



September 27, 2018

CALL AND NOTICE OF A REGULAR MEETING
OF THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

NOTICE is hereby given that a regular meeting of the Burbank-Glendale-Pasadena Airport Authority will be held Monday, October 1, 2018, at 9:00 a.m., in the Airport Skyroom of Hollywood Burbank Airport, 2627 N. Hollywood Way, Burbank, California 91505.

Terri Williams, Board Secretary
Burbank-Glendale-Pasadena Airport Authority

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

Regular Meeting of Monday, October 1, 2018

9.00 A.M.

The public comment period is the opportunity for members of the public to address the Commission on agenda items and on airport-related non-agenda matters that are within the Commission's subject matter jurisdiction. At the discretion of the presiding officer, public comment on an agenda item may be presented when that item is reached.



Members of the public are requested to observe the following decorum when attending or participating in meetings of the Commission:

- *Turn off cellular telephones and pagers.*
- *Refrain from disorderly or boisterous conduct, including loud, threatening, profane, or abusive language, clapping, whistling, stamping, or other acts that disrupt or otherwise render unfeasible the orderly conduct of the meeting.*
- *If you desire to address the Commission during the public comment period, fill out a speaker request card and present it to the Board Secretary.*
- *Confine remarks to agenda items or to airport-related non-agenda matters that are within the Commission's subject matter jurisdiction.*
- *Limit comments to five minutes or to such other period of time as may be specified by the presiding officer.*



The following activities are prohibited:

- *Allocation of speaker time to another person.*
- *Video presentations requiring use of Authority equipment.*



Any disclosable public records related to an open session item on a regular meeting agenda and distributed by the Authority to the Commission less than 72 hours prior to that meeting are available for public inspection at Hollywood Burbank Airport (2627 Hollywood Way, Burbank) in the administrative office during normal business hours.



In accordance with the Americans with Disabilities Act of 1990, if you require a disability-related modification or accommodation to attend or participate in this meeting, including auxiliary aids or services, please call the Board Secretary at (818) 840-8840 at least 48 hours prior to the meeting.

AGENDA

1. ROLL CALL
2. PLEDGE OF ALLEGIANCE
3. APPROVAL OF AGENDA
4. PUBLIC COMMENT
5. CONSENT CALENDAR
 - a. Committee Minutes
(For Note and File)
 - 1) Operations and Development Committee ***[See page 1]***
 - (i) August 20, 2018
 - 2) Finance and Administration Committee ***[See page 6]***
 - (i) August 20, 2018
 - b. Commission Minutes
(For Approval)
 - 1) September 17, 2018 ***[See page 9]***
 - c. Auditor Required Communications for the FY 2018 Audits ***[See page 20]***
6. ITEMS FOR COMMISSION APPROVAL
 - a. Approval of Services Agreement with The Regents of The University of California on Behalf of The UCLA Center for Prehospital Care for EMT Continuing Education and Quality Improvement Services ***[See page 32]***
 - b. Award of Purchase Order for Replacement of Self-Parking License Plate Recognition ("LPR") Camera System Sentry Control Systems, LLC ***[See page 48]***
 - c. First Amendment to the Automated Teller Machine Concession and Lease Agreement – MOBILEMONEY, INC. ***[See page 56]***

7. CLOSED SESSION
 - a. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
(California Government Code Section 54956.9(d)(1))
Name of Case: Yarbrough v. Burbank-Glendale-Pasadena Airport Authority
(WCAB Case No. ADJ9979761, ADJ10423172, ADJ Unassigned)
8. COMMISSIONER COMMENTS
(Updates and information items, if any)
9. ADJOURNMENT

COMMISSION NEWSLETTER
October 1, 2018

[Regarding agenda items]

5. CONSENT CALENDAR

(Consent Calendar items may be enacted by one motion. There will be no separate discussion on these items unless a Commissioner so requests, in which event the item will be removed from the Consent Calendar and considered in its normal sequence on the agenda.)

- a. COMMITTEE MINUTES. Approved minutes of the August 20, 2018, Operations and Development Committee meeting and the August 20, 2018, Finance and Administration Committee meeting are included in the agenda packet for information purposes.
- b. COMMISSION MINUTES. Draft minutes of the September 17, 2018, meeting are attached for the Commission's review and approval.
- c. AUDITOR REQUIRED COMMUNICATIONS FOR THE FY 2018 AUDITS. A staff report is included in the agenda packet. In accordance with applicable professional standards, the Authority's auditor, Macias Gini & O'Connell LLP ("MGO") has provided the attached letter to the Commission outlining its audit responsibilities, and planned scope and timing of the FY 2018 audits. Also attached is a copy of the annual engagement letter, which substantially conforms to the professional services agreement between the Authority and MGO for audit services. At the September 17, 2018, meeting of the Finance and Administration Committee, it was voted unanimously (3-0) to recommend to the Commission that it note and file these Auditor communications.

6. ITEM FOR COMMISSION APPROVAL

- a. APPROVAL OF SERVICES AGREEMENT WITH THE REGENTS OF THE UNIVERSITY OF CALIFORNIA ON BEHALF OF THE UCLA CENTER FOR PREHOSPITAL CARE FOR EMT CONTINUING EDUCATION AND QUALITY IMPROVEMENT SERVICES. A staff report is included in the agenda packet. At the September 17, 2018, meeting of the Operations and Development Committee ("Committee"), the Committee voted unanimously (3-0) to recommend that the Commission approve a proposed three-year Services Agreement ("Agreement"), with The Regents of the University of California, on behalf of the UCLA Center for Prehospital Care ("UCLA") for emergency medical technician ("EMT") continuing education and quality improvement at the initial annual rate of \$22,500 subject to a Consumer Price Index ("CPI") adjustment each year thereafter.
- b. AWARD OF PURCHASE ORDER FOR REPLACEMENT OF SELF-PARKING LICENSE PLATE RECOGNITION ("LPR") CAMERA SYSTEM - SENTRY CONTROL SYSTEMS, LLC. A staff report is included in the agenda packet. At the September 17, 2018, meeting of the Operations and Development Committee

("Committee"), the Committee voted unanimously (3–0) to recommend that the Commission authorize the issuance of a Purchase Order in the amount of \$196,476 to Sentry Control Systems LLC ("Sentry") for the replacement and upgrade of the self-parking License Plate Recognition ("LPR") camera system that has reached the end of its useful life. The LPR camera system is an integral component of the Airport's overall self-park revenue controls. Appropriations in the amount of \$200,000 are included in the Burbank-Glendale-Pasadena Airport Authority ("Authority") FY 2019 Adopted Budget for this project.

- c. **FIRST AMENDMENT TO THE AUTOMATED TELLER MACHINE CONCESSION AND LEASE AGREEMENT – MOBILEMONEY, INC.** A staff report is included in the agenda packet. At the September 17, 2018, meeting of the Finance and Administration Committee ("Committee"), the Committee voted unanimously (3–0) to recommend that the Commission approve a proposed First Amendment to the Automated Teller Machine Concession Agreement ("Amendment") with MOBILEMONEY, INC. ("MOBILEMONEY"). The proposed Amendment would remove one Automated Teller Machine ("ATM") kiosk located at the Regional Intermodal Transportation Center ("RITC") and reduce the monthly rent paid by MOBILEMONEY for the ATM kiosk located at the Valet Center from \$300 to \$100 per month. The combined total reduction in the monthly rent would be \$500, bringing their total monthly payment from \$3,800 to \$3,300 per month.

Approved September 17, 2018

**MINUTES OF THE SPECIAL MEETING OF THE
OPERATIONS AND DEVELOPMENT COMMITTEE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

MONDAY, AUGUST 20, 2018

A special meeting of the Operations and Development Committee was called to order on this date in the Airport Skyroom, 2627 Hollywood Way, Burbank, California, at 8:02 a.m., by Chairman Brown.

ROLL CALL

Present: Commissioners Brown, Tornek and Devine

Absent: None

Also Present: Staff: Frank Miller, Executive Director;
John Hatanaka, Senior Deputy Executive Director;
Anthony Defrenza, Director of Engineering and
Maintenance; Nerissa Sugars, Marketing
Communications and Air Service Manager;
Tom Janowitz, Senior Manager Ground Access;
Ed Skavarna, Chief of Police; Director, Public safety

1. Approval of Agenda There were no adjustments to the agenda.

2. Public Comment There were no public speakers.

3. Approval of the Minutes

a. July 16, 2018 Commissioner Devine moved approval of the minutes of the April 16, 2018, meeting, seconded by Commissioner Tornek. The minutes were approved (3-0).

4. Contract and Leases

a. Award of Construction Contract, Award of Professional Services Agreement and Approval of Project Budget for Taxiway C and D West End and General Aviation Ramp Rehabilitation Project Number E17-08

Staff presented a proposed construction contract, Professional Services Agreement and budget approval for the construction of Taxiways C and D West End and General Aviation Ramp Rehabilitation Project.

Staff reported that the Authority had engaged RDM International, Inc. ("RDM") to design the rehabilitation of taxiways, shoulders and general aviation ("GA") ramp areas included in the scope of the proposed

project. The planned rehabilitation detailed in the design consists of full depth pavement removal and the placement of new hot mix asphalt pavement. In the GA ramp area, the designer incorporated an increased pavement section from 4" thick to 5" thick to increase the structural integrity of the pavement and better accommodate loading and traffic of the tenant's aircraft. Additionally, the engineer recommended an alternative pavement material within the top 1" of the GA ramp pavement section. Large aircraft frequently park in the GA ramp area for extended duration and, due to the loading and characteristics of use, this area is especially susceptible to rutting. The alternative material provides a more durable pavement surface and is intended to extend the useful life of the GA ramp area.

Staff provided background regarding the competitive bid process for the project and stated that bidders provided pricing for both the base and alternate scenarios. Based on the pricing provided and the FAAs willingness to incorporate the higher priced alternate scenario, the values stated are inclusive of the alternate.

Staff initiated bids on March 29, 2018, with four contractors submitting bids ranging from \$4,374,000 to \$6,545,347.70, base bid and \$5,472,800 to \$7,872,947.70, for the alternate base bid. The low bidder was Sully-Miller Contracting Company with a bid of \$4,374,00 and \$5,472,800, respectively.

The Authority's staff Disadvantaged Business Enterprise ("DBE") Liaison evaluated each bid as it pertained to DBE participation and mandatory pre-bid conference attendance and confirmed that each bidder who did not achieve the Authority's DBE participation goal of 14% provided evidence of "good Faith" efforts as defined by 49 CFR Part 26.53. The DBA Liaison concluded that all the bidders engaged in good faith efforts to secure DBA participation.

Separate evaluations were conducted by Staff to determine responsiveness to the bid documents and whether there were any bid deviations. Staff determined that all were "responsive" as 100% of the documentation requirements were received by each bidder. An additional evaluation was conducted to determine whether there were any bid anomalies, and none were found.

Following its presentation, which included various questions from the Committee, Staff recommended that the Committee recommend to the Commission that it: i) award a construction contract in the amount of \$5,472,800 to Sully-Miller Contracting Company for the construction of the Taxiway C and D West End and General Aviation Ramp Rehabilitation Project; (ii) award a professional services agreement for a lump sum amount of \$418,445 with RDM International, Inc. for engineer of record construction administration services, onsite technical services, inspection and material testing; (iii) approve a project budget for construction management, contract administration field observation for a not-to-exceed amount of \$175,000; and, (iv) approve a project aggregate contingency of \$333,269.

Motion

Commissioner Tornek moved approval of Staff's recommendation, seconded by Commissioner Devine.

Motion Approved

The motion was approved unanimously (3-0).

This item has been placed on the Authority's agenda for its August 20, 2018, meeting immediately following the Committee's meeting.

b. Award of Professional Services Agreement InterVistas Consulting, Inc. for Air Services Development Consulting Services

In FY 2018, Staff retained InterVistas for consulting services in connection with the Authority's general air service development efforts.

Staff reported that over the past two fiscal years, the Airport has experienced significant positive passenger growth and the addition of more nonstop flights starting the fall of this year. To continue this trend and the growing interest from air carriers to include the Airport in their future network planning, InterVistas will be used to provide Staff with: on-call support for air service development efforts; advice on communications with the network planning and scheduling representatives of the air carriers; information regarding potential air service development opportunities; information regarding policy and regulatory matters which may impact air service development; and marketing data support analysis.

Staff believes that InterVistas' expertise in these areas will support Staff's efforts to continue the momentum experienced to date. Additionally,

InterVistas will continue to support the Airport's participation at airline-airport meetings and conferences such as the Allegiant Conference, Routes Americas, and Jumpstart.

Staff stated that the fees previously paid to InterVistas under its original agreement and the fee under the proposed Agreement combined exceeds the Executive Director's authorization. The cost of the proposed Agreement is included in the Adopted FY 2019 Budget for air service development.

Staff recommended to the Committee that it recommend to the Commission the award of the proposed Agreement to InterVistas in the not-to-exceed amount \$70,000 for air service development support services and that the President be authorized to execute the same.

Motion

Commissioner Devine moved approval of Staff's recommendation, seconded by Commissioner Tornek.

Motion Approved

The motion was approved unanimously (3-0).

c. Award of Purchase Order for Shuttle Services Between Burbank Airport-North Metrolink Station and Hollywood Burbank Airport

Staff recommended to the Operations and Development Committee that it recommend to the Commission to award a Purchase Order to Arcadia Transit Inc. ("SuperShuttle") in the monthly amount of \$16,240 for shuttle services between the Airport and the Burbank Airport – North Metrolink Station on a month-to-month basis, not to exceed six months, and to authorize the Executive Director to execute the same.

Following Staff's presentation, the Committee recommended a modified version of Staff's recommendation for shuttle services between Burbank Airport-North Metrolink Station and Hollywood Burbank Airport. The Committee recommended a month-to-month purchase order with Arcadia Transit Inc., dba SuperShuttle, not-to-exceed three (3) months at the monthly rate of \$16,240.

During the three-month period, staff is to return to the Committee with an alternative on-demand service shuttle program to serve the Burbank Airport-North Metrolink Station.

Motion

Commissioner Tornek moved approval of the revised form of the service shuttle program to serve the Burbank Airport-North Metrolink Station recommendation, seconded by Commissioner Devine.

Motion Approved

The motion was approved unanimously (3-0).

This item has been placed on the Authority's agenda for its August 20, 2018; meeting immediately following the Committee's meeting.

5. Items for Discussion**a. Baggage System, Ticket Counter and Security Checkpoint Modifications**

Staff briefed the Committee on request received from the airlines after the adoption of the FY 2019 Budget for modification to the baggage make up system, common use ticket counters and security checkpoints for passenger processing in the current facility.

Following the discussion of the operational impacts of the program thereof and answering various questions from the Committee, the Committee requested further clarification regarding the logistics of the proposed modifications and requested a walkthrough of Terminal A and B to get a better grasp of the project changes discussed.

6. Adjournment

There being no further business, the meeting adjourned at 8:37 a.m.

Approved September 17, 2018

**MINUTES OF THE REGULAR MEETING OF THE
FINANCE AND ADMINISTRATION COMMITTEE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

MONDAY, AUGUST 20, 2018

A regular meeting of the Finance and Administration Committee was called to order on this date in the Airport Skyroom of the Burbank-Glendale-Pasadena Airport Authority, 2627 Hollywood Way, Burbank, California, at 10:30 a.m., by Commissioner Gharpetian.

AB 23 Disclosure: The Deputy Executive Director announced that, as a result of the convening of this meeting of the Finance and Administration Committee, each Committee member is entitled to receive and shall be provided \$200.

ROLL CALL

Present: Commissioners Gharpetian and Selvidge

Absent: Commissioner Adams

Also Present: Staff: John Hatanaka, Senior Deputy Executive Director; Kathy David, Deputy Executive Director, Mike Duong, Senior Manager, Business and Compliance

1. Approval of Agenda The agenda was approved as presented.

2. Public Comment There were no public speakers.

3. Approval of Minutes The minutes were approved as presented.

4. Treasurer's Report A copy of the June 2018 Treasurer's Report was included in the agenda packet for the Committee's review.

a. June 2018

Motion Commissioner Selvidge moved approval; seconded by Commissioner Gharpetian.

Motion Approved There being no objection, the Committee voted (2-0, one absent) to recommend that the report be forwarded to the Commission for note and file.

5. Contracts and Leases

a. Award of Short Term Parking Space Reservation Agreement – Silverco Enterprises Staff presented to the Committee for recommendation for Commission approval, a Short Term Parking Space Reservation Agreement ("Agreement") with Silverco Enterprises ("Silverco")

for 523 spaces in Parking Lot B ("Lot B") located on Hollywood Way. Due to an increase with its operation, Silverco has requested to utilize the parking spaces in Lot B for the parking of motor vehicles and trucks on a daily basis. Payment for these parking spaces will be in arrears and will be subject to the City of Burbank's transient parking tax.

The term of the proposed Agreement will begin on October 1, 2018, on an ongoing daily basis with the rate of \$1.59/per stall/per day or \$24.947.10 per month. The daily rate is subject to an annual increase of 3% beginning October 1, 2019. Termination may be invoked by either party by delivering thirty (30) days' prior written notice.

The proposed Agreement is expected to be revenue neutral, replacing the previous Agreement with Universal City Nissan for the same location.

MOTION

Commissioner Selvidge moved approval; seconded by Commissioner Gharpetian.

MOTION APPROVED

The motion was voted for approval (2-0, one absent).

The next item, Item C, was taken out of order to allow Staff the opportunity to continue making a presentation at the Legal, Government and Environmental Affairs Committee meeting which was being held concurrently. Staff was responsible for presenting Item B below.

**c. Department of Homeland Security
Transportation Security
Administration Other Transaction
Agreement ("OTA")**

Staff presented to the Committee for recommendation of approval by the Commission a modified Other Transaction Agreement with the Department of Homeland Security, Transportation Security Administration for reimbursement of electrical and janitorial charges associated with areas used for baggage screening operations at Hollywood Burbank Airport.

Staff undertook an analysis of the current applicable rates and charges attributed to TSA's operation and requested an increase in the reimbursement amount for janitorial services of \$4,561.07 and \$1,003.08 for electrical service. TSA reviewed Staff's request and has delivered a modified OTA for an annual reimbursement in the amount of \$68,841.24 for electricity and \$68,495.75 for janitorial services. The total obligated amount under the modified OTA to the

Authority is \$137,336.99 for a twelve-month period ending August 31, 2019.

The modified OTA is summarized as follows: the term will be from September 1, 2018 to August 31, 2019, or for as long as federal law requires TSA to perform screening functions at the Airport. The total increase of \$5,564.15 for janitorial and electrical will be reimbursed for the twelve-month period; space for conducting such screening operations will be provided at no cost to the TSA.

MOTION

Commissioner Selvidge moved approval; seconded by Commissioner Gharpetian.

MOTION APPROVED

The motion was voted for approval (2–0, one absent).

b. Award of Professional Services Agreements – Passenger Facility Charge Application Support Services – Ricondo & Associates

Staff presented to the Committee for recommendation for approval by the Commission two Professional Services Agreements ("Agreements") to Ricondo & Associates Inc., for Passenger Facility Charge ("PFC") application support services. These services will be for an Amended PFC Application No. 15 and new PFC Application No. 16. The costs for these services are \$20,000 and \$59,000, respectively, for a total of \$79,000. The cost of these services is PFC eligible and will be included as a part of each PFC application.

MOTION

Commissioner Selvidge moved approval; seconded by Commissioner Gharpetian.

MOTION APPROVED

The motion was voted for approval (2–0, one absent).

6. Items for Discussion

a. Committee Pending Items

Staff informed the Committee of future pending items that will come to the Committee for review.

7. Other Contracts and Leases

There were no other contracts or leases.

8. Adjournment

There being no further business, the meeting was adjourned at 10:42 a.m.

**MINUTES OF THE REGULAR MEETING OF THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY**

MONDAY, SEPTEMBER 17, 2018

A regular meeting of the Burbank-Glendale-Pasadena Airport Authority was called to order this date in the Airport Skyroom, 2627 Hollywood Way, Burbank, California, at 9:00 a.m., by Vice President Adams.

1. ROLL CALL

Present: Commissioners Adams, Brown, Gharpetian, Devine, Tornek, Madison and Selvidge

Absent: Commissioners Sinanyan and Wiggins

Also Present: Staff: Frank Miller, Executive Director; John Hatanaka, Senior Deputy Executive Director; Nerissa Sugars, Marketing Communications and Air Service Manager; Tom Janowitz, Senior Manager, Ground Access; Tom Lenahan, Fire Chief; Mike Duong, Senior Manager, Business and Compliance

2. PLEDGE OF ALLEGIANCE

Commissioner Adams led the assembly in the recitation of the Pledge of Allegiance to the Flag.

3. APPROVAL OF AGENDA

The agenda was approved as presented.

4. PUBLIC COMMENT

There were no public speakers.

5. CONSENT CALENDAR

**a. Committee Reports
(For Noting and filing)**

**1) Operations and
Development
Committee**

Approved minutes of the Operations and Development Committee meeting for July 16, 2018, were included in the agenda packet for information purposes.

(i) July 16, 2018

**2) Finance and
Administration
Committee**

Approved minutes of the Finance and Administration Committee meeting for July 16, 2018, were included in the agenda packet for information purposes.

(i) July 16, 2018

**2) Legal, Government
and Environmental
Affairs Committee**

Approved minutes of the Legal, Government and Environmental Committee meeting for July 16, 2018, were included in the agenda packet for information purposes.

(i) July 16, 2018

**b. Commission Minutes
(For Approval)**

Minutes of the August 20, 2018, Commission meeting were included in the agenda packet for review and approval.

1) August 20, 2018

**c. Proposed Resolution No.
479 – Authorizing
Acceptance of
Transportation Security
Administration Grant
Funding**

At the August 20, 2018, meeting of the Legal, Government and Environmental Affairs Committee ("Committee"), the Committee voted unanimously (3–0) to recommend that the Commission adopt Resolution No. 479, authorizing designated senior personnel to execute documents for acceptance of Transportation Security Administration ("TSA") grant funding.

Since 1999, the Commission has authorized a small number of senior personnel to execute documents accepting Federal Aviation Administration ("FAA") grant funding on the Authority's behalf.

The Authority has now received several Transportation Security Administration ("TSA") grant awards for security-related airport improvement projects.

In anticipation of future TSA grant awards, Resolution No. 479 will establish, for TSA grant funding, document execution authorization that is equivalent to the document execution authorization for FAA grant funding. In particular, this resolution will authorize the following senior personnel to execute documents for acceptance of TSA grant awards: the Executive Director; the Senior Deputy Executive Director; the Deputy Executive Director – Finance and Administration; and the Director of Financial Services. These are the same positions that the Commission has given document execution authorization for FAA grant funding, and has given expenditure authorization under the Authority Expenditure Policy.

**d. Department of Homeland
Security Transportation
Security Administration
Other Transaction
Agreement ("Ota")
Modification**

Staff presented to the Commission for approval a modified Other Transaction Agreement ("OTA") with the Department of Homeland Security, Transportation Security Administration ("TSA"), for reimbursement of electrical and janitorial charges associated with areas used for baggage screening operations at Hollywood Burbank Airport ("Airport"). At the August 20, 2018, meeting of the Finance and Administration Committee ("Committee"), the Committee voted (2–0, one absent) to recommend that the Commission approve this OTA.

On an annual basis, the TSA and Staff review the applicable reimbursement level for electrical utility and janitorial expenses incurred by the Authority for certain operations conducted by TSA at the Airport.

Staff undertook an analysis of the current applicable rates and charges attributed to TSA's operation and requested an increase in the reimbursement amount for janitorial services of \$4,561.07 and \$1,003.08 for electrical service. TSA reviewed Staff's request and has requested a modified OTA for an annual reimbursement in the amount of \$68,841.24 for electricity and \$68,495.75 for janitorial services. The total obligated amount under the modified OTA to the Authority is \$137,336.99 for a twelve-month period ending August 31, 2019.

e. Treasurer's Report

1) June 2018

The Finance and Administration Committee reviewed the June 2018 Treasurer's Report at its meeting on August 20, 2018, and voted unanimously (2–0, one absent) to accept the Treasurer's Report and recommend to the Authority that the report be noted and filed.

MOTION

Commissioner Selvidge moved approval of the Consent Calendar, seconded by Commissioner Devine.

MOTION APPROVED

There being no objection, the motion was unanimously approved (7–0, two absent).

AYES: Commissioners Adams, Brown, Gharpetian, Tornek, Devine, Madison and Selvidge

NOES: None

ABSENT: Commissioner Sinanyan and Wiggins

6. ITEMS FOR COMMISSION ACTION

a. Award of Professional Services Agreement – InterVistas Consulting, Inc., for Air Services Development Consulting Services

Staff presented to the Commission for approval an Award of Professional Services Agreement ("Agreement") for InterVistas Consulting, Inc., for Air Services Development Consulting Services. The total proposed expenditure for these services is for an amount not-to-exceed \$70,000 to be completed within FY 2019.

Staff retained InterVistas for these consulting services during FY 2018 in connection with the Authority's general air services development efforts and at industry air service development conferences throughout the year.

InterVistas' expertise in these areas will support Staff's efforts to continue the momentum experienced to date. Additionally, InterVistas will continue to support the Airport's participation at airline-airport meetings and conferences.

At the August 20, 2018, meeting of the Operations and Development Committee ("Committee"), the Committee voted unanimously (3–0) to recommend that the Commission award the proposed Agreement to InterVistas in the not-to-exceed amount of \$70,000 and authorize the President to execute same.

MOTION

Commissioner Gharpetian moved approval; Commissioner Selvidge seconded the motion.

MOTION APPROVED

The motion was approved (7–0, two absent).

AYES: Commissioners Adams, Brown
Gharpetian, Tornek, Devine,
Madison and Selvidge

NOES: None

ABSENT: Commissioners Sinanyan and
Wiggins

**b. Award of Short Term
Parking Space
Reservation Agreement
Silverco Enterprises**

Staff presented to the Commission for approval a Short Term Parking Space Reservation Agreement ("Agreement") with Silverco Enterprises ("Silverco") for 523 spaces in Parking Lot B ("Lot B"), located on Hollywood Way. Due to an increase in its operations, Silverco has requested to utilize the parking spaces in Lot B for the parking of motor vehicles and trucks on a daily basis. Payment for these parking spaces will be in arrears and is subject to the City of Burbank's transient parking tax.

On July 16, 2018, Staff received a thirty day termination notice from Universal City Nissan, the current tenant in Lot B, to terminate their Agreement with the Burbank-Glendale-Pasadena Airport Authority ("Authority"). Months earlier, Staff had already fielded interest from Silverco regarding parking to meet their growing operation. Concurrently with the termination notice from Nissan, Staff negotiated and drafted a new Agreement for Silverco to park motor vehicles and trucks on a daily basis.

At the August 20, 2018, meeting of the Finance and Administration Committee ("Committee"), the Committee voted unanimously (2-0) to recommend that the Commission approve a Short Term Parking Space Reservation Agreement with Silverco Enterprises and authorize the Executive Director to execute same.

MOTION

Commissioner Gharpetian moved approval, seconded by Commissioner Devine.

MOTION APPROVED

There being no objection, the motion was approved (7-0, two absent).

AYES: Commissioners Adams, Brown
Gharpetian, Tornek, Devine,
Madison and Selvidge

NOES: None

ABSENT: Commissioners Sinanyan and
Wiggins

**c. Award Of Professional
Services Agreements
Passenger Facility
Charge Application
Support Services
Ricondo & Associates
Inc.**

Staff presented to the Commission for approval two Award of Professional Services Agreements ("Agreements") to Ricondo and Associate ("Ricondo") for Passenger Facility Charge ("PFC") application support services. These services will be for an amended PFC Application No. 15 and a new PFC Application No. 16. The cost for these services is \$20,000 and \$59,000, respectively, for a total amount of \$79,000. The cost of these services is PFC eligible and will be included as a part of each PFC application.

The Authority has had a PFC program since the inception of the program in 1996. Ricondo has been providing support services to the Authority since 2002 for the funding of various PFC eligible capital projects.

In addition to providing the local matching funds for Airport Improvement Program ("AIP") grants, PFC funds have been used for various eligible standalone projects such as the Common Use Passenger Processing System, which provides the computer interface that allows the airlines to utilize any ticket counter or gate.

In addition to providing the local matching funds for AIP grants, PFC Application No. 15 is primarily for the Authority to collect PFC revenues for the funding of PFC eligible portions of the proposed Replacement Passenger Terminal. PFC Application No. 16 will provide local matching revenues for AIP grants that have been applied for, as well as pay-go funding for major capital projects such as a replacement airfield lighting vault.

At the August 20, 2018, meeting of the Finance and Administration Committee ("Committee"), the Committee voted (2–0, one absent) to recommend that the Commission award two Agreements to Ricondo for PFC application support services for an amended PFC Application No. 15 and a new PFC Application No. 16 and authorize the President to execute same.

MOTION

Commissioner Tornek moved approval, seconded by Commissioner Selvidge.

MOTION APPROVED

There being no objection, the motion was approved (7–0, two absent).

AYES: Commissioners Adams, Brown
Gharpetian, Tornek, Devine,
Madison and Selvidge

NOES: None

ABSENT: Commissioners Sinanyan and
Wiggins

**d. Award of Purchase Orders
to Motorola Solutions for
Replacement of Public
Safety Radio Equipment**

Staff presented for Commission authorization the award of two separate Purchase Orders to Motorola Solutions for: 1) replacement of the Airport Fire Department's ("AFD") 12 Motorola 5000 portable radios with 12 Motorola APX 8000 series radios in the amount of \$89,154.33 and 2) to replace 8 Motorola APX Consolettes that provide radio communication for the Communication Center in the amount of \$68,911.46 and to authorize the Executive Director to execute the same.

Verdugo Dispatch ("Verdugo"), of which the Authority is an associate member, has advised its membership that the communications equipment and ancillary components will be upgraded to the Motorola 8000 series models starting in September 2018. All member cities and associated member entities will be required to upgrade their radio equipment. The proposed purchase of these portable radios and consolettes begins the conversion process with the replacement of the AFD's portable

radios and Communications Center's consolettes.

AFD has 12 Motorola 5000 portable radios originally acquired starting in 2005. These radios, due to their age and recent advancements in technology, will no longer be supported by Motorola and will not be compatible with the Verdugo Dispatch radio system upgrade.

The Communication Center relies on the consolette for the interoperability radio communications capability to the operating departments throughout the Airport, including Airport Police, Airport Fire, Operations and Maintenance as well as outside agencies. The current consolettes were acquired beginning in 2005 and have reached the end of their useful life.

The proposed radio equipment is eligible to be acquired at a discount under the Los Angeles Territory Volume Purchase Program. The program has an order deadline of no later than October 19, 2018. Staff presented this item for approval at the meeting of the Operations and Development Committee ("Committee") held immediately prior to the Commission meeting. The Committee voted unanimously (3-0) to recommend the Commission authorize approval of the two separate Purchase Orders to Motorola Solutions for 1) replacement of the Airport Fire Department's ("AFD") 12 Motorola 5000 portable radios with 12 Motorola APX 8000 series radios in the amount of \$89,154.33 and 2) to replace 8 Motorola APX Consolettes that provide radio communication for the Communication Center in the amount of \$68,911.46 and to authorize the Executive Director to execute the same.

MOTION

Commissioner Gharpetian moved approval, seconded by Commissioner Devine.

MOTION APPROVED

There being no objection, the motion was approved (7-0, two absent).

AYES: Commissioners Adams, Brown

Gharpetian, Tornek, Devine,
Madison and Selvidge

NOES: None

ABSENT: Commissioners Sinanyan and
Wiggins

**e. Regional Intermodal
Transportation Center Art
Panels Project Restart;
Termination of Fernandez
Artwork Commission
Agreement and Gail M.
Goldman Associates
Purchase Order**

At its meeting on August 17, 2018, the Legal, Government and Environmental Affairs Committee ("Committee") voted unanimously (3-0) to recommend to the Commission approval of the following: 1) restarting of the Regional Transportation Center ("RITC") art panels project; 2) termination for convenience of the Artwork Commission Agreement with Mr. Fausto Fernandez for design, fabrication, and delivery of original paintings for six RITC art columns; 3) authorization for Staff to negotiate a nominal severance payment to Mr. Fernandez in exchange for a full release; and 4) termination of the Purchase Order issued to Gail M. Goldman Associates, LLC ("Goldman") for art consultant services.

In September 2015, the Commission awarded a professional services agreement to Gail Goldman for art consultant services for coordination of the art selection and installation process for the Authority's satisfaction of the City of Burbank's Art-in-Public Places requirement for the RITC. Staff then issued a Purchase Order with Goldman for this work. The Commission increased the Purchase Order amount by \$10,000 on August 15, 2016, to reflect changes in scope of the RITC art panels project.

In December 2016, the Committee selected artist Fausto Fernandez.

On February 6, 2017, the Commission awarded Mr. Fernandez an \$85,000 Artwork Commission Agreement for the design, fabrication, and delivery of artwork to be reproduced and displayed in six RITC art columns. The contract requires the Authority to pay Mr. Fernandez in eight installments as milestones are completed. The contract can be

terminated by the Authority for convenience on five days' notice and, in such event, Mr. Fernandez has no right to compensation for unfinished tasks.

On September 18, 2017, the Commission received a presentation from Mr. Fernandez on his conceptual design for the artwork and provided input on the proposal. Mr. Fernandez subsequently modified his conceptual design but, in Staff's view, the changes do not adequately respond to the Commission's comments.

On August 17, 2018, Staff discussed the RITC art panels project with the Committee. The Committee unanimously recommended that the Commission: 1) restart the RITC art panels project; 2) terminate the contract with Mr. Fernandez for convenience; 3) authorize Staff to negotiate a nominal severance payment to Mr. Fernandez in exchange for a full release; and 4) terminate the contract with Goldman.

MOTION

Commissioner Tornek moved approval, seconded by Commissioner Devine.

MOTION APPROVED

There being no objection, the motion was approved (7–0, two absent).

AYES: Commissioners Adams, Brown
Gharpetian, Tornek, Devine,
Madison and Selvidge

NOES: None

ABSENT: Commissioners Sinanyan and
Wiggins

**7. ITEMS FOR COMMISSION
INFORMATION**

a. Airline Schedule Analysis

Staff presented to the Commission notice of changes in service, fleet mix and scheduled operating times from four airlines – Alaska Airlines, American Airlines, JetBlue and Southwest Airlines, all serving Hollywood Burbank Airport.

- b. **July 2018 Passenger/Cargo and Regional Airport Statistics** Staff presented an update on the July 2018 passenger/cargo and regional airport statistics.
- c. **July 2018 Parking and Revenue Statistics** Staff presented an update on parking revenue statistics for July 2018.
- d. **July 2018 Transportation Network Company ("TNC") Summary of Activities** Staff updated the Commission on Transportation Network Activity ("TNC") for July 2018.
- 8. **COMMISSIONER COMMENTS** There were no Commissioner comments.
- 9. **CLOSED SESSION** The meeting recessed to close session at 9:35 a.m.
 - a. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**
Initiation of Litigation (California Government Code Section 54956.9(d)(4))
1 potential case: Noise Variance Application to California Department of Transportation, Division of Aeronautics.
 - b. **THREAT TO PUBLIC SERVICES OR FACILITIES**
(California Government Code Section 54957(a))
Consultation with Director, Public Safety
 - c. **CONFERENCE WITH LABOR NEGOTIATOR**
(California Government Code Section 54957.6)
Authority Representative: Frank Miller
Employee Organization: IOE – Local 501
- Meeting Reconvened to Open Session** The meeting reconvened to open session at 10:11a.m. with the same members present.
- Closed Session Report** Staff advised the Commission voted (7–0, two absent) to begin the process on close session Item a.
- 10. **ADJOURNMENT** There being no further business, the meeting was adjourned at 10.11 a.m.

Zareh Sinanyan, President

Ross Selvidge, Secretary

Date

Date

**STAFF REPORT PRESENTED TO THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
OCTOBER 1, 2018**

**AUDITOR REQUIRED COMMUNICATIONS FOR
THE FY 2018 AUDITS**

SUMMARY

In accordance with applicable professional standards, the Authority's auditor, Macias Gini & O'Connell LLP ("MGO") has provided the attached letter to the Commission outlining its audit responsibilities, and planned scope and timing of the FY 2018 audits. Also attached is a copy of the annual engagement letter, which substantially conforms to the professional services agreement between the Authority and MGO for audit services. At the September 17, 2018, meeting of the Finance and Administration Committee, it was voted unanimously (3–0) to recommend to the Commission that it note and file these Auditor communications.

BACKGROUND

In accordance with professional standards issued by the American Institute of Certified Public Accountants ("AICPA"), MGO has issued the attached letter which (1) outlines its responsibilities under U.S. Generally Accepted Auditing Standards, *Government Auditing Standards*, and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance") related to the Single Audit of federal grant programs; and (2) outlines its planned scope and timing of the FY 2018 audits. The Auditor's responsibilities and management's responsibilities are detailed in the accompanying letters.

As the Committee functions as the Authority's Audit Committee, this letter provides a basic outline of the auditor's responsibilities related to the audits, together with its basic audit approach in accordance with professional standards.

Staff met with the MGO partner, director, manager and senior auditor on June 26, 2018, for an audit planning meeting to discuss in detail any significant accounting, auditing and reporting matters that may affect the FY 2018 audits, as well as to discuss the timing of audit fieldwork and reporting. Audit fieldwork will begin on August 13, 2018, with the final reports expected to be issued no later than November 9, 2018.

RECOMMENDATION

At the September 17, 2018, meeting of the Finance and Administration Committee, it was voted unanimously (3–0) to recommend to the Commission that it note and file these Auditor communications.



Certified
Public
Accountants

May 22, 2018

To the Board of Commissioners
Burbank-Glendale-Pasadena Airport Authority

We are engaged to audit the financial statements of the Burbank-Glendale-Pasadena Airport Authority (the Authority) for the year ended June 30, 2018. We are also engaged to perform a compliance audit of the Passenger Facility Charge Program in accordance with compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration, and of the Customer Facility Charge Program in accordance with compliance requirements set forth under the *California Civil Code Section 1936, as amended*, and an examination on the Authority's compliance with covenants and other requirements as outlined in any the related indentures issued related to outstanding debt issues. Professional standards require that we provide you with the following information related to our audit. We would also appreciate the opportunity to meet with you to discuss this information further since a two-way dialogue can provide valuable information for the audit process.

Our Responsibility under Auditing Standards Generally Accepted in the United States of America, Government Auditing Standards, Uniform Guidance, Facility Charge Audit Guide for Public Agencies, issued by the Federal Aviation Administration, and the California Civil Code

As stated in our engagement letter dated May 22, 2018, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audits, we will consider the Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. We will also consider internal control over compliance with requirements that could have a direct and material effect on a major federal program as described by the Uniform Guidance, compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, and the compliance requirements described in the *California Civil Code*; in order to determine our auditing procedures for the purpose of expressing our opinions on compliance and to test and report on internal control over compliance in accordance with those requirements.

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we will perform tests of its compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions is not an objective of our financial statement audit. Also in accordance with Uniform Guidance, we will examine, on a test basis, evidence about the Authority's compliance with the types of compliance requirements described in the *Office of Management and Budget (OMB) Compliance Supplement* applicable to each of its major federal programs for the purpose of expressing an opinion on the Authority's compliance with those requirements. While our audit will provide a reasonable basis for our opinion, it will not provide a legal determination on the Authority's compliance with those requirements.

Generally accepted accounting principles provide for certain required supplementary information (RSI) to supplement the basic financial statements. Our responsibility with respect to Management's Discussion and Analysis, which supplements the basic financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI will not be audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we will not express an opinion or provide any assurance on the RSI.

We have been engaged to report on Schedule of Expenditures of Federal Awards, Schedule of Passenger Facility Charge Revenues and Expenditures, Schedule of Customer Facility Charge Revenues and Expenditures, which accompany the financial statements but are not RSI. In addition, we will also conduct an examination on the Authority's compliance with covenants and other requirements as outlined in any indentures issued related to outstanding debt issues. Our responsibility for this supplementary information, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Planned Scope, Timing of the Audit, and Other

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

We expect to begin our audit on approximately August 13, 2018 and issue our report no later than November 9, 2018. Jim Godsey is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

This information is intended solely for the use of the Members of the Board of Airport Commissioners and management of the Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



Jim Godsey, *Partner*
Macias Gini & O'Connell LLP



Certified
Public
Accountants

May 22, 2018

To the Board of Airport Commissioners

Burbank-Glendale-Pasadena Airport Authority
2627 N Hollywood Way
Burbank, California 91505

We are pleased to confirm our understanding of the services we are to provide Burbank-Glendale-Pasadena Airport Authority (the Authority) for the year ended June 30, 2018. We will audit the basic financial statements of the Authority as of and for the year ended June 30, 2018. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Authority's 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 financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Authority's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding 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 will 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. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis

We have also been engaged to report on supplementary information other than RSI that accompanies the Authority's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole:

1. Schedule of Expenditures of Federal Awards
2. Schedule of Passenger Facility Charge Revenues and Expenditures
3. Schedule of Customer Facility Charge Revenues and Expenditures

We will also perform a compliance audit on the Authority's federal award programs in accordance with 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 Passenger Facility Charge Program in accordance with compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration, and the Customer Facility

Charge Program in accordance with compliance requirements set forth under the *California Civil Code Section 1936, as amended*. In addition, we will also conduct an examination on the Authority's compliance with covenants and other requirements as outlined in any Indentures issued related to outstanding debt issues.

Audit Objectives

The objective of our audit is the expression of an opinion as to whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on—

1. Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
2. Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).
3. Internal control over Passenger Facility Charge Program and an opinion (or disclaimer of opinion) on compliance with requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration.
4. Internal control over Customer Facility Charge Program and opinion (or disclaimer of opinion) on compliance with requirements described in the *California Civil Code Section 1936, as amended*.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of 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 and compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration, the *California Civil Code Section 1936, as amended*; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Board of Airport Commissioners of the Authority.

We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. 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 will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with accounting principles generally accepted in the United States of America and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the Authority and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

As required by the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance requirements applicable to the program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration.

As required by the *California Civil Code Section 1936, as amended*, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to the program. However, our tests will be less in scope that would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the *California Civil Code Section 1936, as amended*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Authority's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *Office of Management and Budget (OMB) Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the Authority's major programs. The purpose of these procedures will be to express an opinion on the Authority's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

The *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration, requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to the program. Our procedures will consist of tests of transactions and other applicable procedures described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by Federal Aviation Administration for the types of compliance requirements that could have a direct and material effect on the Authority's program. The purpose of these procedures will be to express an opinion on the Authority's compliance with requirements applicable to the program in our report on compliance issued pursuant to the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration.

The *California Civil Code Section 1936, as amended*, requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to the program. Our procedures will consist of tests of transactions and other applicable procedures described in the *California Civil Code Section 1936, as amended*, for the types of compliance requirements that could have a direct and material effect on the Authority's program. The purpose of these procedures will be to express an opinion on the Authority's compliance with requirements applicable to the program in our report on compliance issued pursuant to the *California Civil Code Section 1936, as amended*.

Section 6.05 to Article VI of the Indenture dated May 1, 2005, as amended by the Fourth Mellon Trust Company (Section 6.05 to Article VI), requires us to plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to the program. Our procedures will consist of tests of transactions and other applicable procedures described in *Section 6.05 to Article VI*, for the types of compliance requirements that could have a direct and material effect on the Authority's program. The purpose of these procedures will be to express an opinion on the Authority's compliance with requirements applicable to the program in our report on compliance issued pursuant to *Section 6.05 to Article VI*.

Management Responsibilities

Management is responsible for the financial statements, schedule of expenditures of federal awards, and all accompanying information as well as all representations contained therein. Management is also responsible for identifying all federal awards received and understanding and complying with the compliance requirements, and for preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in accordance with the requirements of the Uniform Guidance.

Management is responsible for (1) establishing and maintaining effective internal controls, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with accounting principles generally accepted in the United States of America; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the Authority from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements as a whole.

Your responsibilities also include identifying significant vendor relationships in which the vendor has responsibility for program compliance and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Authority involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Authority received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the Authority complies with applicable laws, regulations, contracts, agreements, and grants.

Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon, or make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with accounting principles generally accepted in the United States of America. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon, or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with accounting principles generally accepted in the United States of America; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America; (3) the methods of measurement or presentation have not changed from those used in

the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

Assistance from the Authority

We understand that your employees will prepare all cash, accounts receivable, or other confirmations and schedules we request and will locate any documents selected by us for testing. Further, the Authority will provide us with access to the internet for the purpose of access to our workpapers.

Data Collection Form

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditors' reports or nine months after the end of the audit period.

Report Copies

We will provide copies of our reports to the Board of Airport Commissioners; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

Audit Documentation

The audit documentation considered to be proprietary in nature for this engagement is the property of Macias Gini & O'Connell LLP (MGO) and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to cognizant oversight agency for audit or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of MGO personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven (7) years after the report release date or for any additional period requested by the cognizant agency or the oversight agency for audit, or pass-through entity. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation. However, MGO does not keep any original client records, so we will return those to you at the completion of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agencies. By your signature below, you acknowledge and agree that upon expiration of the seven-year period, MGO shall be free to destroy our records related to this engagement.

Engagement Partner

We expect to begin our audit on approximately August 13, 2018 and to issue our reports no later than November 9, 2018. Jim Godsey is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Fees

Our fees are outlined in the Contract No. A6261 dated July 10, 2017.

Independence

Professional and certain regulatory standards require us to be independent, in both fact and appearance, with respect to the Authority in the performance of our services. Any discussions that the Authority representatives have with professional personnel of MGO regarding employment could pose a threat to our independence. Therefore, you agree to inform us prior to any such discussions so that we can implement appropriate safeguards to maintain our independence.

General

Government Auditing Standards require that we provide you with a copy of the most recent external peer review report and any letter of comment, and any subsequent peer review reports and letter of comments received during the period of the contract. Our 2015 peer review report accompanies this letter.

We appreciate the opportunity to be of service to the Authority and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

A handwritten signature in blue ink, appearing to read "J. V. Godsey", written over a horizontal line.

Jim Godsey, *Partner*
Macias Gini & O'Connell LLP

RESPONSE:

This letter correctly sets forth the understanding of the Burbank-Glendale-Pasadena Airport Authority.

Management signature:  _____

Title: Deputy Executive Director, Finance and Administration

Date: 8/16/18

**STAFF REPORT PRESENTED TO THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
OCTOBER 1, 2018**

**APPROVAL OF SERVICES AGREEMENT
WITH
THE REGENTS OF THE UNIVERSITY OF CALIFORNIA,
ON BEHALF OF THE UCLA CENTER FOR PREHOSPITAL CARE
FOR
EMT CONTINUING EDUCATION AND QUALITY IMPROVEMENT SERVICES**

SUMMARY

At the September 17, 2018, meeting of the Operations and Development Committee ("Committee"), the Committee voted unanimously (3–0) to recommend that the Commission approve a proposed three-year Services Agreement ("Agreement"), copy attached, with The Regents of the University of California, on behalf of the UCLA Center for Prehospital Care ("UCLA"), for emergency medical technician ("EMT") continuing education and quality improvement at the initial annual rate of \$22,500 subject to a Consumer Price Index ("CPI") adjustment each year thereafter.

DESCRIPTION

UCLA is the leading emergency and prehospital academic center on the West Coast. Founded in 1988, UCLA designs, develops and offers medical education and quality improvement programs to the meet needs of the prehospital community and conducts research to advance the emergency medical services industry. For over 30 years, UCLA has provided state-of-the-art education to law enforcement, firefighters, EMTs, Paramedics, Registered Nurses, Medical Students, Medical Residents and Physicians.

DETAILS

Educators work within the chain of command structure in the fire department and deliver continuing education, perform quality improvement and support the department in delivering patient care for the community the agency serves.

Training will be done through a collaborative process where the EMS Educator regularly meets with the Airport Fire Department EMS Coordinator to discuss short and long-term department plans, performance on quality indicators, and educational strategies to provide informal discussions, formal continuing education sessions, field ride-along observation and the track quality indicators.

These activities are summarized in quality improvement meetings for department leadership and participating department members.

This Service Agreement is for a period of three years at a rate of \$22,500 in the first year and adjusted by the applicable CPI for the greater Los Angeles area for each subsequent year thereafter for the term of the Agreement. The Agreement may be terminated by either

party without cause with a 60-day written notice to the other party and/or terminated with a 30-day written notice for cause or material breach of the Agreement.

FUNDING

Funding for this training program was included in the adopted FY 2019 Budget and will be requested in subsequent budget years should the program be continued.

RECOMMENDATION:

At the September 17, 2018, meeting of the Operations and Development Committee, the Committee voted unanimously (3–0) to recommend that the Commission approve the Service Agreement with The Regents of the University of California, on behalf of the UCLA Center for Prehospital Care, for Airport Fire Department emergency medical technician continuing education and quality improvement program and authorize the President to execute the same.

UCLA
And
Burbank-Glendale-Pasadena Airport Authority
Services Agreement

This Agreement (“Agreement”) is made and entered as of August __, 2018 by and between The Regents of the University of California, a California constitutional corporation, on behalf of the UCLA Center for Prehospital Care (“UCLA”) and the Burbank-Glendale-Pasadena Airport Authority (“Authority”).

RECITALS

- A. The UCLA Center for Prehospital Care conducts continuing education in prehospital and emergency medicine for students to maintain licensure as an EMT-Basic and Paramedic (referred to as “CE Programs”) and provides quality improvement services to maintain or enhance the quality of patient care (referred to as “QI Services”).
- B. Authority desires to utilize the QI Services to maintain the certifications of Hollywood Burbank Airport Fire Department (“Department”) personnel and to continue to deliver quality patient care to visitors and workers at the Hollywood Burbank Airport (“Airport”).

NOW THEREFORE, the parties hereby agree as follows:

Article 1

Rights and Responsibilities of UCLA

- 1.1 **Provide an EMS Educator ("Educator").** UCLA shall provide an Educator(s) to Department to conduct CE Programs and QI Services as described herein. The Educator(s) shall be subject to the mutual approval and selection of both UCLA and Department.
- 1.2 **Provide CE Programs.**
 - 1.21 **Scheduling CE Programs.** UCLA shall provide and schedule CE Programs on each of three shifts for two hours every other month at the start of the term of this Agreement. UCLA shall develop a schedule and submit it to Department for approval.
 - 1.22 **CE Program Content.** All Education Programs shall have content that meets the criteria established by the County of Los Angeles and the State of California to fulfill EMT-Basic continuing education and recertification requirements. Content shall be developed in collaboration with Department.
- 1.3 **Provide QI Services.**
 - 1.31 **On Site Evaluation.** Direct observation via ride alongs will be provided to evaluate Department personnel under field conditions. The Educator shall design and provide education to any specific needs identified. This will be conducted on each shift every other month for approximately four to five hours for each shift.
 - 1.32 **Quality Improvement Activities.** The Educator shall develop, coordinate and maintain a quality improvement plan for

Department. This shall include: developing a system to review Department's patient care reports, developing patient care report review criteria, reviewing patient care reports, coordinating quarterly quality improvement meetings, providing direct field observation, developing a plan to evaluate the competency of Department personnel, assisting in fact-finding for specific incidents, assisting with Department's exposure control program, and attending the Los Angeles County EMS Agency Quality Improvement Committee meetings to gather information regarding updates and changes to policies and/or procedures and reporting to Department.

1.33 **Reports and Records.** The Educator will report on QI Activities to the Fire Chief and QI designee (as identified in Section 3.2) and implement any recommendations under the direction of the QI Designee.

1.4 **Additional Services.** The Educator may provide additional CE Program and QI Services beyond time or effort of the services described in Section 1.2 or Section 1.3 to meet the needs of Department, as agreed to by the parties.

Article 2

Confidentiality

2.1 **Definition.** For purposes of this Agreement, the term "Confidential Information" shall mean any information disclosed in order to accomplish the work under this Agreement by one party ("Disclosing Party") to another party ("Receiving Party")

that is considered confidential by the Disclosing Party, and is considered confidential or privileged under federal or state law, provided such information is in writing or other tangible form and clearly marked as confidential when disclosed, or is so designated in writing within thirty (30) days of such disclosure. The parties agree to disclose only information that is necessary to the work, and/or as required under federal or state law, and to send such information directly to the parties noticed in Section 9 of this Agreement.

2.2 **Obligations of the parties.** The Receiving Party agrees, to the extent permitted by law, that Confidential Information shall remain the property of the Disclosing Party and that the Receiving Party shall only use, disclose or distribute Confidential Information within its own organization as is reasonably necessary to carry out the intent of this Agreement, and/or as required under federal or state law. For the period of the Agreement and for a period of five (5) years after disclosure, Confidential Information shall not be used or disclosed to others except in furtherance of this Agreement, provided, however, that the foregoing obligation of non-use and non-disclosure shall not apply to any portion of the Confidential Information that:

2.21 is or shall have been known to the Receiving Party before receipt thereof;

2.22 is or shall have been disclosed to the Receiving Party by a third party;

2.23 is or shall have become known to the public other than through the Receiving Party;

2.24 is independently created by the Receiving Party's personnel who have had no exposure to the Confidential Information; or

2.25 is required by state or federal law, regulation, a court of competent jurisdiction or any rules of civil procedure applicable to any court or administrative proceeding to be disclosed.

- 2.3 **Return of Confidential Information.** Upon the expiration or earlier termination of this Agreement, to the extent permitted by law, the Receiving Party shall promptly return to the Disclosing Party all Confidential Information of the Disclosing Party and any copies made thereof, whether in written, electronic or any other form.

Article 3

Rights and Responsibilities of Authority

- 3.1 **Provide Space and Equipment.** Authority shall provide a classroom in sufficient to provide quality instruction, audiovisual equipment; a desk and with file space for use by the Educator while at the Airport; and access to Department training equipment and supplies for the purposes of instruction.
- 3.2 **Designate QI Person.** Authority shall designate a person responsible for QI Services in Department and to receive the information under this Agreement and direct the QI Activities ("QI Designee").
- 3.3 **Responsibility.** Authority understands and accepts the responsibility for the clinical activities and care provided by its employees and agents and for the implementation of the QI Services under this Agreement. Authority agrees that UCLA shall not be responsible for these clinical activities or the implementation of the QI Services.

Article 4

Term

- 4.1 The term of this Agreement shall be for three (3) years, from July 1, 2018 through June 30, 2021.

Article 5

Termination

- 5.1 **Termination without Cause.** Either party may terminate this Agreement at any time without cause by providing the other party with sixty (60) days written notice to the names set forth in Article 9 below.
- 5.2 **Termination for Cause.** Either party may terminate this Agreement for cause or a material breach by providing the other party with thirty (30) days written notice to the names set forth in Article 9 below. If the breaching party fails to cure the breach, the termination shall be effective at the end of the thirty (30) day period.

Article 6

Payment

- 6.1 **Compensation for Services.** Authority agrees to compensate UCLA for the services provided by the Educator under this Agreement in the amount of \$22,500 per year. UCLA shall bill the Authority \$1,875 monthly. At the end of each one-year term, as set forth in section 4.1 UCLA shall increase the cost of services by changes in Consumer Price Index for the greater Los Angeles area to cover increases in the cost to deliver services. Authority shall pay this amount due within 30 days of receipt of the invoice from UCLA.

6.2 **Compensation for Additional Services.** Authority agrees to compensate UCLA for additional services referred to in Section 1.4 requested by the Fire Chief and approved by UCLA at an approved billable rate (currently \$85.00 per hour). The approved rate will be shared with Authority annually by March 31 for implementation July 1.

6.3 **Payment.** Any payment to UCLA made pursuant to this Agreement shall be made by check payable to the Regents of the University of California and mailed to:

Business Services Director
UCLA Center for Prehospital Care
10990 Wilshire Blvd., Suite 1450
Los Angeles, CA 90024

Article 7

Insurance

7.1 The parties agree to obtain and maintain the insurance set forth in **Exhibit A**.

Article 8

Indemnification

8.1 Authority agrees to defend, indemnify, and hold harmless UCLA, its officers, employees and agents from and against any and all liability, loss, expense (including reasonable attorneys' fees) or claims for injury or damages arising out of the performance of this Agreement, but only in proportion to and to the extent such liability, loss, expense, attorneys' fees, or claims for injury or damages are

caused by or result from the negligent or intentional acts or omissions of Authority, its officers, employees or agents.

- 8.2 UCLA agrees to defend, indemnify, and hold harmless Authority, its officers, employees and agents from and against any and all liability, loss, expense (including reasonable attorneys' fees) or claims for injury or damages arising out of the performance of this Agreement, but only in proportion to and to the extent such liability, loss, expense, attorneys' fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of UCLA, its officers, employees or agents.

Article 9

Notice

- 9.1 Any notice required to be given to any party is deemed to have been given and to be effective on the date of delivery if delivered in person, or five (5) days after mailing if mailed by first-class certified mail, postage paid, or on the date of the fax confirmation if made by fax, to the respective addresses given below or to any other address as designated in writing to the other party:

UCLA:

Todd LeGassick
Executive Director
UCLA Center for Prehospital Care
10990 Wilshire Blvd., Suite 1450
Los Angeles, CA 90024

With a copy to:

UCLA Healthcare Legal Affairs

924 Westwood Blvd., Suite 1050

Los Angeles, CA 90024

Authority:

With a copy to:

Article 10

Use of Name

- 10.1 Neither party may use the name of the other, including the name UCLA, the Regents of the University of California, or the University of California, in any advertising, publicity, or otherwise, without the prior written approval of the authorized representative of the other party. For UCLA, any such request shall be sent to the names and addresses in Article 9 above.

Article 11

General Terms

- 11.1 **Relationship.** This Agreement is not construed as creating a partnership, joint venture, or agency relationship among the parties. The relationship between the parties shall at all times be that of independent contractors.
- 11.2 **Governing Law.** This Agreement must be interpreted and construed according to the laws of the State of California.
- 11.3 **Modifications.** Any amendments or modifications to this Agreement must be in writing and signed by authorized representatives of both parties.
- 11.4 **Assignment.** Neither party may assign its rights, duties, or obligations under this Agreement, either in whole or in part, without the prior written consent of the other party.
- 11.5 **Severability.** The provisions of this Agreement are severable. If any provision of this Agreement is determined to be invalid or unenforceable under any controlling body of law, the invalidity or enforceability does not in any way affect the validity or enforceability of the remaining provisions of this Agreement.
- 11.6 **Waiver.** Waiver by any party of any breach of any provision of this Agreement or warranty or representation shall not be construed as a waiver of any subsequent breach of the same or any other provision. The failure to exercise any right in this Agreement shall not operate as a waiver of such right.
- 11.7 **Entire Agreement.** This Agreement, and the Exhibits, contain the entire Agreement between the parties with respect to the subject matter of the

Agreement and supersedes all prior written or oral agreements with respect to the subject matter in the Agreement.

- 11.8 **No Third Party Beneficiaries.** None of the provisions contained in this Agreement are intended by the parties, nor shall they be deemed, to confer any benefit on any person not a party to this Agreement.
- 11.9 **Non-solicitation.** Authority agrees that it will not solicit UCLA Educator(s) for employment at Authority during the term of the Agreement and for twelve (12) months after the end of its term.
- 11.10 **Review of electronic files.** Authority agrees that UCLA Educator(s) will have access to review electronic patient care reports to review for audit purposes with respect to the services provided under this Agreement.

SIGNATURE PAGE FOLLOWS

IN WITNESS THEREOF, the parties hereto have executed this Agreement on the dates indicated.

DATE: 8/14/18

By: The REGENTS OF THE UNIVERSITY OF CALIFORNIA, on behalf of the UCLA Center for Prehospital Care

By: 

On behalf of UCLA

John Mazziotta, M.D.

Vice Chancellor, Health Sciences & CEO
UCLA Health

DATE: _____

BURBANK-GLENDALE-PASADENA
AIRPORT AUTHORITY

By: _____

On behalf of Authority

Print Name

Title

Exhibit A
Insurance

I. UCLA

UCLA at its sole cost and expense shall insure or self-insure its activities in connection with this Agreement by maintaining programs of self-insurance as follows:

1. General Liability Self-Insurance with a limit of five hundred thousand dollars (\$500,000) per occurrence and a general aggregate of five million dollars (\$5,000,000).
2. Business Automobile Liability Self-Insurance Program for owned, non-owned, or hired automobiles with a combined single limit of not less than five million dollars (\$5,000,000) per occurrence.
3. Professional Medical and Hospital Liability Self-Insurance Program with limits of five million dollars (\$5,000,000) per occurrence and a general aggregate of five million dollars (\$5,000,000).
4. Workers' Compensation and Employers Liability Self-Insurance Program covering University's full liability under the Workers' Compensation Insurance and Safety Act of the State of California as amended from time to time.
5. Such other insurance in such amounts which from time to time may be reasonably required by mutual consent of the parties against other insurable risks relating to performance.

It should be expressly understood, however, that the coverages required under Sections 1, 2, and 3 above shall not in any way limit the liability of UCLA. If such insurance is written on a claims-made form, it shall continue for three years following termination of this Agreement. The insurance shall have a retroactive date prior to or coinciding with the effective date of this Agreement.

The coverages referred to under Sections 1 and 2 above shall include Authority as additional insured. Such a provision, however, shall apply only in proportion to and to the extent of the negligent acts or omissions of UCLA, its officers, employees and agents under this Agreement. UCLA, upon execution of this Agreement, shall furnish Authority with Certificates of Self-Insurance evidencing compliance with all requirements.

II. Authority

Authority at its sole cost and expense shall insure or self-insure its activities in connection with this Agreement by maintaining programs of self-insurance as follows:

1. General Liability Self-Insurance with a limit of two million dollars (\$2,000,000) per occurrence a general aggregate of five million dollars (\$5,000,000).
2. Business Automobile Liability Self-Insurance Program for owned, non-owned, or hired automobiles with a combined single limit of not less than two million dollars (\$2,000,000) per occurrence with additional coverage available.
3. Workers' Compensation and Employers Liability Self-Insurance Program covering Department's full liability under the Workers' Compensation Insurance and Safety Act of the State of California as amended from time to time.
4. Such other insurance in such amounts which from time to time may be reasonably required by mutual consent of the parties against other insurable risks relating to performance.

It should be expressly understood, however, that the coverages required under Sections 1, and 2 above shall not in any way limit the liability of Authority. If such insurance is written on a claims-made form, it shall continue for three years following termination of this Agreement. The insurance shall have a retroactive date prior to or coinciding with the effective date of this Agreement.

The coverages referred to under Sections 1 and 2 above shall include UCLA as additional insured. Such a provision, however, shall apply only in proportion to and to the extent of the negligent acts or omissions of Authority, its officers, employees and agents under this Agreement. Authority, upon execution of this Agreement, shall furnish UCLA with Certificates of Self-Insurance evidencing compliance with all requirements.

III. NOTICE

Each party shall provide the other with at least thirty (30) days advance written notice to the names set forth in Article 9 of this Agreement of any changes, modifications or cancellations of the above coverages.

**STAFF REPORT PRESENTED TO THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
OCTOBER 1, 2018**

**AWARD OF PURCHASE ORDER
FOR REPLACEMENT OF
SELF-PARKING LICENSE PLATE RECOGNITION ("LPR") CAMERA SYSTEM
SENTRY CONTROL SYSTEMS LLC**

SUMMARY

At the September 17, 2018, meeting of the Operations and Development Committee ("Committee"), the Committee voted unanimously (3–0) to recommend that the Commission authorize the issuance of a Purchase Order in the amount of \$196,476 to Sentry Control Systems LLC ("Sentry") for the replacement and upgrade of the self-parking License Plate Recognition ("LPR") camera system that has reached the end of its useful life. The LPR camera system is an integral component of the Airport's overall self-park revenue controls. Appropriations in the amount of \$200,000 are included in the Burbank-Glendale-Pasadena Airport Authority ("Authority") FY 2019 Adopted Budget for this project. A copy of the proposal is attached.

BACKGROUND

The self-parking operation, which accounts for approximately \$12 million of the \$20.1 million in FY 2018 total gross public parking revenues, utilizes the Skidata Parking and Revenue Control System ("PARCS"). In 2008, the Authority awarded the purchase and installation of the current Skidata PARCS to Sentry. Sentry is the exclusive authorized Skidata PARCS System provider in the United States. An integral revenue control feature of this system is the LPR cameras. The LPR cameras, management server, and associated hardware and software have now reached the end of their useful life.

The LPR camera system provides real time information which the software uses to verify and match parking tickets to customer vehicle license plates. Matching license plates to tickets ensures that the correct parking fee is assessed.

PROPOSAL

The new hardware and software being proposed includes the replacement of nine LPR cameras including LPR system network communications switches, a new LPR system server, Skidata PARCS management server and installation of updated Windows software into all Skidata workstations. This proposed replacement hardware and software will support future parking programs such as the on-line parking reservation system.

FUNDING

The adopted FY 2019 capital budget includes appropriations in the amount of \$200,000 for an LPR Camera System Replacement. The cost of the proposed replacement equipment and installation services is \$196,476.

RECOMMENDATION

At the September 17, 2018, meeting of the Operations and Development Committee ("Committee"), the Committee voted unanimously (3–0) to recommend that the Commission authorize the Executive Director to issue a Purchase Order in the amount of \$196,476 to Sentry Control Systems LLC for the acquisition and installation of a replacement LPR Camera System.

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\\STAFF REPORTS\\COMMISSION\\10-1-18
AWARD OF PURCHASE ORDER FOR REPLACEMENT OF
SELF-PARKING LICENSE PLATE RECOGNITION ("LPR")
CAMERA SYSTEM SENTRY CONTROL SYSTEMS LLC



Parking Access and Revenue Control Upgrade SENTRY CONTROL SYSTEMS PROPOSAL

ISSUE DATE: 08/15/2018
VALID UNTIL: 09/14/2018

PROJECT INFORMATION			
PROJECT NAME:	HBA- LPR CAMERA UPGRADE	SENTRY CONTACT:	SAL MARTINEZ
ACCOUNT NAME:	HOLLYWOOD BURBANK AIRPORT	PHONE NUMBER:	8183815258
PROPOSAL #:	266164	E-MAIL ADDRESS:	SALM@SENTRYCONTROL.COM

PROJECT LOCATION	BILL TO INFORMATION
HOLLYWOOD BURBANK AIRPORT 2627 N. HOLLYWOOD WAY BURBANK, CA 91505 PHONE: (818) 840-8840	BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY 2627 N. HOLLYWOOD WAY BURBANK, CA 91505 PHONE: (818) 840-8840

SOLUTION SUMMARY
<u>LPR CAMERA UPGRADE:</u> INEX'S FULLY DIGITAL ALL-IN-ONE IMAGER IN SINGLE HOUSING, FAN-LESS, ULTRA-LOW POWER, SUPER-SMALL INTEL® ATOM™ PROCESSOR. DUAL-STREAMING DIGITAL COLOR OVERVIEW OUTPUT FOR COLOR SCENE IMAGING AND ONVIF-COMPLIANT VIDEO FOR VMS/NVR/DVR. SKIDATA HPE PROLIANT DL380 SERVER WITH PARKING.LOGIC VERSION 11 IOT. COMBINED RESULT, BETTER PERFORMANCE, INCREASED LEVEL OF CAMERA CAPTURE RATE. ALL PC'S UPGRADE WITH WIN10 IOT. MANAGED SWITCHES.

FINANCIAL SUMMARY			
EQUIPMENT, SOFTWARE, TAX, LABOR, FREIGHT:	\$ 173,921	EQUIPMENT WARRANTY TERM:	12 MONTHS
ANNUAL LICENSING FEES INCLUDED:	\$ 355	SERVICE OPTIONS	FIRST YEAR
SUB-CONTRACTED TOTAL:	\$ 0	SCHEDULED SERVICING	AVAILABLE
WAGE OR INSURANCE PREMIUMS:	\$ 0	EXTENDED WARRANTY	AVAILABLE
PROJECT SERVICES:	\$ 22,200	PCI - SECURITY SUPPORT	AVAILABLE
TOTAL SYSTEM INVESTMENT:	\$ 196,476	UPTIME GUARANTEE	AVAILABLE

PROJECT DATES	
YOUR DESIRED GO-LIVE	*01/12/2019

PAYMENT SCHEDULES OF VALUES			
#	PAYMENT DESCRIPTION	%	\$ AMOUNT
1	ORDER ACTIVATION – ISSUE INVOICE TO ACTIVATE ORDER	35%	\$ 68,767
2	ARRIVAL – EQUIPMENT AND SOFTWARE INVOICED AND RECEIVED AT SENTRY	25%	\$49,119
3	SUBSTANTIAL COMPLETION – AT GO-LIVE, A FINAL INVOICE WILL BE ISSUED	40%	\$ 78,590


PROPOSAL STATEMENT OF WORK

REPLACE (9) LPR CAMERAS AND ASSOCIATED CIVIL WORK.
 STRUCTURE (2) ENTRY, (3) EXIT
 LOT E (1) EXIT
 LOT C (1) ENTRY, (2) EXIT
 INSTALL NEW DL380 AND NEW MANAGEMENT SERVER
 APPLY WIN10 IOT TO ALL SKIDATA WORKSTATIONS
 CAR PARKS - STR LOT, LOT C, LOT E, LOT A, LOT B, LOT G
 MANAGED SWITCHES ALL LANES
 *SKIDATA VERSION 11 IOT UPGRADE SOFTWARE LICENSE @6 CARPARKS COVERED UNDER SERVICES AGREEMENT


SCOPE OF WORK & RESPONSIBILITIES

#	LABOR & PROFESSIONAL SERVICES	SCOPE RESPONSIBILITY
1	SENTRY WILL PROVIDE AND INSTALL MANAGED SWITCHES FOR THE PARKING SYSTEM NETWORK. MAINTENANCE OF THE NETWORK IS NOT INCLUDED UNLESS A SEPARATE MAINTENANCE CONTRACT IS PURCHASED.	SENTRY
2	SENTRY WILL PROVIDE TRAINING MANUALS AND O&M MANUALS TO CUSTOMER IN AN ELECTRONIC FORMAT. HARD COPIES CAN BE PROVIDED FOR AN ADDITIONAL COST.	SENTRY
3	NO PREVAILING WAGE REQUIREMENTS	EXCLUSIONS
4	NO UNION LABOR	EXCLUSIONS
5	NO LIQUIDATED DAMAGES	EXCLUSIONS
6	WORK PERFORMED OUTSIDE OF SENTRY'S STANDARD BUSINESS HOURS IS INCLUDED, AFTER-HOURS AND WEEKEND APPROVED.	CLARIFICATIONS
7	EXISTING EQUIPMENT WILL NOT OPERATE IN TANDEM WITH INSTALLED EQUIPMENT. CUSTOMER SHOULD PREPARE FOR MANUAL OPERATION DURING INSTALLATION.	CLARIFICATIONS




LPR LANE KITS


#	BUNDLE NAME	UNIT PRICE	QTY	EXTENDED PRICE
1	 INEX LPR LANE KIT	\$14,255.76	9	\$ 128,302


MANAGEMENT SYSTEM SOFTWARE

#	BUNDLE NAME	UNIT PRICE	QTY	EXTENDED PRICE
2	 SFTW PLATETech.LOGIC LANE PLATETech.LOGIC LICENSE PER LANE *CUSTOM BUNDLE	\$1,144.19	-9	-\$ 10,300

SKIDATA SOFTWARE					
#	BUNDLE NAME		UNIT PRICE	QTY	EXTENDED PRICE
3		PLATETECH.LOGIC LICENSING 11-30 LANES SKIDATA PLATETECH.LOGIC SERVER INSTANCES.	\$8,215.00	1	\$ 8,215

SERVER/NETWORK EQUIPMENT					
#	BUNDLE NAME		UNIT PRICE	QTY	EXTENDED PRICE
4		SQL 2016 STD SERVER LICENSE (4 CORES) MICROSOFT SQL SERVER REQUIRED LICENSE	\$8,215.00	1	\$ 8,215
5		CISCO SG350-10 CISCO 10PORT GIG POE+MGD	\$925.00	8	\$ 7,400
6		MANAGEMENT SERVER *PHYSICAL SERVER HP DL20 - XEON E3-1240V5, 500GB HD, WINDOWS SERVER 2012 R2 LICENSE NON-SKIDATA SOFTWARE SERVER	\$4,394.51	1	\$ 4,395

#	BUNDLE NAME		UNIT PRICE	QTY	EXTENDED PRICE
7		HPE PROLIANT DL380 GEN10 - 2U - 1 x 1 x XEON SILVER 4110 / 2.1 GHz - RAM 16 GB - 8 CORES HPE PROLIANT DL380 GEN10 - 2U - 1 x 1 x XEON SILVER 4110 / 2.1 GHz - RAM 16 GB - 8 CORES WIN10 IoT *SYSTEM SERVER	\$27,694.02	1	\$ 27,694

PROJECT SERVICES			
#	PROJECT SERVICE NAME	TOTAL PRICE	
1	 COMMISSIONING, PRE-INSTALLATION, SYSTEM CONFIGURATION	\$ 22,200	

RECURRING ITEMS INCLUDED IN FIRST YEAR					
#	SERVICE	START DATE	UNIT PRICE	QTY	ANNUAL TOTAL PRICE
2	PROTECT.CARE ANTI-VIRUS - SERVER	12/03/2018	\$ 354.75	1	\$ 355



Acceptance of Terms and Conditions

Purchasing Agreement with Terms & Conditions:

Initial

Installation includes mounting and commissioning of the systems listed. Sentry will assemble and test the system and verify it operate properly. Images in this proposal are for display purposes only. The table SCOPE OF WORK & RESPONSIBILITIES defines Sentry's responsibilities; changes may attract additional charges.

Sentry will provide training as well as commissioning services up to the hours stated. Additional training can be scheduled and will be provided at the rate of \$950.00 per day.

Unless specifically defined, training is to be delivered at a Sentry authorized training facility.

The cost of permits where required are not included in this proposal unless specifically stated.

This proposal is covered under the CO Mechanics Lien Laws unless specifically excluded.

Pricing Does Not include PLA—Union Labor Rates and Does Not include Prevailing Wage Labor Rates.

Payment Terms: The deposit stated above is due with acceptance of this proposal. You will be billed Net 30 as equipment is delivered to Sentry, with the balance due upon completion. A cancellation or restocking charge of 40% may be assessed on cancelled orders. Special order items may carry up to 100% cancellation / restocking fee based on factory return policies.

Invoices not paid within the terms of this proposal are subject to Service Charges at the rate of 2.0% per month. In the event outside mediation is necessary for the collection of an unpaid invoice, the customer is responsible for collection costs and reasonable Attorney's fees.

Warranty commences on the date Sentry receives materials from the parts supplier unless otherwise specifically defined. Support for manufacturer's Warranty is provided during business hours with a Hotline (remote) support of up to 15 minutes during business hours. Further support services by agreement only. Only trained and certified users of the supported software version can log and receive warranty support.

Beneficial use of the system by customer constitutes acceptance of the rates, administration of all rate changes is the sole responsibility of the customer. Sentry is able to provide additional professional services on a time and materials basis at an hourly rate is \$250, subject to change from time to time, payable thirty (30) days from receipt of invoice. Customer agrees to pay the annual or ongoing software licensing fees per this proposal when due.

The following items to be agreed to refer to separate documents available for review by hyperlink:

1. A condition of confirming the schedule your project for installation is receipt of the project deposit. The authorization of this document includes a requirement to provide details of the project's Bill To Contact, Accounts Payable Contact, Site Owner and Lender as applicable.
2. Customer covenants and agrees that it will fully and strictly comply with the Licensing and PCI acknowledgements and with all protocols and licenses outlined in the acknowledgement documents, as they may be amended from time to time.

Project Authorization

Signature:	Signature:
Name:	Name:
Title:	Title:
Organization:	Organization: Sentry Control Systems, LLC

TERMS OF WARRANTY

SENTRY CONTROL SYSTEMS LLC ("SENTRY") WARRANTS THAT ALL SKIDATA MANUFACTURED PARKING AND REVENUE CONTROL SYSTEMS (PARCS) PROVIDED BY SENTRY AND DELIVERED HEREUNDER WILL BE FREE OF DEFECTS IN MATERIAL AND WORKMANSHIP FOR A PERIOD OF 1 YEAR UNLESS COVERED BY AN EXTENDED WARRANTY AGREEMENT. ALL OTHER SUPPLIED PRODUCTS ARE WARRANTED IN ACCORDANCE WITH THAT MANUFACTURER'S TERMS.

THE PURCHASER SHALL BE OBLIGATED TO PROMPTLY REPORT ANY FAILURE TO CONFORM TO THIS WARRANTY, IN WRITTEN COMMUNICATION WITHIN SAID PERIOD, WHEREUPON SENTRY CONTROL SYSTEMS SHALL, AT ITS OPTION, CORRECT SUCH NONCONFORMITY, BY SUITABLE REPAIR TO SUCH PRODUCT OR, FURNISH REPLACEMENTS PARTS PROVIDED THE PURCHASER HAS STORED, INSTALLED, MAINTAINED AND OPERATED SUCH PRODUCT IN ACCORDANCE WITH GOOD INDUSTRY PRACTICES AND HAS COMPLIED WITH SPECIFIC RECOMMENDATIONS OF SENTRY CONTROL SYSTEMS.

SENTRY CONTROL SYSTEMS SHALL NOT BE LIABLE FOR ANY REPAIRS, REPLACEMENTS, OR ADJUSTMENTS TO THE PRODUCT OR ANY COSTS OF LABOR PERFORMED BY THE PURCHASER OR OTHERS WITHOUT SENTRY CONTROL SYSTEMS' PRIOR WRITTEN CONSENT. THE EFFECTS OF ACCIDENT, CORROSION, VANDALISM, IMPROPER USE OR INSTALLATION, ANY ACT OF GOD AND NORMAL WEAR AND TEAR ARE SPECIFICALLY EXCLUDED.

THE PURCHASER SHALL NOT CONTINUE TO OPERATE PRODUCT WHICH IS CONSIDERED TO BE DEFECTIVE WITHOUT FIRST NOTIFYING SENTRY CONTROL SYSTEMS IN WRITTEN COMMUNICATION OF ITS INTENTIONS TO DO SO. ANY SUCH USE OF PRODUCT WILL BE AT THE PURCHASERS' SOLE RISK AND LIABILITY.

A SIGNATURE BELOW INDICATES THE PURCHASER'S ACCEPTANCE OF THESE TERMS AND THAT THE EFFECTIVE DATE OF THE WARRANTY IS EITHER THE FIRST DAY OF BENEFICIAL USE OF THE SYSTEM OR SUBSTANTIAL COMPLETION, WHICHEVER IS FIRST FOR THE PRODUCT. A WARRANTY DOCUMENT ILLUSTRATING THE EFFECTIVE DATES WILL BE ISSUED TO THE PURCHASER BY SENTRY FOR ADDITIONAL GUIDANCE ONLY.

AT ANY TIME, IF THE PURCHASER RENOUNCES THE USE OF "PROTECT.CARE" ANTI-VIRUS, THE PURCHASE EXPLICITLY ACKNOWLEDGES THAT SKIDATA WILL NOT INSTALL VIRUS PROTECTION AND IS NOT LIABLE FOR ANY DAMAGE CAUSED BY LACK OF VIRUS PROTECTION. THE PURCHASER IS THEREFORE RESPONSIBLE FOR THE INSTALLATION AND UPDATING OF THE NECESSARY VIRUS PROTECTION.

CONSUMABLE ITEMS ARE SPECIFICALLY EXCLUDED FROM WARRANTY, THESE INCLUDE THERMAL PRINT HEADS AND UPS BATTERIES.

SOFTWARE CONDITIONS

THE SOFTWARE CONDITIONS SHALL APPLY IN ADDITION TO SKIDATA'S TERMS & CONDITIONS. SUBJECT MATTER OF THESE SOFTWARE CONDITIONS IS THE GRANTING OF LICENSES FOR SOFTWARE AND THE ACKNOWLEDGEMENT OF THE PCI DSS / PA DSS SECURE IMPLEMENTATION GUIDE. THE SOFTWARE CONDITIONS IN THEIR CURRENT VERSION AT THE TIME OF SUPPLY ALSO APPLY TO CURRENT AND FUTURE UPDATES, UPGRADES, SUPPLEMENTS AND SUPPORT SERVICES. SKIDATA UNIVERSAL SOFTWARE LICENSE AGREEMENT AND PCI DSS / PA DSS SECURE IMPLEMENTATION GUIDE, AND OTHER TERMS ARE SPECIFIED IN DETAIL UNDER THE FOLLOWING LINKS:

SKIDATA UNIVERSAL SOFTWARE LICENSE AGREEMENT: <http://bit.ly/2B0G07s>

PCI DSS / PA DSS SECURE IMPLEMENTATION GUIDE: <http://bit.ly/2iFokrl>

SKIDATA STANDARD HARDWARE, HOSTING AND CONSULTANCY TERMS: <https://tinyurl.com/yamg6ntp>

WITH SIGNING OF THESE TERMS AND CONDITIONS IT IS INDICATED THAT ALSO THE TERMS PRESENTED WITHIN THE SKIDATA UNIVERSAL SOFTWARE LICENSE AGREEMENT AND THE PCI DSS / PA DSS SECURE IMPLEMENTATION GUIDE HAS BEEN READ, ACKNOWLEDGED AND AGREED TO.

ACKNOWLEDGEMENT	SIGNATURE:
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**STAFF REPORT PRESENTED TO THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
OCTOBER 1, 2018**

**FIRST AMENDMENT TO THE AUTOMATED TELLER MACHINE
CONCESSION AND LEASE AGREEMENT
MOBILEMONEY, INC.**

SUMMARY

At the September 17, 2018, meeting of the Finance and Administration Committee ("Committee"), the Committee voted unanimously (3–0) to recommend that the Commission approve a proposed First Amendment to the Automated Teller Machine Concession Agreement ("Amendment") with MOBILEMONEY, INC. ("MOBILEMONEY"). The proposed Amendment would remove one Automated Teller Machine ("ATM") kiosk located at the Regional Intermodal Transportation Center ("RITC") and reduce the monthly rent paid by MOBILEMONEY for the ATM kiosk located at the Valet Center from \$300 to \$100 per month. The combined total reduction in the monthly rent would be \$500, bringing their total monthly payment from \$3,800 to \$3,300 per month.

BACKGROUND

In August 2017, Staff issued a Request for Proposal ("RFP") for a replacement ATM service provider after the previous ATM service provider, J.P. Morgan Chase, served their notice of termination upon expiration of their agreement.

MOBILEMONEY was the only responsive proposer that met all of the required minimum qualifications. The RFP required installation of four ATMs in the Terminal buildings; two ATMs pre-security and two ATMs post-security with optional locations in the RITC and the Valet Center. In their submittal, MOBILEMONEY proposed installing ATMs in all six locations.

In December 2017, MOBILEMONEY was awarded the Automated Teller Machine Concession and Lease Agreement ("Agreement"). After several months of monitoring transactional data, MOBILEMONEY determined that actual transactions were well below forecasted activity and approached Staff with a request to amend their Agreement in order to sustain ATM operations at Hollywood Burbank Airport.

Staff investigated their claim and checked ATM usage at other airports and financial institutions. Staff has been able to confirm that there is a continuing downward trend in use of ATMs at airports throughout the country as more people are embracing the use newer technology especially mobile banking, relying less on cash as a method of payment for transactions. Based upon this data, Staff is recommending that MOBILEMONEY be allowed to remove the ATM located in the RITC and reduce the rent for the ATM in the Valet Center. If approved, the proposed changes will reduce the total annual rent received by \$6,000.00.

This Amendment will allow MOBILEMONEY to maintain their operations and stay committed to fulfilling their five-year term with the Burbank-Glendale-Pasadena Airport Authority to provide ATM services at Hollywood Burbank Airport.

DETAILS

The key components of the proposed First Amendment are as follows:

Premises:	RITC ATM – Removal of one ATM Valet Center ATM – Reduction in monthly rent by \$200
Commencement Date:	October 1, 2018
Term:	No change to the current Lease expiration date of December 5, 2022. Two (2) one-year extension options available thereafter, with the written consent of the Executive Director being required for each one-year extension
Rent Reduction:	\$6,000.00 annually
Adjustments:	Three percent (3%) on the anniversary of the original commencement date of the Agreement
Termination:	Termination may be invoked by the Authority by delivering sixty (60) days' prior written notice

A copy of the proposed First Amendment to the Automated Teller Machine Concession and Lease Agreement are attached.

IMPACT ON REVENUE

The proposed First Amendment with MOBILEMONEY, INC. will reduce the total rent amount by \$500.00 per month or \$6,000.00 annually. The new annual rent will be \$39,600.00 for the Authority.

RECOMMENDATION

At the September 17, 2018, meeting of the Finance and Administration Committee ("Committee"), the Committee voted unanimously (3–0) to recommend that the Commission approve the proposed First Amendment to the Automated Teller Machine Concession Agreement with MOBILEMONEY, Inc. and authorize the President to execute the same.

**FIRST AMENDMENT TO AUTOMATED TELLER MACHINE
CONCESSION AND LEASE AGREEMENT**

This FIRST AMENDMENT TO AUTOMATED TELLER MACHINE CONCESSION AND LEASE AGREEMENT (this "Amendment") is dated as of _____, 2018 and is entered into by and between the BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY, a public entity formed under a joint exercise of powers agreement among the Cities of Burbank, Glendale and Pasadena, California, pursuant to the California Joint Exercise of Powers Act ("Landlord"), and MOBILE MONEY, INC., a California corporation ("Tenant").

RECITALS

- A. Landlord and Tenant are parties to an Automated Teller Machine Concession and Lease Agreement dated December 4, 2017 (the "Lease").
- B. Landlord and Tenant desire to amend the Lease as hereafter set forth.
- C. Capitalized terms used but not defined herein shall have the meaning set forth in the Lease.

THEREFORE, in consideration of the foregoing recitals, the mutual terms set forth below, and other consideration, the sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

- 1. Termination of Lease to One ATM Space. As of October 1, 2018, the Lease shall terminate with respect to the ATM Space in the Regional Intermodal Transportation Center (RITC), and Tenant shall comply with Section 10 of the Lease with respect thereto.
- 2. Rent. On October 1, 2018, monthly rent shall decrease to \$3,300, and shall thereafter be subject to annual adjustment under Section 3 of the Lease. Landlord and Tenant stipulate and agree that such rent is allocated to each ATM space/location as follows:

Terminal A Entrance	\$800.00 per month
Terminal A East Concourse	\$800.00 per month
Terminal B Entrance	\$800.00 per month
Terminal B Gate B4	\$800.00 per month
Valet Center	\$100.00 per month

- 3. No Other Changes. Except as expressly modified herein, all of the terms of the Lease shall remain in full force and effect.

IN WITNESS WHEREOF, this Amendment has been executed by the undersigned as of the date first written above.

LANDLORD:

BURBANK-GLENDALE-PASADENA
AIRPORT AUTHORITY, a public entity

By: _____
_____, President

TENANT:

MOBILE MONEY, INC.,
a California corporation

By: 

Lawrence Dunnwald,
President & CEO