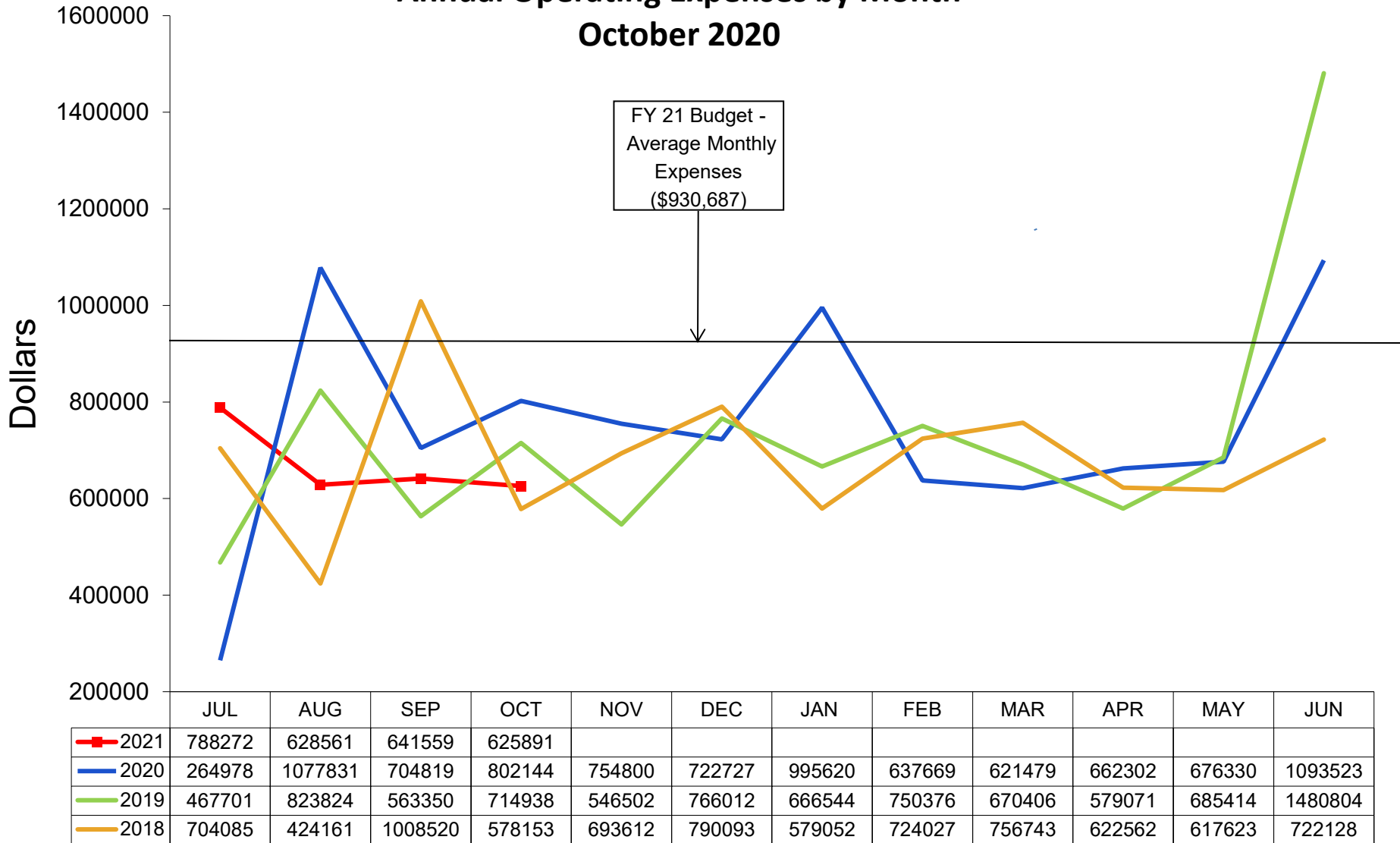
Classification	MTD Actual Amount	YTD Actual Amount	YTD Budget Amount	YTD Variance	Annual Budget Amount	Budget Less YTD Actual
Personnel services	410,892.09	1,733,283.79	2,274,530.33	(541,246.54)	6,823,591.00	5,090,307.21
Professional services	52,970.63	105,539.30	123,083.33	(17,544.03)	369,250.00	263,710.70
Other contractual services	75,344.26	263,754.59	428,858.33	(165,103.74)	1,286,575.00	1,022,820.41
Travel and training	1,380.81	1,215.01	39,840.00	(38,624.99)	119,520.00	118,304.99
Communiations	7,927.47	20,119.15	19,180.00	939.15	57,540.00	37,420.85
Utility services	22,659.77	91,958.47	181,705.67	(89,747.20)	545,117.00	453,158.53
Rentals and leases	1,297.80	5,145.02	5,086.67	58.35	15,260.00	10,114.98
Insurance	27.00	256,010.47	295,000.00	(38,989.53)	330,725.00	74,714.53
Advertising, printing and binding	.00	.00	4,276.67	(4,276.67)	12,830.00	12,830.00
Promotional activities	3,836.22	22,391.65	90,925.00	(68,533.35)	272,775.00	250,383.35
Other current charges and obligations	2,750.41	12,752.30	22,700.00	(9,947.70)	68,100.00	55,347.70
Operating supplies	11,685.57	57,577.71	143,417.67	(85,839.96)	430,253.00	372,675.29
Publications, subscriptions, memberships, etc.	18,848.55	45,813.02	26,502.67	19,310.35	79,508.00	33,694.98
Repairs and maintenance	8,045.57	55,592.63	70,733.33	(15,140.70)	212,200.00	156,607.37
Small equipment	4,948.33	9,853.66	31,666.67	(21,813.01)	95,000.00	85,146.34
Contingency	.00	.00	33,333.33	(33,333.33)	100,000.00	100,000.00
Emergency repairs	3,276.56	3,276.56	16,666.67	(13,390.11)	50,000.00	46,723.44
Business development	.00	.00	100,000.00	(100,000.00)	300,000.00	300,000.00
<i>Operating expenses Totals</i>	<u>\$625,891.04</u>	<u>\$2,684,283.33</u>	<u>\$3,907,506.33</u>	<u>(\$1,223,223.00)</u>	<u>\$11,168,244.00</u>	<u>\$8,483,960.67</u>
<i>Depreciation</i>						
Depreciation	439,431.00	1,757,724.00	.00	1,757,724.00	.00	(1,757,724.00)
<i>Depreciation Totals</i>	<u>\$439,431.00</u>	<u>\$1,757,724.00</u>	<u>\$0.00</u>	<u>\$1,757,724.00</u>	<u>\$0.00</u>	<u>(\$1,757,724.00)</u>
Grand Totals						
REVENUE TOTALS	4,973,998.22	12,123,090.07	4,985,551.00	7,137,539.07	14,956,653.00	2,833,562.93
EXPENSE TOTALS	1,065,322.04	4,442,007.33	3,907,506.33	534,501.00	11,168,244.00	6,726,236.67
Grand Total Net Gain (Loss)	<u>\$3,908,676.18</u>	<u>\$7,681,082.74</u>	<u>\$1,078,044.67</u>	<u>\$6,603,038.07</u>	<u>\$3,788,409.00</u>	<u>\$3,892,673.74</u>

ASHEVILLE REGIONAL AIRPORT Annual Operating Revenue by Month October 2020



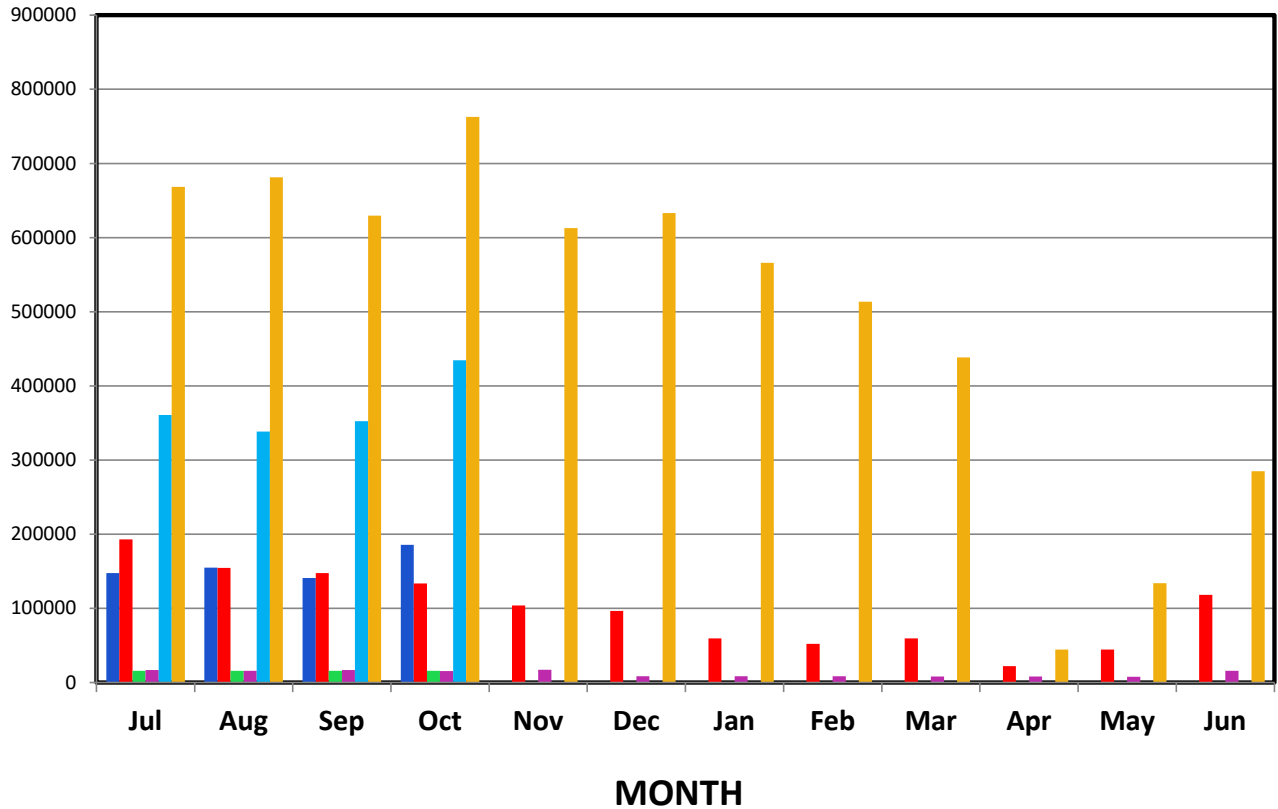
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
2021	611290	767485	743365	926512								
2020	1693639	1465826	1482983	1688471	1382894	1461166	1414955	1253245	1006396	305847	409453	622404
2019	1157880	1319448	997702	1193707	1171956	1114742	1144401	1081933	1352795	1348310	1369108	1388974
2018	984749	1011431	1052878	1062064	984291	914297	909078	969671	1103476	1089449	1155693	1176670

ASHEVILLE REGIONAL AIRPORT Annual Operating Expenses by Month October 2020



**ASHEVILLE REGIONAL AIRPORT
FUEL SALES - GALLONS
October 2020**

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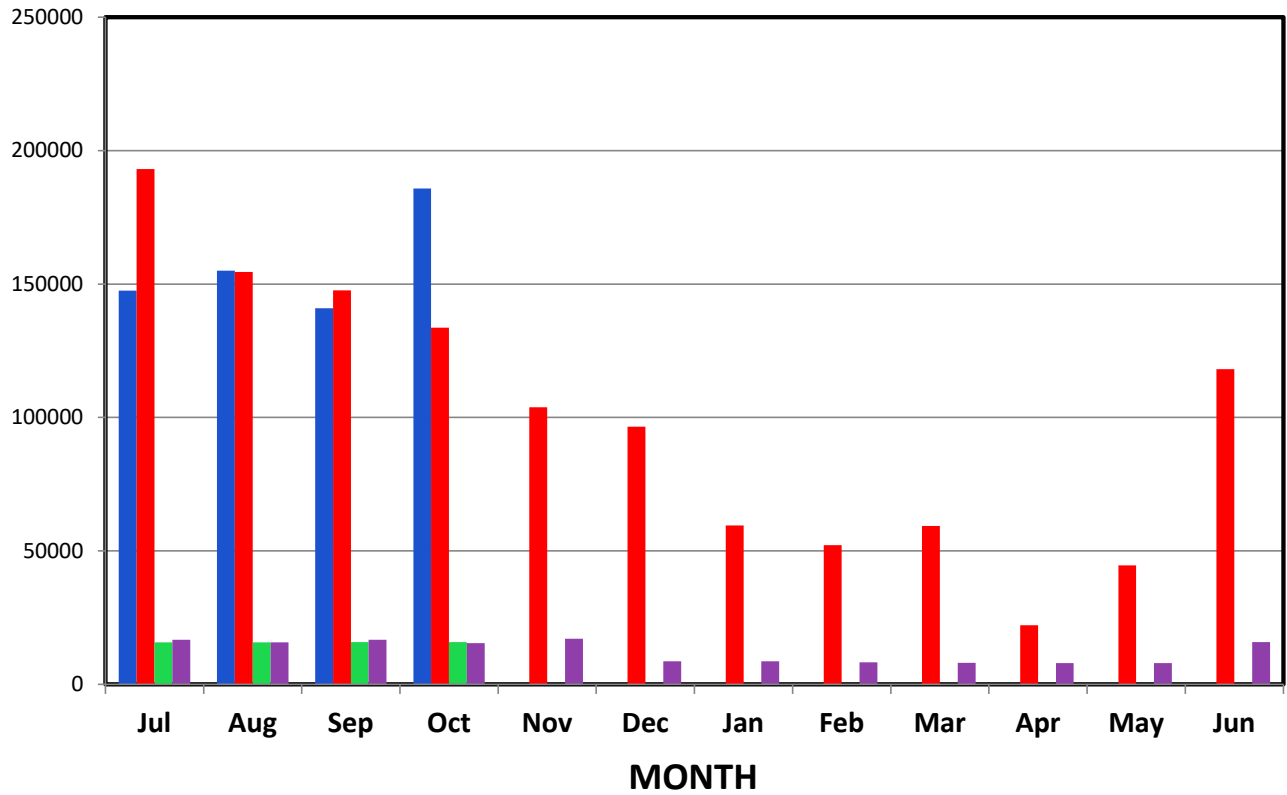


- Jet A - FY21
- Jet A - FY20
- 100LL - FY21
- 100LL - FY20
- Airline - FY21
- Airline - FY20

Jet A - 140,922 Gallons
 100LL - 15,864 Gallons
 Airline - 434,589 Gallons

**ASHEVILLE REGIONAL AIRPORT
GENERAL AVIATION FUEL SALES - GALLONS
October 2020**

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- Jet A - FY21
- Jet A - FY20
- 100LL - FY21
- 100LL - FY20

Jet A - 185,812 Gallons
100LL - 15,864 Gallons

Design Phase														
Project Number	Project Name	Project Description	Professional Services Consultant	Professional Services Contract	General Contractor	Original Construction Contract	Change Orders (thru 12/01/2020)	Percent of Original Contract	Board Approved Project Cost	Percent Complete	Expensed to Date (thru 12/01/2020)	Start Date	End Date	Current Project Status (as of 12/01/2020)
1	Airfield Re-Development Project	Budget for the complete project				\$64,100,000.00	\$50,900,000.00		\$115,000,000.00	63.5%	\$73,059,309			All Engineer contracts, completed construction contracts and expenses will be inclusive of budget.
1A	Airfield Re-Development Project	Phase III and IV - Design Services and Project Management. Vol 2	RS&H	\$1,460,329.00	N/A	N/A	\$0.00	0.00%	(Overall total included in above number)	91.5%	\$1,336,397	Aug-19	Dec-20	Phase IV Project Management continues.
1B	Airfield Re-Development Project	Phase III and IV - Design Services and Project Management. Vol 3	RS&H	\$1,487,205.00	N/A	N/A	\$0.00	0.00%	(Overall total included in above number)	37%	\$554,857	Aug-19	May-21	Phase IV Project Management continues.
1C	Airfield Re-Development Project	New Runway Design Vol3	AVCON	\$99,271.00	N/A	N/A	\$0.00	0.00%	(Overall total included in above number)	52.5%	\$52,117	Aug-19	Dec-20	Phase IV Project Management continues.
1D	Airfield Re-Development Project	Miscellaneous and Administrative Expenses			N/A	N/A	\$0.00	0.0%	(Overall total included in above number)	0.0%	\$4,042,174	Jan-13	Dec-19	Miscellaneous Administrative Expenses, Reimbursable Agreement and Land Acquisition
2	Airport Security and Identity Management	Security system, ID badging and CCTV camera equipment	Faith Group LLC	\$327,486.27	N/A	N/A	\$0.00	0.0%	\$327,486.27	97.8%	\$320,513	Aug-18	Aug-20	Project closeout pending. Asbuilt being reviewed.
3	Apron Expansion South	Terminal apron to be expanded and added for aircraft use.	Parrish and Partners	\$821,196.00	N/A	N/A	\$575,702.00	19.3%	\$1,396,898.00	70.0%	\$977,623	Nov-18	Feb-21	Project Management in process.
4	Terminal Building Renovations	Phase 1 - Utility Modernization of Water and Sewer	Gresham Smith	\$168,820.00	N/A	N/A	\$0.00	0.0%	\$168,820.00	89.6%	\$151,280	Jan-19	Aug-20	Project Management in process.
5	Terminal Building Renovations	Phase 2 - Terminal Building Modernization Design	Gresham Smith	\$12,608,794.00	N/A	N/A	\$0.00	0.0%	\$12,608,794.00	18.5%	\$2,330,956	Nov-19	Apr-21	Schematic Design for Terminal Building is being developed. CMR selected with AIA documents finalized.
7	Parking Lots	Design of additional parking areas across Highway 280	AVCON	\$189,962.00	N/A	N/A	\$103,796.00	54.6%	\$293,758.00	96.1%	\$282,428	May-19	Aug-20	Project Management in process.

Construction Phase														
Project Number	Project Name	Project Description	Professional Services Consultant	Professional Services Contract	General Contractor	Original Construction Contract	Change Orders (thru 12/01/2020)	Percent of Original Contract	Board Approved Project Cost	Percent Complete	Expensed to Date (thru 12/01/2020)	Start Date	End Date	Current Project Status (as of 12/01/2020)
1	Permanent Runway 17-35 Construction, NAVAIDS and Taxiway Conversion	Construct new runway and convert temporary runway to a taxiway	RS&H and AVCON Inc.	Amount Included in Phase 3 Design Fees	Travelers	\$22,222,792.84	\$0.00	0.0%	\$22,222,792.84	48.0%	\$10,657,361	Apr-20	May-21	Temporary Runway conversion lighting, directional signs and electrical work and permanent NAVAIDS in progress.
2	Permanent Runway 17-35 Construction, NAVAIDS and Taxiway	Construct new runway and convert temporary runway to a taxiway	RS&H and AVCON Inc.	Amount Included in Phase 3 Design Fees	APAC/Harrison Construction	\$11,988,517.25	\$42,067.00	0.35%	\$12,030,584.00	72.5%	\$8,722,297	Apr-20	Dec-20	Runway opened 11-5-2020. Shoulder and taxiway pavement work complete..
3	Airport Security & Identity Management System	Replace, Upgrade and Install new Security System	Faith Group	Amount in Design Fees	Johnson Control, Inc.	\$2,197,707.00	\$69,993.15	3.2%	\$2,605,672.28	90.0%	\$2,040,930	May-19	Aug-20	Close out pending.
4	Apron Expansion South	Terminal apron to be expanded and added for aircraft use.	Parrish and Partners	Amount in Design Fees	Zachary Construction	\$9,087,857.00	\$320,821.88	3.53%	\$9,542,250.00	35.1%	\$3,305,988	Sep-19	Dec-20	Earthwork continues and large drain pipe installation. Retaining wall work in progress with precast.
6	Parking Lots	Additional parking lots to be constructed and paved for public use.	AVCON Inc	Amount in Design Fees	Chatham Civil Contracting	\$1,905,330.90	-\$59,304.00	-3.1%	\$2,095,863.90	84.7%	\$1,563,883	Nov-19	Aug-20	Close out pending.
7	Terminal Building Phase 1 - Utility Modernization	Update current utilities in front of the terminal.	Gresham Smith	Amount in Design Fees	Patton Construction Group	\$1,868,160.00	\$12,848.00	0.68%	\$2,054,976.00	96.1%	\$1,807,315	Nov-19	Aug-20	Punch list items near completion. Waterline change over anticipated by end of Dec. Close out pending.

Key strategic priorities

Governance vs. Management : Focus on setting governing direction (“guard rails”) for the organizational and holding management accountable for the execution of operational tactics. Pursue continuous educational opportunities for Authority Member development.

1. **Organizational Relevance**: Remaining relevant in an era of airport consolidation
2. **Financial Stewardship**: Sustainability/Operating Performance/Audit & Compliance
3. **Municipal Relations**: Positive relationships with all municipalities surrounding the airport
4. **Stakeholder Relations**: Positive relationships with neighbors and other community organizations
5. **Community Image**: Public Perception/Public Relations/Customer Service/Legal Entity
6. **Facilities Stewardship**: Future Master Facilities Plan
7. **Environmental Stewardship**: Accountability/Awareness of Environmental Issues
8. **Economic Development**: Engage Community Partners/Airline Service Development
9. **Vendor-Partner Relations**: General Aviation/Rental Car Agencies/Vendors
10. **Public Safety**: Airport Emergency Safety/TSA Relations/Municipal Partners
11. **Organizational Accountability**: Executive Director Supervision